

November 2017

The Riverside Local Agency Formation Commission (LAFCO) is seeking proposals from experienced consultants with Municipal Service Review (MSR) and LAFCO experience and knowledge, and water and wastewater service expertise to prepare the next round of Municipal Services Reviews (MSR) covering water and wastewater services in Riverside County.

The Water and Wastewater MSRs will review services of 41 public agencies providing water and/or wastewater service in Riverside County, including 11 cities, 27 independent and three dependent special districts. These agencies have been divided into three sub-regions.

Other water and wastewater service providers (e.g., regional, private mutual water companies, etc.) may be included in the MSR in order to present a comprehensive overview of services in Riverside County. This work is to be completed in compliance with applicable California law, specifically, California Government Code Section §56430.

Responses must be received by 5:00 p.m. Thursday, December 21, 2017 either electronically or as a hard copy. Confirmation of receipt is the responsibility of the sender. Responses may be emailed to info@lafco.org or delivered to our office at the following address at 3850 Vine St. Suite 240, Riverside, CA 92507.

REQUEST FOR PROPOSALS FOR COUNTYWIDE WATER AND WASTEWATER MUNICIPAL SERVICE REVIEWS

The Riverside Local Agency Formation Commission (LAFCO) is soliciting proposals from qualified consultants to prepare three sub-regional municipal service reviews including all public providers of water and wastewater services in Riverside County.

REQUEST FOR PROPOSALS FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEWS

Local Agency Formation Commissions (LAFCOs) are local public regulatory and planning bodies created by the State Legislature to coordinate the orderly development of local agencies, such as cities and special districts, and associated provision of public services. This is accomplished primarily through the regulation of public agency boundaries. Periodic comprehensive analyses, such as municipal service reviews (MSRs) help guide these decisions.

I. Objective

The Riverside Local Agency Formation Commission (LAFCO) completed MSRs for water and wastewater services in Riverside County in 2005-2007. Riverside LAFCO is now seeking proposals from professional consulting firms to prepare the next round of MSRs including all municipal water and wastewater service providers in the County.

In addition to comprehensively reviewing public agencies, the scope of work also involves a lower level of review for other service providers (e.g., private, regional, state, related to the countywide provision of water and wastewater services).

The work is to be performed in accordance with applicable California Government Code provisions and Riverside LAFCO policies and procedures. The MSR is intended to serve as a tool to help LAFCO, the local agencies and the public better understand the public service structure and to develop information to update spheres of influence (SOIs) of local agencies in Riverside County. LAFCO is not required to initiate boundary changes based on MSRs. However, LAFCO, local agencies or the public may subsequently use the MSRs, together with additional analysis where necessary, to pursue changes in jurisdictional boundaries and/or SOIs.

II. About Riverside County

Riverside County is adjacent to San Bernardino, Orange, and San Diego counties. The County covers a total of 7,208 square miles. As of January 1, 2017 the population for the County of Riverside is estimated at 2,384,783 (California Department of Finance) making it the 4th most populous county in California.

For the purposes of this analysis, the County is comprised of three distinct areas: Western Riverside County, Pass/Mountain Area and Coachella Valley/Eastern County.

III. Background

In 1963, the State Legislature created LAFCOs to help direct and coordinate California's growth in a logical, efficient and orderly manner. Each of the 58 counties in California has a LAFCO. LAFCOs are charged with discouraging urban sprawl, encouraging orderly boundaries and formation of local agencies, preserving agricultural lands and open space, and regulating the extension of services outside jurisdictional boundaries.

In 2001, pursuant to the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"; Government Code §56000 et seq.), LAFCOs acquired responsibility for preparing MSR. Beginning January 1, 2008, and every five years thereafter, LAFCOs are required, as necessary, to review and update the SOI for each city and special district as necessary. In conjunction with the SOI updates, LAFCO shall prepare corresponding MSRs.

Riverside LAFCO is responsible for reviewing and updating, as necessary, the SOIs for approximately 151 public agencies in Riverside County (28 cities, 62 dependent special districts and 61 independent special districts).

In preparation for initiating the service review and sphere of influence update process, the Riverside LAFCO is proceeding with a two-phase work plan. The first phase consists of a review of the 41 public agencies (11 cities, 27 independent special districts and three dependent special districts) that provide some form of water and/or wastewater services in Riverside County. The water/wastewater reviews will be conducted in three distinct sub-regions of the County.

