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6/25/2020

TO: Local Agency Formation Commission

FROM: Gary Thompson, Executive Officer

SUBJECT: PROFESSIONAL SERVICE AGREEMENT AMENDMENT FOR THE
MURRIETA FOCUSED MUNICIPAL SERVICE REVIEW WITH WEST
YOST ASSOCIATES

On December 6, 2018, the Commission awarded a not to exceed contract in the amount of \$255,862 to West Yost Associates for performing a Focused Municipal Service Review (FMSR) for a specified area within the City of Murrieta (City). The purpose of the FMSR is to ascertain water service delivery infrastructure requirements, costs and financing requirements, and revenue and rate projections necessary for the City to plan for future redevelopment and new development within a designated area of the City of approximately 4,018 acres (Study Area). As several water agencies provide service and infrastructure into the Study Area, or are adjacent to the Study Area, the City had requested this FMSR in order to assist in determining the most cost effective provision of retail water service, and required infrastructure, for residential and commercial current and future customers within the Study Area.

The City, Eastern Municipal Water District (EMWD), Western Municipal Water District (WMWD) and Rancho California Water District (RCWD) agreed to jointly fund the full cost of the FMSR equally. A Funding Participation Agreement was entered into between the four agencies and LAFCO for purposes of LAFCO retaining the consultant and managing the FMSR process.

Subsequent to the initial commencement of the project, several issues have arisen that have required additional effort on the part of the consultant team that were not anticipated in the original Scope of Work. On April 30, 2020 West Yost Associates submitted the attached request for a Contract Amendment for the additional costs associated with this unanticipated work effort.

During the course of developing the infrastructure and financial analysis, additional unanticipated work has been necessary on

the part of the consultant in adjudicating and quantifying various differences in the approaches and assumptions the three service provider agencies were proposing. Several additional joint meetings were necessary with the agencies, consultant and LAFCO staff, to discuss, resolve, and come to agreement on policy items that would influence the analysis in order to achieve as close as possible an apples to apples comparison of service provision and costs by the agencies. It is critical to this analysis to ensure that universal agreement on all assumptions and data utilized for the analysis is achieved to the greatest extent possible, understanding that there may not be universal agreement between the three service agencies for aspects of the analysis.

The West Yost Associates request also includes what staff agrees are additional costs associated with LAFCO generated added work, specifically two additional public meetings.

The first additional public meeting was the additional project kick-off presentation held on July 17, 2019 deemed necessary due to the significant amount of the public attending the initial presentation on April 25, 2019. It was estimated that over 200 members of the public attended, and the venue provided by the City could not accommodate everyone. Although a second presentation was conducted that evening after the first one for those that could not get into the building, many had left. Staff believes that no one anticipated such a large turnout for this presentation. Additionally, there was a communication lapse concerning methods of public noticing of the initial presentation. The original contract Scope of Work did not directly specify responsibility for the consultant to arrange public notice for the kickoff meeting presentation, only to conduct the meeting and presentation. The Scope of Work specifically identified LAFCO as the meeting host. It was staff's understanding at that time that the agencies involved would ensure that they were providing sufficient public noticing of this presentation for their constituencies. Staff determined later that the noticing actually provided was inadequate, and the generation of the large public turnout was primarily driven by email communications from residents within the City. However, in light of the confusion, staff has negotiated with West Yost a reduced cost for the second project kick off meeting held on July 17, 2019.

The second additional public meeting would be held at a date to be determined after release of the final draft FMSR and analysis for public comment prior to bringing it forward to the

Commission for presentation. Because of the significant public interest in this project, staff deems it appropriate for a formal presentation of the FMSR and analysis in the City to receive that public comment. It is unclear at this point when that may occur, driven mainly by the COVID-19 situation and the issue of large public gatherings.

The proposed Contract Amendment also includes an extension of the Term to December 31, 2020 in order to accommodate the additional time required to complete the FMSR process, inclusive of the afore-mentioned additional analysis requested by the agencies. Additionally, with the onset of the COVID-19 issue, and the significant restrictions on public gatherings that are still in place, scheduling the second public meeting intended to be held in the City prior to bringing the FMSR forward to the Commission is currently in a state of flux.

The total cost of the requested Contract Amendment is not to exceed \$53,995. A detailed breakdown of the additional cost is outlined in the West Yost Associates Contract Amendment Request attached. A breakdown of the cost allocation to each agency and LAFCO is shown below. The total not to exceed cost of the Contract will be \$309,857.

The Contract Amendment, and the Original Contract are attached for reference.

In addition to the Contract Amendment, it is necessary to amend the original Funding Participation Agreement (Agreement) between LAFCO, and the City, EMWD, RCWD and WMWD. The Amendment to this Agreement reflects the breakdown of the additional cost allocation of the Contract Amendment to each participant as follows:

City of Murrieta-	\$6,850
Eastern Municipal Water District-	\$6,850
Rancho California Water District-	\$6,850
Western Municipal Water District-	\$12,594
LAFCO-	\$20,851

The term of the Agreement is also amended to expire on December 31, 2020.

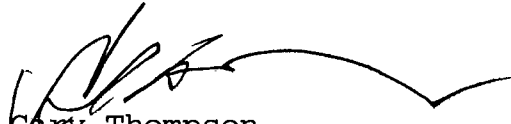
The City, EMWD, WMWD and RCWD have agreed to and have signed the Agreement Amendment.

The Agreement Amendment and the original Agreement are attached for reference.

It is recommended that the Commission:

1. Approve the Contract Amendment with West Yost Associates
2. Approve the Funding Participation Agreement Amendment

Respectfully Submitted,



Gary Thompson
Executive Officer

Attachments:

- 1) Amendment to Focused MSR Contract with West Yost Associates
- 2) West Yost Associates Contract Amendment Request
- 3) Original Focused MSR Contract with West Yost Associates
- 4) Amendment to the Funding Participation Agreement between LAFCO and the City, EMWD, WMWD and RCWD
- 5) Original Funding Participation Agreement between LAFCO and the City, EMWD, WMWD and RCWD

Amendment to FMSR Contract with West Yost Associates

1 FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE
2 RIVERSIDE LOCAL AGENCY FORMATION COMMISSION AND WEST YOST
3 ASSOCIATES
4

5 This FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN
6 THE RIVERSIDE LOCAL AGENCY FORMATION COMMISSION AND WEST YOST
7 ASSOCIATES, entered into this ____ day of _____, 2020 is made and entered, by and between
8 the Riverside Local Agency Formation Commission, a commission created within the County of
9 Riverside by the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act
10 of 2000, set forth in Government Code section 56000 et seq. (herein referred to as "LAFCO"), and
11 West Yost Associates (herein collectively referred to as the "CONTRACTORS").

12 RECITALS

13 A. CONTRACTOR and LAFCO (herein referred to as Parties) entered into that certain
14 Professional Services Agreement dated March 22, 2019, (the "Original Agreement") pursuant to
15 which CONTRACTOR was to prepare a Focused Municipal Service Review (FMSR) report for a
16 specified area within the City of Murrieta for provision of retail water services; and

17 B. LAFCO has received a requested modification to the Original Agreement with
18 CONTRACTOR (Exhibit A attached hereto) for additional work required to be performed which
19 was identified during the performance of the Original Agreement; and

20 C. The request has been reviewed and found the additional work to be necessary for
21 ensuring the technical accuracy and objectivity of the FMSR, and to allow for enhanced public
22 participation in the process; and

23 D. Parties now desire to amend the Original Agreement to fund the additional work and
24 to extend to completion schedule through December 31, 2020.

25 NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto
26 agree as follows:

27 1. Paragraph 2.1 of the Original Agreement is hereby amended to read as
28 follows:

1 Unless terminated as specified in Section 8 TERMINATION, or Section 3.3, this
2 Agreement shall be effective upon execution and continue in effect through
3 December 31, 2020. Extension of this Agreement shall require mutual written
4 consent by the CONTRACTOR and LAFCO and shall be considered an amendment
5 to this Agreement to be processed in accordance with Section 10 ALTERATION.
6 CONTRACTOR shall commence performance of requested services upon
7 notification and shall diligently perform such services.

8 2. Paragraph 3.1 of the Original Agreement is hereby amended to read as
9 follows:

10 LAFCO shall pay CONTRACTOR for services performed and expenses incurred in
11 accordance with the terms of the "West Yost Fee Table" attached hereto as Exhibit
12 B and incorporated herein, and inclusive of the additional fees delineated in the
13 attached Exhibit "A" of this First amendment to the Original Agreement. Maximum
14 payments by LAFCO to CONTRACTOR shall not exceed \$309,857. LAFCO is not
15 responsible for any fees or costs incurred above or beyond contracted amount and
16 shall have no obligation to purchase any specified amount of service or products.

17 E. FIRST AMENDMENT TO PREVAIL. The provisions of this First Amendment shall
18 prevail over any inconsistency or conflicting provision of the Original Agreement, as heretofore
19 amended, and shall supplement the remaining provisions thereof. Any capitalized terms shall have
20 the meaning defined in the Original Agreement, unless defined herein or context requires otherwise.

21 F. MISCELLANEOUS. Except as amended or modified herein, all terms of the
22 Original Agreement shall remain in full force and effect. If any provisions of this First Amendment
23 shall be determined to be illegal or unenforceable, such determination shall not affect any other
24 provision of the Original Agreement and all such other provisions shall remain in full force and
25 effect.

26 G. EFFECTIVE DATE. This First Amendment shall not be binding or consummated
27 until it is fully executed by the parties hereto.

28 //

1 **IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representatives to
2 execute this Agreement.

3 //

4 **Riverside Local Agency Formation Commission**

5

6

7 Print Name:

8 Title:

9 Date:

10

11 **West Yost Associates**

12

13

14 Print Name:

15 Title:

16 Date:

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FORM APPROVED LEGAL COUNSEL

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BY: Tiffany North

DATE

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West Yost Associates Contract Amendment Request



April 30, 2020

Project No.: 868-40-19-01

SENT VIA: EMAIL

Gary Thompson
Executive Officer
Riverside LAFCO
6216 Brockton Avenue, Suite 100
Riverside, CA 92506

SUBJECT: Proposal for Focused Water Municipal Service Review Murrieta Area Additional Services

Dear Mr. Thompson:

Thank you for the opportunity for West Yost Associates (West Yost) to provide consulting services to Riverside LAFCO for the Focused Water Murrieta Area Municipal Service Review. During the continued course of the project, our team has been requested to facilitate a second public kickoff meeting and some additional agency meetings. Through the additional agency meetings and coordination, additional hydraulic and financial scenarios were requested to be analyzed and modeled. West Yost has also been asked to budget for an additional public meeting at the conclusion of the Municipal Service Review report. The additional services are detailed in the attached Exhibit A and Budget Matrix.

We understand the importance of this sensitive project and are grateful for the opportunity to serve the Agency. Upon your review of this proposal, please feel free to contact me at (949) 517-9062 or sdopudja@westyost.com with any questions.

Sincerely,

WEST YOST ASSOCIATES

A handwritten signature in blue ink, appearing to read "Stephen Dopudja", is written over a light blue horizontal line.

Stephen Dopudja, PE
Vice President

Exhibit A: Scope of Work

Exhibit B: Fee Schedule

Exhibit A

Focused Water Municipal Service Review Murrieta Area Additional Services

TASK 1. PROJECT MANAGEMENT – WEST YOST ASSOCIATES

Due to the additional requested tasks and effort, the West Yost team were required to provided additional overall project management services.

Deliverables: Deliverables under this task are merged with the other deliverables in this project.

Additional Kick-off Meeting.

The West Yost team were requested to attended and presented at the client-requested Additional Kick-off Meeting held on July 17, 2019 in Murrieta.

Deliverables: Attendance by the West Yost team and presentation at the July 17, 2019 Additional Kick-off Meeting.

Utility Requested Review Meeting: RCWD

The West Yost team prepared for, attended, and presented at a utility-requested meeting to review the draft financial analysis spreadsheets in person.

- January 22, 2020 at Rancho California Water District

Deliverables: Attendance and presentation of the financial model at a utility-requested meeting.

Utility-Requested Review Meeting: EMWD

The West Yost team prepared for, attended, and presented at a utility-requested meeting to review the draft financial analysis spreadsheets in person.

- January 23, 2020 at Eastern Municipal Water District

Deliverables: Attendance and presentation of the financial model at a utility-requested meeting.

Utility-Requested Review Meeting: WMWD

The West Yost team prepared for, attended, and presented at one utility-requested meeting to review the draft financial analysis spreadsheets in person. This meeting includes:

- February 4, 2020 at Western Municipal Water District

The West Yost team also attended a meeting with the City of Murrieta to obtain information on proposed development in the Study Area.

The West Yost team also participated in a follow up `meeting via conference call:

- March 26, 2020 with Western Municipal Water District

Deliverables: Attendance and presentation of the financial model at one utility-requested meeting, and attendance at meeting with the City of Murrieta. Participation in one utility-requested follow up conference call.

Exhibit A

Focused Water Municipal Service Review Murrieta Area

Additional Services

Additional Public Meeting in Murrieta

Due to the high level of community interest in this project, LAFCO has requested an additional public meeting in Murrieta. The date of this meeting will be determined at a later date but would be prior to the presentation to the LAFCO Board included in the scope as Meeting #5. Our scope includes:

- The West Yost team will travel to, attend, and present at a public meeting to be held in Murrieta.
- The West Yost team will prepare a presentation outlining the findings of our Murrieta Municipal Service Review analyses.

Deliverables: Attendance and presentation at the public meeting. Preparation of the final FMSR presentation for the public meeting.

TASK 2. DATA GATHERING

No amendment requested.

TASK 3. SUPPLY/INFRASTRUCTURE ANALYSIS

The West Yost team were requested to provide an additional level of effort. The requested effort is described below.

Additional Analyses

Additional analyses were requested by WMWD for a 2,000 Acre Feet per Year (AFY) groundwater production scenario. This alternative was modeled exclusively at the request of WMWD to determine the hydraulic impacts, infrastructure requirements and if there would be improved rate benefits for WMWD customers in the Murrieta Study Area from increased groundwater production versus imported water.

