



**Northeast Ohio  
Regional Sewer District**

**REQUEST FOR QUALIFICATIONS**

**P-1520**

**COMPREHENSIVE COST OF SERVICE,  
RATE STUDY, AFFORDABILITY ANALYSIS AND  
RELATED SERVICES**

**DEPARTMENT OF FINANCE  
NORTHEAST OHIO REGIONAL SEWER DISTRICT**

**ISSUE DATE**

**May 1, 2025**

**STATEMENT OF QUALIFICATIONS SUBMITTAL DUE DATE**

**June 13, 2025**

**4:00 P.M.**

## **Announcement**

### Request for Qualifications

By way of this Request for Qualifications (RFQ), the Northeast Ohio Regional Sewer District (Sewer District) is accepting statements of qualifications for professional services to conduct a comprehensive rates, fees, and charges study (Rate Study), in conjunction with an affordability analysis from a qualified consultant or consulting firm.

Attached is information relating to submitting a proposal including specific requirements, the organization of the proposal, proposal evaluation criteria, and the proposed contractual agreement.

A proposal must be received no later than **June 13, 2025, by 4:00 p.m.**

Any requests for additional information should be made in writing to:

**Kenneth J. Duplay, Chief Financial Officer**

Email: [duplayk@neorsd.org](mailto:duplayk@neorsd.org)

Address: 3900 Euclid Ave., Cleveland, Ohio 44115

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## **Section 1 – Purpose**

### **1.1 Comprehensive Sewer and Stormwater Service Rate Study**

The Northeast Ohio Regional Sewer District (Sewer District) is inviting professional financial, engineering, and legal consulting firms, or teams comprised of such firms or members to submit qualifications to furnish professional services for the Sewer District for the comprehensive sewer and stormwater service rate study in conjunction with an affordability analysis. The proposed rates shall adequately fund the Sewer District’s operations, capital costs, and debt service, while minimizing impact on the customer to the greatest degree possible.

### **1.2 Contract Award**

The Sewer District intends to award a contract or a combination of contracts to consultants that have a history of successfully performing services on similar sewer and stormwater service rate studies and affordability analyses. The study will be based on a comprehensive review of the Sewer District’s operation and maintenance expenses, Capital Improvement Program (CIP), customer billing classes, current usage data, future planned growth, median household income, demographics of service area and other information deemed necessary. The results of this study will provide the foundation for sewer and stormwater service rates for the next five (5) years from 2027-2031.

## **Section 2 – General Sewer District Information**

### **2.1 Background**

#### **2.1.a History**

The Sewer District protects public health and the environment by leading effective wastewater and stormwater management. As the largest wastewater treatment provider in the State of Ohio, the Sewer District spans 363 square miles, serves 63 communities and nearly one million residents, treats approximately 80 billion gallons of wastewater a year, and manages 489 miles of streams.

In addition to its award-winning treatment plants and laboratory performance, the Sewer District's Project Clean Lake construction program will reduce annual Lake Erie pollution by 4 billion gallons by 2035, while its Regional Stormwater Management Program addresses widespread inter-community problems like flooding, pollution, and erosion.

NEORSD is an Equal Opportunity Employer. We are committed to fostering a diverse and inclusive workforce, recognizing the full range of human differences and similarities. Through our unwavering efforts to leverage the potential of our diversity, we continually strive to build and foster an environment that respects each individual. We encourage and promote innovation, and provide opportunities for all employees to interact, communicate, and realize the full potential of their talents.

### **2.1.b Board of Trustees**

The Sewer District is governed by its Board of Trustees. The Board consists of seven members, each of whom serves a five year term and who are appointed as follows: (i) two by the Mayor of the City of Cleveland; (ii) two by a council of governments (the Suburban Council of Governments) comprised of representatives of all the suburban communities served by the system; (iii) one by the Cuyahoga County Executive; (iv) one by the appointing authority of the Subdistrict with the greatest sewer flow; and (v) one by the appointing authority of the Subdistrict with the greatest population.

## **2.2 The Wastewater System**

### **2.2.a Treatment Plants**

The Sewer District owns and operates three wastewater treatment plants, several interceptor sewers, storage tunnels and control structures, and other wastewater and stormwater facilities to minimize the amount of pollution entering Lake Erie and the Cuyahoga River, the principal waterways in the Cleveland Metropolitan area. The three wastewater treatment facilities are Easterly, Southerly, and Westerly. Upgrades and modifications to the treatment plants and interceptor sewer system and construction of storage tunnels, control

structures, and tunnel dewatering pump stations have resulted in measurable improvements in the quality of these receiving waters since the inception of the Sewer District. Southerly is one of the largest secondary treatment centers in the country.

