



Riverside Local Agency Formation Commission Murrieta Study Area Public Overview & Update Meeting

July 17, 2019

WEST YOST ASSOCIATES

Agenda



- Welcome, Introductions & Meeting Format
- Purpose of the project.
- Role of LAFCO and West Yost
- Review the scope and budget.
 - Solicit input from the water purveyors regarding what they need to see in a successful Focused Water Municipal Service Review (FWMSR).
 - Review proposed methodology for the Supply/Infrastructure Analysis and the Finance/Operations/Service/Cost Analysis.
 - Review and obtain concurrence on boundary conditions and policy assumptions for the project.
 - Discuss potential criteria for decision making.
- Current Updates/FAQ
- Next Steps/Tentative Schedule
- Receive public comments and community input.

Agenda Item #2

Purpose of the project

Purpose of the Focused Municipal Services Review (MSR)

- The main purpose of the MSR is to analyze the infrastructure, supply capacity and financial costs and needs for providing water service to the entire area for current and future customers.
- How best to provide that service in the most efficient and cost-effective manner.
- Completion of the Focused MSR will serve as a roadmap for provision of adequate infrastructure and water supply to support development of the area in a manner consistent with the City of Murrieta's General Plan and Downtown Specific Plan.

Agenda Items #3 & 4

Roles of LAFCO and West Yost

Role of LAFCO

- The Riverside Local Agency Formation Commission (LAFCO) is a countywide independent public agency established by state statute that is primarily responsible for adjudicating boundary modifications for cities and special districts, among other functions.
- LAFCO is also responsible for conducting periodic municipal service reviews and sphere of influence updates, and special studies as requested.
- The LAFCO Commission is comprised of seven members:
 - Two members are from the County Board of Supervisors
 - Two members are City Council members or Mayors
 - Two members are Board members of special districts
 - One public member
 - There is also one alternate for each of the 4 member categories.

Role of West Yost

- West Yost has been hired by LAFCO to provide the independent technical and financial analysis required for the MSR.
- West Yost key issues for project success:
 - Issue #1: The MSR must be completed in a cost-effective manner.
 - Issue #2: The development of the MSR must be transparent, thorough, and highly supportable by the public and elected officials.
 - Issue #3: The success of the MSR is dependent on effective communication between Riverside LAFCO, the City, the water districts and their customers, and developers.

Agenda Item #5

Review the scope, schedule and budget

Scope of Work and Budget

Task	Budget
Task 1. Project Management and Meetings	\$58,430
Task 2. Data Gathering and Document Review	\$15,450
Task 3. Supply/Infrastructure Analysis	\$65,768
Task 4. Finance/Operations/Service/Cost Analysis	\$78,088
Task 5. Service Area Boundaries Analysis	\$14,196
<u>Task 6. Summary Report and Recommendations</u>	<u>\$23,930</u>
Project Total:	\$255,862

The following public agencies are funding the project with each agency paying an equal share:

- City of Murrieta
- Eastern Municipal Water District
- Western Municipal Water District
- Rancho California Water District

Agenda Item #5.1

Solicit input from the water purveyors regarding what they need to see in a successful FWMSR.

What is critical for a successful FWMSR?

