



The Western Hills Water District (“WHWD” or “District”) is requesting proposals from select qualified consultants to conduct a comprehensive water rate study. The goal of the study is to independently assess and evaluate the District’s existing water (raw and treated) delivery cost structure and provide a new plan with rates and guidelines. The broad objective of the study is to adequately fund water utility operations and infrastructure costs, while minimizing rates to the greatest degree possible. Currently, the bulk of the District’s operating costs are funded by a single developer (World International, Inc.). Existing user rates only provide a small fraction of the District’s overall costs.

The report will be the basis for the District to determine future revenue and the break point where the District will be self sufficient and self sustaining. The study will be based on a comprehensive review of the District’s water funds and budgets, current usage data, planned growth at Diablo Grande pursuant to the approved specific plan and possible revised development plans, and any other available information.

DESCRIPTION

The District is located in the southeast portion of Stanislaus County, 10 miles east of the City of Patterson. Currently the District has an estimated population of 800, occupying approximately 430 residential units. The Oak Flat development (Phase 1) of the Diablo Grande Specific Plan provides for roughly 2,500 residential units, two golf courses and associated supporting golf facilities, and a village center including a hotel, spa and commercial land uses. Approved development plans have been put on hold by several developers due to the current housing and credit slump.

The water and wastewater utility serves all developed area within the District service area. Future phases of Diablo Grande Development beyond Oak Flat (Phase 1) within the District’s service area would increase the overall unit count beyond the approximate 2,500 units should Stanislaus County approve future phases.

BACKGROUND

The WHWD receives water out of the California Aqueduct, pursuant to an agreement with the Kern County Water Agency. The turnout is located near Lower Oak Flat Road where it crosses the Aqueduct. WHWD owns and operates a series of four pumping stations lifting the water 1,200 feet from the Valley floor to the Diablo Grande Development. At the last pumping

station the water is either routed to the golf course for irrigation or to the Diablo Grande Water Treatment Plan for treatment and distribution.

The Diablo Grande potable water system is relatively new. All of the water facilities serving the existing units were constructed between 1999 and 2008. The water facilities consist of a single surface water treatment plant, a one million gallon storage tank (Zone 3 Tank) and the distribution system. The distribution network consists of three pressure zones separated by pressure reducing stations. A great majority of the distribution system is C-900 or C-905 pipe. There are minor segment lengths of cement lined ductile iron pipe. Water from the treatment plant is pumped to the Zone 3 Tank.

The District last completed its water financial plan and rate study in March 2010. The suggested rates were not enacted due to a successful Proposition 218 protest, although through cooperation and outreach between the Diablo Grande community and the District, a compromise was reached and a 3 year rate increase was successfully enacted in June 2011. Copies of that financial plan and rate study are available for review upon request.

Due to its current limited size, the District does not meet the legal definition of an Urban Water Supplier. However once Oak Flat, Phase 1, is built out the District would then be subject to the requirements of an Urban Water Supplier.

SCOPE OF WORK

A. STUDY OBJECTIVES

1. Propose a metered-rate fee schedule that is fair and objective, and reflects costs of service for raw water and domestic water.
2. Identify the unit break point were developer funding is not required to support the District's operations.
3. Develop a sound financial structure for ten years of maintenance, capital replacement and future requirements.
4. Provide rates of customer classes, including non-standard connections, i.e. multi-family properties on one meter, mixed use, and commercial customers with multiple sites.
5. Provide guidelines for new development, and the upcoming crossing of the threshold to "Urban Water Supplier" status.

