

District 29 Malibu Water System Master Plan

Moving Forward Recommendations

June 24, 2013



MWH

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Master Plan Objectives

- Investigate the existing system
- Understand future system needs
- Determine where upgrades are needed
- Present funding options
- Suggest options for moving forward

Our commitment was to deliver a Master Plan using a stakeholder process



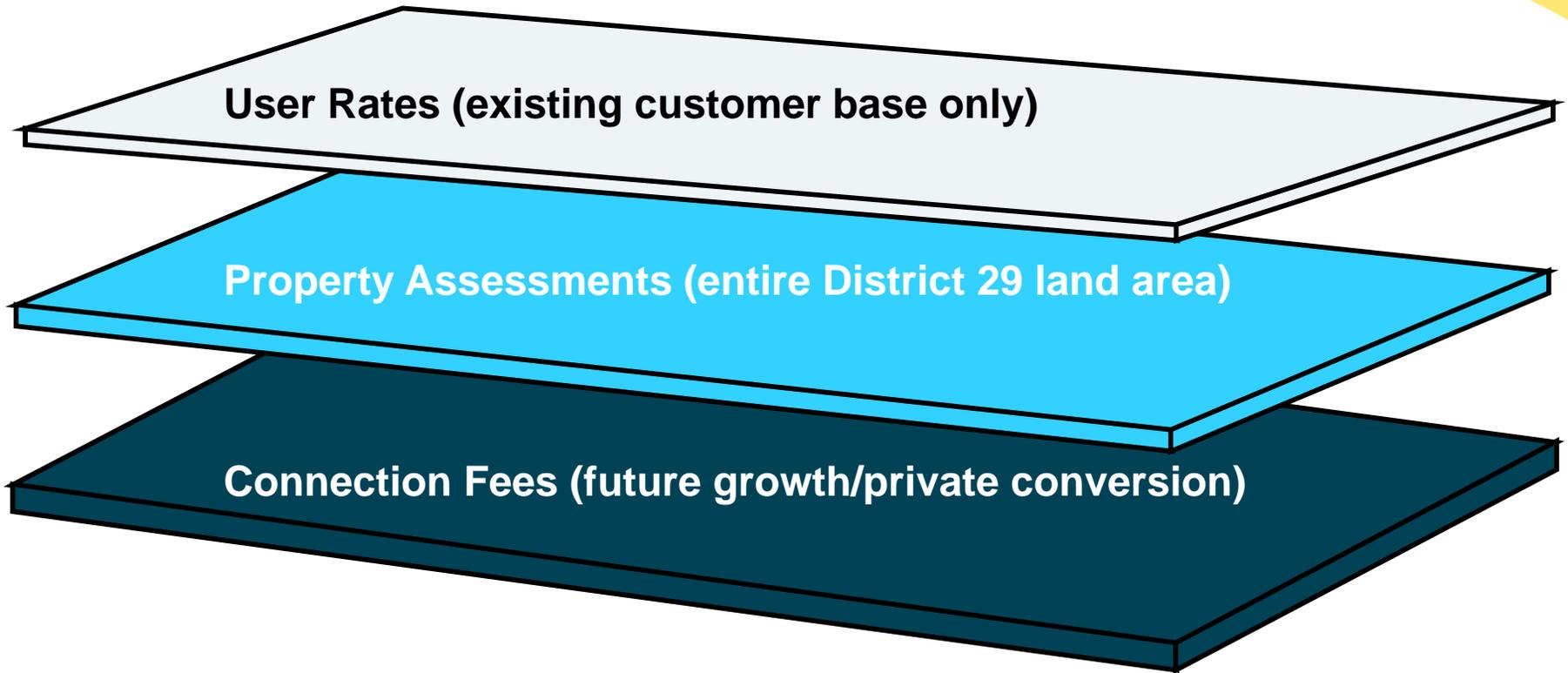
The Master Plan Answered the “What” Question

Identified hydraulic deficiencies, replacements due to age and future needs totaling.....

\$266 Million

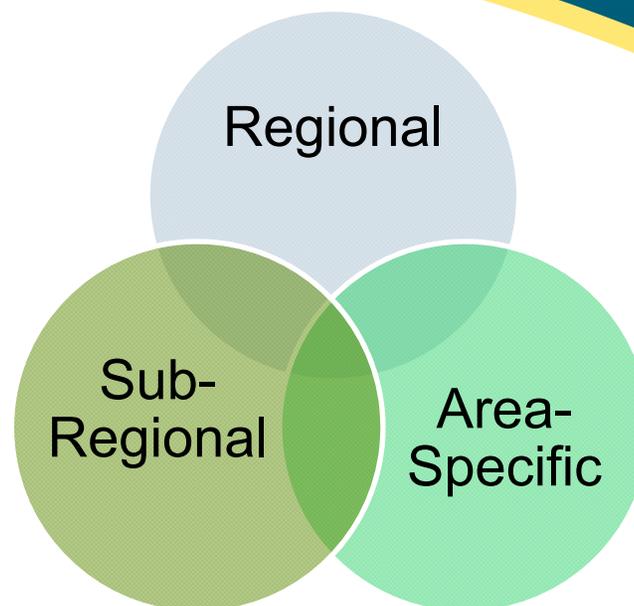
Then we evaluated several funding options...

