



AMERICAN VALLEY COMMUNITY SERVICES DISTRICT

**REQUEST FOR PROPOSAL
FOR**

WATER AND WASTEWATER RATE STUDY

**900 Spanish Creek Road
Quincy, CA 95971
(530) 283-0836 FAX: (530) 283-0838**

**December 18, 2020
AMERICAN VALLEY COMMUNITY SERVICES DISTRICT
REQUEST FOR PROPOSALS**

PROPOSAL MUST BE RECEIVED NO LATER THAN: **January 28, 2021, 5:00 PM**

Executive Summary

The American Valley Community Services District (“District”) provides water to approximately 1,607 accounts and wastewater services to approximately 1,693 accounts in Quincy and East Quincy, CA. The District is seeking a qualified candidate to conduct an independent review of the water and wastewater rates and capacity charges. Key objectives of our study include:

- Analyze current District rates, connection fees, and finances.
- Develop long-term cash flow projections incorporating future operating and capital requirements.
- Recommend minimum prudent fund reserve targets.
- Recommend commodity and capacity rate adjustments needed to fund the District’s cost of providing service and maintain long-term financial health.
- Update the District’s connection fees to ensure new connections fund their share of costs for the District’s existing infrastructure.
- Recommend one consolidated rate structure for both zones of the District.

Background

The District was formed by the consolidation of the Quincy Community Services District (“West Zone”) and the East Quincy Services District (“East Zone”) on January 11, 2018. Since that time the District has been operating on the pre-existing rate structures of the former districts. The District has a five-member Board of Directors, elected at large; that serves staggered four-year terms and meets on the second Thursday of each month. The District’s customer base is primarily residential and commercial.

District Finances

Currently, the District’s primary revenue sources are service charges, which consist of a monthly charge based on meter size. The West Zone water consumption is a tiered rate structure along with the base rate. The East Zone has a water consumption allowance built into the base rate and a charge for any usage above the base consumption allowance. For both zones, the residential wastewater rates are a set base rate. The West Zone commercial wastewater rates are based on water usage and sewer strength. The East Zone commercial wastewater rates are flat rates. Please see the website: www.americanvalleycsd.com for the most recent approved audit and further information.

Past and Current Rates

For the West Zone, the current water rates went into effect on July 1, 2015 and the current wastewater rates went into effect July 1, 2017. For the East Zone, the current water rates went into effect July 1, 2017 and the current sewer rates went into effect July 1, 2017. For both zones, water rates have not been increased since they went into effect and the last increase for wastewater rates is scheduled to begin on July 1, 2021. See the following chart for the historical and current rates:

WEST ZONE WATER USAGE RATES, FEES, AND CHARGES

Quincy Community Services District
Current Water Rates

Monthly Service Charge (\$/mo.)	Current
5/8" Meter	\$26.75
3/4" Meter	\$38.88
1" Meter	\$63.15
1 1/2" Meter	\$123.80
2" Meter	\$196.58
3" Meter	\$366.43
4" Meter	\$609.06
 Commodity Rates (\$/100 gallons)	
First 2,300 gallons	
Over 2,300 gallons	
 Residential (\$/100 gallons)	
First 4,000 gallons	\$0.158
Next 4,000 gallons	\$0.199
Next 4,000 gallons	\$0.235
Over 12,000 gallons	\$0.272
 Multi-Family (\$/100 gallons)	
First Tier is 4,000 gallons per unit	\$0.158
Next 4,000 gallons	\$0.199
Next 4,000 gallons	\$0.235
Over 12,000 gallons	\$0.272
 Commercial NO IRRIGATION	
First 4,000 gallons	\$0.158
4,001 and above	\$0.199
 Commercial WITH IRRIGATION	
First 4,000 gallons	\$0.158
Next 4,000 gallons	\$0.199
Next 4,000 gallons	\$0.235
Over 12,000 gallons	\$0.272