The estimated cost for the hydraulic and infrastructure analysis was \$1,594 and is included in Task 3.1 Hydraulic Analysis shown in Exhibit B, Fee Schedule. This cost for this specific alternative will be reimbursed by WMWD.

TASK 4. FINANCE/OPERATIONS/SERVICE/COST ANALYSIS – (BY FG SOLUTIONS, INC.)

In conjunction with the additional effort outlined above, the West Yost team were requested to provide an additional level of effort. The requested effort is described below.

Additional Analyses

During the course of the project, additional analyses were requested by the utilities. These additional analyses included:

Exhibit A

Focused Water Municipal Service Review Murrieta Area Additional Services

- A partial restructuring of the EMWD ownership scenario financial analysis based on more current utility information and policy direction. Specifically, this was the change from O&M expenses based on meter equivalents to O&M expenses based on water demands.
- Additional scenario from RCWD involving a revenue-neutral rate surcharge. The additional work included extracting projected ad valorem tax revenue from the subset of Study Area customers that are WMWD customers and restructuring the financial analysis formulas and graphs to accommodate.
- Revisions to WMWD-initiated capital expenditure costs and schedules.
- The number of funding mechanism variables and policy differences among the agencies was greater than anticipated. The requested analysis of these variables has increased the level of effort required to complete the financial analysis.
- Receipt of updated data that will require (a) recalculation of water rate revenues, expenses, projected financial impacts under all scenarios, (b) revising all graphs resulting from the financial analysis, and (c) revising financial model documentation:
 - Revised water supply projections including updated local water production volumes.
 - Obtaining concurrence on the amount of local water production to assume in this analysis, an issue where there is potential disagreement between agencies.
 - Revised metered consumption projections.
 - Updated number of existing connections by meter size in the Study Area.
 - Updated O&M expense projections.
 - Receipt of updated draft MWD long-range financial plan.
 - Additional analyses were requested by WMWD for a 2,000 Acre Feet per Year (AFY) groundwater production scenario. This alternative was modeled exclusively at the request of WMWD to determine the hydraulic impacts, infrastructure requirements and if there would be improved rate benefits for WMWD customers in the Murrieta Study Area from increased groundwater production versus imported water.

The estimated cost for the financial and rate analysis was \$4,150 and is included in Task 4.9 Additional Analysis shown in Exhibit B, Fee Schedule. This cost for this specific alternative will be reimbursed by WMWD.

Deliverables: These additional analyses will be incorporated into the financial analysis deliverables and the report.

TASK 5. SERVICE AREA BOUNDARIES ANALYSIS

No amendment requested.

Exhibit A

Focused Water Municipal Service Review Murrieta Area

Additional Services

TASK 6. SUMMARY REPORT AND RECOMMENDATION

No amendment requested.

Exhibit B

[illegible]

Original FMSR Contract with West Yost Associates

Professional Service Agreement between the Riverside Local
Agency Formation Commission and West Yost Associates

This Professional Services Agreement ("Agreement"), made and entered into this 22nd day of March, 2019 by and between West Yost Associates (herein referenced to as "CONTRACTOR"), and the Riverside Local Agency Formation Commission, a commission created within the County of Riverside by the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization act of 2000, set forth in Government Code section 56000 et seq. (herein referred to as "LAFCO").

WHEREAS, Government Code Section 56375 authorizes LAFCO to contract for professional services with a person who is trained and experienced, and who is competent to perform the services required so as to carry out and effect the functions of the commission; and

WHEREAS, CONTRACTOR has the expertise, special skills, knowledge and experience to perform tasks set out herein; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Description of Services

1.1 CONTRACTOR at the request of LAFCO shall analyze and prepare a Focused Municipal Service Review of Water Service in the Murrieta Area as outlined and specified in the Scope of Work attached hereto as Exhibit A, consisting of four (4) pages, and by this referenced incorporated herein.

1.2 CONTRACTOR represents and maintains that it is skilled to perform all services; duties and obligations required by this Agreement to fully and adequately complete the project. CONTRACTOR shall perform the services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR further represents and warrants that it has all licenses, permits, qualifications and approvals of whatever nature is legally required to practice its profession/service.

CONTRACTOR further represents that it shall keep all such licenses and approvals in effect during the term of this Agreement. Contractor is not to perform services for LAFCO outside of this Agreement.

2. Period of Performance

2.1 Unless terminated as specified in Section 8 TERMINATION or Section 3.3, this Agreement shall be effective upon execution and continue in effect through December 31, 2019. Extension of this Agreement shall require mutual written consent by the CONTRACTOR and LAFCO and shall be considered an amendment to this Agreement to be processed in accordance with Section 10 ALTERATION. CONTRACTOR shall commence performance of requested services upon notification and shall diligently perform such services.

3. Compensation

3.1 LAFCO shall pay CONTRACTOR for services performed and expenses incurred in accordance with the terms of the "West Yost Fee Table" attached hereto as Exhibit B and by this reference incorporated herein. Maximum payments by LAFCO to CONTRACTOR shall not exceed \$255,862. LAFCO is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of service or products.

3.2 Said compensation shall be paid in accordance with an invoice submitted to LAFCO by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and LAFCO shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payments are to be made to West Yost Associates.

3.3 It is mutually agreed and understood that the obligation of LAFCO is limited by and contingent upon the availability of LAFCO funds for the reimbursement of CONTRACTOR'S fees. In the event that such funds are not forthcoming for any reason, LAFCO shall immediately notify CONTRACTOR in writing and this Agreement shall be deemed terminated and have no further force and effect immediately on receipt of LAFCO'S notification by CONTRACTOR. In the event

of such termination, CONTRACTOR shall be entitled to reimbursement of its costs in accordance with Section 8 TERMINATION.

4. Assignment

CONTRACTOR shall not delegate or assign any interest in this Agreement, and shall not transfer any interest in the same, whether by operation of law or otherwise, without the prior written consent of LAFCO.

5. Hold Harmless/Indemnification

5.1 To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold harmless LAFCO, its officials, officers, and employees, free and harmless from costs (including reasonable attorney's fees), expenses liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, to the extent caused by any negligence of CONTRACTOR, its officials, officers, employees, CONTRACTORS, and contractors for whom CONTRACTOR is legally liable in performance of the Services under this Agreement. The parties expressly agree that this indemnity provision does not include, and in no event shall the CONTRACTOR be required to assume, any obligation or duty to defend any claims, causes of action, demands, or lawsuits in connection with or arising out of the Project or the services rendered by the CONTRACTOR. In no event shall the indemnification obligation extend beyond the date when the institution of legal or equitable proceedings for professional negligence would be barred by any applicable statute of repose or statute of limitations.

5.2 With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of LAFCO; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to LAFCO as set forth herein. CONTRACTOR'S obligation to defend, indemnify and hold harmless LAFCO shall

1 be subject to LAFCO having given CONTRACTOR written notice within a
2 reasonable period of time of the claim or the commencement of the related action, as
3 the case may be, and information and reasonable assistance, at the
4 CONTRACTOR'S expense, for the defense or settlement thereof.
5 CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR
6 has provided to LAFCO the appropriate form of dismissal relieving LAFCO from
7 any liability for the action or claim involved. Section 5 shall survive the termination
8 of this Agreement.

9 5.3 The specified insurance limits required in the Agreement shall in no way limit or
10 circumscribe CONTRACTOR'S obligations to indemnify and hold harmless
11 LAFCO herein from third party claims.

12 6. **Waiver of Default**

13 Any waiver by LAFCO of any breach of any one or more of the terms of this Agreement
14 shall not be construed to be a waiver of any subsequent or other breach of the same or of any other
15 term hereof. Failure on the part of LAFCO to require exact, full and complete compliance with any
16 terms of this Agreement shall not be construed as in any manner changing the terms hereof, or
17 estopping LAFCO from enforcement hereof.

18 7. **Availability of Funding**

19 LAFCO's obligation for payment of any contract beyond the current fiscal year end is
20 contingent upon the availability of funding from which payment can be made. No legal liability on
21 the part of LAFCO shall arise for payment beyond June 30 of the calendar year unless funds are
22 made available for such performance. If funds will not be available, LAFCO shall provide notice to
23 CONTRACTOR as soon as this fact is known.

24 8. **Termination**

25 8.1 LAFCO may terminate this Agreement without cause upon 30 days written notice
26 served upon CONTRACTOR stating the extent and effective date of termination.

27 8.2 LAFCO may, upon five (5) days written notice, terminate this Agreement for
28 CONTRACTOR'S default, if CONTRACTOR refuses or fails to comply with the

1 provisions of this Agreement or fails to make progress so as to endanger performance
2 and does not cure such failure within a reasonable period of time. In the event of
3 such termination, LAFCO may proceed with the work in any manner deemed proper
4 to LAFCO.

5 **8.3** After receipt of the Notice of Termination pursuant to paragraph 8.1 or 8.2 above,
6 CONTRACTOR shall:

7 a.) Stop all work under this Agreement on the date specified in the Notice of
8 Termination.

9 b.) Transfer to LAFCO and deliver in the manner, and to the extent, if any, as
10 directed by LAFCO, any equipment, information data or reports which, if the
11 Agreement had been completed, would have been required to be furnished to
12 LAFCO;

13 **8.4** After termination pursuant to paragraph 8.1 or 8.2 above, LAFCO shall make
14 payment for all services performed in accordance with this Agreement as of the date
15 of termination, a total amount which bears the same ratio to the total maximum fee
16 otherwise payable under this Agreement as the services actually bear to the total
17 services necessary for performance of this Agreement.

18 **8.5** Notwithstanding any of the provisions of this Agreement, CONTRACTOR'S rights
19 under this Agreement shall terminate (except for fees accrued prior to the date of
20 termination) upon dishonesty, or a willful or material breach of this Agreement by
21 CONTRACTOR; or in the event of CONTRACTOR'S unwillingness or inability for
22 any reason whatsoever to perform the duties hereunder. In such event,
23 CONTRACTOR shall not be entitled to any further compensation under this
24 Agreement.

25 **8.6** The rights and remedies of LAFCO provided in this section shall not be exclusive
26 and are in addition to any other rights and remedies provided by law or under this
27 Agreement.

1 9. **Disputes**

2 Unless otherwise required by law, disputes relating to this Agreement, which the Parties are
3 unable to informally resolve through good faith negotiations, may be submitted to a mutually
4 agreeable mediator. Any costs of the mediation shall be shared equally by the Parties.

5 10. **Alteration**

6 Modifications or changes to the scope of work or this Agreement may only be made by
7 written amendment to this Agreement signed by either the LAFCO Chair or the Executive Officer
8 and CONTRACTOR.

9 11. **Independent Contractor**

10 11.1 CONTRACTOR is, for purposes arising out of this Agreement, an independent
11 contractor and shall not be deemed an employee of LAFCO. It is expressly
12 understood and agreed that CONTRACTOR shall in no event, as a result of this
13 Agreement, be entitled to any benefits to which LAFCO employees are entitled,
14 including but not limited to overtime, any retirement benefits, worker's
15 compensation benefits, and injury leave or other leave benefits. CONTRACTOR
16 hereby holds LAFCO harmless from any and all claims that may be made against
17 LAFCO based upon any contention by any third party that an employer-employee
18 relationship exists by reason of this Agreement.

19 11.2 It is further understood and agreed by the parties hereto that CONTRACTOR in the
20 performance of its obligation hereunder is subject to the control or direction of
21 LAFCO merely as to the result to be accomplished by the services hereunder agreed
22 to be rendered and performed and not as to the means and methods for accomplishing
23 the results.

24 11.3 CONTRACTOR shall provide and maintain, throughout the term of this Agreement,
25 CONTRACTOR's own workplace, tools, equipment, and supplies necessary to
26 perform the duties set forth under this Agreement. Notwithstanding the foregoing,
27 LAFCO may, in its sole discretion, and with its prior written consent, provide access
28 to LAFCO facilities, offices, or meeting rooms during regular work hours for

meetings, conferences, or other work of CONTRACTOR.

11.4 CONTRACTOR has the right to perform services for other clients during the term of this Agreement as long as such services are not in direct conflict with the services provided to LAFCO.

12. **Subcontract for Work or Services**

No Agreement shall be made by CONTRACTOR with any party for furnishing any of the work or services herein contained without the prior written approval of the Executive Officer, but this provision shall not require the approval of contracts of employment between CONTRACTOR and personnel assigned for services thereunder, or for parties named in the proposal and agreed to under any resulting contract. FG Solutions, including Debi Fortin and Art Griffith, is acknowledged as subcontractor to West Yost Associates for this project.

13. **Interest of Contractor**

CONTRACTOR covenants that it presently has no interest, including but not limited to, other projects, independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed or retained by it under this Agreement.

14. **Conduct of Contractor**

14.1 CONTRACTOR agrees to inform LAFCO of all CONTRACTOR'S and subcontractors' interest, if any, which are or which CONTRACTOR believes to be incompatible with any interest of LAFCO.

14.2 CONTRACTOR and subcontractors shall not, under any circumstances, which might reasonably be interpreted as an attempt to influence the recipient in the conduct of its duties, accept any gratuity or special favor from individuals or organizations with whom CONTRACTOR or subcontractors are doing business or proposing to do business, in accomplishing the work under the Agreement.

14.3 CONTRACTOR, subcontractors or employees thereof shall not offer gifts, gratuity,

1 favors and/or entertainment directly or indirectly to LAFCO employees.

2 **15. Disallowance**

3 In the event CONTRACTOR receives payment for services under this Agreement which is
4 later disallowed for nonconformance with the terms and conditions herein by LAFCO,
5 CONTRACTOR shall promptly refund the disallowed amount to LAFCO on request, or at its
6 option, LAFCO may offset the amount disallowed from any payment due to CONTRACTOR under
7 any agreement with LAFCO.

8 **16. Governing Law; Jurisdiction; Severability**

9 This Agreement and its construction and interpretation as to validity, performance and
10 breach shall be construed under the laws of the State of California. Any legal action related to this
11 Agreement shall be filed in the Superior Court of the State of California located in Riverside,
12 California. In the event any provision in this Agreement is held by a court of competent jurisdiction
13 to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full
14 force without being impaired or invalidated in any way.