We looked at a portfolio approach to funding...

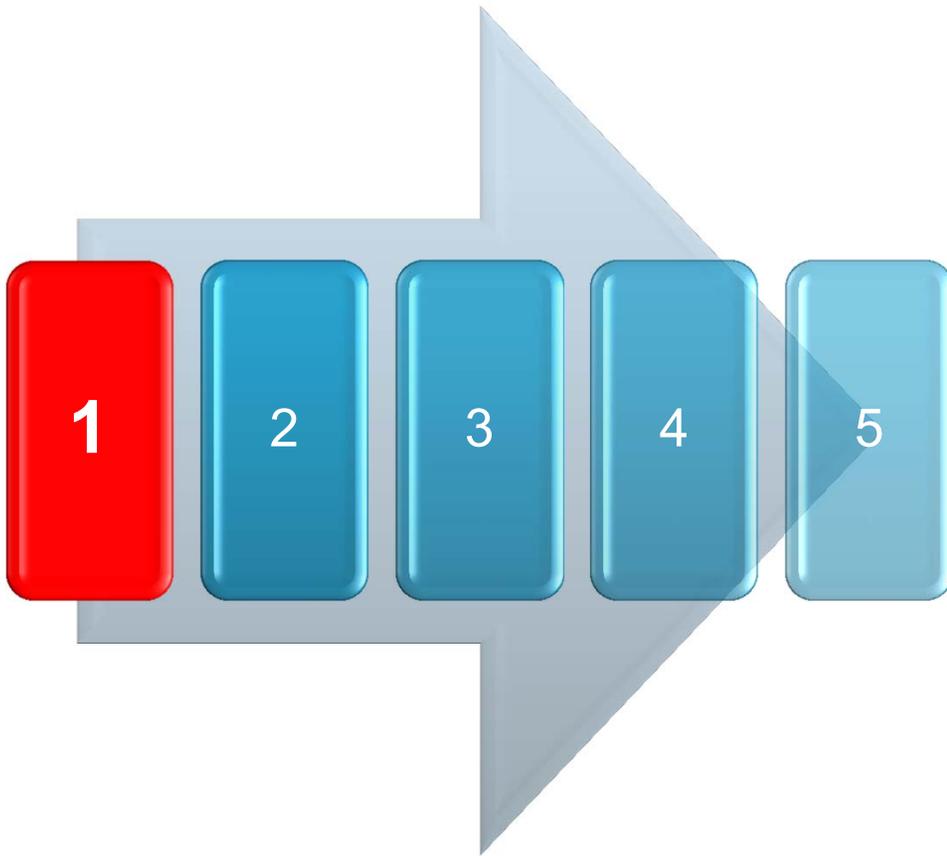


...and Different Allocation Methods

- **Regional** → existing user rates
- **Sub-regional** deficiencies (Topanga/Malibu) → Property assessment
- **Area/Canyon-Specific** → combination of user rate increase, property assessment, and connection fees