WEST ZONE WASTEWATER USAGE RATES, FEES, AND CHARGES

Quincy Community Services District

SINGLE FAMILY RESIDENTIAL	Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
QCSD Monthly Service Charge Percentage Increases						
Treatment	0.0%	12.0%	13.0%	15.0%	14.0%	13.0%
Collection	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
QCSD Monthly Service Charge Increases						
Treatment	\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69
Collection	\$24.65	\$24.65	\$24.65	\$24.65	\$24.65	\$24.65
Total QCSD Monthly Service Charge	\$52.22	\$55.53	\$59.54	\$64.78	\$70.39	\$76.34
QCSD Percentage of MHI	1.57%	1.67%	1.80%	1.97%	2.15%	2.34%
QCSD Overall Monthly Service Charge Increase	0.0%	6.3%	7.2%	8.8%	8.7%	8.4%
EQSD Monthly Service Charge per EDU Wastewater Treatment Only	\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69
MULTI-FAMILY (PER DWELLING UNIT)	Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
QCSD Monthly Service Charge Percentage Increases						
Treatment	0.0%	12.0%	13.0%	15.0%	14.0%	13.0%
Collection	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
QCSD Monthly Service Charge Increases						
Treatment	\$25.00	\$28.00	\$31.64	\$36.39	\$41.48	\$46.87
Collection	\$22.17	\$22.17	\$22.17	\$22.17	\$22.17	\$22.17
Total QCSD Monthly Service Charge	\$47.17	\$50.17	\$53.81	\$58.56	\$63.65	\$69.04
QCSD Percentage of MHI	1.57%	1.67%	1.80%	1.97%	2.15%	2.34%
QCSD Overall Monthly Service Charge Increase	0.0%	6.4%	7.3%	8.8%	8.7%	8.5%

Commercial Wastewater Rates

Meter Size	Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
5/8" Meter	\$9.73	\$10.35	\$11.09	\$12.07	\$13.12	\$14.22
3/4" Meter	\$12.43	\$13.22	\$14.17	\$15.42	\$16.76	\$18.17
1" Meter	\$19.21	\$20.43	\$21.90	\$23.83	\$25.90	\$28.08
1 1/2" Meter	\$36.95	\$39.29	\$42.13	\$45.83	\$49.81	\$54.02
2" Meter	\$57.37	\$61.00	\$65.41	\$71.16	\$77.34	\$83.87
3" Meter	\$105.06	\$111.72	\$119.79	\$130.32	\$141.62	\$153.59
4" Meter	\$173.11	\$184.08	\$197.38	\$214.73	\$233.36	\$253.07
Commercial Wastewater Usage Rate (\$/100 gallons)	Current (FY 16-17)	Projected (FY 17-18)	Projected (FY 18-19)	Projected (FY 19-20)	Projected (FY 20-21)	Projected (FY 21-22)
Low Strength User	\$0.602	\$0.64	\$0.69	\$0.75	\$0.81	\$0.88
Medium Strength User	\$0.742	\$0.79	\$0.85	\$0.92	\$1.00	\$1.08
High Strength User	\$1.093	\$1.16	\$1.25	\$1.36	\$1.47	\$1.60
Schools	\$0.553	\$0.59	\$0.63	\$0.69	\$0.75	\$0.81
East Quincy Wastewater Treatment Rate						
Service Charge per DUE	\$27.57	\$30.88	\$34.89	\$40.13	\$45.74	\$51.69

Commercial and Public (Governmental) Accounts with irrigation are adjusted, upon application, if there is 1,000 square feet or more of irrigated lawn and landscape.

