



**CASTROVILLE
COMMUNITY SERVICES DISTRICT**

WATER/WASTEWATER RATE STUDY

REQUEST FOR PROPOSAL

February 25, 2026

Proposals Due: April 10, 2026 by 4:00 PM PST

At

Castroville Community Services District

11499 Geil Street

Castroville, CA 95012

NOTICE

REQUEST FOR PROPOSAL

WATER/WASTEWATER RATE STUDY

Deadline: April 10, 2026 - 4:00 p.m.

The District is requesting proposals from qualified consultants to conduct a comprehensive Water and Wastewater Rate Study. The last water rate study was completed by Harris and Associates in 2015. In 2016, the District also had Harris conduct a Sewer rate study for CCSD's Sewer Zone 2 which includes the communities of Moss Landing, Moro Cojo, North Monterey County High School and Monte Del Lago. The intent of this study is to independently assess and evaluate the District's existing water/wastewater rates and connection fees and provide recommendations. The broad objective of the study is to adequately fund water/wastewater utility operations and capital costs while minimizing rates to the greatest degree possible.

The study will be based on a comprehensive review of the District's funds and budgets, Balance sheet, capital improvement plans, capital reserve plan, customer classes, current usage data, future planned growth of the District and any other information deemed necessary.

In order to submit a proposal, please read and comply with Proposal Requirement and submit an original, three (3) copies and one (1) digital copy (in PDF format) in separate sealed envelopes marked - **"Technical Proposal-Water/Wastewater Rate Study"** and **"Cost Proposal – Water/Wastewater Rate Study"** to the following address:

Castroville Community Services District

Attn: James Derbin, General Manager

11499 Geil Street

Castroville, CA 95012

Proposals will not be accepted after the date and time designated above. It is the sole responsibility of the proposer to see that the proposal is delivered and received by the deadline. Any proposal received after said designated date and time shall be returned to the proposer unopened.

Proposals will not be opened publicly, and the District will endeavor to keep such confidential until a preferred service provider is recommended to the Board of Directors. Proposal must bear original signatures and figures.

The District was formerly the Castroville Water District, a special district formed in 1952 under the County Water District Act for the purpose of installing, operating, and distributing a water supply for the community of Castroville. In May of 2006, the District assumed the assets and liabilities for the sewer and storm drain systems from County Service Area 14 (CSA 14). In February of 2008, the Castroville Water District and CSA 14 were merged to create the Castroville Community Services District that resulted in the acquisition of additional services such as street lighting, recreational funding, open space, and street maintenance. Finally, in 2014 the CCSD merged with the Moss Landing Sanitation District which CCSD had been operating under contract for several years.

The District is a community services district and provides various services. In summary, these services include:

- **Castroville:**
 - Drinking water
 - Stormwater
 - Street lights
 - Recreation

- **Moro Cojo:**
 - Street Maintenance
 - Streetlights (PGE Power Only)
 - Stormwater conveyance
 - Wastewater collections
 - Open space maintenance

- **Moss Landing**
 - Wastewater collection

The costs for certain administrative and operational overhead expenses are shared among the various utility cost centers

A. STUDY OBJECTIVES

1. Evaluate the existing rate structures for conformance with existing statutory regulations and make recommendations for any changes that are necessary to achieve compliance.
2. Identify the various direct costs included in the District's budget and make recommendations for any changes necessary to ensure those direct operational costs are properly aligned with the appropriate funds.
3. Evaluate the District's meter base rate/fee structure and make recommendations to better align fixed operating costs with the fixed revenues inherent in the meter base rate fee.
4. Review the District's existing rate structure and develop recommendations for improvements that will ensure the structure promotes realization of various statewide initiatives, District goals and best meets the District's operational needs.
5. Evaluate the existing Water/Waste Water (W/WW) connection fees and make recommendations for any changes for "buy-in" and new capacity and updated fees to offset capacity for future new service locations.
6. Develop rates and fees that are easily understood by the public, Board of Directors, and Staff; and that can be utilized by Staff in the future to help guide W/WW rates and connection fees.

