



# **REQUEST FOR PROPOSALS FOR A MUNICIPAL SERVICES REVIEW AND SPHERE OF INFLUENCE STUDY ON FLORIN COUNTY WATER DISTRICT**

## **I. INTRODUCTION**

### **General Information**

The Sacramento Local Agency Formation Commission (LAFCo) seeks proposals from professional consulting firms to prepare a study evaluating the condition of the Florin County Water District; specifically, its ability and capacity to provide water services within its service area, its finances and its governmental structure.

This study should address all of the factors outlined in the Scope of Services (Section II) and in compliance with the timelines specified in this document. There is no expressed or implied obligation for LAFCo or Florin County Water District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, a response to this request must be received by José C. Henríquez, Executive Officer, Sacramento LAFCo; 1112 I Street, Suite 100; Sacramento, California 95814, by 3 pm, Friday, September 30, 2024. LAFCo reserves the right to reject any or all proposals submitted.

During the evaluation process, LAFCo reserves the right, where it may serve the best interest of LAFCo to request additional information or clarifications from responders, or to allow corrections of errors or omissions. Firms submitting proposals may be requested to make oral presentations as part of the evaluation process at the discretion of LAFCo.

LAFCo reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal is acceptance by the firm of the conditions contained in this request for qualifications, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between LAFCo and the firm selected.

It is anticipated the selection of a firm will be October 14, 2024. Following the notification of the selected firm, it is expected a contract will be executed between both parties no later than December 2024.

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### **Commissioners**

*Sue Frost, Rich Desmond, County Members* ■ *Patrick Hume, Alternate*  
*Iva Walton, Lisa Kaplan, City Members* ■ *Jay Vandenburg, Katie Valenzuela, Alternates*  
*Chris Little, Public Member* ■ *Timothy Murphy, Alternate*  
*Lindsey Carter, Gay Jones, Special District Members* ■ *Charlea Moore, Alternate*

### **Staff**

*José C. Henríquez, Executive Officer* ■ *Desirae Fox, Kristi Grabow, Policy Analysts*  
*Nancy Miller, DeeAnne Gillick, Commission Counsel*

## **Background on District and Project**

Florin County Water District (FCWD) was formed in 1959 and operates as an independent special district governed by an elected board under the California Water Code.

FCWD encompasses an area of 2.5 square miles, including Old Florin Town, which is part of the unincorporated area of Sacramento County. Generally bounded by Florin Road on the north, Gerber Road on the south, Power Inn Road on the west and Gardner Avenue on the east. This area has a population of 7,831 with 3,911 registered voters. FCWD operates 10 ground wells, tapping into the region's aquifer as the source.

FCWD is surrounded by other water providers, including the two largest in Sacramento County. To the east is the Sacramento County Water Agency, with over 200,000 customers. On the north and west is the City of Sacramento, serving 130,000 customers. Both providers obtain water through a combination of surface water from the Sacramento and American rivers and groundwater.

FCWD exists to provide customers an accessible and adequate water supply that complies with the federal Safe Drinking Water Act. One of the smallest water districts in the county, FCWD serves residential and commercial customers in suburban and rural areas. FCWD has 2,405 water connections, 37 of which are commercial or industrial and four are agricultural. The balance of their customer base is residential.

FCWD requires all new services to be metered in order to begin the implementation of conservation measures. Meters provide accountability for water use and discovery of water loss due to leakage. California state law requires all water connections be metered by 2032 and charged at a meter rate to reflect usage. Currently less than 2-percent of FCWD residential services are metered.

The Sacramento Grand Jury released a report in June 2024. One of the Grand Jury's findings was recommendation was for "a Municipal Service Review should be performed by LAFCO to study and analyze information about the Water District's governance structures and efficiencies." The Grand Jury report can be found here:

<https://sacgrandjury.org/docs/reports/23-24/gj-fcwd-final-report-061024.pdf>

The district has not had a Municipal Service Review (MSR) conducted by LAFCo. The report recommended a MSR "be performed by LAFCo to study and analyze information about the District's governance structure, service capacity, infrastructure, and efficiencies." FCWD prepare and publish several operational and financial reports as part of its response to the report. These reports will be useful in the preparation of the MSR/SOI Study.