15 **17. Insurance**

16 Without limiting or diminishing CONTRACTOR'S obligation to indemnify or hold LAFCO
17 and COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at
18 its sole cost and expense, the following insurance coverages during the term of this Agreement.

19 **A. Workers' Compensation**

20 If CONTRACTOR has employees as defined by the State of California, CONTRACTOR
21 shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed
22 by the laws of the State of California. Policy shall include Employers' Liability
23 (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per
24 person per accident. The policy shall be endorsed to waive subrogation in favor of
25 LAFCO, and, if applicable, to provide a Borrowed Servant/Alternate Employer
26 Endorsement.

27 **B. Commercial General Liability**

28 Commercial General Liability insurance coverage, including but not limited to, premises

1 liability, contractual liability, products and completed operations liability, personal and
2 advertising injury covering claims which may arise from or out of CONTRACTOR'S
3 performance of its obligations hereunder. Policy shall name LAFCO and all its
4 commissioners, employees, agents or representatives as Additional Insureds. Policy's
5 limit of liability shall not be less than \$1,000,000 per occurrence combined single limit.
6 If such insurance contains a general aggregate limit, it shall apply separately to this
7 agreement or be no less than two (2) times the occurrence limit.

8 **C. Vehicle Liability**

9 If CONTRACTOR'S vehicle or mobile equipment are used in the performance of the
10 obligations under this Agreement, then CONTRACTOR shall maintain liability
11 insurance for all owned, non-owned or hired vehicles so used in an amount not less than
12 \$1,000,000 per occurrence combined single limit. If such insurance contains a general
13 aggregate limit, it shall apply separately to this Agreement or be no less than two (2)
14 times the occurrence limit. Policy shall name LAFCO and all its commissioners,
15 employees, agents or representatives as Additional Insureds.

16 **D. Professional Liability Insurance**

17 CONTRACTOR shall maintain Professional Liability Insurance providing coverage for
18 CONTRACTOR'S performance of work included within this Agreement, with a limit of
19 liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If
20 CONTRACTOR'S Professional Liability Insurance is written on a claims made basis
21 rather than an occurrence basis, such insurance shall continue through the term of this
22 Agreement and CONTRACTOR shall purchase at his sole expense either 1) an Extended
23 Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from
24 new insurer with a retroactive date back to the date of, or prior to, the inception of this
25 Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR
26 has maintained continuous coverage with the same or original insurer. Coverage
27 provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the
28 termination of this Agreement, if available.

1 **E. General Insurance Provisions – All Lines**

- 2 1) Any insurance carrier providing insurance coverage hereunder shall be admitted to
3 the State of California and have an A M BEST rating of not less than A: VIII (A:8)
4 unless such requirements are waived, in writing, by the LAFCO Risk Manager. If the
5 LAFCO'S Risk Manager waives a requirement for a particular insurer such waiver
6 is only valid for that specific insurer and only for one policy term.
- 7 2) CONTRACTOR'S insurance carrier(s) must declare its insurance deductibles or
8 self-insured retentions. If such deductibles or self-insured retentions exceed
9 \$500,000 per occurrence, such deductibles and/or retentions shall have the prior
10 written consent of the LAFCO Risk Manager before the commencement of
11 operations under this Agreement. Upon notification of deductibles or self-insured
12 retentions unacceptable to LAFCO, and at the election of the LAFCO Risk Manager,
13 CONTRACTOR'S carriers shall either; 1) reduce or eliminate such deductibles or
14 self-insured retentions with respect to this Agreement with LAFCO, or 2) procure a
15 bond which guarantees payment of losses and related investigations, claims
16 administration, and defense costs and expenses.
- 17 3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish
18 LAFCO with either 1) a properly executed original Certificate(s) of Insurance and
19 certified original copies of Endorsements effecting coverage as required herein, or
20 2) if requested to do so orally or in writing by the LAFCO Risk Manager, provide
21 original certified copies of policies including all Endorsements and all attachments
22 thereto, showing such insurance is in full force and effect. Further, said certificate(s)
23 and policies of insurance shall contain the covenant of the insurance carrier(s) that
24 thirty (30) days written notice shall be given to LAFCO prior to any material
25 modification, cancellation, expiration or reduction in coverage of such insurance. In
26 the event of a material modification, cancellation, expiration, or reduction in
27 coverage, this Agreement shall terminate forthwith, unless LAFCO receives, prior to
28 such effective date, another properly executed original Certificate of Insurance and

1 original copies of endorsements or certified original policies, including all
2 endorsements and attachments thereto evidencing coverage's set forth herein and the
3 insurance required herein is in full force and effect. **CONTRACTOR shall not**
4 **commence operations until LAFCO has been furnished original Certificate(s) of**
5 **Insurance and certified original copies of endorsements or policies of insurance**
6 **including all Endorsements and any and all other attachments as required in this**
7 **Section. An individual authorized by the insurance carrier to do so on its behalf**
8 **shall sign the original Endorsements for each policy and the Certificate of**
9 **Insurance.**

- 10 4) It is understood and agreed to by the parties hereto and the insurance company(s),
11 that CONTRACTOR'S Certificate(s) of Insurance and policies shall so covenant and
12 shall be construed as primary insurance, and LAFCO'S insurance and/or deductibles
13 and/or self-insured retention's or self-insured programs shall not be construed as
14 contributory.
- 15 5) LAFCO Reserved Rights-Insurance. If, during the term of this Agreement or any
16 extension thereof, there is a material change in the scope of services; LAFCO
17 reserves the right to adjust the types of insurance required under this Agreement and
18 the monetary limits of liability for the insurance coverage's currently required herein,
19 if; in the LAFCO Risk Manager's reasonable judgment, the amount or type of
20 insurance carried by CONTRACTOR has become inadequate.
- 21 6) CONTRACTOR shall pass down the insurance obligations contained herein to all
22 tiers of subcontractors working under this Agreement.
- 23 7) The insurance requirements contained in this Agreement may be met with a
24 program(s) of self-insurance acceptable to LAFCO.

25 **18. Licensing and Permits**

- 26 **18.1** All offerers and contractors shall be licensed, if required, in accordance with the laws
27 of this State and any offerer or contractor not so licensed is subject to the penalties
28 imposed by such laws.

1 18.2 CONTRACTOR further warrants that it has all necessary permits, approvals,
2 certificates, waivers and exemptions necessary for the provision of services
3 hereunder and required by the laws and regulations of the United States, State of
4 California, the County of Riverside and all other appropriate governmental agencies
5 and shall maintain these throughout the term of this Agreement.

6 19. **Contractor's Responsibility**

7 19.1 It is understood that CONTRACTOR has the skills, experience and knowledge
8 necessary to perform the services agreed to be performed under this Agreement, and
9 that LAFCO relies upon CONTRACTOR'S representations about its skills,
10 experience and knowledge to perform CONTRACTOR'S services in a competent
11 manner. Acceptance by LAFCO of the services to be performed under this
12 Agreement does not operate as a release of said CONTRACTOR from responsibility
13 for the work performed.

14 19.2 It is further understood and agreed that CONTRACTOR is apprised of the scope of
15 the work to be performed under this Agreement and CONTRACTOR agrees that said
16 work can and shall be performed in a fully competent manner.

17 20. **Conflict of Interest**

18 CONTRACTOR shall have no interest, and shall not acquire any interest, direct or indirect,
19 which will conflict in any manner or degree with the performance of services required under this
20 Agreement.

21 21. **Non-Discrimination**

22 CONTRACTOR shall not discriminate in the provision of, services, allocation of benefits,
23 accommodation in facilities, or employment of personnel on the basis of ethnic group identification,
24 race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital
25 status or sex in the performance of this Agreement, and, to the extent they shall be found to be
26 applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act
27 (commencing with Section 1410 of the Labor Code), the Federal Civil Rights Act of 1964 (P.L. 88-
28 352), and the Americans with Disabilities Act of 1990 (42 U.S.C. §1210 et seq.) and all other

1 applicable laws and regulations.

2 22. Assurances

3 CONTRACTOR will comply with LAFCO policies and procedures where applicable. In
4 the event that the policies and procedures promulgated by LAFCO are more restrictive, but not in
5 conflict with Federal or State policies and procedures, those issued by LAFCO will prevail.

6 23. Records and Documents

7 CONTRACTOR shall make available, upon written request by LAFCO and any duly
8 authorized Federal, State or County agency, a copy of this Agreement and such books, documents
9 and records as are necessary to certify the nature and extent of the costs of the services provided by
10 CONTRACTOR. All such books and records shall be maintained by CONTRACTOR for at least
11 five years from the termination of this Agreement and be available for audit by LAFCO.
12 CONTRACTOR shall provide LAFCO with reports and information relative to this Agreement and
13 in accordance with terms set forth herein, as requested by LAFCO. All work papers prepared by
14 CONTRACTOR shall remain the property of CONTRACTOR.

15 24. Confidentiality

16 CONTRACTOR shall protect from unauthorized disclosure names and other identifying
17 information concerning persons receiving services pursuant to this Agreement, except for statistical
18 information not identifying any client. CONTRACTOR shall not use such information for any
19 purpose other than carrying out CONTRACTOR'S obligations under this Agreement.
20 CONTRACTOR shall promptly transmit to LAFCO all requests for disclosure of such information
21 not emanating from the client. CONTRACTOR shall not disclose, except as otherwise specifically
22 permitted by this Agreement or authorized by the client, any such information to anyone other than
23 LAFCO. For purposes of this paragraph, identity shall include, but not be limited to, name,
24 identifying number, symbol, or other identifying particular assigned to the individual, such as finger
25 or voice print or a photograph. CONTRACTOR in this Agreement is subject to all relevant
26 requirements contained in the Health Insurance Portability and Accountability Act of 1996
27 (HIPAA). Public Law 104-191, enacted August 21, 1996, and the laws and regulations promulgated
28 subsequent thereto. CONTRACTOR hereto agrees to cooperate in accordance with the terms and

1 intent of this Agreement for implementation of relevant law(s) and/or regulations(s) promulgated
2 under this Law. CONTRACTOR further agrees that it shall be in compliance, and shall remain in
3 compliance with the requirements of HIPAA, and the laws and regulations promulgated subsequent
4 hereto, as may be amended from time to time.

5 **25. Administration/Contract Liaison**

6 The Executive Officer, or designee, shall administer this Agreement on behalf of LAFCO.

7 **26. Notices**

8 All correspondence and notices required or contemplated by this Agreement shall be
9 delivered to the respective parties at the addresses set forth below and are deemed submitted on the
10 day after their deposit in the United States mail, postage prepaid:

11 //

12 Riverside Local Agency Formation Commission

West Yost Associates

13 Attn: Crystal M. Craig, Interim Executive Officer

Attn: Stephen Dopudja, Vice President

14 6216 Brockton Avenue, Suite 111-B

6 Venture, Suite 290

15 Riverside, CA 92506

Irvine, CA 92618

16 //

17 **27. Force Majeure**

18 27.1 In the event CONTRACTOR is unable to comply with any provision of this
19 Agreement due to causes beyond their control such as acts of God, acts of war, civil
20 disorders, or other similar acts, CONTRACTOR shall not be held liable to LAFCO
21 for such failure to comply.

22 27.2 In the event LAFCO is unable to comply with any provision of this Agreement due
23 to causes beyond its control relating to acts of God, acts of war, civil disorders, or
24 other similar acts, LAFCO shall not be held liable to CONTRACTOR for such failure
25 to comply.

26 **28. Mutual Cooperation**

27 LAFCO agrees to cooperate with CONTRACTOR in CONTRACTOR'S performance of
28 services for LAFCO under this Agreement, including providing CONTRACTOR with reasonable

1 facilities and timely access to LAFCO data, information and personnel. LAFCO shall be responsible
2 for the performance of its employees and agents and for the accuracy and completeness of all data
3 and information provided to CONTRACTOR.

4 **29. EDD Reporting Requirements**

5 In order to comply with child support enforcement requirements of the State of California,
6 LAFCO may be required to submit a Report of Independent Contractor(s) form DE 542 to the
7 Employment Development Department.

8 It is expressly understood that this data will be transmitted to governmental agencies charged
9 with the establishment and enforcement of child support orders and for no other purposes and will
10 be held confidential by those agencies. Failure of CONTRACTOR to timely submit the data and/or
11 certificates required may result in contract being awarded to another contractor. In the event a
12 contract has been issued, failure of CONTRACTOR to comply with all federal and state reporting
13 requirements for child support enforcement or to comply with all lawfully served Wage and
14 Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of the
15 Agreement. Failure to cure such breach within 60 calendar days of notice from LAFCO shall
16 constitute grounds for termination of the Agreement.

17 If you have any questions concerning this reporting requirement, please call (916) 657-0529.
18 You may also contact your local Employment Tax Customer Service Office listed in your telephone
19 directory in the State Government section under "Employment Development Department," or you
20 may access their Internet site at www.edd.ca.gov.

21 **30. Entire Agreement**

22 This Agreement, including any Exhibits attached hereto and Scope(s) of Work entered into
23 pursuant to it, constitutes the entire Agreement of the parties hereto with respect to its subject matter
24 and supersedes all prior and contemporaneous representations, proposals, discussions and

25 //

26 //

27 //

28 //

1 communications, whether oral or in writing. This Agreement may be modified only in writing and
2 shall be enforceable in accordance with its terms when signed by each of the parties hereto.

3 //

4 IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to
5 execute this Agreement.

6 //

7 LAFCO

West Yost Associates

8 Riverside Local Agency Formation Commission

9

10 
11 3/22/2019

12 Print Name: Steve Sanchez

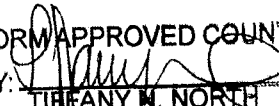
13 Title: Chair

14 Date: 3/22/2019

15 //

16 //

17 //

18 // FORM APPROVED COUNTY COUNSEL
19 // BY:  3/26/19
20 // TIFANY W. NORTH DATE

21 //

22 //

23 //

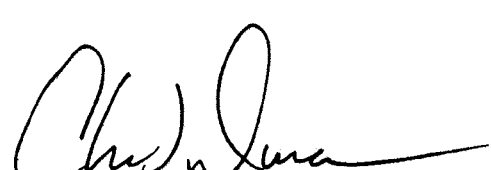
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Print Name: Charles Duncan

Title: President/Chief Operating Officer

Date:

Exhibit "A"

SCOPE OF WORK



Scope of Work

Task 1. Project Management and Meetings.

