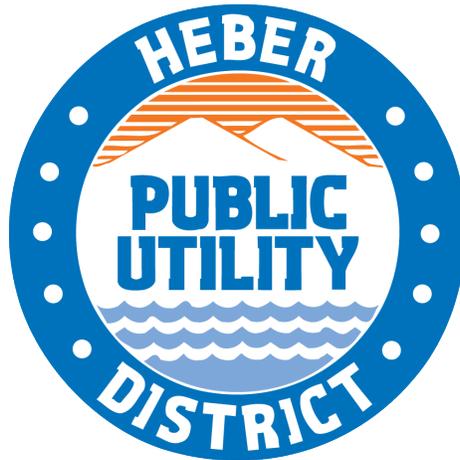


Request for Proposals

Water and Sanitary Sewer Rate Study Services



Heber Public Utility District

1078 Dogwood Rd., Suite 103
Heber, CA 92249
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www.Heber.ca.gov

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INTRODUCTION

The District is soliciting proposals from qualified consulting firms to conduct a comprehensive water and wastewater rate study which shall include evaluating the District's current water and wastewater rates, developing a rate model to address funding of operations and capital improvements over the next ten years, and formulating new water and wastewater rate structures. More specifically, the selected consultant shall perform all tasks specified in the Scope of Work section of this RFP and is encouraged to include in its proposal any suggested additions or modifications to the scope that will enhance or clarify the study. If the District deems it necessary, the selected consultant may be contracted to perform additional duties, including but not limited to additional rate studies and the development of new rate categories.

BACKGROUND

The Heber Public Utility District was formed in 1930 and is located in Imperial County, California. The District provides water and sewer services to an unincorporated community with a population of approximately 7,000 with 1,617 connections within the Heber District Service Area. The activities of the District are governed by a five (5) member Board of Directors, each of whom is elected to office for a four-year term. Day-to-day management of the District is delegated to a General Manager, who is appointed by and reports to the Board of Directors.

The District's purchases all of its untreated water from the Imperial Irrigation District, which is conveyed to HPUD facilities via IID's Dogwood Canal. The potable water distribution system consists of approximately 25.5 miles of pipeline ranging from 4 inches to 20 inches in diameter. The District has three (3) reservoir above ground tanks to store, which provide 5.45 million gallons of finished water storage capacity. The water treatment plant capacity is 2.0 MGD, which is considered under capacity.

The District's total operating budget for fiscal year 2025/26 is approximately \$4,390,714. For accounting purposes, the District's operations are subdivided into four funds; Water Operations, Sewer Operations, Solid Waste and Parks & Recreation. Solid Waste contracted for services and the Franchise Tax is the only source of revenue for the District's operations and budget. The Parks and Recreation Fund includes revenues from a portion of local property taxes, the Heber Meadows Community Facilities District, and services provided to the McCabe Ranch Community Facility District. Collectively, over 81% of the 2025/26 District budget is allocated to the Sewer and Water operation funds. A summary of water and sewer operating revenues and expenses for fiscal years 2021 through 2025 is as follows:

Water System Operating Revenue/Expenses (\$)					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Operating Revenue:	\$ 1,677,779.00	\$ 1,743,983.00	\$ 1,741,941.00	\$ 1,795,051.00	\$ 2,464,572.69
Operating Expense:	\$ 1,173,434.00	\$ 1,107,983.00	\$ 1,361,226.00	\$ 1,402,542.00	\$ 1,217,753.04
Operating Income / (loss):	\$ 504,345.00	\$ 636,000.00	\$ 380,715.00	\$ 392,509.00	\$ 1,246,819.65

Sewer System Operating Revenue/Expenses (\$)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Operating Revenue:	\$ 1,324,921.00	\$ 1,377,854.00	\$ 1,394,790.00	\$ 1,404,554.00	\$ 2,194,472.81
Operating Expense:	\$ 1,002,433.00	\$ 936,158.00	\$ 1,144,777.00	\$ 1,179,606.00	\$ 1,056,262.71
Operating Income / (loss):	\$ 322,488.00	\$ 441,696.00	\$ 250,013.00	\$ 224,948.00	\$ 1,138,210.10

In fiscal year 2018 the District increased water rates by 4.7% and sewer rates by 4.7%, followed by 3.1% water and a 3.5% sewer rate increases in 2019, 2.9% water rate increase and 3.5% sewer rate increase in 2020, 3.0% water rate increase and 3.5% sewer rate increase in 2021, and finally the most current increase was 2022 with a water rate increase of 4.4% and a 3.5% sewer rate increase. There have been no water or sewer rate increases since 2022. Current water and sewer rates were adopted by Ordinance Numbers 2017-3 and 2017-4 and are attached as Exhibit A.