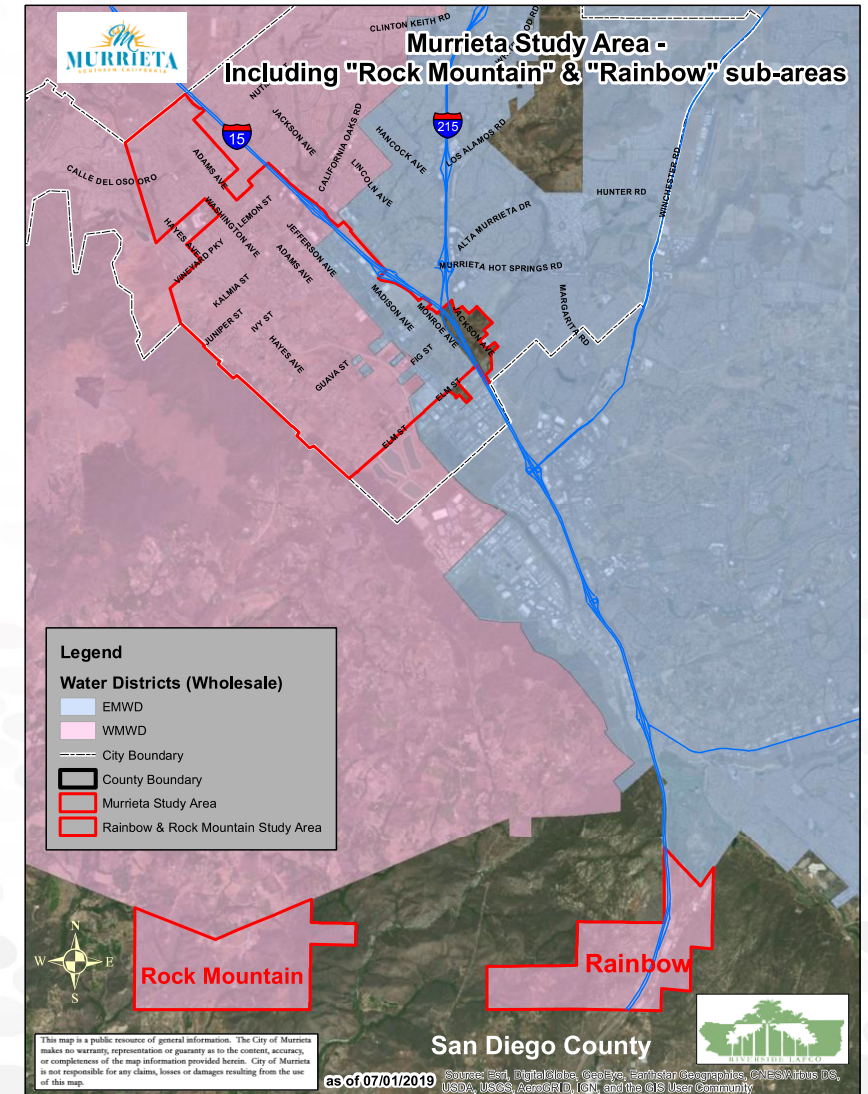
- Thorough and complete analytical process
- Transparency
- Credibility
- Objectivity/Impartiality
- Build confidence and consensus
- Completion on schedule and budget

Agenda Item #5.2

Review proposed methodology for the
Supply/Infrastructure Analysis and the
Finance/Operations/Service/Cost Analysis.

Supply/Infrastructure Alternatives Analysis

- Technical analysis
 - Differences in the Murrieta, Rock Mountain and Rainbow Study Areas
- Analysis driven by complicated water supply in the study area
 - Groundwater or imported water?
 - Western Municipal, Eastern Municipal, or Rancho California?
- The number and location of groundwater wells, pump stations, tanks, and pipelines will depend on the type of water and who supplies.



Supply/Infrastructure Alternatives Analysis

1. How much water needs to be supplied?
 - A. City of Murrieta General Plan Update
2. What infrastructure (and associated costs) are required for different alternatives?
3. Infrastructure and costs need to consider the condition and replacement needs of existing infrastructure, not just new infrastructure.

Assessing Financial Impacts:

- Ratepayer's perspective:
 - Evaluate financial impacts: how does this affect your water bill?
 - Assess how “growth pays for growth”
 - Assess which utility or utilities can provide the highest level of water service at the lowest cost of service

Assessing Financial Impacts: Your Water Bill

- This study will compare:
 - Current water bills (service from WMWD)
 - Future projected water bills (service from WMWD, EMWD or RCWD)
- The comparison will reflect total cost to customers

Assessing Financial Impacts: Growth Pays for Growth

- Estimates the cost to build infrastructure required for growth
 - The cost may depend on who provides water service
- Two methods for “growth to pay for growth”
 - Utility requires Developers to build and pay for the infrastructure
 - Utility pays for it and charges Development Impact Fees
 - Development Impact Fee: one-time charge when connecting to the water system.
 - The financial analysis:
 - Estimates the total cost that future development should pay
 - Estimates a Development Impact Fee

Assessing Financial Impacts:

Which utility or utilities can provide the highest level of water service at the lowest cost?