Task 1a. Project Management. Project Management activities include monthly invoice and status update preparation, along with miscellaneous correspondence with Riverside LAFCO and local water purveyors.

Task 1b. Meetings. Our team anticipates attending five meetings with Riverside LAFCO and the local water purveyors during the project.

Meeting 1. Kick-off meeting. We will facilitate the kick-off meeting. Attendees are expected to include Riverside LAFCO and the local water purveyors and the City of Murrieta. The purposes of the kickoff meeting will be to:

- Review the scope, schedule, and budget.
- Solicit input from the water purveyors regarding what they each need to see in a successful FWMSR.
- Review proposed methodology for the Supply/Infrastructure Analysis and the Finance/Operations/Service/Cost Analysis.
- Review and obtain concurrence on boundary conditions/limiting assumptions for the project.
- Discuss potential criteria for decision making

The kickoff meeting will include a public session to receive input from existing customers, landowners and developers. The meeting will be meeting hosted by LAFCO at a location to be determined, possibly Murrieta City Hall. We anticipate the kickoff meeting with public input session will occur on the same day.

Meeting 2. Review Draft Supply/Infrastructure Analysis.

- Review the draft results of Task 3 (Supply/Infrastructure Analysis).
- Solicit feedback from the local water purveyors regarding the methodology and results of Task 3.

Meeting 3. Review Draft Finance/Operations/Service/Cost Analysis

- Review the draft results of Task 4 (Finance/Operations/Service/Cost Analysis)
- Solicit feedback from the local water purveyors regarding the methodology and results of Task 4.

Meeting 4. Review draft FWMSR Results

Meeting 5. Present FWMSR Results to Riverside LAFCO Board

Task 1 Deliverables:

Attendance, facilitation, and presentation at five project meetings.

Task 2. Data Gathering and Document Review

West Yost has reviewed the list of available documents provided in the RFP Attachment C. Not only is West Yost already in possession of these documents, we have already thoroughly reviewed and used these documents during the completion of the recent Murrieta Service Area Water Master Plan Update. West Yost is very familiar with the infrastructure and operations of the Murrieta Service Area,



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This section describes the Scope of Work (including suggested changes to the RFP's Draft Scope of Services) required under Item 4 of the Proposal Requirements, along with the Deliverables associated with Item 6 of the Proposal Requirements.

as well as with the performance and design standards that are applicable to all of Western's service areas. This familiarity will allow West Yost to hit the ground running with no learning curve.

West Yost will also prepare a supplemental data request for any additional outstanding data, such as financial data, rate structures, staffing, operations and maintenance, etc..

Task 3. Supply/Infrastructure Analysis

West Yost will complete the following tasks specified in Attachment B of the RFP:

- Evaluate existing and future water demands for residential, commercial, industrial, and institutional uses in the Study Area based on the City's adopted General Plan and Downtown Specific Plan. This should include those portions of the Study Area that are currently served by private wells that may require municipal water service in the future.
- Evaluate existing water supply sources and production capacity, water quality, reliability and cost. Existing sources of municipal water supply includes both wells and imported water.
- Determine the capacity and condition of existing water transmission and distribution system facilities and storage reservoirs to accommodate current and future demands. The condition of the existing above ground system facilities will be made through visual observations. The condition of the existing below ground systems facilities will consider the age of the facilities and remaining useful life.
- Determine municipal water system operating capabilities such as pressure and fire flow. Fire flow should be based on the requirements published by Murrieta Fire and Rescue.
- Determine the additional water supply needs (if any) for future development in the Study Area based on the City's adopted General Plan and Downtown Specific Plan. This should include the analysis listed above for lands that are currently served by private wells but that may require municipal water service where further subdivision occurs to the extent allowed by the General Plan. In addition, where four-story mixed-use development is allowed in the Downtown Specific Plan the analysis should include fire flow rates for development at that

intensity. Include recycled water for non-potable uses if available.

- Determine the future requirements for transmission, distribution and storage infrastructure based on the City's adopted General Plan and Downtown Specific Plan based on the future demand analysis listed above. Future infrastructure requirements should include the replacement or refurbishment of any existing, sub-standard infrastructure.
- Analyze the available water supply sources, and transmission, distribution, and storage capacity of adjacent agencies, including the RCWD, EMWD, and EVMWD and determine whether they are adequate to serve both the existing and future needs of the Study Area. Any discrepancies in sizing or design criteria between the agencies should be noted in the analysis.
- Develop a preferred water system infrastructure plan to serve existing and future water demands in the Study Area. Preferred water system infrastructure plan shall consider integration and alignment with areas surrounding Study Area including accommodation of service area "islands" or "holes" located in vicinity of Study Area.

West Yost will also complete the following additional items:

- Review existing available information, reports, and analyses provided by Riverside LAFCO and the local water purveyors and advise Riverside LAFCO which components of the above tasks are already complete.
- Incorporate existing available information into the analyses that is part of this task.

Task 3 Deliverables:

A combination of maps, exhibits, engineering calculations, and reports to adequately respond to the task described above.

Task 4. Finance/Operations/Service/Cost Analysis

Our West Yost team will complete the following tasks specified in Attachment B of the RFP:

- Provide a financial analysis of water supply and infrastructure costs to serve existing needs and future development. Such an analysis should



also address the cost of existing infrastructure replacement and/or refurbishment as required.

- Research infrastructure financing capabilities, mechanisms, and costs. Document operation and maintenance costs and accompanying rates and charges for residential, commercial, industrial and institutional customers. A cost of service analysis will be necessary for each prospective agency that may be considered to assume the responsibilities of retail water service for Western's Murrieta Division. Western completed a cost of service study specific to the Murrieta Division in 2017 and will make the report available to the selected consultant.
- Evaluate the Districts' ability to respond to emergency repairs and customer calls for service.

Our West Yost team will also complete the following additional items:

- Define boundary conditions and policy assumptions that will govern Task 4, including
 - Confirming that each agency will provide the same level of service that it does for its other customers (which may differ by agency).
 - Confirming that the rate schedule charged by each agency would be the same in the Study Area compared with the rate schedule charged to its other retail customers.
 - Confirming that the Study Area does not have to be financially self-supporting, which would make the previous policy assumption possible.
- Using the cost of service analyses for each prospective agency, estimate the change in water rates for each prospective agency if the Study Area(s) are assumed.
- Estimate monthly water bills for an example residential and commercial customer under each prospective agency.

Our analysis will consider Rancho California WD's ad valorem tax and a scenario where the ad valorem tax is not applicable to newly acquired areas. Our analysis will also consider other current assessments applicable to other water districts.

The West Yost team also suggests that evaluation of an area-specific Development Impact Fee (DIF) is warranted. Such a DIF may provide a method of paying for the growth-related infrastructure while

minimizing financial impacts to existing customers. This could be a factor that would promote a policy objective of "growth pays for growth", which would address concerns of existing customer related to financial impacts of changing service providers.

After the determination of infrastructure cost requirements for each of the Districts in the Murrieta sub-area, West Yost will work with each District to establish an estimate or range for development impact fees/connection fees for the sub-area. If LAFCO, after consultation with the Districts, determines additional or more detailed analysis of such fees is warranted, an amendment to the Professional Services Agreement will be required. No fee analysis will be required for the Rock Mountain and Rainbow sub-areas.

If it became necessary, the following two additional subtasks, which are not included in our budget, could be considered by Riverside LAFCO:

Complete high-level Development Impact Fee calculations specific to the Study Area. These calculations would not be of sufficient precision to be implemented but would be used to assess how much capital project funding could be provided by Development Impact Fees in lieu of water rates.

Complete a sensitivity analysis related to the amount and timing of future development, to identify the effect of development rates on Development Impact Fee revenues and rate revenues. This sensitivity analysis will provide a risk assessment on the dependency on growth in the Study Area after the infrastructure is installed.

Task 4 Deliverables:

A combination of reports and calculations to adequately respond to the task described above.

Task 5. Service Area Boundaries Analysis

West Yost will complete the following tasks specified in Attachment B of the RFP:

- Review and recommend logical water agency service areas and sphere of influence boundaries and eliminate any "island" or "holes" in and adjacent to the Study Area.
- Where feasible, align retail water and sewer service areas.
- As needed, identify where annexation of specific areas into the Metropolitan Water District of

Southern California is required to allow access to imported water as well as the required annexation fees needing to be paid by property owners.

Task 5 Deliverables:

A combination of maps, exhibits, and reports and calculations to adequately respond to the task described above.

Task 6. Summary Report and Recommendations

At the end of our analysis, West Yost will provide a Summary Report and recommendation(s) based on the information derived from the tasks describe above as to which agency or agencies would be the best long-term water service provider for lands contained within the Study Area. The analysis and recommendations must take into consideration the impacts on owners of vacant land, developers, and existing customers.

Task 6 Deliverables:

Draft, final draft, and final Summary Reports. Draft and final draft copies will be provided in electronic form only. The final Summary Report will be provided in electronic form and six hard copies will also be provided.

October 29, 2015

Printed on 100% post-consumer paper



EXHIBIT "B"

ANTICIPATED PROJECT COST/ WEST YOST FEE TABLE

Cost

Anticipated Project Cost

The table in the following page summarizes our fee to provide the services described in the Riverside LAFCO's RFP, subject to the assumptions indicated in the table.

As mentioned earlier, unique assignments such as this one require involvement of highly qualified and experienced professional staff to provide the most supportable analyses and work products that will withstand public scrutiny. While our deep experience in developing public-private partnerships for water utilities has allowed us to create some efficiencies that we have incorporated in our cost proposal, we also remain open to discussions with Riverside LAFCO regarding our proposed scope and budget.



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This section contains the information called for in Item 7 of the Proposal Requirements.

West Yost Fee Table

West Yost Associates PROJECT: SCE Emissions Phase 1	PMP \$285 000000	EMISOM \$274 8774 000000	EMISOM II \$274 8774 000000	PEPSPG I \$240 3240 000000	PEPSPG II \$240 3240 000000	PEPSPG III \$240 3240 000000	PEPSPG IV \$240 3240 000000	ADMN \$154 1914 000000	Hour	Fee	Sub Fee TOTAL	Sub Hour TOTAL	Costs Other Costs	Total Cost
Task 1 - Project Management & QA/QC														
1.1 Project Management/QA/QC	28	16		16				0	84	\$ 21,092	\$ 3,400	\$ 3,740		\$ 24,832
1.2 LAFCO Meeting #1	12							4	24	\$ 5,956	\$ 4,300	\$ 4,730		\$ 10,686
1.3 LAFCO Meeting #2	6							2	12	\$ 2,978	\$ 2,500	\$ 2,750		\$ 5,728
1.4 LAFCO Meeting #3	6							2	12	\$ 2,978	\$ 2,500	\$ 2,750		\$ 5,728
1.5 LAFCO Meeting #4	6							2	12	\$ 2,978	\$ 2,500	\$ 2,750		\$ 5,728
1.6 LAFCO Meeting #5	6							2	12	\$ 2,978	\$ 2,500	\$ 2,750		\$ 5,728
Subtotal, Task 1 (hours)	64	16	0	16	0	0	0	12	156					
Subtotal, Task 1 (\$)	\$ 18,240	\$ 4,384		\$ 3,840				\$ 1,848						\$ 58,430
Task 2 - Data Gathering														
2.1 Data Gathering	6	0	2	0	12	8		16	52	\$ 11,490	\$ 3,900	\$ 3,900		\$ 15,450
3.2 Condition Analysis	4	0	24	0	32	8		16	52	\$ 11,490	\$ 3,900	\$ 3,900		\$ 15,450
Subtotal, Task 2 (hours)	1,710	\$ 548		\$ 3,048	\$ 1,920	\$ 1,800		\$ 2,464						
Subtotal, Task 2 (\$)	\$ 1,710	\$ 548		\$ 3,048	\$ 1,920	\$ 1,800		\$ 2,464						
Task 3 - Supply and Distribution Analysis														
3.1 Hydraulic Analysis	4	0	24	0	32	8		108	244	\$ 48,128				\$ 48,128
3.2 Condition Analysis	4	0	24	0	32	8		140	80	\$ 16,640				\$ 16,640
Subtotal, Task 3 (hours)	4	0	24	0	32	8		248	324	\$ 64,768				\$ 64,768
Subtotal, Task 3 (\$)	\$ 1,140	\$ 6,576		\$ 8,128	\$ 13,440	\$ 14,400		\$ 21,560	\$ 524					\$ 65,768
Task 4 - Financial and Operational Services Analysis														
4.1 Financial and operational analysis of costs	8				48			8	92	\$ 22,080	\$ 6,000	\$ 6,600		\$ 28,680
4.2 Research infrastructure financing	4							4	8	\$ 1,984	\$ 4,800	\$ 5,280		\$ 6,944
4.3 Cost of service analysis for each water purveyor, for each service area	4							4	8	\$ 1,984	\$ 4,800	\$ 5,280		\$ 6,944
4.4 Evaluate ability to respond to emergency requests/customer service calls	4							4	8	\$ 1,984	\$ 4,800	\$ 5,280		\$ 6,944
4.5 Define boundary conditions and policy requirements	8							4	12	\$ 2,904				\$ 2,904
4.6 Prepare example monthly water bills	4							4	8	\$ 1,984	\$ 2,600	\$ 2,860		\$ 4,524
4.7 High-level DFR calculation	4							4	8	\$ 1,984				\$ 1,984
4.8 Sensitivity analysis	4							4	8	\$ 1,984				\$ 1,984
Subtotal, Task 4 (hours)	40	0	0	0	48	0	0	36	176					
Subtotal, Task 4 (\$)	\$ 11,400			\$ 12,192		\$ 8,100	\$ 3,840	\$ 4,716		\$ 40,248	\$ 34,400	\$ 37,840		\$ 78,088
Task 5 - Service Area Boundaries Analysis														
5.1 Service Area Boundaries Analysis	16	0	20	0	0	0		8	48	\$ 11,116	\$ 2,800	\$ 3,080		\$ 14,196
Subtotal, Task 5 (hours)	16	0	20	0	0	0		8	48					
Subtotal, Task 5 (\$)	\$ 4,860							\$ 1,232	\$ 524					\$ 14,196
Task 6 - Summary Report and Recommendation														
6.1 Summary Report and Recommendation	8	0	2	0	2	2		24	88	\$ 13,810	\$ 9,200	\$ 10,120		\$ 23,930
Subtotal, Task 6 (hours)	8	0	2	0	2	2		24	88					
Subtotal, Task 6 (\$)	\$ 2,280		\$ 548		\$ 808	\$ 4,800	\$ 480	\$ 3,896	\$ 1,048					\$ 23,930
TOTAL (hours)														
	136	16	28	16	94	144	110	18	200	60	\$ 181,392	\$ 67,700	\$ 74,470	\$ 263,862
TOTAL (\$)														
	\$ 36,330	\$ 4,384	\$ 7,672	\$ 3,640	\$ 23,976	\$ 34,960	\$ 24,780	\$ 4,320	\$ 30,800	\$ 7,960				\$ 263,862

