



RFP # 12108-185

## WATER AND SEWER RATE STUDY

City of Fort Lauderdale, Florida



PREPARED BY:

**NewGen  
Strategies & Solutions**

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## 1. EXECUTIVE SUMMARY / LETTER OF INTEREST

February 12, 2018

Mr. Jim Hemphill  
Senior Procurement Specialist  
City of Fort Lauderdale  
Procurement Services Division  
100 North Andres Avenue, 6<sup>th</sup> Floor  
Fort Lauderdale, FL 33301

**Subject: RFP 12108-185 – Water and Sewer Rate Study**

Dear Mr. Jim Hemphill:

NewGen Strategies and Solutions, LLC (NewGen) is pleased to submit this proposal in response the Request for Proposal 12108-185 to conduct a Water and Sewer Rate Study (Study) for the water and sewer utilities owned and operated by the City of Fort Lauderdale, Florida (City). Our project team is comprised of industry professionals that have served the utility industry throughout our careers, are nationally recognized experts in utility economics and rate making pertinent to this RFP, brings more than **forty-five (45) combined years** of consulting experience to this engagement. However, it is not only the years of professional and consulting experience which differentiate NewGen for this project, but also our reputation for providing quality consulting services that meet the goals and objectives of our clients, while withstanding the scrutiny of regulatory and judicial bodies. NewGen's approach to the Study will facilitate and deliver a flexible and defensible roadmap for rates, while aligning with the City's financial policies, utility strategy, and stakeholder concerns.

### Background

NewGen is a management and economic consulting firm specializing in serving public sector utilities. We provide financial, cost of service, rate design, valuation, feasibility, strategy, expert witness, stakeholder, and sustainability consulting services to our clients. Our expertise includes litigation support in state and federal regulatory proceedings, utility business and financial planning, and sustainability strategy for water, wastewater, solid waste, electric, and natural gas utilities. We specialize in developing the business case in support of strategic decision-making which aligns perfectly with the parameters of this project.

***NewGen professionals provide the expertise gained from more than 130 COS studies and 125 expert witness cases and filings supporting utility customers, regulatory staff, and utilities.***

NewGen was created by consultants who are dedicated to our client's mission and recognized as experts in our respective fields of service. Our assistance to the public and private sectors is provided with a keen insight to the growing role of stakeholders, resource availability, cost of providing utility services, and economic conditions, ensuring an integrated approach to utility operations and services.

**NewGen views this assignment as an integrated effort, strategic in nature.** In today's increasingly complex and uncertain energy market, utilities must begin viewing rate making as a strategic effort. Utility rates reflect the underlying business objective and philosophy of an organization. Well-designed rates not only recover utility costs, but additionally reflect the goals of the City and the community. Our team includes a staff with proven and integrated stakeholder, rate strategy, and cost of service (COS) experience. Integrating the community's and City's values while reinforcing the rate strategy principles and measures in a COS supports broader stakeholder acceptance and endorsement. The City will benefit from our team's lessons learned and best practices gained from previous COS and stakeholder projects for leading public utilities across the country.

**Leveraging nationally recognized rate expertise and market leading models ensure the Study's defensibility.** Combining our nationally recognized rate expertise with robust and dynamic modeling capabilities produces a comprehensive analysis rendering study recommendations highly credible and defensible to stakeholders. Our COS and rate design expertise is reflected in our innovative and easy to use models and tools. NewGen has created a market leading dynamic rate making model, which utilizes creative and easy to-use visual dashboards to allow for immediate and comprehensive scenario analysis that clearly depicts impacts of rate decisions on both the utility and its customers.

NewGen's COS and rate design models, with supporting testimony provided by our staff, have been reviewed and vetted by numerous external parties involved in a municipal utility rate setting proceedings. Key members of the project team have considerable experience testifying before regulatory authorities, including City Councils and Utility Boards.

**We can communicate complex technical concepts in an understandable manner to stakeholders.** Our consultants have considerable experience training utility staff in COS and rate training principles, model use, presenting at public meetings, educating stakeholders, and conducting Council, Board, and public workshops. Our transparent, defensible, comprehensive COS approach and models provide flexibility in ratemaking and support future or evolving rates and trends.

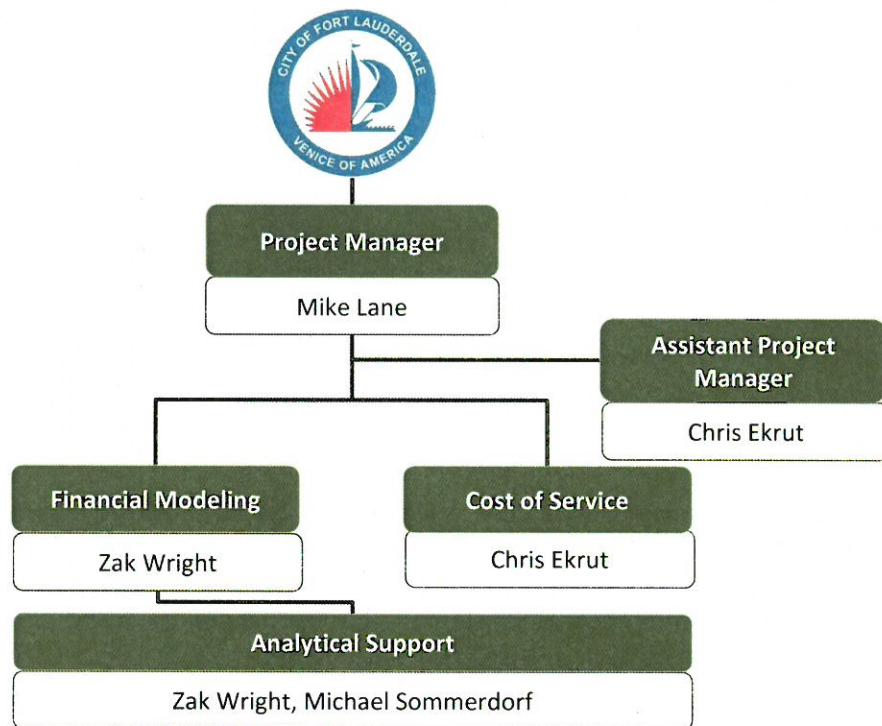
Additional information relating to NewGen, including the year NewGen was established and organized as a legal entity in the State of Florida, and other points of contact information are contained in the table below.

NewGen Information & Point of Contact	
Firm	NewGen Strategies and Solutions, LLC
Firm Headquarters	225 Union Blvd, Ste 305, Lakewood, CO 80228
Year Established / State of Incorporation	2012 / Colorado
Year Established in Florida / State of Florida Document No.	2017 / M17000004019
Offices Providing Project Services	
Primary	112 Westwood Place, Suite 165, Brentwood, TN 37027
Secondary	1300 E. Lookout Drive, Suite 100, Richardson, TX 75082
Registered Agent <sup>1</sup> and Project Point of Contact	Mike Lane, Director <a href="mailto:mlane@newgenstrategies.net">mlane@newgenstrategies.net</a> Phone: (615) 970-7875   Fax: (972) 680-2007

<sup>1</sup> Mr. Mike Lane is a member of the LLC and as such, he is authorized to sign on behalf of the firm.

## Key Personnel

NewGen's proposed Project Team members have significant experience in the development of user fees, impact fees, rate strategies, financial planning, and development of COS and rate designs for municipal utilities giving them the unique ability to provide expert consulting services to complete the tasks as required by the City. The following chart details the Project Team and their role in providing the scope of services as defined in this proposal.



Team Member	Project Role	Office Location
Mike Lane	Project Manager	Nashville, TN
Chris Ekrut	Asst. Project Manager & Cost of Service	Dallas, TX
Zak Wright	Financial Modeling & Analytical Support	Nashville, TN
Michael Sommerdorf	Analytical Support	Dallas, TX

We look forward to the prospect of developing a working relationship with the City of Fort Lauderdale that we believe can be beneficial. If you have questions concerning this proposal or would like additional information, please contact me via email at [mlane@newgenstrategies.net](mailto:mlane@newgenstrategies.net) or by phone at (615) 970-7875.

Sincerely,

**NewGen Strategies and Solutions, LLC**

Michael Lane  
Director



## 2. EXPERIENCE AND QUALIFICATIONS

### Firm Overview

Collectively, the founding members of NewGen possess more than 150 years of consulting experience. This experience has been acquired while members and/or owners were at recognized national consulting groups such as R. W. Beck, Inc. (now SAIC and Leidos), Navigant Consulting, and Touche Ross (now Deloitte), and regional practices such as Reed, Stowe & Yanke. Additionally, NewGen professionals come from the nationally recognized engineering firms of CDM Smith, Inc. and HDR Engineering, Inc. Individuals from NewGen provide the expertise gained from more than 130 COS studies and 125 expert witness cases and filings supporting utility customers, regulatory staff, and utilities.

Contact Information	
Firm	NewGen Strategies and Solutions, LLC
Firm Headquarters	225 Union Blvd, Ste 305, Lakewood, CO 80228
Phone / Fax	(720) 633-9514 / (720) 633-95355
Website	<a href="http://www.newgenstrategies.net/">http://www.newgenstrategies.net/</a>
Staff Numbers	Firm Owners / Board Members Expert and Support
Year Established / State of Incorporation	9 / 6 31
Year Established in Florida / State of Florida Document No.	2012 / Colorado 2017 / M17000004019
Offices Providing Services	Primary Secondary
Registered Agent and Project POC	112 Westwood Place, Suite 165, Brentwood, TN 37027 1300 E. Lookout Drive, Suite 100, Richardson, TX 75082 Mike Lane, Director   <a href="mailto:mlane@newgenstrategies.net">mlane@newgenstrategies.net</a> Phone: (615) 970-7875   Fax: (972) 680-2007

### Rate Strategy Plan & Stakeholder Engagement

NewGen believes that developing an overall rate strategy plan is paramount to the success of the COS and Rate Design process. Stakeholder engagement is central to the development of that rate strategy. Our team is highly experienced and focused on stakeholder engagement and rate strategy development. NewGen's approach will facilitate and deliver a flexible and dynamic roadmap for rates on a going forward basis. This road map will align with the City's financial policies, utility strategy and stakeholder concerns.

The rate strategy, COS and rate design models will:

- Provide a long-term guide for rate setting useful to educate stakeholders and support incremental rate changes over a period of time.
- Support broader acceptance by engaging stakeholders in the process.
- Support City's stewardship and sustainability performance.
- Deliver dynamic and flexible tools designed to instantly evaluate and communicate emerging rate trends and impacts to City and its customers.

## **Project Examples**

The professionals at NewGen have worked hard over the years to attract and maintain a diversified staff of professionals with exceptional skills, dedication, and talent. We have built our reputation by providing clients with solutions that are based on sound principles, economic feasibility, and innovative thinking without losing sight of budget and schedule considerations and constraints. We are proud of the long-standing relationships that we have developed with our clients.

The following project profiles and descriptions included detail the work perform for each project and demonstrate NewGen's experience as it relates to COS work. Client contact information and project costs are provided in Section 5 References of this proposal.

### **Financial Planning and Rate Modeling**

**Client/Location:** City of Denton, TX

**Project Start & End Dates:** 2016-ongoing

**Size:** ~120,000

In 2016, NewGen facilitated a workshop with Denton Municipal Electric (DME) and Denton Water Utilities (DWU) for the development of an advanced meter infrastructure electric rate model for DME and financial planning models for both utilities.



