

**TO:** GCSB Board of Directors

**FROM:** Peter Kampa, General Manager

**DATE:** May 9, 2023

**SUBJECT:** Agenda Item 6F: Adoption of a Resolution Approving Addendum to Professional Services Agreement with NBS Consulting for the Purpose of Updating the District Impact Fee Study to be in Compliance with AB 602

---

**RECOMMENDED ACTION:**

Staff recommends the following action:

*I move to adopt Resolution 27-2023 approving addendum to Professional Services Agreement with NBS Consulting for the purpose of updating the District Impact Fee Study to be in Compliance with AB 602.*

**BACKGROUND:**

The Board accepted the Development Impact Fee Study and adopted the associated park and fire service impact fees on July 13, 2021, which established a capital fire and park facilities/equipment fee program to recover capital costs to provide service to new development.

Shortly after the Board accepted the study and adopted the fees, new legislation in the form of AB 602 took effect at the beginning of 2022, placing new requirements on local governments wishing to charge impact fees. AB 602 mandates certain changes in the way those fees are calculated (Government Code Section 66016.5). The following are key requirements added by Section 66016.5:

- A nexus study must be adopted before the adoption of associated development fees.
- Impact fees based on a level of service that exceeds the existing level of service must be justified.
- Impact fees imposed on residential development must be proportional to square footage unless the agency makes certain findings. Section 66016.5 also provides that a local agency that charges fees proportionate to square footage shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

- Large jurisdictions (counties of 250,000 and cities within those counties) must adopt a capital improvement plan as part of an impact fee nexus study.
- The notice period for public hearings on nexus studies supporting impact fees is increased from 10 days to 30 days.
- Impact fee nexus studies must be updated at least every eight years.

District management reached out to NBS who performed the work preparing the Development Impact Fee Study to provide a proposal to update both of these and bring them in compliance with AB 602, so that the District can legally apply the fees on new future development, through the County.

NBS has submitted a proposal to perform this work and management recommends including this work as an addendum to the Professional Consulting Services Agreement the District recently entered into with NBS for the preparation of the Water and Sewer Cost of Service Rate Study.

**FINANCIAL IMPACT**

NBS will conduct this work on a time and materials basis at the hourly rates shown in the table below with a not to exceed fee of \$11,000. Additional services requested, such as additional attendance at more than the two public meetings proposed, or additional fee alternatives, can also be provided based on these hourly rates.

Title	Hourly Rate
Project Manager	\$250
Impact Fee Specialist	\$150
Consultant/Analyst	\$150

**ATTACHMENTS:**

1. NBS Proposal for Impact Fee Study Update
2. Addendum to Professional Services Agreement
3. Resolution 27-2023



32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516

[www.nbsgov.com](http://www.nbsgov.com)

March 29, 2023

Peter J. Kampa  
General Manager  
Groveland Community Services District  
18966 Ferretti Road  
Groveland, CA 95321

**RE: Proposed Task Order for an Impact Fee Study Update**

Dear Mr. Kampa:

NBS completed a Development Impact Fee Study for the District in 2021, to include proposed impact fees for Park Land and Park Improvements, and Fire Department Facilities and Equipment. The Final Report for the project has not yet been adopted by Tuolumne County, and at the beginning of 2022 new legislation took effect, placing new requirements on local governments wishing to charge impact fees. The following provides additional information about the legislation, Assembly Bill 602 (AB 602), as well as a proposal to update the Development Impact Fee Study to meet its requirements.

**SCOPE OF SERVICES**

---

AB 602 requires local agencies that charge development (impact) fees to make certain information available to applicants and the public (Section 65940.1) and, more importantly for this study, mandates certain changes in the way those fees are calculated (Section 66016.5). The following are key requirements added by Section 66016.5:

1. A nexus study must be adopted before the adoption of associated development fees.
2. Impact fees based on a level of service that exceeds the existing level of service must be justified.
3. Impact fees imposed on residential development must be proportional to square footage unless the agency makes certain findings. Section 66016.5 also provides that a local agency that charges fees proportionate to square footage shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.
4. Large jurisdictions (counties of 250,000 and cities within those counties) must adopt a capital improvement plan as part of an impact fee nexus study.
5. The notice period for public hearings on nexus studies supporting impact fees is increased from 10 days to 30 days.
6. Impact fee nexus studies must be updated at least every eight years.