Recommendation: “Start Smaller” – Develop Priority 1 Project List

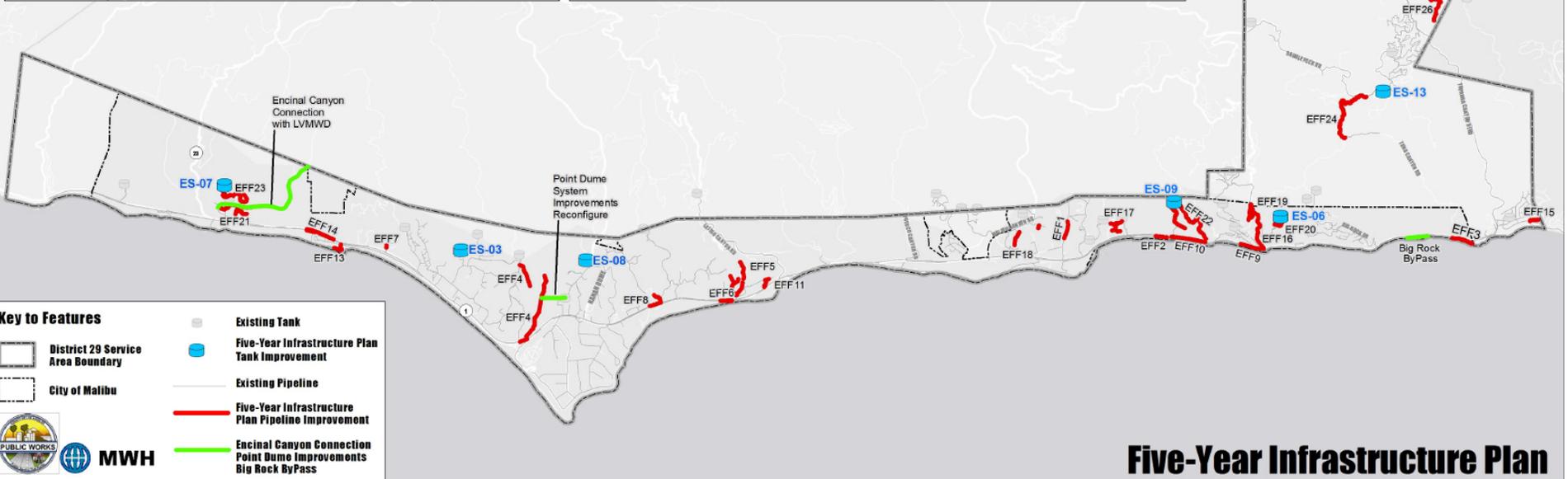


- Target: 1st Phase Cost \approx \$50M
 - 50% from existing revenues
 - 50% from new capital source(s)
- Target: highest priority projects
 - Water quality protection
 - System reliability
 - Address fire flow needs
- Target: positive steps forward
 - Make measureable progress

Recommended projects (Phase I ~ \$57M)

Project ID	Description	Total Cost (rounded)	Benefit
WQ-2	Water Quality improvements in multiple zones - separate inlet/outlet piping at tanks; mixing and	\$ 1,500,000	Water Quality
BIGROCK BYPASS	Three parallel 18-inch bypass at Big Rock	\$ 4,111,000	System Reliability -
Encinal Emergency Connection	Emergency connection with LVMWD at Encinal Canyon Rd and associated piping	\$ 9,254,000	System Reliability - Emergencies
ES-08	New 300,000 gal tank at Portshead to eliminate deficiency in 540 zone and provide fire storage	\$ 1,400,000	Operational + Fire Storage
ES-03	Replace existing Phillip tank with 0.4 MG tank and provide fire demand in 470 zone from surplus in	\$ 1,240,000	Fire Storage
ES-13	New 500,000 gallon tank at Owen site; also addresses 300k gallon Fernwood deficiency	\$ 1,550,000	Operational + Fire Storage
ES-07	gal tank	\$ 1,720,000	Storage
ES-06	Las Flores Mesa - 150k Gal tank only	\$ 1,550,830	Storage
ES-09	New 250,000 gallon tank at Carbon Mesa	\$ 1,550,000	Storage
EFF5	Via Escondido Drive - Sycamore Meadows Drive.	\$ 1,457,000	Fire Flow Enhancement
EFF14	Pacific Coast Highway Between Sea Level Drive and La Herran Road	\$ 868,000	Fire Flow Enhancement
EFF21	Encinal Canyon Road, Avenida Del Mar, Via Vienta Street, Vista De Los Ondas Street	\$ 1,678,000	Fire Flow Enhancement
EFF23	Avenida De La Encinal, Camino De Buena Ventura, Vista Del Preseas	\$ 1,178,000	Fire Flow Enhancement
EFF15	Coastline Drive and a pipeline extending from PCH to Sweetwater East tank	\$ 186,000	Fire Flow Enhancement
EFF17	Sweetwater East tank	\$ 1,116,000	Fire Flow Enhancement
EFF18	Coast View Drive	\$ 403,000	Fire Flow Enhancement
EFF19	Las Flores Canyon Road	\$ 1,054,000	Fire Flow Enhancement
EFF20	Eagle Pass Drive	\$ 496,000	Fire Flow Enhancement

Project ID	Description	Total Cost (rounded)	Benefit
EFF22	Carbon Canyon Road, Carbon Mesa	\$ 3,192,000	Fire Flow Enhancement
EFF27	Marquette Drive	\$ 2,318,000	Fire Flow Enhancement
EFF6	Escondido Beach Road	\$ 444,000	Fire Flow Enhancement
EFF8	Delaplaine Road	\$ 831,000	Fire Flow Enhancement
EFF1	Cross Creek Road	\$ 674,000	Fire Flow Enhancement
EFF2	22608 Pacific Coast Highway	\$ 353,000	Fire Flow Enhancement
EFF3	Topanga Beach Drive	\$ 628,000	Fire Flow Enhancement
EFF10	Pacific Cost Highway - West of Carbon Canyon Road; additional 1,900 LF	\$ 1,767,000	Fire Flow Enhancement
EFF24	Tuna Canyon Road	\$ 2,791,000	Fire Flow Enhancement
EFF25	Waveview Drive	\$ 792,000	Fire Flow Enhancement
EFF28	Topanga Skyline Drive	\$ 1,980,000	Fire Flow Enhancement
EFF26	Colina Drive	\$ 1,500,000	Fire Flow Enhancement
EFF4	Bonsall Dr, Calpine Dr.	\$ 3,229,000	Fire Flow Enhancement
EFF7	Lunita Road	\$ 44,000	Fire Flow Enhancement
EFF11	Sea Vista Drive and Via Linda Street	\$ 525,000	Fire Flow Enhancement
EFF13	Sea Level Drive	\$ 442,000	Fire Flow Enhancement
EFF9	Pacific Cost Highway - West of Las	\$ 703,000	Fire Flow Enhancement
EFF16	Las Flores Canyon Road	\$ 1,014,000	Fire Flow Enhancement
Point Dume System Improvements - Reconfigure	Dume tank to Lower Busch system; 400 LF pipeline along PCH - improves system pressures and reliability on the west end	\$ 1,143,000	System Pressures & Reliability
Total		\$ 56,681,830	