As a result of the electric rate model planning process, NewGen is in the process of developing a dynamic, Microsoft Excel based model that provides analytics of interval load data for the purposes of analyzing rate, allocations for cost-of-service (COS) studies, auditing customer class qualifications, etc. The model includes dashboards designed to manage and manipulate large amounts of data to easily convey key load profile information. The dashboards will be set up to allow the user to run scenario analyses based on changing rates by time-of-use (TOU) period, increasing distributed generation (DG), increased usage of electric vehicles (EV), etc. DME will be able to use this financial decision making tool enterprise wide for rate analysis and planning purposes

As a result of the financial planning process, NewGen is in the process of developing dynamic, fully integrated financial and budgeting models that will allow DME and DWU finance staff to quickly run and save multiple ad-hoc scenarios. These scenarios can be tailored to take into account a variety of variables such as cost escalations, retail rate changes, capital plans, retail load inflation and debt issuances. These Excel based tools will include embedded help and updating capabilities, and are compatible with NewGen's rate modeling and cost of service tools. DME and DWU will use the financial decision making tool enterprise wide for annual budgeting and financial planning purposes. The models will have a robust reporting engine that allows for a number of utility annual reports to be exported directly from the model.

### **Residential Rate Advocate in Austin Water Rate Review**

**Client/Location:** City of Austin, TX

**Project Start & End Dates:** 2016-ongoing

**Size:** ~947,000

In 2016, Members of NewGen were retained by the City of Austin (City) to serve as the residential rate advocate for Austin Water's water, reclaimed water, and wastewater cost of service and rate design study (Study). NewGen was tasked with representing the interests of the residential customer class in the process, much like the Texas Office of Public Utility Counsel often does for regulated rate cases. NewGen's role involved participating in a stakeholder engagement process, including a series of public meetings Austin Water held with a Public Involvement Committee for retail customers (as well as a separate group for wholesale customers). NewGen also held a series of independent meetings with residential customer groups around the City to explain the process and solicit feedback on important policy issues from residents. NewGen also reviewed and critiqued Austin Water's prior comprehensive rate review, completed in 2009, and the validity of the methodologies employed therein. Finally, given that any rates proposed by Austin Water were going to be reviewed by the Public Utility Commission of Texas, NewGen provided invaluable input on acceptable practices based on our extensive prior work in this venue. Throughout the process, NewGen utilized its broad experience to provide comments and guidance on the Study to ensure the interests of the residential customer class were fairly represented.



Currently, NewGen is awaiting approval from City Council to extend the scope of this engagement to include an independent hearings examiner process. This process is designed to mimic the rate review process at the Public Utility Commission of Texas. NewGen will act as an intervener in this process on behalf of the residential customer class.

### **Water, Wastewater, and Electric Rate Study**

**Client/Location:** Lafayette Utilities System; Lafayette, LA

**Project Start & End Dates:** 2016

**Size:** ~65,000

For over 20 years, NewGen has provided on-going support of LUS' water, wastewater, and electric systems (Systems) in the areas of financial planning, COS, and rate design. NewGen routinely prepares a 10-year financial model, which allows LUS to evaluate various rate and financing strategies to meet overall utility objectives. The financial planning model allows LUS to run real-time scenarios considering changes in rate levels, debt financing, and variations in their projected capital improvement plan. Additionally, the financial planning model interfaces with the utilities generation expansion planning tool and budget.



The model identifies specific known and measurable adjustments incorporated in the development of Test Year Revenue Requirements for the Systems' COS study. For each system, the Test Year Revenue Requirement is unbundled into the primary utility functions. Within each function, specific services are identified and unbundled further. Once the Revenue Requirement is unbundled, costs are classified and allocated to the various customer classes. Rates are designed in consideration of customer bill impacts and gradualism principals.

Based on the results of the various scenarios, a significant increase in base rates was required to meet the utilities' financial objectives. The financial analysis indicated that the electric, water and wastewater



systems base rates needed to be raised. Given the size of the increases, multiple-year phase-in strategies were considered and eventually a two-year rate phase-in strategy was adopted.

NewGen staff supported the LUS' management team in its interactions with the Lafayette City-Parish and the Lafayette City-Parish Council. The proposed rates were successfully adopted in the fall of 2016.

#### **Financial Planning and Budgeting Model**

**Client/Location:** Georgetown Municipal Water Sewer Service; Georgetown, KY

**Project Start & End Dates:** 2014

**Size:** ~12,000

In 2014, NewGen facilitated a workshop with the Georgetown Municipal Water and Sewer Service (GMWSS) for the development of a financial planning and budgeting tool. As a result of the financial planning process, GMWSS



**Georgetown Municipal  
Water and Sewer Service**

was delivered a dynamic, fully integrated financial and budgeting tool that allows GMWSS finance staff to instantaneously run multiple scenarios, including capital scenario analyses. This Excel based tool includes embedded help and updating capabilities and is compatible with NewGen's rate modeling and cost of service tools. GMWSS uses this financial decision making tool enterprise wide for budgeting and financial planning purposes every day.

#### **Retail Water & Wholesale and Retail Wastewater Rate Study**

**Client/Location:** City of Garland, TX

**Project Start & End Dates:** 2013

**Size:** ~237,000

In 2013, members of the NewGen Project Team were engaged by the City of Garland to conduct a water rate study for the City's retail customers and a wholesale and retail rate study for the City's wastewater customers. With this study, the City sought to bring rate analysis back in-house and, to that end, requested that NewGen develop Microsoft Excel based rate models for use by City staff. The rate models developed during the project allow City staff to easily update the required financial and customer usage information within the models and to run "what-if" scenarios regarding the long-term funding and execution of capital projects. Coupled with the rate study and rate model development, NewGen assisted in developing a new uniform wholesale wastewater contract. The City is currently working to phase-in the new uniform contract where possible, simplifying contract administration and allowing the City greater control and flexibility in establishing wholesale wastewater rates.



**GARLAND**  
TEXAS MADE HERE

Project Team members have continued to support the City in the operation of the rate models since they were prepared in 2013. As part of the continuing services agreement, NewGen is also currently assisting the City in moving from an all-inclusive sewer flow rate determined for each individual significant industrial user to a standard rate for all users that will employ an industrial strength surcharge. The goal of this project is to provide greater transparency in sewer pricing for industrial users and providing an increased price signal to encourage the reduction of BOD and TSS levels in the waste stream.

## **Financial Stability**

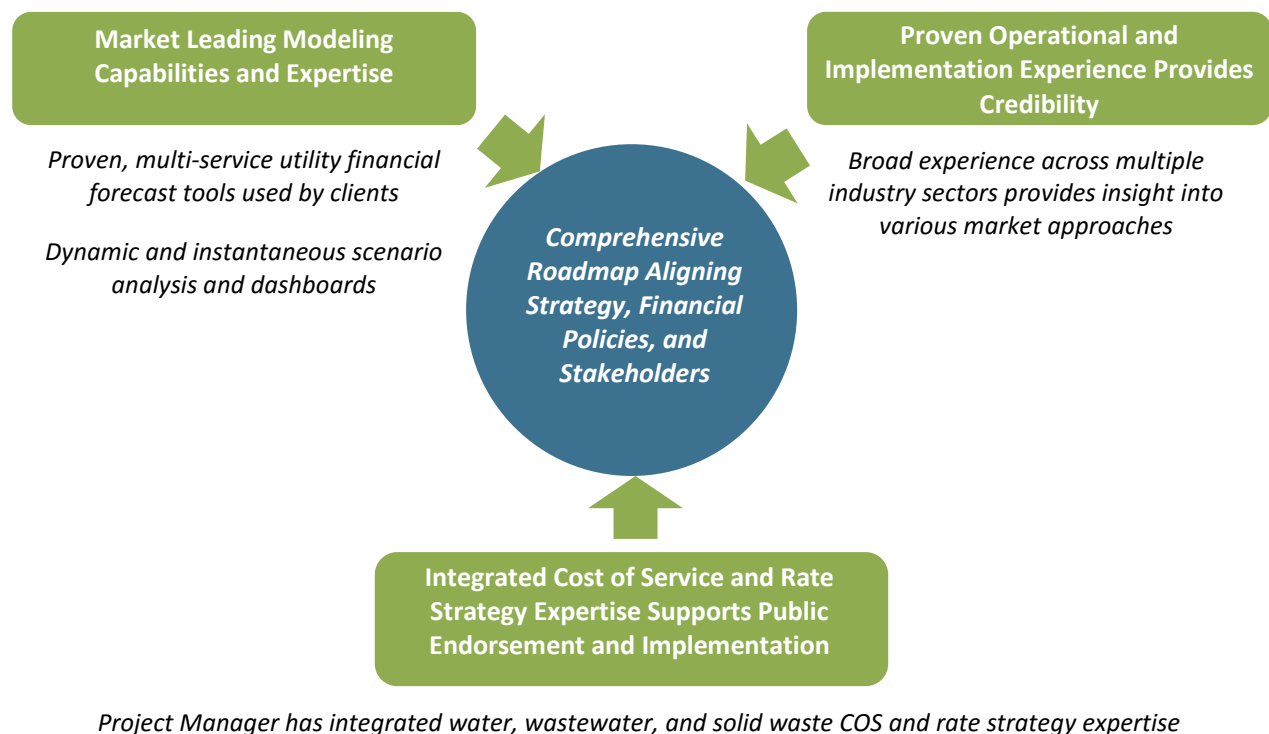
NewGen is able to provide the City with financial statements upon request.

## **Sustainability Initiatives**

NewGen takes considerable steps to conform to maintaining sustainable practices. NewGen purchases recycled paper, maintains electronic files, and hires recycling services to pick up recyclables. Where hardcopies are required or requested, NewGen prints documents double-sided and uses as few materials as possible.

### 3. UNDERSTANDING OF CITY'S NEEDS

The City, similar to many public utilities across the country, is facing a number of complex market, policy, resource, financial, stakeholder, and environmental issues that will likely result in increasing costs and require additional flexibility and agility by the utility and rates. Navigating and addressing these complex issues is vital to becoming a 21st Century Utility and must be integrated with the City's broader Ratemaking Policy. NewGen's approach to the Study will facilitate and deliver a defensible, flexible, and comprehensive roadmap for rates aligned with the City's policies, strategy, and stakeholder concerns as shown in the attached graphic.



NewGen believes it is vitally important in any rate study to develop and efficient and effective model that is both transparent and dynamic to project the City's capital and revenue requirements into the future. NewGen will develop a Microsoft Excel based utility financial model based on the City's budgeting and actuals, system and accounts to support periodic updates and alignment with the COS model. The financial model will have the capability to forecast revenues by customer class and expenses for ten years to evaluate potential rate, debt, or capital impacts. Using our advanced financial techniques, we will develop revenue requirement for the City's water and sewer utility utilizing the American Water Works Association (AWWA) Manual M1 – Water Rates, Fees and Charges as a starting point.

## Scope of Services

### Task 1 – Development of Revenue Requirements

#### Task 1.1. Data Collection and Review

Immediately upon authorization to proceed, the Project Team will begin gathering detailed information related to the City's operations, financials, and current models in support of the requested Study. We will provide the City with a detailed and specific data request to gather the required information for the Study.

