

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JUNE 26, 2019

REGULAR MEETING

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #8: CONSIDERATION AND APPROVAL OF THE CONTRACT WITH SWALE INC. FOR THE COMPLETION OF THE MUNICIPAL SERVICES REVIEW AND SPHERE OF INFLUENCE STUDY FOR THE EL DORADO IRRIGATION DISTRICT

RECOMMENDATION

Staff recommends that the Commission:

1. Approve the contract with SWALE Inc. to prepare and present the Municipal Service Review and Sphere of Influence Study for the El Dorado Irrigation District at a cost of \$37,000.
2. Authorize the Chair to sign the final agreement. The cost will be covered by the allocated funds in the Professional Services – MSR Outsourcing account of the El Dorado LAFCO 2019-2020 Budget.

REASON FOR RECOMMENDED ACTION

El Dorado LAFCO is required to create municipal service reviews (MSRs) and update sphere of influence (SOI) studies for all agencies in the county. Studying and preparing the MSR/SOI study for the El Dorado Irrigation District (EID) is part of the current Cycle 3 MSR/SOI Project Plan. As explained last year, despite being the most active agency in terms of reorganizations, EID has not been studied since 2008. As a result, the Commission allocated funds into next year's budget to outsource the report. SWALE submitted the most competitive response to a circulated Request for Proposals. It has demonstrated that it has the experience, skills, resources and understanding of the scope of work to complete a report to the Commission's satisfaction. By authorizing the Chair to sign the contract, SWALE commits to completing and presenting the report on or about Summer 2020.

BACKGROUND

Last June, staff presented to the Commission the reasons why the El Dorado Irrigation District has not been studied since 2008. The primary reason was that early in the Cycle 2 MSR/SOI Project Plan, the Commission decided at the time to “outsource” the MSR/SOI update to EID. EID staff’s attention has been focused on their own mandated reports and analysis, such as *Integrated Water Resources and Wastewater Facilities Master Plans* in 2013 and its *Urban Water Management Plan* in 2016. As a result, over the years the report’s update has been repeatedly postponed.

The second reason is that EID is the most complex independent special district in the county because of its combination of finances, staffing, infrastructure and resources. Being able to analyze and evaluate the District’s capacity effectively will require a level of expertise that your staff does not possess. That staff is also behind the MSR project plan compounds the issue.

For these reasons, the Commission directed the Budget Ad Hoc Committee to fund outsourcing this MSR to a consultant. A request for proposals (RFP) was circulated for 45 days. Your Assistant Executive Officer spearheaded the selection process, writing the RFP and coordinating the circulation of it. Two qualified responses were received, both firms bidding similar amounts, separated by less than \$4,000. Either amount was less than the amount in your FY2019-20 budget.

The SWALE proposal specifies that the firm has experience with MSRs, having contracted with Butte, Mendocino, Nevada, and Placer LAFCOs to analyze and evaluate water and wastewater districts similar to EID. A reference check with those executive officers indicates that all were extremely satisfied with their respective end product. All gave an unqualified endorsement of the firm.

Project

SWALE proposes analyzing EID using the requirements of Government Code 56430 and 56425 through the lens of various performance measurements, detailed on pages 14-16 of Exhibit A of Attachment A. Please note that LAFCO staff substituted three of the proposed SWALE performance measures with three other measures. The proposed SWALE measures either would not be enlightening to the public because the information is already widely known (“the articulation of financial policies other than reserve funds” and whether “EID collaborates with other agencies for the delivery of services”) or not applicable (“job/housing balance” as this is more relevant to a city). Instead, information will be sought on the liquidity of the District’s finances, its debt service and its pension payment burden. Since these substitutions were done on a 1:1 basis, they will not add to the project scope and budget.

The time period for this project is approximately 12 months. The total cost will be paid in installments at the completion of five separate tasks and to the satisfaction of the Executive Officer. The total cost also includes approximately \$6,000 in other cost reimbursements.

Attachment:

Attachment A: Consulting Contract with SWALE Inc.