



## **REQUEST FOR PROPOSAL (RFP)**

### **Water Rate and Connection Fee Study**

**Release Date: October 31, 2024**

**Submittal Deadline: November 22, 2024 at 5:00pm**

Public Works  
Town of Frisco  
102 School Road  
Frisco, CO 80443

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## 1. Invitation

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The Town of Frisco (hereinafter referred to as “Town”) is seeking proposals from firms (hereinafter referred to as “Proposer” or “Consultant”) to provide consulting services as outlined in this document for an updated Water Rate Study. The study will analyze the Town’s current rate structure, project future financial needs, and recommend adjustments to ensure financial sustainability, regulatory compliance, and fair pricing for all customer classes. This study should take into consideration conservation, affordability, cost recovery, and the capital needs for the Town’s water utility.

## 2. Background

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The Town of Frisco is located in Summit County near Interstate 70 and Highway 9. The Town has approximately 3,000 year-round residents, 467 business license holders, and approximately four million visitors per year.

Currently the Town of Frisco Water Division serves an estimated 4,500 individuals through 2,200 water service taps in a distribution system with over 35 miles of pipeline. The Water Division is part of the Town of Frisco Public Works Department and operates as an Enterprise Fund for the Town of Frisco. The Town’s water supply is provided through four different water sources; one surface water treatment plant and three groundwater wells which produce roughly 740 acre-feet of water, annually. The storage capacity of the Town’s water system includes three storage tanks which hold 2.5 mil gallons of finished water combined. Two of the storage tanks are above ground, welded steel storage tanks which hold 500k and 850K gallons individually, while the other tank is a buried concrete tank with a 1.2 mil gallon capacity.

In 2023, the Town of Frisco passed an ordinance for Extra-Territorial water to create a process and rate structure for users outside of Town limits to connect to Frisco’s water system.

The Town of Frisco last reviewed and adjusted water rates in 2019 through an in-house analysis and review by Town Staff, and since then, various operational, environmental, and financial factors have changed. The 2019 water rate analysis included annual rate adjustments which expired in October 2024.

Additionally, the Town is also completing a Materials Condition Assessment currently for the entire water system. The goal of this assessment is to assess pipe and infrastructure condition in the water system, to be completed January 2025, and this report will need to be factored into this Water Rate and Connection Study. This study is essential to align our rates with these evolving conditions while ensuring efficient and sustainable water delivery.

## 3. Project Goals and Scope of Work

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The primary objectives of the Water Rate Study are as follows:

### **Project Goals**

- 1. Assess Current Rate Structure:**  
Review the existing rate structure and analyze its effectiveness in meeting cost recovery, conservation, and equity goals.
- 2. Financial Analysis (Project Revenues and Expenses):**  
Analyze projected operating and capital expenses, including infrastructure needs, regulatory changes, and inflation impacts, for the next 10 years.
- 3. Develop Rate Recommendations:**  
Propose several alternatives for adjustments to rate structures which ensure financial sustainability, promote conservation, address affordability, and ensure fair cost allocation.
- 4. Customer Class Review:**  
Evaluate the adequacy of customer classifications and recommend any necessary adjustments.
- 5. Stakeholder Engagement:**  
Facilitate a transparent and participatory process involving key stakeholders, including the public, regulatory agencies, and the Frisco Town Council.

The Town is seeking a qualified and experienced firm to provide services to meet the goals above and deliver a water rate study to guide the Town's future water rates.

### **Colorado Water Plan Grant**

The Town plans to apply for a DWR CWCB Water Plan Grant to assist with funding this water rate study. Grant decisions are scheduled for March 2025 and the Town plans to wait to award a contract and proceed with work until the grant decision has been issued. For the purpose of this proposal, proposers shall assume that the Town of Frisco will be awarded the grant and shall include all costs necessary to comply with grant requirements.

### **Scope of Work**

The following scope items shall be completed by the selected consultant. The Consultant may propose alterations to the scope of work in their proposal.

- 1. Project Management and Meetings**
  - Meet with Town staff at monthly meetings, one kickoff meeting, one public input meeting, and two Town Council meetings with presentations led by the Consultant. Monthly meetings may be virtual.
  - Provide Town staff with meeting minutes, schedule updates, and other documentation.
- 2. Data Collection and Analysis**
  - Review historical financial and operational data, rate structures, customer usage patterns, and cost allocation methodologies.
  - Analyze trends in water demand, supply costs, conservation measures, development growth, and capital improvement needs.
  - Evaluate the financial impacts of any planned or anticipated changes, such as regulatory mandates or major capital projects.
  - Evaluate projects currently listed in Town's Capital Plan (PFAS Mitigation, Water Tank Rehabilitation, and Water Main Replacement projects)
  - Evaluate Town's Material Condition Assessment (scheduled for January 2025) and include Capital and maintenance recommendations.
  - Evaluate Town's water system and recommend other Capital and maintenance projects as determined necessary in the next 10 years.