**Amendment to the Funding
Participation Agreement between
LAFCO and the City, EMWD,
WMWD and RCWD**

1 FIRST AMENDMENT TO THE MURRIETA FOCUSED MUNICIPAL SERVICES REVIEW
2 FUNDING PARTICIPATION AGREEMENT
3

4 This FIRST AMENDMENT TO THE MURRIETA FOCUSED MUNICIPAL SERVICES
5 REVIEW FUNDING PARTICIPATION AGREEMENT, entered into this ____ day of ____, 2020
6 is made and entered, by and between the Riverside Local Agency Formation Commission, a
7 commission created within the County of Riverside by the provisions of the Cortese-Knox-
8 Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code section
9 56000 et seq. (herein referred to as "LAFCO"), and the following four local public agencies:
10 Western Municipal Water District, Eastern Municipal Water District, Rancho California Water
11 District, and the City of Murrieta (herein collectively referred to as the "FUNDING
12 PARTICIPANTS").

13 RECITALS

14 A. FUNDING PARTICIPANTS and LAFCO (herein referred to as Parties) entered into
15 that certain Funding Participation Agreement dated February 20, 2019, (the "Original Agreement")
16 pursuant to which FUNDING PARTICIPANTS have agreed to jointly fund the preparation of a
17 Focused Municipal Service Review (FMSR) report for a specified area within the City of Murrieta
18 for provision of retail water services; and

19 B. LAFCO engaged a qualified consulting firm, West Yost Associates, to prepare the
20 FMSR; and

21 C. LAFCO has received a requested modification to the Original Agreement with West
22 Yost Associates (Exhibit A attached hereto) for additional work required to be performed at the
23 request of the Parties; and

24 D. The request has been reviewed and found the additional work to be necessary for
25 ensuring the technical accuracy and objectivity of the FMSR, and to allow for enhanced public
26 participation in the process; and

27 E. Parties now desire to amend the Original Agreement to fund the additional work and
28 to extend to completion schedule through December 31, 2020.

1 NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto
2 agree as follows:

3 1. Paragraph One (1) of the Original Agreement is hereby amended to read as
4 follows:

5 1. The Funding Participants shall be responsible for one hundred (100)
6 percent of the initial cost of consulting services required to prepare
7 the MSR. Each of the four members of the Funding Participants shall
8 be responsible for twenty-five (25) percent of the cost not to exceed
9 \$255,862.

10 1.1 FUNDING PARTICIPANTS and LAFCO shall be
11 responsible for funding the additional work as outlined in
12 Exhibit A for a total not to exceed cost of \$53,995 as follows:

13	A.	City of Murrieta-	\$6,850
14	B.	Eastern Municipal Water District-	\$6,850
15	C.	Rancho California Water District-	\$6,850
16	D.	Western Municipal Water District-	\$12,594
17	E.	LAFCO-	\$20,851

18 1.2 The total not to exceed cost of the entire Agreement, inclusive
19 of the additional work in Exhibit A shall not exceed
20 \$309,857.”

21 2. Paragraph Four (4) of the Original Agreement is hereby amended to read as
22 follows:

23 “4. FINAL PAYMENT: Within 30 days of notification by the LAFCO
24 Executive Officer that additional funds are needed to complete the
25 analysis, each Funding Participant shall remit to LAFCO the amount
26 requested by the Executive Officer; however, in no event shall the
27 sum of the amounts requested pursuant to Paragraph and Paragraph
28 2. and 3. exceed the obligation of each Funding Participant as

1 specified in Paragraph 1., and those amounts specified in Paragraph
2 1.1 of this FIRST AMENDMENT to the Original Agreement.”

3 3. Paragraph Seven (7) of the Original Agreement is hereby amended to read as
4 follows:

5 “7. TERM OF AGREEMENT: The term of this Agreement shall be from
6 the date of execution of this Agreement and continue in effect through
7 December 31, 2020 unless terminated as specified in Paragraph 9.”

8 F. FIRST AMENDMENT TO PREVAIL. The provisions of this First Amendment shall
9 prevail over any inconsistency or conflicting provision of the Original Agreement, as heretofore
10 amended, and shall supplement the remaining provisions thereof. Any capitalized terms shall have
11 the meaning defined in the Original Agreement, unless defined herein or context requires otherwise.

12 G. MISCELLANEOUS. Except as amended or modified herein, all terms of the
13 Original Agreement shall remain in full force and effect. If any provisions of this First Amendment
14 shall be determined to be illegal or unenforceable, such determination shall not affect any other
15 provision of the Original Agreement and all such other provisions shall remain in full force and
16 effect.

17 H. EFFECTIVE DATE. This First Amendment shall not be binding or consummated
18 until it is fully executed by the parties hereto.

19 //

20 **IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representatives to
21 execute this Agreement.

22 //

23 //

24 //

25 //

26 //

27 //

28 //

1 //

2 //

3 //

4 **Riverside Local Agency Formation Commission**

City of Murrieta

5

6 _____

7 Print Name:

Print Name: IVAN HOLLER

8 Title:

Title: ASST. CITY MANAGER

9 Date:

Date: 6/19/2020

10 //

11 //

12 **Rancho California Water District**

Western Municipal Water District

13

14 _____

15 Print Name:

Print Name:

16 Title:

Title:

17 Date:

Date:

18 //

19 //

20 **Eastern Municipal Water District**

21

22 _____

23 Print Name:

24 Title:

25 Date:

FORM APPROVED COUNTY COUNSEL

26

BY: _____

27

TIFFANY N. NORTH

1 **Riverside Local Agency Formation Commission**

City of Murrieta

2

3

4 Print Name:

Print Name:

5 Title:

Title:

6 Date:

Date:

7 //

8 //

9 **Rancho California Water District**

Western Municipal Water District

10

11

12 Print Name: Jeff D. Armstrong

Print Name:

13 Title: General Manager

Title:

14 Date: May 13, 2020

Date:

15 //

16 //

17 **Eastern Municipal Water District**

18

19

20 Print Name:

21 Title:

22 Date:

FORM APPROVED COUNTY COUNSEL

23

BY: _____

24

TIFFANY N. NORTH

1 **Riverside Local Agency Formation Commission**

City of Murrieta

2

3

4 Print Name:

Print Name:

5 Title:

Title:

6 Date:

Date:

7 //

8 //

9 **Rancho California Water District**

Western Municipal Water District

10

11

12 Print Name:

Print Name: *Craig Miller*

13 Title:

Title: *General Manager*

14 Date:

Date: *6/10/2020*

15 //

16 //

17 **Eastern Municipal Water District**

18

19

20 Print Name:

21 Title:

22 Date:

FORM APPROVED COUNTY COUNSEL

23

BY: _____

24

TIFFANY N. NORTH

1 **Riverside Local Agency Formation Commission**

City of Murrieta

2

3

4 Print Name:

Print Name:

5 Title:

Title:

6 Date:

Date:

7 //

8 //

9 **Rancho California Water District**

Western Municipal Water District

10

11

12 Print Name:

Print Name:

13 Title:

Title:

14 Date:

Date:

15 //

16 //

17 **Eastern Municipal Water District**

18

19

20 Print Name: *PAUL D. JONES II*

21 Title: *GENERAL MANAGER*

22 Date: *6/10/20*

FORM APPROVED COUNTY COUNSEL

23

BY: _____

24

TIFFANY N. NORTH

**Original Funding Participation
Agreement between LAFCO and
the City, EMWD, WMWD and
RCWD**

1 MURRIETA AREA FOCUSED MUNICIPAL SERVICES REVIEW
2 FUNDING PARTICIPATION AGREEMENT
3

4 This Agreement, made and entered into this 20th day of February, 2019, by and
5 between the Riverside Local Agency Formation Commission (herein referred to as "LAFCO"), a
6 public agency established by the State Legislature pursuant to the Cortese Knox Hertzberg Local
7 Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), and the
8 following four local public agencies: Western Municipal Water District, Eastern Municipal Water
9 District, Rancho California Water District and the City of Murrieta (herein collectively referred to
10 as the "Funding Participants"). LAFCO and the Funding Participants are collectively referred to
11 herein as the "Parties".

12 WHEREAS, the Funding Participants have demonstrated the need for a detailed analysis of
13 water service in a portion of the City of Murrieta and nearby areas, as generally depicted in Exhibit
14 "A" (herein referred to as the "Study Area").

15 WHEREAS, the Funding Participants have requested LAFCO to conduct or oversee such
16 water service analysis.

17 WHEREAS, LAFCO has determined that it would be appropriate to conduct a focused
18 municipal service review (MSR) of water service in the Study Area and has issued a Request for
19 Proposals (RFP) for consulting services to prepare the MSR, the Scope of Work for which is
20 attached to this Agreement as Exhibit "B".

21 WHEREAS, the Funding Participants, by previous correspondence to LAFCO, have
22 tentatively agreed to fund the entire cost of the analysis, which is attached to this Agreement as
23 Exhibit "C".

24 WHEREAS, LAFCO requires execution of a formal funding agreement between the Parties
25 prior to entering into a professional services agreement with a consultant to perform the required
26 focused MSR in the Study Area.

27 NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties
28 hereto agree as follows:

1. The Funding Participants shall be responsible for one hundred (100) percent of the cost of consulting services required to prepare the MSR. Each of the four members of the Funding Participants shall be responsible for twenty-five (25) percent of the cost, not to exceed \$255,862.
2. INITIAL DEPOSIT: Upon execution of this Agreement by all parties and within 30 days of notification by the LAFCO Executive Officer that a professional services agreement with a consulting firm has been executed, each Funding Participant shall remit to LAFCO \$20,000.
3. ADDITIONAL DEPOSIT: Within 30 days of notification by the LAFCO Executive Officer that 70 percent of the originally remitted funds have been disbursed, each Funding Participant shall remit to LAFCO an additional \$20,000.
4. FINAL PAYMENT: Within 30 days of notification by the LAFCO Executive Officer that additional funds are needed to complete the analysis, each Funding Participant shall remit to LAFCO the amount requested by the Executive Officer; however, in no event shall the sum of the amounts requested pursuant to this Paragraph and Paragraphs 2. and 3. exceed the obligation of each Funding Participant as specified in Paragraph 1.
5. REMAINING FUNDS: Any funds remaining after the completion of the MSR and acceptance by LAFCO shall be returned to the Funding Participants in proportion to their respective obligations.
6. STUDY MANAGEMENT AND SELECTION OF CONSULTANT: It is understood and agreed by the Funding Participants that LAFCO has the sole discretion to select the consultant firm to conduct the focused MSR pursuant to LAFCO's own RFP process. The LAFCO Executive Officer, or other party designated by LAFCO, shall manage the consultant analysis at its sole discretion; however, the Executive Officer or designee may seek input from the Funding Participants.
7. TERM OF AGREEMENT: The term of this Agreement shall be from the date of

1 execution of this Agreement and continue in effect through December 31, 2019,
2 unless terminated as specified in Paragraph 9.

3 8. EXTENSION OF TERM: This Agreement may be extended for up to two additional
4 three-month periods, in succession, by mutual consent of all parties. Such extension
5 shall not require action of the governing board of LAFCO. In no event shall this
6 Agreement be extended past June 30, 2020 without a new Agreement, or an
7 amendment to this Agreement that specifically extends the term of this Agreement.

8 9. INDEMNIFICATION: Funding Participants shall, jointly and severally, indemnify
9 and hold LAFCO, its Commissioners, officers, and employees, free and harmless
10 from any liability whatsoever, based or asserted upon any services provided by
11 LAFCO, its officers, agents, employees, or subcontractors, arising out of or in any
12 way relating to this Agreement, for property damage, bodily injury or death, or any
13 other element of damage of any kind or nature whatsoever and resulting from any
14 reason whatsoever arising from the performance of LAFCO its officers, agents,
15 employees or subcontractors arising from the preparation of the focused MSR as
16 described in this Agreement. Funding Participants shall, jointly and severally,
17 defend at their sole expense, including but not limited to reasonable attorney fees and
18 costs, LAFCO, its Commissioners, officers, and employees, in any legal action or
19 claim of any kind based upon such alleged negligent acts, errors, or omissions. The
20 indemnification and defense provisions of this section shall remain in effect
21 following termination of this Agreement.

22 10. TERMINATION: This Agreement may only be terminated by mutual agreement of
23 LAFCO and all Funding Participants.

24 11. ADMINISTRATION: The LAFCO Executive Officer (or designee) shall administer
25 this Agreement on behalf of LAFCO.

26 12. JURISDICTION, VENUE: This Agreement is to be construed under the laws of the
27 State of California. The Parties agree to the jurisdiction and venue of the appropriate
28 courts in the County of Riverside, State of California.

