



Growth Related Infrastructure Fee – Ranking of Criteria

Metropolitan Water District of Southern California
LRFP Rate Structure Group

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Objective

To develop options for Board consideration on how to assess a growth-related infrastructure fee

- This is accomplished by:
 - Receiving inputs from LRFP participants on their goals and objectives
 - Identified criteria that have been discussed at the LRFP and in previous studies
 - Asked each participant to rank the criteria

2

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LRFP Participation

- Received 8 Member Agency comments
- 7 provided Ranking of Criteria
 - Central Basin MWD
 - Burbank, City of
 - Eastern MWD
 - Foothill MWD
 - Long Beach, City of
 - West Basin MWD
 - Western MWD
- On average 13 Member Agencies participate in LRFP Meeting
 - 26 Member Agencies in Metropolitan

3

LRFP - Evaluation Criteria

| | |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Encourages Local Stewardship | Local agencies meet needs with local resources and infrastructure to the greatest extent possible |
| Local Agency Choice | Each agency has a choice in how it recovers the cost of growth-related infrastructure |
| Rate Equity and Price Signal | Allocate a proportionate share of additional costs to those agencies requiring additional system capacity |
| Metropolitan Administrative Burden | No excess burden on Metropolitan Staff |
| Member Agency Administrative Burden | No excess burden on Member Agency Staff |
| Legal Authority | Metropolitan should have the legal authority to assess the growth-related cost recovery mechanism |
| Cost of the Fee | Cost should not be less economical to the Member Agencies than if the Member Agency constructed the facilities needed to provide additional capacity itself |
| Ease of Update | Simple, predictable and not overly complicated to update |
| Public Understanding | Easily understood by Member Agencies, retail agencies and the public |

Red Oak - Evaluation Criteria

| | |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Revenue Stability | Should not create more instability in Metropolitan's revenue stream and should help produce predictable rates for Member Agencies |
| Consistent with Metropolitan Philosophy | Consistent with prior principles, such as being a regional provider and encouraging projects that have regional benefits |

5

Results

| CRITERIA | Average | Ordinal Rank | Status Quo | Negotiated Contracts | New Water Demands | Connection Fee Assessed at the MA | Connection Fee Assessed at the Retail Level |
|-----------------------------------------|---------|--------------|------------|----------------------|-------------------|-----------------------------------|---------------------------------------------|
| Encourages Local Stewardship | 3.2 | 1 | + | + | + | -- | -- |
| Local Agency Choice | 5.2 | 6/7 | -- | + | -- | + | -- |
| Rate Equity and Price Signal | 3.4 | 2 | -- | + | + | + | + |
| Metropolitan Administrative Burden | 7.5 | 9 | + | -- | + | -- | -- |
| Member Agency Administrative Burden | 7.1 | 8 | + | -- | + | + | -- |
| Ease of Update | 5.2 | 6/7 | + | -- | + | + | + |
| Public Understanding | 4.9 | 5 | + | ? | -- | + | + |
| Consistent with Metropolitan Philosophy | 4.4 | 4 | + | -- | + | + | + |
| Revenue Stability | 4.0 | 3 | + | + | -- | -- | -- |

6

Lower number represents a greater importance



Questions and Discussion

7

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