



Los Alamos Hills Water Facilities Project

October 13, 2022

Agenda: Los Alamos Hills Water Facilities Project

- Opening and Introductions
- City of Murrieta Comments
- EMWD Presentation
 - EMWD Overview
 - Project Overview Background
 - Project Benefits
 - Annexation Process
 - Projected Costs
 - Schedule
 - Next Steps
- Questions





EMWD Overview

ESTABLISHED IN

1950



SERVES:



WATER / WASTEWATER / RECYCLED



558

SQUARE MILE SERVICE AREA



WHOLESALE

&

RETAIL



CURRENTLY BUILT OUT

APPROXIMATELY

38%

POPULATION NEARLY:

1,000,000



26

member agencies of The Metropolitan Water District of Southern California

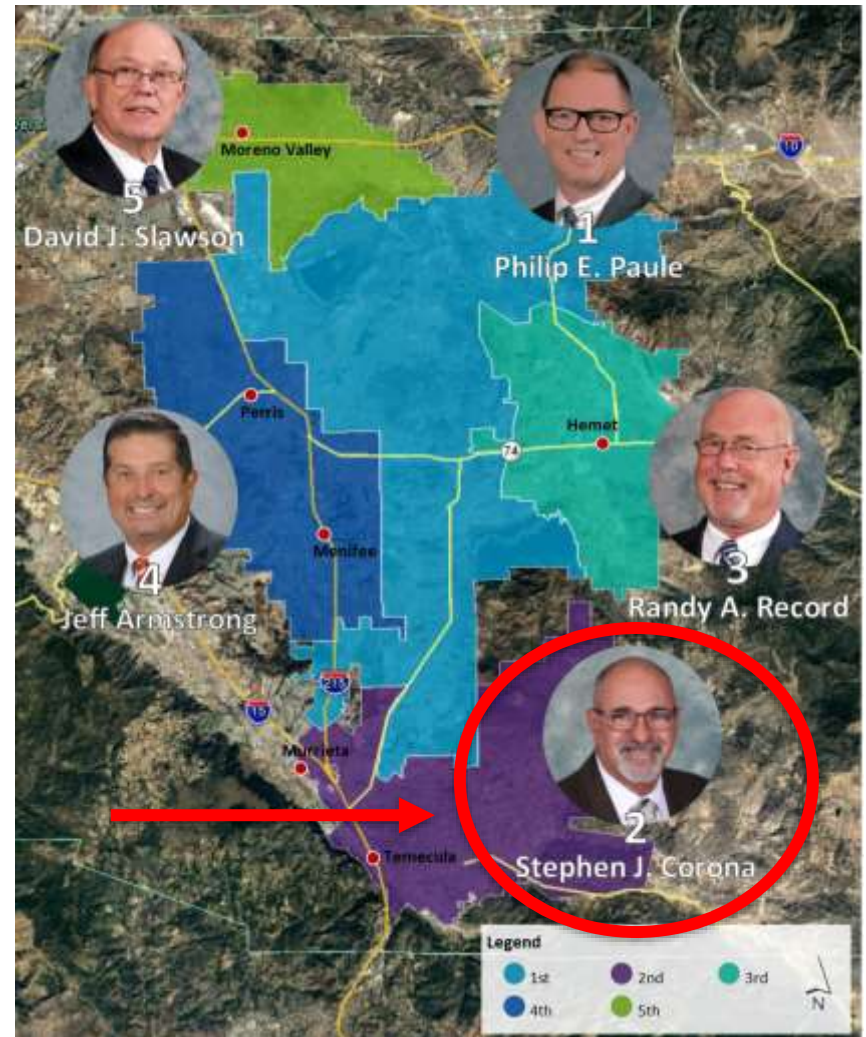


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About EMWD

- Five division publicly-elected Board of Directors
- More than 600 employees
- Sources of water include:
 - Imported Sources: SWP / CRA
 - Local Sources: Groundwater, Desalination, Recycled Water, Stormwater Capture
- Five-year capital program 2021-2026
 - More than 180 active capital projects
- Sixth largest public water utility in California, providing services to seven cities and unincorporated areas in Riverside County

