

# Central California Irrigation District

## REQUEST FOR PROPOSAL (RFP)

Central California Irrigation District (CCID) seeks Consulting services for a desk top review of the District's existing financial data and budget to develop a tiered water rate structure that enables the District to adequately recover the cost of service for providing water while maintaining adequate reserves.

### WATER RATE COST OF SERVICE STUDY

Central California Irrigation District

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Los Banos, California 93635

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**Date: February 3, 2021**

## INTRODUCTION

Central California Irrigation District invites qualified consultants to submit proposals for the preparation of a desktop Water Rate Cost of Service Study.

The goal of the study is to review the District's existing financial data, budget, and conservation / capital program, and develop a rate structure that enables the District to adequately recover its cost of service for providing water with adequate reserves for capital programs.

Some of the items to be incorporated into the development of the analysis include but are not limited to: reviewing the District's annual revenue requirement, the annual cost to the District to operate its well fields, the District's conservation program, and additional revenue requirements necessary to the proper management, operation, maintenance, rehabilitation, replacement and development of the District's facilities; and reviewing and updating of the District's water rates to ensure adequate funding for proposed improvements.

The analysis will contemplate water rates for years designated "critical" water years, in which the District's surface water allocations are reduced and the District relies more heavily on pumping its well fields, and "normal" water years, in which the District may serve a greater proportion of its customer demand with surface water supplies.

## SCOPE OF WORK

Please see Exhibit "A" for the preliminary scope of work.

## BACKGROUND

Central California Irrigation District provides irrigation water to more than 1600 farms. The District holds rights to surface water deliveries from the Delta-Mendota Canal pursuant to the Second Amended Exchange Contract, and also possesses the right to pump groundwater from its well fields located within the District. The District also procures well water pumped from landowners within its boundaries for other District customers.

The volume and source of water delivered by the District varies depending on whether the United States Bureau of Reclamation declares a water year to be "critical" or "non-critical." During critical water years, less surface water is available to the District, which requires the District to rely more heavily on groundwater pumping.

The District's water rates thus reflect to critical distinctions: water year type and tier. During Critical water years, the District sells a lower volume of water, requiring its revenue requirement to be recovered across fewer units of water. Additionally, during critical years, the District is required to incur additional electric, labor, and overhead costs associated with well pumping. This increased pumping also decreases the useful life of

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its wells and associated equipment.

The District's three water rate tiers additionally reflect the District's increased cost of providing greater amount of water. Generally, Tier 1 water is supplied from the District's surface water entitlements. Tier 2 water is supplied from the District's groundwater wells. Tier 3 water is acquired from landowner wells located within the District.

## **EXISTING WATER RATE STRUCTURE**

The District's current water rate structure is based on a tiered usage methodology. The District's three tiers reflect progressively higher charges for greater levels of water usage, which requires the District to incur costs associated with pumping its well fields, and acquiring water from its growers for distribution to other landowners in the District. The following is a summary of the District's water rate schedule by water year type and tier:

### **CRITICAL WATER YEAR RATES**

Tier 1: \$17 per acre-foot

Tier 2: \$40 per acre-foot

Tier 3: \$95 per acre-foot

### **NON-CRITICAL WATER YEAR RATES**

Tier 1: \$17 per acre-foot

Tier 2: \$40 per acre-foot

Tier 3: \$95 per acre-foot

## **COMPLETED RFP RESPONSES SHOULD BE SUBMITTED TO:**

Jarrett Martin, General Manager  
P.O. Box 1231  
1335 West I Street  
Los Banos, CA 93635

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## PROPOSAL SUBMITTAL

Proposals are due no later than 4:00 p.m. on February 23, 2021, and must be received by that date and time. Proposal postmark dates and times will not be considered as meeting that deadline. Consultants must submit three (3) bound copies and one (1) electronic (PDF) copy (on USB or CD). The District is not responsible for proposals that are delinquent, lost, mismarked, and sent to an address other than that given above, or sent by mail or courier service. The District reserves the right, after opening the proposals, to reject any or all proposals, or to accept the proposal(s) that in its sole judgment is (are) in the best interest of the District.

## TENTATIVE PROJECT SCHEDULE

Release of RFP	February 3, 2021
Proposals due	February 23, 2021 by 4:00 PM
Approval/Award	February 26, 2021
Project Completion	March 23, 2021

## REVIEW OF PROPOSALS AND SELECTION OF CONSULTANT

Proposals should provide a straightforward and concise presentation adequate to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of contents. Responsiveness to the RFP will be a principal basis for evaluation.

Proposals submitted will be evaluated by a committee comprised of District Staff. The committee's evaluation will be based upon, but not limited to:

1. Project Understanding and Approach (25%)
  - Approach to the project including steps to ensure ultimate compliance with objectives of the work quality and accuracy.
  - Innovative approaches for the solutions and recommendations
2. Project Team Qualifications (25%)
  - Consultant's water rate study experience.
  - Qualifications with respect to this project.
  - Responsibilities to be assigned.
  - Amount of each individual's time to be allocated.
3. Project Management (20%)
  - Components of project management that demonstrate capability in management of projects of this scope. Include a sample monthly report.
  - Include a project schedule that accounts for scope of work.
4. Fee Schedule (30%)
  - Include a not-to-exceed fee for all work to be completed. The fee summary should also include a cost and hourly breakdown consistent with the requirements of the Preliminary Scope of Work in Exhibit "A".