The Project Team will review the data received from the City and identify any potential gaps in information or additional data required to conduct our analyses. After reviewing the data and models, the Project Team will schedule a kick-off meeting at the City's offices.

#### Task 1.2. Project Kickoff Meeting

A project kickoff meeting will be held, which all key City and NewGen personnel will be invited to attend and participate. The purpose of the meeting will be to discuss the Study including key strategies or goals and develop a detailed project plan. Finally, an agreed-upon schedule for deliverables and meetings with City management and other staff will be identified.

#### Task 1.3. Review Background Information / Controlling Documents and Agreements

NewGen will document and review the various agreements, arrangements and proposals that impact or could impact the cost of water production, treatment and distribution by the City.

#### Task 1.4. Review O&M Costs

Using the City's current year operating budget as a starting point, we will review the adequacy of budgeted operating and maintenance (O&M) costs, whether contained in the operating budget or reflected in any reserves for repair, renewal and rehabilitation. The objective of this review is to determine the adequacy of O&M funding levels to keep the City's water infrastructure in optimum operating condition, thus facilitating sustainability (i.e., lowest lifecycle cost at a given service level for the ownership and operation of the infrastructure). Projections will be developed for O&M costs for at least the next five years; various indices are typically used for differing costs (energy, chemicals, healthcare, etc.) unless the City has adopted its own unique inflation factor for planning purposes. Particular focus will be on those major external cost categories over which the City has little control.

#### Task 1.5. Review Capital Costs

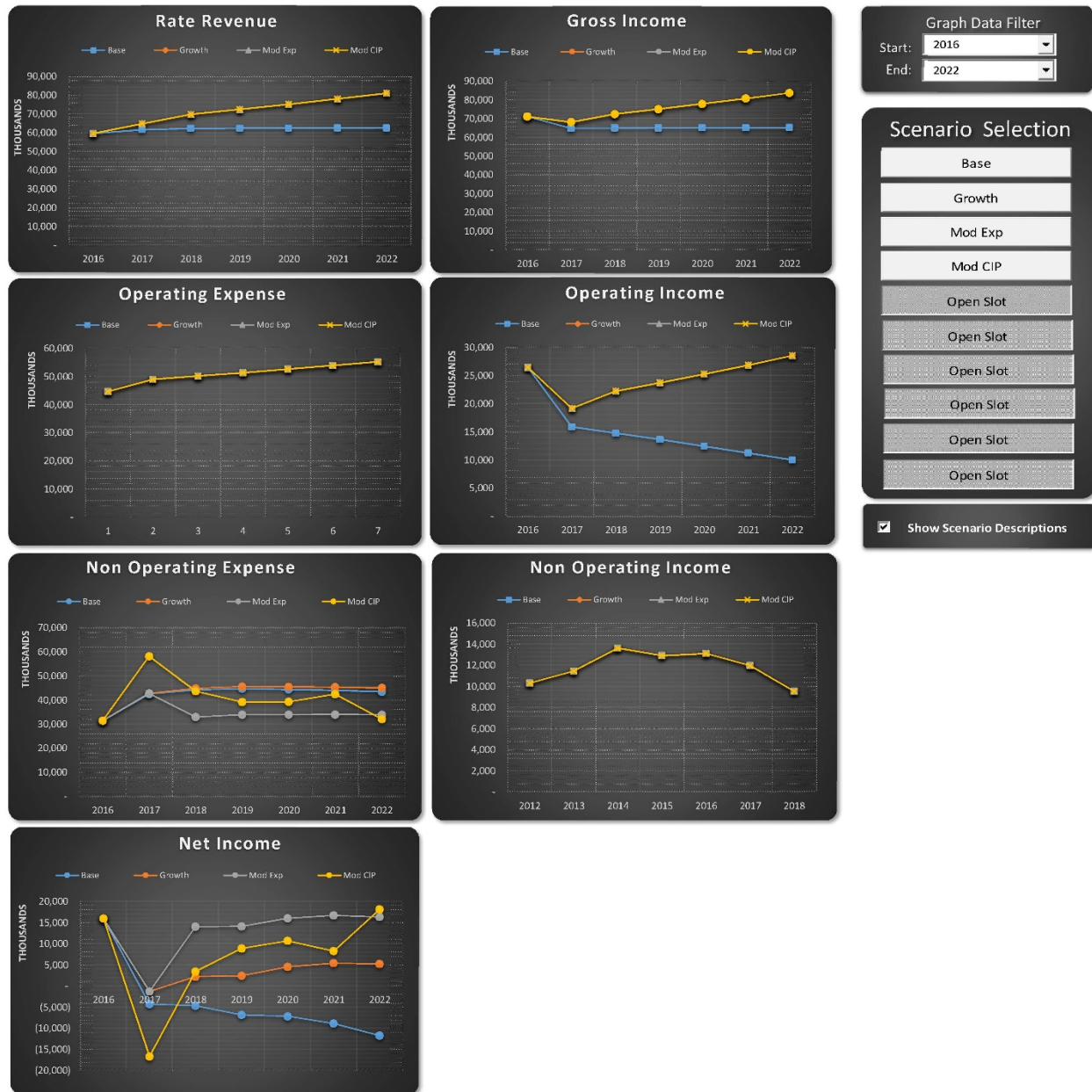
We will review existing capital improvement programs (CIP) identified by the City, whether incorporated into a formal CIP or reflected in less formal documentation provided by the City. The main output of this task will be a model of the year-by-year CIP/construction program, including an identified funding source or mechanism for each project or category of project, which will demonstrate both the historical and current spending levels and (potentially) an enhanced "ideal" spending level as suggested by our review of deferred maintenance and useful lives.

This output is often a key element used to demonstrate the real costs facing a water utility. The accompanying graphic taken from a water and sewer COS study we recently completed demonstrates the type of information that can simply and effectively demonstrate the magnitude of investment required to

replace and rehabilitate utility infrastructure. Our analysis of the CIP includes a thorough segregation of projects into growth and non-growth categories (with some projects possibly split into growth and non-growth components) to establish cost pools to enable recovery of capital costs via availability fees (for growth-related costs) or user fees (for non-growth capital costs). We review availability fees for virtually every COS / rate study because the utility's policy on paying for growth has a significant impact on user rates as well as availability fees (or proffers). To the extent that capital costs are not recovered via availability fees or proffers from new customers, those costs must be charged to existing customers via user rates.

NewGen has the capability to build up to ten (10) different scenarios within our financial model. The graphic shown on the following page is a screenshot of a visual dashboard created for one of our current clients. The screenshot shows scenarios created based on the client's requirements and desires. Each model developed by NewGen is specifically tailored to each client, as shown in the screenshot on the following page.





### Task 1.6. Review/Evaluate Adequacy of Reserves

The wise use and management of financial reserves provides many advantages to a utility: rate stabilization and “smooth” rate increases; protection against volatility during periods of fluctuating demand; enhanced credit ratings and resulting interest savings. We typically recommend that an Operating Reserve and Repair, Renewal and Rehabilitation (3R) Reserve be established as components of the fund balance. We generally recommend that the O&M reserves be established at a minimum of 90-days of O&M expenses (which is typically what a state Public Utilities Commission would recommend for an investor-owned utility) and that the 3R Reserve be established based on a review of the system assets and the City’s reinvestment program. If there are bond covenants requiring a debt service reserve, we

also provide for this, but are careful to make certain that it is not duplicated by Operating or 3R Reserves, thereby unnecessarily increasing rates to customers.

#### **Task 1.7. Develop Revenue Requirement**

Using the City's approved / proposed O&M budgets, existing debt service schedule and planned capital improvements, we will develop projected expenses for the City on a budgetary basis for the next five years. While the projection period for expenses extends beyond the horizon for rate projections requested by the City, we believe it important to make certain that there are no major expenses in years two through five that would cause a dramatic increase in rates in those years; we always recommend slow, gradual rate increases, rather than dramatic changes to rates. Our financial models can present revenue requirements on both a budgetary basis and a utility basis, to facilitate cross-walk between municipal budgets and standard utility approaches to rate-making. We will most likely select the most recent full year financial data as the basis for a normalized test year, unless there is some reason the City would prefer some other twelve-month period. The revenue requirement will be identified to serve as the basis for development of a discrete cost of service for the City.

### **Task 2 – Cost of Service and Rates**

#### **Task 2.1. Development of Functionalized Cost of Service**

Using the AWWA Manual M1 – Water Rates, Fees and Charges as a starting point, we will convert the City's revenue requirements (that is, the total annual cash needs for all purposes) for the next 10 years to a COS on a cash basis. As mentioned previously, our models can convert from a cash basis to a utility basis and vice versa; it is typically easier to work with municipal data on a cash basis—since this is the basis on which all other municipal financial data is kept—and then convert to a utility basis when required for ratemaking purposes. The previously identified building blocks (O&M costs, capital costs, existing debt service, anticipated debt service, contributions to reserves), when summed, provide the basis for a COS. These costs will be offset by miscellaneous revenues, then functionalized (identified to function – customer service, supply, treatment, storage, transmission, distribution, etc.) and allocated to customer classes, to determine a specific cost of service for various sewer customer classes.



A key part of the development of COS is the analysis of miscellaneous revenues (which include all non-user rate revenues). The most significant non-rate revenue for many municipal sewer utilities is that of availability fees (also referred to in some locales as system development charges, connection fees, tap-in fees or capacity fees). Availability fees are calculated by identifying those capital costs related to providing capacity for new customers, or additional capacity for existing customers. Availability fees may not be used to subsidize operating costs, nor may they be used to correct regulatory deficiencies that currently exist or to address deferred maintenance. It is very important from both a legal basis and a public perception basis that availability fee calculations are transparent and that availability fee calculations readily show that growth is not subsidizing service to existing customers. It should be noted, however, that a utility does have the policy option to charge new customers less than the capital cost of capacity to serve new customers—this is sometimes done as an economic development tool by a utility and is generally legal so long as it is disclosed that such “underpricing” of availability fees result in higher user fees for existing customers, unless external funds (e.g., grants or transfers from other governmental funds) are used to offset the discounted availability fees. We will calculate availability fees by isolating that portion of capital costs attributable to growth (i.e., expansion or addition of customers) and calculating the unit cost (per gallon, per pound, per EDU, etc.) of capacity, and using that data as the basis for calculating a “maximum” availability fee amount—this amount will be used as the availability fee unless the Department instructs us otherwise to use a lower availability fee. Other water fees and charges will be reviewed for adequacy and ability to fulfill their individual purposes. The Project Team will encourage wise use of resources and recommended changes will be devised.

## Task 2.2. Demand/Usage Analysis

Historical water usage and demand data will be obtained and documented. Projections of water demand for the next 10 years will be developed at the customer class level. Changes in water consumption can be attributable to changes in either the number and type of customers or the water use. Both analyses is critical, because it is essential to determining the unit cost (per gallon, per CCF, per ERU, etc.) used in rate design and development.