The Five-Year Capital Improvement Plan (CIP), adopted by the Board in August 2025 and attached as Exhibit B, outlines the following projects: improvements to the water distribution and water plant facilities totaling \$4,618,950.00; upgrades to the existing wastewater treatment facilities estimated at \$8,440,000.00; and the development of a secondary treatment water reuse system estimated at \$8,593,332.00.

Additional background information, including a copy of the District’s Service Area Plan, and Utility Service Policy are available at www.heber.ca.gov.

The Heber Public Utility District (the “District”) is requesting proposals to conduct a comprehensive water and sewer rate study that will provide the basis for establishing water and sewer rates that adequately and equitably fund the District’s water and sewer operations, while minimizing rate fluctuations.

Proposers have the option of submitting their proposal electronically, as a PDF file, or in hard copy form (minimum of 3 hard copies). Proposals must be received by the District on or before 4:00 p.m. on Monday, November 17th, 2025. Proposals and all inquiries relating to this RFP should be addressed to:

CONTACT INFORMATION

All correspondence, including all questions and final proposals, must be submitted to:

Heber Public Utility District
 Attn: Madeline Dessert, General Manager
 1078 Dogwood Road
 Heber, CA 92249
 760-482-2440 phone
Heber@heber.ca.gov

PROPOSED TIMELINE

➤ Issue RFP	Friday, October 31, 2025
➤ Question Deadline	Friday, November 7, 2025
➤ Response to Questions	Monday, November 10, 2025
➤ RFP Submittal Deadline	Monday, November 17, 2025 by 4:00pm
➤ Interviews (if Required)	Week of November 17, 2025
➤ Board Approval of Firm	Thursday, November 20, 2025
➤ Execution of Agreement	Monday, November 24, 2025
➤ Completion of Report	Monday, December 14, 2025
➤ Rate Presentations	Thursday, December 18, 2025
➤ Public Hearing Process	January – June 2026

RATE STUDY SCOPE OF WORK

The consultant is requested to develop a detailed scope of work based on information provided in this RFP as well as the needs of the District as described below. This is not a comprehensive list but includes some of the key items required to be included in the RFP response. The following analysis must be performed for both water and wastewater funds.

1. Conduct a cost of service analysis
2. Prepare a Long-Range Financial Forecast spanning ten years
3. Compare rates of similar communities
4. Assess the equity of the existing and any recommended water and wastewater rates for residential, multi-family, commercial, public institutional accounts
5. Incorporate future capital and financing requirements into revenue modeling
6. Provide analysis for meeting operating reserve fund policies and potential rate stabilization components
7. Address growth and projected demands for both the water and wastewater systems as it relates to a new rate structure
8. Address availability of water supply and the Imperial Irrigation District Interim
9. Water Supply Policy for Non-Agricultural Projects
10. Develop at least two water rate structure scenarios and two sewer rate structure scenarios. Recommended rate structures shall provide direct identification of revenues appropriated for major funded activities including but not limited to: operations and maintenance expenses, capital improvement expenses, and debt coverage requirements. Any recommended rate structure or model should take into consideration the ease of administration and understanding by the rate payer
11. Review and evaluate other fees such as water meter fees, late payment fees, and fire hydrant fees etc.
12. Conduct a sensitivity analysis of existing and proposed facility fees and user rates under different growth projections and water consumption rates (should address required rates for 10-year forecasting period)
13. Prepare a presentation to the public and the District Board of the recommended rate structure
14. Develop and assist District staff with public hearing process and any other Proposition 218 items

15. Meet with the District, community groups, and building industry groups during the study to secure their input (assume a total of 3 meetings)

If the District deems it necessary, the selected consultant may be contracted to perform additional duties. These duties may include, but are not limited to the following:

- Conducting additional rate studies
- Constructing new rate categories
- Developing conservation rates

PROPOSAL COMPONENTS

The District requires prospective consultants to submit a concise proposal clearly addressing all of the requirements outlined in this RFP. Proposal must include, at a minimum, the following:

Cover Page

Include name of firm submitting the proposal, contact information for the person that will act as project leader including name, title, address, telephone and fax numbers, and email address.

