



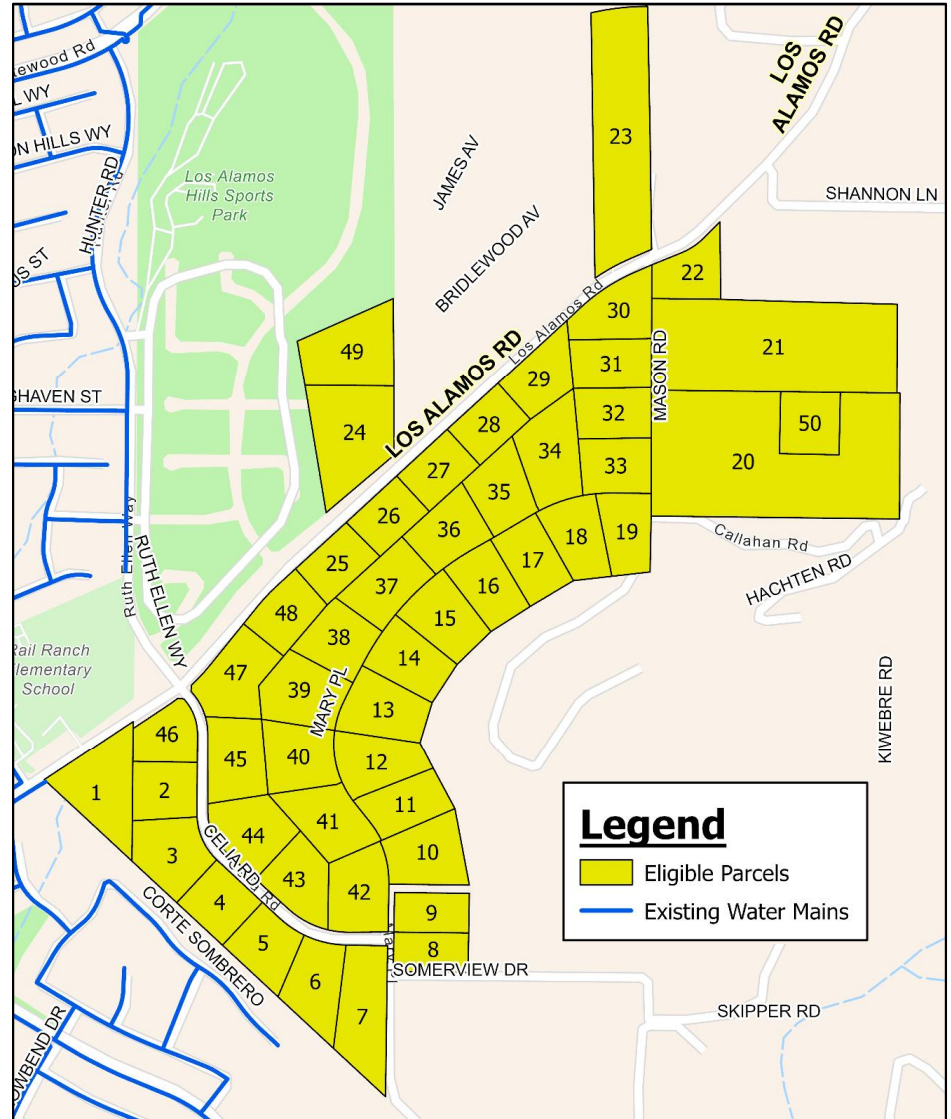
# Public Hearing – Los Alamos Hills Water System Financing Program

Thomas Hays

December 7, 2022

# Project Background

- The City of Murrieta committed to providing \$3M of American Rescue Plan Act (ARPA) funding to support construction of water infrastructure for the Los Alamos Hills community
- In partnership, EMWD and the City of Murrieta entered into an Interagency Financial Contribution Agreement
  - Approved by EMWD July 6, 2022
  - Approved by Murrieta August 16, 2022
- Proposed project is a looped water system able to serve approximately 50 properties within the community with a safe, clean, and reliable water supply



# Annexation in MWD and EMWD Service Areas

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- Project area is located within an area of the city that is not annexed into the service areas of the Metropolitan Water District (MWD) or EMWD
  - Annexation in both water districts is required before water service can be provided
  - Annexation can occur through a dual-annexation process
- EMWD will lead annexation process and pay application processing fees
  - Fees estimated at \$19,030
- Annexation area will be determined by level of community support
  - Property owners in protest of being annexed will be excluded from the annexation application

# EMWD Financing Program

- Developed to assist interested participants with the financing of the annexation costs and connection fees
  - Term: Up to 30 years (not to exceed year 2054)
  - Fixed Rate: 4.0%
  - No prepayment penalty
  - Collected annually via property tax assessments starting 2024-25 tax year
- Financing program is voluntary but only available to participants who have entered into a signed agreement with EMWD
- Estimated costs based on various parcel acreage:

Acreage	MWD Annex. Costs*	Connection Fee*	EMWD ID Annex. & SBE Costs	Financed Amount	Annual Cost (30yrs @ 4%)	Annual Ongoing Charges & Taxes
2.00	\$15,000	\$14,727	\$500	\$30,227	\$1,748	\$67
<b>3.00</b>	<b>\$22,500</b>	<b>\$14,727</b>	<b>\$700</b>	<b>\$37,927</b>	<b>\$2,193</b>	<b>\$100</b>
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



# Community Outreach

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- September 2022 Letter
  - Mailed to property owners within the community regarding the partnership between City of Murrieta and EMWD, the project, and resources for additional information
- October 2022 Letter
  - Invited residents to a townhall meeting with the City of Murrieta and EMWD
  - Provided property-specific information with an overview of their estimated costs based on parcel size
- October 13, 2022 Townhall Meeting
  - 34 members of the community attended
  - EMWD and City of Murrieta presented information on the partnership, project information and benefits, and schedule
- Additional ongoing outreach included emails, phone calls, door hangers

# Community Outreach (continued)

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- November 16, 2022 – EMWD Board of Directors approved financing agreement terms and set Public Hearing for December 7, 2022 to hear comments from the community
- November 22, 2022 – Letters sent via Certified Mail to property owners' mailing addresses informing community of upcoming Public Hearing
- November 22, 2022 – Public Notice published in The Californian
- November 24, 2022 – Public Notice published in The Press-Enterprise
- November 24, 2022 – Draft financing agreements sent to each property with property-specific information
- Notary signing event set for December 13, 2022
  - Notary Public also available at EMWD's main office for those unable to make signing event

# Schedule

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- Financing Agreements
  - Community Signing Day (Notary provided) – December 13, 2022
  - Signed Agreements received by EMWD – December 16, 2022
- LAFCO and Annexation Process to begin February 2023\*
  - CEQA requirements completed late March – early April 2023\*
- Preliminary / Final Design by June 2023
- Construction Bid and Contract Award: September 2023\*
- Additional Public Hearing for Annual Financing Assessments: July 2024\*
  - Public Noticing to be completed in June 2024
- Construction Completion: Fall 2024
- ARPA Funding Deadline: December 2026

\*Future Board Action to Follow

# Recommendation

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## Adopt Proposed Resolution:

- Establish the Los Alamos Hills Water System Financing Program; and
- Authorize the General Manager to execute on behalf of the District, with each property owner, Financing Agreements subject to non-substantive changes





# Contact Information

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