

August 21, 2025

Lake County Special Districts
Robin Borre, Administrator
230 N. Main Street
Lakeport, CA 95453

Dear Ms. Borre,

Lechowicz & Tseng Municipal Consultants (L&T) enjoyed working with you in the past to conduct rate and fee analysis for Lake County (County) special districts. We appreciate the opportunity to work with you again. Enclosed is our proposal to provide a Sewer Rate Study and Proposition 218 Assistance for the Land's End Service Area. We understand that Land's End contracts with the City of Lakeport for sewer disposal and the area includes 200 to 250 customers.

Scope of Services

Provided below is L&T's proposed scope of services for the Sewer Rate Study. We remain flexible to add or remove tasks to meet the County's needs and adjust our budget accordingly.

1. Project Kickoff & Data Gathering: Assemble the necessary data to complete the study. The goal is to understand Land's End's financial standing, current rate structure, funding needs, and utility billing information. We will gather readily available information from the County's website and submit a data needs list for remaining items prior to a virtual kickoff meeting. The virtual kickoff meeting with the project team will be to review available information and resolve questions.
2. Financial Plan: With staff input, we will estimate future operating and capital expenditures to determine annual revenue needs. L&T will evaluate and recommend targets for emergency reserves, rate stability reserves, long term capital reserves, or other categories as appropriate. We will develop up to three draft cash flows illustrating the impacts of various funding options on rates over the next five years.
3. Cost Allocation & Rate Design: We will evaluate historical and current wastewater flow, pollutant loading, and customer billing information. L&T will functionalize expenses by major operating activities and allocate the cost of service to customers. Potential categories include customer service, flow, and pollutant strength. L&T will review rate options and propose a 5-year plan of rate changes.
4. Draft & Final Reports: Prepare a draft report explaining the alternatives, documenting costs, and calculating updated sewer rates. Drafts will be revised as directed and resubmitted as the final report. All staff comments and input from elected officials will be incorporated and

recommendations will be updated accordingly. The report will serve as the County's Proposition 218 administrative record. Under this task, L&T will also draft the Proposition 218 notice of public hearing and translate the notice to Spanish. We will coordinate with the County's legal counsel for review.

5. Meetings & Presentations: As needed throughout the study, L&T proposes to conduct virtual meetings with the project team to review progress, answer questions, and revise the calculations. In addition to these progress meetings, we propose to conduct up to (2) in-person meetings consisting of a presentation of rate recommendations to the Board and attendance at the Proposition 218 hearing. L&T will prepare PowerPoint files and accompanying documents in advance for project team review and inclusion with meeting materials.
6. Proposition 218 Assistance: L&T will assist the County with all aspects of Proposition 218 noticing. We will assemble the property owner and/or customer mailing list and print and mail the notices of public hearing in both English and Spanish.

Staff Assignment

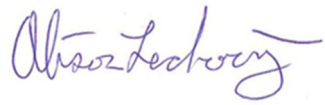
Alison Lechowicz will be the principal-in-charge and project manager on this assignment. She will be assisted by Financial Analyst II Sophia Mills. Alison and Sophia will dedicate the time and effort needed to complete the study.

Availability and Fees

1. L&T is prepared to begin work upon your authorization to proceed. In the early stages of the study, we will work with the County to determine a project schedule and desired rate implementation date.
2. For professional services, the total fee is \$19,850 including two (2) in-person meetings and printing and mailing the Proposition 218 notices of public hearing. Additional in-person meetings can be added at a cost of \$1,800 per meeting.

PROJECT TASKS	HOURS		Total	BUDGET
	Lechowicz Project Mgr \$230/hour	Mills Financial Analyst II \$150/hour		
1. Kickoff & Data Gathering	4	4	8	\$1,520
2. Financial Plan	10	14	24	\$4,400
3. Cost Allocation & Rate Design	6	4	10	\$1,980
4. Draft & Final Reports	10	20	30	\$5,300
5. Meetings & Presentations	20	6	26	\$5,500
Subtotal	50	48	98	\$18,700
<i>Travel expenses and miscellaneous (2 in-person meetings)</i>				\$700
<i>TASK 6. Proposition 218 Printing, Mailing, Spanish Translation</i>				\$450
TOTAL PROJECT BUDGET	50	48	98	\$19,850

Very truly yours,
LECHOWICZ & TSENG MUNICIPAL CONSULTANTS



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