



Request for Proposals

The Marina Coast Water District wishes to contract for an individual or firm to prepare a Water, Wastewater and Recycled Water Financial Plan and Rate and Fee Study for the District

Proposals due

**4:00 PM
July 20, 2012**

Proposals should be sent electronically to:
Kelly Cadiente at
kcadiente@mcwd.org

Proposals sent by mail must be directed to:
Marina Coast Water District
11 Reservation Road
Marina, CA 93933
ATTN: Kelly Cadiente

I. INTRODUCTION

The Marina Coast Water District (District) is requesting proposals from qualified individual or firm to prepare a water, wastewater and recycled water financial plan and rate & fee study. The selected consultant shall perform the tasks specified in the "Scope of Work" section of the Request for Proposals (RFP). The consultant is encouraged to suggest additions or modifications to the scope that will enhance or clarify the study and the suggestions should be incorporated into the proposal. The District is seeking to enter into a Professional Services Agreement with an individual or organization to provide the services described in section III.

II. BACKGROUND

The Marina Coast Water District provides water service and wastewater collection service to 36,000 – 40,000 residents through approximately 8,000 connections in and adjacent to the City of Marina and on the former Fort Ord military installation. The District currently pumps all of its supply, approximately 4,200 acre feet of water (both Marina and Ord Systems) annually from groundwater wells. The District also conveys in excess of two million gallons per day of sewage to the Monterey Regional Water Pollution Control Agency for treatment. The District assumed responsibility for operation of the water and wastewater utilities on Fort Ord pursuant to a water/wastewater facilities agreement dated March 13, 1998. In October 2001, title to the Ord Community facilities was conveyed to the District. Although, there are water inter-tie connections between the Marina and Ord systems, the Marina and Ord Community service areas are still maintained as separate operations, with separate financial records and accounts. The District has developed capital improvement programs for both the Marina and Ord Community service areas.

The District last completed its water and wastewater financial plan and rate study in May 2008. Copies of that financial plan and rate study are available for review at the District's office.

III. SCOPE OF WORK

1. Review current rates and fees associated with water, wastewater and recycled water services and propose rates and fees that will ensure recovery of actual costs associated with the services provided.
2. Review District code and other appropriate laws, as necessary.
3. Review current charges including capacity charges and propose charges that will ensure recovery of actual costs associated with services provided.
4. Identify new and proposed expenses including but not limited to water, wastewater and recycled water and propose rates and charges that will ensure recovery of actual costs.

5. Review current debt service and five year capital improvement projects, and propose financing action plan for current status, as well as increases in future debt service from financing of capital improvement projects.
6. Provide a comparison of current and proposed water and wastewater rates and capacity charges against surrounding public agency water and wastewater purveyors.
7. Provide a rate model which the District can use for forecasting and planning.

IV. STUDY REQUIREMENTS

The study is to be performed in conformance with the following policy directions:

1. Any recommended rate structure shall be based on cost of service.
2. Identify those portions of water, wastewater and recycled water system revenues that fund water and wastewater system operating and capital costs.
3. The study shall recommend a rate structure that considers and makes provisions for the following factors:
 - a. Current and future cost of providing water, wastewater and recycled water service in accordance with established and anticipated standards and regulations.
 - b. Projected customer demands for water, wastewater and recycled water.
 - c. Availability of supplies, e.g. water and recycled water.
 - d. Requirements of the District Code, California law, SWRCB revenue program guidelines and any other guidelines that may apply.
 - e. Other impacts as identified.
4. The recommended rate structures shall be consistent with industry practice for utility rate making in California. The study shall recommend a rate structure based upon standard rate practices that meet the criteria.
5. Provide a comparison of current water and wastewater rates to surrounding public agency water and wastewater purveyors.
6. Recommend and justify any special classes of customers under the recommended rate structure.
7. The recommended rate structure shall result in no decrease in stability of the revenue stream, as compared to the current structure.
8. The recommended rate structure shall consider the type and amount of reserves appropriate to the District's water and wastewater operations taking into consideration reserves for cash flow, catastrophes, infrastructure replacement and other appropriate purposes.
9. The recommended rate structure shall be easy to administer and understand.
10. Any proposed rate structure must take into consideration the District's automated billing system capabilities.

11. The recommended rate structure shall be planned for five years.

V. STUDY ELEMENTS

In making its rate structure recommendations, the final report shall explicitly include the following elements and analysis:

1. **Current rate structure.** Assess the current rate structure's performance as a baseline for comparing recommended changes.
2. **Equity.** Assess the equity of recommended water, wastewater and recycled water rates for all types of property ownerships and users.
3. **Revenue Sufficiency.** Assess existing rates and charges and identify other potential expense areas including water, wastewater, recycled water and any additional collection system maintenance requirements and recommend changes, if appropriate.
4. **Annual Operating and Capital Replacement Fund Balance Targets.** Recommend reserve levels for operating and capital replacement as well as cash flow and unforeseen events.
5. **Capital Improvement and Increased Debt Service.** Recommend financing action plan to cover existing five-year Capital Improvement Projects and future years included in the District Master Plan document as well as increases in debt service.