The second phase will address the remaining municipal services provided by cities and special districts. The first phase service reviews, which are the subject of this Request for Proposals (RFP), will be conducted by a professional service firm under the operational direction of the LAFCO Executive Officer. Based on the completed MSRs, LAFCO staff will conduct sphere of influence reviews, as needed.

IV. Scope of Services

A draft scope of services is attached with this RFP. A final statement of services will be negotiated with the firm selected to conduct the service review and will be included as part of the professional services agreement.

V. Budget

LAFCO has limited resources to devote to the many MSRs to be conducted over the next few years. **Proposals that demonstrate that the final product will meet the requirements of the CKH Act and provide useful information in a concise format at the lowest cost will be looked upon most favorably.** A final budget amount for

this project will be negotiated with the firm selected for the work prior to execution of an agreement.

VI. Proposal Requirements

Responses to this RFP must include all of the following:

1. A statement about the firm that describes history, as well as the competencies and resumes of the principals and all professionals who will be involved in the work. This statement should address the following:

General Expertise

- Familiarity with the CKH Act, the role and functions of LAFCO, and the MSR process.
- A management level understanding of how municipal services are financed and delivered.
- Experience in governmental organization analysis, including performance measurement and evaluation.
- Ability to analyze and present information in an organized format.
- Ability to interpret varied financial and planning documents.
- Ability to facilitate and synthesize input from stakeholders.
- Familiarity with public input processes and experience presenting and disseminating public information for review and comment in a public setting.
- Experience in identifying and fostering multi-agency partnerships and cooperative problem-solving.
- Ability to provide flexible and creative alternatives where necessary to resolve service and policy issues.
- Ability to work cooperatively with divergent interests.

Water and Wastewater Service Expertise

- Expertise in various aspects of water service provision, including supply, quality, delivery, recycled water, demand projection, water conservation and stewardship, groundwater recharge and pumping, storm-water runoff, etc.
- Expertise in various aspects of wastewater service provision, including collection, conveyance, treatment, disposal, etc.
- Expertise in the financial analysis of water and wastewater service delivery systems, including identifying financial constraints, opportunities, cost avoidance opportunities and rate structures.
- Expertise in water and wastewater service organization analysis, including evaluating government structure options (e.g., consolidation, reorganization) and related advantages and disadvantages of these options.

- Experience with various types of water and wastewater service providers and regulators in California (i.e., public works departments, county environmental health departments, water and sewer districts, flood control districts, private water companies, mutual water companies, shared water systems, county and state regulatory agencies, etc.)
2. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.
 3. Identification of any sub-consulting firms who will be involved. If sub-consultant firms are proposed, describe the work they will perform and include the same information for each sub-consultant as required for items 1 and 2 above.
 4. Documentation of similar or related experience accomplished in the last five years and references for each such project, including the contact name, address and telephone number. Electronic copies of, or links to, such analyses must be provided. Prior directly related experience will be an important consideration in the selection of a consultant.
 5. Description of the anticipated approach for this project, explicitly discussing and identifying any suggested changes to the Draft Scope of Services (Attachment).
 6. Disclosure of potential conflicts of interest with local agencies in Riverside County.
 7. Provide a preliminary project schedule showing start and ending times for each work task, and indicate strategies for adhering to the schedule.
 8. The anticipated project cost, including:
 - a. A not-to-exceed total budget amount.
 - b. The cost for each major sub-task identified in the draft scope of services.
 - c. The hourly rates for each person who will be involved in the work, including the rates for any associate consultants.

VII. Non-Discrimination & Equal Opportunity

CONTRACTOR shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

VIII. Conflict of Interest

Proposers warrant and covenant that no official or employee of the Riverside LAFCO, nor any business entity in which an official of the Riverside LAFCO has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to the Riverside LAFCO. Proposers will notify LAFCO of any potential conflict of interest regarding other work or third party contracts.

IX. Insurance Requirements

The chosen consultant will be required to comply with the LAFCO standard insurance provisions for professional services agreement. Contact Riverside LAFCO for more details.

Evidence of Insurance - Before commencing any operations under the contract, the successful proposer shall furnish the Riverside LAFCO with a Certificate of Insurance and copies of all applicable endorsements evidencing compliance with the above insurance requirements and that such insurance will not be canceled or materially changed without thirty (30) days advance written notice.

