



## Riverside Local Agency Formation Commission (LAFCO) Public Kick-Off Meeting

Location: Murrieta Public Library  
8 Town Square, Murrieta, CA 92562

Date: April 25, 2019

Time: 6:00 P.M.

Attendees (Agencies): Riverside LAFCO, City of Murrieta, Western Municipal Water District, Eastern Municipal Water District, and Ranch California Water District

Attendees (WY): Stephen Dopudja, Jon Wells, and Art Griffith

### AGENDA ITEMS

- Review the scope, schedule and budget.
- Review the Data Request Matrices for each agency.
- 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 that will govern Task 4 for the project.
- Discuss potential criteria for decision making.
- Receive public comments and community input.

### Other/ Additional Information

# 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**

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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.