ADMINISTRATIVE AND OPERATIONAL FEES – West Zone

Backflow Device		
Repairs -----		Actual Costs
Test-----		\$50.00
Connections		
Construction Deposit (Minimums)	Water -----	\$3,000.00
	Wastewater -----	\$3,000.00
Engineering-Design & Mapping -----		Actual Costs
Fixture Unit Fees		
Drainage Fixture Unit (DFU) Fee (Treatment \$85.07/Collection \$121.54)-----		\$206.61
Water Supply Fixture Unit (WSFU) Fee-----		\$149.14
Permit Application Fees		
Wastewater Collection -----		\$50.00
Wastewater Treatment-----		\$100.00
Water System -----		\$150.00
Credit Re-establishment -----	\$100.00 deposit, plus balance due on outstanding account	
Equipment -----		Actual Costs
Fire Protection-Private-----	5/8" Meter Base Rate	
Hydrant Meter Rental-----		\$50.00/month
Water Usage (Based on Meter Size)-----	Base Rate, plus Usage	
Refundable Deposit for Hydrant Meter Rental -----		\$1,000.00
Inspections -----		Actual Costs
Labor (1-hour minimum) -----		Actual Costs
Meter Reset -----		Actual Costs
Meter Size Change (Line and tap must be sufficient to accommodate change)-----		Actual Costs
New Account-----		\$35.00
Parts/Materials -----		Actual Costs
Part Loan Recovery -----		Actual Costs
Public Record Duplication Fee-----		.20 per image
Returned Check-----		\$25.00
Service Line Change (when enlarged and main tapped)-----		Actual Costs
Penalties		
Delinquency or Deficiency (Basic Penalty)-----		10%
	(Monthly Penalty)-----	1%
Lien (Recordation)-----		Actual Cost
(Release)-----		Actual Cost
(Notary)-----		Actual Cost
Unauthorized Water Usage Minimum Penalty -----		\$150.00
Water Turn-on (Re-establish Service)-----		\$35.00

**EAST ZONE WATER
USAGE RATES, FEES, AND CHARGES**

Size of Meter	Monthly Meter Charge
5/8" Meter	\$14.97
3/4" Meter	\$16.47
1" Meter	\$20.87
1 1/2" Meter	\$26.87
2" Meter	\$43.29
3" Meter	\$164.02
4" Meter	\$208.74

BASE WATER USE CHARGE PER MONTH

Single Family Residential	\$11.49 for 6,000 gallons per month or portion thereof.
Multi-Family Residential	\$9.57 for 5,000 gallons per unit per month or portion thereof.
Small Commercial	\$5.74 (maximum of 3,000 gallons per month).
Large Commercial	\$11.49 for 6,000 gallons per month or portion thereof.
Volumetric Charge: For each 1,000 gallons per month, or portion thereof, over the Base Use Charge gallons	 \$1.92

**EAST ZONE WASTEWATER
USAGE RATES, FEES, AND CHARGES**

User Class	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
RESIDENTIAL RATES (\$/MO.)						
Single Family	\$55.49	\$59.36	\$63.94	\$69.76	\$75.96	\$82.52
Multi-Family (Per Unit)	\$43.57	\$46.61	\$50.21	\$54.77	\$59.65	\$64.79
Non-Residential Rates						
Small Commercial	\$28.18	\$30.14	\$32.47	\$35.42	\$38.58	\$41.91
Large Commercial	\$55.49	\$59.36	\$63.94	\$69.76	\$75.96	\$82.52
Monthly Minimum					\$38.58	\$41.91

ADMINISTRATIVE AND OPERATIONAL FEES – East Zone

Main Tapping Fee	\$120.00
Service Turn-on or Turn-off Charge	\$ 15.00
Meter Test Charge:	
5/8" to 1" Meter	\$ 75.00
Greater than 1" Meter	\$100.00
System Construction / Inspection Fees	4% of Engineer's construction cost estimate
Reconnection Fee	\$ 50.00
Application Fee	\$ 50.00
Backflow Test Fee	\$25.00

Proposition 218

Proposition 218, the “Right to Vote on Taxes Act”, was approved by California voters in November 1996 and added Articles XIII C and XIII D to the California Constitution. Proposition 218 establishes requirements for imposing or increasing property-related taxes, assessments, fees and charges.

