



Beaumont-Cherry Valley Water District

Request for Proposals

PROFESSIONAL SERVICES FOR WATER RATE FEE STUDY

**Beaumont-Cherry Valley Water District
560 Magnolia Ave,
Beaumont, California 92223
(951) 845-9581**

RFP Posting Date
March 4, 2019

RFP Due Date
April 16, 2019
At 4:00 P.M.

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Purpose

The Beaumont-Cherry Valley Water District (District) is soliciting proposals from qualified consulting firms to prepare a multi-year water rate, pass-through recycled water rate fee study that adequately and equitably funds the District's water operations and supply needs, while minimizing rate fluctuations and encouraging conservation. Said Rate Study shall include addressing existing and proposed District pass-through charges for imported water supplies, Southern California Edison electrical charges and upcoming recycled water supplies. Rate study shall also determine feasibility and implementation of a drought surcharge rate.

The selected consultant shall perform the tasks specified in the Scope of Services section of this Request for Proposal (RFP).

The consultant is encouraged to suggest additions or modifications to the Scope of Service that will enhance or clarify the study and the suggestions should be incorporated into the proposal. To facilitate review of proposals, please identify these additions or modifications as separate items both in the Task Descriptions and the Cost Proposal.

Proposals should be submitted to Yolanda Rodriguez, Director of Finance and Administrative Services, based upon the requirements and conditions set forth in this RFP.

Submittals

Proposals are due no later than 4:00 p.m. on April 16, 2019, and must be received by that time and date. Proposal postmark dates and times will not be considered as meeting that deadline. Proposers must send six (6) bound copies of the proposal, one (1) unbound copy, and one (1) separately sealed fee proposal envelope to the address shown below:

Yolanda Rodriguez, Director of Finance and Administrative Services
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223
(951) 845-9581
yolanda.rodriguez@bcvwd.org

The District is not responsible for proposals that are delinquent, lost, mismarked, and sent to an address other than that given above, or sent by mail or courier service. The District reserves the right, after opening the proposals, to reject any or all proposals, or to accept the proposal that in its sole judgment and discretion is in the best interest of the District.

Intent

It is the intent of these specifications, terms and conditions to describe the Water Rate and Fee Cost of Service Study required by the District.

The intent of the Study is to:

- Independently analyze and assess the District's current water rate structure

- Determine an updated cost of service, which includes:
 - Rate provisions that will promote water conservation and
 - Immediately recover the costs associated with water supply and delivery
- Provide recommendations for equitable, sustainable cost recovery

Proposals should provide a straightforward and concise presentation adequate to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of contents. Responsiveness to the RFP will be a principal basis for evaluation.

Background

The District supplies residential, commercial and irrigation customers through over 18,000 connections. The District currently has three sources of water: the Beaumont Basin Storage Unit, Edgar Canyon and State Water Project water and anticipates a new Recycled Water Source of Supply which will be purchased from the City of Beaumont. The State Water Project water is purchased from San Geronio Pass Water Agency (SGPWA). The District last updated its water rates in July 2010 and is currently undergoing a facility fees study, having last updated facility fees in July 2007. The current rate structure can be found on the District's website www.bcvwd.org (under Customer Service – Important Documents – Rules and Regulations – Part 5 Charges) and Exhibit B of this RFP.

The SGPWA is currently undergoing its own rate study, and any adjustments must be considered during the BCVWD's rate study.

Objective

The consultant shall review the District's Capital Improvement Plan and Master Plan of Facilities, current and forecasted operating expenses, water conservation mandates and other information and develop a rate structure which will provide the necessary funds to produce local water supplies, maintain existing Facilities and construct new Facilities, purchase imported water supplies and purchase recycled water and properly operate and maintain the system and achieve maximum water conservation.

Elements

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

- 1) Current Rate Structure: Assess the current rate structure's performance as a baseline for comparing recommended changes as well as the San Geronio Pass Water Agency's pass-through imported water cost, Southern California Edison electrical pass-through cost, and the City of Beaumont's new pass-through recycled water costs.
- 2) Equity: Assess the equity of recommended water rates for all customer classes.
- 3) Assess the interaction between possible water conservation elements of the recommended rates and their impacts on the ability to fund water operations.

- 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 water quality and statutory regulations and standards.
- 5) Water Budgets: Assess the effectiveness of a rate structure constructed around water budgets based on household population, both standard and seasonal, with and without rolling credits.
- 6) Performance Assessment: Provide a comprehensive summary of recommended rate structure(s) and an assessment of the performance of the recommended structure(s) against the current rate structure and the City of Beaumont's pass-through recycled water costs.
- 7) Electronic Rate Model: Provided an easy-to-use electronic rate model for the District to utilize to analyze future rate setting proposals.

Scope of Services Requested

- 1) Collect information and provide a survey of the rates and fees charged by other neighboring Riverside and San Bernardino County water agencies.
- 2) Determine the current and projected water and recycled water revenue for the next five years.
3. Determine the current and projected water and recycled water costs based on current use and the San Gorgonio Pass Water Agency imported water pass-through costs, and the City of Beaumont's recycled water pass-through costs.
4. Develop water and recycled water pass-through rate/fee structures to enable the District to recover costs equitably and in compliance with Prop 218.
5. Develop modifications to the District's Rules and Regulations to address water and recycled water rates fee issues.
6. Provide sufficient information and the necessary findings to help the District determine the appropriate water pass-through rates for imported water, SCE energy costs, and recycled water pass-through costs, and related fees to ensure annual water sales and pass-through revenues to cover the District's annual operating and capital expenses.
7. Analyze cost and revenue data provided by the District obtained from the use of available systems and information. Work with staff to identify any additional information to support the rate structures or proposals.
8. Develop revenue requirement for the base calendar year and subsequent four years for a total of five years.
9. Analyze current revenue and cost data to estimate the relative reliability of rate forecasts for the base calendar year and subsequent four years for a total of five years.
10. Prepare a long-range rate forecast spanning ten years based on the Capital Improvement Plan and anticipated development, along with other influencing factors.
11. Identify reserve requirements for operations and maintenance and capital programs, and recommend appropriate target reserve levels.
12. Review the District's current water rate and fee structure as it applied to various customer classes such as commercial and residential. Recommend a policy on the application of the

various rates and fees to help encourage conservation considering the needs of each customer class. Secure approval from the District on the approach.

