



Riverside Local Agency Formation Commission Murrieta Study Area Kick-Off Meeting

April 25, 2019

WEST YOST ASSOCIATES

Agenda



Introductions of West Yost

- Opening comments.
- Review the scope, schedule 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.
- Receive public comments and community input.

West Yost key issues for project success

- Issue #1: The FWMSR must be completed in a cost-effective manner.
- Issue #2: The development of the FWMSR must be transparent, thorough, and highly supportable by the public and elected officials.
- Issue #3: The success of the FWMSR is dependent on effective communication between Riverside LAFCO, the City, the water districts and their customers, and developers.

Agenda Item #1

Review the scope, schedule and budget

Scope of Work

- Task 1. Project Management and Meetings
- Task 2. Data Gathering and Document Review
- Task 3. Supply/Infrastructure Analysis
- Task 4. Finance/Operations/Service/Cost Analysis
- Task 5. Service Area Boundaries Analysis
- Task 6. Summary Report and Recommendations

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 – Kickoff (PUBLIC)	April 25, 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

Scope of Work and Budget

Task	Budget
Task 1. Project Management and Meetings	\$62,728
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:	\$260,160

Agenda Item #2

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

What is critical for a successful FWMSR?

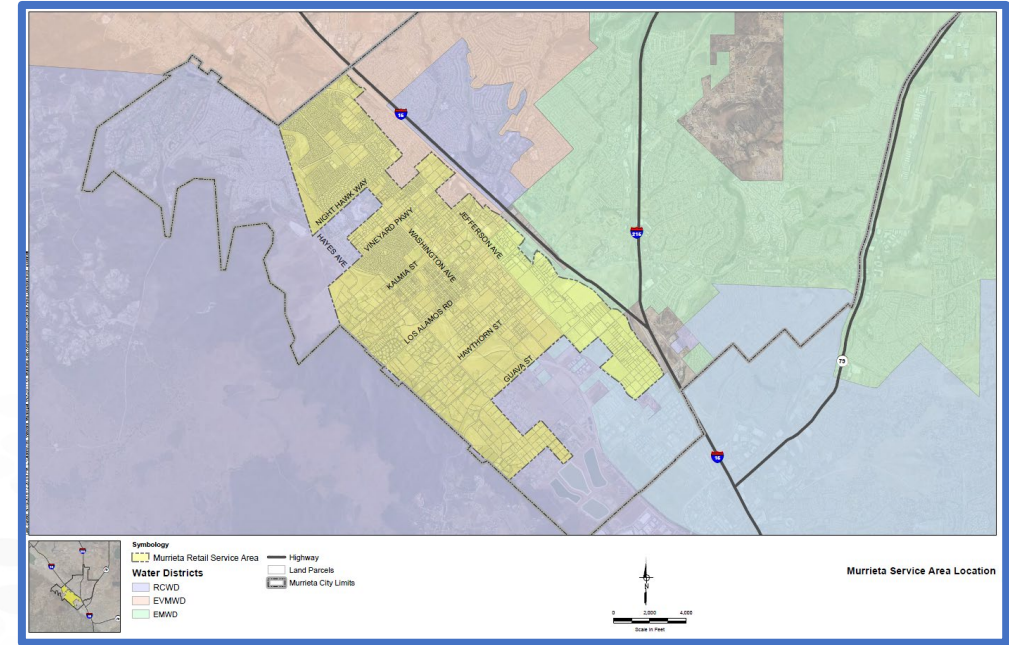
- Thorough and complete analytical process
- Transparency
- Credibility
- Objectivity/Impartiality
- Build confidence and consensus
- Completion on schedule and budget

Agenda Item #3

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

Supply/Infrastructure Alternatives Analysis

1. Technical analysis
2. Analysis driven by complicated water supply in the study area
 - A. Groundwater or imported water?
 - B. Western Municipal, Eastern Municipal, or Rancho California?
3. 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 #4

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

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

Receive public comments and community input