Recommended Environmental Approach

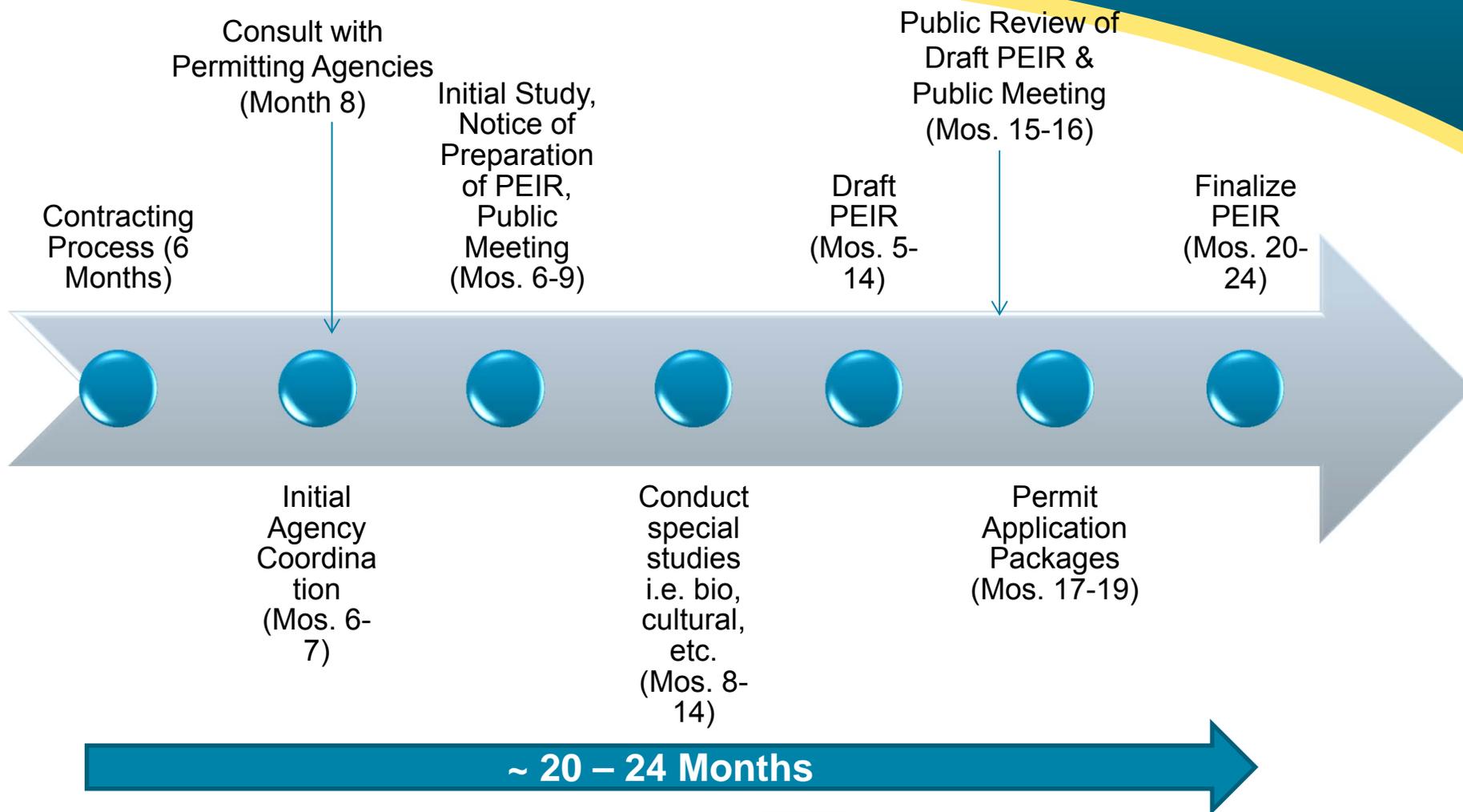
- Multiple approval agencies, permits, etc.
- Many projects with similar impacts
- Avoid piecemealing- comprehensive approach

Therefore:

Program level document for entire Master Plan
(with as much project specific detail for first Phase as possible)