<b>Facility</b>	<b>Design Flow</b>	<b>Peak Flow</b>	<b>Size in Acres</b>	<b>Service Area</b>
<b>Easterly</b>	155 MGD	400 MGD	105	Approximately 333,000 residents on the east side of Cleveland and the southeast suburbs of Cuyahoga County.
<b>Southerly</b>	175 MGD	480 MGD	273	Approximately 530,000 residents and businesses in Cuyahoga and Northern Summit counties.
<b>Westerly</b>	35 MGD	100 MGD	14	Approximately 107,000 residents and businesses on the west side of Cleveland and surrounding suburbs.

## **2.2.b Pump Stations**

The Sewer District’s Sewer System Maintenance and Operation department currently operates 13 pump stations within the collection system. The stations are Broadway Avenue, Flats East Bank, Dille Road, Jennings Road, Canal Diversion, Division Avenue, Euclid Creek, Barberton Creek, Mary Street, Superior Avenue, Stones Levee, Easterly Tunnel Dewatering Pump Station, and Westerly Tunnel Dewatering Pump Station. Construction and start-up of the Southerly Tunnel Dewatering Pump Station is scheduled to occur during the 2027-2031 rate period.

## **2.3 CSO Long-Term Control Plan**

### **2.3.a Combined Sewer Overflows**

The Sewer District has responsibility for combined sewer overflows (CSOs) within its service area. The Sewer District holds an NPDES permit for the CSOs and is required to meet the requirements of capital improvement projects to significantly reduce the amount of overflow during rainstorms.

### **2.3.b Regulations**

The federal Clean Water Act and U.S. Environmental Protection Agency's (U.S. EPA) CSO Control Policy, along with the Sewer District's state-issued CSO National Pollution Discharge Elimination System (NPDES) permit, required the Sewer District to develop a Long-Term Control Plan (LTCP) to reduce or eliminate the number of overflows from its 126 permitted outfalls. In 2010, the Sewer District came to a negotiated agreement with Ohio and U.S. EPA, U.S. Department of Justice and the Ohio Attorney General's Office on a 24-year, \$3 billion CSO LTCP for which the Sewer District obtained authorization from its Board of Trustees to enter into a Consent Decree with the state and federal agencies in December 2010.

### **2.3.c Long-Term Control Plan**

Prior to the CSO LTCP, the Sewer District had already invested an estimated \$850 million and reduced CSO volumes by half – from 9.0 to 4.5 billion gallons since 1972. The Sewer District's CSO LTCP will further control CSOs, reducing the number of overflows to four or less per year (three or less at priority CSOs) resulting in an estimated 98.0% capture of all wet weather flows and reducing CSO volumes to less than 500 million gallons in a typical year.

### **2.3.d Capital Improvement Plan**

In 2024, the Sewer District began construction of the Southerly Storage Tunnel (SST), the sixth of the seven large-scale tunnels that will be constructed under the Consent Decree. This tunnel system has the capacity to store 64 million gallons of combined sewage for treatment at the Sewer District's Southerly Wastewater Treatment Center, controlling an estimated 760 million gallons of CSO annually. This is in addition to the previously completed Euclid Creek Tunnel (ECT), Dugway Storage Tunnel (DST), and Doan Valley Tunnel (DVT) that control over 1.1 billion gallons of CSO in a typical year. The Sewer District recently completed construction of the Westerly Tunnel Dewatering Pump Station and the Westerly Storage Tunnel (WST), the fourth large-scale tunnel constructed by the Sewer District. Additionally in 2024, the Sewer District

continued construction of the fifth large-scale tunnel, the Shoreline Storage Tunnel. Design began for the Big Creek Tunnel (BCT), the final large diameter CSO storage tunnel. The BCT will capture and store a combination of sanitary sewage and stormwater and upon completion, CSO volume discharged to Big Creek and its tributaries will be reduced by an estimated 580 million gallons annually. Ultimately, the Sewer District will construct seven tunnels under its Consent Decree, which range from two to five miles in length, up to 300 feet underground and up to 25 feet in diameter. The tunnels are similar to the previously constructed Mill Creek Tunnel, a structure that has the capacity to store 75 million gallons of combined sewage until it can be treated at the Sewer District's Southerly Wastewater Treatment Center.

Other major projects the Sewer District completed under its Consent Decree outside of the storage tunnels include improvements at the Easterly WWTP completed in 2017 and Southerly WWTC completed in 2024 to increase secondary capacity at both plants. Additionally, the construction of upgrades to the existing Westerly CSO Treatment Facility (CSOTF) with chemically enhanced high-rate treatment and disinfection (CEHRT) for further treatment of flow discharging at CSO 002, the third largest of the Sewer District's CSOs, commenced in April 2022 and continued through 2024. A CEHRT facility to provide treatment of flow discharging at CSO 001 at Easterly WWTP is also being designed and is anticipated to commence construction in 2026.

### **2.3.e Green Infrastructure Projects**

The Sewer District's LTCP also includes a commitment to green infrastructure projects to further reduce CSO flows beyond those captured by the tunnel systems. In total, nine (9) green infrastructure projects were constructed.