13. Evaluate and recommend a rate structure that address possible water conservation pricing, tiered rates, and drought surcharges.
14. Based on the approved approach, review, analyze, and develop rates applicable to different customer classifications. The current categories should be evaluated to determine if they should be continued or modified.
15. Review, analyze, and develop rates applicable to basic fixed costs and variable costs associated with level of water consumption throughout the year, include potential water pass-through costs (imported water, energy, and Recycled water).
16. Evaluate possible conservation rate structures such as additional rate blocks and marginal cost pricing.
17. The recommended rate structure must consider and make provisions for the following factors:
 - a. Projected water and recycled water demands;
 - b. Cash flow under normal reduced (drought conditions) pumping scenarios;
 - c. Cost of providing water in accordance with standards and regulations both current and projected;
 - d. Funding requirements for current and projected long-term liabilities and debt obligations;
 - e. Age and condition of the water system and the need to fully fund capital improvements, infrastructure replacement, recycled water distribution infrastructure;
 - f. Impact of current and future environmental regulations;
 - g. Conservation efforts; and
 - h. New Engineering, Operations and Maintenance Facilities.
18. The recommended rate structure shall be easy for District customers to understand and reasonable to implement and administer. Consideration should be given to the existing District billing system capabilities.
19. An easy to use electronic rate model shall be developed and training to allow staff to fully understand how the model operates and how the results of various future recommendations that may be proposed can be illustrated shall be provided.
20. Review and evaluate other fees such as water meter fees, late payment fees, damaged meter fees, etc.
21. Prepare a presentation to the public and the Board of Directors (Board) of the recommended rate structure. Present the final report and recommended rate structures to the Board and the public at a public hearing held at a Regular Board or Special Meeting.
22. Develop and draft a District ordinance to address water rate issues.
23. Assist the District in the preparation of the "Proposition 218" notice.
24. Meet with the Board, community groups, and building industry groups during the study to secure their input. Assume a total of three (3) meetings.

Proposal Content

The Beaumont-Cherry Valley Water District requires the proposer to submit a concise proposal clearly addressing all of the requirements outlined in this RFP. Proposals must include, at a minimum, the following sections **in the order indicated:**

- 1) **Information Page** – Include project name, name of firm submitting the proposal, contact information for the person that will act as project leader including name, title, address, telephone and fax numbers and email address.
- 2) **Description of Study Understanding** – Outline of the proposer’s understanding of the study and summarizing the basic approach to the rate study and revenue program.
- 3) **Methodology** – Descriptions which enable the Beaumont-Cherry Valley Water District to assess the proposer’s capability to conduct this study in a structured and efficient fashion.
- 4) **Scope of Services Requested** – Details with specific task descriptions to demonstrate that the proposer has considered all aspects of the study and that the proposer will cover them thoroughly.
- 5) **Schedule** – Provide a schedule, preferably in the form of a bar or Gantt chart, showing each task and identifying project milestones such as deliverable submittals, workshops and public meetings.
- 6) **Personnel** – Resumes of the individual(s) assigned to the study and other staff personnel proposed to support this study. Particular attention should be given to the proposer’s organization which provides internal service for supporting the study team, and facilitates quality assurance auditing of the study work. Clearly identify the specific experience of the individuals in performing rate studies for retail water agencies.
- 7) **Qualifications** – Description of the organization, covering background experience connected with water rate studies, impact fee studies, as well as other rate studies and revenue programs.
- 8) **Representative Study Descriptions and Client References** – Submit descriptions of similar assignments which were conducted by the proposer, including other agency’s contact name and telephone number.
- 9) **Cost Estimates of Consulting Fee** – Each proposal shall include a cost estimate for providing services. The fee estimate shall be broken down by task and shall include the personnel hours for each major labor category the proposer deems appropriate along with any other job-related other direct costs. Provide a billing rate schedule. Cost estimates shall be placed in a separate sealed envelope on which is written:

RFP Cost Estimate

Beaumont-Cherry Valley Water District – Water Rate and Fee Study

(Name of your firm)

(Date)

Selection Process

The following is an outline of the procedures the District intends to use in the selection process:

- 1) Selection Committee shall include, at a minimum, the Senior Engineer, Director of Finance and Administrative Services, and General Manager, and other staff as required.
- 2) Selection Committee reviews the proposals submitted by the prospective consultants.
- 3) Selection Committee selects proposals which qualify based on a minimum of the following factors:
 - a. Declaration/Affirmative Statement
 - i. Provide an affirmative statement that the firm does not have a conflict of interest relative to conducting the proposed study.
 - ii. Describe any current and past relationships involving the District, its Directors, and its employees with a statement explaining why the relationship does not constitute a conflict of interest relative to conducting the proposed study.
 - b. Qualifications of the Firm
 - i. Identify the size of your firm and the location of the office from which the work will be conducted. Explain the experience of the firm and project manager and assigned team in preparing water rate studies, development of rate structures, development of financing scenarios, preparation of revenue programs, and preparation of and training in a computerized rate model.
 - ii. Provide a list of consulting experience performed for agencies similar in type and size of the District, and give a representative list of types of local, state and federal entities that you currently serve and have served in the last 5 years.
 - c. Qualification of Professional Staff
 - i. Identify the engagement partners, managers, and other staff members who would be assigned to conduct the study and indicate their qualifications.
 - ii. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements. Other personnel may be changed at the discretion of the firm provided that replacements have substantially the same or better qualifications or experience.
 - d. Study Approach
 - i. The proposal shall set forth a tentative work plan, including an explanation of the methodologies to be followed to perform the services required of this proposal and describe and identify any special techniques or suggestions that would result in a better finished product. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, financial statements, and utility data.

