

September 9, 2008
MWDOC Governance Study
Kick-off Meeting

1. Purpose and Use of the Study

- a. Local Agency Formation Commission (LAFCO) approved looking at the governance options for MWDOC including the financial and legal ramifications
- b. This is a LAFCO study and LAFCO will be directing the work to answer the Commission's questions
 - i. The study will build in Chapter 8 of the Municipal Service Review which generally listed governance options but did not provide detail
 - ii. The study is NOT another service report
 - iii. The study is NOT a rate study
 - iv. The study will include some "high level" financial analysis about each option. The analysis will focus on how the various governance options might influence cost (i.e. larger boards could equate to more overhead costs). The study will not explain how costs would be translated into rates.
 - v. The study will include the "short term" costs of reorganization together with an analysis of long term financial impacts.
- c. The study will include a legal "fatal flaw" analysis on all options so that time is not devoted to discussion options that will not work
- d. The study could be used as part of an application for re-organization however, the study does not in any way bypass the application process. Applications for re-organization are likely to require additional information beyond that covered in the study.

2. Communication Protocol

- a. Communication will go from LAFCO staff to the MWDOC member agencies.
- b. All data requests will come from LAFCO staff, the consultants will not be making multiple data requests of member agencies
- c. Each member agency should designate a "point of contact" for LAFCO staff and information and data requests will go to that point of contact.

3. Schedule

- a. Stakeholder Meetings are currently scheduled for:
 - i. October 22, 2008
 - ii. December 3, 2008
 - iii. February 11, 2009
- b. Draft deliverables will be presented at the Stakeholder Meetings
- c. Comments are due one week after the meetings

- d. LAFCO staff is scheduled to take this study to the Commission on March 11, 2009.

4. Governance Options

- a. Study will focus on the following options outlined in the MSR
 - i. MWDOC status quo (with recent board policy changes)
 - ii. “Enhanced” status quo
 - iii. Reorganization of MWDOC
 - iv. Reorganization of South County agencies as a new entity
 - v. Reorganize MWDOC and OCWD
 - 1. Commission requested this option
 - 2. Acknowledged to be politically challenging
 - 3. Has been studied before
 - vi. Reorganize MWDOC and East Orange Water District
 - 1. Commission requested this option
 - 2. Probably an “outlier” in terms of real recommendations
 - vii. Special Legislation Option: describe how this could improve the status quo
- b. The study will consider the status quo as the baseline and there is NO presumption that the status quo is inefficient or does not work.
- c. The “reorganization options” will include looking at a Joint Powers Authority (JPA) and options to capture the three cities who are direct MET member agencies
- d. The study will describe what each alternative organization structure can do and the flexibility to provide services
- e. Should be coordinated with MET during the fatal flaw review process
- f. Study needs to recognize the strength of working “collectively” and the institutional basis of MWDOC.

5. Next Meeting – October 22, 2008