

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
(MWDOC)**



REQUEST FOR PROPOSALS

TO PROVIDE

ACTUARIAL SERVICES

(RFP No. FIN0425-001)

Proposals Due by 5:00PM,

May 16, 2025

Website: www.MWDOC.com

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SECTION 1 - NOTICE TO PROPOSERS

1. Proposals for RFP No. FIN0325-002 – Actuarial Services, as described herein, will be received by mail or email and must be received by Municipal Water District of Orange County (MWDOC) by **5:00 p.m. on May 16, 2025.**
2. Proposals being mailed shall be enclosed and sealed in an envelope, clearly marked **RFP No. FIN0425-001**, on the outside of the envelope, and mailed to:

**Municipal Water District of Orange County
Attn: FINANCE DEPARTMENT
P.O. Box 20895
Fountain Valley, CA 92728**

3. Proposals being emailed must have the subject line of the email read: **Proposal – RFP No. FIN0425-001 – [Insert Proposer's Name]** and emailed to:

hchumpitazi@mwdoc.com
4. It is the Proposer's sole responsibility to ensure that their proposal, inclusive of any or all addenda, is received at the proper place by the deadline. Postmarks will not validate proposals which arrive after the deadline listed above. Faxed proposals will not be accepted. Any proposal received after the deadline will be disqualified and not considered.
5. To facilitate the evaluation process, all mailed proposals must include **five (5) printed copies of the proposal**. If the proposal is emailed it shall be in PDF format, with search capability, to ensure readability and compatibility. All submitted material will be retained by MWDOC and considered public information. Be advised that all information contained in proposals submitted in response to this solicitation may be subject to the California Public Records Act (Government Code Section 6250 et seq.).
6. **Any questions as to the meaning of the scope of work, proposal requirements or selection process must be submitted in writing and shall be directed to:**

Hilary Chumpitazi
hchumpitazi@mwdoc.com

To be given consideration, **questions must be received by 5:00 p.m. on May 02, 2025.** All questions asked by Proposers and answers provided in response will be posted to MWDOC's website at <http://www.mwdoc.com/business/rfp>.

7. Under no circumstances may the Proposer contact any other staff member or Board Member of MWDOC or its member agencies to discuss this RFP or clarify any requirements herein. Failure to comply with this requirement may be grounds for immediate disqualification.

SECTION 2 – INTRODUCTION AND OVERVIEW

1. PURPOSE OF THE REQUEST FOR PROPOSALS

The Municipal Water District of Orange County (MWDOC) is seeking proposals from qualified professional actuarial firms to serve as MWDOC's retained independent actuary to perform actuarial consulting services to value Other Post-Employment Benefits (OPEB) in compliance with Governmental Accounting Standards Board Statement No. 75 (GASB 75) for inclusion in the District's Annual Report as of June 30, 2025.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

2. DISTRICT OVERVIEW

MWDOC is a wholesale, imported water supplier and resource planning agency as well as a Member Agency of the Metropolitan Water District of Southern California (MET). Formed on January 11, 1951, pursuant to the Municipal Water District Act of 1911 (Water Code Section 71000 et seq.) for the expressed purpose of importing MET water to Orange County, excluding the original three MET Member Agencies (cities of Anaheim, Fullerton and Santa Ana). Beyond the provision of MET water, our efforts focus on sound planning and appropriate investments in water reliability, water supply development, water use efficiency, public information, legislative advocacy, water education and emergency preparedness.

MWDOC purchases imported water through MET and delivers this water to its 26 member agencies (local water districts and city water departments), which provides retail water services to the public. MWDOC is governed by a Board of Directors consisting of seven elected board members and has four appointed MET directors. From among its members, the Board appoints a president, vice president and such other positions as it deems necessary. District operations are managed by an appointed General Manager.

MWDOC's operating revenue stream comes from a fixed retail meter customer charge and a groundwater customer charge since fiscal year 2015-16. In addition, there are Choice services that are charged directly to the agencies as a "fee for service" on a subscription basis and grant funding (local, state and federal) that is primarily used as a pass thru for customer rebate funds.

For more information, please visit our website at www.mwdoc.com.

3. BACKGROUND

Effective October 1, 2011, the District established a Post-Retirement Healthcare Plan (Health Plan) and has contributed to an IRC Section 115 Irrevocable Exclusive Benefit Trust for the pre-funding of post-employment health care costs. Currently, the District provides health benefits for employees, retirees, and their dependents with a choice of medical plans through the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority. Employees and retirees select from the same plans. Retired employees (hired prior to July 1, 2012) who

are at least 55 years of age are eligible for these health and welfare benefits based on their years of full-time accrued service. There are two benefit tiers for the years of accrued service:

Tier 1: Employees retiring with a minimum of 10 consecutive years of full-time service with the District, earn medical coverage on the following terms: The District will pay for Retiree only or couples' coverage on the same basis as active employees. Retiree and spouse/domestic partner have the option to continue dental and vision benefits at their own cost and COBRA coverage is offered. Upon becoming Medicare eligible, the retiree must enroll and transition to Medicare coverage. The District will reimburse retiree only up to the annual cap of \$3,080.82 for a Medicare Advantage Plan, a supplemental Medigap insurance policy, Medicare Prescription Drug Insurance or Medicare Part B coverage. If a spouse or domestic partner survives a retiree, their coverage will continue until remarriage, enrollment in another plan or becoming Medicare eligible.