- ii. The proposal shall provide a listing of the records and documentation that would be expected of the District to provide.
 - iii. The proposal shall describe the schedule for the project on a task by task basis.
- e. Once Items 3a. b., and c. are completed the Selection Committee will review the cost estimate of the Consulting Fee as part of the selection process.
- 4) Negotiations will take place with the firm that best serves the needs of the District at the most reasonable cost as determined by the District at its sole judgment and discretion, based on the Proposal, which will include the final scope of work, the final contract proposal, and the proposal price. If a contract cannot be negotiated for this study, the negotiations with the designated consultant shall be terminated in writing and negotiations shall be started with the next highest rated consultant.
 - 5) The selected firm will be notified of the final approval of the contract by the Board of Directors.
 - 6) Firms not selected will be notified following the approval of the contract by the Board of Directors.

Evaluation Criteria

The Beaumont-Cherry Valley Water District intends to engage the most qualified consultant available for this assignment as determined based on its sole judgment and discretion. It is imperative the consultant's proposal fully address all aspects of the RFP. It must provide the District's staff and Directors with clearly expressed information concerning the consultant's understanding of the Beaumont-Cherry Valley Water District's specific requirements, which would result in the conduct of this study in a thorough and efficient manner.

In addition to the qualifying criteria listed above, the following criteria shall be used in evaluation of the proposer's offer of services:

- 1) Consultant experience in providing financial consulting services on studies of similar scope for water rate studies.
- 2) Project manager and their team's experience in conducting assignments of similar scope.
- 3) Methodology to be employed in conducting the study.
- 4) Proposer's support organization and in-house quality control and quality assurance methods.
- 5) Proposal clarity in expressing the understanding of the Beaumont-Cherry Valley Water District needs and in defining a work plan for satisfying those needs.
- 6) Schedule compatibility with Beaumont-Cherry Valley Water District needs.
- 7) Availability to work with District staff.
- 8) Cost Estimate of the Consulting Fee.

Discretion and Liability Waiver

All materials submitted in response to this RFP shall be considered the property of the District. Respondents will not be compensated for any expenses incurred in the process for responding to this RFP, or, if requested, in submitting further information or appearing for an interview.

The District reserves the right to reject any or all proposals, to waive informalities and minor irregularities in the proposals received, to discuss proposal details with respondents, and to accept other than the lowest bid proposal.

The Beaumont-Cherry Valley Water District reserves the right, without qualification, in its sole judgment and discretion, to:

- 1) Select any proposal as a basis for written or oral communication with any or all of the proposers when such action is considered to be in the best interest of the Beaumont-Cherry Valley Water District;
- 2) Select proposals, based on initial proposals received, without discussion or after detailed discussions or contract negotiations;
- 3) Reject any and all proposals;
- 4) To re-issue this RFP with or without change or modification, at any time prior to the District's execution of a Professional Services Agreement pursuant to this RFP;
- 5) To cancel this RFP with or without issuing another request for proposals;
- 6) To supplement, amend, substitute or otherwise modify this RFP at any time prior to the District's execution of a Professional Services Agreement pursuant to this RFP;
- 7) To waive informality, defect, non-responsiveness and/or deviation from this RFP that is not, in the District's sole judgment, material to the proposal;
- 8) To request modification of some or all of the proposals following evaluation by the District;
- 9) To request clarifications of any proposals;
- 10) To negotiate simultaneously, or otherwise, with one or more Respondents; and
- 11) To discontinue and resume negotiations with one or more Respondents.

Tentative Project Schedule

TASK DESCRIPTION	DEADLINE
Issue RFP	March 4, 2019
Questions Due	March 18, 2019
Responses to Questions distributed/posted	March 25, 2019
Proposals Due	April 16, 2019
Interview with Finalists (if needed)	April 23-25, 2019
Final negotiation of Scope of Services and Fee Schedule for selected Consultant	April 30 – May 2, 2019
Contract Recommendation and Preparation for District Board approval	May 8, 2019
Kick-off Meeting at BCVWD	May 20, 2019
Consultant Begins Data Collection	May 27, 2019
Consultant Completes Data Collection	July 29, 2019
Consultant Delivers Draft Report	August 26, 2019
District Staff Review/Comment on Draft	September 9, 2019
Submission of Final Report	September 30, 2019
Training for District Staff on Excel Rate Model	October 7, 2019
Public Meeting: Oral Presentation to Public and District Board in a Regular Workshop	October 24, 2019

Professional Service Agreement and Insurance Requirements:

The chosen firm/consultant will be required to maintain insurance coverage throughout the course of the Professional Services Agreement and shall provide the District with evidence of said coverage as set forth in the Professional Services Agreement. Please review contract language and insurance requirements prior to submitting proposal and note any proposed exceptions to the Agreement tenets in your proposal. The Professional Services Agreement is attached: Exhibit A.

EXHIBIT "A"
AGREEMENT BETWEEN
BEAUMONT-CHERRY VALLEY WATER DISTRICT
AND CONSULTANT
FOR
PROFESSIONAL SERVICES

This Agreement made and entered into this _____ day of _____, 2019, by and between **BEAUMONT-CHERRY VALLEY WATER DISTRICT**, a California Irrigation (Special) District, hereinafter referred to as DISTRICT, and **(Consultant)**, hereinafter referred to as CONSULTANT.

DISTRICT:

Beaumont-Cherry Valley Water District
P.O. Box 2037
560 Magnolia Avenue
Beaumont, CA 92223

Fax: (951) 845 0159

Attention: Dan Jagers, General Manager

CONSULTANT:

Fax _____

Attention: _____

Witnesseth that in consideration of the mutual promises as hereinafter contained, the parties do mutually agree as follows:

1. SCOPE OF SERVICES

CONSULTANT shall furnish all labor, materials, equipment, and supplies and shall perform all work necessary or incidental to performing project services for DISTRICT. The project services are generally described as (Description of Services Rendered) for the (Project Proposal), as described in Request for Proposal: "CONSULTANT Services and Fees". Such services shall be performed by CONSULTANT as an independent contractor.

