



Sierra Engineering Solutions, LLC
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9 March 2021

Paul Lisko
Board of Directors
Sierra los Piños POA
950 Forest Road 10
Jemez Springs, New Mexico 87025

**RE: SIERRA LOS PIÑOS PROPERTY OWNERS ASSOCIATION
ENGINEERING SERVICES PROPOSAL
WATER RATE STUDY AND PRELIMINARY ENGINEERING REPORT**

Dear Mr. Lisko:

Sierra Engineering Solutions (SES) is pleased to submit this proposal for professional engineering services for the preparation of a water rate study and preliminary engineering report (PER) for the Sierra Los Piños Property Owners Association (SLPPOA).

SLPPOA residents are currently assessed an annual Homeowners Association fee of \$905 per lot. This assessment is consistent for all residents regardless of their monthly water usage. The SLPPOA Board of Directors wishes to provide a reduction in the annual HOA fee while assessing a use-based monthly water bill to residents - as discussed in our 1 March 2021 meeting.

SES is prepared to provide a detailed analysis for consideration to implement a stand-alone water billing system (separate from the annual HOA fees). SES will identify actual operating and maintenance (O&M) costs with respect to monthly system use to recommend an equitable per gallon water rate that will be assessed to residents of the SLPPOA. The water rate study will also evaluate costs for proposed capital improvements projects to improve the delivery and reliability of the water system.

SES will consult with the New Mexico Environment Department – Drinking Water Bureau to compare the proposed water rates with those assessed in comparable higher elevation communities and mutual domestic water consumer associations.

Final deliverables for the water rate study shall include a preliminary engineering report that identifies the system water usage, O&M costs, itemized construction cost estimates for cost-effective capital improvements to be implemented over the next five (5) years, and a recommended water billing strategy to provide revenue to cover these costs.

The proposed fee for the SLPPOA water rate study and preliminary engineering report is **\$5,400.00** plus New Mexico gross receipts tax. The following is a breakdown of the proposed services:

SLPPOA – WATER RATE STUDY AND PRELIMINARY ENGINEERING REPORT

<u>Task Description</u>	<u>Fee</u>
Water Usage and O&M Cost Evaluation	\$ 900.00
5-Year Capital Improvement Plan	\$ 1,000.00
NMED-DWB Consultation	\$ 500.00
Prepare Preliminary Engineering Report	\$ 2,500.00
<u>Presentation to SLPPOA Board of Directors</u>	<u>\$ 500.00</u>
Subtotal	\$ 5,400.00
<u>NMGRT @ 6.375%</u>	<u>\$ 344.25</u>
Total Engineering Services	\$ 5,744.25

SES will complete the SLPPOA water rate study and preliminary engineering report within 30 days of authorization to proceed through an engineering services agreement approved by the SLPPOA.

Feel free to call me at (505) 670-5385, email me at jschrandt@gmail.com, or I am prepared to meet with you at your earliest convenience should you have any questions regarding this proposal.

Your approval and authorization of the terms and conditions of engineering services contract, and upon completion of the engineering design effort, your commitment to promptly pay for the said services, is greatly appreciated.

Proposed by:

John R. Schrandt

Date: 9 MARCH 2021

John R. Schrandt, P.E.
President
Sierra Engineering Solutions