Executive Summary

Include a one-page overview of the entire proposal describing the most important elements of the proposal.

Description of Study Understanding

Outline of the prospective consultant's understanding of the study and summarizing the basic approach to the rate study and revenue program.

Methodology

Descriptions which enable the District to assess the prospective consultant's capability to conduct this study in a structured and efficient fashion.

Scope of Work

Details with specific task descriptions to demonstrate that the prospective consultant has considered all aspects of the study and that the prospective consultant will cover them thoroughly.

Project Organization and Key Personnel

Describe the proposed project organization, including identification and responsibilities of key personnel. Indicate the role and responsibility of prime consultants and all sub-consultants. Include resumes of key personnel assigned to the study.

Qualifications

Describe the proposed project organization, including identification and responsibilities of key personnel. Indicate the role and responsibility of prime consultants and all sub-consultants. Include resumes of key personnel assigned to the study.

Representative Study Descriptions and Client References

Submit descriptions of three (3) similar assignments which were conducted by the prospective consultant, including other public agency's contact name and telephone number. Projects currently being performed may be submitted for consideration. Please provide two examples of completed reports for communities of similar size or service area.

Work Schedule

Supply a timeline for developing the rate study and for the work leading up to the presentation of alternatives and the presentation of the preliminary and final reports. The timeline for completion should consider timing for the distribution of the 218 Notice, required public hearings and any other mandatory public contacts and communications so that proposed increases to rates, fees and charges, if any, can become effective July 1, 2026.

Proposed Fee Schedule

Proposals shall include a cost estimate for providing services, including the firm's billing rate schedule. The cost proposal shall include detailed information regarding the estimated number of hours to be dedicated to the District's engagement, delineated by staffing level and the hourly rate of each.

Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out of pocket expenses.

Insurance Requirements

During the entire term of its engagement, the Firm agrees to indemnify, defend and hold harmless the District and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages and/or liability arising from the Contractor's acts, errors or omissions and for any costs or expenses incurred by the District on account of any claim therefore, except where such indemnification is prohibited by law. The Firm also shall secure and maintain throughout the Agreement the following types of insurance with limits as shown:

- ❖ Workers' Compensation – A program of Workers' Compensation insurance or a State-approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California.
- ❖ Comprehensive General and Automobile Liability Insurance – This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

Proof of Coverage

The Contractor shall furnish certificates of insurance to the District evidencing the insurance coverage prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty- (30) day written notice to the District. The Contractor shall maintain such insurance from the time the Contractor commences performance of services hereunder until the completion of such services.

Public Records Notice

All responses and materials submitted become property of the District and are subject to the California Public Records Act.

SELECTION CRITERIA

The District intends to engage the most qualified consultant available for this assignment. It is imperative that the consultant's proposal fully address all aspects of the RFP. Prospective consultants must provide District staff with clearly expressed information conveying the consultant's understanding of the project and the District's specific requirements. The following criteria shall be used to evaluate the consultant's offer of services:

- a. The professional experience and background of consultant including the experience of principals, project managers, and other key personnel.
- b. Record of similar work performed by the firm, the project team, and each project team member.
- c. Demonstrated experience and skill concerning rate studies for water and wastewater services.
- d. Completeness of the proposal and conformance to RFP requirements for content and format, and level of effort in answering the RFP.
- e. Technical quality of the approach and methodology, the level of effort utilized to identify key elements of the project, and suggested approach to provide a successful project.
- f. The firm's ability to perform the services at a fair and reasonable price to the District.

SPECIAL TERMS AND CONDITIONS

All materials submitted in response to this RFP shall be considered the property of the District. Respondents will not be compensated for any expenses incurred in the process for responding to the RFP or, if requested, in submitting further information or appearing for an interview.

The District reserves the right to reject any or all proposals, to waive informalities and minor irregularities in the proposals received, to discuss proposal details with respondents, and to accept other than the lowest bid proposal.

SELECTION PROCEDURE

A selection committee will evaluate each proposal and forward recommendations to the District Board, who will in turn execute a contract with the Consultant to perform the requested services. The selection committee may choose to interview applicants as a part of the selection process.

District staff anticipates the Consultant contract will be awarded on or before Friday, September 19th, 2025. The contract will be awarded to the proposer whose offer conforms to the solicitation and which will be, in the opinion of the District, the most advantageous to the District.