2. GENERAL CONDITIONS

This Agreement contains the entire Agreement between DISTRICT and CONSULTANT relating to the project and the provision of services to the project. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect. Subsequent modifications to this Agreement shall be in writing and signed by both DISTRICT and CONSULTANT.

DISTRICT and CONSULTANT agree to cooperate with each other in order to fulfill their responsibilities and obligations under this Agreement. Both DISTRICT and CONSULTANT shall endeavor to maintain good working relationships among members of the project team.

3. TERM OF AGREEMENT

The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until terminated as provided herein. CONSULTANT recognizes that the services required by the DISTRICT are dependent upon the timely performance of CONSULTANT's services. Specific periods of time for rendering services or specific dates by which services are to be completed are outlined in "CONSULTANT Services and Fees", Attachment I.

4. COMPENSATION

CONSULTANT shall be compensated for services performed under this Agreement in accordance with "CONSULTANT Services and Fees", included in Attachment I. Payment for services shall be computed upon the basis of the actual services provided. The amounts in Attachment I shall not be exceeded without DISTRICT's prior written authorization.

5. INVOICING AND PAYMENT

CONSULTANT shall invoice DISTRICT for services performed and DISTRICT will pay CONSULTANT within sixty (60) days of receipt of invoice.

6. OWNERSHIP OF PRODUCT

CONSULTANT agrees that all data and information generated in the performance of this Agreement and data and information which are specified to be delivered or which are, in fact, delivered pursuant to this Agreement shall be and remain the sole property of DISTRICT.

CONSULTANT shall deliver all data and information to DISTRICT upon request and in any event upon the completion of all services hereunder or the termination or expiration hereof, whichever shall first occur, and shall be fully responsible for the care and protection thereof until such delivery. Except as otherwise provided in this Agreement, said documents shall be delivered to DISTRICT without additional cost to DISTRICT.

7. STANDARDS AND LIABILITY

The services provided by CONSULTANT under this Agreement, including findings, recommendations, and professional advice, shall be based on practices and procedures customary in CONSULTANT'S profession. CONSULTANT asserts that it will employ the current standard of care in performing its services.

8. SUBCONTRACTING

Performance of this Agreement may not be subcontracted in whole or in part without the prior written consent of DISTRICT.

9. SUCCESSORS AND ASSIGNS

This Agreement is to be binding on the heirs, successors, and assignees of the parties hereto, but is not to be assigned by either party without first obtaining the written consent of the other party hereto.

10. CHANGES

DISTRICT, within the general scope of this Agreement may, at any time, by written notice to CONSULTANT, issue additional instructions, require additional services, or direct the omission of services covered by this Agreement. In such event, an equitable adjustment in fee and/or term will be made, provided any claim for such an adjustment is made within thirty (30) days of the receipt of said written notice.

11. TERMINATION

This Agreement may be terminated in whole or part in writing by either party in the event of substantial failure by the other party in fulfilling its obligations under this Agreement, through no fault of the terminating party: Provided, that no such termination may be effected unless the other party is given (1) at least fourteen (14) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate, itemizing the reasons therefor, and (2) an opportunity to consult with the terminating party prior to termination to establish a reasonable period to fulfill its obligations.

If during the term of this Agreement, DISTRICT determines that the CONSULTANT is not faithfully abiding by any term or condition contained herein, DISTRICT may notify CONSULTANT in writing of such defect or failure to perform, giving CONSULTANT a fourteen (14) day notice thereafter in which to perform said specified services or cure specified deficiencies. If CONSULTANT has not performed specified services or cured specified deficiencies within the time specified, such shall constitute a breach of this Agreement, and DISTRICT may, by written notice to CONSULTANT, terminate immediately this Agreement. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement. In said event, CONSULTANT shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received DISTRICT's notice of termination, less any amounts for damages to DISTRICT from such breach. In no event, however, shall CONSULTANT be entitled to receive in excess of the total compensation set forth in Attachment I.

12. INDEPENDENCE OF DISTRICT

CONSULTANT shall perform services in accordance with the terms and conditions of this Agreement as an independent contractor and shall be responsible for the means and methods used in performing services under this Agreement.

13. LEGAL REQUIREMENTS

CONSULTANT shall secure all licenses or permits required by law and shall comply with all ordinances, laws, orders, rules, and regulations pertaining to its services hereunder.

14. LAWS AND VENUE

This agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California.

15. INSURANCE

CONSULTANT agrees and shall submit evidence to DISTRICT before beginning services under this Agreement that CONSULTANT has procured and shall maintain Comprehensive General

Liability, Comprehensive Automobile Liability, and Professional Liability insurance coverage, with limits at or above those described below; Workers' Compensation and Employer's Liability insurance will be procured and maintained as required by the laws of the State of California. Any insurance on a "claims made" basis shall be maintained for at least three (3) years after completion of the services.

Prior to commencement of services, CONSULTANT shall provide DISTRICT with certificates of insurance evidencing required insurance coverages. Such certificates shall be issued by insurance carrier(s) acceptable to DISTRICT and shall be endorsed to include: (1) DISTRICT as additional insured on the Comprehensive General Liability Policy; (2) waiver of subrogation against DISTRICT on the Workers Compensation Policy; and (3) thirty (30) days prior written notice of cancellation or material change in any of the coverages.