## **II. SCOPE OF SERVICES**

A discussion on the MSR's scope of service as currently envisioned by LAFCo is included immediately below. A final scope of services will be negotiated with the firm selected to conduct these service reviews and will be included with the professional services agreement to be approved by LAFCo.

The Cortese-Knox-Hertzberg Act (CKH) requires LAFCo to prepare an analysis of each service provider and a written statement of determinations with respect to each of the following:

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 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, as required by commission policy. There is a policy established for Sacramento LAFCo.

*(Note: several of these elements overlap in terms of subject matter. The report may consolidate sections but should provide a set of recommended determinations that indicate the required element to which they apply.)*

A discussion on the SOI's scope of service as currently envisioned by LAFCo is included immediately below. A final scope of services will be negotiated with the firm selected to conduct these service reviews and will be included with the professional services agreement to be approved by LAFCo.

CKH requires LAFCo to prepare an analysis of each service provider and a written statement of determinations with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open- space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The consultant is expected to use any and all available information relevant to the MSR/SOI study, including interviews, surveys, previous research, reports, District planning documents, County general plans, previous sphere studies, authorities under the law, etc. Sufficient data and information should be collected to construct a clear, concise and comprehensive report. LAFCo desires to focus efforts on the District's capacity and capability to provide services, an objective assessment of its financing and governmental structures, especially within the context of the District's current challenges and viable options available to District staff and Board of Directors. It is therefore important for a proposal to demonstrate an approach that gets to the relevant discussion without becoming a huge compendium of information. The goal is to use the MSR/SOI study so that LAFCo and the District can determine a path for moving forward.

The selected consultant is expected to work closely with Sacramento LAFCo staff and its legal counsel and perform work that is consistent with [Sacramento LAFCo Policies, Standards and Procedures](#) and the Cortese Knox Hertzberg Local Government Reorganization Act of 2000. The consultant is expected to participate in meetings with LAFCo staff, District representatives, public groups and other interested agencies/parties (see Meetings Section). The consultant is also required to make written and/or oral presentations to the Commission.

**Important considerations:**

- The consultant must be well versed in local government finance in California in order to study the issue and provide viable, actionable recommendations regarding governmental changes, including dissolutions and consolidations.
- FCWD is aware of the preparation of this MSR. LAFCo is actively working on securing a district representative who will cooperate and share information with LAFCo and its consultant. It is important for the consultant to maintain a good, respectful relationship with the District.
- It would be preferable that a draft report be prepared by June 2025 so that the public comment begins in that month.
- Appendix A includes operational specifications that will need to be addressed as part of the MSR.

**A. Major Tasks and Work Plan Components**

The consultant shall prepare the following work program components. All work products shall be prepared in accordance with the California Environmental Quality Act (CEQA) and Guidelines and the Sacramento LAFCo Policies, Standards and Procedures Guidelines. All work products will become the property of Sacramento LAFCo.

Preparation of the report will include the following steps:

1. Data collection, including but not limited to, interviews, surveys and research of existing information and documents.
2. Interpretation and analysis.

3. Produce administrative draft report of the report with appropriate and actionable recommendations for LAFCo staff to review. The MSR/SOI report must be readable and suitable for use by elected officials, service providers and the public. The consultant shall present issues in the most succinct manner possible while including necessary content and ensuring readability including:
  - Brief background section (CKH Overview, purpose and study methodology as presented in the scope of work).
  - Brief description of MSR/SOI study area and affected providers including a Table of Providers.
  - Summary of important issues, conclusions, and analyses by evaluation category.
  - Service level/industry standards comparison tables
  - Draft MSR determinations and recommendations
  - Draft SOI determinations and recommendations
4. Presentation of draft report to Sacramento LAFCo for distribution to affected and interested agencies for comment.
5. Review of draft report by Commission, FCWD Board of Directors and staff, affected/interested agencies and the public.
6. Preparation of final draft addressing comments from the Commission, LAFCo staff, affected/interested agencies and the public, including findings, determinations and recommendations.
7. Presentation of final report to Commission at public hearing.
8. Commission's adoption of final report and determinations.
9. Organize supporting documents.