Our approach to this project will include assisting the District with how to best comply with these changes in state law. We anticipate that fees for Park Land and Park Improvements will require some reconfiguration to comply with item 2 listed above, and fees for Fire Department Facilities and Equipment will undergo significant changes in methodology and approach to meet requirements 2 and 3. We will also update development data factors and other inputs regarding anticipated cost of facilities where information is available to do so.

The deliverable for this project will include updating the fee model prepared in 2021 for the District and compiling an updated draft Development Impact Fee Study Report. NBS will issue all documents in PDF format for the District's review and comment, and staff will have time to review and suggest any needed edits before we finalize the report.

We assume all work-in-progress meetings will be held via conference call or video conferencing format. We also expect to have regular email exchanges and phone conversations with staff to review data, discuss the progress, solicit input, and review results.

The Final Report will be required to be reviewed and accepted by the GCSB Board, as well as adopted by the Tuolumne County Board of Supervisors. We are available to support the District as needed throughout the implementation process, to include discussion and review of the Final Report with County staff, and up to two (2) presentations either virtually or in-person to the District Board or County Board of Supervisors.

## PROJECT TEAM

---

The project team for this engagement will include the same NBS professionals that completed the 2021 Study for the District. Full-length resumes and references are available upon request and have been omitted given the District is already familiar with the project team.

### NICOLE KISSAM, PROJECT MANAGER

**Role and Responsibilities:** Nicole Kissam will manage the ongoing administration of the project, serving as the primary point of contact for District's staff and directing the work efforts of our project team. She will be fully conversant in all findings and available for public events as needed. She will work closely with the District's designated project manager to monitor the schedule and delivery of work products to the District's satisfaction. While designing and directing analytical efforts, she will also provide senior-level technical analysis.

**Work Experience:** Nicole Kissam is Director of NBS Financial Consulting Group. She has an extensive background in public sector consulting, city government, corporate management, marketing and public relations. Nicole has been a financial and management consultant to local government for 20 years, specializing in cost recovery policy, strategy, and analysis. Her subject matter expertise includes cost allocation plans, user and regulatory fee analysis, impact fee analysis, financial plans, business process improvement, and operational best management practices for California agencies. Nicole holds a Bachelor of Science in Business Administration from California Polytechnic State University in San Luis Obispo. She has completed similar projects as requested by the District for many agencies across California.

### JOE COLGAN, COLGAN CONSULTING, IMPACT FEE SPECIALIST

**Role and Responsibilities:** Joe Colgan will work closely with Nicole Kissam as a subject matter expert on an as-needed basis for the reports.

**Work Experience:** Joe Colgan is the President of Colgan Consulting and a recognized expert in impact fee analysis with over 30 years of experience in the field. He is a professional planner with 10 years of direct experience in local government as a planner and planning director, and extensive experience in land use

planning and capital facilities planning. He has served three terms on the board of the National Impact Fee Roundtable (now the Growth and Infrastructure Consortium), including one term as vice chair, and has spoken on impact fees at conferences and seminars nationally.

### **NBS PROJECT ANALYSTS AND CONSULTANTS**

**Roles and Responsibilities:** Other NBS support staff may be assigned to this project as needed. Under the direction of the project manager, these staff will support the Project Manager as needed with the completion of key aspects of the project’s Task Plan including, but not limited to, Excel model development, data collection and analysis, timeline management, draft reviews, and documentation efforts.

**Work Experience:** These staff add approximately one to four years of subject matter experience as well as prior professional backgrounds in accounting and financial management experience. All Project Analyst and Consultant staff at NBS have extensive applied skills in analytical software, databases, and spreadsheets, as well as a Bachelor’s level degree from an accredited university.

### **PROJECT TIMELINE**

---

We are available to commence work on this project as soon as a contract is approved and signed. We estimate this effort will require up to two months to complete the final report and an additional two to three months for review and adoption by the GSCD and Tuolumne Board of Supervisors.

### **PROFESSIONAL FEES**

---

We propose to perform this work on a time and materials basis, at the hourly rates shown in the table below with a not to exceed fee of \$11,000. Additional services requested, such as additional attendance at more than the two public meetings proposed, or additional fee alternatives, can also be provided based on these hourly rates.

<b>Title</b>	<b>Hourly Rate</b>
Project Manager	\$250
Impact Fee Specialist	\$150
Consultant/Analyst	\$150

### **Expenses**

Customary out-of-pocket expenses will be billed to the District at actual cost to NBS. These expenses would be limited to expenses associated with travel and meals during the implementation process.