### **Task 2.3. Adequacy of Current Rates**

Using the currently adopted rates and fees used by the City, we will compare projected usage and demand at current rates with the projected annual revenue requirement (developed above) to determine the year-by-year adequacy (surplus or shortfall) of current sewer rates and fees charged by the City. This simple but powerful analysis provides the basis for (potentially) smoothing any rate or fee increase over several years if necessary, and might impact the timing of rate adjustments and the types of rate designs recommended. This analysis can also be used to demonstrate preliminary compliance with coverage ratios, bond covenants or other requirements; it also enables the evaluation of the impact of various levels of financial reserves on rate increases.

### **Task 2.4. Identify and Evaluate Rate/Fee Alternatives**

NewGen update the current water rates as the baseline against which alternative rate/fee designs will be evaluated. As part of this analysis, we will take into account the amounts of connection fee revenues expected each year. We may propose up to two additional rate design alternatives, each of which will produce the same amount of revenue as simply updating the present rate design. We will document the impact of various rate alternatives on the rates and on the bills of typical and representative customers. The supporting spreadsheet financial model, developed and tailored for the City, will enable the City to identify and evaluate the rate and bill impact of various financing approaches (cash vs. debt financing of capital projects, or a mixture of the two approaches) as well as changes to timing of capital projects, interest rates and other key variables. The model will enable City staff to review and revise sewer rates on a periodic basis into the future. The “best” rate and fee alternatives will be fleshed out for recommendation to the City.

## **Task 3 – Recommendation and Implementation of Assessment Process**

NewGen will coordinate with the City Attorney Appraiser and Staff to develop a scope to address findings.

## **Task 4 – Documentation and Training**

### **Task 4.1. Documentation/Reports & Training**

We will document all work performed in the financial plan and user rate / availability fee / miscellaneous fees in a concise narrative report. The report will include an executive summary that will be written in easy to understand terms so that it is “public-friendly.” All data sources relied upon in the study will be identified and documented, and all assumptions clearly set forth. The report will be delivered to the City in draft form within twelve weeks of receipt of data, and a revised report and supporting model will be delivered to the City (based on the comments by the City) two weeks after receipt of comments on the draft report. We will make a presentation of results of the study to the City and a formal presentation to the Board of Directors and/or Rate Review Board.

### **Task 4.2. Training**

To allow for the City to run their own analysis utilizing the model developed for the City, the Project Team will assist with training of internal staff to update, maintain, and analyze the COS model.

## **Deliverables**

The following deliverable will be provided to the City as part of the Study described in the Scope of Services:

- Data Request
- Web Conference to Review Recommended Rates and Revenue Adequacy
- Presentation of Study Results to City Staff
- Presentation of Study Results to City Commission
- Draft and Final COS and Rate Design Models
- Dynamic Rate Model with Visual Dashboard for Instant Scenario and Customer Impacts Analysis
- Billing Database Analysis Including Billing Impacts for Every City Customer Class
- Draft Report for City Review and Comments
- Final Report incorporating City Comments

## **Firm Workload**

NewGen is prepared to begin work upon receipt of notice-to-proceed and has the required staff to complete this project to meet the City's completion date of July 1, 2018.



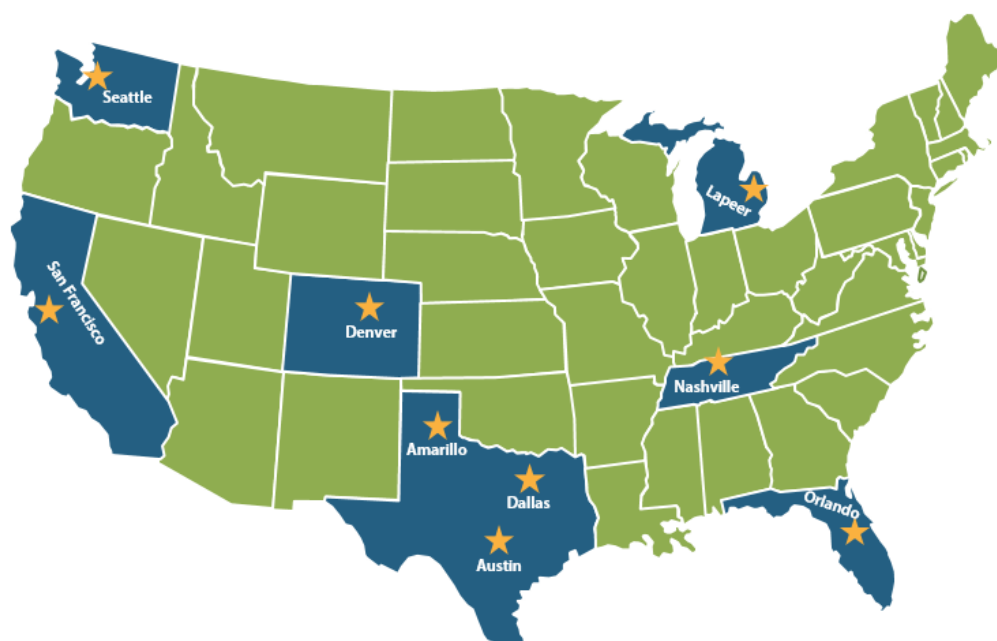
## 4. ORGANIZATIONAL PROFILE & PROJECT TEAM EXPERIENCE

### Organization

NewGen is a management and economic consulting firm specializing in serving the utility industry and market. NewGen provides strategy, financial, valuation, stakeholder, and sustainability services to public and private clients. Furthermore, each team member included in this proposal is deeply familiar with cost of service (COS), ratemaking, public engagement, and municipal utility operations, having spent most of their careers supporting public power and utilities. Our expertise includes litigation support and provision of expert witness testimony in state and federal regulatory proceedings, utility business and financial planning, and sustainability strategy for electric, water, wastewater (sewer), solid waste, and natural gas utilities.

NewGen was created by consultants who are dedicated to our client's mission and recognized as experts in our respective fields of service. Our assistance to the public and private sectors is provided with a keen insight to navigate the uncertain market and the growing role of stakeholders, resource availability, cost of providing utility services, and economic conditions. This ensures an integrated approach to delivering our products and services.

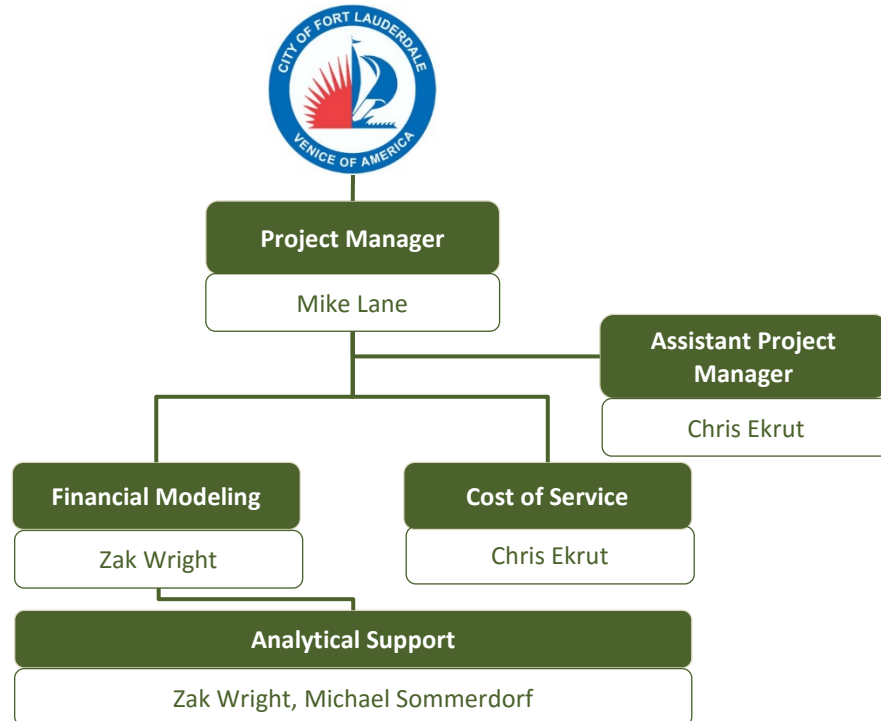
NewGen has experienced significant growth, since our inception, driven by our market leading expertise in helping public utilities, and dedication to our clients. **NewGen currently has nine owning members, a six-person board, and employs 31 expert and support staff in 10 different offices across the country.** With our national presence, NewGen has served utility clients across the country from California to New England, and Florida to Alaska. The following graphic provides quick view of our office locations across the nation.



**NewGen Office Locations**

## Project Team

NewGen’s Project Team members have significant experience in the development of user fees, impact fees, rate strategies, financial planning, and development of COS and rate designs for municipal utilities giving them the unique ability to provide expert consulting services to complete the tasks as required by the City. The following chart details the Project Team and their role in providing the scope of services as defined in this proposal. Each team member identified below is committed to the project described herein and will provide support in the capacity as indicated in the organization chart below.



## Staff Experience

A brief summary of the Project Team's experience and qualifications and estimated level each team member will contribute to the project are shown below. Full, detailed resumes are included in the pages following this section.

Project Support <sup>1</sup>	Experience and Qualifications
<b>Mike Lane</b> <b>Role:</b> Project Manager	<p>Mr. Mike Lane is a Director within NewGen, bringing 25 years of experience in providing financial, technical, and management consulting services to various industries. He has served as a Project Manager for a range of financial studies for water, wastewater, electric, and gas utilities across the country. This includes COS and rate design projects, financial planning, feasibility studies, and valuation studies.</p> <p>He is an Accredited Senior Appraiser (ASA) by the American Society of Appraisers, specializing in Public Utilities Appraisals; less than 30 professionals nationwide hold this designation. Mike has provided oral testimony in a civil court of law regarding the appraisal of electric plant property for property tax appraisals.</p>
<b>Chris Ekrut</b> <b>Roles:</b> Asst. Project Manager & Cost of Service	<p>Mr. Chris Ekrut has been providing rate-making consulting services since 2004, with the majority of his consulting experience centered in the water, wastewater industry and user/impact fees. Mr. Ekrut has filed expert witness testimony with regards to COS determination and rate design, as well as provided litigation support and expert witness testimony development before other rate regulatory agencies. He has also conducted a number of wholesale and retail water and wastewater rate studies, developed water wastewater rate models, storm water fee models, and assisted in the negotiation and/or litigation involving a number of wholesale water contracts. Mr. Ekrut also specializes in the development of Utility Business Plans and has been called on by the Texas Section of the American Water Works Association to speak on the importance of business planning for municipal utilities.</p>
<b>Zak Wright</b> <b>Roles:</b> Financial Modeling & Analytical Support	<p>Mr. Zak Wright joined NewGen in April 2015. He has worked in the banking and telecommunications industries, and recently attained his Masters of Business Administration from the Massey School of Business. Mr. Wright has worked on several projects developing rate and finance models as well as rate benchmarking.</p>
<b>Michael Sommerdorf</b> <b>Role:</b> Analytical Support	<p>Mr. Michael Sommerdorf provides financial modeling, large data manipulation, and financial analysis for a variety of industries. He joined NewGen Strategies and Solutions, LLC as an Analyst in 2016 shortly after attaining a Bachelor of Business Administration in Accounting. He is currently working towards a Master of Science in Business Analytics at the University of Texas at Dallas. Prior to joining the firm, Mr. Sommerdorf held positions as a finance intern at the Electric Reliability Council of Texas (ERCOT), a volunteer tax preparer, and an internal audit intern at a small semiconductor firm.</p>

As a Director at NewGen Strategies & Solutions, LLC, Mr. Lane brings 25 years of experience in providing financial, technical, and management services to various industries. He has served as a Project Manager for a range of financial studies for water, wastewater, electric and natural gas utilities across the country. This includes cost of service and rate design projects, financial planning, feasibility studies, and valuation studies.

He is a certified Accredited Senior Appraiser (ASA) by the American Society of Appraisers, specializing in Public Utilities Appraisals; this designation is held by less than 30 professionals nationwide. Mr. Lane has provided oral testimony in a civil court of law regarding the appraisal of electric plant property for property tax appraisals.

## EDUCATION

- Master of Business Administration in Finance, Belmont University
- Bachelor of Science in Business Administration, Belmont University
- Associate of Science in Nuclear Engineering Technology, Thomas Edison State College

## PROFESSIONAL REGISTRATIONS / CERTIFICATIONS

- Accredited Senior Appraiser by the American Society of Appraisers: Public Utilities

## KEY EXPERTISE

- Utility Appraisals and Valuations
- Financial Planning
- Litigation Support
- Cost of service and rate design
- Merger and Acquisition

## RELEVANT EXPERIENCE

### Cost of Service and Rate Design – Water and Wastewater

Mr. Lane prepares cost of service and rate for water and wastewater utilities. The studies have consisted of determining revenue requirements for the utility, then allocating the cost of service to the appropriate customer class. Mr. Lane's clients for water and wastewater cost of service and rate design include:

- City of Mt. Sterling, Kentucky
- Frankfort Electric Water Plant Board, Kentucky
- Georgetown Municipal Water and Sewer Service, Kentucky

### Cost of Service and Rate Design – Electric Systems

Mr. Lane assists in the preparation of cost of service and rate studies for electrical utilities. The studies have consisted of determining revenue requirements for the utilities, then allocating the cost-of-service to the appropriate customer class, developing five-year revenue and rate review, and cost un-bundling.

Mr. Lane has also prepared an evaluation of large power billing data for use in developing comparative rate guidelines. With this information, the client was able to identify areas for improving the existing large power rate structure. Mr. Lane's clients for electric cost of service and rate design include:

# Michael Lane, ASA

## Director, Energy Practice

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- Buckeye Rural Electric Cooperative, Ohio
- Clark County Rural Electric Membership Corporation, Indiana
- Hartselle Utilities, Alabama
- Harrison County REMC, Indiana

## Cost of Service and Rate Design – Gas

Mr. Lane assisted in preparation of a gas system cost of service and rate study that consisted of determining revenue requirements for the utility, then allocating the cost of service to the appropriate customer class. Projects include:

- Decatur Gas System, Alabama

## Financial Analysis

Mr. Lane developed a life-cycle cost comparison of two water supply alternatives proposed for a water supply project. He used a discounted cash flow model to analyze the alternatives. Projects include:

- Louisville Water Company, Kentucky

## Financial Planning Services

- CPS Energy, Texas

Mr. Lane developed a comprehensive financial decision making tool designed to project the utility's financial performance over a 25 year period. The tool is designed to run multiple scenarios representing various business plans in real-time and is integrated with the client's budgeting, cost of service, and generation planning models as well as other financial and operating inputs. A visual dashboard and other reporting mechanisms have been developed to optimize debt, rate, and capital funding options while calculating key financial performance and reporting metrics.

## Financial Planning & Budgeting Model

Mr. Lane has facilitated workshops with various utilities for the development of a financial planning and budgeting tool. As a result of the financial planning process, the utilities were delivered a dynamic, fully integrated financial and budgeting tool allowing finance staff to instantaneously run multiple scenarios, including capital scenario analyses. This Excel based tool includes embedded help and updating capabilities and is compatible with NewGen's rate modeling and cost of service tools. He has provided financial planning and budgeting tools to the following utilities:

- Keys Energy Services, Florida
- City of Biloxi, Mississippi
- CPS Energy, San Antonio, Texas
- Georgetown Municipal Water and Sewer Service, Kentucky
- Henderson Municipal Power and Light, Kentucky

## Appraisals - Oil and Gas Assets

Mr. Lane conducts appraisals of oil and gas assets in accordance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board and the American Society of Appraisers. Projects include:

- American Midstream Partners, LP (Burns Point plant)
- Bank of America Leasing (gas gathering)
- American Midstream Partners, LP
- Marlin Midstream, LLC (natural gas extraction and transportation)



- Carerra (natural gas transportation and storage)
- Greer, Herz and Adams, LLP on behalf of El Paso County Appraisal District, Texas
- Kentucky Governor's Office for Local Development, Kentucky
- Massachusetts Development Finance Agency, Massachusetts
- Price Waterhouse Coopers (natural gas extraction and transportation)
- Tierra Pipeline GP, LLC (natural gas pipeline transportation)

## **Appraisals - Power Generation Assets**

Mr. Lane has extensive experience performing appraisals of electric generation assets, including coal, gas, nuclear, and renewable assets. Mr. Lane frequently conducts an inspection of the facilities in connection with the appraisal. He performs appraisal studies to determine the fair market value relying on generally accepted valuation methods and procedures. He researches the technical profile of the facilities, conducts market simulations, and calculates net cash flow projections, and analyzes a variety of market drivers, including generation resources, environmental factors, fuel prices, transmission constraints, new generation resource characteristics, regulatory considerations, and market economics.

Mr. Lane has developed replacement cost new less depreciation value estimates of the common facilities to support a sale/lease-back transactions. He has expertise in projected fair market rental payments, and estimated value of facilities based on the three generally accepted approaches - cost, income and market. Mr. Lane provides recommendations as to which approach to valuation is the best indicator of value for specific properties.

Mr. Lane has conducted appraisals for Valorem tax purposes in accordance with the Uniform Standards of Professional Appraisal Practice and the Texas Property Tax Code. In addition, Mr. Lane provided expert witness testimony before the 18th District Court.

### **Mr. Lane's coal and gas fired power generation and co-generation appraisal projects include:**

- Capstone Advisory Group / Boston Generating, LLC, Massachusetts
- Golden Valley Electric Association, Alaska
- Key Equipment Finance Corporation, Arizona
- Northern Virginia Electric Co-Op (misc. generation), Virginia
- Bank of America Leasing, Arizona
- Williams Power Company, Louisiana
- Yards Creek, New Jersey
- Mesirow Financial, California
- Mass Municipal Wholesale Electric Co. Massachusetts
- Tri-state G&T, Arizona
- Rusk County Appraisal District, Texas
- Philip Morris Capital Corporation, Arizona
- International Power Americas, Massachusetts
- ADA CoGen, Michigan
- KBC Bank ADA CoGen, Michigan
- Smurfit-Stone Container, South Carolina
- Credit Agricole Investment Bank
- International Power Americas, Texas
- Wheelabrator Sherman Energy Company, Maine
- Southeastern Public Service Authority, Virginia
- GE Capital, Maine
- Tenaska, Nebraska

### **Mr. Lane's nuclear generation assets appraisal clients include:**

- Comanche Peak Generating Station Somervell County Appraisal District, Texas
- Northern Virginia Electric Cooperative

# Michael Lane, ASA

Director, Energy Practice

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- Nuclear Innovations North America, LLC, Texas
- CPS Energy, Texas

## Mr. Lane's renewable generation assets appraisal clients include:

### Wind:

- Duke-Fowler Wind Farm, Indiana
- Glacier Wind Farms, Montana
- Naturener, Montana
- Granite Reliable Power, LLC, Connecticut
- Southern Cal Public Power Authority, California
- Capstar Partners Capital, LLC, Oregon

### Geothermal:

- Capstar Capital Partners Nevada
- Ormat Nevada, Inc., California

### Solar Photovoltaic:

- CSOLAR Development, LLC, California
- Tenaska Imperial Solar Energy Center South (CSOLAR South), California
- Tenaska Imperial Solar Energy Center West (CSOLAR West), California

### Hydro:

- AMP, Ohio
- Connell Finance Company, Inc., New Jersey

### Biomass:

- Waste of Nantucket, Massachusetts
- Nex Bank, Texas
- AES Corporation, California
- GE Energy Financial Services, Connecticut
- Wheelabrator Sherman Energy Company, Maine
- Greater Detroit Resource Recovery Agency, Michigan

### Alternative Fuels:

- Macquaries Securities, Minnesota (landfill)
- The Harrisburg Authority, Pennsylvania (mass burn)
- Plasco Energy Group Inc., Ontario, Canada (solid waste)
- RB International Finance, California (biodiesel)
- Monroe County Landfill, Georgia (waste-to-energy)

## Appraisals - Water and Wastewater Assets

Mr. Lane conducts appraisals of water and wastewater assets in accordance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board and the American Society of Appraisers. He has conducted condition assessments and appraisal studies to estimate a range of acquisition values and an estimation of the value of the system assets using both Cost and Income Approaches.

He has assisted clients in considering monetization alternatives of water and wastewater systems, including long-term concession, asset sale, regionalization, and creation of new public entities. Mr. Lane has been involved in the development of a 20-year discounted cash flow model and fair; a solicitation of interest to generate marketplace ideas for more operational synergy and capital program execution; and an evaluation of alternatives and determining an optimum path forward.

Mr. Lane has also provided oral testimony to county commissions in support of the appraisals he has conducted. Mr. Lane's water and wastewater assets appraisal clients include:

- Blue Mound Water & Sewer, Texas
- Currituck County, North Carolina
- Brownsville Public Utilities Board, Texas
- Falls Church, Virginia

- City of Blue Mound, Texas
- City of Geneva, Ohio
- City of Westfield, Indiana
- Citizens Energy Group, Indiana
- Louisville Water Company, Kentucky
- Ferrate Treatment Technologies, Florida
- Greater Quachita Water Company, Louisiana
- Indianapolis Water, Indiana
- Kill Devil Hills, North Carolina

## **Appraisals - Transmission and Distribution Assets**

Mr. Lane conducts appraisals of energy transmission and distribution assets in accordance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board and the American Society of Appraisers. His transmission and distribution assets appraisal clients include:

- City of Concord, North Carolina
- Middle Tennessee Electric Membership Cooperative, Tennessee
- Northern Virginia Electric Cooperative, Virginia
- South Kentucky Rural Electric Cooperative Corporation, Kentucky
- Confidential client

## **Valuation Analysis**

Mr. Lane provides valuation assistance and related expert witness testimony for clients. In providing these services, Mr. Lane has performed a valuation of contracted upgrades to facilities and provided qualified and objective analyses of the value of upgrades. Mr. Lane has also provided negotiation support, assisting the client in negotiating a reasonable value.

Mr. Lane performed an allocation of purchase price study for 12 natural gas assets acquired by a client. A detailed review of documentation related to the operating condition of each asset and the purchase transaction was performed. Mr. Lane applied two valuation methodologies, the income approach estimated the contribution of each asset to total net free cash flow and results were used to allocate the purchase price among the entities. The cost approach estimated the portion of the purchase price to be allocated to tangible asset value. His valuation analysis clients include:

- Alcoa Power Generating, Inc., Pennsylvania
- American Midstream Assets, Southeastern United States
- Odin, Feldman, Pittleman P.C., Virginia

## **Municipalization Feasibility Analysis**

Mr. Lane conducts feasibility analysis and appraisals regarding the possible municipalization of the assets. His analyses have included estimating annual operating results of the proposed water system over the 20-year study period, under a set of reasonable assumptions regarding such factors as the purchase price of the system, start-up costs, water rates, customer growth, and operation and maintenance expenses, among others. Mr. Lane has also prepared a feasibility analysis for a city regarding the possible purchase of electric assets owned by an investor owned utility. Mr. Lane prepared a 10-year projection of electric utility revenues, expenses, and retail rate impacts under which electrical assets are owned and operated by the City.