MINIMUM REQUIRED INSURANCE

- | | |
|---|--|
| Workers Compensation | - Statutory |
| Employer's Liability | - \$1,000,000 each accident
- \$1,000,000 each employee
- \$1,000,000 policy limit |
|
 | |
| 2. Comprehensive General & Contractual Liability | |
|
 | |
| Bodily Injury } | - \$1,000,000 per occurrence |
| Property Damage | - \$1,000,000 in the aggregate |
|
 | |
| Personal Injury, with employment
exclusion deleted | - \$1,000,000 in the aggregate |
|
 | |
| 3. Comprehensive Automobile Liability for all owned (private and others),
hired and non-owned vehicles | |
|
 | |
| Bodily Injury } | - \$1,000,000 per occurrence |
| Property Damage | - \$1,000,000 in the aggregate |
|
 | |
| 4. Professional Liability | |
| | - \$1,000,000 per claim
- \$1,000,000 in the aggregate |

In the event CONSULTANT fails to obtain or maintain any insurance coverage required under this Agreement, DISTRICT may terminate this Agreement for cause.

16. INDEMNIFICATION AND HOLD HARMLESS

CONSULTANT agrees to indemnify and hold harmless DISTRICT, its officers, agents, and employees from claims attributed to CONSULTANT's negligent acts, errors, or omissions. DISTRICT agrees to indemnify and hold harmless CONSULTANT, its officers, agents, and employees from claims attributed to DISTRICT's negligent acts, errors, or omissions.

17. DISPUTE RESOLUTION

In an effort to resolve any conflicts that arise during design or construction of the project or following completion of the project, DISTRICT and CONSULTANT agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.

In the event the parties are unable to reach settlement, all claims, counterclaims, disputes, and other matters in question between the parties hereto arising out of or relating to this Agreement, or the breach thereof, shall be decided by arbitration in accordance with the rules of the American Arbitration Association. Notice of demand of arbitration must be filed in writing with the other parties to this Agreement and the American Arbitration Association. The demand must be made within a reasonable time after the parties conclude that they are unable to reach settlement. The award rendered by the arbitrator shall be final, judgment may be entered upon in any court having jurisdiction thereof, and shall not be subject to modification or appeal except to the extent permitted by Sections 10 and 11 of the Federal Arbitration Act (9 U.S.C. 10 & 11).

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on the day and year first above written.

ATTEST:

(Consultant- Name)

By:

Secretary

Signature & Title

Printed Name:

**BEAUMONT-CHERRY VALLEY
WATER DISTRICT**

By:

**Dan Jagers
General Manager**

EXHIBIT "B"
BCVWD Existing Rate Structure and Regulations Governing Water Service
PART 5 CHARGES.

Beaumont-Cherry Valley Water District

Revenue Rates
Last Ten Years

Charges for Water Used (per ccf)										
Fiscal Year	Single-Family Residential		Multi-Family Residential		Commercial / Fire	Landscape	Agricultural Irrigation	Construction		
	Tier 1	Tier 2	Tier 1	Tier 2						
2008	0.84	0.84	0.84	0.84	0.84	0.84	0.47	1.61		
2009	0.84	0.84	0.84	0.84	0.84	0.84	0.47	1.61		
2010	0.80	0.88	0.80	0.82	0.82	0.96	0.84	0.96		
2011	0.91	1.00	0.91	0.93	0.94	1.09	0.96	1.09		
2012	0.96	1.05	0.96	0.98	0.98	1.15	1.01	1.15		
2013	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2014	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2015	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2016	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2017	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		

Domestic Service Charge (bi-monthly)											
Fiscal Year	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	12"
2008	\$ 12.00	17.25	28.00	54.00	85.00	158.00	262.00	522.00	834.00	1,198.00	2,238.00
2009	\$ 12.00	17.25	28.00	54.00	85.00	158.00	262.00	522.00	834.00	1,198.00	2,238.00
2010	\$ 15.00	22.50	37.50	75.01	120.01	240.02	375.03	750.05	1,200.08	1,725.12	2,325.16
2011	\$ 17.04	25.56	42.61	85.21	136.34	272.67	426.05	852.10	1,363.36	1,959.83	2,641.51
2012	\$ 18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2013	\$ 18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2014	\$ 18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2015	\$ 18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2016	\$ 18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2017	\$ 18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71

Customers by Type
Last Ten Years

Fiscal Year	Single Family Residential	Multi-Family Residential	Commercial	Industrial	Landscape Irrigation	Agricultural Irrigation	Other	Totals
2008	10,603	96	354	20	46	72	-	11,191
2009	11,143	99	432	22	282	77	-	12,055
2010	12,578	114	453	23	286	82	-	13,536
2011	13,921	122	494	26	288	84	-	14,935
2012	14,388	130	507	26	297	86	-	15,434
2013	14,981	140	536	31	311	89	-	16,088
2014	15,436	140	540	31	314	90	1	16,552
2015	15,860	140	546	31	321	90	2	16,990
2016	16,222	141	560	31	326	89	1	17,370
2017	16,768	141	631	31	337	88	1	17,997

REGULATIONS GOVERNING WATER SERVICE

PART 5 CHARGES

5-1 SERVICE CHARGE:

5-1.2 GENERAL PROVISIONS:

5-1.1.1 DOMESTIC – For all metered service connections located within or outside the boundaries of the District, a bimonthly charge for domestic water service will consist of a service charge (base rate or minimum bill) plus a charge for water used.

5-1.1.2 SCHEDULE IRRIGATION – A charge for distribution of scheduled irrigation water through permanently set meters, transferable meters, sprinkler systems shall be determined from time to time on a schedule prepared by the Board.

5-1.1.3 DOMESTIC IRRIGATION – A charge for distribution of domestic irrigation water through established domestic service connection, or in some other fashion, will be determined as set forth in Part 13 of these regulations.

5-1.1.4 MULTIPLE RESIDENTIAL – Where a premises containing multiple residential housing units is served by one (1) meter or service connection, every living units (dwelling units) will be equal to two-thirds (2/3) of domestic service charge.