B. STUDY REQUIREMENTS

Any recommendations made must consider or make provision for the following factors:

- a. Current and future cost of providing W/WW service in conformance with established or anticipated changes to standards and regulations.
 - b. Changes in projected demands.
 - c. Availability of water supply.
 - d. Age and condition of W/WW systems and the need to fund long-term capital replacement as has been initially developed through the capital and reserve accounts
1. Develop suggested targets for adoption and development of a future District reserve policy to ensure any recommendations for changes in rates meet the cash flow budgetary needs of the District.
 2. Develop a proposed rate schedule that reflects the Board's priorities and contains a forecast for proposed rates over a 5 year period that can be integrated into the reserve account model. Modify a reserve account model to reflect the new accepted rate model.
 3. Demonstrate that any alternative rate structure is easy to understand and administer and can be accommodated within the existing billing system.
 4. Demonstrate that any proposed rate structure is in compliance with the rate covenants of Proposition 218.

5. Calculation of W/WW Connection Fees. The consultant is requested to review the existing W/WW connection fees and recommend appropriate fees to replace the existing connection fee/s. At a minimum, the consultant is requested to explain the advantages and disadvantages of the equity method and incremental cost method of calculating system development charges.
6. Deliver a new spreadsheet model in Excel for the rate structures accepted by the Board and provide training to staff in running “scenarios” that will allow staff to fully understand how the model operates and how the results of various future recommendations that may be proposed can be illustrated. The model shall be developed to allow changes in budgets and/or number of customers to evaluate new proposed rate structure/s.
7. Reserve analysis must be part of the model.
8. Model must have adequate documentation so that it will be a useful tool for District Staff in the future.

C. STUDY ELEMENTS

In making its rate recommendations, the final report shall explicitly include the following elements and analysis:

1. **Current Rate Structure:** Assess the current W/WW rate structure’s suitability for sustaining cost recovery based on customer demands.
2. **Equity:** Assess the equity of recommended W/WW rates for all types of property ownership.
3. **Drought or Loss of Supply Rate Structure:** Assess the impact on a rate structure due to drought, loss of supply or other water shortage factors. Evaluate and recommend a drought pricing program that mimics the different water stages of the District’s emergency water supply shortage plan and continues to fund water operations and capital projects.
4. **Environmental Regulation:** The study shall include an assessment of the revenue stream generated by the recommended rates and their ability to continue to fully fund water system costs under the impacts of future drinking water and wastewater statutory regulations and standards.
5. **Electronic Rate Model:** Provided an easy-to-use electronic rate model for the District to use in future rate setting.

D. SERVICES TO BE PROVIDED BY CONSULTANT

1. Conduct a detailed review of the existing W/WW rates and status of the funds and develop a general familiarity with the District’s billing system.

2. Meet or confer with staff as needed and attend up to two virtual meetings with the District Board of Directors at a working session to present the interim status of the studies and obtain their input. Attend an in person Board Meeting/Workshop to present the final report and discuss findings and recommendations.
3. The following meetings will be held at the District office:
 - a. A Virtual Kickoff Meeting to discuss the approach to the project in detail with District staff and to request clarification regarding the District's financial documentation. The Consultant will obtain and review all appropriate financial documents prior to the Kickoff Meeting.
 - b. Virtual meeting with District Board to present Preliminary Report
 - c. Virtual meeting with District Board to present Draft Final Report
 - d. Attend public meeting with District Board to present Final Report
4. Conduct analyses as required to address the scope of work.
5. Preliminary Report
 - a. Prepare preliminary studies reports and tentative rates. Develop up to 3 alternative rate structures
 - b. Submit 5 copies of each report, plus one reproducible copy.
 - c. Present preliminary reports and tentative rates to the District's Board of Directors.
6. Draft Final Report
 - a. Incorporate changes pursuant to comments received.
 - b. Identify recommended rate structure
 - c. Submit 5 copies of each report, plus one reproducible copy.
 - d. Present preliminary report and tentative rate structure to the District Board of Directors at a regularly scheduled Board meeting.
7. Final Reports
 - a. Incorporate changes pursuant to comments received at the Board meeting presentation.
 - b. Submit 5 copies of each report, plus one reproducible copy.
 - c. Provide an electronic copy with report in MS Word format, with spreadsheets in Excel format.
 - d. Present the final reports and recommended rates to the Board of Directors and members of the public at a regular District Board meeting formal public hearing.
8. Supply a time schedule for developing the preliminary and final reports.
9. Provide an easy-to-use electronic rate model for the District to use in future rate setting

E. SERVICES TO BE PROVIDED BY THE DISTRICT

The services to be provided by the District include, but are not necessarily limited to the following:

1. Furnish all reasonably available records and information, including financial reports, budget, water consumption data, water meter sizes, customer classes and existing Ad Valorem tax revenue and W/WW connection fees
2. Provide the most recent capital reserve spreadsheet.
3. Provide staff support and assistance as required and agreed to in advance of the studies.
4. The following financial documents are the most currently available at this time can be located on our District website:

www.castrovillecsd.org

- a. Water Rate Schedule
- b. CCS District Budget
- c. Independent Financial Audit
- d. Most recent Board Packet will include the most recent Balance Sheet

PROPOSAL REQUIREMENTS

Each individual or firm (Proposer) submitting a proposal shall meet all of the terms and conditions specified in the Request for Proposal (RFP). By its proposal submittal, the Proposer acknowledges agreement with the acceptance of all provisions of the RFP. Proposals are firm for a period of ninety (90) days.

