

**Monterey County Water
Resource Agency
KICKOFF MEETING
ASSESSMENT REVIEW**

September 26, 2016

Agenda

- Introductions
- Objectives of Study
- Kick-Meeting Objective
- Approach
- Prop. 218
- Current Structure
- Feedback on Current Assessments
- Components for Consideration within Study
- Project Schedule Review

who We are



FOCUS: SOLELY FOCUSED ON FINANCIAL, RATE, AND MANAGEMENT CONSULTING FOR THE WATER INDUSTRY



NATIONAL & REGIONAL EXPERIENCE: UNMATCHED IN THE INDUSTRY WITH PROVEN SUCCESS FOR COMPARABLE UTILITIES



DEPTH: WITH 50+ UTILITY FINANCIAL AND MANAGEMENT CONSULTANTS, LARGEST FIRM IN THE U.S. FOCUSED ON THESE SERVICES



COMMUNICATION: EFFECTIVE PRESENTATIONS TO STAKEHOLDERS SUPPORTING SUCCESSFUL IMPLEMENTATION



QUALIFICATION: REGISTERED MUNICIPAL ADVISOR WITH THE MSRB AND SEC

Introduction

- RFC
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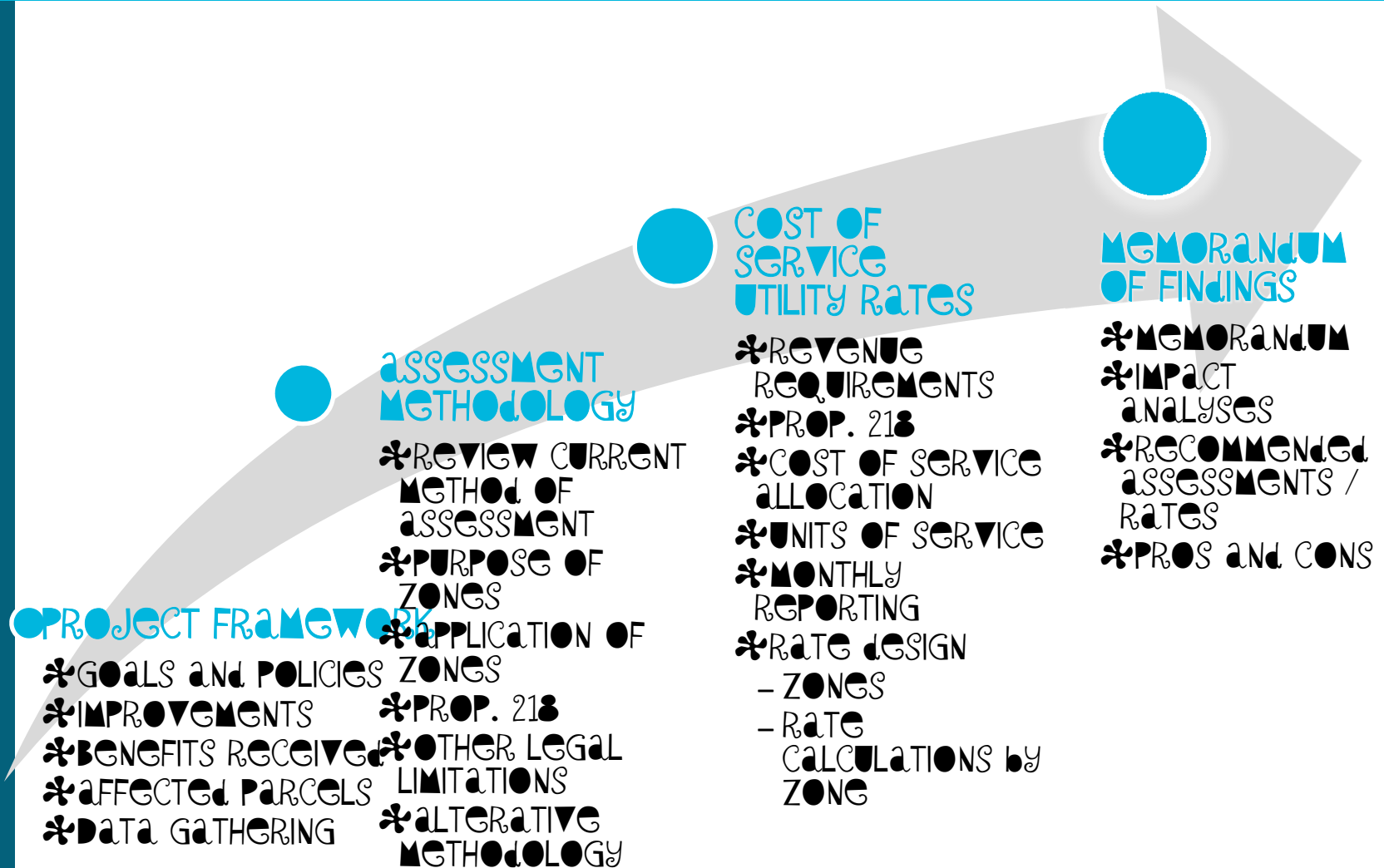
Study Objectives