## **2.4 Regional Stormwater Management Program**

### **2.4.a Stormwater Program Design**

The Stormwater Program is designed to address long-standing regional stormwater flooding, erosion and water quality issues resulting from the incremental increases in stormwater runoff from hard surfaces that make their

way into storm sewers and streams. The fees collected from the Stormwater Program are used to fund construction projects to solve regional stream flooding and erosion problems, for operation and maintenance activities to minimize the potential for flooding and erosion and for master planning studies to outline a long-term construction and maintenance program along regional streams. Currently, the Sewer District has Board approved 4.20% annual Stormwater fee increases from 2022 through 2026.

## **2.4.b Community Cost-Share Program**

The Community Cost-Share Program provides funding to Member Communities for community-specific stormwater management projects. To implement the Community Cost-Share Program, the Sewer District has formed a financial account termed “Community Cost-Share Account” for the aggregation and dissemination of funds derived from Stormwater Fees collected in each Member Community. Twenty-five percent of the total annual Stormwater Fee collected in each Member Community is allocated to the Community Cost-Share Account for that Member Community. The Community Cost-Share Account is under the control of the Sewer District, with disbursement of funds to Member Communities through a grant application and reimbursement process.

To access Community Cost-Share Program funds, Member Communities must maintain compliance with Title V: Stormwater Management Code. A Community Cost-Share Program project must clearly promote or implement the goals and objectives of the Sewer District set forth in Title V and must be intended to address current or minimize new stormwater flooding, erosion, and water quality problems.

## **Section 3 – Rate Setting and Billing System Overview**

### **3.1 Rate Setting Process**

#### **3.1.a Sewer Service and Stormwater Rates Process**

The Sewer District’s Board of Trustees has exclusive authority and responsibility for establishing and maintaining the sewer service and stormwater rates and

charges imposed for the services and facilities provided by the Sewer District. Pursuant to Ohio Revised Code Section 6119.09, rates established for sewer and stormwater services are not subject to review or approval by any State of Ohio or Federal government or administrative agency. The Sewer District 2022-2026 sewer service and stormwater rates and the applicable Homestead and Rate Reduction sewer service and stormwater rates were adopted on July 15, 2021. The final increase of the five-year rate period will take effect January 1, 2026.

### 3.2 Current Rate Structure

#### 3.2.a Sewer Rates

The majority of the Sewer District’s customers are billed monthly based on metered water consumption. The City of Cleveland’s Division of Water serves as the billing and collection agent for the vast majority of those customers, except for those billed internally by the Sewer District or located in the cities of Berea and North Royalton, which act as billing and collection agents for the Sewer District in their respective areas. Below are the approved sewer rates.

	Sewer Approved Rates				
	2022	2023	2024	2025	2026
<b>Fixed Cost Recovery Fee per month</b>	\$10.10	\$10.50	\$ 10.95	\$ 11.40	\$11.90
<b>Rate Per Mcf, Regular</b>	\$110.95	\$115.60	\$120.45	\$125.50	\$130.75

#### 3.2.b Homestead/Rate Reduction Sewer Rates

The Sewer District currently includes a program that assists lower income customers. The Sewer District’s Homestead Program provides significantly discounted sewer rates for low-income homeowners who are either over 65 years of age or who are permanently disabled, and whose annual income is below a level specified by City of Cleveland ordinance. In addition, the Sewer District offers a Rate Reduction program that offers the same discounted rate for those who meet certain income requirements. Below are the approved

Homestead/Rate Reduction sewer rates.

	<b>Homestead/Rate Reduction Sewer Approved Rates</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Homestead / Rate Reduction Fixed Cost Recovery Fee per Month</b>	\$6.05	\$6.30	6.55	\$6.85	\$ 7.15
<b>Rate Per Mcf, Homestead/Rate Reduction</b>	\$66.55	\$69.35	\$72.25	\$75.30	\$78.45

### **3.2.c Crisis Assistance Program**

The Sewer District has also implemented a Crisis Assistance Program that offers 50% credit, up to \$300, off the sewer bill for those meeting certain hardship requirements. It is envisioned that these programs will continue in their present form or be enhanced in the new rate schedule and the impact of maintaining these programs in their present form must be factored into the rate study by the selected consultant.

### **3.2.d Alternative Billing Method**

The remaining Sewer District customers are billed based on their usage of the system. Customers with greater than 50,000 cubic feet annual water consumption may request that their billing for sewer service be based upon sewage discharged into the sewer system. If their request is granted, one or more extra meters are installed and maintained at the customer’s expense to determine the quantity of water which enters the system. Currently, only a small number of customers are billed using this alternative method.

### **3.2.e Summer Residential Sprinkling Program**

Since 1993, the Sewer District has offered a Summer Residential Sprinkling User Charge Program (the “SRSUC”) for owner occupied one, two, three and four family residences. Under the SRSUC, summer bills are based upon average winter

water consumption, unless actual summer consumption is lower. The program is effective for consumption from May 1 through September 30. There is no fee to participate in the program. Most residential customers have qualified for the program.

