



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-9
7 Pages

OLYMPIC VALLEY MUTUAL WATER COMPANY CONSOLIDATION RATE STUDY HDR ENGINEERING, INC. – PROFESSIONAL SERVICES AGREEMENT

DATE: April 29, 2025

TO: District Board Members

FROM: Charley Miller, General Manager

SUBJECT: Request for Board Approval to Execute a Professional Services Agreement with HDR Engineering, Inc. for Water System Consolidation Alternatives Analysis

BACKGROUND: On February 14, 2025, the Board authorized the General Manager to initiate formal negotiations with the Olympic Valley Mutual Water Company (Mutual) regarding the potential consolidation of the two water systems. This action followed a request from the Mutual's Board and decades of prior, informal efforts toward consolidation.

To support meaningful negotiations and provide both Boards and the community with objective technical data, Staff and HDR Engineering, Inc. (HDR) identified the need for a detailed analysis of potential rate impacts and financial considerations under various consolidation scenarios.

DISCUSSION: HDR, currently engaged by the District to complete a water and sewer rate and connection fee study, has proposed a supplemental scope of work to conduct a Water Rate Alternatives Analysis. This work will focus specifically on evaluating the financial implications of potential consolidation between the District and the Mutual.

The Scope includes:

- **Task 1:** Project management and coordination with District staff
- **Task 2 & 2a:** Development of up to four consolidation alternatives for the District and up to two for the Mutual
- **Task 3:** Presentation of findings at up to two public meetings (one virtual, one in-person)
- **Task 4:** Preparation of a technical memorandum summarizing methodology, assumptions, and findings

- **Task 5:** As-needed support to address questions and coordination with the Mutual

HDR's proposal is structured to track work specific to the Mutual separately. Tasks 2a and 5, totaling \$8,256, will be billed to the Mutual. The remaining tasks are part of the District's existing planning and rate-setting process.

ALTERNATIVES:

1. Approve the execution of a professional services agreement with HDR as proposed.
2. Decline approval and direct staff to revise the scope or seek alternative proposals.
3. Provide other direction to staff.

FISCAL/RESOURCE IMPACTS: The total cost of the proposed scope is \$29,499, including labor and expenses. The District anticipates reimbursement of \$8,256 by the Mutual for tasks specific to their analysis.

RECOMMENDATION: Authorize the General Manager to execute a professional services agreement with HDR Engineering, Inc. in the amount of \$29,499 for the Water Rate Alternatives Analysis related to potential consolidation with the Olympic Valley Mutual Water Company.

ATTACHMENTS:

- HDR Scope of Services and Fee Estimate dated April 21, 2025

DATE PREPARED: April 22, 2025



April 21, 2025

Ms. Danielle Mueller
Finance and Administration Manager
Olympic Valley PSD
305 Olympic Valley Road
Olympic Valley, CA 96146

Subject: Water Alternatives Analysis Scope of Services

Dear Ms. Mueller:

HDR Engineering, Inc. (HDR) is currently assisting the Olympic Valley Public Services District (District) in performing a water and sewer rate and connection fee study. HDR and the District are in the process of completing the tasks as outlined in the agreed-upon scope of services for the rate and fee study. However, as the Study progressed, the consolidation of the District with the Olympic Valley Mutual Water Company (Mutual) was discussed numerous times. The consolidation is not a new concept but as discussions have progressed, the District and HDR determined that further technical analysis would be needed to accurately assess the impacts of a consolidation of the District and the Mutual. Provided below is a summary of the additional requested services to assist the District in completing this assessment and provide better technical context for the consolidation discussion.

Scope of Services

Task 1 – Project Management

This Task includes the general project management activities that are required to complete the project on time and within budget. This includes allocating the appropriate labor resources to the project and working with the District's Project Manager to schedule project meetings and provide monthly progress reports.

Expected District Staff support:

- Coordination with HDR
- Review and process invoices

Task 1 Activities:

- Coordination with the District Project Manager
- Monthly progress report of project status and budget

Task 2 – Alternatives Analysis - District

The District is requesting further evaluation of consolidation impacts to the water rate payers of both the District and the Mutual. HDR will develop up to four alternatives as directed by the District. At the conclusion of the alternatives analysis, HDR will provide a summary of the different results, which will be developed as part of Task 4.

**Expected District Staff support:**

- Provide rate alternative goals, objectives, parameters, and assumptions
- Review the developed alternatives and provide feedback

Task 2 Activities:

- Development of up to 4 alternatives for review and evaluation

Task 2a – Alternatives Analysis - Mutual

The Mutual is requesting further evaluation of consolidation impacts to the water rate payers of both the District and the Mutual. HDR will develop up to two alternatives as determined by the Mutual. At the conclusion of the alternatives analysis, HDR will provide a summary of the different results, which will be developed as part of Task 4.

Expected District/Mutual Staff support:

- Provide rate alternative goals, objectives, parameters, and assumptions
- Review the developed alternatives and provide feedback

Task 2a Activities:

- Development of up to 2 alternatives for review and evaluation

Task 3 – Public Presentations/Workshops

HDR has been requested to participate and present at up to two public meetings, either to the District, the Mutual, or both at a combined meeting. It is proposed that one be assumed to be virtual and one in person. HDR will develop the presentation materials (i.e., PowerPoint) related to the alternatives and the HDR project manager will present the results and recommendations at the meetings.

Expected District Staff support:

- Coordinate with HDR on the time and date of the public presentations
- Review presentation materials developed by HDR

Task 3 Activities:

- Development of alternative related presentation materials for the public presentation
- Up to two public presentations, budgeted as one virtual and one in person

Task 4 – Technical Memorandum

Depending on which alternatives are developed based on discussion with the District, HDR will draft a technical memorandum (TM) that outlines the assumptions and parameters of each alternative, as well as the approach and methodologies utilized for the evaluation.

Expected District Staff Support:

- Review and comment on the draft written TM



Task 4 Activities:

- Develop an electronic (Word, PDF) draft TM for review and comment by the District
- Incorporate changes or comments from the draft report into the final TM
- Provide a Microsoft Word and Adobe PDF copy of the final TM

Deliverables:

- A draft and final written TM in electronic format (e.g., Word, PDF)

Task 5 – As Needed Assistance - Mutual

As part of the development of the alternatives analysis, it may be necessary to provide the Mutual with additional assistance. It has been requested that HDR add a task that addresses providing supplementary analysis and/or discussion on an as needed basis. This task provides time and effort to address the concerns of the Mutual staff as well as work towards the development the alternatives in Tasks 2 & 2a. The level of provided assistance will be capped at the fee estimate for this task unless prior written approval is received from the District.

The above tasks conclude the proposed scope of services to provide the District with the requested alternatives to review the impacts to the customers from a consolidation of the District and the Mutual. It is assumed that Task 2a and Task 5 will ultimately be billed to the Mutual. In both cases, HDR will track time separately and bill the District according to the tasks outlined in the scope of work. If the District requests additional services, they can be provided on a time and material basis at current hourly rates with prior written approval by the District. This proposed scope of services can be modified to meet the specific needs of District.

Key Project Team Members

The project team for the additional requested services will be the same as the current study project team. Josiah Close will continue to be the project manager and Sara Anderson will assist in the data analysis and model updates as well as assist in the presentation materials and TM development.

Project Timeline

The District has requested the services be completed in the next 3 – 4 months, depending mainly on the capital assessment of the Mutual's water system and recommended asset replenishment schedules, if needed. HDR will work with the District to complete the scope of work in a timely manner and has long-standing established working relationship with solid communication.

Project Fee Estimate

Provided below is a summary of the hourly billing rates, estimated hours to complete the analysis, and total requested amendment



HDR Engineering – Hourly Rate Schedule

Project Manager	\$228
QA / QC	\$340
Financial Analyst	\$140
Admin./Clerical	\$142

EXPENSES:

In-House Expenses

Vehicle Mileage (per mile)	Current Federal Travel Regulation (FTR)
Black/White Photocopies (per copy)	\$0.05 to \$0.09
Color Copy (per copy)	\$0.15 to \$0.30

No markup on expenses. Other direct expenses (e.g., airfare, rental car) are billed at cost.

Provided on the following page is a summary of HDR's estimated fees for the scope of work.

Summary of Estimated Fees Water Rate Study Alternatives Analysis	
Description	Total
Labor	
Task 1 – Project Management	\$2,986
Task 2 – Alternatives Analysis - District	7,772
Task 2a – Alternatives Analysis - Mutual	3,728
Task 3 – Public Presentation	4,992
Task 4 – Technical Memorandum	4,568
Task 5 – As Needed Assistance - Mutual	4,528
Grand Total Labor	\$28,574
Expenses	
Total Expenses (Travel, Printing, Tech, etc.)	\$925
Grand Total Fees	\$29,499

HDR is willing to enter into an agreement for \$29,499 for the scope of services described above. HDR is willing to negotiate a final fee for the alternatives analysis based on a final scope of services. Should the District request additional services under this contract, the services will be provided at the hourly billing rates noted above. Portions of this fee proposal can be expanded or reduced in conformance with scope adjustments and as mutually agreed upon in writing by District and HDR.



We appreciate the opportunity to provide these services. Should you have any questions about our approach to this project or any information contained herein, please contact Josiah Close directly at 425.614.9124 or Josiah.Close@hdrinc.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'D Zuber'.

Dave Zuber, PG (CA 5938), PMP
HDR Northern California
Water Business Group Manager

A handwritten signature in black ink, appearing to read 'Josiah Close'.

Josiah Close
Utility Rates Project Manager