1 13. NOTICES: All correspondence and notices required or contemplated by this
2 Agreement shall be delivered to the respective parties at the addresses set forth below
3 and are deemed submitted one (1) day after their deposit in the United States Mail,
4 postage prepaid:
5

6 Executive Officer	Craig Miller, General Manager
7 Riverside Local Agency Formation Commission	Western Municipal Water District
8 6216 Brockton Ave, Suite. 111-B	14205 Meridian Pkwy.
9 Riverside, California 92506	Riverside, California 92518

10

11 Ivan Holler, Asst City Manager	Paul Jones, General Manager
12 City of Murrieta	Eastern Municipal Water District
13 1 Town Square	P.O. Box 8300
14 Murrieta, California 92562	Perris, California 92572

15

16 Jeff Armstrong, General Manager
17 Rancho California Water District
18 42135 Winchester Rd.
19 Temecula, California 92590

20

21 14. WAIVER: Any waiver by LAFCO of any breach of any one or more of the terms of
22 this Agreement shall not be construed to be a waiver of any subsequent or other
23 breach of the same or of any other term thereof. Failure on the part of LAFCO to
24 require exact, full and complete compliance with any terms of this Agreement shall
25 not be construed as in any manner changing the terms hereof, or stopping LAFCO
26 from enforcement hereof.

27 15. ALTERATION: No alteration or variation of the terms of this Agreement shall be
28 valid unless made in writing and signed by the parties hereto, and no oral

1 understanding or agreement not incorporated herein shall be binding on any of the
2 parties hereto.

3 16. SEVERABILITY: If any provision in this Agreement is held by a court of competent
4 jurisdiction to be invalid, void or unenforceable, the remaining provisions will
5 nevertheless continue in full force without being impaired or invalidated in any way.

6 17. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between
7 the parties hereto with respect to the subject matter hereof and all prior or
8 contemporaneous agreements of any kind or nature relating to the same shall be
9 deemed to be merged herein. Any modifications to the terms of this Agreement must
10 be in writing and signed by the parties herein.

11 18. INTERPRETATION: Any ambiguity in this Agreement shall not be interpreted
12 against the drafter of the Agreement. In the event there is a conflict between any
13 exhibits to the Agreement and the provisions of the Agreement, the provisions of the
14 Agreement shall prevail.

15 19. COUNTERPARTS: This Agreement may be executed in one or more counterparts
16 and when a counterpart shall have been signed by each party hereto, each shall be
17 deemed an original, but all of which constitute one and the same instrument.

18 20. AUTHORITY TO EXECUTE. The persons executing this Agreement on behalf of
19 the parties warrant and represent that they have the authority to execute this
20 Agreement on behalf of their respective agency and warrant and represent that they

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

1 have the authority to bind their respective agency to the performance of its
2 obligations hereunder.

3 //

4 IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to
5 execute this Agreement.

6 //

7 Riverside Local Agency Formation Commission

City of Murrieta

8

9

10 Print Name:

Print Name:

11 Title:

Title:

12 Date:

Date:

13 //

14 //

15 Rancho California Water District

Western Municipal Water District

16

17

18 Print Name:

Print Name: *Craig Miller*

19 Title:

Title: *General Manager*

20 Date:

Date: *1/10/19*

21 //

22 //

23 Eastern Municipal Water District

24

25

26 Print Name:

27 Title:

28 Date:

FORM APPROVED COUNTY COUNSEL

BY: *Tiffany N. North*

DATE: *12/27/18*

1 have the authority to bind their respective agency to the performance of its
2 obligations hereunder.

3 //

4 IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to
5 execute this Agreement.

6 //

7 Riverside Local Agency Formation Commission

City of Murrieta

8

9

10 Print Name:

Print Name:

11 Title:

Title:

12 Date:

Date:

13 //

14 //

15 Rancho California Water District

Western Municipal Water District

16

17

18 Print Name:

Print Name:

19 Title:

Title:

20 Date:

Date:

21 //

22 //

23 Eastern Municipal Water District

24

25

26 Print Name: *Paul D. Jones II*

27 Title: *General Manager*

28 Date: *1.14.19*

1 have the authority to bind their respective agency to the performance of its
2 obligations hereunder.

3 //

4 IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to
5 execute this Agreement.

6 //

7 Riverside Local Agency Formation Commission

City of Murrieta

8

9

10 Print Name:

Print Name: Kim Summers

11 Title:

Title: City Manager

12 Date:

Date: 1/29/19

13 //

14 //

15 Rancho California Water District

Western Municipal Water District

16

17

18 Print Name:

Print Name:

19 Title:

Title:

20 Date:

Date:

21 //

22 //

23 Eastern Municipal Water District

24

25

26 Print Name:

27 Title:

28 Date:

FORM APPROVED COUNTY COUNSEL
BY: Tiffany N. North 12/27/18
TIFFANY N. NORTH DATE

1 have the authority to bind their respective agency to the performance of its
2 obligations hereunder.

3 //

4 IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to
5 execute this Agreement.

6 //

7 Riverside Local Agency Formation Commission

City of Murrieta

8

9

10 Print Name:

Print Name:

11 Title:

Title:

12 Date:

Date:

13 //

14 //

15 Rancho California Water District

Western Municipal Water District

16

17

18 Print Name: Jeff D. Armstrong

Print Name:

19 Title: General Manager

Title:

20 Date: February 5, 2019

Date:

21 //

22 //

23 Eastern Municipal Water District

24

25

26 Print Name:

27 Title:

28 Date:

1 have the authority to bind their respective agency to the performance of its
2 obligations hereunder.

3 //

4 IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to
5 execute this Agreement.

6 //

7 Riverside Local Agency Formation Commission

City of Murrieta

8 
9 _____

10 Print Name: Phil Williams

Print Name:

11 Title: Chair

Title:

12 Date: 2/20/2019

Date:

13 //

14 //

15 Rancho California Water District

Western Municipal Water District

16

17 _____

18 Print Name:

Print Name:

19 Title:

Title:

20 Date:

Date:

21 //

22 //

23 Eastern Municipal Water District

24

25 _____

26 Print Name:

27 Title:

28 Date:

FORM APPROVED COUNTY COUNSEL

BY: 
TIFFANY N. NORTH

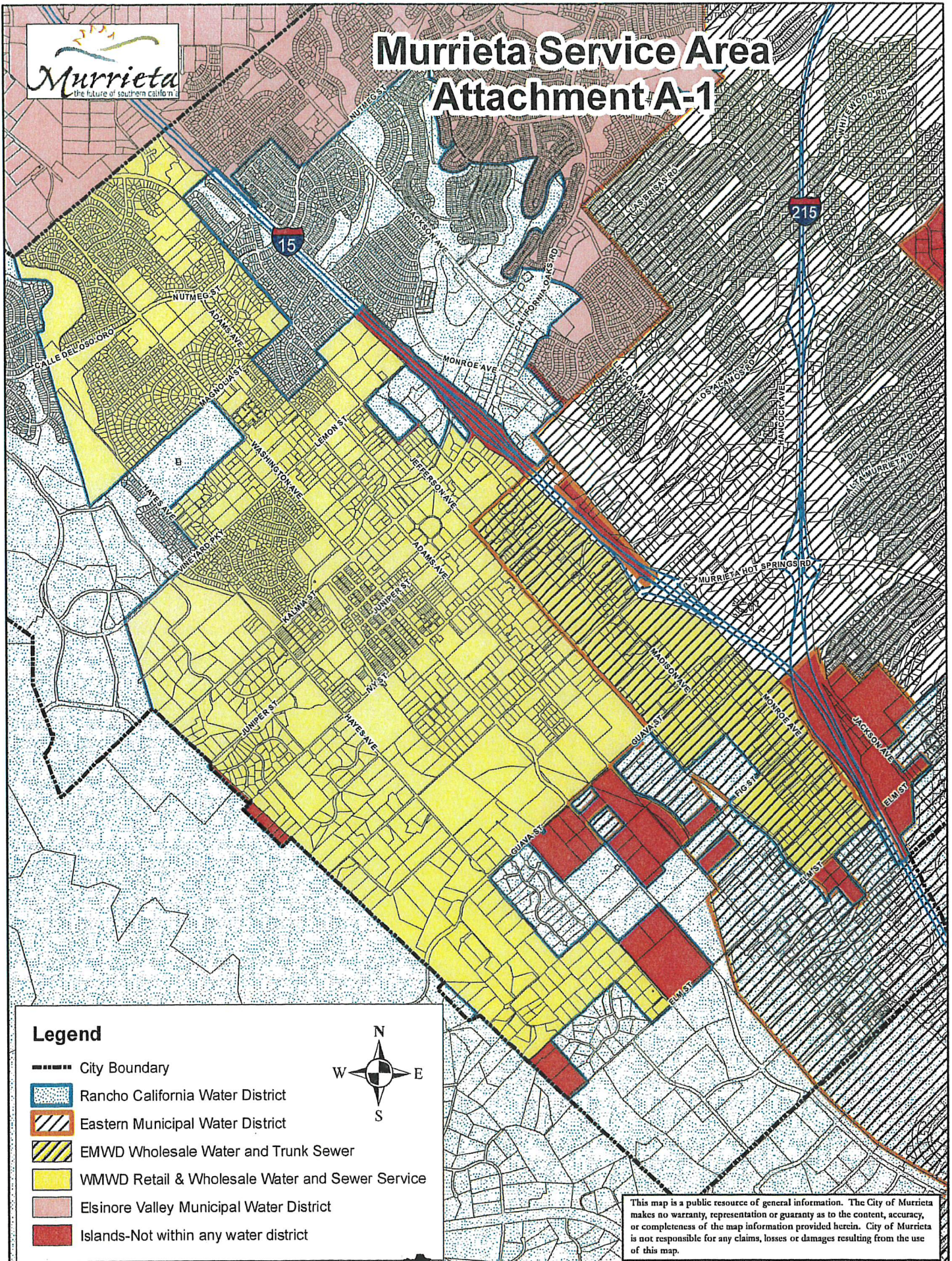
12/27/18
DATE

Exhibit A

Study Area Maps

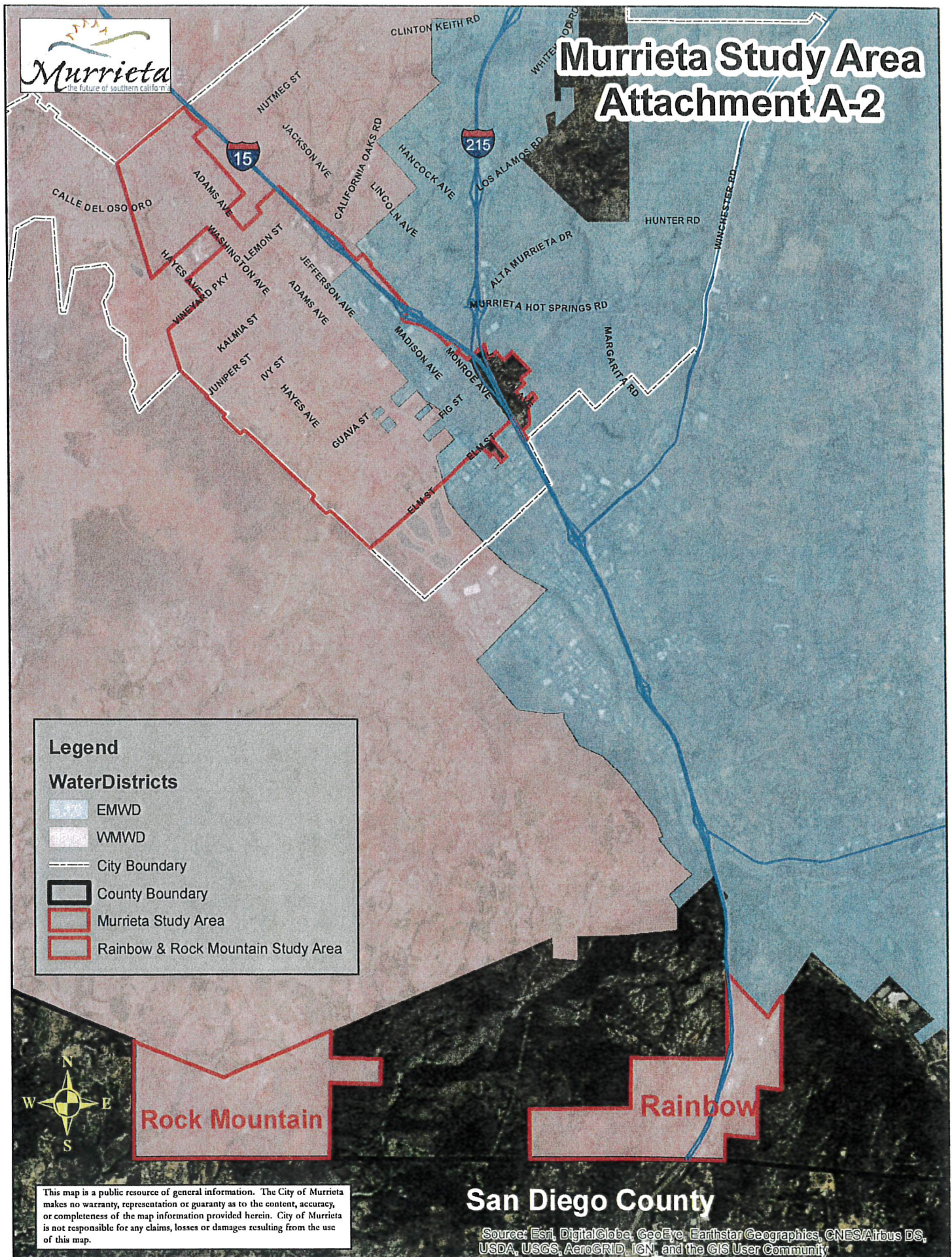


Murrieta Service Area Attachment A-1





Murrieta Study Area Attachment A-2



This map is a public resource of general information. The City of Murrieta makes no warranty, representation or guaranty as to the content, accuracy, or completeness of the map information provided herein. City of Murrieta is not responsible for any claims, losses or damages resulting from the use of this map.