### **3.2.f Industrial Surcharge History**

The Sewer District's Industrial Surcharge Program was approved by the Board of Trustees in 1979. The Surcharge Program is administered by the Sewer District's Water Quality and Industrial Surveillance (WQIS) department. The WQIS department uses the original rate formula established in 1979 as a basis for calculating industrial surcharge rates for customers. The base rate and cost factors in the rate formula have been updated in subsequent rate studies to reflect an industrial rate equivalent to the domestic rate when the surcharge pollutant parameters are at or below the domestic concentrations. Surcharge Program customers are assessed at a rate that is above the regular volumetric rate for sewer services to account for the additional costs of treating sewage when pollutant parameter strength concentrations are above domestic levels.

### **3.2.g Industrial Surcharge Sewer Rates**

The surcharge rate includes a treatment cost for (1) Total Suspended Solids (TSS); and (2) Biochemical Oxygen Demand (BOD); or (3) Chemical Oxygen Demand (COD). The surcharge formula includes a base volumetric cost and individual cost components for TSS, BOD, or COD that are calculated based on their strength. The cost components for the high strength pollutants are calculated by multiplying their measured strength, expressed in parts per million (mg/L), by a cost factor that represents the incremental cost to treat each pollutant across all the relevant units within the treatment plants, for treating TSS, BOD, and COD. At normal strength, the surcharge formula assumes an average loading concentration for each of these pollutants based on what is typically found in domestic waste. The average concentrations loadings for both subdistricts are as follows: BOD: 228 mg/L; TSS: 266 mg/L; COD: 532 mg/L. The WQIS department physically monitors surcharge customers periodically. There are approximately 150 customers that are organized primarily by Standard

Industrial Classification (SIC) codes categorized and maintained in an industrial monitoring database. Below are the approved industrial surcharge sewer rates.

	<b>Approved Industrial Surcharge Pollutant Rates</b>				
<b>Rates Per mg/L/MCF</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Industrial Surcharge BOD</b>	\$0.02740	\$0.02845	\$0.02929	\$0.03053	\$0.03120
<b>Industrial Surcharge COD</b>	\$0.01174	\$0.01219	\$0.01255	\$0.01308	\$0.01337
<b>Industrial Surcharge TSS</b>	\$0.02644	\$0.02741	\$0.02821	\$0.02933	\$0.02999

The Sewer District seeks a collaborative process whereby the rate consultant will conduct stakeholder input/info sessions communicating how the industrial rate was developed and how high strength cost factors are determined. The industrial users should be included in this process.

### **3.2.h Cleveland Water Plants Rates**

The Sewer District charges the City of Cleveland Division of Water for treatment and disposal of water plant sludge discharged to the Sewer District’s system by each of the City’s three water treatment facilities located within the District’s service area. Fees are based on the dry weight usage of aluminum based coagulant salts, commonly referred to as "alum," utilized by the City for treatment of raw drinking water at their facilities. The rate was set per dry weight pound of alum for the discharge of wastewater from the facilities. Bills are calculated from the certified alum usage data provided for each billing cycle at the current escalated rate for that billing cycle.

### **3.2.i Stormwater Service Rates**

Sewer District customers’ stormwater bills are based on an Equivalent Residential Unit (ERU) equal to 3,000 sq. ft. of impervious surface, such as roofs and driveways. Residences are placed in one of three categories: Tier 1-(less than 2,000 square feet); Tier 2 (2,000 to 4,000 square feet); and Tier 3 (more than 4,000 square feet). A typical non-residential property is billed based on the actual number of ERU of its impervious surface. Also included in the Regional Stormwater Management Program is a Stormwater Educational Economically

Disadvantaged Credit available to area school districts and independent schools. The program is designed to promote the importance of healthy drainage systems by providing curricula that will adhere to Ohio State Standards and be available for grades 3, 5, 7, and 10. These programs offer an in-depth understanding of the environmental sciences and how they affect regional waterways and give the school a discounted stormwater rate. Rates are approved through 2026 and shown below.

	<b>Stormwater Approved Rates</b>				
<b>Rates Per ERU</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Residential Tier 1</b>	\$3.22	\$3.36	\$3.50	\$3.65	\$3.80
<b>Residential Tier 2</b>	\$5.37	\$5.60	\$5.84	\$6.09	\$6.35
<b>Residential Tier 3</b>	\$9.66	\$10.07	\$10.49	\$10.93	\$11.39
<b>Residential Homestead/ Rate Reduction</b>	\$2.16	\$2.25	\$2.34	\$2.44	\$2.54
<b>Non-residential All</b>	\$5.37	\$5.60	\$5.84	\$6.09	\$6.35
<b>Educational Economically Disadvantaged</b>	\$2.16	\$2.25	\$2.34	\$2.44	\$2.54

### **3.3 Water Billing System**

#### **3.3.a Billing and Billing Agents**

The Sewer District’s largest billing agent is the City of Cleveland Division of Water. The City uses an automated meter reading (AMR) system to electronically record customer water usage. Meter read information is downloaded into the billing application from which bills are produced. All charges are due within 23 days of the date bills are generated. The other Sewer District billing agents follow a similar process.

