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June 20, 2016

Subject: Request for Statement of Qualifications to Provide Rate Study Services

Dear Vendor:

The Contra Costa Water District is seeking Statements of Qualifications (SOQs) from firms interested in providing professional services for cost of service, rate design and financial planning services. Recent changes in water demand have created a need to evaluate the District's water rates and rate structure. The tentative project schedule is to begin the rate study in January 2017 with expected implementation of the revised rate structure in February 2018.

Through this SOQ process the District is interested in determining which firms have the expertise most compatible with meeting the District's needs for re-evaluating its rate structure to yield revenue stability and fairness in cost allocation to various customer classes, while maintaining high levels customer satisfaction. The District will evaluate all SOQs and select up to four firms which will be invited to submit proposals. The SOQ should be prepared according to the attached SOQ format (Attachment 2).

This request for SOQ does not commit the District to pay any costs incurred in the preparation of submittals or to select any interested consultant who responds.

Interested consultants should submit five (5) copies of the requested information, which must be received no later than **4:00 p.m. on Friday, July 15, 2016** to the following address:

Contra Costa Water District
Attn: Brian Jackson, Purchasing Officer

Via Delivery:
1331 Concord Ave.
Concord, CA 94520

Via US Mail:
P.O. Box H2O
Concord, CA 94524

If you have any questions concerning this project, please contact me at ccheung@ccwater.com not later than July 8, 2016. If you have questions regarding the process, please contact Brian Jackson at bjackson@ccwater.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Celia Cheung".

Celia Cheung
Rate and Financial Analyst

CC

Attachments: 1) Project Description and Background, 2) SOQ and Criteria

PROJECT DESCRIPTION AND BACKGROUND

Contra Costa Water District (District) is seeking Statements of Qualifications (SOQs) from firms interested in providing professional services for cost of service, rate design and financial planning services. Recent changes in water demand have created a need to re-evaluate the District's water rates and rate structure.

Contra Costa Water District provides treated and untreated water to approximately 500,000 customers in central and eastern Contra Costa County. Customers include retail and wholesale customers. Retail treated water customers include residential, commercial, and industrial customers. Wholesale treated water customers include the City of Antioch, Golden State Water Company in Bay Point, the Diablo Water District, and the City of Brentwood under negotiated contracts. Untreated water customers include Cities of Antioch, Martinez, and Pittsburg, as well as to industrial, landscape irrigation, agricultural irrigation and temporary customers. The District has a uniform rate structure. Current water rates and charges are published in the District's Code of Regulations Title 5; please visit www.ccwater.com/2016rates for more information.

The scope of the requested services will include the following:

- Revenue requirement analysis for ten-year revenue requirement projections
- Cost of service analysis including untreated water, treated water, and fire protection cost recover analysis
- Rate design analysis
- Report detailing the assumptions used and any recommended changes
- Public Outreach (if required)

Tentative project schedule is to begin the rate study in January 2017 with expected implementation in February 2018.

Event	Date
SOQ Submission Deadline	July 15, 2016
Request for Proposal (RFP) Invitees Selected	July 22, 2016
RFP Issued	July 29, 2016
RFP Submission Deadline	August 30, 2016
Finalists Selected	September 16, 2016
Interviews and Demos (if needed)	Week of September 26, 2016
Consultant Selected	September 30, 2016
Cost of Service Analysis	January – June 2017
Rate Design	July 2017
Workshops/Public Outreach (if needed)	August – September 2017
Final Draft/Board Workshop	October – December 2017
Board Consideration of Rates Adoption	January 2018

STATEMENT OF QUALIFICATIONS FORMAT AND EVALUATION CRITERIA

The cover letter shall not exceed 3 pages in length and should discuss the specific qualifications that would make the team successful. Sections 1 through 5 of the SOQ shall not exceed 10 pages in total.

The SOQ format and evaluation criteria are as follows:

Section 1 – Firm’s Background and Experience (30 Percent)

- Discussion of the firm’s experience in water rate studies, cost of service analysis and rate design services for agencies of similar size and services provided
- Experience and qualifications of project manager and key project staff
- Experience in working with various rate structures for agencies of similar size and services provided

Section 2 – Experience with ten-year revenue requirement projections (20 Percent)

- Discussion of the firm’s experience with long financial planning, developing rate models with ten-year revenue requirement projections
- Experience with developing user friendly rate models

Section 3 – Experience with cost of service analysis (20 Percent)

- Demonstrate experience with cost allocations for agencies with both untreated water and treated water service to wholesale and retail customers
- Discussion of experience with fire protection cost recovery analysis

Section 4 – Experience with various rate structure design and implementation (20 Percent)

- Experience with re-designing rates due to lower demands and successful implementation of rate structure changes
- Discussion of experience working with stakeholders committee/public outreach

Section 5 – Additional pertinent information the District should consider (10 Percent)