VI. SERVICES TO BE PROVIDED BY CONSULTANT

1. **Review existing rates.** Conduct a detailed review of the existing water rates and status of the general fund, and develop a general familiarity with the District's billing system.
2. **Attend Meetings.** Meet or confer with staff as needed and attend two meetings of the Board of Directors to present an interim status of the study and obtain their input, and also to present the final draft of the study. Attend one public hearing where the water and wastewater rates are considered for adoption.
3. **Conduct Analysis.** Conduct analyses as required to address the scope of work.
4. **Prepare Administrative Draft Report.**
 - a. Prepare administrative draft study report and tentative rate structure for staff review.
 - b. Submit electronic copy of the draft study.
 - c. Meet with staff to review the administrative draft study report.
5. **Prepare Preliminary Report.**
 - a. Incorporate changes pursuant to comments received from staff during the administrative draft review.
 - b. Prepare a preliminary study report and tentative rate structure.
 - c. Submit one unbound copy, eight bound copies, and one electronic copy.

- d. Present preliminary report and tentative rate structure to the Board of Directors at a regularly scheduled Board meeting.
- 6. Prepare Final Report.**
 - a. Incorporate changes pursuant to comments received at the first presentation.
 - b. Submit one unbound copy, eight bound copies, and one electronic copy.
 - c. Present the final report and recommended rate structure to the Board of Directors at a regularly scheduled Board Meeting.
 - d. Attend the public hearing where the water and wastewater rates are considered for adoption.
- 7. Time Schedule.** Supply a time schedule for developing the preliminary and final reports. The final report shall be delivered to the District within 90 days or sooner from the contract date.
- 8. Public Relations.** Provide suggestions to the District for ways to obtain the understanding and support of our customers should a rate increase occur.

VII. SERVICES TO BE PROVIDED BY THE DISTRICT

The services to be provided by the District include, but are not necessarily limited to the following:

- 1. Furnish Data.** Furnish all reasonably available records and information, including financial reports, budgets, consumption data, meter sizes, and customer billing codes for the existing District customers.
- 2. Water and Wastewater System's Master Plan.** Provide a loaner copy of the Water and wastewater System's Master Plan.
- 3. Capital Improvement Projects.** Provide information on the recent Capital Improvement Project list.
- 4. Staff Support.** Provide staff support and assistance as required and agreed to in advance of the study.
- 5. Budget and Financial Information.** Provide the District's 2012-2013 and FORA 2012-2013 Operating and Capital Budgets, the June 30, 2011 Annual Financial Report, and the June 30, 2012 Annual Financial Report as it becomes available.

VIII. PROPOSAL SUBMITTAL

The following information is to be submitted as a part of the proposal. The proposal should include single page resumes of persons to be assigned to the project. Other material may be attached as deemed appropriate to include a copy of a rate study performed by the applicant that most closely fits the scope of work outlines above. The proposal is to be organized as follows:

- a. Approach to the Project: Describe your approach to this project and any special ideas, techniques or suggestions that you think might make the project proceed smoothly.
- b. Experience: Describe the experience of the firm and of the individuals assigned with related projects of a similar nature. Provide at least three references of other water agencies our size and scope of study.
- c. Qualifications: Describe your staff's unique qualifications and training for this type of work.
- d. References: Provide recent references for projects of a similar nature for all individuals who will be assigned to the project.
- e. Schedule: Describe your plan/schedule for completing the work.
- f. A separate page shall be provided containing the Cost Proposal for the study.
- g. A separate page shall be provided containing fee schedule for additional services

IX. AGREEMENT

A copy of the proposed agreement is attached. Evidence of Insurance must be received prior to agreement implementation.

X. DEADLINE FOR SUBMISSION OF PROPOSALS

The District must receive proposals by July 20, 2012, 4:00 PM:

Physical and U.S. Mail Address:

Marina Coast Water District
Kelly Cadiente, Director of Administrative Services
11 Reservation Road
Marina, CA 93933

Proposals must be received by the deadline of July 20, 2012, 4:00 PM. Postmark does not constitute receipt.

XI. SELECTION OF CONSULTANT

The District management staff will review the proposals submitted. All proposals will be evaluated uniformly for final selection, which will be based on analysis of the information submitted. Proposals will be evaluated on the basis of experience, qualifications, approach to the project, cost of the project, degree of District staff time required to complete the project, and any innovative ideas for making the project go quickly and smoothly.

Although interviews will not be required as a condition of submitting a proposal, the District reserves the right to request additional information or interview some

or all of the proposing individuals or organizations if necessary to obtain additional information that the District considers necessary to fully evaluate a proposal.

The District also reserves the right to: 1) request clarification or additional information from any proposing firm at any time; 2) waive immaterial defects or minor irregularities in a proposing firm's responses to this request for proposal; 3) suspend or reopen the request for proposals process; and 4) reject any or all responses and terminate the request for proposals process at any time.

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