### **Invoicing**

We invoice on a monthly basis, paralleling each phase of completion of the work plan’s tasks. At no time will we invoice for charges in excess of the fee to which the District and NBS mutually agree.

Thank you again for considering us for these important services. Please feel free to reach out to me at 800.676.7516 or nkissam@nbsgov.com with questions about our proposal or to move forward with preparation of a professional services agreement.

Sincerely,

A handwritten signature in blue ink that reads "Nicole Kissam". The signature is written in a cursive, flowing style.

Nicole Kissam  
Director, NBS Financial Consulting Group

**ADDENDUM TO THE  
PROFESSIONAL SERVICES AGREEMENT BETWEEN  
GROVELAND COMMUNITY SERVICES DISTRICT AND  
NBS GOVERNMENT FINANCE GROUP, DBA NBS DATED  
MARCH 15, 2023**

THIS ADDENDUM TO THE CONTRACT FOR PROFESSIONAL SERVICES AGREEMENT dated March 15, 2023 is entered into by NBS Government Finance Group, dba NBS herein collectively referred to as “Consultant”, and the Groveland Community Services District herein referred to as “District”. The Consultant and District may each be referred to herein individually as a “Party” and collectively as the “Parties”.

**RECITALS**

- A.** WHEREAS, on March 15, 2023, the Parties entered into an agreement known as the Contract for Professional Services Agreement (“Agreement”);
- B.** WHEREAS, the Agreement consists of the general terms and conditions for Consultant to develop a combined Water and Sewer Cost of Service/Rate Study;
- C.** WHEREAS, Consultant performed a Development Impact Fee Study and developed Service Impact Fees, which was accepted and adopted by the Groveland Community Services District Board of Directors on July 13, 2021;
- D.** WHEREAS, AB 602 was implemented at the beginning of 2022, shortly after the District adopted the Development Impact Fee Study and Service Impact Fees, placing new requirements on local governments wishing to charge impact fees;
- E.** WHEREAS, the District wishes NBS to perform the updates to the Development Impact Fee Study and Service Impact Fees to be in compliance with AB 602 as to not impact the District’s ability to apply the fees on new future development.

NOW, THEREFORE, through this Addendum to the Consulting Services Agreement dated March 15, 2023, the Parties agree as follows:

- 1.** Consultant will perform additional work as detailed in the Proposed Task Order for an Impact Fee Study Update in an amount not to exceed \$11,000, which is attached hereto as Exhibit A.

IN WITNESS WHEREOF, the Parties agree to the foregoing by execution of this Addendum:

**District:**

**Consultant:**

\_\_\_\_\_  
By: Peter Kampa  
Its: General Manager

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

Groveland Community Services District

18966 Ferretti Rd.

Groveland, CA 95321

Mailing Address:

P.O. Box 350

Groveland, CA 95321-0350

NBS Government Finance Group

32605 Temecula Parkway, Suite 100

Temecula, CA 92592



**RESOLUTION 27-2023**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT APPROVING AN ADDENDUM TO PROFESSIONAL SERVICES AGREEMENT WITH NBS CONSULTING FOR THE PURPOSE OF UPDATING THE DISTRICT IMPACT FEE STUDY TO BE IN COMPLIANCE WITH AB 602**

**WHEREAS**, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, in 2021 NBS prepared the District's first Development Impact Fee Study to identify the cost to address the need for increased staffing, facilities and equipment in the fire and park services in the future resulting from new land development projects; and

**WHEREAS**, the Development Impact Fee Study was adopted by the District on July 13, 2021; and

**WHEREAS**, California Assembly Bill 602 made changes to the state's development impact fee laws that became effective on January 1, 2022; and

**WHEREAS**, updates are required to the previously adopted Development Impact Fee Study to comply with the new law, and NBS has prepared a reasonable proposal meeting the needs of the District to provide for update of the study.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES** hereby approve Resolution 27-2023 addendum to Professional Services Agreement with NBS Consulting for the purpose of updating the District Impact Fee Study for compliance with AB 602.

**WHEREFORE**, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on May 9, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT

APPROVE:

---

Nancy Mora, Board President

ATTEST:

---

Rachel Pearlman, Board secretary

**CERTIFICATE OF SECRETARY**

I, Rachel Pearlman, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on May 9, 2023.

DATED: \_\_\_\_\_