The District follows the procedural requirements of Proposition 218 in adopting future water and wastewater rate increases. These requirements include that:

- The District must mail a notice of proposed rate increases to all affected property owners and tenants. The notice must also specify the date, time, and location of a public rate hearing at which the proposed rates will be adopted, and other related information.
- The District must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
- At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners submit written protests against the proposed rate increases, the increases cannot be adopted.
- Charges for water, sewer, and refuse collection are exempt from the additional voting requirements of Proposition 218 provided there is no majority protest, do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

Rate Study – Project Work Program

1. Work with District staff to begin the project, identify information requirements, assemble information, and establish project schedule, goals, and objectives.
2. Assemble, review, and analyze available legal, financial, engineering, and economic data that have a bearing on the District’s water and wastewater charges. Information to examine and review generally includes the following:
 - a. Costs and depreciation of water and wastewater facilities
 - b. Capital improvement program
 - c. Facilities replacement program
 - d. Audits and current budget
 - e. Customer information and consumption
 - f. Outstanding debt
 - g. Pertinent District financial policies
3. Examine District’s current revenues and expenses. Identify cost centers and, if appropriate, determine the fixed and variable costs of operating, maintaining, and replacing the water and wastewater system. Cost centers may be established by zone or jointly across the District. Also, if appropriate and with the assistance of District staff, develop a consumption analysis to determine customer water consumption patterns. This would be used to develop tiered rates if that is the appropriate course.
4. Prepare expense projections, recommend facilities replacement requirements, and include capital projects that may be required in the near future. Determine annual revenue requirements of the District. Project year-end fund reserves and recommend reserve fund levels.

5. Analyze alternative water rate structures including combinations of tiered rate volume charges and fixed monthly charges based on water meter size. Discuss pros and cons of current rate structures and alternatives with the District; recommend a legally defensible “rate and charge” that meets the District’s needs and requirements. Develop and recommend a water capacity charge levied to new users connecting to the system.
6. Analyze alternative wastewater rate structures including combinations of volume charges based on water usage and sewer strength, for commercial accounts, and fixed monthly charges. Discuss pros and cons of current rate structures and alternatives with the District.
7. Recommend a unified rate structure for both water and wastewater for both zones of the District.
8. Discuss and review your findings and preliminary recommendations with staff. Discuss policy alternatives with the District staff before completing the draft report.
9. Prepare and submit a draft report based on the review described above and make recommendations based on District’s need and resources. Submit a draft report to District staff, Board and others as requested for review.
10. During the project period, remain available to discuss your progress with District staff and others as requested. The fee shall include at least two meetings at the District, with the Board of Directors, including the Public Hearing and answering questions as may be submitted by the District Board and the public regarding the recommendations.

Additional Services

Provide additional financial consulting services as requested by the District. Such services may include attendance at additional meetings in excess of the two meetings at the District mentioned above.

Schedule

<u>RFP EVENT</u>	<u>DATE/TIME</u>
<u>District Issues RFP</u>	<u>12/18/2020</u>
<u>Deadline for Proposer¹ Questions</u>	<u>12/28/2020</u>
<u>District Provides Responses to Questions</u>	<u>01/06/2021</u>
<u>Deadline for Proposal Submission</u>	<u>01/28/2021 5:00 PM</u>
<u>District Completes Evaluations / Selection of Proposer</u>	<u>02/11/2021</u>
<u>Notification of Award / Work Start</u>	<u>02/16/2021</u>
<u>Board Workshop / Draft Report</u>	<u>05/13/2021 9:00 AM</u>
<u>Final Report Due</u>	<u>06/04/2021</u>

Proposal Submittal

One (1) original, five (5) hard copies and one (1) electronic copy of a written proposal must be delivered by: **5:00 p.m., January 28, 2021 to.**

¹ Consultant may sometimes be referred to herein as “Proposer.”

Katie Nunn
American Valley CSD Business Manager
900 Spanish Creek Road
Quincy, CA 95971
Email: katie@americanvalleycsd.com
Phone: (530) 283-0836

All proposals must be received by the District before 5:00 P.M. PST on the Deadline for Proposal Submission date. Proposals received after this time and date may be returned unopened. Postmarks will not be accepted as proof of receipt.

Proposers assume the risk of the method of delivery chosen. The District assumes no responsibility for delays caused by any delivery service. A Proposer's failure to submit a proposal as required before the deadline may cause the proposal to be disqualified.