5-1.1.5 MULTIPLE COMMERCIAL – Where a premises containing multiple commercial units is served by one (1) meter or service connection, every two (1) commercial units will be equal to two-thirds (2/3) of commercial service charge.

5-1.2 FIXED WATER CHARGE

DOMESTIC SERVICE CHARGE:

Meter Size	Effective 7/1/2010	Effective 1/1/2011	Effective 1/1/2012	Effective 1/1/2013	Effective 1/1/2014	Effective 1/1/2015
5/8"	\$15.00	\$17.04	\$18.01	\$18.01	\$18.01	\$18.01
3/4"	\$22.50	\$25.56	\$27.02	\$27.02	\$27.02	\$27.02
1"	\$37.50	\$42.61	\$45.03	\$45.03	\$45.03	\$45.03
1-1/2"	\$75.01	\$85.21	\$90.06	\$90.06	\$90.06	\$90.06
2"	\$120.01	\$136.34	\$144.09	\$144.09	\$144.09	\$144.09
3"	\$240.02	\$272.67	\$288.18	\$288.18	\$288.18	\$288.18
4"	\$375.03	\$426.05	\$450.28	\$450.28	\$450.28	\$450.28
6"	\$750.05	\$852.10	\$900.55	\$900.55	\$900.55	\$900.55
8"	\$1,200.08	\$1,363.36	\$1,440.88	\$1,440.88	\$1,440.88	\$1,440.88
10"	\$1,725.12	\$1,959.83	\$2,071.27	\$2,071.27	\$2,071.27	\$2,071.27
12"	\$2,325.16	\$2,641.51	\$2,791.71	\$2,791.71	\$2,791.71	\$2,791.71

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MULTIPLE RESIDENTIAL SERVICE CHARGE:

Charge to be determined as set forth in 5-1.1.4 above or by meter size, whichever is greater.

COMMERCIAL SERVICE CHARGE:

Meter Size	Effective 7/1/2010	Effective 1/1/2011	Effective 1/1/2012	Effective 1/1/2013	Effective 1/1/2014	Effective 1/1/2015
5/8"	\$15.00	\$17.04	\$18.01	\$18.01	\$18.01	\$18.01
3/4"	\$22.50	\$25.56	\$27.02	\$27.02	\$27.02	\$27.02
1"	\$37.50	\$42.61	\$45.03	\$45.03	\$45.03	\$45.03
1-1/2"	\$75.01	\$85.21	\$90.06	\$90.06	\$90.06	\$90.06
2"	\$120.01	\$136.34	\$144.09	\$144.09	\$144.09	\$144.09
3"	\$240.02	\$272.67	\$288.18	\$288.18	\$288.18	\$288.18
4"	\$375.03	\$426.05	\$450.28	\$450.28	\$450.28	\$450.28
6"	\$750.05	\$852.10	\$900.55	\$900.55	\$900.55	\$900.55
8"	\$1,200.08	\$1,363.36	\$1,440.88	\$1,440.88	\$1,440.88	\$1,440.88
10"	\$1,725.12	\$1,959.83	\$2,071.27	\$2,071.27	\$2,071.27	\$2,071.27
12"	\$2,325.16	\$2,641.51	\$2,791.71	\$2,791.71	\$2,791.71	\$2,791.71

MULTIPLE COMMERCIAL SERVICE CHARGE:

Charge to be determined as set forth in 5-1.1.5 above or by meter size, whichever is greater.

OUTSIDE SERVICE CHARGE:

1)	5/8"	\$24.00
2)	3/4"	\$34.50
3)	1"	\$56.00
4)	1 1/2"	\$108.00
5)	2"	\$170.00
6)	3"	\$316.00
7)	4"	\$524.00
8)	6"	\$1044.00
9)	8"	\$1,668.00
10)	10"	\$2,396.00
11)	12"	\$4,476.00

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PRIVATE FIRE SERVICE CHARGES:

Meter Size	Effective 7/1/10	Effective 1/1/11	Effective 1/1/12	Effective 1/1/13	Effective 1/1/14	Effective 1/1/15
4 "	\$42.59	\$44.30	\$46.07	\$47.91	\$49.83	\$51.82
6 "	\$123.73	\$128.68	\$133.82	\$139.18	\$144.74	\$150.53
8 "	\$263.67	\$274.21	\$285.18	\$296.59	\$308.45	\$320.79
10 "	\$474.16	\$493.13	\$512.85	\$533.37	\$554.70	\$576.89
12 "	\$765.90	\$796.54	\$828.40	\$861.54	\$896.00	\$931.84

5-1.2.1 GENERAL PROVISIONS – When service is started or discontinued during the month, the charge will be determined as follows:

- 1) Permanent Service Connection:
 - a) For service connections started after the 1st day of the billing period, the service charge will be pro-rated.
 - b) For service connections discontinued within the billing period, the service charge will be pro-rated.
- 2) Temporary Service Connection – The charge shall be determined on a schedule prepared by the Board.

5-1.3 CHARGE FOR WATER USED (Quantitative):

Description	Effective 7/1/10	Effective 1/1/11	Effective 1/1/12	Effective 1/1/13	Effective 1/1/14	Effective 1/1/15
Domestic (Single -Family Residential)						
Block 1 Rate (0-44 ccf)	\$0.80	\$0.91	\$0.96	\$0.96	\$0.96	\$0.96
Block 2 Rate (45+ ccf)	\$0.88	\$1.00	\$1.05	\$1.05	\$1.05	\$1.05
Multi-Family Residential						
Block 1 Rate (0-35 ccf)	\$0.80	\$0.91	\$0.96	\$0.96	\$0.96	\$0.96
Block 2 Rate (36+ ccf)	\$0.82	\$0.93	\$0.98	\$0.98	\$0.98	\$0.98
Commercial/Fire Service	\$0.82	\$0.94	\$0.99	\$0.99	\$0.99	\$0.99
Multiple Commercial	\$0.82	\$0.94	\$0.99	\$0.99	\$0.99	\$0.99
Landscape	\$0.96	\$1.09	\$1.15	\$1.15	\$1.15	\$1.15
Schedule Irrigation	\$0.84	\$0.96	\$1.01	\$1.01	\$1.01	\$1.01
Construction	\$0.96	\$1.09	\$1.15	\$1.15	\$1.15	\$1.15

5-1.3.1 SCE POWER CHARGE – Is the cost of electricity to pump and deliver water to the end user (home owner/water user). It includes all SCE charges for operation of pumps and wells in the water system. Beaumont Cherry Valley Water District uses SCE Time of Use (off peak) rates to limit the cost to the water user.