#### **3.3.b Aggregated Billing Accounts**

Master meter accounts are for communities wherein the volume of sewage billed is determined based on master water or sewer meters. The bills of master meter communities are sent directly to the government entity responsible for providing the communities local sewer service. The Sewer District’s only master meter

community is the Village of Richfield. The Village of Richfield is billed directly by the Sewer District at 50% of the total metered sewer flow. The Village of Richfield directly bills and collects from their individual customers for local and Sewer District service.

Similarly, there are approximately 14,000 Summit County properties in our service area whereby Summit County is billed by the Sewer District for the total actual consumption and fixed fees for each property. Summit County directly bills and collects from their individual customers for local and Sewer District service.

## **Section 4 – Major Issues and Concerns**

### **4.1 Specific Issues**

The Sewer District has a documented history of enacting timely sewer rates that have provided the financial resources to finance the multibillion-dollar capital improvement program, operate and maintain the Sewer District and ensure its long-term financial health. Since 1994, this has been accomplished through implementing annual rate increases in every year except 2001 and 2002. These annual rate increases were all components of a series of five-year rate schedules that were enacted by the Board of Trustees.

However, we cannot assume that the approval of future rate increases will be a given. In today's economic climate it will be crucial for the Sewer District to have a strong case to present to our Board of Trustees. It is anticipated that there will be substantial pressure from a number of sources to limit future rate increases. The Sewer District is committed to continuing its multi-year capital improvement program and meeting its regulatory requirements; therefore, the selected consultant needs to be well aware of these factors and that future rate increases must be well documented and limited to the greatest extent possible. To develop a comprehensive financial plan covering the years 2027 through 2031, the following specific issues will need to be addressed in detail along with other issues that are typically addressed as part of any rate study project.

#### **4.1.a Current and Future Debt Levels**

The funding of the Capital Improvement Program is through a combination of sources: Water Pollution Control Loan Fund (WPCLF) loans, rate revenue, and revenue bonds. Currently the Sewer District has nearly \$866 million in outstanding revenue bonds and over \$995 million in subordinated low interest loans. Due to unfunded federal mandates and limited grant opportunities, the Sewer District's annual debt service payments will be in excess of \$127 million per year within the next ten years. Currently, the Sewer District is projecting utilizing cash and low interest loans to fund capital projects during the 2027 through 2031 rate period. The consultant will work with the Sewer District to develop the best financing plan to support the capital improvement program while minimizing the impact on the rates.

#### **4.1.b Affordability**

Investments to meet state and federal wastewater requirements are significant. When communities face large and sometimes multiple state and federal water mandates, the combined impact of the required expenditures is distributed among everyone in that community who pays a sewer and stormwater bill. For residents and businesses, capital and operating expenses associated with state and federal mandates are often reflected in sewer and stormwater bills that have grown faster than household incomes and the general rate of inflation. The Sewer District is aware that significant affordability challenges for all utilities may be present for lower income households.

The Sewer District will be looking to expand and/or enhance its existing affordability programs to mitigate these challenges. Consultants should review best practices in our industry and recommend enhancements to our existing programs that provide maximum benefit to our most vulnerable customers. In addition, an overview of the current impact and effectiveness of our cost savings programs, as compared to the last rate study, should be included. This should include documentation of the financial (such as impact on collection rates and other related data) and other benefits of these programs to the Sewer District and its entire customer base.

Finally, to the extent possible, consultants should assess the current economic climate to determine possible impacts to our customer base. The consultant should recommend a robust set of financial and other metrics to assess the impact on customers of any proposed rate changes.

#### **4.1.c Decline in Consumption**

Over the last ten years the Sewer District has experienced a steady decline in water consumption on an average of 1.5% annually. This decline in water consumption has a direct effect on the Sewer District as our monthly sewer service billings are based on metered water consumption.

#### **4.1.d Rising Operations and Maintenance Expenses**

As with other major utilities, the Sewer District is facing rising operating and maintenance expenses, which need to be factored into the development of any long-range financial plan. The Sewer District's O&M costs have increased an average of 3.1% over the last ten years but are currently projected to increase at an annual rate of 4.3%.

#### **4.1.e Long Term Control Plan and Future Rate Levels**

Since 1972, the Sewer District has invested more than \$3 billion in its capital improvement program. Over the next 10 years, the Sewer District will invest approximately \$1.7 billion in capital improvements, with \$877 million of Long-Term Control Plan projects and \$842 million in other capital projects. These projects will address both regulatory and renewal/replacement needs of the Sewer District's three wastewater treatment plants, the collection system, and other facilities.