- Evaluate multiple development scenarios, with scenarios both including and excluding the Lake Hill Project (436-unit development proposed near Frisco).
  - Evaluate Town’s draft Comprehensive Plan (2024) to analyze future development scenarios.
  - Compare water rates and models of other agencies with similar characteristics.
- 3. Revenue Requirements and Financial Forecasting**
- Develop a forecast model projecting future revenue needs for a minimum 10-year period.
  - Analyze operating, maintenance, capital improvement costs, while also including reserves. Incorporate the recently completed Materials Condition Analysis to gain a broad understanding of future infrastructure investment and needs.
  - Incorporate factors such as inflation, climate change impacts, and conservation incentives.
  - Utilize AWWA’s “Manual M1, Principles of Water Rates, Fees, and Charges” for developing financial forecasting
- 4. Rate Design and Structure Analysis**
- Review and assess the effectiveness of the current rate design in meeting revenue, conservation, and equity goals.
  - Develop alternative rate structures, considering options such as tiered rates, base charges, drought surcharges, and affordability programs.
  - Provide a comparative analysis of rate impacts on customer classes and usage patterns.
  - Develop at least three rate alternatives. Each rate alternative shall include rate increases for five years (2025-2030) and shall include both use fees and Plant Investment Fees (PIF).
- 5. Stakeholder Engagement and Communication**
- Facilitate meetings and workshops with key stakeholders, including Frisco Town Council and staff, regulatory agencies, and community representatives.
  - Prepare clear, accessible materials for public presentations and discussions, outlining key findings, recommendations, and impacts.
  - Assist in developing a public outreach to communicate proposed rate changes.
  - Present three rate alternatives to Town Council for discussion.
- 6. Final Report and Presentation**
- Submit a comprehensive final report detailing the methodology, findings, and recommendations of the study (see deliverables section below for more detail).
  - Provide a formal presentation to Frisco Town Council and other relevant stakeholders.
  - Deliver an executive summary, rate model, and other supporting documentation for future use by staff.

## **4. Deliverables**

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- 1. Monthly Virtual Meeting:** Once per month a virtual meeting to review questions and address any variables that could impact the study. Meetings to last approximately one hour.
- 2. Interim Report:** Initial Findings and recommendations, provided at the Interim Meeting

of the study.

3. **Draft and Final Reports:** Detailed report with recommendations, alternatives considered, and financial projections. The report shall include the following items at a minimum:
  - a. 10-year projections of revenues, expenses, and balances in the Water Enterprise Fund.
  - b. 10-year table of recommended Capital Projects (based on Town’s Capital Plan, Material Assessment, and consultant recommendations).
  - c. 10-year table of projected maintenance costs and major maintenance projects.
  - d. Rate increases for water use fees and Plant Investment Fees for 5-years (2025-2030).
  - e. Section of projected development and analysis of development scenarios.
  - f. Background, analysis, and comparison sections to provide transparent documentation behind the rate analysis and recommendations.
  - g. Financial model for rate adjustments which can include changes based on development (Lake Hill), extra-territorial water use, and other factors as determined necessary to account for variables.
4. **Public Presentation Materials:** Materials including slides, handouts, and visuals for stakeholders and the general public.
5. **Rate Model Tool:** A fully functional model that allows staff to update and adjust inputs for future rate assessments and internal planning.

## 5. Schedule

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- Advertisement of RFP                      October 31, 2024
- Questions Due                              November 15, 2024, 5:00 pm
- Proposal Deadline                         November 22, 2024, 5:00 pm
- Proposal Award                             March 2025
- Kickoff Meeting                            March 31, 2025
- Present Rate Alternatives                July 2025
- Draft Report                                August 2025
- Final Report                                October 2025

*Note: No mandatory pre-proposal meeting will be held.*

## 6. Instructions

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One digital copy of the proposal shall be submitted via email to [ryant@townoffrisco.com](mailto:ryant@townoffrisco.com). There is no limit on the number of pages or proposal size, but concise proposals are encouraged. Please note that files over 15 MB cannot be accepted via email and must be delivered through a file share service such as Dropbox. Submittals must be received no later than 5:00 pm on November 22, 2024.

Contact: Ryan Thompson, Water Superintendent Email: [RyanT@Townoffrisco.com](mailto:RyanT@Townoffrisco.com)

The Town will not accept late proposals. The Town reserves the right to reject any or all proposals or accept what is, in its judgment, the proposal which is in the Town's best interest. The Town

further reserves the right, in the best interests of the Town, to waive any technical defects or irregularities in any and all proposals submitted.