Sacramento LAFCo is committed to a report that is conducted in a fair, accurate and objective manner. The intent is to provide valuable and practical conclusions for

- Improvements to service provision where possible;
- Possible reorganizations and changes to organizations where feasible; and
- Long term stabilization of financing.

Also, the Commission wishes to provide effective and meaningful opportunities for public participation in the review process.

## **B. Format of the Document(s)**

The draft and final document should be an easily accessible Word document that will eventually be converted into a pdf. The document should be prepared in a format that is easy to use and clearly understood by all interested parties. The document should also serve as an informative and educational tool for the public and Sacramento

LAFCo Commissioners to understand the issues and challenges to FCWD and how these potential impacts can be mitigated.

**C. Gathering Information and Relevant Data**

The consultant is expected to take the lead in gathering data and relevant documents, plans, and/or studies available from FCWD. LAFCo staff is available as a resource for locating information or providing contacts and other source materials.

**D. Meetings**

LAFCo is the primary contact for the consultant and is responsible for scheduling any relevant public meetings that the consultants are expected to attend. The proposal should consider attendance at all meetings with LAFCo staff and legal counsel relating to this project.

**E. Detailed Work Plan and Time Schedule**

As part of this Request for Proposal (RFP), the consultant is required to prepare and submit a detailed work plan and time schedule for the completion of the project. The plan and schedule should define the tasks associated with the project and identify appropriate progress benchmarks and deliverables to measure work performance.

**III. QUALIFICATIONS**

Sacramento LAFCo is seeking a consultant committed to providing the highest quality of service with proven LAFCo experience. The consultant should have knowledge and experience with local government including but not limited to the following areas:

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 California Environmental Quality Act
- California Water Code
- Sacramento LAFCo Policies, Standards and Procedures, City and County General Plans, Ordinances and Regulations California Planning, Zoning and Development Law
- Municipal water planning issues
- California Environmental Quality Act

**IV. RFP PROPOSAL FORMAT**

A proposal that is timely received will be reviewed by LAFCo staff to determine if it is complete. A proposal will be determined to be complete if it addresses all of the following points:

- A. A brief description of the consultant firm and a statement of the firm's qualifications for performing the subject consulting services (sample copies of work may be requested).

- B. A summary of the firm's experience with similar projects, including dealing with controversial projects.
- C. A statement of the firm's understanding of the MSR requirements. The firm or individual must indicate any qualifications or stipulations it would like to incorporate into a professional services agreement with LAFCo.
- D. A statement indicating the firm's approach to the project, including: a description of the main tasks to be completed during the project and a time schedule reflecting the completion of each task and delivery of products.
- E. An organization chart depicting the project team that will perform the work on the project and a summary of the qualifications and experience of each team member, including length of service with the firm and resume.
- F. A detailed cost proposal with subtotals for each of the major tasks identified in the proposal provided by your firm. The cost proposal shall include time allotments for all assigned employees, as well as all other direct and indirect costs. Consultant participation in meetings and public hearings should be specifically identified in the proposal. Hourly rates for additional meetings should also be identified.
- G. A list of references for lead staff and a brief description of similar projects, including contact person and phone number. Results of reference checks may affect the final award of the contract.
- H. A list of past or ongoing contracts for environmental or planning services with FCWD, including those for contract staff or on-call services.
- I. Optional: Provide any other information you feel is relevant to the consultant review and selection process, including samples of any studies where the firm evaluated a public agency that was the subject of a critical Grand Jury report, or a small entity that struggled with governance, operational or financial challenges.

**V. SUBMITTAL DEADLINE**

**DUE DATE:**

On or before 3 P.M., Friday, September 30, 2024

If submissions are electronic:

**SEND TO:**

commissionclerk@saclafco.org

If submissions are hard copies:

Four (3) copies and one (1) fully reproducible copy.