#### **4.1.f Stormwater Construction Program**

Over the next 10 years, the Sewer District plans to invest approximately \$372 million in improvements to the regional stormwater system. The Stormwater Program is cash funded by policy (no debt is incurred to fund improvements).

The ten-year forecast includes an unevenly distributed cashflow with spikes in certain years due to several unusually large projects. The rate projections for Stormwater will need to consider these factors and balance project funding needs and customer impacts.

#### **4.1.g Rate and Price Elasticity Considerations**

Another issue regarding rates that should be examined in this study is relative to price elasticity. Specifically, the Sewer District would like to determine what impact our proposed rate increases and other fees, as well as other utility rate increases, have on water consumption. For example, what are the impacts of the City of Cleveland Division of Water projected water rate increases and other future charges? Does the fact that our rates are based on water consumption have an impact on water consumption? The issues need to be addressed and taken into account when forecasting consumption levels for the five-year study period.

#### **4.1.h Industrial Surcharge Program Expansion Evaluation**

The Sewer District currently has approximately 150 industrial users paying a surcharge for high strength wastewater, however there are likely facilities that discharge what the Sewer District considers high strength wastewater that do not pay a surcharge. For example, restaurants are in some cases releasing very high concentrations of the surcharge pollutants. Other wastewater utilities administer a "non-monitored" surcharge program where a small representative group of users in a defined classification (e.g. restaurants) are monitored and a class average for each surcharge pollutant for sewer system users in that industrial class is developed. A surcharge rate is then calculated based on the class average data and the Sewer District's rate formula and that rate is assessed to all users in the class.

The Sewer District has begun preliminary data collection on potential users within the food service establishment category. The Cuyahoga County Board of Health and the Cleveland Department of Public Health are responsible for licensing and inspecting these facilities. Records obtained indicate that there are more than 5,900 food-serving establishments operating in the Sewer District's

service area. This range includes everything from full-service restaurants to small snack bars.

Wastewater monitoring has been conducted at various representative facilities, including fast food restaurants, dine-in eateries, grocery stores that offer hot prepared foods, hotels with dining options, gas stations serving prepared meals, assisted living facilities, ice cream shops, coffee shops, and hospitals with cafeterias. The data collected from these establishments show that their wastewater discharges meet the Sewer District's criteria for high strength.

The District is seeking a study that focuses on this single class of food service establishments, as it will undoubtedly be the largest individual class that would fall into a non-monitored surcharge program. Any other classes that are identified could be added to the program after a program is established without significant added cost.

As a part of this study, the Sewer District seeks the following analysis:

1. An analysis of a representative group of similar sized utilities that utilize a non-monitored surcharge program for food service establishments. This should include identifying the categories of food service establishments in each respective program and the wastewater parameters surcharged;
2. An analysis of potential revenue that would be generated by such a program if one was implemented at the Sewer District;
3. An analysis of the impact such a new program's revenue would have on the existing rate structure to ensure that the costs of service are properly allocated among all Sewer District customers. The analysis should include a full cost of service analysis to demonstrate the impact of implementing such a program on the affected food service establishments, residential customers, and the currently surcharged customers; and,
4. An analysis of costs to implement such a program at the Sewer District with an estimate of the initial costs to implement (manpower, equipment,

modifications to billing systems, etc.) as well as an estimate of the annual costs to administer an established program.

#### **4.1.i Sewer Rate Structure Alternatives**

As outlined above, the Sewer District bills for sewer service based primarily on water usage with a fixed fee component. While there currently is no intent to change this basic billing structure, the Sewer District would like the consultant to conduct a workshop to outline the range of alternative billing structures/methods including but not limited to fixed charges based on property or other characteristics, modified consumption-based methods such as tiered rates based on usage, or other alternative fees or billing methods. The methods can be real life examples implemented by peer utilities or more academic or conceptual in nature, but the Sewer District seeks, as a matter of due diligence, to understand the universe of alternative billing methods and the impact each has on the equitable distribution of costs to customer classes, affordability impacts, revenue stability, ease of billing implementation and maintenance, and ease of customer comprehension.

### **Section 5 – Submittal Information**

#### **5.1 Statement of Qualifications**

Each firm seeking consideration for the performance of professional services related to rate study and affordability analysis must submit a Statement of Qualifications (SOQ) and separate Cost Proposal. The completed SOQ and Cost Proposal must be submitted via email by 4:00 p.m. June 13, 2025. Submittals received after 4:00 p.m. on June 13, 2025, will not be considered.

