



Department of Public Works
6 North Main St Suite 1
Barre, VT 05641

Request for Proposals

Analysis of Water Rate Structure and Schedule

Background: The City of Barre operates a public water supply system to provide domestic and commercial water supply in the communities of Barre City and Barre Town. The communities have a long history for common interest in the water system. The Water Rate Schedule and operating practices are important to both communities and are intended to properly capture and assign the costs of the system operation fairly among all users.

The operating costs of the system are a complex result of capital investment decision, operating decisions, regulatory decision making and asset conditions. The City needs to ensure that all costs are accounted for on the rate Structure so that the resulting Rate Schedule addresses the financial stability of the Barre City Water System. In that manner, a reliable, quality service is assured for Barre citizens and system users.

Purpose: the identification of all classes of cost (and benefits is a critical tool in defining fair pricing. Currently, the City bears all costs for the operation of the system directly and receives payments from 3 primary areas. One is from users in Barre, the others are the Town of Barre - for wholesale water and for payments from direct billed customers in the Town.

The City bears costs unequally with the Town based on the current agreement under which the City pays taxes on City owned property in the Town which benefits Town residents. The City bears all direct costs which accrue to the benefit of providing for economic development without an opportunity for cost recovery from the Town.

Lastly, in the area of risk assignment the City bears a disproportionate level of risk as compared with the Town – both by its operation outside of its corporate boundaries making repairs in the Town for the Town’s citizens, and maintaining on-call qualified staff at all times to provide service to users in the Town.

Deliverables sought in the proposal:

- 1) Delineation, Definition and Enumeration of costs associated with operation of a water supply system for individuals within the corporate boundaries of the City and outside those boundaries.
- 2) Recommendations on the equitable assignment of costs to users and political subdivisions that enjoy the opportunity to grow as a direct function of the City’s system capacity.

- 3) Description of the value of the City's contribution to the Town's vitality and growth potential as it relates to a fair rate of return recognizing risk transference and water system investments.
- 4) Development of options for a revised rate schedule that better distributes costs among classes of users to reduce the burden on single family residences and proper apportionment of fire safety benefits.
- 5) A final report that delivers the preceding deliverables and outlines necessary implementation steps and includes an Executive Summary.
- 6) Participation in at least 3 meetings to provide opportunity for general public input and governing body explanations.

The City intends this to be a multi-disciplinary team effort that provides both engineering-based analysis of the technical facets of the water system, combined with accountancy that provides accurate and precise financial information that flows from the engineering analysis.

Basis of selection: The successful team will have the knowledge, skills and ability to complete the work within a 3 to 6-month timeframe with fully supported conclusions and well explained recommendations. Evidence of the likelihood of success are:

Strength of Team - engineers, accountants, operations staff 35%
Experience in completing complex industrial and treatment process analysis and governmental accountancy 15%
Approach and Methodology 35%
Communication and reporting program 15%

Due Date and submittal requirements:

City of Barre
6 North Main St Suite 2
Attn: Ms. Jody Norway
execassist@barrecity.org

February 4, 2022 at 2:00 PM (**electronic submittals accepted**)

Submittals limited to 10 pages double sided, not less than 12 font plus appendices for resumes, examples and references as needed.