



# ERIE COUNTY WATER AUTHORITY

## INTEROFFICE MEMORANDUM

February 19, 2020

To: Commissioners Schad, Carney and Jones  
From: Karen A. Prendergast, Chief Financial Officer *KAP*  
Subject: Retention of Rate Consultant

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Our current rate model was developed by Raftelis Financial Consultants in 2016 and was implemented on January 1, 2017. The new model was a significant change from our previous model, eliminating our declining block schedule and setting volumetric and infrastructure investment charges by assigning our cost of service to customers by type and size.

The Authority's Bond Resolution requires the retention of a Rate Consultant to be available to advise the Authority upon request in matters of rate analysis, forecasting revenues, and preparing required reports on sufficiency of water charges for the Bond Trustee.

I would like to retain Raftelis Financial Consultants to provide on-call consulting services, update our cost of service study and rate model, train Authority personnel to maintain the rate model, and prepare the required financial feasibility report for Bond Trustees due in 2021.

Raftelis was chosen in 2016 after an extensive RFP process (12 firms received an RFP) that yielded two responses. Raftelis is a nationally recognized water rate consultant and has been partnering with the AWWA to produce a biennial survey of water and wastewater charges for US utilities since 2002. As they developed our model, they are uniquely qualified to assist us in updating it.

At this time, I am seeking Board authorization to pursue a professional service agreement with Raftelis with the scope of services discussed above.

cc T. McCracken  
M. Murphy  
R. Stoll  
J. Tomaka