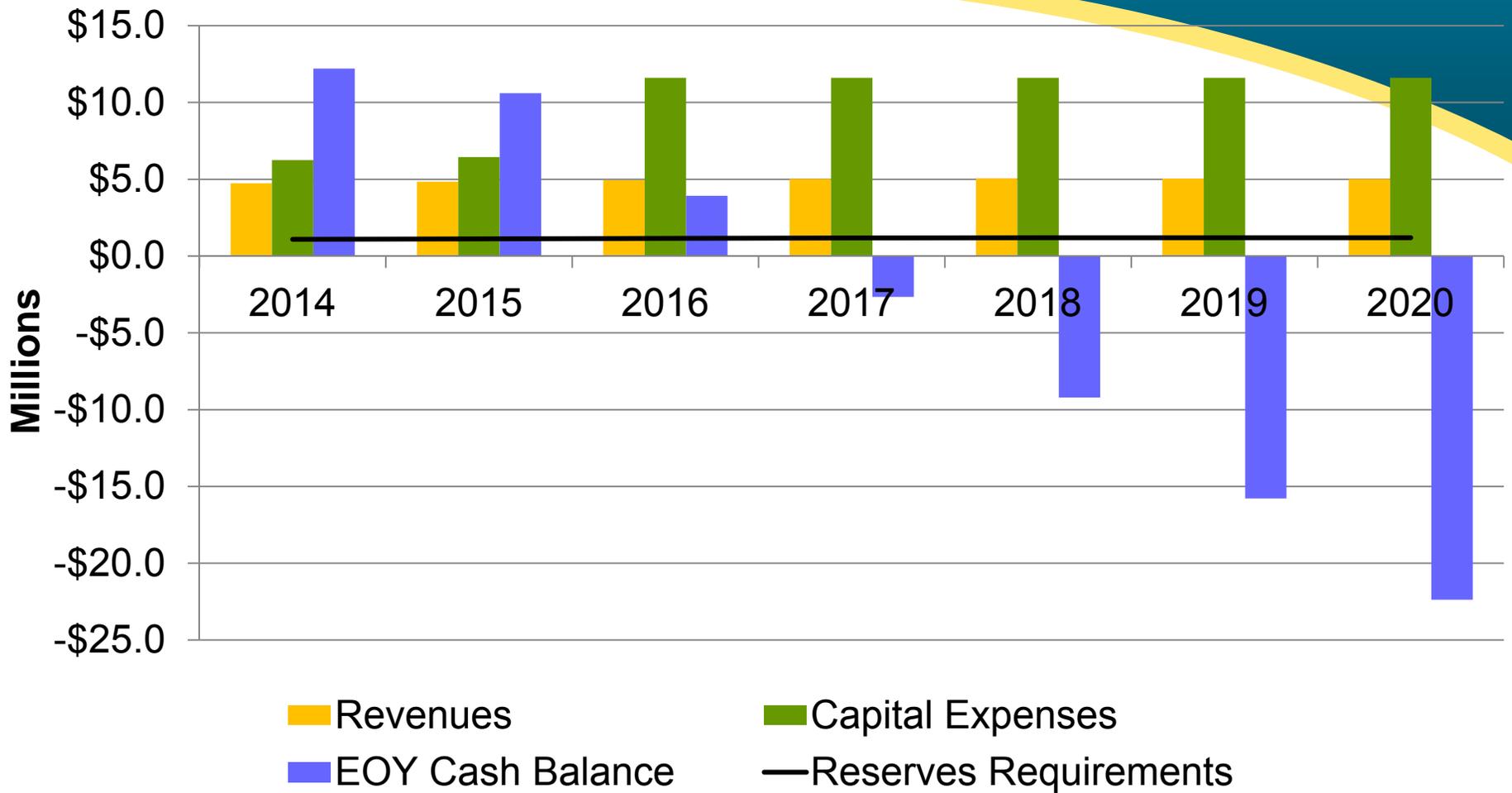
Environmental Process Timeline



ACO Fund Financial Goals FY2015-16 to FY2019-20

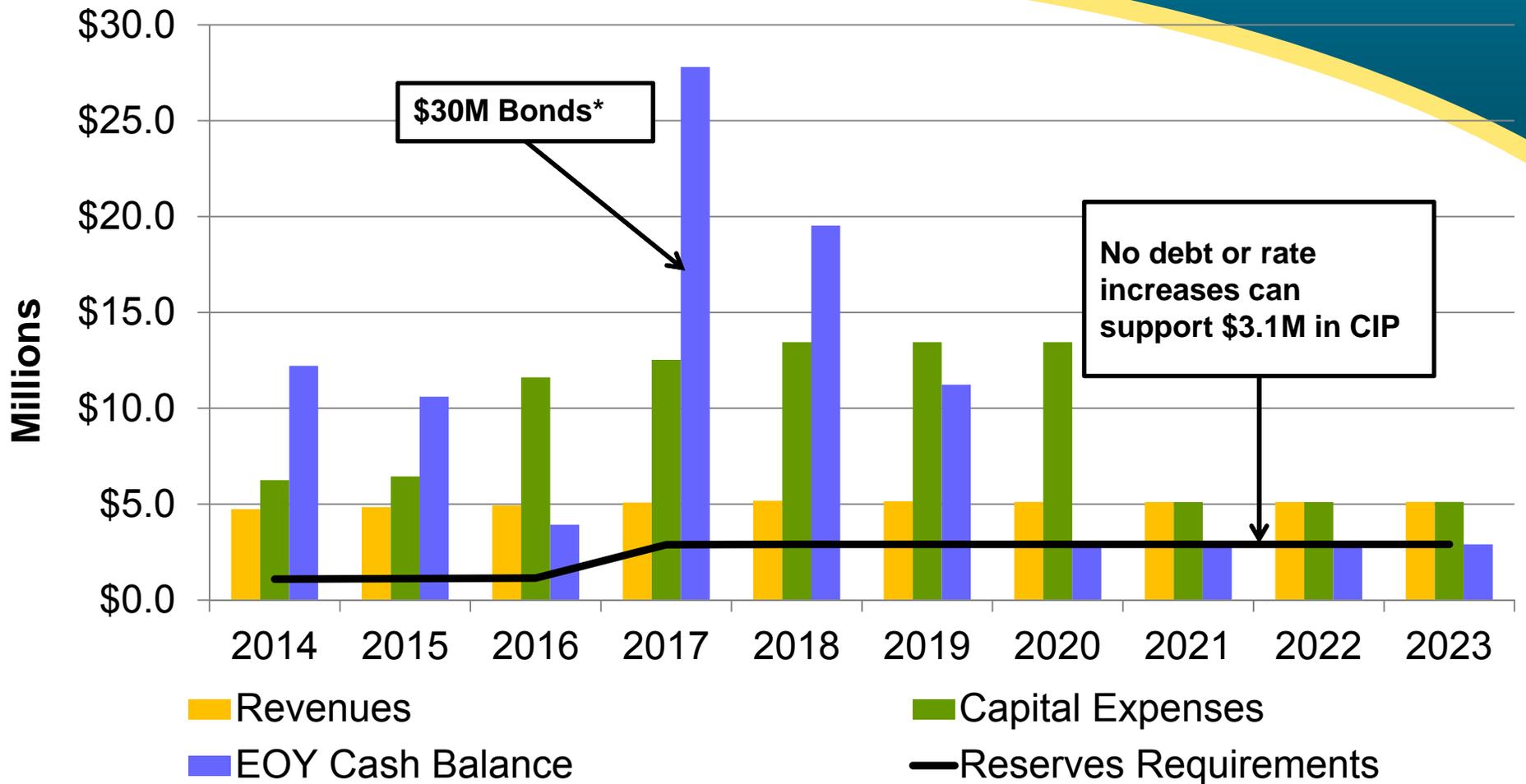
- Fund Capital Improvements (\$56.6M)
- Maintain reserves levels (25% of Revenues)
- Maintain Debt Service Coverage (1.25x)
- Minimize Rate Increases (District approved 5% average annual increases from FY2012-13 through FY2016-17)
- Find Optimal combination of debt and rate increases to fund capital improvements