During the Request for Proposal selection process, all proposals shall remain confidential. The entire selection process (procurement) file shall be opened to the public (which includes all proposers) after an agreement is approved by the Town, except those items for which confidentiality has been requested in writing by the Proposer, and providing that the Town Attorney has reviewed and determined this to be properly confidential under the State Open Records Act and other relevant statutes and regulations.

This solicitation does not commit the Town of Frisco to award a contract, to pay any costs incurred with the preparation of a proposal, or to procure or contract for services or supplies. The Town of Frisco reserves the right to accept or reject any or all proposals received in response to this request, to negotiate with any qualified source, or cancel in whole or part this proposal process if it is in the best interest of the Town to do so. After contract negotiations, prospective consultants may be required to submit revisions to their proposals.

## **7. Proposal Requirements**

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### **7.1 Cover Letter**

This letter should identify the proposer's name, mailing address email address telephone number, and contact person. The letter should also identify key staff who will be working on the project, and commit them for the duration of the project, if selected. The letter should also state that the firm has read and understands the requirements of the RFP. This letter must be signed by a duly authorized official of the appropriate firm.

### **7.2 Organizational Information**

Provide a statement of the proposer's corporate status and background, organization structure, list of owners and principals, history, type of business conducted, and business locations.

### **7.3 Qualifications and References**

List qualifications and ability of the proposer to meet the terms of the RFP. Include at least three examples of projects completed within the past five years that will confirm the proposer's expertise in providing services listed in this RFP. Any experience with similar mountain towns or communities should be included. Examples must be specific to the key staff identified in section 7.1. Each project shall include the following:

- Client Name
- Address
- Contact Person, Phone Number, and Email
- Project Dates
- Project Description
- Project Budget

### **7.4 Project Manager and Personnel**

List the project manager and other key personnel who will contribute to the project. Describe the qualifications, experience, job title, years of experience, expertise, and availability of the manager and personnel.

## 7.5 Project Approach

Provide a comprehensive description of the methodology and approach for completing the project scope described above. List milestones, steps, philosophical approach, and innovative ideas for the project approach.

## 7.6 Fee Schedule

Proposer shall submit a schedule of rates and total costs applicable to each phase of the work as outlined in the project scope. Fees shall include all items to complete the scope of work from project kick-off to final completion. Rates shall reflect the allocation of key staff personnel and subcontractors to the project. This schedule of rates should include all information regarding reimbursable, ancillary services, payment schedules to subcontractors, add-ons, etc.

## 7.7 Project Schedule

Proposer shall submit a preliminary timeline of dates and schedule for scope of work from beginning to final completion. This schedule should generally follow the milestone dates in Section 5 of this RFP.

## 8. Questions and Answers

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All questions concerning this RFP must be submitted by email to Ryan Thompson, Town of Frisco Water Superintendent, at [RyanT@townoffrisco.com](mailto:RyanT@townoffrisco.com) by 5:00 pm on November 15, 2024. Addenda, reports, and responses to questions will be distributed by November 20, 2024. Any written question of a proposer regarding the meaning or interpretation of the RFP, work scope, specifications, etc., must be submitted to the TOWN prior to the above-specified date. All clarifications given to any prospective proposer shall be similarly furnished to all prospective proposers in summary form as an addendum to this RFP if the lack of such information could reasonably be considered prejudicial towards uninformed proposers.

## 9. Evaluation Criteria

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The successful firm or team will be motivated to work with staff, community members, and elected officials to communicate a deep understanding of the Town's infrastructure investment plans and will have expertise in the following areas:

- Water Rate Studies in Colorado mountain towns or similar communities
- Deep understanding of community development trends and regulatory comprehension
- Public participation and communication
- Technical knowledge and ability to clearly communicate technical information

The following is a list of weighted criteria that will be used to evaluate proposals:

Qualifications and References	30%
Project Manager and Personnel	30%
Project Approach	20%
Fee Schedule	20%

## 10. Selection Process

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The Town will select the Proposer it deems best for this project with consideration to price,



experience, proposed project methodology, proposed timeline, references, and other materials presented by the firm.

The Town may invite Proposers to participate in interviews with the evaluation committee for the purpose of clarifying, confirming, or obtaining additional information on proposals. If interviews are held, they will be scheduled after the proposal deadline.

The Town plans to notify proposers whether they plan to proceed with that proposer and award a contract by January 1, 2025. However, due to the CWCB grant application, the Town does not plan to formally award a contract and kickoff the project until March 2025.

## **11. Attachments**

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- Exhibit A      Water System Map
- Exhibit B      Ordinance 19-07 (Water Rate Adjustments)
- Exhibit C      Ordinance 23-05 (Extraterritorial Water)