

CITY OF MISSION  
**Scope of Service**

Solicitation Name: **“COMPREHENSIVE UTILITY RATE STUDY”**

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## INTRODUCTION

The City’s objective is to receive a fully documented Water, Sewer, Drainage, Garbage, and Brush Utility Rate Study with appropriate analysis and recommendations. The rate study shall be conducted using sound methodologies to support charges to users of services on a fee basis or any other feasible options that the City of Mission could capitalize on.

- 1. Scope of Services Proposals** from qualified firms must describe in detail the methodology, strategies, and timelines to be included in the utility rate study. The Consultant shall study Water, Sewer, Garbage, Brush, and Drainage accounts to recommend any necessary adjustments, corrections, or modifications to the rate codes applicable to each account in accordance with City of Mission Utility Ordinance No. 5244, 5243, 5242, 5241, 5381, 5410, 5411, 5554, 5555, and Industry Standards. The City of Mission bills approximately 32,191 water, 29,161 sewer, 29,677 drainage, 27,285 garbage, and 28,344 brush accounts as of March 2026.

The scope of services shall include, but not necessarily be limited to, the following:

### **Objectives and Expectations**

The Consultant or its principles shall have the capability and experience in:

1. Analyzing water, sewer, drainage, garbage, and brush rates and revenue, including impact fees.
2. Analyze consumption data and recent trends that impact consumption on revenue;
3. Assess projected operations and capital expenses, including system maintenance and replacement needs.
4. Utility billing methods to ensure rates provide adequate funding for reserves, and long-term financial stability.
5. Provide a multi-year financial model and phased rate adjustment plan.

The proposed staff shall have at least five years’ recent demonstrated experience working with public agencies in comparable rate analysis and studies.

## **2. Summary of Scope of Work:**

The primary objectives of the Water, Sewer, Drainage, Garbage, and Brush Rate Study are:

- A. Evaluate current water, sewer, drainage, garbage, and brush rate structures and revenues, including impact fees.
- B. Assess projected operating and capital expenses, including system maintenance and replacement needs.
- C. Develop equitable rates to provide adequate funding for reserves and long-term financial stability.
- D. Ensure compliance with applicable state and federal regulations.
- E. Provide a multi-year financial model and phased rate adjustment plan.
- F. Provide a transparent, data-driven basis for decision-making.
- G. Recommend options for strategically increasing revenue and restructuring utility rates.
- H. Present at a Mayor and Council Work session the completed study methods, studies, results, analyses, and recommendations

## **3. Minimum Rate Study Elements:**

### **A. Revenue Requirements:**

The Consultant shall identify and develop revenue requirements separately for water, sewer, drainage, garbage, and brush operations for a ten-year period. The revenue requirements shall include forecasts of funding gaps and reserve requirements to cover the operating and maintenance, and capital improvements expenses.

### **B. Demand Forecast:**

The Consultant shall develop a forecast of customer growth and demand within the City’s service area. The demand forecast shall take into account historical growth patterns, the City’s comprehensive plan (capital improvement), debt service schedules, and all other relevant planning documentation. The Consultant shall evaluate the usage patterns of residential and commercial uses to inform the development of the rate structures.