

PROVOST & PRITCHARD CONSULTING GROUP

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July 12, 2024

Tovey Giezentanner
Tuscan Water District
30 Independence Circle, Suite 300
Chico, CA 95973

**Subject: Engineering Services for Tuscan Water District's Benefit Assessment Development Project,
Butte County, California**

Mr. Giezentanner,

Thank you for the opportunity to submit this proposal to provide engineering services for the subject project. This proposal discusses our understanding of the project, recommends a scope of services together with associated fees, deliverables and approximate schedules, sets forth our assumptions and discusses other services that may be of interest as the project proceeds.

PROJECT UNDERSTANDING

Tuscan Water District (District) was formed in February of 2024 for the purpose of offering local landowners the opportunity to better manage groundwater resources within the District's boundary. The area within the District is primarily used for permanent crop agricultural production (almonds, walnuts, etc.) and relies solely on groundwater for crop irrigation. The District lies within the Vina Groundwater Basin which is experiencing groundwater level decline and is in need of a more focused management effort. The lands currently in the District were previously managed by Butte County, leaving local landowners with little influence on groundwater management decisions.

According to the Tuscan Water District's LAFCo formation resolution, the District is required to enact a special assessment or other revenue generating mechanism sufficient to fund the District's ongoing operational expenses in an amount not less than \$445,600 per year. The District has developed project budgets for the next 10 years and these budgets will be the basis by which the assessment is determined.

SCOPE OF SERVICES

Our proposed scope of work for this proposal is included in a single task, described below.

TASK T1: BENEFIT ASSESSMENT ROLL AND ENGINEER'S REPORT

Provost & Pritchard will work with District staff to refine the assessment parcel roll, develop an assessment rate and prepare a stamped and signed Engineer's report supporting the District's proposed special benefit assessment in accordance with Proposition 218 (part of Article XIII D, Section 4 of the California Constitution). Specific work activities are described in more detail below:

- Coordinate with District staff to receive all District background, boundary, parcel, financial and other information required for the determination of the proposed assessment.

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- Meet with District staff and board subcommittee to discuss District financial goals, assessed parcels proposed assessment calculation, and other project related topics.
- Using the District existing parcel database, develop the assessment role including Assessor Parcel Numbers (APNs), legal landowner, mailing address, and parcel acreage.
- Develop a rate analysis for the parcels based on the proportional benefit for each parcel in the District. We will coordinate with District staff to determine the criteria that should be evaluated when determining the assessment fee amount. Critical to this discussion will be the ability and timing of escalation of assessments to account for inflation since the intent is for this Proposition 218 outcome to remain in effect for many years. As a final step under this task, we will recommend an assessment rate for District staff and Board subcommittee to consider.
- Develop an Engineer's Report to meet the requirements of Proposition 218 (part of Article XIII D, Section 4 of the California Constitution). The Engineer's Report will incorporate information developed and reviewed through the previous subtasks. The Engineer's Report will also substantiate that the assessment to be imposed will not exceed the reasonable cost of the proportional special benefit. The requirements of the Engineer's Report are still subject to various, and possibly contradictory, interpretations. Therefore, we will use our extensive professional experience and judgment to interpret and comply with applicable requirements of Proposition 218 and work closely with the District's legal counsel in order to complete the report. Supporting maps and tables will be included in the Engineer's Report, and the final product will be stamped by a Registered Civil Engineer.
- Assist District staff with preparation of assessment notice and voter guide, which will be included in mailed ballots.

Deliverables:

- Roll of District Parcels with APNs, landowner information and parcel acreage.
- Engineer's Report Signed and Stamped by a Civil Engineer Registered in California along with required supporting figures and GIS maps.
- Assessment notice and voter guide.

Assumptions:

- The District will contract directly with an election consultant for the Proposition 218 balloting process, should it choose to use one.
- P&P will attend 3 in-person meetings with District staff and/or Board subcommittee members: (1) for initial project coordination, (1) for review of draft assessment rates and Engineer's report and (1) for attendance at District Board Meeting for adoption of Engineer's Report.
- Landowner outreach and education will be carried out by the District.

PROFESSIONAL FEES

Provost & Pritchard Consulting Group will perform the services in this Phase on a time and materials basis, in accordance with our Standard Fee Schedule in effect at the time services are rendered. For budgeting purposes, our preliminary estimate is that over the next 5 months, our fees will be \$35,000 to \$40,000. These fees will be invoiced monthly as they are accrued. Reimbursable expenses will be invoiced in addition to professional fees and are included in the estimated ranges above. If it appears we will need to exceed the upper range above, we will notify you in writing before we do so and will provide a revised estimate. We will not continue to work beyond the initial budget without additional authorization.

SCHEDULE

We understand that the District desires to prepare the assessment Engineer’s Report and undertake the Proposition 218 election process by early January 2025. Below is a project schedule showing anticipated durations of each primary task to complete the project by the desired date.

Items	2024							2025	
	June	July	August	September	October	November	December	January	February
Start - Assessment Engineer's Reprot & Prop 218 Process									
Project Kickoff; Data Gathering									
Review / Discussion on Methodology									
Development of Engineer's Report									
Communication Plan Outreach									
Roll Review and Update									
Develop Ballots									
Acceptance by Board									
Mail Ballots: 45 day Public Notice Period									
Education Period									
Public Hearing									
Tabulation of Ballots and Results									

TERMS AND CONDITIONS

In order to convey a clear understanding of our mutual responsibilities under this proposal, our standard Consultant Services Agreement is attached. Please sign both of these documents and mail or email a copy to our office. These documents will serve as our Notice to Proceed. This proposal is valid for 30 days from the date above.

Sincerely Yours,
 Provost & Pritchard Consulting Group

Daniel Kerns, RCE 84100
 Senior Engineer

Matt Klinchuch, RCE 83357
 Director of Operations

TERMS AND CONDITIONS ACCEPTED

By Tuscan Water District

Signature

Printed Name

Title

Date