

CITY OF PEQUOT LAKES, MN

REQUEST FOR PROPOSALS UTILITY RATE ANALYSIS – WATER AND SEWER

I. PURPOSE STATEMENT

The City of Pequot Lakes, Minnesota is requesting proposals for an update of its existing utility rate analysis for the City's water and sewer systems. The existing study was completed in 2007.

II. GENERAL INFORMATION

Water – The water department has approximately 419 accounts which include residential and commercial customers. The current rates are attached.

Sewer – The sewer department has approximately 401 accounts which include residential and commercial customers. Bills are based on monthly water usage. The current rates are attached.

III. GENERAL SCOPE OF WORK

It is anticipated that the analysis will include the following work.

- A. Water and sewer rate analyses to determine if rates are reasonable while covering the cost of services and infrastructure. Provide a recommendation on water rates and sewer rates for the next ten years.
- B. An evaluation of user charges and connection fees (SAC and WAC charges). Provide a recommendation on SAC amounts and WAC amounts for the next ten years.
- C. A study of cash reserve balances, project funding, future capital improvements, and capital replacement to assist in the above analysis.
- D. Participation in meetings to present the analysis results to decision makers and the public.

IV. QUALIFICATIONS STATEMENT

To receive consideration, all firms should submit substantially the following information as well as other information it deems useful for consideration.

- A. Summary of the Firm's Qualifications
 - 1. Describe the firm's capability of performing a water and sewer rate analysis. Describe the experience of the individual(s) who will do the analysis. Describe any guarantee or assurances the firm offers that assure correct and timely performance of this project.
 - 2. Describe the firm's most recent utility rate analysis similar to the type of rate analysis requested.

3. Give the names and telephone numbers of client references for three recent similar utility rate analyses completed.
 4. Submit a copy of a recently completed utility rate analysis of another water or sewer system of similar size and characteristics if possible.
- B. Firm's Approach to the Rate Analysis – Submit a short conceptual plan on how you would accomplish the scope of work defined in this document. The plan should include time estimates for each significant segment of the work and indicate the earliest date you are available to start the analysis.
- C. City Staff Support – State any work or task to be provided by the City.

V. SUBMISSION OF QUALIFICATIONS PACKAGE

- A. Submit qualifications as requested no later than 4:00 p.m., March 15, 2017. Submit to:
- Nancy Malecha, City Administrator/Clerk
City of Pequot Lakes
4638 County Road 11
Pequot Lakes, MN 56472
- B. All submittals will become the property of the City and the City reserves the right to accept or reject any or all of the submittals.
- C. Questions regarding this request for qualifications should be directed to:
- Nancy Malecha, City Administrator/Clerk – 218-568-2352
nmalecha@pequotlakes-mn.gov

The City will review all proposals and select a firm with which to negotiate a contract.

2017 WATER & SEWER RATES AND FEES

Water / Sewer Rates

Residential

Water \$19.12 for first 2,000 gallons/\$7.17 for each additional 1,000 gallons

Sewer \$23.03 for first 2,000 gallons/\$11.60 for each additional 1,000 gallons

Commercial

Water \$21.51 for first 5,000 gallons/\$7.83 or each additional 1,000 gallons

Sewer \$24.42 for first 5,000 gallons/\$11.60 for each additional 1,000 gallons

Residential & Commercial

Un-Metered Water \$35.00 per month

Un-Metered Sewer \$35.00 per month

Meter Maintenance Fees

5/8" and 3/4" Meters \$2.62 per month

1" and Larger Meters \$4.24 per month

Duplicate Billing Fee

Residential \$1.00

Commercial \$1.00

WAC / SAC Fees

Residential

WAC - \$2,900 per Equivalent Residential Connection (ERC) (Amended by Council 3/5/2013)

SAC - \$6,300 per Equivalent Residential Connection (ERC) (Amended by Council 3/5/2013)

Commercial

WAC - \$2,900 plus sales tax per Equivalent Residential Connection (ERC)
(Amended by Council 3/5/2013)

SAC - \$6,300 per Equivalent Residential Connection (ERC) (Amended by Council 3/5/2013)