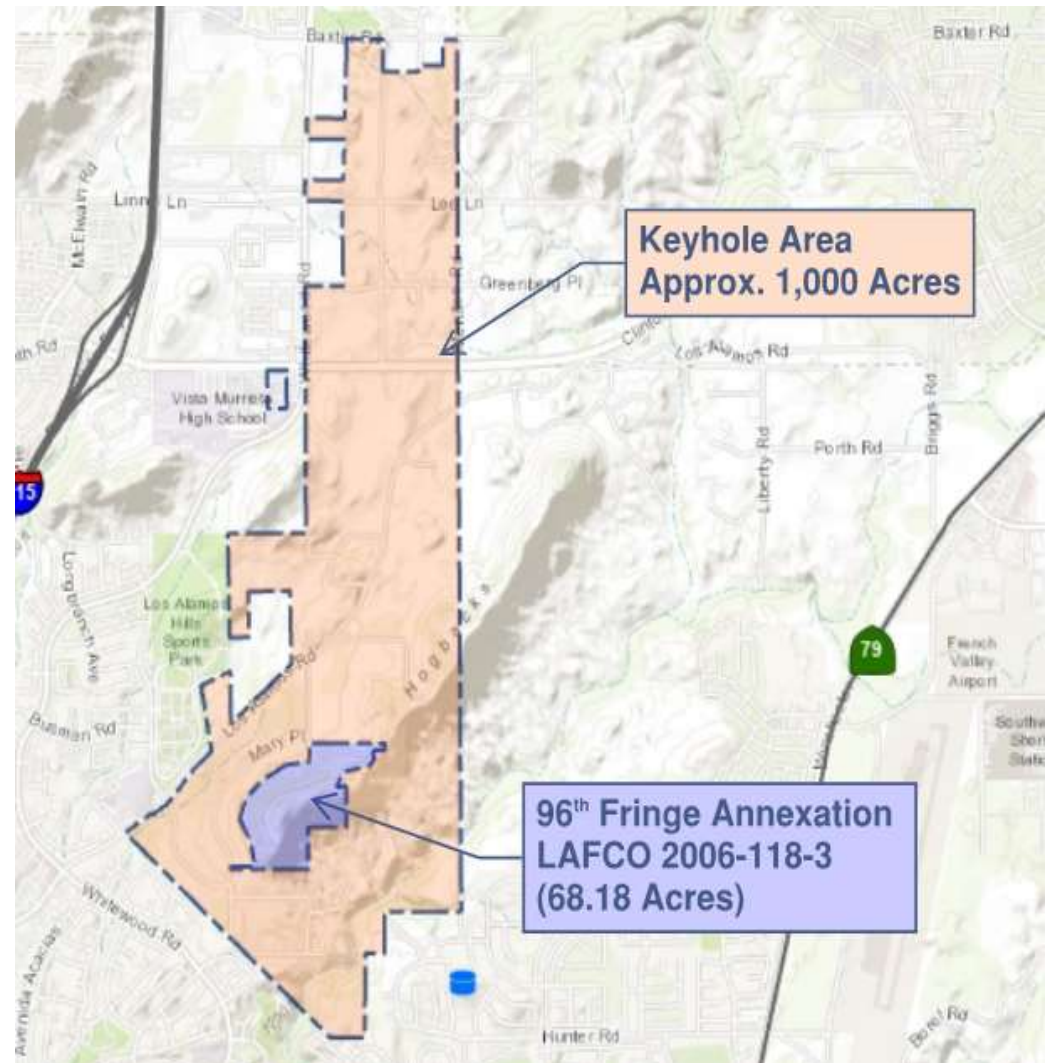




Project Background / Overview

Project Background: Water Facilities

- Los Alamos Hills is a rural residential community in northeast Murrieta and property owners within this area rely solely on privately owned pumping wells for their water supply.
- The City secured \$3 million in American Rescue Plan Act (ARPA) funding and reached out to EMWD to work in partnership to support the construction of water infrastructure for the Los Alamos Hills community.



Project Overview: Water Facilities

- The proposed project would be a looped water system and would serve approximately 50 properties within the community that front Los Alamos Road, Celia Road, Mary Place, and Mason Road.
- The project includes installation of approximately 6,720 linear feet of 8-inch diameter pipeline, 4,040 linear feet of 12-inch diameter pipeline, and related auxiliary work.



EMWD / City of Murrieta Costs

City of Murrieta	Estimate
ARPA Funding	\$3M

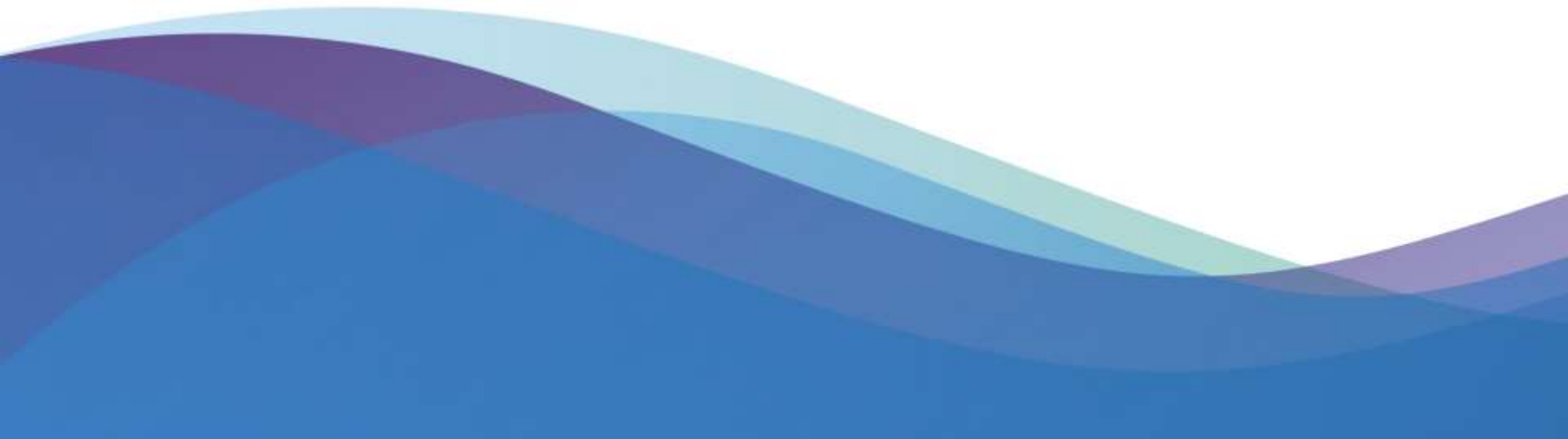
Project Element	Estimate
Capital Cost – Design & Construction ¹	\$3.5M

Notes:

1. Project costs do not include:
 - LAFCO Application and MWD Annexation Fee
 - Customer connection fees (FPC)
 - Residential onsite plumbing and backflow costs



Project Benefits



Project Benefits – Addressing Public Health & Safety

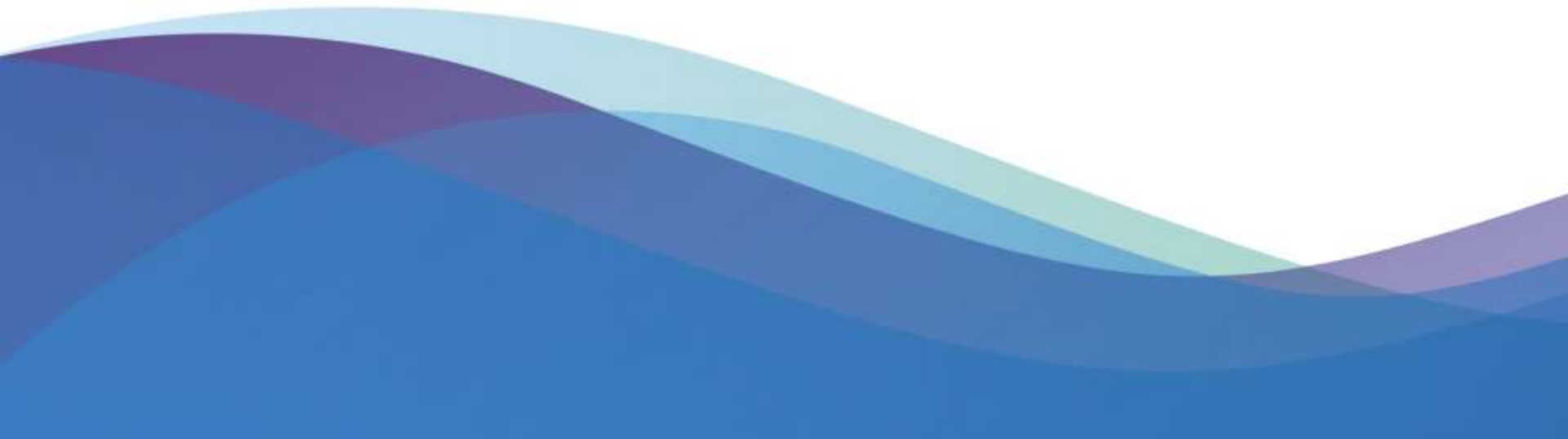
- Provides a safe, clean, and reliable tap water supply
 - Some residents are experiencing nitrate issues in their private wells
- Addresses dry well conditions
 - At times, residents are trucking in water because of dry wells
- Provides much needed fire flow
 - Installation of fire hydrants assists firefighters with timely fire response
 - Homeowners likely pay a higher home insurance premium when fire hydrants are not present