ACO Fund Financial Plan Results FY2013-14 to FY2019-20



****Capital Expenses for FY2014 and FY2015 include projects programmed in WWDs Existing 5-year Plan**

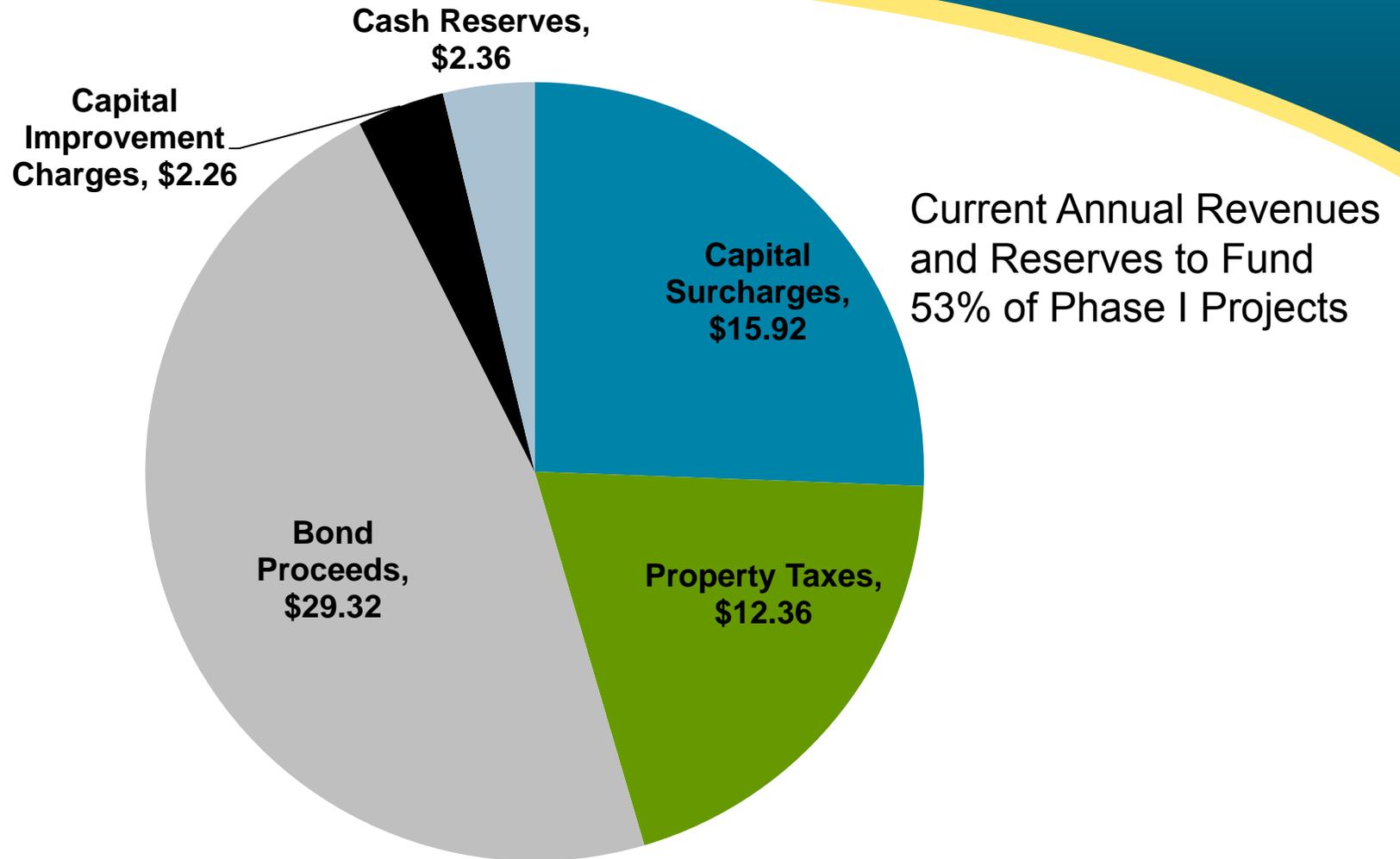
ACO Fund Financial Plan Results FY2013-14 to FY2022-23



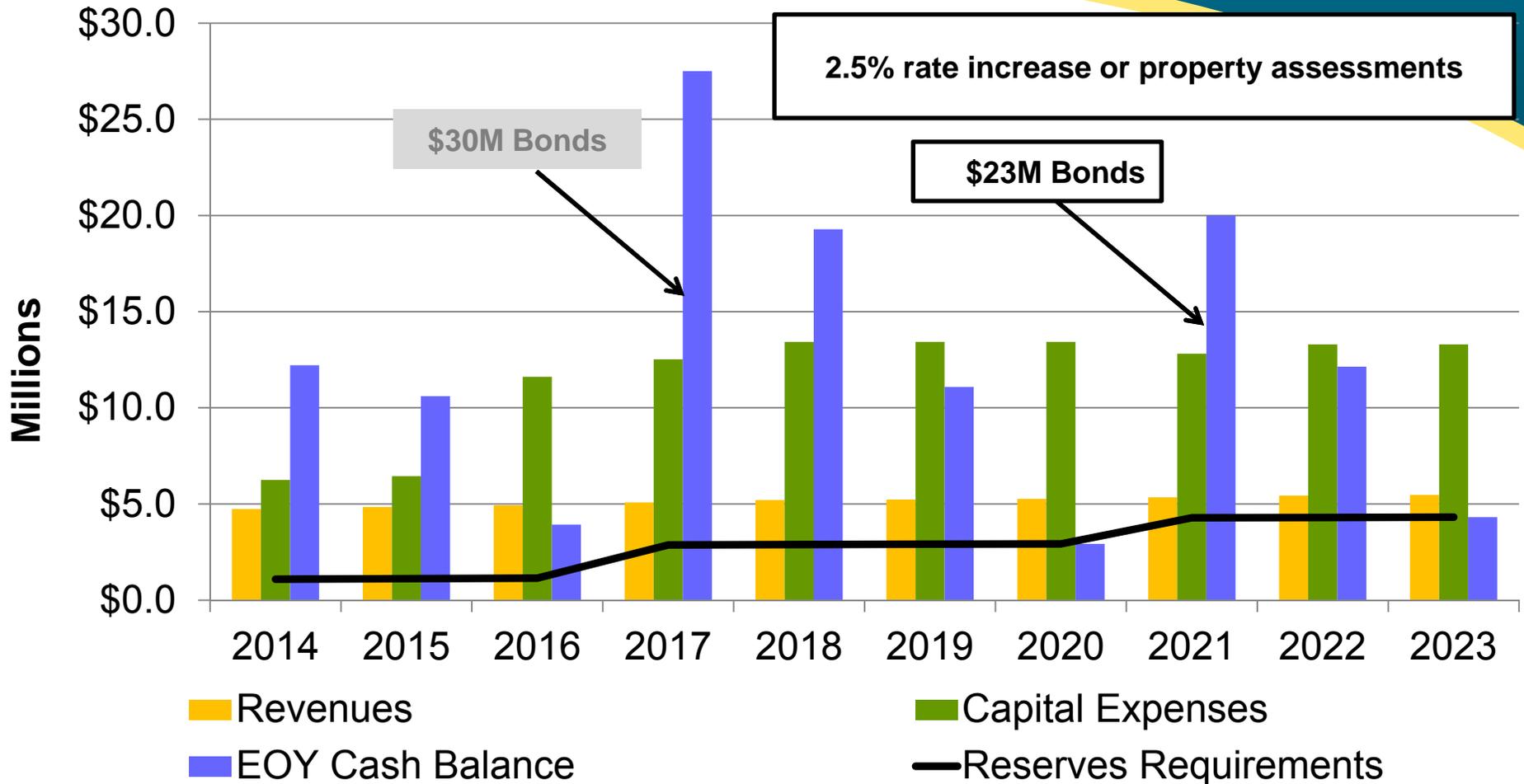
*30 Year Bonds
4% Interest
1.5% Issuance Cost