Proposals and any questions shall be directed to the sole attention of Ms. Nunn. Proposer contact with anyone else in the District is expressly forbidden and may result in disqualification of the Proposer's bid.

Proposal Format Proposals must be structured and labeled in the following manner:

- Cover Letter
- Table of Contents
- Section 1 – Executive Summary
- Section 2 – Company Qualifications
- Section 3 – References
- Section 4 – Disclosure
- Section 5 – Scope of Services
- Section 6 – Work Plan and Schedule
- Section 7 – Cost Proposal

The Proposal Should Include:

Cover Letter

The proposal must include a cover letter that provides the following:

1. Proposer's legal name and corporate structure
2. Proposer's primary contact to include name, address, phone, and email
3. Identification of use of subcontractors and scope of work to be performed by subcontractors
4. Identification of any pending litigation against the Proposer

5. Disclosure of any bankruptcy or insolvency proceedings in last ten (10) years
6. Statement of the Proposer's credentials to deliver the services sought under the RFP
7. Statement indicating the proposal remains valid for at least 120 days
8. Statement that the Proposer or any individual who will perform work for the Proposer is free of any conflict of interest (e.g., employment by the District)
9. Signature of a company officer empowered to bind the Proposer to the provisions of this RFP and any contract awarded pursuant to it.

The Proposal Cover Letter should be concise and brief and not exceed three (3) pages unless Proposer's exceptions to the District's legal documents require it.

Table of Contents

All pages are to be numbered and figures, tables, charts, etc. must be assigned index numbers and identified in the Table of Contents.

Section 1 - Executive Summary

This section of the proposal should discuss the approach the consultant proposes to use to provide the District with the product requested. The consultant should demonstrate their knowledge and experience developing financial plans and water, wastewater, and utility rates for agencies comparable in size and complexity to the District and describe why their firm may be best able to perform the work required.

The Executive Summary should not exceed three (3) pages.

Section 2 – Company Qualifications

In this section of the proposal, the Proposer should identify company qualifications and experience in implementing solutions similar to what the District is seeking. The Proposer must provide a resume of previous relevant experience. The proposal should include the name of the project manager and of the staff people to be assigned to the project, their resumes, and the estimated time each team member is expected to spend on the project. The proposal should include a list of sub-consultant to be used, the nature of their services and a statement of their qualifications and references. The list of sub-consultants should identify the key personnel performing the work and include their resumes.

The Company Qualifications section should not exceed three (3) pages.

Section 3 - References

The Proposer must provide references (with phone numbers) for least three (3) relevant projects should be included.

Section 4 - Disclosure

In this section of the proposal, the Proposer should identify any professional or personal financial or other interest which could be a possible conflict of interest in performing the services of the RFP.

The Disclosure section should not exceed two (2) pages.

Section 5 – Scope of Services

In this section of the proposal, the Proposer should provide a clear and concise response to the Scope of Service requirements set forth. The response should include a list of deliverables to be provided to the District as part of the project developing financial plans, rates, and capacity fees. This response should present a demonstration of the Proposer’s understanding of the project and their suggested approach to the project.

The Scope of Services section should not exceed ten (10) pages.

Section 6 – Work Plan and Schedule

The Proposer should include a detailed schedule for completing the study by June 4, 2021. Please show the various work tasks along with the important intermediate dates (meetings, submittals, reviews, etc.)

The Proposal should identify the proposed implementation approach clearly identifying roles and responsibilities to be performed by the Proposer and those to be performed by the District for each phase of the timeline. The proposal should demonstrate how the Proposer will prepare and complete the Rate Study.

The Work Plan and Schedule section should not exceed ten (10) pages.

Section 7 – Cost Proposal

The Proposer’s Price Proposal must identify all costs required to develop, present, and implement the proposed Rate Study and shall include:

- An independent itemization/breakdown for each agency of all services to be provided and estimated number of hours to complete each task, including sub-consultant tasks.
- A schedule of hourly rates (including sub-consultants) and expected payment schedule to be used for the duration of the project, even if the project extends beyond the anticipated completion date.
- Costs by general category of work.
- An estimated total amount for the scope of services required.
- Additional charges that are not included in the base fee.
- Travel (if necessary).