The District is not liable for any costs incurred by Proposers before entering into a formal contract. Costs of developing the proposal or any other such expenses incurred by the Proposer in response to the RFP are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the District.

All proposals, irrespective of irregularities, will be opened at the time specified. A tally of names will be performed and released upon request. No other information will be released.

A. TECHNICAL PROPOSAL

The following information is to be submitted as part of the proposal. The proposal is not to be more than ten single-sided pages in length excluding cover, cover letter (two pages maximum), and two-page resumes of persons to be assigned to the project. Minimum font size shall be 11. Five copies of the proposal are to be provided. The ten-page portion of the proposal is to be organized as follows:

1. **Approach to the Project:** Describe your approach to this project, including staffing evaluation, and any special ideas, techniques or suggestions that you think might make the project proceed smoothly.
2. **Experience:** Describe the experience of the firm and of the individuals assigned with related projects of a similar nature. The team's experience with creating various water rate structures. Provide at least three, but not more than 10 current (within the last 5 years) references for projects of similar size and scope.
3. **Qualification:** Describe your staff's unique qualifications and training for this type of work. Resumes of all technical staff who will work on this project shall be included, and identify approximate percentage of the total time that each individual staff member contributes to this project. Identify any subconsultants included in the project team and identify their role.
4. **Schedule:** Describe your plan/schedule for completing the work.
5. **Rate Schedule:** Provide current rate schedule that identifies hourly rates for each category of staff and lists all extra costs that are not included in your hourly rate schedule

B. COST PROPOSAL

A separate sealed envelope shall be provided containing the Cost Proposal for the studies. Cost proposal will contain detailed task breakdown that identifies your project approach, the number of hours budgeted for individual staff members for each task, the hourly rate for each staff member, all owner direct costs (including travel expense), and the total not-to-exceed project cost.

C. AGREEMENT

A copy of a proposed agreement is attached, as Exhibit F. Evidence of Insurance must be received prior to agreement implementation. Any exceptions to the proposed agreement must be included with the proposal. The District reserves the exclusive right to accept or reject any exceptions taken.

D. PRE-SUBMITTAL QUESTIONS

The District will accept pre-submittal questions from RFP participants in the interest of clarity and complete responses to the RFP. All questions are to be submitted via email to James Derbin (james@castrovillecsd.org) by April 10, 2026. Phone calls with questions will not be accepted and no questions may be submitted after the date specified. RFP participants are encouraged to cover all questions in a single brief and concise email so that District staff can provide timely and effective answers.

Responses to questions shall be sent to all respondents. In order to assure that the District has one contact person for this RFP, please provide your company contact information to our General Manger, James Derbin, as early as possible. The District will conclude that any potential RFP respondent that does not provide an email contact does not want to be included in any Pre-submittal information sharing and will not receive any formal addenda.

E. DEADLINE FOR SUBMISSION OF PROPOSALS

1. Interested firms should submit proposals by 4:00 P.M. April 10, 2026 to:

Castroville Community Services District
11499 Geil Street
Castroville, CA 95012
Attn: James Derbin
General Manager

2. Technical Proposals should be sealed and marked:

“Technical Proposal – Water/Wastewater Rate Study”

3. Cost of Proposals should be sealed and marked:

“Cost Proposal – Water/Wastewater Rate Study”

SELECTION OF CONSULTANT

A committee made up of District staff and Board members will evaluate proposals. They will be evaluated on the basis of experience, qualifications, references, your approach to the project, degree of District staff time required to complete the project, and any innovative ideas you have for making the project go quickly and smoothly.

Final selection will be based on the evaluation of proposals unless it is deemed necessary by the committee to conduct phone interviews of closely scored consultants. The selection committee reserves the right to request copies of similar W/WW rates studies if necessary to evaluate closely scored consultants. The consultant determined best qualified to perform this project will be recommended to the Board of Directors for contract award.

The District reserves the right to reject any and all proposals for any reason deemed appropriate by the District.