



Folsom City Council Staff Report

MEETING DATE:	4/22/2025
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11357 - A Resolution Authorizing the City Manager to Execute an Agreement with HF&H Consultants, LLC for the Water and Wastewater Rate Studies
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11357 - A Resolution Authorizing the City Manager to Execute an Agreement with HF&H Consultants, LLC for the Water and Wastewater Rate Studies.

BACKGROUND / ISSUE

The City last completed a water and wastewater rate study in October 2019. The Environmental and Water Resources Department continues to monitor revenues and program costs on an annual basis. At this time, a cost of service study needs to be completed to validate that the current residential and non-residential revenues accurately reflect the actual cost of service. It is important to maintain and update our financial model to analyze all costs and revenues related to the operational programs and capital improvement programs (CIP).

In January 2025, the City issued a request for proposals for Water and Wastewater Rate Studies Consulting Services. The scope of work comprised a comprehensive review of the City's water and wastewater rates, including the following:

- Review of past studies, surcharges and expenditures.
- Analysis and review of water use data across all customer classes between 2021-2024
- Develop projected expenditures and revenue requirements.
- Review, and update as necessary, the City's reserve fund policies.
- CIP review and recommendations for funding of CIPs.
- Review Department organizational structure, including associated staffing levels expenses.

- Complete the cost of service analysis.
- Develop a recommended rate design.
- Review the City's current Utility Assistance Program and update as necessary.
- Update the East Area and Folsom Plan Area surcharges.
- Update the temporary/construction meter and fire service rates.
- Attend four Utility Commission meetings in-person.
- Attend one public meeting and workshop.
- Attend up to three City Council meetings and workshops.
- Development of website materials, including frequently asked questions and a bill calculator.
- Ensure compliance with Proposition 218 and Assembly Bill 2257.
- Prepare draft and final reports.

This resolution will authorize the City Manager to execute an agreement with HF&H Consultants, LLC, for the Water and Wastewater Rate Studies.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$75,049 or greater shall be awarded by City Council.

ANALYSIS

On January 24, 2025, the City requested proposals from consultants to perform a water and wastewater rate study. On March 6, 2025, EWR received proposals from Bartle Wells Associates, HDR Engineering, Inc., HF&H Consultants, LLC, and Raftelis.

The four proposals were evaluated by three EWR staff members for technical evaluation prior to reviewing project costs. The proposals were reviewed and scored for project understanding, qualifications, deliverables, and project team staffing. The technical evaluations were scored and are shown in Table 1. Although Raftelis is listed below, EWR staff concluded their proposal was non-responsive because they did not include four in-person Utility Commission meetings that are required as part of the scope of work.

Consultant	EWR 1	EWR 2	EWR 3	Average
Bartle Wells Associates	57	56	53	55.3
HDR Engineering, Inc.	63	66	70	66.3
HF&H Consultants, LLC	60	67	67	64.7
Raftelis	61	62	66	63

Table 1: Consultant Technical Scores without Costs

After reviewing each proposal for project understanding, qualifications, deliverables, and project team staffing, the proposals were reviewed for project costs. The fee schedules for the scope of work outlined in the request for proposals from each consultant are shown in Table 2.

Consultant	Water	Wastewater	Total
Bartle Wells Associates	\$80,350	\$80,350	\$160,700
HDR Engineering, Inc.	\$147,715	\$138,265	\$307,285 ^A
HF&H Consultants, LLC	\$84,035	\$73,185	\$157,220
Raftelis	\$77,120	\$74,870	\$151,990 ^B

A. HDR total includes additional expenses of \$21,305 that were not separated by water or wastewater.

B. This cost does not include four in-person Utility Commission meetings.

Table 2: Consultant Project Costs

HF&H Consultants, LLC was determined to provide the best value to the City based on the scope of work provided in their proposal, the project team, their expertise for these types of projects, and the fee amount. HF&H Consultants, LLC included a detailed and thorough project understanding as well as past relevant rate study project experience. Table 3 shows the overall total scores including project costs based on a maximum score of 100. As described above, Raftelis is considered non-responsive for not including all the necessary scope items in their proposal.

Consultant	Technical Score (Avg.)	Cost Score	Total Score
Bartle Wells Associates	55.3	23.6	78.9
HDR Engineering, Inc.	66.3	12.4	78.7
HF&H Consultants, LLC	64.7	24.2	88.9
Raftelis	63.0	25.0	88.0

Table 3: Consultant Overall Scoring Including Project Costs

This resolution will authorize the City Manager to execute an agreement with HF&H Consultants, LLC for the Water and Wastewater Rate Studies in the amount of \$157,220.

FINANCIAL IMPACT

Sufficient funds are budgeted and are available in the Water Operating Fund (Fund 520) and in the Wastewater Operating Fund (Fund 530) in FY 2024-25 for this agreement.

ENVIRONMENTAL REVIEW

These rate studies are exempt from environmental review under the California Environmental Quality Act, Section 15273.

ATTACHMENT

Resolution No. 11357 - A Resolution Authorizing the City Manager to Execute an Agreement with HF&H Consultants, LLC for the Water and Wastewater Rate Studies

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT