



Consider Approval of Additional Measure J Cost

*MPWMD Board Meeting
Agenda Item 12.1
July 19, 2021*

David Stoldt
General Manager



Assets Considered

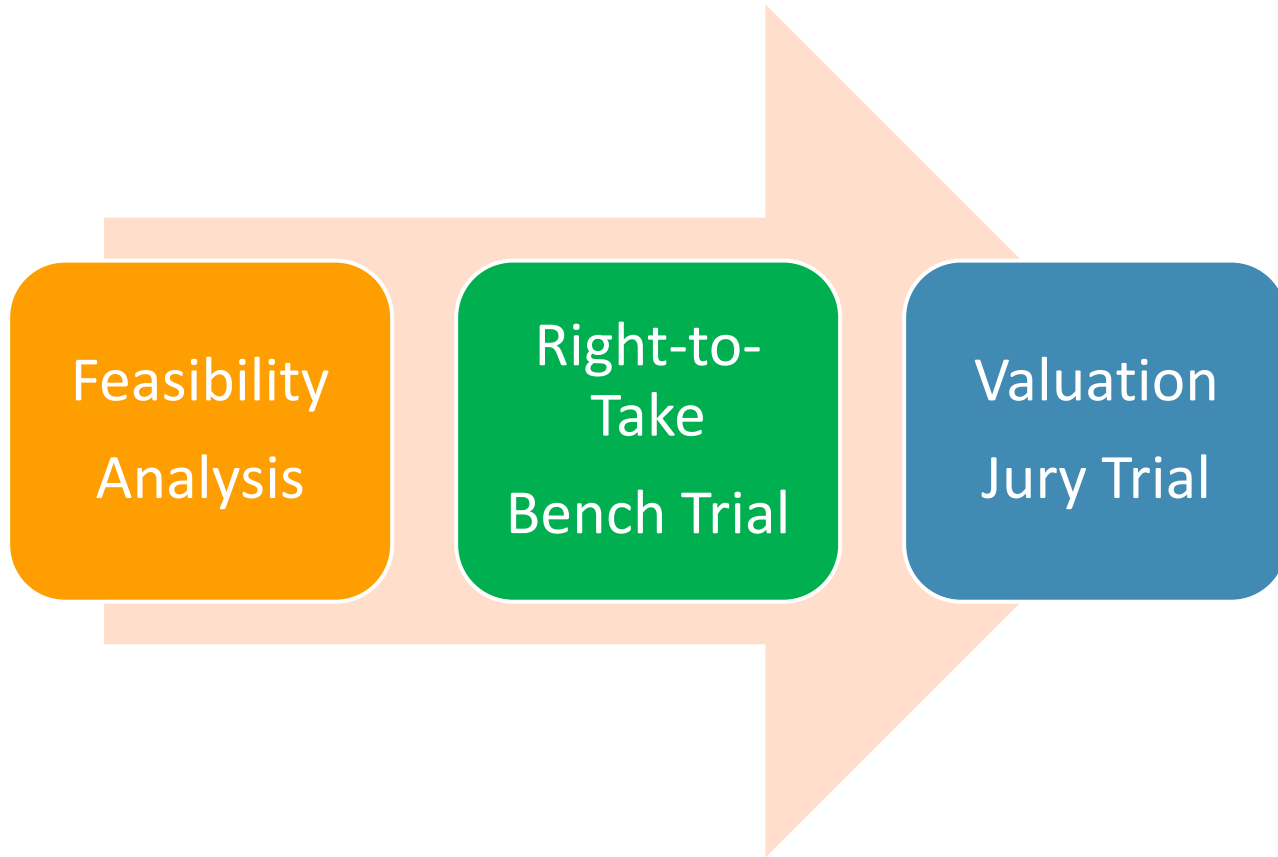
Within District Territory

- Cal-Am Main System
- Ryan Ranch System
- Bishop System
- Hidden Hills System
- Monterey Pipeline
- ASR Wells 5 & 6 – Fitch Park (proposed)
- Desal Transmission Main – majority portion (proposed)
- Pasadera/Laguna Seca Wastewater System
- Carmel Valley Ranch Wastewater System
- White Oaks Wastewater System (Carmel Valley Village)
- Village Green Wastewater System (Carmel Valley Village)

Outside District Territory

- Desalination Plant (proposed)
- Desal Pipeline (proposed)
- Castroville Pipeline (proposed)
- Desal Transmission Main – portion (proposed)
- Ambler System
- Ralph Lane System
- Chualar System
- Toro System (majority)
- Garrapata System
- Las Palmas Ranch Wastewater System
- Indian Springs Wastewater System
- Spreckels Wastewater System
- Oak Hills Wastewater System
- 3 small wastewater systems (presently under negotiation between Cal-Am and Monterey County)

