



IRONHOUSE SANITARY DISTRICT

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July 10, 2023

Contra Costa County
County Administrator
Monica Nino
1025 Escobar St
Martinez, CA 94553

Re: MOU Services and Tax Discussions for Jersey Island

Dear Ms. Nino,

As you are aware, the Ironhouse Sanitary District (ISD) has entered into a Public Private Partnership (PPP) with Montezuma Water LLC designed to enhance the financial viability of ISD's ownership of Jersey Island. Our ultimate goal with this PPP is to utilize Jersey Island in a more environmentally and financially sustainable manner to create more value for ISD's rate payers and for Contra Costa County residents.

Jersey Island was purchased by ISD to provide San Joaquin River access for our outfall line. Since that purchase, Jersey Island has been a financial liability for ISD and its ratepayers, with limited opportunity to offset our costs, primarily through agriculture and cattle grazing. Accordingly in 2018, ISD sent out a public solicitation for partners who could help ISD in envisioning a better future for Jersey Island that can also help offset costs and thereby protect our rate payers.

That vision includes what we believe will be the best outdoor family entertainment and local tourism destination in the region, including competition sports facilities and adjacent beach park, a wildlife reserve and wildlife rescue center, 140 MW of green wind power generation, and a small development footprint (less than 25 acres) for a hotel, neighborhood retail and a visitor center. All of the planned infrastructure would be paid for by building 450 homes along the site perimeter, on reinforced levees. Over 90% of the site would remain in open space, park and recreation use.

After an initial discussion with Contra Costa staff and the City of Oakley, ISD has concluded that the City of Oakley best shared our vision for Jersey Island and would provide the best avenue to handle what will be a complicated approval process. For the City of Oakley to consider the

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project, the City would first bring Jersey Island into the City's Sphere of Influence (SOI) with the ultimate goal of annexing Jersey Island into the City of Oakley.

The Local Agency Formation Commission (LAFCO), who has authority to decide Spheres of Influence and City/County limit lines requires a Memorandum of Understanding (MOU) to assign services and allocate future tax revenues between the affected parties in order to consider a Sphere of Influence change.

Please accept this as ISD's official request for a meeting to discuss the proposed SOI change and the terms of an MOU required for the application. Currently the site doesn't generate any tax revenues or generate many local jobs. We understand that County Economic Development staff has expressed resistance to discussing these issues until the project advanced further, but in fact, the MOU discussions are the next required step in the process.

Please contact me at your earliest convenience to set a meeting date with you and/or the County's Economic Development Department Alysson Greenlee. We believe the MOU terms could be negotiated in perhaps two meetings between the County, City of Oakley and ISD, so the time commitment for this step should be minimal.

Please reach out to me with any questions or with possible meeting dates. We would like to get this process well underway in July.

Thanking you in advance,



Chad Davison
General Manager

Cc: Josh McMurray, City of Oakley
Alysson Greenlee , Contra Costa County Economic Development Department
Tom Grabiell, Montezuma Water LLC