

Salinas Valley Basin Groundwater Sustainability Agency

REQUEST FOR QUALIFICATION FOR GROUNDWATER SUSTAINABILITY AGENCY FEE/TAX/ASSESSMENT ANALYSIS AND RATE SETTING SERVICES

Deadline for Submission

5:00 p.m., Thursday, February 15, 2018

**RE: REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR
FEE/TAX/ASSESSMENT ANALYSIS AND RATE SETTING SERVICES**

INTRODUCTION

The Salinas Valley Basin Groundwater Sustainability Agency (“SVBGSA”) is requesting qualification submittals from consultants with experience in fee, tax and benefit assessment analysis, and rate setting for public agencies.

The SVBGSA is interested in an analysis for the levying of fees, taxes, or benefit assessments for 1) operations, and 2) projects. The SVBGSA is primarily interested in the consultant’s experience in relation to setting fees, benefit assessments, and taxes consistent with the limitations on such activity set forth in Articles XIII C and D of the California Constitution (Propositions 26 and 218), and specifically how they relate to the Sustainable Groundwater Management Act (“SGMA”). The services provided may include: 1) review of current fees, assessments, taxes, and associated rates by other California Groundwater Sustainability Agencies, 2) review of current fees, assessments, taxes, and associated rates by the Monterey County Water Resources Agency for existing water related purposes, 3) evaluation of fee/assessment/tax/rate alternatives, and development of fee/assessment/tax/rate schedules to fund the costs of annual operations of the SVBGSA, and costs for implementation of adopted Groundwater Sustainability Plans (“GSPs”), including projects. Services may also include preparing outreach materials and presenting at Advisory Committee and Board meetings.

Further information regarding SGMA can be found at
<http://water.ca.gov/groundwater/sgm/>.

If the SVBGSA determines to award a contract for services as a result of this request for qualifications (“RFQ”), a Scope of Work will be negotiated and a contract will be executed establishing the terms and compensation for the subject services. The SVBGSA does not guarantee work to any qualified firm or consultant.

The SVBGSA is interested in developing a revenue source for operations that can be imposed as a regulatory fee subject to approval by the Board. However, the SVBGSA is open any and all suggestions that a consultant can provide. Any revenue source has to have buy in from all stakeholders.

BACKGROUND INFORMATION

On September 14, 2014, Governor Brown signed into law three bills collectively referred to as SGMA. SGMA requires the formation of groundwater sustainability agencies (“GSAs”) in state-designated medium and high priority groundwater basins. The SVBGSA was formed on December 22, 2016 as a Joint Powers Authority by and between the County of Monterey, Water Resources Agency of the County of Monterey, Cities of Salinas, Gonzales, Soledad and King, Castroville Community Services District, and Monterey One Water (formerly the Monterey Regional Water Pollution Control Agency). The SVBGSA has jurisdiction over the Salinas Valley Groundwater Basin (“Basin”), which has seven sub-basins, plus that portion of the Paso Robles sub-basin within Monterey County.

The SVBGSA was formed for the purpose of developing, adopting, and implementing a GSP for the Basin and its sub-basins in order to implement SGMA’s requirements and achieve the sustainability goals outlined in SGMA. The SVBGSA intends to coordinate its activities where appropriate with surrounding GSAs and to involve the public and local stakeholder through outreach and engagement in developing and implementing the GSP. More information on the SVBGSA can be found at <http://svbgsa.org>.

SVBGSA Finances

The SVBGSA has an operating budget of \$1.2 million for each of fiscal years 2017-18 and 2018-19. This initial funding is provided by the member agencies. In order to continue operations past June 30, 2019, the SVBGSA needs to develop a funding mechanism for its operations while the GSP is developed. Once construction projects are determined, funding will also have to be developed for those projects.

In addition to having a funding mechanism in place prior to July 1, 2019, the chosen funding method needs to be decided on no later than the spring of 2019, or earlier, so that 1) municipalities providing water can set their rates appropriately in order to cover the cost of the GSA fees; 2) CPUC regulated water companies can obtain CPUC approval to recover the cost the GSA fees; and 3) agricultural companies have sufficient lead time to address how they recover the cost of the GSA fees.