San Diego County

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

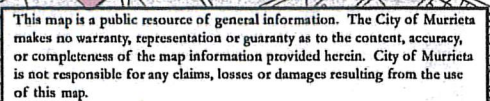


Exhibit B

Scope of Work

1. Scope of Work – West Yost Associates Proposal
2. Scope of Work – Request for Proposals



Scope of Work

Task 1. Project Management and Meetings.

Task 1a. Project Management. Project Management activities include monthly invoice and status update preparation, along with miscellaneous correspondence with Riverside LAFCO and local water purveyors.

Task 1b. Meetings. Our team anticipates attending five meetings with Riverside LAFCO and the local water purveyors during the project.

Meeting 1. Kick-off meeting. We will facilitate the kick-off meeting. Attendees are expected to include Riverside LAFCO and the local water purveyors and the City of Murrieta. The purposes of the kickoff meeting will be to:

- Review the scope, schedule, and budget.
- Solicit input from the water purveyors regarding what they each need to see in a successful FWMSR.
- Review proposed methodology for the Supply/Infrastructure Analysis and the Finance/Operations/Service/Cost Analysis.
- Review and obtain concurrence on boundary conditions/limiting assumptions for the project.
- Discuss potential criteria for decision making

The kickoff meeting will include a public session to receive input from existing customers, landowners and developers. The meeting will be meeting hosted by LAFCO at a location to be determined, possibly Murrieta City Hall. We anticipate the kickoff meeting with public input session will occur on the same day.

Meeting 2. Review Draft Supply/Infrastructure Analysis.

- Review the draft results of Task 3 (Supply/Infrastructure Analysis).
- Solicit feedback from the local water purveyors regarding the methodology and results of Task 3.

Meeting 3. Review Draft Finance/Operations/Service/Cost Analysis

- Review the draft results of Task 4 (Finance/Operations/Service/Cost Analysis)
- Solicit feedback from the local water purveyors regarding the methodology and results of Task 4.

Meeting 4. Review draft FWMSR Results

Meeting 5. Present FWMSR Results to Riverside LAFCO Board

Task 1 Deliverables:

Attendance, facilitation, and presentation at five project meetings.

Task 2. Data Gathering and Document Review

West Yost has reviewed the list of available documents provided in the RFP Attachment C. Not only is West Yost already in possession of these documents, we have already thoroughly reviewed and used these documents during the completion of the recent Murrieta Service Area Water Master Plan Update. West Yost is very familiar with the infrastructure and operations of the Murrieta Service Area,



**RELATIONSHIP
TO PROPOSAL
REQUIREMENTS
OUTLINE ON RFP
PAGES 6 AND 7**

This section describes the Scope of Work (including suggested changes to the RFP's Draft Scope of Services) required under Item 4 of the Proposal Requirements, along with the Deliverables associated with Item 6 of the Proposal Requirements.

as well as with the performance and design standards that are applicable to all of Western's service areas. This familiarity will allow West Yost to hit the ground running with no learning curve.

West Yost will also prepare a supplemental data request for any additional outstanding data, such as financial data, rate structures, staffing, operations and maintenance, etc..

Task 3. Supply/Infrastructure Analysis

West Yost will complete the following tasks specified in Attachment B of the RFP:

- Evaluate existing and future water demands for residential, commercial, industrial, and institutional uses in the Study Area based on the City's adopted General Plan and Downtown Specific Plan. This should include those portions of the Study Area that are currently served by private wells that may require municipal water service in the future.
- Evaluate existing water supply sources and production capacity, water quality, reliability and cost. Existing sources of municipal water supply includes both wells and imported water.
- Determine the capacity and condition of existing water transmission and distribution system facilities and storage reservoirs to accommodate current and future demands. The condition of the existing above ground system facilities will be made through visual observations. The condition of the existing below ground systems facilities will consider the age of the facilities and remaining useful life.
- Determine municipal water system operating capabilities such as pressure and fire flow. Fire flow should be based on the requirements published by Murrieta Fire and Rescue.
- Determine the additional water supply needs (if any) for future development in the Study Area based on the City's adopted General Plan and Downtown Specific Plan. This should include the analysis listed above for lands that are currently served by private wells but that may require municipal water service where further subdivision occurs to the extent allowed by the General Plan. In addition, where four-story mixed-use development is allowed in the Downtown Specific Plan the analysis should include fire flow rates for development at that

intensity. Include recycled water for non-potable uses if available.

- Determine the future requirements for transmission, distribution and storage infrastructure based on the City's adopted General Plan and Downtown Specific Plan based on the future demand analysis listed above. Future infrastructure requirements should include the replacement or refurbishment of any existing, sub-standard infrastructure.
- Analyze the available water supply sources, and transmission, distribution, and storage capacity of adjacent agencies, including the RCWD, EMWD, and EVMWD and determine whether they are adequate to serve both the existing and future needs of the Study Area. Any discrepancies in sizing or design criteria between the agencies should be noted in the analysis.
- Develop a preferred water system infrastructure plan to serve existing and future water demands in the Study Area. Preferred water system infrastructure plan shall consider integration and alignment with areas surrounding Study Area including accommodation of service area "islands" or "holes" located in vicinity of Study Area.

West Yost will also complete the following additional items:

- Review existing available information, reports, and analyses provided by Riverside LAFCO and the local water purveyors and advise Riverside LAFCO which components of the above tasks are already complete.
- Incorporate existing available information into the analyses that is part of this task.

Task 3 Deliverables:

A combination of maps, exhibits, engineering calculations, and reports to adequately respond to the task described above.

Task 4. Finance/Operations/Service/Cost Analysis

Our West Yost team will complete the following tasks specified in Attachment B of the RFP:

- Provide a financial analysis of water supply and infrastructure costs to serve existing needs and future development. Such an analysis should



also address the cost of existing infrastructure replacement and/or refurbishment as required.

- Research infrastructure financing capabilities, mechanisms, and costs. Document operation and maintenance costs and accompanying rates and charges for residential, commercial, industrial and institutional customers. A cost of service analysis will be necessary for each prospective agency that may be considered to assume the responsibilities of retail water service for Western's Murrieta Division. Western completed a cost of service study specific to the Murrieta Division in 2017 and will make the report available to the selected consultant.
- Evaluate the Districts' ability to respond to emergency repairs and customer calls for service.

Our West Yost team will also complete the following additional items:

- Define boundary conditions and policy assumptions that will govern Task 4, including
 - Confirming that each agency will provide the same level of service that it does for its other customers (which may differ by agency).
 - Confirming that the rate schedule charged by each agency would be the same in the Study Area compared with the rate schedule charged to its other retail customers.
 - Confirming that the Study Area does not have to be financially self-supporting, which would make the previous policy assumption possible.
- Using the cost of service analyses for each prospective agency, estimate the change in water rates for each prospective agency if the Study Area(s) are assumed.
- Estimate monthly water bills for an example residential and commercial customer under each prospective agency.

Our analysis will consider Rancho California WD's ad valorem tax and a scenario where the ad valorem tax is not applicable to newly acquired areas. Our analysis will also consider other current assessments applicable to other water districts.

The West Yost team also suggests that evaluation of an area-specific Development Impact Fee (DIF) is warranted. Such a DIF may provide a method of paying for the growth-related infrastructure while

minimizing financial impacts to existing customers. This could be a factor that would promote a policy objective of "growth pays for growth", which would address concerns of existing customer related to financial impacts of changing service providers.

After the determination of infrastructure cost requirements for each of the Districts in the Murrieta sub-area, West Yost will work with each District to establish an estimate or range for development impact fees/connection fees for the sub-area. If LAFCO, after consultation with the Districts, determines additional or more detailed analysis of such fees is warranted, an amendment to the Professional Services Agreement will be required. No fee analysis will be required for the Rock Mountain and Rainbow sub-areas.

If it became necessary, the following two additional subtasks, which are not included in our budget, could be considered by Riverside LAFCO:

Complete high-level Development Impact Fee calculations specific to the Study Area. These calculations would not be of sufficient precision to be implemented but would be used to assess how much capital project funding could be provided by Development Impact Fees in lieu of water rates.

Complete a sensitivity analysis related to the amount and timing of future development, to identify the effect of development rates on Development Impact Fee revenues and rate revenues. This sensitivity analysis will provide a risk assessment on the dependency on growth in the Study Area after the infrastructure is installed.

Task 4 Deliverables:

A combination of reports and calculations to adequately respond to the task described above.

Task 5. Service Area Boundaries Analysis

West Yost will complete the following tasks specified in Attachment B of the RFP:

- Review and recommend logical water agency service areas and sphere of influence boundaries and eliminate any "island" or "holes" in and adjacent to the Study Area.
- Where feasible, align retail water and sewer service areas.
- As needed, identify where annexation of specific areas into the Metropolitan Water District of

Southern California is required to allow access to imported water as well as the required annexation fees needing to be paid by property owners.

Task 5 Deliverables:

A combination of maps, exhibits, and reports and calculations to adequately respond to the task described above.

Task 6. Summary Report and Recommendations

At the end of our analysis, West Yost will provide a Summary Report and recommendation(s) based on the information derived from the tasks describe above as to which agency or agencies would be the best long-term water service provider for lands contained within the Study Area. The analysis and recommendations must take into consideration the impacts on owners of vacant land, developers, and existing customers.

Task 6 Deliverables:

Draft, final draft, and final Summary Reports. Draft and final draft copies will be provided in electronic form only. The final Summary Report will be provided in electronic form and six hard copies will also be provided.



Cost

Anticipated Project Cost

The table in the following page summarizes our fee to provide the services described in the Riverside LAFCO's RFP, subject to the assumptions indicated in the table.

As mentioned earlier, unique assignments such as this one require involvement of highly qualified and experienced professional staff to provide the most supportable analyses and work products that will withstand public scrutiny. While our deep experience in developing public-private partnerships for water utilities has allowed us to create some efficiencies that we have incorporated in our cost proposal, we also remain open to discussions with Riverside LAFCO regarding our proposed scope and budget.



RELATIONSHIP
TO PROPOSAL
REQUIREMENTS
OUTLINE ON RFP
PAGES 6 AND 7

This section contains the
information called for in Item 7
of the Proposal Requirements.

West Yost Fee Table

West Yost Associates	PMF 1205 Design	EMERSON I 1274 Study	EMERSON II 1274 Estimate	PEPSPO I 1254 Multiple	PEPSPO II 1254 Service	PEPSPO I 1240 Wells	SEISS/SGO II 1225 Wholly	PEPSPO I 1240 Gate	ESG I 1154 Consult	ACM IV 1131	Hours	Lease Fee	Sub FES DETAILED	Costs Sub w/ markup 10%	Other Direct	Total Costs
Task 1: Project Management/QAC																
1.1 Project Management/QAC	20	10		16		16				8	84	\$ 21,002	\$ 3,400	\$ 3,740		\$ 24,832
1.2 LAFCO Meeting #1	12					8			4		24	\$ 5,950	\$ 4,300	\$ 4,730		\$ 10,680
1.3 LAFCO Meeting #2	6					4			2		12	\$ 2,975	\$ 2,200	\$ 2,700		\$ 5,725
1.4 LAFCO Meeting #3	6					4			2		12	\$ 2,975	\$ 2,200	\$ 2,700		\$ 5,725
1.5 LAFCO Meeting #4	6					4			2		12	\$ 2,975	\$ 2,200	\$ 2,700		\$ 5,725
1.6 LAFCO Meeting #5	6					4			2		12	\$ 2,975	\$ 2,200	\$ 2,700		\$ 5,725
Subtotal, Task 1 (hours)	64	10	0	16	0	40	0	0	12	8	166					
Subtotal, Task 1 (\$)	\$ 16,320	\$ 4,204		\$ 3,640		\$ 9,600			\$ 1,040	\$ 1,640		\$ 38,500	\$ 17,700	\$ 19,470		\$ 68,630
Task 2: Data Gathering																
2.1 Data Gathering	8		2		12	8	8		16		52	\$ 11,400	\$ 3,000	\$ 3,300		\$ 15,450
Subtotal, Task 2 (hours)	8	0	2	0	12	8	8	0	16	0	82					
Subtotal, Task 2 (\$)	\$ 1,710		\$ 840		\$ 3,040	\$ 1,920	\$ 1,920		\$ 2,464			\$ 11,400	\$ 3,000	\$ 3,300		\$ 18,480
Task 3: Hydraulic Analysis																
3.1 Hydraulic Analysis			24			48	64		100		244	\$ 49,128				\$ 49,128
3.2 Condition Analysis	4				32	8			32	4	80	\$ 16,040				\$ 16,040
Subtotal, Task 3 (hours)	4	0	24	0	32	86	64	0	140	4	324					
Subtotal, Task 3 (\$)	\$ 1,140		\$ 6,376		\$ 6,128	\$ 13,440	\$ 14,080		\$ 21,280	\$ 824		\$ 85,768				\$ 88,768
Task 4: Financial and Operational Analysis of Costs																
4.1 Financial and operational analysis of costs to serve existing/water development	8				48		12	16		8	82	\$ 22,080	\$ 6,000	\$ 6,600		\$ 28,680
4.2 Research infrastructure financing	4									4	8	\$ 1,864	\$ 4,800	\$ 5,260		\$ 6,944
4.3 Cost of service analysis for each water purveyor for each service area	4									4	8	\$ 1,864	\$ 16,800	\$ 18,460		\$ 20,144
4.4 Evaluate ability to respond to emergency needs/backup service calls	4						24			4	32	\$ 7,064	\$ 4,200	\$ 4,620		\$ 11,684
4.5 Define boundary conditions and policy assumptions	8									4	12	\$ 2,804				\$ 2,804
4.6 Prepare annual monthly water bills	4									4	8	\$ 1,864	\$ 2,800	\$ 2,980		\$ 4,524
4.7 High-level O&M calculations	4									4	8	\$ 1,864				\$ 1,864
4.8 Sensitivity analysis	4									4	8	\$ 1,864				\$ 1,864
Subtotal, Task 4 (hours)	48	0	0	0	48	0	36	16	0	36	170					
Subtotal, Task 4 (\$)	\$ 11,880				\$ 12,082		\$ 6,160	\$ 3,640		\$ 4,736		\$ 48,340	\$ 14,400	\$ 17,840		\$ 78,480
Task 5: Service Area Boundary Analysis																
5.1 Service Area Boundary Analysis	16				20				8	4	48	\$ 11,116	\$ 2,800	\$ 3,080		\$ 14,796
Subtotal, Task 5 (hours)	16	0	0	0	20	0	0	0	8	4	48					
Subtotal, Task 5 (\$)	\$ 4,880				\$ 4,800				\$ 1,232	\$ 824		\$ 11,116	\$ 2,800	\$ 3,080		\$ 14,796
Task 6: Summary Report and Recommendations																
6.1 Summary Report and Recommendations	8		2		2	20	2	2	24	8	68	\$ 13,810	\$ 9,200	\$ 10,120		\$ 23,530
Subtotal, Task 6 (hours)	8	0	2	0	2	20	2	2	24	8	68					
Subtotal, Task 6 (\$)	\$ 2,360		\$ 840		\$ 880	\$ 4,800	\$ 400	\$ 400	\$ 3,696	\$ 1,640		\$ 13,810	\$ 9,200	\$ 10,120		\$ 23,530
TOTAL (hours)	120	10	26	16	94	144	116	16	200	88	824					
TOTAL (\$)	\$ 38,320	\$ 4,204	\$ 7,672	\$ 3,640	\$ 23,576	\$ 34,880	\$ 24,720	\$ 4,320	\$ 20,800	\$ 7,000		\$ 101,382	\$ 67,700	\$ 74,470		\$ 245,852