- City of Geneva, Ohio
- City of Spearfish, South Dakota
- City of Wagner, South Dakota

# Michael Lane, ASA

Director, Energy Practice

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## Privatization Feasibility Analysis

Due to rising costs of facility development and operation, the client was interested in evaluation of methods to increase efficiency and reduce the cost of providing solid waste management services. Mr. Lane conducted a competitive procurement of private disposal services and prepare the necessary contracts and proposal documents to implement privatized waste disposal. He developed a draft operating contract identifying specific requirements for environmental liabilities, risk allocation, payment, and service levels for the private sector. Mr. Lane and his team conducted a detailed economic analysis comparing privatization with continued use of the client's landfill. Projects include:

- Southeast Public Service Authority of Virginia

## Useful Life Analysis

Mr. Lane has performed useful life analysis for the following clients:

- Smurfit-Stone Container, South Carolina
- Capstar Partners Capital, LLC, Oregon
- Comanche Peak Nuclear Generating Station, Texas
- Tri-State Generation & Transmission Association, Inc., Colorado

## PRESENTATIONS AND PUBLICATIONS

Mr. Lane has given numerous presentations and participated in training and workshops in several states. These activities have focused on Appraisal, expert witness consulting, cost of service, risk management, and financial planning. Host organizations and the topics Mr. Lane presented are displayed below.

### American Public Power Association

- *New Strategies in Financial Planning and Budget Modeling*
- *Financial Planning & Budgeting*

### Texas Public Power Association

- *Risk Management/ERCOT Compliance Issues*
- *Financial Planning & Budgeting*

### Equipment Leasing and Finance Association

- *Appraisal of Renewable Generation Assets*

### National Conference of Unit Valuation States

- *Electric Deregulation – Issues and Challenges for Unit Valuation*

Chris Ekrut is responsible for leading a variety of engagements for water, wastewater, stormwater, solid waste, electric, and natural gas utilities as well as general financial studies for municipal governments and serves as Director of the Environmental Practice at NewGen Strategies and Solutions, LLC (NewGen). His direct experience includes cost of service and rate design analyses, expert witness and litigation support, impact and franchise fee analyses, utility business planning, and system valuations, in the roles of project manager, lead analyst and expert witness.

Previously, Mr. Ekrut held the roles of Manager and Senior Consultant at J. Stowe & Co. (now NewGen) and was employed by R.W. Beck, Inc. as a Staff Consultant.

## EDUCATION

- Master of Public Administration, University of North Texas
- Bachelor of Arts in Public Administration, West Texas A & M University

## PROFESSIONAL AFFILIATIONS

- American Water Works Association
- Texas Municipal Utilities Association

## KEY EXPERTISE

- Expert Witness and Litigation Support
- Utility Business Planning
- Cost of Service and Rate Design

## RELEVANT EXPERIENCE

### Expert Witness and Litigation Support

Mr. Ekrut offers expert testimony regarding cost of service, rate design, and ratemaking issues before state and local regulatory bodies and courts. He has provided comprehensive expert testimony and litigation support related to the establishment or changes to water and sewer rates and tariffs, amendments to or decertification of water and sewer Certificates of Convenience and Necessity, applications for water use permits, and in the establishment or changes to wholesale water rates. Mr. Ekrut's expert witness and/or litigation support clients include:

- BHP Water Supply Corporation (or Royse City), Texas; State Office of Administrative Hearings (SOAH) Docket No. 582-07-2049
- City of Woodcreek Ratepayers Coalition, Texas; SOAH Docket No. 582-06-1366
- Double Diamond Utilities Company, Texas; SOAH Docket Nos. 582-08-0698; 582-09-4288, 582-09-6112, 473-15-037
- Fort Belknap Water Supply Corporation and Graham East Water Supply Corporation, Texas; SOAH Docket No. 582-14-2854
- McKinney, Melissa, Anna, and North Collin Water Supply Corporations, Texas; SOAH Docket Nos. 582-02-1652, 582-03-1820, 582-03-1821, & 582-03-1824
- Midway Water Utilities, Inc., Texas; SOAH Docket No. 582-08-2580
- Monarch Utilities I, L.P, Texas; SOAH Docket No. 582-08-1341
- Upper Trinity Regional Water District, Texas; SOAH Docket No. 582-12-5332

## Chris D. Ekrut

Director, Environmental Practice

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- Ratepayers' Appeal of Decision by Trophy Club Municipal Utility District No. 1; SOAH Docket No. 473-16-1836.WS
- Application of Quadvest, LP for Rate/Tariff Change; SOAH Docket No. 473-16-1848.WS
- Mustang Special Utility District, Texas; SOAH Docket No. 582-08-1318
- Town of Lindsay, Texas; SOAH Docket No. 582-06-2023

In addition, Mr. Ekrut provided expert assistance to Office of Public Utility Counsel (OPUC) for the following PUC Rulemaking Project Nos.

- PUC Project No. 43871
- PUC Project No. 43876
- PUC Project No. 43967
- PUC Project No. 44462
- PUC Project No. 44706
- PUC Project No. 45111
- PUC Project No. 45113

### Cost of Service and Rate Design – Water and Wastewater

Mr. Ekrut reviews cost of service and rate design practices for various water, wastewater, reclaimed water, and drainage utilities. He has developed cost of service unbundling of utility functions and rate design in support of rate increases phased-in over a multiple year period. Mr. Ekrut also assists clients in updating and amending water and wastewater service tariff terms and conditions as well as amendments to miscellaneous service charges. Mr. Ekrut's cost of service and rate design water and wastewater clients include:

- Town of Addison, Texas
- City of Aledo, Texas \*
- City of Amarillo, Texas
- City of Bellaire, Texas
- City of Bonham, Texas
- City of Burkburnett, Texas \*
- City of Burnet, Texas \*
- Canyon Regional Water Authority, Texas
- City of Cedar Park, Texas
- City of Cisco, Texas
- City of Coleman, Texas
- Double Diamond Utilities Co., Texas \*
- City of Farmersville, Texas \*
- City of Gainesville, Texas \*
- City of Garland, Texas
- City of Glenn Heights, Texas \*
- City of Graham, Texas
- City of Grapevine, Texas \*
- City of Killeen, Texas
- City of Mansfield, Texas
- City of McGregor, Texas
- City of Mexia, Texas
- City of Murphy, Texas
- Navajo Tribal Utilities Authority, Arizona
- Nueces County Water Control & Improvement District No. 4, Texas
- City of Paris, Texas \*
- Pittsburgh Water and Sewer Authority, Pennsylvania
- City of Portland, Texas
- Possum Kingdom Water Supply Corporation, Texas
- Town of Prosper, Texas \*
- City of Roanoke, Texas
- City of Seagoville, Texas
- City of Terrell, Texas \*
- Trophy Club Municipal Utility District No. 1, Texas
- City of Tyler, Texas \*
- City of Waco, Texas \*

- Town of Lakeside, Texas
- City of Lancaster, Texas \*
- City of League City, Texas
- City of Lewisville, Texas
- City of Lubbock, Texas
- City of Weatherford, Texas \*
- City of Willow Park, Texas

\* Multiple engagements

## **Cost of Service and Rate Design – Electric**

Mr. Ekrut assisted a municipal electric customer conducting an asset inventory and assessment study, filing an Earnings Monitoring Report (EMR) and Transmission Cost of Service Study with the state public utility commission on behalf of the client. He has also conducted a cost of service and rate design study for an electric utility client which included the development of a cost recovery factor to ensure that the utility was able to recover expected fuel costs.

He has also modified and refined a utility client's excel-based financial forecasting model, conducting an electric cost of service and rate design study including the development of a power cost recovery factor, and conducting an asset inventory and assessment. His electric cost of service clients include:

- Austin Energy, Texas
- Garland Power & Light, Texas
- City of Brenham, Texas

## **Cost of Service and Rate Design – Natural Gas**

Mr. Ekrut's natural gas utility experience includes supporting an analysis and amendment of the client's gas cost adjustment factor and providing litigation support in Texas Railroad Commission Docket No. 9670 – Petition for De Novo Review of the Reduction of the Gas Utility Rates of ATMOS Energy Corp., Mid – Tex Division. Mr. Ekrut's gas clients include:

- City of Brenham, Texas

## **Cost Allocation**

Mr. Ekrut has assisted in the developing an indirect cost allocation model for general fund and internal service fund departments for a city client.

- City of Denton, Texas

## **Franchise Fees, Impact Fees, and Capital Recovery Fees**

Mr. Ekrut provides reviews of franchise fee payments made by cable TV providers, wholesale power providers, and natural gas providers to numerous cities. His franchise fee clients include:

- City of Denton, Texas
- Coalition of cities within the State of Texas
- City of Rockwall, Texas
- City of McKinney, Texas
- Fayette County, Kentucky

Additionally, Mr. Ekrut has assisted in the development of water, wastewater, and roadway impact fees and capital recovery fees for the following clients.

- City of Denton, Texas
- City of McKinney, Texas



## Chris D. Ekrut

Director, Environmental Practice

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- City of Ft. Worth, Texas
- City of Flower Mound, Texas
- City of Frisco, Texas
- City of Glenn Heights, Texas
- City of Mesquite, Texas
- City of Willow Park, Texas
- Nueces County Water Control and Improvement District No. 4, Texas

### Feasibility Studies

Mr. Ekrut has evaluated the feasibility of various projects including the establishment and setting of a user fee for a transportation utility and a feasibility study of a Tax Increment Financing District. His clients include:

- City of Gunter, Texas
- City of Peoria, Arizona
- City of Killeen, Texas

### Economic Analyses

Mr. Ekrut has performed due-diligence and establishing a developer proposed Tax Increment Reinvestment Zone, assisted in conducting both an economic impact and end-user impact analysis for a raw water project, conducted a socioeconomic analysis of inter-basin transfers and developing a model to quantify the financial impact of water conservation measures, and a socioeconomic analysis in support of the Region C Study Commission Report in response to SB 3, 90<sup>th</sup> Texas Legislative Session requirements. His economic analyses clients include:

- Texas Water Development Board
- Toledo Bend Water Supply

### Water Audits

Mr. Ekrut has assisted municipal clients in the performance of top-down water audits for the following clients:

- City of Gainesville, Texas
- City of Terrell, Texas

### Wholesale Water Contracts and Developer Agreements

Mr. Ekrut has developed a wholesale water contract and a standardized developer agreement related to water and wastewater Infrastructure. His clients include:

- City of Gainesville, Texas
- City of Terrell, Texas

### Project Controls

Mr. Ekrut served as the Project Controls lead for the program management of the expansion of a regional sewer system treatment plant.