SCHEDULE

To the extent achievable, the following schedule shall govern the RFQ. The SVBGSA reserves the right to modify the dates below:

Availability of the Request for Qualifications: **January 12, 2018**

Deadline for Submission of Interpretation and/or Questions: **January 31, 2018**

(All questions should be submitted via email to: morenor@svbgsa.org)

Closing date for the Request for Qualifications: **February 15, 2018**

Interview date for short listed firms (if needed): **February 27, 2018**

Board authorizes negotiations with selected firm: **March 8, 2018**

Approve contract with selected firm: **April 12, 2018**

Present recommendations to the Board: **October 11, 2018**

Action by Board on recommendations: **November 8, 2018**

New fees not requiring a vote in effect: **April 1, 2019**

New fees, taxes or assessments requiring a vote in effect: **TBD**

QUALIFICATIONS

1. Firm's Background and Experience:
 - a. 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.
 - b. Experience and qualifications of project manager and key project staff.
 - c. Experience in working with various rate structures for agencies of similar size and services provided. Identify experience working with other GSAs.
2. Experience with 5-year revenue requirement projections for recently formed agencies:
 - a. Discussion of firm's experience with short to mid-range financial planning for new public agencies and development of fees/rates to cover projected expenses of new public agencies.
3. Experience with limitations on the levying of fees, assessments, and taxes in California as set forth in Articles XIII C and D of the California state constitution (Propositions 26 and 218):
 - a. Demonstrated experience with development of fee-based rates.
 - b. Demonstrated experience with development of "tax"-based rates.
 - c. Demonstrated experience with development of benefit assessment based rates.
4. Experience with fee and rate design and implementation:
 - a. Discussion of experience working with citizen advisory committees and stakeholders in the rate design process.
 - b. Experience with creating compelling community outreach information pertaining to new fees and rates.
5. Additional pertinent information the SVBGSA should consider.
6. Ability to develop recommendations for the SVBGSA Board consideration by October 2018.
7. Ability to advise on the conduct of any proceedings necessary to implement fees or assessments not requiring a vote of the electorate by April 1, 2019
8. Ability to advise on the conduct of proceedings necessary to implement fees, assessments or taxes requiring a vote of the electorate.

SUBMISSION REQUIREMENTS

Proposals should be clearly marked on the outside of the envelope “SVBGSA Fee/Tax/Assessment Analysis and Rate Setting Proposal”. All proposals must be received by 5:00 p.m. on the deadline date. Five printed proposals should be mailed or delivered to the following address:

Gary Petersen
SVBGSA General Manager
C/O City Clerk
City of Salinas
200 Lincoln Ave.
Salinas, CA 93901

In addition, a pdf version of the proposal on a flash drive should be included in the above described mailing/delivery, or sent electronically to Mr. Petersen at: peterseng@svbgsa.org

Proposals should contain the following:

1. Cover letter (no longer than 1 page)
The cover letter should convey a clear understanding of the requirements and objectives, and why the respondent is uniquely qualified to be awarded a contract.
2. Respondent's Qualifications
Responses to the items in the Qualifications section of this RFQ.
3. Proposed Respondent Team
The statement of qualifications shall identify the Project Manager who will be primarily responsible for providing services to the Agency, and other staff to be assigned to the team. Please include the qualifications, training, and certifications of the Project Manager, and all other staff who will perform the services outlined herein. Include a resume for each, listing education, experience, and expertise in this type of work.
4. Fee Schedule
This section should identify the billing rates for listed personnel, as well as other costs or expenses that would be charged in conjunction with the work.
5. Conflicts
This section should identify whether respondent anticipates it would need to obtain conflict waivers from any existing clients and how respondent anticipates addressing any potential conflicts with respect to any member of the SVBGSA and/or other GSAs.
6. References
The names, addresses, and telephone numbers of three (3) public agency clients who have contracted with the Respondent for services similar to those described in this RFQ within the last five years.
7. Proposed Scope of Work and Schedule

Submit a proposed scope of work and schedule that demonstrates how the consultant would proceed with the work within the timeframe specified, the proposed project elements, tentative list of data needs, opportunities for advisory committee and board participation, and approach to community outreach and engagement.

EVALUATION CRITERIA

The following criteria will be used by the Agency in evaluating submissions:

1. Experience and demonstrated competence of the identified key areas of service outlined in the Qualifications section of this RFQ.
2. Reference recommendations.
3. Comprehensive consultant fee schedule.
4. Thoroughness of submission.

The SVBGSA reserves the right to award a contract based on written responses only, however oral presentations and written questions for further clarifications may be required of some or all of the respondents.

Sincerely,

Gary Petersen
General Manager, SVBGSA

January 12, 2018