- The cost to supply water may differ
- The cost to operate and maintain the system may differ
 - Proximity of staff and equipment and emergency response
- The amount of infrastructure needed to serve existing customers may depend on who provides water service

Agenda Item #5.3

Review and obtain concurrence on boundary conditions and policy assumptions for the project.

Boundary Conditions and Policy Assumptions

- Discussion are on-going within the respective agencies regarding boundary conditions (for example, is area to be financially distinct or financially blended?)
- It is vital to establish these policy decisions early and consistently in the process.
- By establishing these conditions early, we reduce the potential to “move the goalpost” as the results develop throughout the process.

Agenda Item #5.4

Discuss potential criteria for decision making

Potential criteria for decision making

1. Highest Level of Service

Examples:

- a) Fire Flow
- b) Reliability of Supply
- c) Emergency Response

2. Lowest Cost to Achieve Highest Level of Service

Examples:

- a) Retail Rates and Charges
- b) Development Impact Fees
- c) Least Infrastructure Investment Required

3. Timeliness of Implementation of Infrastructure Solutions

Examples:

- a) Existing System
- b) Growth Needs

Agenda Item #6

Current Updates/FAQ

Current Updates and FAQ

- A list of 13 of the most Frequently Asked Questions has been prepared for the public. The FAQs are provide via:
 - Hard copy tonight
 - A digital version is also located on LAFCO's website:

<https://lafco.org/studies/municipal-service-reviews/murrieta-area-focused-municipal-service-review/>

- On the LAFCO website, you can also subscribe to be notified when the page is updated at:

<https://lafco.org/subscribe/>

Agenda Item #8

Next Steps/ Tentative Schedule

Scope of Work and Schedule

Task	Schedule
Notice To Proceed	Mid April 2019
Task 1. Project Management and Meetings	Mid April to End October 2019
Meeting 1.a – Kickoff (PUBLIC)	April 25, 2019
Meeting 1.b – Kickoff/ Update (PUBLIC #2) New	July 17, 2019
Meeting 2 – Supply and Infrastructure	Mid July 2019
Meeting 3 – Finance/Ops/Cost	Mid August 2019
Meeting 4 – Draft Review	Mid September 2019 ¹
Meeting 5 – Present to Riverside LAFCO (PUBLIC)	End October 2019
Task 2. Data Gathering and Document Review	Mid April to Mid September 2019
Task 3. Supply/Infrastructure Analysis	End April to Mid October 2019
Task 4. Finance/Operations/Service/Cost Analysis	Mid August to Mid October 2019
Task 5. Service Area Boundaries Analysis	Mid September to Mid October 2019
Task 6. Summary Report and Recommendations	End October 2019

1. Review meeting dates in consideration of any planned vacations

Agenda Item #8

Receive public comments and community input

Public Comments and Community Input

- We received valuable and extensive community input at the April 25, 2019 Public Kickoff Meeting. The comments fell into several key categories, including:

Received Public Comment Topics	
Ad Valorem Tax	Meters on private wells
Annexation Concerns	No notice about meeting
Areas included in the study	Public Concerns - General
Concern about money	Rancho California - Historical/ miscellaneous concerns
Concerned about change in water purveyors	Service concern
Developer/Development Concerns	Standby fee
Fire flow concerns	Taking a private well
Local aquifer drawdown concerns	Why is the study necessary/who is paying

Process for Tonight's Public Comments and Community Input

- Members of the public are encouraged to provide their comments and input
- Each member of the public will be given three minutes to provide their comments and input
- Members of the public are not permitted to assign their time to another speaker
- To ensure a fair forum and provide equal time to all speakers, any new questions/topics will be noted. However, specific responses will be addressed in the study, not in this meeting.