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5-1.3.2 State Project Water – The cost to the end user (Rate Payer) for imported water supplies to offset existing groundwater overdraft not to exceed the actual State Water Project Water costs incurred by the District. **NOTE:** Groundwater Overdraft occurs when more water is pumped out of the groundwater system than that that is naturally replaced.

5-1.2.3 ESTIMATING WATER USAGE – Where the District is unable to read a meter, if meter is damaged or is not operational, the water usage will be determined on the basis of past bi-monthly meter readings or it will be estimated as described below.

- 1) The average meter reading for the four (4) preceding months; or
- 2) An estimate of water delivered based either upon the consumer's prior use during the same season of the year or upon a reasonable comparison with the use of other consumers receiving the same class of service during the same period and under similar circumstances and conditions.

5-1.4 MINIMUM CLOSING BILL – The closing bill will be based upon charges applicable on the date service is discontinued.

5-2 WATER SERVICE INSTALLATION CHARGE – The charges for the installation of a service connection at all locations are determined from time to time by the Board of Directors and a schedule of those charges are listed below:

METER SIZE	NON-TRACT (Short Side)	NON-TRACT (Long Side)	IN-TRACT
5/8" X 3/4"	\$4,783	\$8,213	\$986
3/4"	\$4,845	\$8,159	\$1,048
1"	\$4,862	\$8,292	\$1,082
1-1/2"	\$5,587	\$9,503	\$784
2"	\$5,780	\$9,580	\$977

Larger than 2" meters will be billed on a time and material basis.

Tract installation are lower as water service has previously been installed by the developer.

The charge is for physical installation of meter, box, lateral, and appurtenances and is determined from time to time by the Board of Directors.

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5-2.1 TURN-ON – There is no charge to turn on a service connection for which proper application has been made and approved if the turn-on can be made after 8:00 a.m. and before 3:30 p.m.

The charge for any authorized turn-on made after 3:30 p.m. and before 8:00 a.m. will be on a time and material basis.

The charge for an unauthorized turn-on will be on a time and material basis.

5-2.2 FIRE SERVICE INSTALLATION DEPOSIT:

Fire hydrant installation deposit:

-	Installation Deposit	\$10,000 (No Change)
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Fire Service Installation deposit:

-	4" Fire Service	\$8,930
-	6" Fire Service	\$10,600
-	8" Fire Service	\$15,900
-	10" Fire Service	\$27,500
-	12" Fire Service	\$31,300

Fire service installation will be installed by the District at the consumer's request and shall be installed at a time and material basis. Additional billing and/or credits will be issued following installation and acceptance of the installation.

5-2 BACKFLOW ADMINISTRATIVE CHARGE – A service connection with a backflow preventive device installed is subject to a bi-monthly charge of \$6.67, equivalent to \$40 per year.

5-5 FACILITIES CHARGE:

5-5.1 SCHEDULES

5-5.1.1 SINGLE FAMILY RESIDENTIAL – Includes condominiums, townhouses and planned residential developments. The facilities fee is \$10,122 per equivalent dwelling unit (EDU).

NOTE: Where fire flow exceeds gpm for a two-hour duration, each development will pay their pro-rata share for extra fire protection storage equal to \$.05 per gallon per minute.

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5-5.1.2 MULTIPLE FAMILY RESIDENTIAL PROPERTY – The cost is based on an equivalent dwelling unit (EDU), including apartments, duplexes and mobile home parks. Cost per EDU is \$6,073.

5-5.1.3 COMMERCIAL PROPERTY – Commercial property shall be calculated on a case-by-case basis, comparing the projected water use by the commercial center, motels and hotels to that of an equivalent dwelling unit (ED) (580 gallons per day per EDU).

5-5.1.4 INDUSTRIAL PROPERTY – Industrial facilities fees will be based on a case-by-case basis, comparing the projected water use by the industrial facility to that of an equivalent dwelling unit (EDU) (580 gallons per day per EDU).

NOTE: Facilities Fees for developments requiring fire flows greater than the baseline 1,000 gpm for a two-hour duration will be adjusted to account for additional storage required. The adjustment cost is based on the Master Plan fire flow and durations.

Supply

Wells	\$1,936
Water Rights (SWP)	\$1,225
Water Treatment Plant	\$921
Local Water Resources	\$485
Recycled Water Facilities	\$1,402
	\$5,969
Transmission (=16")	\$1,568
Storage	\$2,008
Booster	\$139
Pressure Reducing Stations	\$71
Miscellaneous Projects	\$62
	\$9,818
Financing Costs	\$305
Total with Financing Costs	\$10,122

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5-5.1.5 FOR SCHEDULED IRRIGATION PROPERTY – Per meter:

<u>METERSIZE</u>	<u>AMOUNT OF FEE</u>
1 inch	\$1,000.00
1-1/2 inch	2,000.00
2 inch	3,000.00

5-5.2 MISCELLANEOUS CHANGES, UPGRADES, DOWNGRADES AND ADDITIONAL UNITS:

5-5.2.2 SCHEDULED IRRIGATION METER EXCHANGE– Where a property or lot has been previously served by a scheduled irrigation meter, as defined in Part 13 of these Regulations, the property owner may exchange his 1” or 1 1/2” or 2” scheduled irrigation meter for a 5/8” domestic meter. The exchange shall occur without additional Facilities Fee requirements.