Selection Criteria

The District intends to select a consultant based on demonstrated competence and professional qualification for the types of services to be performed at a fair and reasonable price to the public. The District will review all proposals and rank them according to the following criteria:

Content of Proposal (45%)

- Understanding the nature of the project

- Proposed approach to required services
- Originality and innovation in project approach
- Scheduling and responsiveness
- Quality assurance methods

Qualifications of Team (40%)

- Team’s verifiable experience in preparation of similar financial plans.
- Proposed project staff’s and consultant’s experience in preparing similar financial plans and their commitment to participate in the project.
- Quantity and quality of recent similar work as attested to by referenced clients
- Technical expertise with “cost of service” rate analysis
- Experience working with public agency staff and political bodies and compliance with legal requirements of California’s Proposition 218.

Budget (15%)

- Competitive hourly rate
- Reasonable amounts of time to complete the various tasks

District staff will make the final recommendation for award of this services contract to the Board on February 11, 2021. The final scope and contract amount will be negotiated with the selected consultant.

Insurance

The District will require the selected consultant to provide the following policies of insurance:

Without limiting consultant’s duty to indemnify, consultant shall maintain, at no cost to District, throughout the term of this Agreement a policy or policies of insurance with the following minimum coverage:

1. Commercial general liability, insurance combined single limit of \$1,000,000;
2. Professional liability insurance, \$1,000,000;
3. Motor vehicle insurance, covering all motor vehicles, including owned and non-owned, used in providing services under this Agreement, with a combined single limit of not less than \$1,000,000;
4. Workers’ Compensation Insurance in compliance with the statutory requirements of the state(s) of operation and Employer’s Liability Insurance with a limit of \$1,000,000 each accident/disease/policy limit.

All such insurance shall be with a company authorized by law to transact insurance business in the State of California. The commercial liability and motor vehicle insurance policy shall name the American Valley Community Services District as an additional insured, and shall be written on an occurrence form. Each policy shall provide that District shall be given notice in writing at least thirty (30) days in advance of any change, cancellation, or non-renewal thereof. Each policy shall provide identical coverage for each subcontractor performing work under this contract, or be accompanied by a certificate of insurance for each subcontractor showing identical insurance coverage.

Comprehensive general and automobile liability policies shall provide that such insurance is Primary Insurance and that no insurance of the additional insured's shall be called on to contribute to any loss incurred in connection with consultant's performance of this Agreement.

Conditions of Request

The following conditions apply to this Request for Proposals:

1. The District reserves the right to withdraw this solicitation of a proposal at any time without prior notice. Further, the District does not make any representations that any agreement will be awarded to any firm submitting a proposal.
2. The District reserves the right to reject any and all proposals submitted in response to this request and reject any sub-consultant or individual working for a consulting firm.
3. All proposals, inquiries, responses, or correspondence related to or in reference to this RFP, and all reports, charts, displays, schedules, exhibits, and other documentation submitted by the consultant will become the property of the District and a matter of public record.
4. In any event, the District shall not be liable for any pre-contractual expenses incurred by any proposed or selected consultant. Proposers shall not include any such expenses as part of the price proposed in its proposals. Pre-contractual expenses are defined as expenses incurred by proposers in preparation of the proposal, submissions of the proposal, negotiations with the District on any matter related to the proposal, and other expenses incurred by the proposer prior to the date of award for any agreement related to the services herein described.
5. The District maintains an anti-discrimination policy, which requires that all contractors not discriminate in hiring on the basis of age, gender, race, religion, sexual orientation, or medical condition. Upon acceptance of a proposal, the District may request the selected consultant sign a statement affirming their compliance with this policy.

Contract

It is recognized that the formal basis of an agreement between the District and the consultant is a contract, rather than a proposal. In submitting price proposal, consultants must indicate that they are prepared to complete a contract containing all of the information submitted in their price proposal. If the consultant has a specific contract that they wish to use, the consultant must submit a sample along with the RFP for consideration.