



County of Santa Cruz

HEALTH SERVICES AGENCY

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ENVIRONMENTAL HEALTH

DATE: April 27, 2018

**SUBJECT: REQUEST FOR PROPOSALS TO EVALUATE OPTIONS FOR ASSESSING FEES
RELATING TO THE IMPLEMENTATION AND ONGOING UPDATES OF A GROUNDWATER
SUSTAINABILITY PLAN FOR THE SANTA CRUZ MID-COUNTY GROUNDWATER BASIN**

The County of Santa Cruz is soliciting proposals from individuals or firms with expertise in evaluating alternative options for assessment fees relating to the implementation of Groundwater Sustainability Plans or similar, to assist with Groundwater Sustainability Planning in the Santa Cruz Mid-County Groundwater Basin. Interested firms are invited to review the attached Request for Proposals (RFP) that provides a brief project overview, proposal requirements, and selection criteria.

To be considered, electronic proposals must be submitted by 5:00 pm on Friday, May 18, 2018 to the attention of: Sierra Ryan, Sierra.Ryan@santacruzcounty.us. If necessary, applicant phone interviews will be scheduled for May 22nd or 23rd.

Environmental Health hereby notifies all consultants that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit proposals and will not be discriminated against on grounds of race, color, or national origin in consideration for selection.

Inquiries should be directed to Sierra Ryan, Water Resource Planner, at (831) 454-3133 / Sierra.Ryan@santacruzcounty.us

A. General Project Description

The Santa Cruz Mid-County Groundwater Agency (MGA) is the Groundwater Sustainability Agency (GSA) in charge of managing the Santa Cruz Mid-County Groundwater Basin. The MGA is a collaboration of local water agencies serving the basin and includes the County of Santa Cruz, The City of Santa Cruz, Central Water District, Soquel Creek Water District, and private well owner representatives. As part of Groundwater Sustainability Plan (GSP) development, the MGA must determine the estimated cost of implementing the GSP and its approach to fund those costs. During the GSA formation process, the Formation Committee agreed in principle that assessment fees should be proportional to the impact of net extraction on the aquifer. This evaluation will include the investigation of technical and policy implications resulting from the positive and negative impacts of different water users on the basin, for the consideration of extraction fees on some or all users of groundwater. The development of a report of findings describing the assessment alternatives will be submitted to the County who will share the findings with the MGA.

B. Project Background

California's Sustainable Groundwater Management Act (SGMA) became law on January 1, 2015. As required by SGMA, the State Department of Water Resources (DWR) classified groundwater basins into High, Medium, Low, and Very Low priority based on a variety of criteria, including the local population's dependence on groundwater and local groundwater levels. Basins in Medium and High priority are required to write a Groundwater Sustainability Plan outlining a strategy to manage the groundwater in order to reach sustainability within 20 years of GSP completion. GSPs will replace groundwater management plans that were required under AB3030. High priority basins that are also classified in critical overdraft must complete their GSPs by January 31, 2020. The Santa Cruz Mid-County Groundwater Basin is a high priority basin in critical overdraft.

In 2016, the County accepted a Proposition 1 grant from the California Department of Water Resources for Counties with Distressed Groundwater Basins. This grant is funding various activities to support improved management of the Santa Cruz Mid-County Groundwater Basin, with an emphasis on assessing impacts of pumping from private wells, groundwater withdrawal on streamflow, and to develop information to support effective groundwater recharge projects.

C. Scope of Work

Task 1 – Compile Alternative Approaches

Using examples from other GSAs statewide, academic analysis, suggestions from DWR, and ideas provided by MGA staff and Board members, compile and outline various considerations and possible alternative approaches to assess fees to fund GSP implementation. Consider all basin groundwater users, including municipal water providers, agricultural users on private wells, institutional users on private wells, small public water systems between 5-199 connections, and other domestic private well users.

Evaluate options including but not limited to: Metering non-de minimis wells and charging them volumetrically; rate increase on municipal users; a parcel tax on all properties within the basin; management fees on all users based on total cost of basin restoration costs; fee assessment based on extraction adjusted by an estimated percentage of return flow; fees based on a flat rate for management plus volume; or other fee assessment recommendations that are legally defensible.

Assuming de minimis well pumpers will not be metered, evaluate if a flat annual rate is appropriate.

Task 2 – Relate Fees to Standard Fee Structures

For the different fee options compiled in Task 1, link the alternatives to recognizable, standard ways to set fees; examples include a cost of service fee, impact fee, or penalty fee. What are the implications of these different fee options on fee development structures? For fee assessment alternatives that don't relate well to existing standard fees, what is the legally defensible rationale used to justify the fee structure?

Task 3 – Report of Findings

Create a report summarizing the results of Tasks 1 and 2. In the evaluation, include a discussion about which options are likely subject to Proposition 218, Proposition 26, Proposition 13, or other limitations, including the information that would need to be developed to meet legal requirements. If appropriate, include an overview of how geographical management areas could impact the way fees are assessed. Make recommendations for next steps the MGA can take in analyzing the various options and ultimately determining which alternative is most appropriate for the Santa Cruz Mid-County Groundwater Basin.

D. Anticipated Budget Range

Depending on the level of legal analysis undertaken by the consultant, staff estimates that the budget for the tasks outlined above will be between \$12,000-\$20,000.

E. Anticipated Project Schedule

Proposals Due:	May 18, 2018
Consultant selection and contract negotiations:	May 25, 2018
Contract execution:	June 11, 2018
Project completion:	September 10, 2018

F. County Liaison

Questions regarding this RFP should be directed to:

Sierra Ryan
Santa Cruz County Environmental Health Services Agency
701 Ocean Street, Room 312
Santa Cruz, CA 95060
Phone: (831) 454-3133
E-mail: sierra.ryan@santacruzcounty.us

G. Selection Criteria

All proposals received will be reviewed by staff, and will be ranked on the following criteria:

1. Project understanding;
2. Soundness of proposed project approach;
3. Consultant's experience with similar type projects
4. Qualifications of project personnel;
5. Reasonableness of estimated time to complete each task;
6. Past record of performance on similar jobs with respect to quality of work,
7. County's prior experience with consultant and consultants references;

The fee proposals will be opened after the proposals are ranked for comparative purposes. Contract negotiations will be conducted with the firm deemed most qualified. If an agreement on the scope of services and compensation cannot be reached, negotiations with the first ranked firm are closed and negotiations with the second ranked firm are opened. Minority owned business enterprises (MBE); women owned business enterprises (WBE) and disabled owned business enterprises (DBE) are encouraged to submit proposals.

H. Proposal requirements

The proposal packet shall include the following information:

- a) Name, address, phone number, and email for principal contact
- b) Identification of Project manager and/or principal contact
- c) Complete description of the approach to the analysis and how the major work elements are to be accomplished
- d) Proposed schedule for completing the various tasks listed in the Scope of Work section of this document.
- e) Discussion of possible constraints that would limit project completion
- f) Specific personnel who will be assigned to work on this project, including subcontractors, and their education and experience qualifying them to do this work.
- g) Description of the consultant's SGMA experience.
- h) Description of prior performance in similar projects related to fee structure analysis.
- i) **A separate attachment** named "estimated fee" including proposal cost and the name of the firm. This document shall include an hourly rate for each staff person working on the project as well as an approximate amount for the complete project.