

**From:** [K Elliott](#)  
**To:** [LAFCO Information](#)  
**Subject:** Questions on infrastructure requirements and who pays for them  
**Date:** Wednesday, March 31, 2021 8:00:11 AM

---

LAFCO-

I am continuing to review the Murrieta FMSR and have some additional questions:

Page # Question/Comment

21 On Figure 2-2, where is the existing pressure reducing valve (PRV)?  
Is the existing excess storage capacity at the Grizzly Ridge Reservoir site available to meet the CURRENT storage needs for the entire service area, even in the lower pressure zone? If not, what would it cost to make it available to provide current customers in the lower pressure area with that additional storage?

44 What portion of the additional build out storage that RCWD would need will be funded by current customers, by developers, and by future customers of the Study Area?

46 What are the implications of the 2nd paragraph - RCWD hydraulic deficiencies? Is it only the pipes near the proposed Adams/Kalmia Interconnection?  
If it is elsewhere, why is RCWD's distribution system not requiring improvements to address these minor pipeline deficiencies? Is it valid to assume at build-out, where demand is assumed to be 80% higher than present demand, that these deficiencies would remain minor? If so, why?

55 What does "addressing storage needs through payment of RCWD connection fee" mean?  
Would developer connection fees be sufficient to pay for Murrieta's part of the new storage RCWD has planned?  
Why is there no table or cost listed for the connection tie-in that RCWD will require at Adams/Kalmia?

64/66 On page 66, RCWD AV is used to fund capital improvements (including debt service).  
However Table 7-1 on page 64 does not show this. Why is it not shown?

81 WMWD needs additional storage at build out, but using the excess capacity in the Grizzly Ridge tank means that the storage isn't needed for current customers. However, Table 8-8 shows that current customers are expected to pay \$4.6m of the \$8.3m cost for this new storage, and \$2.3m of the \$4.2m in new pipelines needed for the storage tank. Future development will only pay \$3.7m and \$1.9m, respectively. Similarly, why are current customers paying the full cost for EMWD supply improvements when the current connection is sufficient for our demand? Why are current customers subsidizing growth, violating the principle of "growth pays for growth"?

93 "RCWD anticipates requiring existing Murrieta Study Area customers to buy into RCWD facilities, including storage facilities... The buy-in eliminates the need to separately build additional reservoir storage."  
Since additional storage is almost entirely needed for future customer demand, why are current customers subsidizing growth, violating the principle of "growth pays for growth"?

105 EMWD estimates that the Study Area's share of a new Hunter Storage Tank will be \$4.1m. Only \$1.8m will be funded by new customers but the Acquisition Balance (which needs to be paid by current customers over ~12 years) includes \$2.25m for the tank, even though it is scarcely needed for current customer demand.  
Similarly, why are current customers paying the full cost for EMWD supply improvements when the current connection is sufficient for our demand? Doesn't this violate the principle of "growth pays for growth"?

112 “RCWD lower connection fees acknowledge that AV tax revenues are also used to pay for water system infrastructure.”

Once again it appears that current property owners subsidize new development since RCWD can lower connection fees for new development because current property owners underwrite a portion of those connection fees through payment of Ad Valorem. In fact, current customers don't actually need to use the excess capacity in RCWD's stranded asset pipelines that run through and around Western's service area. How is this not violating the agreement that "growth pays for growth"?

Kathryn