

REQUEST FOR PROPOSAL QUESTIONS & ANSWERS

Q: The RFP mentions that most customers are charged a flat rate based on lot size. Does the District have a metering plan? Will the flat rate customers have water meters installed in the near future?

A: Because of the size of our District, the District is not presently required to install residential meters by a certain date. The costs associated with infrastructure improvements such as meters will be addressed at a later date; this Cost of Service Analysis scope is for our daily operation and maintenance costs, current debt service, the funds needed to meet bond covenants and unfunded liabilities.

Q: The District proposed a rate increase in May but did not adopt it. Was the proposed rate plan developed by an outside consultant? Does the District have a cost of service report associated with the May rate increase?

A: The District did have an outside consultant create a rate model for the District to use which has the ability to include past and projected budgets, current debt service, potential new debt service, and bond covenant requirements. The consultant provided a technical memo describing the steps the District used to develop the proposed rate increase. The purpose of this Cost of Service Analysis is to have a new independent analysis to address expenses associated with daily operation and maintenance costs, current debt service and funds needed to meet bond covenants and unfunded liabilities. The District will address costs associated with future debt service or expenses after further review and possible modification to the Master Plan.

Q: Is the District interested in updating its capacity charges as part of this assignment? We could include this as an optional task.

A: A review of capacity charges should be included as part of this assignment.

Q: Is the District moving toward a completely metered system? If yes, when do you anticipate being 100% metered?

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Q: Does the District adopt revised and new rates and charges by resolution or by ordinance?

A: By Ordinance.

Q: Are the charges in Attachment A, section A through F monthly charges? What is the Service Maintenance Charge – is it a fixed monthly fee in addition to the readiness to serve charge for metered customers? What is it for?

A: The charges A- E are monthly. The System Maintenance Charge was put in place with the 2010 rate increase to address costs associated with projects described in the Master Plan (replacement of aging infrastructure), including debt service. In this Cost of Service Analysis, the current debt service and bond covenants should be address. Every customer, including metered accounts, pays this fixed amount charge.

Q: Has out of District service always been 20% higher? Does the District have any documentation of the rationale for this differentiation?

A: Section F addresses out of boundary customers. The District currently does not have any out of boundary customers.