ATTACHMENT B

Draft Scope of Services

The Consultant shall provide the technical expertise and administrative management to complete the FMSR for the "Study Area" shown in Attachments A-1, A-2 and A-3. The project consists of three distinct topic areas; 1) Supply / Infrastructure, 2) Finance / Operations / Service / Cost, and 3) Service Area Boundaries. A more detailed description of the project effort and the deliverables is provided below:

Data Gathering and Document Review

- Collect and review applicable water agency documents for relevant information about current services, facilities, and operations. Attachment C includes a list of anticipated documents that will be available for review.

Supply / Infrastructure Analysis

- Evaluate existing and future water demands for residential, commercial, industrial, and institutional uses in the Study Area based on the City's adopted General Plan and Downtown Specific Plan. This should include those portions of the Study Area that are currently served by private wells that may require municipal water service in the future.
- Evaluate existing water supply sources and production capacity, water quality, reliability and cost. Existing sources of municipal water supply includes both wells and imported water.
- Determine the capacity and condition of existing water transmission and distribution system facilities and storage reservoirs to accommodate current and future demands. The condition of the existing above ground system facilities will be made through visual observations. The condition of the existing below ground systems facilities will consider the age of the facilities and remaining useful life.
- Determine municipal water system operating capabilities such as pressure and fire flow. Fire flow should be based on the requirements published by Murrieta Fire and Rescue.
- Determine the additional water supply needs (if any) for future development in the Study Area based on the City's adopted General Plan and Downtown Specific Plan. This should include the analysis listed above for lands that are currently served by private wells but that may require municipal water service where further subdivision occurs to the extent allowed by the General Plan. In addition, where four-story mixed-use development is allowed in the Downtown Specific Plan the analysis should include fire flow rates for development at that intensity. Include recycled water for non-potable uses if available.
- Determine the future requirements for transmission, distribution and storage infrastructure based on the City's adopted General Plan and Downtown Specific Plan based on the future demand analysis listed above. Future infrastructure

requirements should include the replacement or refurbishment of any existing, sub-standard infrastructure.

- Analyze the available water supply sources, and transmission, distribution, and storage capacity of adjacent agencies, including the Rancho California Water District (RCWD), Eastern Municipal Water District (EMWD), and Elsinore Valley Municipal Water District (EVMWD) and determine whether they are adequate to serve both the existing and future needs of the Study Area. Any discrepancies in sizing or design criteria between the agencies should be noted in the analysis.
- Develop a preferred water system infrastructure plan to serve existing and future water demands in the Study Area.
- Preferred water system infrastructure plan shall consider integration and alignment with areas surrounding Study Area including accommodation of service area "islands" or "holes" located in vicinity of Study Area.

Deliverables

A combination of maps, exhibits, engineering calculations and reports to adequately respond to the tasks in the Supply / Infrastructure section above.

Assumptions

The City of Murrieta will provide electronic and hard copies of the adopted General Plan and Downtown Specific Plan. EMWD, EVMWD, WMWD, RCWD will provide electronic maps of their respective, existing infrastructure facilities, as well as future master plans. Electronic copies of each agency's hydraulic models will also be made available.

Finance / Operations / Service / Cost Analysis

- Provide a financial analysis of water supply and infrastructure costs to serve existing needs and future development. Such an analysis should also address the cost of existing infrastructure replacement and/or refurbishment as required.
- Research infrastructure financing capabilities, mechanisms, and costs. Document operation and maintenance costs and accompanying rates and charges for residential, commercial, industrial and institutional customers. A cost of service analysis will be necessary for each prospective agency that may be considered to assume the responsibilities of retail water service for Western's Murrieta Division. Western completed a cost of service study specific to the Murrieta Division in 2017 and will make the report available to the selected consultant.
- Evaluate the Districts' ability to respond to emergency repairs and customer calls for service.

Deliverables

A combination of reports and calculations to adequately respond to the tasks in the Finance / Operations / Service section above.

Assumptions

EMWD, EVMWD, WMWD, RCWD will provide information describing any known deficiencies or deferred maintenance for infrastructure facilities as well as current rate structures for residential, commercial, industrial and institutional customers.

Service Area Boundaries Analysis

- Review and recommend logical water agency service areas and sphere of influence boundaries and eliminate any "islands" or "holes" in and adjacent to the Study Area.
- Where feasible, align retail water and sewer service areas.
- As needed, identify where annexation of specific areas into the Metropolitan Water District of Southern California is required to allow access to imported water as well as the required annexation fees needing to be paid by property owners.

Deliverables

A combination of maps, exhibits, and reports to adequately respond to the tasks in the Service Area Boundaries section above.

Assumptions

LAFCO, EMWD, EVMWD, WMWD, RCWD will provide electronic files of existing boundaries and areas that have not been annexed into a water district.

Summary Report and Recommendations-Deliverables

The Consultant will provide a Summary Report and recommendation(s) based on the information derived from the tasks described above as to which agency or agencies would be the best long-term water service provider for lands contained in the "Study Area." The analyses and recommendations must take into consideration and describe the impacts on owners of vacant land, developers and existing customers. An electronic copy and six hard copies of the Summary Report are required.

Exhibit C

Correspondence from Funding Participants

1. City of Murrieta
2. Rancho California Water District
3. Western Municipal Water District
4. Eastern Municipal Water District



CITY OF MURRIETA

June 14, 2018

Mr. George Spiliotis, Executive Officer
Riverside Local Agency Formation Commission
3850 Vine Street, Suite 240
Riverside, CA 92507-4277

RFP for Focused Murrieta Municipal Service Review

Dear Mr. Spiliotis,

The City of Murrieta is very supportive of having the Request for Proposals (RFP) for the Focused Murrieta Municipal Service Review (MSR) placed on the LAFCO agenda for June 28, 2018.

The City will also agree to help participate with funding for the MSR, subject to the final negotiated cost and approval by the City Council. We look forward to working with LAFCO and to hearing about the responses to the RFP.

Please feel free to contact me directly at (951) 461-6078 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ivan Holler", is written over a horizontal line.

Ivan Holler, Assistant City Manager
City of Murrieta



**Rancho
Water**

June 14, 2018

RECEIVED
RIVERSIDE LOCAL AGENCY
FORMATION COMMISSION
18 JUN 19 AM 9:50

George Spiliotis, Executive Officer
LOCAL AGENCY FORMATION COMMISSION
3850 Vine Street, Suite 240
Riverside, CA 92507

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Ben R. Drake
President

Bill J. Wilson
Senior Vice President

Carol Lee Brady

Angel Garcia

Lisa D. Herman

Danny J. Martin

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Engineering and Operations

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Assistant General Manager
Chief Financial Officer/Treasurer

Jason A. Martin
Director of Administration

Eileen Dienne
Director of Human Resources

Andrew L. Webster, P.E.
Chief Engineer

Kelli E. Garcia
District Secretary

James B. Gilpin
Best Best & Krieger LLP
General Counsel

**SUBJECT: FOCUSED WATER MUNICIPAL SERVICE REVIEW
MURRIETA AREA**

Dear Mr. Spiliotis: *GEORGE*


Over the past few months the City of Murrieta (City) has lead an effort, in conjunction with the four Water Districts serving the City, to review retail water service in a portion of Murrieta (Study Area). As a result of these efforts, consensus was reached that a Municipal Service Review (MSR) performed by LAFCO would be the appropriate means to assess the most effective and efficient method of providing water service to the Study Area. A draft Request for Proposal (RFP) has been developed to engage a consultant to perform the MSR.

This letter serves as Rancho California Water District's (RCWD) support for the MSR effort and the RFP. RCWD is committed to participating in funding this study; however, this is conditioned on the final negotiated cost of the study and subject to RCWD's Board approval of a formal funding agreement.

RCWD looks forward to participating in this study. Please do not hesitate to contact me if you have any questions.

Sincerely,

RANCHO CALIFORNIA WATER DISTRICT


Jeff B. Armstrong
General Manager

085.docx

Craig D. Miller
General Manager

Robert Stockton
Division 1

Thomas P. Evans
Division 2

Brenda Dennstedt
Division 3

Donald D. Galleano
Division 4

S.R. "Al" Lopez
Division 5



Securing Your Water Supply

June 20, 2018

Mr. George Spiliotis
Executive Officer
Local Agency Formation Commission (LAFCO)
3850 Vine Street, Suite 110
Riverside, CA 92507

SUBJECT: Western Support for Focused Water Municipal Service Review – Murrieta Area

Dear Mr. Spiliotis:

As you are aware, following LAFCO approval, the Murrieta County Water District's (MCWD) service area, its assets, permits, entitlements and obligations, were transferred to the Western Municipal Water District (Western) on November 27, 2005. Since completing the transfer, Western has focused on delivering high-quality water and wastewater service in a cost-effective manner to the residents and businesses in its Murrieta Division. Western has invested more than \$8 million in the Murrieta Division to increase reliability and sustain water quality throughout the area. Western takes the fiscal management of customer funds as earnestly as it does water quality and service. To insure that the rate payers in Murrieta are receiving the most effective service, Western supports the Municipal Service Review (MSR).

Western's financial participation in the proposed focused MSR in Murrieta is conditioned on all of the following:

- 1) The proportional financial support of the City of Murrieta
- 2) The proportional financial support of neighboring retail water agencies that elect to participate because of potential impacts on their existing customers
- 3) Western's approval of the final negotiated costs of the focused MSR
- 4) The execution of a formal cost sharing agreement between all funding entities

Although not a condition of Western's financial participation, Western's Board of Directors strongly encourages LAFCO to consider a thorough review of municipal services for the entire City of Murrieta, including a residential community known as The Colony located in the Cal Oaks area of Murrieta. As the

June 20, 2018

SUBJECT: Western Support for Focused Water Municipal Service Review -- Murrieta Area

Page 2

City and its four retail water agencies are considering a cooperative effort to review Western's Murrieta Division, now might be the most appropriate and cost-effective time to conduct a more complete review of all water services within the City.

As previously stated, Western is supportive of any effort that results in increased water reliability, increased efficiency in water service, and/or lowers the cost of service for water customers.

Sincerely,



CRAIG D. MILLER
General Manager

cc: Kim Summers, City of Murrieta
Ivan Holler, City of Murrieta
Paul Jones, Eastern Municipal Water District
Jeff Armstrong, Rancho California Water District
John Vega, Elsinore Valley Municipal Water District



June 19, 2018

Mr. George Spiliotis
Executive Officer
Local Agency Formation Commission
3850 Vine Street, Suite 240
Riverside, California 92507

Subject: Proposed Focused Municipal Services Review for Water Service in the City of Murrieta

Dear Mr. Spiliotis:

Over the past several months, we have been working with the City of Murrieta, Western Municipal Water District (WMWD), Rancho California Water District (RCWD) and Elsinore Valley Municipal Water District (EVMWD) to collaboratively address water service issues in WMWD's Murrieta division.

As part of this process, the City and water agencies determined that the completion of a Focused Municipal Services Review (MSR) by the Local Agency Formation Commission (LAFCO) would be the best approach and provide needed guidance for determining the most effective and efficient method of providing long-term water service to this area. To complete this work, the City and the water agencies have developed a scope of work and Request for Proposals (RFP) for LAFCO to use to secure consultant services for the Focused MSR.

Eastern Municipal Water District (EMWD) supports the completion of the Focused MSR and believes it would be a valuable tool to help clarify future water infrastructure needs for the area and to assist with reconciling boundary issues, including service area islands. As such, EMWD is willing to fund a proportionate share of the Focused MSR subject to final negotiated costs and approval of our Board of Directors.

Board of Directors

David J. Slawson, *President* Ronald W. Sullivan, *Vice President* Joseph J. Kuebler, CPA, *Treasurer* Philip E. Peule Randy A. Record

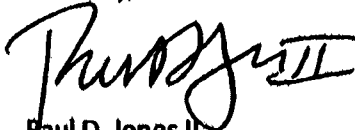
2270 Trumble Road • P.O. Box 8300 • Perris, CA 92572-8300

T 951.928.3777 • F 951.928.6177 www.emwd.org

Mr. George Spiliotis
June 19, 2018
Page 2

We appreciate the Commission's willingness to consider this item and look forward to working with you on the completion of this important study.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul D. Jones II", with a stylized flourish at the end.

Paul D. Jones II
General Manager

c: EMWD Board of Directors
General Managers, EVMWD, RCWD and WMWD
Ivan Holler, City of Murrieta