3-Phase Process

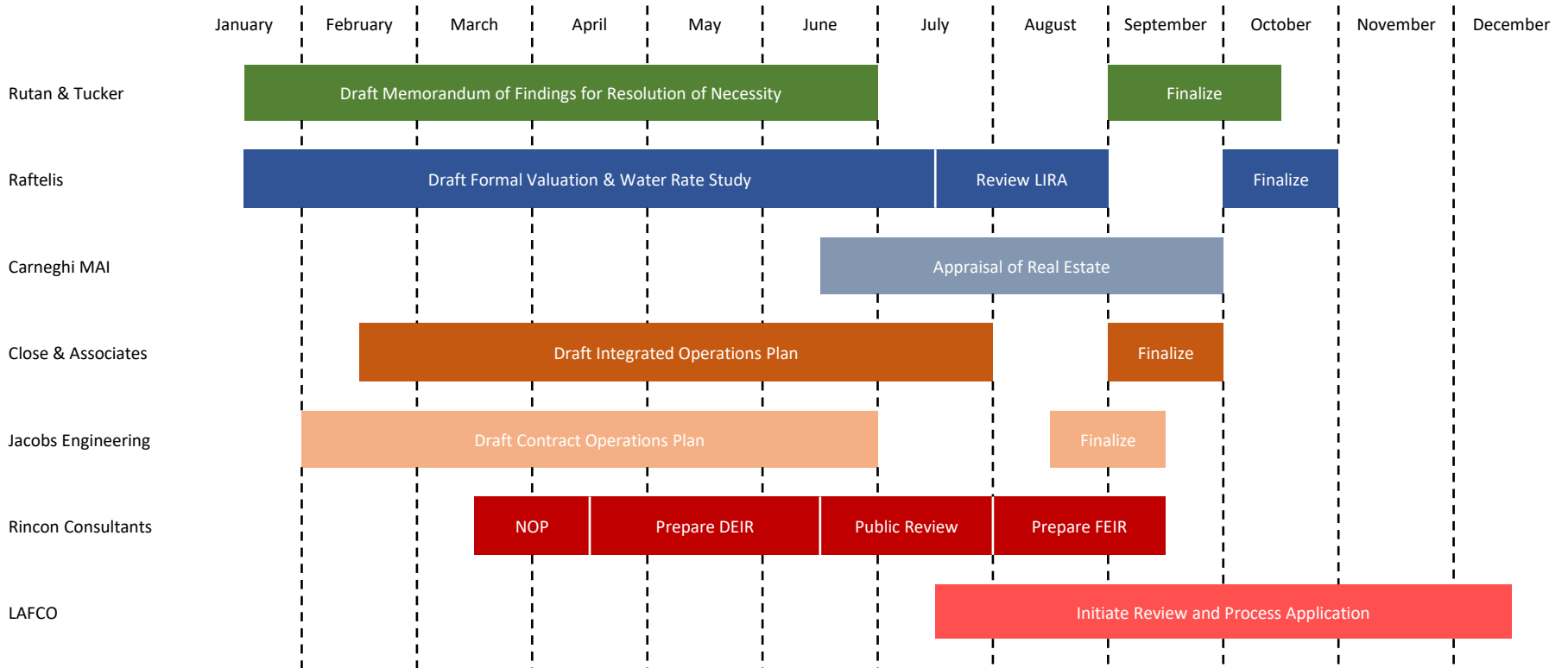


Principal Conclusions to date

The following four measures, taken together, indicate it is likely in the public interest to acquire the system and sufficiently satisfy the criterion of “feasible” inherent in paragraph A of Rule 19.8:

- **Cost to ratepayers:** Feasibility Study showed the system be less costly to operate with annual cost savings (including acquisition costs) to ratepayers.
- **Quality and delivery of service:** Operations plans show the District can provide operations and quality of water service as good as or better than the current operator.
- **Governance:** Public ownership can provide greater local control, oversight, and transparency in rate-setting, capital planning, and operations.
- **Legally Permissible:** Will the acquisition pass muster with LAFCO?

Schedule Envisioned Last Year



- MPWMD Slow to Certify FEIR
- Cal-Am Threats to CEQA and Operations Plans
- LAFCO Requests for More Information



Consultant Spending to Date

Thru May 2021

Contract	Contract Amount	Total Expended To Date
Eminent Domain Legal Counsel	\$325,000	\$323,000
Investment Banking Services	\$30,000	\$27,000
Valuation & Cost of Service Study Consultant	\$355,000	\$287,000
Appraisal and Valuation Services	\$320,000	\$261,000
Utility Operations Consultants	\$332,000	\$217,000
CEQA Consultants	\$135,000	\$135,000
LAFCO *		\$46,000
District Legal Counsel	\$75,000	\$152,000
CEQA Litigation Legal Services	\$200,000	\$115,000
Contingency/Miscellaneous	\$319,000	\$37,000
Total	\$2,091,000	\$1,598,000

*: LAFCO costs do not yet include the property tax consultant or independent third-party review

LAFCO Application and Hearing Process



	Item
July 12, 2021	District submits property tax analysis; Last item to be deemed “complete”
July 27, 2021	Likely earliest LAFCO notice of complete
September 27, 2021	Regular LAFCO meeting
October 25, 2021	Regular LAFCO meeting; Likely hearing date
December 6, 2021	Regular LAFCO meeting

LAFCO Independent Review



- Berkson Associates specializes in fiscal, financial and economic evaluation to improve California city and special district plans, programs and land use policy. Tools include budget planning, financial benchmarking, cost management, economic development and revenue generating strategies. Futurist forecasting scenarios provide a foundation for strategic management to improve service delivery and organization.
- LAFCO budget is \$50,000 plus \$20,000 contingency
- Will District authorize up to \$70,000?