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While cost is a key consideration, it is not the only that will be utilized. **The District reserves the right to select the best overall proposal, which will not be solely based on proposed cost.**

After evaluating the proposals, the District reserves the right to further negotiate the proposed work and/or method and amount of compensation. The consultant must clearly state the period of time for which the proposal will be valid. This period must not be less than ninety

(90) days from the date of submittal.

## PROPOSAL CONTENT

The District requires the consultant to submit a concise proposal clearly addressing all of the requirements outlined in this RFP. Copies of the proposal shall be submitted and shall be organized in an easy-to-follow format.

Proposal must include, at a minimum, the following sections:

- Cover Letter: A brief summary containing highlights of the proposed approach to the services described in the RFP, including a statement of its understanding of the project and services required, signed by an individual authorized to bind the firm stating that they have read and will comply with all terms and conditions in the RFP.
- Background on Firm: A brief description of the consulting firm, including the size of the organization, location of office(s), years in business, organizational chart, name of owner and principal parties, and titles of staff. Qualifications of individuals who will perform the work listed in the Scope of Work along with identification of the individual who will be the District's main contact.
- Project Understanding and Approach: Provide a description of the methodology the firm will use to complete the Scope of Work as detailed in this RFP. Discuss and describe the firm's experience working on similar projects and provide a statement of the services your firm feels differentiates your firm from others. Additionally, as a part of the summary, identify the responsibilities of the District and the responsibilities of the firm.
- Preliminary Scope of Work (*see Attachment "A"*): Provide details with specific descriptions to demonstrate that the consultant has considered all aspects of the proposal and that the consultant will cover them thoroughly.
- Project Schedule: Provide a project schedule with significant milestone events or deadlines. Scheduling milestones should be concrete and achievable; however, they may be revised on approval of both parties.

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- References: Provide the following information for three (3) projects which are similar in scope to the project requested by this proposal:
  - Name, address, and telephone number of the client
  - Person to contact for references
  - Time period of project and brief description of the scope of services provided
  
- Additional Information: The District has outlined the requirements of this project in as much detail as is currently known. Consultants may add information not requested in this RFP, but the information should be in addition to, not instead of, the requested information and format. Please provide any exceptions, additional information, or suggestions that will aid in the selection process (attachments are acceptable). Please keep these as brief as possible.
  
- Budget: Include a not-to-exceed fee for all work to be completed. The fee summary should also include a cost and hourly breakdown. Additional scope of work may be added to the proposal as its own task and can be further discussed prior to award of bid.

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EXHIBIT “A”  
SCOPE OF WORK

**1.1 Project Management, Coordination, Meetings.**

**A. Coordination and Overall Task Management.** Consultant shall manage the work and any sub-consultant efforts to deliver the scope of services.

- a. **Project coordination.** Overall task coordination with the District and team members.
- b. **Quality Control.** Oversee the review and quality control efforts for this task.

**B. Meetings.** Consultant shall prepare for, and attend, the following meetings:

- a. **Operational workshop.** Prepare for and attend workshop(s) as necessary with District staff. The workshop(s) will include a detailed discussion of the water system operation, key issues, and future needs.
- b. **District Meeting.** Consultant shall prepare for, attend, and support presentation of results at one (1) meeting of the District’s Board of Directors.

**1.2 Water Rate Desktop Analysis (Water Rate Cost of Service Study Report).**

- Conduct a detailed review of the existing water rates and revenue requirements for (i) Critical Water Years, and (ii) Non-Critical Water Years, and develop a recommended rate structure which will provide sufficient revenue to fund the District’s revenue requirements in Critical and Non-Critical years.
- The rate structure shall include adjustments to Tiers 1, 2, and 3 in both Critical Water Years and Non-Critical Water Years. The rates for tiers should reflect the cost of services and take into consideration the District’s conservation program, and existing and/or future reserve fund and rate stabilization policies and practices.

**1.3 Study Requirements**

- The Critical Water Year and Non Critical Water Year recommended rate structures shall be based on cost of service and shall be sufficient to meet the revenue requirements of the District during Critical and Non-Critical Water Year types, including capital costs and ongoing operations and maintenance.
- The recommended rate structure will result in no decrease in stability of the revenue stream to the District, as compared to the current rate structure.

**1.4 Study Elements**

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- Current Rate Structure. Assessment of the current rate structure as a baseline for comparing recommended changes.
- Assess the equity of recommended water rates in Tiers 1, 2, and 3.
- Assess the relationship between the District's costs during Critical Water Years and Non-Critical Water Years and the recommended rates during those types of water years.
- Conservation Program and Capital Improvements. The study shall include an assessment of the revenue stream generated by the recommended rate structures and its ability to fund the District's conservation program and anticipated capital improvements over the next ten years.
- Annual operating fund balance targets. Recommend reserve levels for operating, capital replacement, cash flow, and unforeseen events. Design rate structure adequate to meet requirements of the operating fund.