#### **5.2 Email Delivery**

SOQ and Cost Proposal shall be properly addressed with the subject “(Firm Name) - P-1520 - Statement of Qualification for Sewer and Stormwater Rate Study and Affordability Analysis.” The SOQ and Cost Proposal should be emailed to:

1. Kenneth J. Duplay, Chief Financial Officer [duplayk@neorsd.org](mailto:duplayk@neorsd.org)
2. Maridah Ahmad, Senior Finance Administrator [ahmadm@neorsd.org](mailto:ahmadm@neorsd.org)

### 5.3 Right to Reject

The Sewer District reserves the right to 1) reject any and all submittals, and 2) issue subsequent RFQs and/or RFPs. It is to be understood and agreed by the consultant that this RFQ does not obligate the Sewer District to pay any costs incurred by consultant in the preparation and submission of an SOQ, or a proposal or oral interview, if completed.

## Section 6 – Requirements

### 6.1 Mandatory Qualifications

The following qualifications are mandatory for firms/teams submitting proposals:

<b>Qualification #:</b>	<b>Qualification Description:</b>
<b>6.1.a</b>	Experience with water, sewer and stormwater cost of service studies and rate analysis.
<b>6.1.b</b>	Experience collecting and analyzing local economic and demographic data such as number of households, household income, housing cost burden, and local employment trends.
<b>6.1.c</b>	Experience assisting other communities or districts in developing CSO affordability analyses for a state or the federal EPA and in negotiating reasonable implementation schedules.
<b>6.1.d</b>	Experience assisting in analyzing local community economic data as part of an affordability analysis applying U.S. EPA guidance.
<b>6.1.e</b>	Compliance with the Equal Employment Opportunity Policy of the Sewer District.

<b>6.1.f</b>	Avoidance of personal and organizational conflicts of interest as prohibited by the State of Ohio and local law.
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**6.2 Proposal Format**

The proposal must conform to the format specified below. The Sewer District will make no reimbursement for the cost of developing or presenting proposals in response to the RFQ.

**A. Title Page**

Each proposal must contain a title page that identifies the RFQ number and subject and provides the consulting firm’s name, address, and telephone number; the name and title of a contact person; and the date the proposal was submitted.

**B. Table of Contents**

The proposal’s table of contents should include a clear and complete identification of the materials submitted by section and page number.

**C. Executive Summary**

In this section, provide an executive summary of your organization’s responses to the RFQ. The summary should identify the primary benefits to the Sewer District of retaining your organization. This section should clearly demonstrate the consultant understands the RFQ and has the qualifications to perform services associated with the project.

**D. Experience**

The consultant shall demonstrate its experience in providing professional services for projects of a similar scope, with satisfactory reference verifications. The consultant shall provide detailed information describing a maximum total of five (5) past projects completed within the last five years that demonstrate the consultant’s ability to successfully provide the services requested in the RFQ and

its ability to work effectively with public agencies similar to the Sewer District. For each reference provide a contact name, telephone number and e-mail address. The Sewer District may, at its discretion, contact clients on this list to discuss the consultant's performance. Identify key staff who were involved in execution of the project.

#### **E. Approach to Project**

The consultant must present its approach to performing a comprehensive cost of service and rate analysis and affordability analysis for sewer and stormwater services. A description of any special expertise, resources, or innovative practices the consultant intends to use should also be included. Provide the proposed technical approach to complete the rate study and affordability analysis project.

#### **F. Project Team Qualifications**

The consultant should provide an overview of the proposed project team. The firm or project team must possess sufficient previous experience in developing water, sewer and stormwater cost of service studies and rate analysis, experience collecting and analyzing local economic and demographic data such as number of households, household income, housing cost burden, and local employment trends, experience assisting other communities or districts in developing CSO affordability analyses for a state or the federal EPA, and in negotiating reasonable implementation schedules and experience assisting in analyzing local community economic data as part of an affordability analysis applying U.S. EPA guidance.

This section should describe in detail the project team that will be responsible for the completion of this study. It should include the qualifications of key staff as well as specific roles and responsibilities. Detailed resumes for all team members should also be included.

#### **G. Cost Proposal**

The consultant must provide, *in a file separate from the other portions of*

the SOQ, a detailed Cost Proposal. This Cost Proposal should present the firm’s proposed total project cost including travel or any other expenses. This must include a completed version of the provided pricing matrix and outline the hours and hourly rates for anticipated staff required to complete the Sewer District defined project tasks.

**Section 7 – Project Schedule**

<b><i>Due Date:</i></b>	<b><i>Item Description:</i></b>
May 1	Issue Request for Qualifications Distribution
May 16	Questions Due
May 23	Sewer District Response to Questions
June 13 @ 4pm	Statements of Qualifications Due
June 13 – June 27	Statements of Qualifications Evaluated
July 7 – July 11	Interviews if Necessary & Final Scoring
August 7	Anticipated Board Approval
September 1	Anticipated Start Date
December	Anticipated Draft Report
January 2026	Anticipated Final Report

*Note: Schedule subject to change.*

**Section 8 – Evaluation and Selection Process**

**8.1 Evaluation of Statements of Qualifications**

The Sewer District and any outside experts the Sewer District considers necessary will evaluate the proposals. All timely SOQ’s received will be reviewed and evaluated by Sewer District staff. The SOQ’s will be ranked from highest to lowest based on the criteria below. Depending on the qualifications submitted, the Sewer District may ask for a presentation of qualifications.