**DELIVER TO:**

1112 I Street, Suite 100

Sacramento, CA 95814

Post marks are not acceptable. Proposals received after the deadline will not be considered and will be returned. Please note LAFCo staff may subsequently request an electronic copy (Word format). Do not provide an electronic copy unless requested.

All proposals must be submitted in a sealed envelope that is clearly marked with the title of the RFP.

If delivery is to be in person, please first call the LAFCO office (916-874-6458) to arrange a delivery time.

- A. All proposals, whether selected or rejected, shall become the property of Sacramento LAFCo.
- B. Cost of preparation of proposals shall be borne by the proposers.
- C. Proposals must be signed by an authorized employee or officer in order to receive consideration.
- D. Sacramento LAFCo is not responsible for proposals delivered to a person/location other than that specified herein.
- E. The LAFCo Executive Officer reserves the right to reject any and all proposals submitted, to request clarification of any information that is submitted, to request additional information from competitors and to waive any irregularity in the proposal submission and review process.



## **VI. EVALUATION CRITERIA**

Proposals will be evaluated based upon their response to the provisions of this Request for Proposal and by the following criteria:

- Expertise with the provision of municipal water and local governance structure
- Ability to work with pertinent parties and knowledgeable experts
- Ability to demonstrate or provide viable strategies and financial options to public agencies
- Provide detailed outline of cost estimates

Please note that this will be a competitive selection process.

Based on the criteria above, the completeness of the responses, cost and the overall project approach identified in the proposals received, the most qualified firms may be invited, at their expense, for an interview with the selection committee. The selection committee may be composed of Commissioners, the Executive Officer, other LAFCo staff and possibly representatives from the agencies.

Following interviews, the most qualified firm will be selected and a recommended agreement including budget, schedule and a scope of services will be negotiated. Final selection will be made by LAFCo by approving a professional services agreement for the work.

## **VII. NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

It is the desire of Sacramento LAFCo to provide Minority/Women-Owned Business Enterprises (M/WBEs) and all other business enterprises an equal opportunity to participate in the performance of all contracts, subcontracts, and other LAFCo business activities. Sacramento LAFCo is an equal opportunity employer.

In connection with the performance of this contract, the selected firm shall not discriminate against any employee or applicant for employment because of race, color, age, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

## **VIII. CONFLICT OF INTEREST**

Proposers warrant and covenant that no official or employee of Sacramento LAFCo, nor any business entity in which an official of Sacramento 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 Sacramento LAFCo. Proposers will notify LAFCo of any potential conflict of interest regarding other work or third-party contracts with proposer.

**IX. INSURANCE REQUIREMENTS**

The successful proposer shall furnish Sacramento LAFCo with a Certificate of Insurance which provides for the following:

- A. Worker's Compensation;
- B. General Liability Insurance in an amount not less than \$1,000,000.00 in the aggregate, for bodily injury and property damage. Sacramento LAFCo, its agents, officers and employees shall be named as additional insured on the Certificate of Insurance;
- C. Automobile Liability Insurance in an amount not less than \$1,000,000;
- D. The policy shall not be cancelable without thirty (30) days advance written notice to Sacramento LAFCo, and shall be in a form and by a surety approved by Sacramento LAFCo;
- E. In the event the policy is canceled prior to the completion of the project and the Contractor does not furnish a new Certificate of Insurance prior to cancellation, Sacramento LAFCo may obtain the required insurance and deduct the premium(s) from contract monies due the Contractor;
- F. As used above, the term "Contractor" includes the Contractor, and its officers, agents or employees, and any sub-contractors.

**X. TENATIVE SCHEDULE**

The consultant selected for the project is expected to complete the preparation of the draft public review municipal service review within six (6) months after receiving the authorization to proceed with the project.

**XI. DISCLAIMER**

LAFCo reserves the right to refuse any or all proposals submitted which are not in substantial compliance with the RFP proposed criteria. Additionally, LAFCo reserves the right to reject all proposals and cancel the proposal process at any time.

