



ROBERTS CREEK
WATER DISTRICT



Organizational Planning Services - Authority Formation Work Plan -

Joint Board Meeting

July 9, 2020

Presentation Overview

- Summary of Tech Memo 1, Authority Formation Work Plan
 - Benefits of a joint authority
 - Objectives of TM1
 - Key Assumptions
 - Formation Process
 - Schedule
 - Budget
- Next Steps
- Questions & Discussion

Benefits of a Joint Authority

How an authority benefits current and future customers

- Operational efficiencies by consolidating functions
 - Management, finance, billing, records, office
 - Economies of scale, depth of coverage and shared expertise
- Staffing efficiencies by succession planning for vacancies & retirements
 - Standardized benefits
- Shared policy for shutoffs & collections
- Comprehensive financial planning for water and sanitary services
- Preservation of existing assets and customer base
 - Enhanced financial certainty
 - More effective long-term planning to meet future requirements
- Preserve the Districts' high standards for reliability, quality and customer service

Objectives of TM1

How TM1 helps the Districts

- Establishes a “roadmap” to form a new joint authority & dissolve districts
- Identifies schedule and resources to complete the formation process
- Facilitates consensus on expectations and assumptions for new authority
 - Boards
 - Staff
 - Attorney

Key Assumptions

Defining the starting point

1. The Districts are the exclusive partners in formation of a new joint water and sewer authority
2. Service area boundary will be the same as RCWD's existing boundary
3. Authority's boundary will be outside any city and outside city's UGB
4. New authority will not establish an initial tax rate
5. New authority will honor GSD's existing IGA with City of Winston; existing IGA will not impede formation of new authority
6. Will follow statutory process to form a new special district (i.e., the new authority) and satisfy requirements to form a joint authority

Formation Process Highlights

Key activities to form a new joint authority

1. Prospective Petition & Draft Ballot Title
2. Economic Feasibility Statement (EFS)
3. Submittal, Review & Approval of Prospective Petition
4. Signature Gathering
5. Certification, Filing & Initial Order
6. Public Hearings
7. Elections (formation and board members)
8. Final Order of Formation
9. Filings with DOR, SOS & County
10. Initial Meeting of the New Board

Dissolution of Existing Districts

What happens to the existing districts?

Two options:

1. “One Step” – concurrent formation and dissolution
 - Formation petition includes declaration to dissolve existing districts
 - Avoids future vote
 - Simplifies public communication
2. “Two Step” – authority formation followed by future vote to dissolve
 - Allows authority to become well established and fully functional
 - Flexibility to adapt to unforeseen complexities of transferring rights & obligations
 - Requires future vote
 - Adds complexity and cost

Schedule

Timeline for key activities to qualify for May 2021 election

| | Activity | Duration (days) | End Date |
|----|---|-----------------|-----------|
| 1 | Prepare prospective petition & draft ballot title | 49 | 8/28/2020 |
| 2 | Prepare Economic Feasibility Statement | 59 | 8/28/2020 |
| 3 | Petition submittal, review and approval by County | 19 | 9/16/2020 |
| 4 | Petition signature gathering | 84 | 12/9/2020 |
| 5 | Petition certification and filing | 28 | 1/6/2021 |
| 6 | Public hearings | 63 | 3/16/2021 |
| 7 | Election | 0 | 5/18/2021 |
| 8 | Final order of formation by County | 30 | 6/17/2021 |
| 9 | Filings | 14 | 7/1/2021 |
| 10 | Initial meeting of Board for new authority | 0 | 7/1/2021 |

Resources

Estimated Budget

| Description | Budget |
|--------------------------------------|------------------|
| Legal Services | \$ 15,000 |
| Organization Planning Services | \$ 10,000 |
| Service Area Map & Legal Description | \$ 4,000 |
| Petition Signature Administration | \$ 2,000 |
| Filing Fees & Public Notices | \$ 500 |
| Deposit for County Election Expense | \$ 500 |
| Contingency & Miscellaneous | \$ 3,000 |
| TOTAL | \$ 35,000 |

Risks to Schedule & Budget

Anticipating the “Known Unknowns”

1. Potential impacts of COVID-19
2. Timelines for reviews and approvals by others
3. Input from other agencies
4. Public comments
5. Signature gathering process
6. The “unknown unknowns”

Next Steps

Where we go from here

- Confirm consensus on Boards' expectations
- Prepare prospective petition
 - Identify Chief Petitioners
 - Prepare map & legal description of proposed service area boundary
 - Draft petition and ballot title
- Complete Economic Feasibility Statement
 - Staffing plan
 - Preliminary budget
 - Draft EFS
- Submit prospective petition and supporting material for review & approval
- Prepare plan for signature gathering

Questions & Answers - Discussion -



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Organizational Planning Services - Questions for the Boards -

Joint Board Meeting

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Initial Questions for the Boards

Confirm consensus on Boards' expectations

1. Any exceptions to assumptions?
2. Preference on dissolution process; “one step” or “two step” process?
3. Who will be the Chief Petitioners?
4. Is there an anticipated name (or working name) for the new authority?
5. Should the new Board consist of 5 or 7 members?
6. Will the Board be a “Board of Commissioners” or “Board of Directors”?