X. Proposal Submittal

Confirmation of receipt is the responsibility of the sender. Proposals received after the deadline will not be considered. Responses may be emailed to info@lafco.org or delivered to our office at the following address:

DUE DATE:

Completed responses must be received on or before 5:00 p.m. on **Thursday, December 21, 2017.**

DELIVER TO:

Riverside LAFCO
Attn: George Spiliotis, Executive Office
3850 Vine Street, Suite 240
Riverside, CA 92507

Note: If delivery is to be in person, please first call the LAFCO office (951) 369-0631 to arrange a delivery time.

- Each proposal shall be submitted in a sealed envelope that is clearly marked with the title of the RFP.
- All proposals will become property of the Riverside LAFCO.
- Cost of preparation of proposals shall be borne by the proposers.
- Proposals shall be signed by an authorized employee or officer in order to receive consideration.
- Riverside LAFCO is not responsible for proposals delivered to a person/location other than that specified herein.

XI. Selection Process

Based on relevant work experience, the completeness of the responses, cost and the overall project approach identified in the proposals received, up to 4 firms will be selected for follow-up interviews. Tentatively, interviews will be scheduled three to four weeks following submittal of proposals.

The selection committee may use some or all of the criteria listed below to evaluate the proposals. Additional criteria may be used. At the discretion of the selection committee, additional information may be requested to clarify and explain proposals.

- *Applicability of overall experience and qualifications relating to required services.*
- *Evaluation of quality and comparability of previous related work products on which the proposer was the sole or lead consultant.* Successful recent MSR experience with LAFCOs is highly desirable. Successful experience is defined as that which was completed to the satisfaction of the client, on time and within budget.
- *Cost.* LAFCO has limited resources to devote to the many MSRs to be conducted over the next few years. Proposals that demonstrate that the final product will meet the requirements of the CKH Act and provide useful information in a concise format at the lowest cost will be looked upon favorably. A final budget will be negotiated with the selected firm.

Riverside LAFCO reserves the right to award a contract to the firm(s) or individual(s) that presents the proposal which, in the sole judgment of Riverside LAFCO, best accomplishes the desired results.

Riverside LAFCO reserves the right to reject any or all proposals, to waive minor irregularities in said proposals, or to negotiate deviations with the successful firm.

After the award of the contract, the Riverside LAFCO may revise the work program to meet budget constraints.

XII. Tentative Schedule

A preliminary schedule must be provided pursuant to Section V.1.7 of this RFP. Timing is a concern to LAFCO. It is strongly desired that all water and/or wastewater service reviews be completed by late summer or Fall of 2018. The final overall schedule for this project will be negotiated with the firm selected for the work prior to an agreement being recommended to LAFCO for adoption.

The three sub-regional MSRs need not necessarily be completed concurrently. The LAFCO Executive Officer, however, shall determine the relative priority among the three sub-regions.

XIII. LAFCO Contact

George Spiliotis, Executive Officer
Riverside LAFCO
3850 Vine St. Suite 240
Riverside, CA 92407

(951) 369-0631
Email: info@lafco.org

XIV. Attachments

1. Draft Scope of Services

XV. Reference Information

For general information about LAFCOs, visit the CALAFCO website: www.calafco.org

For information about Riverside LAFCO along with previously completed MSRs, please visit our website: www.lafco.org

REQUEST FOR PROPOSALS FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEWS

SCOPE OF SERVICES

Riverside LAFCO will conduct its next round of municipal service reviews (MSRs) for water and wastewater within three distinct sub-regions of Riverside County. Riverside LAFCO completed its inaugural MSR on these services in 2005-2007. These reports are available online at <http://lafco.org/studies/municipal-service-reviews>.

Each sub-regional MSR will be prepared as a separate document. Completion of the MSRs for the three sub regions may occur concurrently or sequentially. The order shall be determined by LAFCO.

Municipal Service Review (MSR) Guidelines

The Cortese-Knox-Hertzberg Act (California Government Code §56430) requires LAFCO to conduct the review in order to develop information for updating spheres of influence (SOIs). The current statute requires LAFCO to prepare and adopt a written determination for each of the following topics:

- 1) Growth and population projections for the affected area.
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities (DUC) within or contiguous to the sphere of influence.
- 4) Financial ability of agencies to provide services.
- 5) Status of, and opportunities for, shared facilities.
- 6) Accountability for community service needs, including governmental structure and operational efficiencies.
- 7) Any other matter related to effective or efficient service delivery.

Determinations will be prepared for each sub-region. While profiles of each agency will be presented in a common format, separate determinations are not required for every agency. However, issues or concerns that are particular to an individual agency or group of agencies must be identified in the sub-regional determinations. Similarly, exceptional best practices by individual agencies related to the required determinations should also be identified.