- Waco Metropolitan Area Regional Sewer System

### Utility Business Plans

Mr. Ekrut assists municipal clients in developing business and capital implementation plans to translate a list of capital projects into actionable items. His business planning clients include:

- City of Blue Mound, Texas
- Town of Prosper, Texas
- City of Gainesville, Texas

## Operations and Management Reviews

Mr. Ekrut conducts reviews of operations and management processes and provides recommendations on improving the efficiency and effectiveness of the organization. Often, such reviews include a benchmarking element to ensure the client's operational metrics align with similar organizations. His operations and management review clients include:

- Brownsville Public Utilities Board, Texas
- Lower Colorado River Authority's Water and Wastewater Service Unit

## System Valuations

Mr. Ekrut develops the value associated with certificated service areas and water and wastewater service facilities. These valuations are typically prepared in evaluation of utility purchases and decertification proceedings. His system valuation clients include:

- City of Blue Mound, Texas
- City of Oak Point, Texas
- Town of Lakeside, Texas
- City of Southmayd, Texas
- Mustang Special Utility District
- City of Tyler, Texas

## PUBLICATIONS AND PRESENTATIONS

Mr. Ekrut is an experienced industry presenter and published author. These activities have focused on cost of service, rate design, and business planning. Mr. Ekrut's presentations and publications are displayed below.

### American Water Works Association

- *Business Planning and Its Benefits to Municipal Utilities* (2008)
- *Getting a Good Opinion, The Importance of Financial Policies and the Impact on a Utility's Credit Rating* (April 2016)
- *Aledo, Texas – How a Small City Overcame a Capital Improvement Giant* (January 2015)

### Texas Water Conservation Association

- *Texas Water Development Board Water Conservation Best Management Practices Model: Estimating Water Conservation Savings for New Annual Reporting Requirements* (March 2014)
- *Strategies for Pricing Direct Water Reuse* (March 2013)

### Texas Water Law Conference

- *Allocating the Costs of Population Growth in Wholesale Water Contracts* (January 2007)

### Texas Town & City

- *Plan Your Work and Work Your Plan: The Benefits of Municipal Utility Business Planning* (October 2009)

## Chris D. Ekrut

Director, Environmental Practice

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### North Central Texas Council of Governments

- *Utility Management and Revenue Considerations – Emerging City Managers and Emerging Finance Directors Sessions* (February 2014)

### Government Finance Officers Association of Texas

- *To the PUC . . . and Beyond!* (November 2015)
- *When in Drought! Utility Ratemaking 101* (April 2014)
- *Legislative and Regulatory Update for Water and Wastewater Utilities*

Zak Wright joined NewGen Strategies and Solutions, LLC (NewGen) in April 2015. Mr. Wright assists with appraisals, financial planning and rate analysis. Prior to joining NewGen, he worked as a Commercial Credit Analyst and has experience in corporate finance, pro forma financial analysis, financial modeling, underwriting, banking, and strategic and capital planning. He attained his Master of Business Administration from the Massey School of Business at Belmont University.

## EDUCATION

- Master of Business Administration, Belmont University
- Bachelor of Business Administration in Finance, University of Tennessee Knoxville

## RELEVANT EXPERIENCE

### Financial Planning & Budgeting Model

Mr. Wright analyzed a water utility's financial operating results and usage patterns. From this, he developed a comprehensive financial model to streamline rate design. The financial model helped determine the optimal level of funded debt and capital investment within various budget, usage, and customer base scenarios. His clients include:

- Neel Schaffer, Mississippi
- Georgetown, Kentucky

### Contract and Formula Rate Review

Mr. Wright reviewed annual rate formulas to ensure they comply with settlement agreements between a group of municipal utilities and an investor-owned utility. He also verified that settlement formulas and calculations that the IOU filed with Federal Energy Regulatory Commission (FERC) accurately determined the monies due to the cities. Mr. Wright's clients include:

- Kentucky Municipal Group
- City of Bardwell, Kentucky
- City of Paris, Kentucky

### Rate Analysis

Mr. Wright analyzed the impact of fluctuating natural gas and funded debt prices on the economic viability of the construction of a natural gas distribution system and utility. He assessed the customer conversion rate and its impact on the utility's ability to deliver gas at a lower price. He also conducted a rate review on behalf of end-use customers. The review helped illustrate to the power administration that building a 50-year rate that included the cost of all potential capital improvement projects during that period would make the power unmarketable to these customers. This analysis helped encourage the power authority to incorporate a compromise true-up approach into their rate design.

- MWH Corporation, Alaska
- Cumberland River Southeastern Power Administration (SEPA) customers

### Rate Benchmarking

Mr. Wright benchmarked various competitors' rates against those of the client to determine costs based on several factors including specific usage patterns and customer classes. He developed recommendations on the potential rate design. His benchmarking clients include:

## **Zak C. Wright**

Staff Consultant

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- CPS Energy, Texas

### **Municipalization Feasibility Analysis**

Mr. Wright compiled demographic information from comparable municipal electric districts to approximate customer base, usage, and revenue information in support of the client's investigation into forming a municipal electric system. He utilized the compiled data and the most recent incumbent utility's cost of service data to develop a financial model assessing the financial feasibility of this undertaking and its economic impact on the city and its residents. His municipalization projects include:

- City of Spearfish, South Dakota

### **Hydropower Allocation Study**

Mr. Wright analyzed various municipal water districts' applications for energy from a power authority's hydro allocation. He verified the accuracy of information reported on applications in support of the overall project to determine optimal allocation of power amongst applicants. His projects include:

- Arizona Public Service, Arizona

### **Power Supply Planning**

Mr. Wright reviewed request for proposal responses and developed a common-size expense model to determine all-in cost of each respondent's proposal. He also supported the development of the recommendation of project award. His projects include:

- Kentucky Municipal Group
- City of Bardwell, Kentucky
- City of Paris, Kentucky

### **Appraisals – Water and Wastewater Systems**

Mr. Wright compiled and analyzed financial and operational information for a municipal water and wastewater system in order to develop a valuation to support the client in a potential privatization. This analysis centered on the income, cost, and market approaches of valuation. His water and wastewater asset appraisal projects include:

- Conrad Consulting & Training LLC, Indiana

### **Appraisals – Power Generation Assets**

Mr. Wright compiled and analyzed financial and operational information for generating facilities in order to develop a valuation to support the client in an ad valorem rate case. This analysis centered on the income, cost, and market approaches of valuation. His generation asset appraisal projects include:

- Greer, Herz & Adams, LLP, Texas
- Somervell County Appraisal District, Texas
- Tri-State G&T Association, Arizona
- Rusk County Appraisal District, Texas

### **Appraisals – Power Distribution Assets**

Mr. Wright compiled and analyzed a cooperative utility's cost of service and physical plant data to develop a discounted cash flow model to value certain distribution assets in support of a purchase decision. He analyzed various scenarios to determine a value range of the assets. His projects include:

- MWH Corporation, Tennessee

## **Appraisals – Oil Refining Facilities**

Mr. Wright compiled and analyzed financial and operational information for oil refining facilities in order to develop a valuation to support the client in an ad valorem rate case. This analysis centered on the income, cost, and market approaches of valuation. His oil refining asset appraisal projects include:

- Greer, Herz & Adams, LLP, Texas

Michael Sommerdorf provides financial modeling, large data manipulation, and financial analysis for a variety of industries. He joined NewGen Strategies and Solutions, LLC as an Analyst in 2016 shortly after attaining a Bachelor of Business Administration in Accounting. He is currently working towards a Master of Science in Business Analytics at the University of Texas at Dallas. Prior to joining the firm, Mr. Sommerdorf held positions as a finance intern at the Electric Reliability Council of Texas (ERCOT), a volunteer tax preparer, and an internal audit intern at a small semiconductor firm.

## EDUCATION

- Master of Science in Business Analytics – University of Texas at Dallas (May 2018)
- Bachelor of Business Administration in Accounting – St. Edward's University

## KEY EXPERTISE

- Financial Modeling
- Financial Analysis
- Data Mining
- Market Research

## RELEVANT EXPERIENCE

### Cost of Service and Rate Design – Electric, Water, and Wastewater

Mr. Sommerdorf performs cost of service and rate design studies for electric, wholesale and retail water, reclaimed water, wastewater, and drainage utilities to assist clients in understanding the financial and operational impacts of their service offerings. Rates developed as a result of these studies are intended to fully recover operational costs. His clients include:

- City of Bonham, Texas
- City of Burk Burnett, Texas
- City of Burnet, Texas (Electric)
- City of Colleyville, Texas
- City of Conroe, Texas
- Custom Water Company
- City of Denton, Texas
- Double Diamond Utilities, Texas
- City of Fate, Texas
- City of Garland, Texas
- City of Killeen, Texas (Drainage)
- City of Hutto, Texas
- City of Lubbock, Texas
- City of Mansfield, Texas (Drainage)
- City of McGregor, Texas
- City of Paris, Texas
- City of Rockport, Texas
- Sabine River Authority, Texas
- City of Spearman, Texas
- City of Terrell, Texas
- City of Trophy Club, Texas
- City of Tyler, Texas
- Upper Trinity River Water District
- West Wise SUD
- City of Willow Park, Texas
- City of Wylie, Texas



# Michael Sommerdorf

Analyst

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## Indirect Cost Allocation – Water and Wastewater

Mr. Sommerdorf creates indirect cost allocation models for water and wastewater utilities that provide a detailed allocation of centralized costs as well as cross departmental costs so that fees and rates charged for city services are reflective of fully loaded costs. His clients include:

- City of Terrell, Texas
- City of Wylie, Texas

## Experience Prior to NewGen – ERCOT

During his time at ERCOT, Mr. Sommerdorf performed the following services:

- Designed a fully-automated database that provides managers with reliable position data, reporting and history while improving previous manual retention and reporting processes by 95%.
- Created and improved financial reports and dashboards using Business Intelligence tools.
- Prepared detailed variance analyses of budget to actual trends, including revenue and cost analysis and budget forecasts.

## 5. REFERENCES

The professionals at NewGen have worked hard over the years to attract and maintain a diversified staff of professionals with exceptional skills, dedication, and talent. We have built our reputation by providing clients with solutions that are based on sound principles, economic feasibility, and innovative thinking without losing sight of budget and schedule considerations and constraints. We are proud of the long-standing relationships that we have developed with our clients.

NewGen has provided references in the table below. These clients can speak to our ability to provide quality work similar to the services requested by City. Detailed descriptions for the projects listed below are included in Section 2.