B. STUDY REQUIREMENTS

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

1. The recommended rate structure shall be based on cost of service and shall be sufficient to meet the short and long-term revenue requirements of the District water utility.
2. The study shall recommend rate structures that consider and make provision for the following factors:
 - a) Current and future cost of providing utility service in accordance with established and anticipated standards and regulations.
 - b) Projected demands.
 - c) Availability of supply - seasonal fluctuations and potential drought.
 - d) Age and condition of the system and the need to fund long-term capital improvement and replacement for the supply, treatment, distribution, and collection, transmission infrastructure.
 - e) Impact of current and future environmental regulations.
3. The recommended rate structures shall provide identification of revenues appropriated to major funded activities and infrastructure.
4. The recommended rate structures shall be consistent with industry practice for utility rates in California.
5. The study shall provide at least a recommendation on the District's meter set fee to cover the cost of installing meters throughout the service area.
6. Rates shall include provision for an emergency rate structure to address drought conditions or other interruptions in supply.
7. The recommended rate structure shall result in no decrease in stability of the revenue stream to the District, as compared to the current structure.
8. The recommended rate structure shall be easy to administer and understand.
9. The proposed rate structure must work with the District's billing system.
10. The recommended rate structure shall be planned for at least ten years.
11. The plan should provide assistance in Prop. 218 procedures.
12. The plan should be complete and allow the District's Board to adopt new fees by late 2014.

C. SERVICES TO BE PROVIDED BY CONSULTANT

1. Conduct a detailed review of the existing raw water, treated water rates and status of the utility, and develop a general familiarity with the District's billing system.
2. Confer with staff as needed or requested by the District.
3. Prepare a preliminary proposal and attend one meeting with the District's Board for a working session to present the proposal and obtain their input.
4. Hold a public meeting during one evening to obtain comments on the proposal.
5. One additional public meeting as may be required.
6. Prepare Final Report:
 - a) Incorporate changes based on comments received at the first presentations.
 - b) Submit 15 copies, plus one reproducible copy.
 - c) Provide a disc or drive with the report in MS Word format, with spreadsheets in Excel format.
 - d) Present the final report and recommended rate structure to the District's Board and members of the public at a regular District Board meeting.

D. SERVICES TO BE PROVIDED BY THE WHWD

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

1. Furnish all reasonably available records and information, including financial reports, budgets, and consumption data.
2. Provide a loaner copy of the Draft Water Master Plan.
3. Provide staff support as required and agreed to in advance of study.

PROPOSAL SUBMITTAL

A. The proposal shall include the following:

- Cover letter.
- Organizational chart for the project team.
- Brief information on the key staff including education, related experience, assignment for this project and resume.

- Summary of the company’s relative experience and performance.
 - Description of the approach for completing the work.
 - Anticipated labor effort by task and classification for each activity.
 - Schedule for project completion (Microsoft Project).
 - Fee Schedule
 - Three to five references
 - A copy of the most recent cost proposal for a similar rate study, in addition to a copy of the actual cost for the performance of that rate study.
- B. The proposal is not to be more than 15 single-sided pages in length. Resumes of persons to be assigned to the project are not included in the 15 page limit.
- C. A copy of a proposed contract may be attached.
- D. Proposers should provide evidence of professional liability insurance
- E. Consultant may provide additional information supporting firm’s qualifications for the project including but not limited to a copy of a rate study performed by the applicant that most closely fits the scope of work outlined above. Supporting information is not considered part of the 15 page limit.
- F. The proposal is expected to be clear, concise and respond to the requirements set forth in this RFP. Unnecessarily elaborate or glossy proposals are neither expected nor desired.
- G. Should your firm wish to be considered for this work, please submit five hard copies and one complete PDF copy on CD.
- H. Deadline for submission of proposals:
1. Interested firms should submit proposals by 3:00 P.M. July 3, 2014 to:
 WHWD
 Attn: Patrick Garvey, District Engineer
 9501 Morton Davis Drive
 Patterson, CA 95363
 2. Proposals should be marked: “WHWD - Water Rate Study.”
 3. Questions regarding this request for proposals shall be directed to:
 Western Hills Water District
 Attn: Patrick Garvey, District Engineer
 9501 Morton Davis Drive
 Patterson, CA 95363
 (209) 642-9150

SELECTION OF CONSULTANT

Proposals will be evaluated by a committee made up of the District Engineer, General Manager, Directors, and the project manager from World International, Inc. The proposals will be evaluated on the basis of experience, qualifications, the approach to the project, degree of District staff time required to complete the project, and any innovative ideas presented to make the project go quickly and smoothly. Public participation will also be instrumental in the process of selection.

Final selection will be based on the evaluation of proposals unless it is deemed necessary by the committee to conduct interviews of closely scored consultants. The consultant determined best qualified to perform this project will be recommended to the WHWD Board for award.

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.