Installation and retirement costs. The applicant shall be responsible for water service installation charges per Section 5-2. Additionally, the applicant shall reimburse the District for labor and equipment costs associated with the retirement of the scheduled irrigation meter.

Additionally, applicant shall pay all costs for installation of 5/8” Domestic Meter and Service pursuant to section 5-2; Water Service Installation Charge.

5-5.2.3 DOWNGRADES – Where a meter is exchanged for a smaller meter, no facilities charge will be imposed and no refund or credit will be made or given.

5-5.2.4 ADDITION OF DWELLING/COMMERCIAL UNITS–Where additional dwelling or commercial units are created by the addition to or division or remodeling of any existing, free standing single family or multiple family residential structure or of any existing, free standing commercial or multiple commercial structure, a facilities charge shall be imposed on each such unit as per the schedules set forth above in subsection 5-5.1.2 and 5-5.1.4 as appropriate.

5-5.2.4.1 MULTIPLE FAMILY RESIDENTIAL RATE – The multiple family residential rate shall apply to the multiple dwelling units in each free standing multiple residential structure on a property; each additional free standing multiple family residential structure on that same property will require a separate meter and a facilities charge will be imposed on each dwelling unit therein per subsection 5-5.1.2 above.

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5-5.2.4.2 MULTIPLE COMMERCIAL PROPERTY RATE – The multiple commercial property rate shall apply to the commercial units in each freestanding commercial structure on a property; each additional free standing multiple commercial structure on that same property will require a separate meter, and a facilities charge will be imposed on each commercial unit therein per Subsection 5-5.1.4 above.

5-6 MISCELLANEOUS CHARGES:

5-6.1 RESTORATION OF SERVICE CHARGE – In all cases, a charge will be made for restoration of water service, the amount of which will be the actual costs incurred by the District.

5-6.2 METER TESTING – The following charges will be imposed for testing meters:

1)	In- house	5/8" to 1" meters	\$ 30.00
		1 1/2" to 2" meters	200.00
2)	Outside	5/8" to 1" meters	\$ 50.00
		1 1/2" to 2" meters	250.00

5-6.3 INSPECTION CHARGES:

5-6.3.1 AMOUNT – Inspection charges shall be based on the estimated cost of the actual inspection and shall be estimated by the District Engineer. All estimated inspection costs shall include an additional contingency deposit equal to 135% of the Engineers estimate.

5-6.3.2 DEPOSIT – The applicant shall deposit the estimated cost of the inspection prior to the start of construction. When the inspection charges exceed 75 percent of the deposit, the applicant shall make additional deposits as required, by the District prior to any additional inspection.

5-6.4.1.1 REFUND – The District will refund any excess funds within 30 days of acceptance of the facilities by the District.

5-6.5 PLANNING:

5-6.4.1 DEPOSIT PLAN CHECK CHARGE – All deposits shall be in the amount of \$5,000 for all sub-divisions.

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5-6.4.2 MAIN EXTENSION PLAN CHECK DEPOSIT – Where the Applicant is requesting service to a lot or lots that require Main Extension, the Districts General Manager shall estimate the deposit for planning, engineering and administration for Main Extensions to serve one or more lots.

5-6.4.2 PLAN CHECK CHARGE – The charge for reviewing and checking the drawings for a water main extension, as provided for in Subsection 8-3.6 is determined by actual costs incurred. Hours will be computed to the nearest one-half hour.

5-6.5 FRONT FOOTAGE FEES/REIMBURSEMENT AGREEMENT – Where a Reimbursement Agreement (or an agreement of like or similar kind) exists, the applicant shall pay the district the amount specified in the Reimbursement Agreement or as required in section 5-6.5.1.

5-6.5.1 RESIDENTIAL SERVICE NO REIMBURSEMENT AGREEMENT – Where there is no “Reimbursement Agreement” the applicant shall pay to the District the sum of \$28.50 per foot for the pipeline crossing the frontage.

5-6.5.2 COMMERCIAL SERVICE NO REIMBURSEMENT AGREEMENT – Where there is no “Reimbursement Agreement” the applicant shall pay to the District the sum of \$35.00 per foot for the pipeline crossing the frontage.

5-6.5.3 FRONT FOOTAGE FEES, CORNER LOT: Where a corner lot requesting water is not subject to a reimbursement Agreement, the fees will be equal to those set forth in the preceding Subsection for all frontages.

5-9 RELOCATION – The charge for the relocation of facilities other than a meter or permanent service connection is determined by the Board.

5-10 DEPOSIT AND CHARGES FOR RECYCLING/RECLAMATION STUDY – The applicant for new commercial/industrial service shall deposit \$250.00 for engineering study to determine the feasibility of onsite recycling/reclamation as determined by the General Manager. If the actual study cost of such study as performed is more or less than said deposit, the applicant shall pay the difference upon receipt of an invoice therefore by the District or shall be given a credit against other charges, as appropriate.

5-11 PAYMENT – Any charges, as may be required, shall be paid prior to the District issuing a financial arrangements letter to any public or private agency, State of California, or prior to the District providing service, whichever comes first.

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5-12 CONSTRUCTION METER CHARGES AND DEPOSITS – The charges and deposits for construction water meter service is as follows:

Water Usage Rate:	See Section 5-1.3
Monthly Water Service Charge:	\$110.00
1" Construction Meter and Backflow Pre-Payment Deposit	\$502.00
Lost or stolen 1" construction meters replacement charge:	\$502.00

Repairs to damaged construction meters and back flow devices will be charged at prevailing time and material rates to repair the meter

3" Construction Meter and Backflow Pre-Payment Deposit	\$2,042.00
Lost or stolen 3" construction meters replacement charge:	\$2,042.00

Repairs to damaged construction meters and back flow devices will be charged at prevailing time and material rates to repair the meter

Unauthorized Connection Charge	\$1,150.00
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(Plus estimated water usage charged at the current construction water rate)