Date of Study	Contact Person Title	Address	Telephone	Email
<b>City of Denton, TX – Electric, Water &amp; Wastewater Financial Planning and Rate Modeling</b> Project Estimate: \$215,000      Actual Project Cost: ongoing				
ongoing	Ms. Mary Dickinson Chief Financial Officer	1659 Spencer Road Denton, TX 76205	(940) 349-7170	Mary.Dickinson@denton.com
<b>City of Austin, TX – Residential Rate Advocate in Austin Water Rate Review</b> Project Estimate: \$162,500      Actual Project Cost: \$162,500				
ongoing	Mr. David Anders Assistant Director	124 West 8 <sup>th</sup> Street, Room 308 Austin, TX 78701	(512) 972-0323	David.Anders@austintexas.gov
<b>Lafayette Utilities System, LA – Water, Wastewater, and Electric Rate Study</b> Project Estimate: \$106,000      Actual Project Cost: \$106,000				
2016	Mr. Terry Huval Director	1314 Walker Road Lafayette, LA 70506	(337) 291-5804	thuval@lus.org
<b>Georgetown Municipal Water and Sewer Service, KY – Financial Planning and Budgeting Model</b> Project Estimate: \$30,000      Actual Project Cost: \$30,000				
2014	Mr. Robert Wilhite General Manager	125 West Clinton Street Georgetown, KY 40324	(502) 863-7816	rwilhite@gmwss.com
<b>City of Garland, TX – Retail Water &amp; Wholesale and Retail Wastewater Rate Study</b> Project Estimate: \$46,000      Actual Project Cost: \$46,000				
2013	Ms. Sharon Bailey Water Utilities Manager	200 North Fifth Street Garland, TX 75040	(972) 205-3282	SBailey@garlandtx.gov

## **6. MINORITY/WOMEN (M/WBE) PARTICIATION**

NewGen is not a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act of 1985. However, NewGen currently has two women owners, Ms. Nancy Heller Hughes and Ms. Laurie Tomczyk. Together, Ms. Heller and Ms. Tomczyk own 18.5 percent of the firm.

## **7. SUB-CONSULTANTS**

NewGen will not utilize the services of any sub-consultants to perform the work as defined in this proposal.

## 8. SCHEDULING

The following is an illustrative view of the proposed schedule to complete the Study described herein. In the following timeline, NewGen assumes and award date no-later-than April 9, 2018.

Task	Week beginning											
	4/9	4/16	4/16	4/23	4/30	5/7	5/14	5/21	5/28	6/4	6/11	6/18
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12
Task 1: Development of Revenue Requirements												
Task 2: Cost of Service and Rates												
Task 3: Recommendation and Implementation of Assessment Process												
Task 4: Documentation and Training												
Presentation												TBD ♦

## **9. REQUIRED FORMS**

The following required forms are included with this submittal and begin on the next page:

- Proposal Certification
- Price Proposal
- Non-Collusion Statement
- Local Business Preference (LBP)
- Contract Payment Method Exception
  - NewGen does not currently accept credit card payments. However, NewGen is able to accept wire transfer payments. Upon receiving notice-to-proceed, NewGen will provide the City with the required information to support wire transfer payments.
- Sample Insurance Certificate
- Business License

**BID/PROPOSAL CERTIFICATION**

**Please Note:** If responding to this solicitation through BidSync, the electronic version of the bid response will prevail, unless a paper version is clearly marked **by the bidder** in some manner to indicate that it will supplant the electronic version. All fields below must be completed. If the field does not apply to you, please note N/A in that field.

If you are a foreign corporation, you may be required to obtain a certificate of authority from the department of state, in accordance with Florida Statute §607.1501 (visit <http://www.dos.state.fl.us/>).

Company: (Legal Registration) NewGen Strategies and Solutions, LLC EIN (Optional): 46-0863326

Address: 112 Westwood Place, Suite 165

City: Brentwood State: TN Zip: 37013

Telephone No. 615-970-7875 FAX No. 972-680-2007 Email: mlane@newgenstrategies.net

Delivery: Calendar days after receipt of Purchase Order (section 1.02 of General Conditions): 84

Total Bid Discount (section 1.05 of General Conditions): 0

Does your firm qualify for MBE or WBE status (section 1.09 of General Conditions): MBE        WBE       

**ADDENDUM ACKNOWLEDGEMENT** - Proposer acknowledges that the following addenda have been received and are included in the proposal:

Addendum No.	Date Issued	Addendum No.	Date Issued	Addendum No.	Date Issued
<u>1</u>	<u>2/06/2018</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

**VARIANCES:** If you take exception or have variances to any term, condition, specification, scope of service, or requirement in this competitive solicitation you must specify such exception or variance in the space provided below or reference in the space provided below all variances contained on other pages within your response. Additional pages may be attached if necessary. No exceptions or variances will be deemed to be part of the response submitted unless such is listed and contained in the space provided below. The City does not, by virtue of submitting a variance, necessarily accept any variances. If no statement is contained in the below space, it is hereby implied that your response is in full compliance with this competitive solicitation. If you do not have variances, simply mark N/A. **If submitting your response electronically through BIDSYNC you must also click the "Take Exception" button.**

N/A

The below signatory hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid/proposal. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the City and such acceptance covers all terms, conditions, and specifications of this bid/proposal. The below signatory also hereby agrees, by virtue of submitting or attempting to submit a response, that in no event shall the City's liability for respondent's direct, indirect, incidental, consequential, special or exemplary damages, expenses, or lost profits arising out of this competitive solicitation process, including but not limited to public advertisement, bid conferences, site visits, evaluations, oral presentations, or award proceedings exceed the amount of Five Hundred Dollars (\$500.00). This limitation shall not apply to claims arising under any provision of indemnification or the City's protest ordinance contained in this competitive solicitation.

Submitted by:

Mike Lane  
Name (printed)

February 9, 2018  
Date:



Signature

Director  
Title

revised 04/10/15



**SECTION VI - PRICE PROPOSAL PAGE****Proposer Name:** NewGen Strategies and Solutions, LLC

Proposer agrees to supply the products and services at the prices given below in accordance with the terms, conditions and specifications contained in this RFP.

Cost to the City: Contractor must quote firm, fixed, costs for all services/products identified in this request for proposal. These firm fixed costs for the project include any and all expenses. No additional costs will be accepted.

**Notes:**

Attach a breakdown of costs including but not limited to services, equipment, materials and staff.

1. Total Firm Fixed Fee

\$ 127,000

**(Attach a breakdown of the total firm fixed fee.)**

**Submitted by:**

Mike Lane

Name (printed)

February 9, 2018

Date



Signature

Director

Title

**PRICE PROPOSAL DETAIL**

Task	Hours	Labor	Expenses	Total
Task 1: Analysis	302	\$51,800	\$0	\$51,800
Task 2: Report	72	\$9,900	\$2,850	\$12,750
Task 3: Recommendation and Implementation of Assessment Process	58	\$10,000	\$0	\$10,000
Task 4: Meeting and Public Participation	176	\$41,600	\$10,850	\$52,450
<b>Total</b>	<b>608</b>	<b>\$113,300.00</b>	<b>\$13,700.00</b>	<b><u>\$127,000.00</u></b>

**NON-COLLUSION STATEMENT:**

By signing this offer, the vendor/contractor certifies that this offer is made independently and *free* from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).

3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

**Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.**

<b><u>NAME</u></b>	<b><u>RELATIONSHIPS</u></b>
N/A	N/A
N/A	N/A
	N/A
	N/A

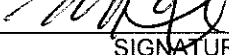
**In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.**

## LOCAL BUSINESS PRICE PREFERENCE CERTIFICATION STATEMENT

The Business identified below certifies that it qualifies for the local business price preference classification as indicated herein, and further certifies and agrees that it will re-affirm it's local preference classification annually no later than thirty (30) calendar days prior to the anniversary of the date of a contract awarded pursuant to this ITB. Violation of the foregoing provision may result in contract termination.

- |     |                             |   |
|-----|-----------------------------|---|
| (1) | <u>N/A</u><br>Business Name | is a <b>Class A</b> Business as defined in City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the City of Fort Lauderdale current year Business Tax Receipt <u>and</u> a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City. |
| (2) | <u>N/A</u><br>Business Name | is a <b>Class B</b> Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the Business Tax Receipt <u>or</u> a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.                                   |
| (3) | <u>N/A</u><br>Business Name | is a <b>Class C</b> Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the Broward County Business Tax Receipt shall be provided within 10 calendar days of a formal request by the City.   |
| (4) | <u>N/A</u><br>Business Name | requests a <b>Conditional Class A</b> classification as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.   |
| (5) | <u>N/A</u><br>Business Name | requests a <b>Conditional Class B</b> classification as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.   |
| (6) | <u>N/A</u><br>Business Name | is considered a <b>Class D</b> Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186 and does not qualify for Local Preference consideration.   |

BIDDER'S COMPANY: NewGen Strategies and Solutions, LLC

AUTHORIZED COMPANY PERSON: <u>Mike Lane</u>		<u>February 9, 2018</u>
NAME	SIGNATURE	DATE

**CONTRACT PAYMENT METHOD BY P-CARD****THIS FORM MUST BY SUBMITTED WITH YOUR RESPONSE**

The City of Fort Lauderdale has implemented a Procurement Card (P-Card) program which changes how payments are remitted to its vendors. The City has transitioned from traditional paper checks to payment by credit card via MasterCard or Visa. This allows you as a vendor of the City of Fort Lauderdale to receive your payment fast and safely. No more waiting for checks to be printed and mailed.

Payments will be made utilizing the City's P-Card (MasterCard or Visa). Accordingly, firms must presently have the ability to accept credit card payment or take whatever steps necessary to implement acceptance of a credit card before the commencement of a contract.

Please indicate which credit card payment you prefer:


\_\_\_\_\_ MasterCard

\_\_\_\_\_ Visa Card

\* NewGen does not currently accept credit card payments.  
However, NewGen is able to accept wire transfer payments. Upon receiving notice-to-proceed, NewGen will provide the City with the required information to support wire transfer payments.

Company Name: NewGen Strategies and Solutions, LLC

Mike Lane  
Name (Printed)

  
Signature

February 9, 2018  
Date

Director  
Title



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/24/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Trimountain Corporation 8301 East Prentice Avenue Suite 215 Greenwood Village CO 80111	<b>CONTACT NAME:</b> John Davidson <b>PHONE (A/C, No, Ext):</b> (720) 708-4155 <b>E-MAIL ADDRESS:</b> john@trimountaincorp.com <b>FAX (A/C, No):</b> (720) 708-4387
<b>INSURED</b> NewGen Strategies & Solutions, LLC 225 Union Blvd, #305 Lakewood CO 80228	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> The Travelers Indemnity Company <b>INSURER B:</b> Travelers Casualty Insurance Company of America <b>INSURER C:</b> Philadelphia Indemnity Insurance Company <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>
	<b>NAIC #</b> 25658 19046 18058

**COVERAGES****CERTIFICATE NUMBER:** CL1781400825**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			680-6J985928	09/01/2017	09/01/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			680-6J985928	09/01/2017	09/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> DED RETENTION \$			CUP 7J776575	09/01/2017	09/01/2018	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input checked="" type="checkbox"/> N	N / A	UB-6J985652	09/01/2017	09/01/2018	<input checked="" type="checkbox"/> PER STATUTE E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional Liability			PHSD1273959	09/01/2017	09/01/2018	Per Claim Limit 3,000,000 Aggregate Limit 3,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Master only- Not valid w/o Certificate Holder information.

**CERTIFICATE HOLDER****CANCELLATION**

NewGen Strategies and Solutions

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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FLORIDA DEPARTMENT OF STATE  
Division of Corporations

May 11, 2017

LAUREE KIELY  
1300 E LOOKOUT DR, STE 100  
RICHARDSON, TX 75082

RECEIVED  
MAY 19 2017  
BY: .....

Qualification documents for NEWGEN STRATEGIES AND SOLUTIONS, LLC were filed on May 11, 2017, and assigned document number M17000004019. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a \$400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Apply today with the IRS online at:

<https://sa.www4.irs.gov/modiein/individual/index.jsp>.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Octavia I Simmons  
Regulatory Specialist II  
Registration Section  
Division of Corporations

Letter Number: 617A00009454