- Review Current Assessment Methodology
 - Construct history of assessments
 - Funding purposes and affected Parcels / Properties
 - Method of Assessment (how assessment is apportioned to reflect benefit)
- Update Assessment Methodology
 - Purpose of zone
 - Review improvements within each zone
 - Benefit nexus between improvements within each zone and affected parcels
- Cost of Service Analysis
 - Used as a rate alternative for comparison to assessment methodology
 - Zones may still be incorporated
 - Based off of Monthly water use reporting
- Memorandum of Findings

Kick-Of Meeting Objective

- Part of data collecting
- Obtain understanding of historical assessments from board members and stakeholders
- Identify components that are working well and should remain intact
- Identify areas for improvements
 - Logic may not be clear or reflect benefit as area has grown
 - Zones
 - Method of apportionment
 - Grouping of Parcels
- Considerations for Analysis
 - Legal environment
 - Gloria Road legal boundary
 - Current Improvements
 - Future Improvements
 - New Reporting requirements

Approach



Proposition 218

- Assessments and rates both fall under the umbrella of Proposition 218
- Statutory requirements differ between each funding method
- Assessment – based on benefit conferred to each parcel
 - Benefit assessment analysis must be developed to show how parcels benefit from improvements / Services
 - Property owner assessment balloting required
- Rates – cost of providing service
 - Nexus must be developed connecting rates to cost incurred
 - Majority protest public hearing required

Current Structure

- Assessment
 - Zone 2C – Salinas Valley Water Project (SVWP)
 - Replaced Zone 2 and 2A
 - Funds O&M of Nacimiento and San Antonio Dams/Reservoirs and construction of Salinas Diversion Facility to provide surface water delivery through CSIP and limit groundwater pumping
 - Levied based on Benefit Factor and Acreage
 - Zone 2B – Water Conservation Plan & CSIP/SVRP Debt Service
 - Water service and delivery charges (SRDF and CSIP)
 - Levied on **NET** Acreage
 - Zone 2Y – Castroville Seawater Intrusion Project
 - Funds O&M and Debt Service
 - Levied based Benefit Factor and Irrigated Agriculture
 - Zone 2Z – Salinas Valley Reclamation Project (SVRP)
 - Funds O&M and Debt Service
 - Levied based Benefit Factor and Irrigated Agriculture
 - SRDF / CSIP charges – Delivery and water service charge
 - Levied based on water delivered

Zone 2C Sub-areas

- O&M for Nacimiento and San Antonio Reservoirs
 - Pressure, Eastside, Below Dam, Above Dam, Forebay, Upper Valley, Arroyo Seco
- Nacimiento Spillway Modification
 - Pressure, Eastside, Above Dam, Below Dam, Forebay, Upper Valley, Arroyo Seco
- SRDF
 - Pressure, Eastside

Current Assessment Feedback

- As areas grew from inception, application of assessments may not reflect original intent
- What's working?
 - (Zones, Method of Assessment, Benefit Factors)
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- What areas need improvements or changes to reflect a better nexus to benefit?
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Considerations for Analysis

- Legal judgements
- Future Improvements
- Zone Considerations
- Data needs
- Planning period
- etc.

Project Schedule

Task No	Task Descriptions	# of Meetings	Target Range
1	Assessment Review	1	October/November
2	Benefit Assessment Analysis	2/3	December / January
3	Develop Rate Model	2	January / February
4	Memorandum of Findings	2	February / March

Discussion

Q&A