## **8.2 Interviews**

The Selection Committee may select one or more firms to be interviewed, based wholly on qualifications. If selected, key members of the firm's proposed team should be available for a virtual interview during the week of July 7 to July 11, 2025. After selection, and following the conclusion of interviews, the evaluation committee will rank in order of preference, those firms whose proposals are deemed most qualified.

## **8.3 Pass/Fail Screening Criteria**

Proposals must be in compliance with the following pass/fail criteria to receive additional consideration:

- A. Experience with water, sewer and stormwater cost of service studies and rate analysis
- B. Experience collecting and analyzing local economic and demographic data such as number of households, household income, housing cost burden, and local employment trends.
- C. Experience assisting other communities or districts in developing CSO affordability analyses for a state or the federal EPA and in negotiating reasonable implementation schedules.
- D. Experience assisting in analyzing local community economic data as part of an affordability analysis applying U.S. EPA guidance.
- E. Compliance with the Equal Employment Opportunity Policy of the Sewer District.
- F. Avoidance of personal and organizational conflicts of interest as prohibited by the State of Ohio and local law.

## Section 9 – RFQ Scoring Criteria

### 9.1 Criteria

SOQ's that comply with the above will be scored based upon the criteria presented below. If no interviews are conducted the results of this evaluation will represent 100% of the final score. If necessary, selected firms will be interviewed and scored based on the quality of the presentation. In this case the results of the SOQ evaluation will represent 75% of the final score and the scoring of the interview will represent 25% of the total final score.

Scoring Criterion # & Detail	% of Total Score	Scoring based on consideration of the following:
<b>I. Experience, qualifications, and commitment of proposed key project personnel</b>	<b>40%</b>	<ul style="list-style-type: none"> <li>✓ The experience and capacity of proposed project team. Key project personnel must have held responsible project positions for similar projects.</li> <li>✓ The ability of the firm to provide appropriate back-up personnel for key project positions.</li> <li>✓ The degree to which the project personnel and team bring experience in the full range of skills needed to accomplish the services requested, i.e. expertise in all areas.</li> <li>✓ The specific commitments made in the proposal for staffing key project positions, including percentage of Project Manager's time dedicated to the project.</li> </ul>
<b>II. Experience and past performance of the firm on similar projects/programs/efforts within the last five years</b>	<b>35%</b>	<ul style="list-style-type: none"> <li>✓ The firm's experience in conducting projects of similar nature and complexity.</li> <li>✓ The ability of the firm to draw upon this experience to benefit the project.</li> <li>✓ The firm's history of innovations in applicable project areas.</li> </ul>

<b>III. Method of accomplishing the proposed project</b>	<b>20%</b>	<ul style="list-style-type: none"> <li>✓ Proposed approach for completion of rate study and affordability analysis</li> <li>✓ Understanding of the services requested.</li> <li>✓ Appropriate project financial and management controls.</li> <li>✓ The provided rate modeling tool/software will be user friendly and adaptable to be used for future Sewer District projections.</li> </ul>
<b>IV. Written quality of the Statements of Qualifications</b>	<b>5%</b>	<ul style="list-style-type: none"> <li>✓ Scoring will consider the responsiveness of the SOQ to the requests and requirements of the RFQ. Additionally, SOQ's are expected to be organized, concise, and well written.</li> </ul>

## **Section 10 - Administrative Acknowledgments**

### **10.1 Ethics Statement**

By submitting a Statement of Qualifications in response to this RFQ, I acknowledge, on behalf of the entity submitting this proposal, that I have familiarized myself with the Sewer District's Code of Ethics which is located on the Sewer District's web page and certify that, to the best of my knowledge, there is no conflict of interest involving my entity and that I have authority to make such certification. I understand that any conflict or potential conflict of interest must be reported to the Sewer District's contact person for this request for qualifications in writing prior to the submission of the Statement of Qualifications. I further understand that conflict of interest or potential conflict of interest information may be considered by the Sewer District in evaluating a proposal response.

### **10.2 Acknowledgement**

By submitting a proposal, the Consultant warrants that it understands and acknowledges that the Sewer District is a governmental entity established under Ohio Revised Code 6119 and shall not propose any contract terms that would require the Sewer District to indemnify the Consultant. Consultant further agrees that any

resulting contract from this RFQ shall be governed by and interpreted according to the laws of the State of Ohio.

### **10.3 Confidentiality**

The Sewer District is subject to Ohio Public Records laws. Consultants shall clearly mark any portion of its proposal, including the appendix items, as CONFIDENTIAL, PROPRIETARY, or TRADE SECRET PROTECTED that Consultant deems as such.

**END OF RFQ**