A final scope of services will be negotiated with the firm selected to conduct the water and wastewater service reviews and will be incorporated as part of a professional services agreement to be approved by LAFCO.

OBJECTIVES/EXPECTATIONS OF THE CONSULTANT

In completing all tasks and work products, it is the express desire of LAFCO for the consultant to:

- Comply with Government Code Section §56430; specifically, to enable the Commission to make determinations with respect to the seven factors delineated in the statute.
- Create a product that will be useful to the Commission in subsequent reviews of spheres of influence and proposals for changes of organization.
- Conduct the required analyses in the most cost-effective manner possible.
- Whenever possible, utilize information that is currently available rather than initiate new analyses, including but not limited to urban water management plans, water supply assessments, capital improvement and other master plans, city and county general plans, adopted budgets, audits, previous MSR and information regarding Disadvantaged Unincorporated Communities (DUCs) and DACs (Disadvantaged Community) completed by local agencies or LAFCO.
- Conduct the service review process in a collaborative fashion with opportunities for input and review by each of the agencies being reviewed.
- Create a product that will be beneficial to public agencies as a planning tool.
- Create a product that will allow practical direct comparison between agencies offering similar services.
- Have all published work products be readily accessible to, and easily understandable by, the general public.

The consultant is expected to use any and all available information relevant to the MSR including interviews, surveys, previous research, reports, engineering reports, adopted district budgets, audit reports, state department reports, local health department reports, general plans, previous MSR/SOI studies, authorities under the law, etc. Sufficient data and information should be collected to construct a clear, concise and comprehensive report.

SERVICE REVIEW TASK OVERVIEW/MSR PROCESS & DELIVERABLES

MSR Process & Deliverables

Preparation of the report will include the following steps:

1. Data Collection: including but not limited to soliciting districts for information, interviews, research of existing information and documents available. Collected data shall be adequate to prepare agency profiles and make statutorily required determinations. Compile and verify information with agencies.

2. Data Analysis: review and analysis of all the information collected, including engineering reports, maps and financial data.
3. Mapping: Please note LAFCO does not currently maintain a GIS database. LAFCO has access to GIS layers maintained by the County of Riverside for all cities and a very limited number of special districts. LAFCO will provide non-digital maps for other agencies to consultant, as available. Consultant is expected to supplement digital mapping information for other agencies through requests from those agencies. When available, the agency should provide the existing district & SOI boundaries in shape files (.shp). As part of each agency profile, produce agency maps in digital format suitable for printing as .pdf documents, at 11" X 17" or smaller.

If the agency provides both wholesale and retail service, those areas should be indicated on the map. If an agency has water or wastewater service boundaries different from its agency boundary, that should also be indicated on the map.

4. Meet with LAFCO staff to discuss significant issues identified and prepare draft determinations.
5. Produce Administrative/Agency Review Draft MSR with an executive summary, agency profiles, analysis and recommended determinations for LAFCO staff review (3 hard copies plus electronic version). See below for contents of agency profiles.
6. Incorporate comments, edits and corrections as appropriate and submit Draft MSR to Riverside LAFCO for public review and distribution to the Commission. Prepare responses to significant comments.
7. Present the MSR to the Commission.
8. Based on input from the Commission, prepare a Final MSR.
9. Riverside LAFCO will be responsible for determining the appropriate level of environmental review and preparing all CEQA documentation for the MSR. CEQA analysis should not be included in the proposal.
10. Following Commission approval of the MSR, please provide LAFCO with 3 hard copies plus an electronic version (both PDF and word versions) for distribution.

Agency profiles should include the following information:

- i. The total population and the total number of service connections currently receiving service, for each service by agency.
- ii. All areas currently receiving water and/or wastewater service that are outside the existing boundaries.
- iii. The existing and projected water and/or wastewater service demand for each agency for the next 5, 10 and 20 years.
- iv. Current and projected wastewater treatment capacity.

- v. The existing and projected (5, 10 and 20 year) available water supply including sources. The analysis should include normal and dry year scenarios.
- vi. Any formal Joint Powers Agreements (JPAs) related to the provision of water and/or wastewater services.
- vii. Other relevant programs or facilities managed in a cooperative effort with other agencies.
- viii. Information on DUCs as required by Government Code Section §56430 (a), paragraph (2) and (3).
- ix. A listing of non-public agency service providers operating within the boundaries of the agency, as identified by LAFCO or the subject agency.
- x. Recent and planned major capital improvements.
- xi. Maps as required by number 3.
- xii. General financial information, including information on reserves.
- xiii. A summary of information and services available on the agency's website.