**Capital Expenses for FY2014 and FY2015 include projects programmed in WWDs Existing 5-year Plan

Funding Strategy FY2013-14 to FY2017-18



ACO Fund Financial Plan Results FY2013-14 to FY2022-23 (\$10M CIP) Calibrated



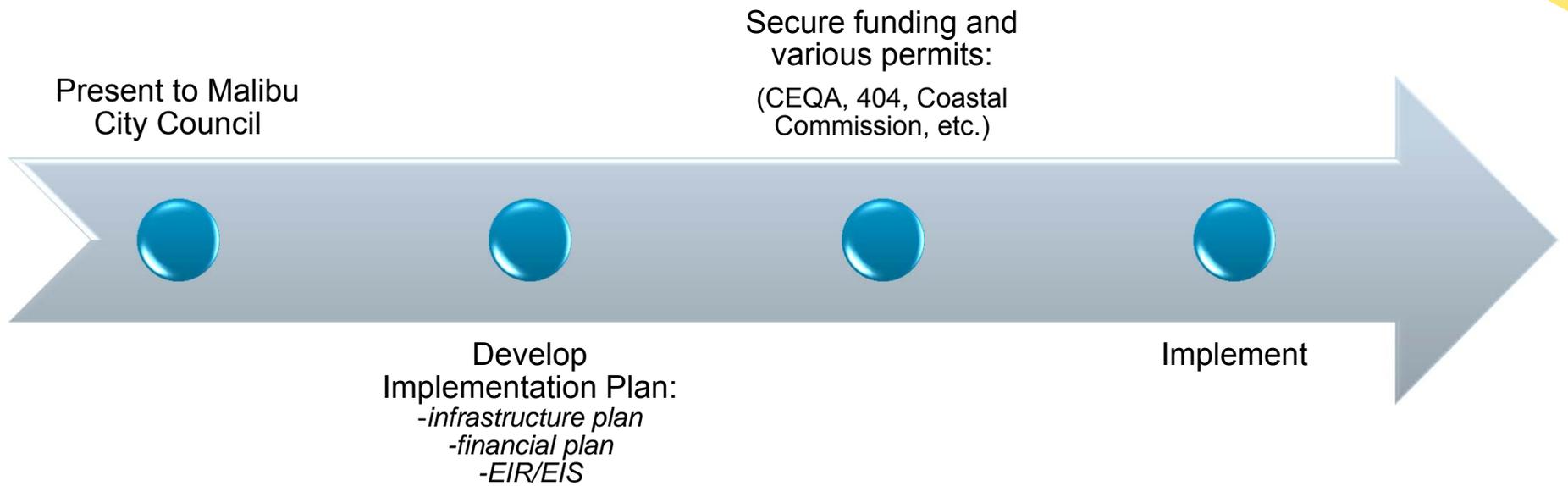
*30 Year Bonds
4% Interest
1.5% Issuance Cost

**Capital Expenses for FY2014 and FY2015 include projects programmed in WWDs Existing 5-year Plan

In Summary...

1. Phase 1 accomplishes our critical goals:
 - Provides new emergency interconnections
 - Implements water quality upgrades
 - Addresses all pipelines and ~50% of the tanks for fire flow needs
2. No new rate increases or taxes needed for now
 - Future phases will require new funding sources
3. Timeline - 18-24 months to complete planning, financial, design and environmental
 - Planned CIP projects continue in the meantime

Where do we go from here?



Questions ?



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