Tier 2: Employees retiring with a minimum of 25 consecutive years of full-time service with the District earn medical, dental and vision benefits on the following terms: The District will pay for retiree only or couples coverage on the same basis as active employees. The District pays the following for dental and vision coverage: Dental for retiree only 90%; couples coverage 80%. Vision coverage for retiree only 100%; couples coverage 80%. Retirees and their spouses/domestic partner are required to enroll in Medicare Parts A and B upon eligibility. The District will reimburse for Medicare Part B for both retiree and their eligible spouse/domestic partner. If a spouse or domestic partner survives a retiree, their coverage will continue until remarriage or enrollment in another plan.

The following guidelines apply to both tiers:

1. The District does not make contributions to Health Savings Accounts on behalf of retirees.
2. Reenrollment is not permitted if a retiree discontinues medical coverage.
3. Annual open enrollment is not permitted for retirees.
4. Reimbursement requires proper verification and is made on a quarterly to yearly basis.

Employees hired on or after July 1, 2012 are ineligible for District-paid retiree health benefits. Plan benefits and contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors.

The following parties are responsible for administration of the Health Plan:

- Public Agency Retirement Services (PARS) serves as Trust Administrator and Consultant
- US Bank serves as Trustee, and
- PFM Asset Management (PFMAM) serves as Investment Manager

4. PROJECT TIMELINE

The following table identifies and estimates the dates/timeframe for receipt, evaluation, and award.

Description	Date
Release of RFP to Vendors	April 23, 2025
Deadline for Written Questions Regarding RFP	May 02, 2025
Proposal Due Date	May 16, 2025
Proposal Review	May 19, 2025
<i>Vendor Interviews (Tentative, if needed)</i>	<i>To be determined</i>
Vendor Selections	May 26, 2025
Contract Execution	June 2025

SECTION 3 – SCOPE OF SERVICES

MWDOC seeks actuarial services for the valuation of OPEB offered by MWDOC. The contract could be up to five (5) years. The primary objectives for this actuarial evaluation include:

- Ensure compliance with GASB Statement 75
- Determine OPEB related valuation and roll-forward data beginning June 30, 2025
- Prepare necessary information for inclusion in the MWDOC's audited financial statements for each fiscal year
- Assist in implementing any new GASB statements and other financial pronouncements related to OPEB and provide ongoing professional consultation

SECTION 4 – PROPOSAL REQUIREMENTS

1. The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake this opportunity. The proposal shall include a sample actuarial report with at a minimum, the following information:
 - a. Approach and methodology for the valuation, to include compliance with GASB standards
 - b. Data requirements from MWDOC
 - c. Schedule for project completion and issuance of report
 - d. Valuation report elements to include:
 - i. Actuarial present value of total projected benefits
 - ii. Actuarial accrued liability

- iii. OPEB assets
 - iv. Unfunded actuarial accrued liability
 - v. Normal Cost
 - vi. Annual required contribution as a dollar amount and as a percentage of payroll
 - vii. Annual OPEB cost
 - viii. Net OPEB obligation
 - ix. Summary of data used for the valuation
 - x. Summary of actuarial methods and assumptions
 - xi. Financial notes to be included in the District's audited financial statements in the GASB prescribed format
- 2. The proposal should provide a list of key personnel who will participate in the engagement including their experience, actuarial credentials, and each individual's relevant experience with municipalities and preparing OPEB actuarial valuations.
 - a. The proposal should provide a brief description of your firm and its relevant government experience in the area of actuarial valuation services related to OPEB.
 - b. The proposal should describe any engagement which may interfere with your firm's ability to provide independent and unbiased advice to MWDOC. Provide a brief description of any litigation pending against your firm. In addition, describe any public finance transaction during the past five (5) years in which your firm, if applicable, was removed or asked to resign from an assignment/project.
- 3. Client References
 - a. List the most significant engagement (maximum of three) performed in the last two (2) years that are similar to the engagement described in this request for proposal. Indicate the scope of work, date, and name and telephone number of the principal client contact.
- 4. Tell us why your firm should be selected to provide these services and provide an affirmative statement that you would be able to complete the actuarial report and supplemental by August 30, 2025.
- 5. Standard Agreement for Consultant Services
 - a. A copy of MWDOC's Standard Agreement for Consultant Services is included as Exhibit A. Please review this agreement and identify any issues/concerns/edits your firm would need if selected for this work. Also indicate if you have cyber liability insurance coverage.
- 6. Provide the proposed cost of services for up to five (5) years of service.

SECTION 5 – SELECTION PROCESS

Proposals submitted will be evaluated by an evaluation committee. Staff will review each proposal for completeness and comprehensiveness, experience of the firm, professional qualifications and costs of services provided.

Based on review of the proposals, staff will present a recommendation to the General Manager. Following notification of the firm selected, it is expected that an engagement agreement will be executed between both parties. Proposing firms should note that the lowest bid will not necessarily be the deciding factor in MWDOC's selection.

MWDOC reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected. MWDOC reserves the right to reject any and all proposals.