**XII. CONTRACT**

The Consultant will be required to enter into a mutually agreeable contract with LAFCo prior to commencement of any work on the project.

**XIII. CONTACT PERSON**

Direct all inquiries regarding the RFP process or proposal submissions to:

José C. Henríquez, Executive Officer  
Sacramento Local Agency Formation Commission  
1112 I Street, Suite 100  
Sacramento, California 95814

Phone: (916) 874-2937  
Office Phone (916) 874-6458

Email: [henriquezj@SacLAFCo.org](mailto:henriquezj@SacLAFCo.org)

Thank you for responding to this request.

When preparing the Municipal Service Review for Florin County Water District, LAFCo would like to ensure the following information will be analyzed and included.

- What is the necessary connecting infrastructure: Estimated cost to physically connect infrastructure from the new service provider to the consolidating entity's infrastructure. What is the impact on the new service provider.
- Connection Charges: Assess water connection charges necessary to receive water for the service types. How would those be funded?
- Existing Infrastructure Upgrades: Estimated cost to upgrade the infrastructure to be consistent with new service providers existing level of service and standard, and expected standards (e.g., comparable avg age and condition). This assessment should include a scenario where the existing production/treatment and conveyance facilities were utilized, and a scenario where source water was provided by new service provider. An assessment of current asset condition and remaining life are necessary to consider the cost to upgrade to appropriate standards. What sources of funding can support the needs that remains compliant with prop 218 or other guardrails supporting appropriate use of utility service revenue. What level of record keeping is available to document the condition and status of the infrastructure and what history and reporting is available on the quality of the water being served.
- What is the financial condition of the potentially consolidated utility and how does it compare to industry standards.: What is the method for collection? What is the amount of debt currently owed by the consolidated entity. Over the long term, has the infrastructure been reinvested into. Is there a viable long range fiscal plan.
- Rate Comparison: How do the current water rates compare with others.
- Are there outstanding regulatory considerations? As a permitted water system, what steps would be necessary to be in full compliance with all regulatory entities?
- What outstanding obligations does the district have? Examples could be employee relate, debt related, or agreements with other utilities.
- Describe the level of service compared to other contemporary water providers. The AWWA is a source of benchmarking information.
- What are land use designations, commitments, and considerations as related to the provision of utility service?
- How does the Utility interface with other public services (Police, Fire, SMUD, Sac Sewer, etc)
- Has there been a review of the governance structure?

To guide the assessment of the system, the following data sources would prove helpful

- The State Division of Drinking Water system number
- Base water rates
- Number of Connections with use type breakdown (res/commercial/industrial etc.)

- Annual Consumption, maximum daily water demand, and peak hour water demand
- Any planning documents to meet SWRCB conservation standards
- Filings with State agencies on water use
- Fireflow requirements and the ability to perform.
- Hydraulic Assessments
- Water system service pressure range
- Existing debt
- Capital expense to bring up to standards and any required capital expenditure for required connecting infrastructure
- Service area demographics and DAC assessment
- System source info to include Treatment, Transmission, Storage, Groundwater, surface water, interties, contracts etc.
- System Maps
- Easements
- Asset list (pipelines by length/material/diameter/install date; vertical assets including nameplate data as applicable, groundwater wells, etc.)
- Water Quality data for past and present performance.
- Incident list of customer complaints, performance issues, or outages.
- List of real property including any liens or encumbrances
- Most recent capital budget or master plans
- Audited financial statements
- Annual DDW inspection report
- Any condition assessment reports done
- Recent consumer confidence report
- O&M plans (flushing, valve exercising etc.) and practices
- Urban water management plan, if one exists.
- Annual Water Shortage Assessment as filed with DWR
- Any regulatory reports
- Is there a CMMS (computerized maintenance management system). History of replacement and system maintenance
- How is system controlled (manually, SCADA?)
- Are there meters and if so, what is description, age, and condition of the metering network? How are they read?
- Backflow program
- Any regulatory violations
- Data base of board items and decisions.