Other Important Water and Wastewater Service Considerations

In addition to those issues contained in the statute, the following is a working list of water and wastewater service issues and topics that have also been identified for discussion in the countywide water and wastewater MSR reports:

- Water service issues such as groundwater supplies and pumping, groundwater recharge and over-drafting, water conservation, recycled water, flood control and storm water runoff.
- Water quality concerns (e.g. septic system concerns, nitrates, etc.).
- Coordination or conflict with private water service providers.
- Identification of best practices in long-term water and wastewater service planning.
- In regards to growth & populations (demand) projections, there should be a general assessment of the level of coordination between water/wastewater agencies and underlying land use agencies (e.g. district input on general plans and large development proposals, city/county input on Urban Water Management Plan).
- General assessment of emergency preparedness.
- General assessment of ability to replace infrastructure as it ages (adequate rate structure/reserves).

Other agencies may also be included in the MSR to the extent necessary to establish relationships, quantify services and provide a comprehensive overview of services countywide. In addition to reviewing the public agencies, the scope of work may involve limited review of other public and private entities to the extent they relate to the overall provision of water and/or wastewater services in Riverside County.

Within Western Riverside County, Metropolitan Water District (MWD) of Southern California wholesales imported water to two member agencies, Eastern Municipal Water District (EMWD) & Western Municipal Water District (WMWD). Although a comprehensive review of MWD is not within the scope of this MSR, it will be necessary to review MWD documents as they relate to the quantity and reliability of water available to its member agencies.

In accordance with AB 54, LAFCO contacted each of the 23 Mutual Water Companies (MWCs) in Riverside County and requested a map of their service area and additional information that may be used in our MSR. To date, we have received responses from 13 MWCs, which will be shared with the selected consulting firm.

REQUEST FOR PROPOSALS FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEWS

AGENCIES BY SUBREGIONS WITHIN RIVERSIDE COUNTY

GENERAL DESCRIPTION

Water and wastewater service reviews have been divided into three distinct sub-regions within Riverside County. CONSULTANT shall be responsible for organizing and preparing service reviews for water and/or wastewater services in compliance with California Government Code §56430 for the following agencies in Riverside County. Unless otherwise indicated, agencies listed provide both water and wastewater services. All the cities and a few of the districts below provide services in addition to water and/or wastewater. The requested MSR should only review water/wastewater services.

WESTERN COUNTY

- City of Corona
- City of Hemet
- City of Norco
- City of Perris ¹
- City of Riverside

- Eastern Municipal WD
- Edgemont Comm. Serv. District (WWO)
- Elsinore Valley Municipal WD
- Home Gardens Sanitary District (WWO)
- Home Gardens County WD (WO)
- Jurupa Comm. Serv. District
- Rancho California WD
- Rubidoux Community Services District
- San Bernardino Valley Municipal WD (WO)²
- Temescal Valley WD (*formerly known as Lee Lake WD*)
- West Valley WD (WO)²
- Western Municipal WD

PASS/MOUNTAIN AREA

- City of Banning
- City of Beaumont (WWO)

- Beaumont-Cherry Valley WD (WO)
- Cabazon County WD (WO)
- Yucaipa Valley WD²
- Fern Valley WD (WO)
- High Valleys WD (WO)
- Idyllwild County WD
- Pine Cove County WD (WO)
- Pinyon Pines County WD (WO)
- San Geronio Pass Water Agency (WO)

¹ The voters of Perris recently approved the sale of the City's water utility. A measure on the same ballot authorizing sale of the wastewater system failed to achieve 2/3 voter approval.

² These agencies primarily serve San Bernardino County. The requested MSR should focus on the agencies' service area within Riverside County,

**COACHELLA VALLEY/EASTERN
COUNTY**

- City of Blythe
- City of Coachella
- City of Indio (WO)
- City of Palm Springs (WWO)

- Chiriaco Summit County Water District (WO)
- Coachella Valley WD
- Desert Water Agency
- Mission Springs WD
- Palo Verde Irrigation (WO)
- Valley Sanitary District (WWO)

- CSA 51 (Desert Center/Lake Tamarisk)
- CSA 62 (Ripley)
- CSA 122 (Mesa Verde) – (WO)

- 11 Cities
- 30 Special Districts
 - 27 (Independent)
 - 3 CSA's

41 public agencies total

WO - Indicates the service review will address only water for this agency\

WWO - Indicates the service review will address only wastewater for this agency.