2017 Murrieta Liberty Fire



Annexation Process



Annexation in EMWD/MWD Service Area

- The Los Alamos Hills community is located within an area of the City that is not annexed into the service areas of EMWD or the Metropolitan Water District of Southern California (MWD)
- To connect for water services, a fringe area annexation process is required
- EMWD will be leading the initial annexation process and as applicant will be paying the annexation application processing fees
 - Estimated Application Fees \$19,030
- The application to annex is done through MWD and the Riverside Local Agency Formation Commission (LAFCO). For full annexation to be considered it will require a minimum 75% commitment from property owners
- Annexation processing time typically takes 14-18 months
- Once annexation is complete, each property owner will be required to pay for annexation into both MWD and EMWD as well as the payment of connection fees

Whole Area Annexation Benefit

- Economies of scale and savings exist when annexing whole area
- EMWD, as applicant, will cover application fees for initial annexation

	Whole Area	Individual Parcel
	172 Acres	3 Acres
EMWD	\$4,000	\$4,000
MWD	\$5,000	\$5,000
LAFCO	\$9,030	\$6,450
Riverside Co. Surveyor	\$1,000	\$1,000
Outside Surveyor (est.)	-	\$1,000
MWD Per Acre (\$7,500)	\$1,290,000	\$22,500
<i>Less EMWD's Contribution</i>	<i>-\$19,030</i>	-
Annexation Application Costs	\$1,290,000	\$39,950
Average Cost Per Acre	\$7,500	\$13,317



Projected Costs for Property Owners



Projected Cost Estimate to Residents

Costs to Residents	Estimate
<u>One-Time Costs</u>	
MWD Annexation Fee	\$7,500 per acre x Acres = \$
EMWD Connection Fees:	
- ¾" Water Meter	\$10,200*
- Water Meter Install	\$3,550
- Water Supply Development Fee	\$417
- Backflow Device Inspection & Testing	\$560
Improvement District Annexation Fees:	\$200 Per Acre x Acres = \$
State Board Equalization Charges:	\$100
<u>Annual Ongoing Charges</u>	
- Standby and Property Taxes (varies based on acres)	Average = \$112

* Meter size will affect costs

Proposed EMWD Financing Program

- No Application Fees for Property Owner (EMWD is applicant)
- Term: Up to 30 years
- Fixed Rate: 4%
- Signed loan agreement required with lien on property
- Collected annually via property tax assessments starting 2024-25 tax year
- No prepayment penalty
- Estimated costs below for property owners based on acreage size

Acreage	MWD Annex. Costs*	Connection Fee*	EMWD ID Annex. & SBE Costs	Financed Amount	Annual Cost (30yrs @ 4%)	Annual Standby Charges & Taxes
2.00	\$15,000	\$14,727	\$500	\$30,227	\$1,748	\$67
3.00	\$22,500	\$14,727	\$700	\$37,927	\$2,193	\$100
5.00	\$37,500	\$14,727	\$1,100	\$53,327	\$3,084	\$140
10.00	\$75,000	\$14,727	\$2,100	\$91,827	\$5,310	\$277

*Estimated 2024 Rates

Various Meter Cost Options

EMWD Connection Fees	5/8" Meter	3/4" Meter	1" Meter
- Water Financial Participation Charge	\$7,669	\$10,200	\$15,339
- Water Meter Install	\$3,550	\$3,550	\$3,550
- Water Supply Development Fee	\$417	\$417	\$417
- Backflow Device Inspection & Testing	\$560	\$560	\$560
Estimated Costs:	\$12,196	\$14,727	\$20,746

Factors to consider when selecting meter size include:

- Square footage of home
- Additional structures
- Landscape irrigation needs
- Fire sprinklers
- Occupancy and fixtures

Other Costs to Residents

- The following costs are not paid by EMWD or the City of Murrieta and are not included in the financing program:
 - Residential onsite plumbing
 - This is the connection from the meter to your home
 - Ongoing monthly water bills
 - As a customer of EMWD, you will receive a monthly bill for water services





Schedule

Estimated Schedule

- Community Outreach: September – October 2022
 - Commitment Survey by: ASAP
- Financing Program: November – December 2022
 - Draft Agreements provided to Homeowners: November 4
 - Final EMWD Board Approval: November 16, 2022
 - Community Signing Day (Notary Provided) – TBD
 - Signed Agreements received by EMWD: December 2, 2022
- LAFCO & Annexation Process: January 2023
 - Once process begins: 14 – 18 months
- Preliminary / Final Design: September 2022 – June 2023
- CEQA: September 2022 – June 2023
- Construction Bid and Contract Award: September 2023
- Construction Completion: Fall 2024
- ARPA Funding Deadline: December 2026



Next Steps

Next Steps

- Determine Interest – Submit Commitment Survey
- Schedule Community Meeting with Notary Public onsite
- DEADLINE TO PARTICIPATE: December 2, 2022



Thank You