

# Report!



## Board of Directors Summary for **August 02, 2006**

**Report!** is prepared by the Community Involvement Department for all interested individuals. This brief summary of selected items from Eastern Municipal Water District Board of Directors' meetings is distributed after each meeting. Please circulate it to others having an interest. For more information, call 951/928-3777, ext. 4226; or FAX: 951/928-6171.

### **WORK SESSION**

#### **I. Public Hearing**

##### **A. Water Standby Assessments and Sewage and Waste Service Standby Charges for the Fiscal Year 2006-2007**

#### **CLOSE HEARING**

**O-132**

**Adopt Proposed Ordinance No. 132, Establishing Schedules of Water Standby Assessments and Sewage and Waste Service Standby Charges for the 2006-2007 Fiscal Year**

#### **II. General Manager's Report**

**(Pack)**

### **Past Activities**

- We have held several conference calls with MWD, Black and Veach (B&V), the contractor and WMWD on the Perris Valley Pipeline in the last two weeks and it appears we cannot resolve the issues and will have to terminate the contract. MWD notified B&V on Monday that we were terminating the contract and we anticipate litigation. Charlie will provide more information during his report. We should have adequate supplies in summer 2007, and we are planning on how to meet demands in summer 2008, if the pipeline is not completed.
- We held a Settlement meeting with Four-Party representatives and attorneys last Wednesday to discuss the offer from the Marine Corps. We will discuss further during today's Closed Session. I also talked to Bill Steel from the Bureau who is working on the Camp Pendleton project and provided some interesting information.
- The District has been appointed the well recordation agency for this area by the Department of Water Resources.
- Director Sullivan and I met with Supervisor Ashley and a group that is proposing a recreational park for our site across the road. We are waiting to review the financial support from the County Economic Development Agency (EDA) to provide and then we will bring the offer to the Board.
- Pete Evich from our Washington Office was here last Wednesday and toured the District and met with a number of Board members.

### **Future Event**

- Director Record and I will meet with Larry Markham tomorrow to discuss some excess land at Lake Skinner that may be used for mitigation.
- We will meet with Director Sullivan, the developers and Webb and Associates, today at 3:30 to discuss the Olive Avenue Sewer.

- Steve Temple's Retirement is Friday at the Hemet Library. We have prepared a Proclamation for the Board's adoption on today's agenda.
- I will be taking a group of our staff to Camp Pendleton next Tuesday, August 8, to look at their water system facilities.
- I will be out of the office next Thursday and Friday (August 10 and 11) for the CASA conference.

### **Items of Interest to the Board**

- We have conducted a lengthy and detailed evaluation of the sludge dryer project with Carrollo Engineers and came to the conclusion that it is not economical to proceed with the design and construction. Charlie will provide more details. As an aside, we are having difficulty keeping up with the dewatering at the Perris facility and will be adding a second shift from 3:30 to midnight as an interim measure.
- I mentioned that the Department of Health Services (DHS) had increased our grant for the Perris Water Filtration Plant Expansion last meeting, but we were not sure exactly what the amount would be. We have now received a letter of commitment for \$12,123,014.
- We have been requested to change the episode sponsored by the District from the Desalination to "Using Water Wisely" (conservation). Melanie will provide more details, but President Record wanted the full Board to be aware of the request. I have linked the latest announcement from ACWA on the series.
- The county notified Chuck that the Assessed Valuation (AV) for the District is now \$57.9 Billion, which is an increase of 26.33 percent. The prior year increase was 26.11 percent over the prior year. We have doubled AV in two years!

### **Operational Highlights**

- I have linked the latest water supply graph for the month of June. Mills WTP provided 43 percent of our supply, Skinner 31 percent, the wells 16 percent and desalters and Perris WTP 8 percent.
- The frequent thunder and lightening storms are causing a number of system outages and a large number of employee call-outs.
- The District received credit from MWD for \$165,325 for the Menifee Desalter under our Groundwater Recovery Program Agreement with MWD for FY 2004/2005.

### **Upcoming Meetings**

- We will have to reschedule the September 20 Board meeting since three Board members are scheduled to participate in the Washington trip. We need to select a date today because we have a number of AD and CFD bond documents and public hearings that we need a specific date set.
- We will have the Special Board Work Session this Friday, beginning at 1:30 p.m., to discuss the new building addition. We have not planned for lunch. We will configure the Board Room with a lot of table space for work areas.

- RCWD has requested an AD Hoc Board Committee on August 14. They provided an agenda and topics for discussions include the joint funding of their treatment plant expansion, Integrated Resource Projects, Santa Rosa Water Reclamation Facility temporary flows, and Recycled water service to Pechanga. I will put the first three items on the Admin Committee meeting for next Tuesday since two of the same Board members are members of that committee.
- Rosemarie will cover the other Board events.

**Organizational and Administrative Changes**

- No changes to report

- A. Recap of Board Committee Meetings
  - 1. Operations & Engineering (*July 18*)
- B. Items of Information

**III. Discussions and/or Comments by Board Members (Pack)**

- A. Directors' Activity Report
- B. (Others?)

**IV. Matters Which Will Require Board Action (Pack)**

- A. Review of August 2, 2006 Agenda Items (*If Needed*)

None

**V. Presentations To EMWD (Guest Speakers)**

**VI. Response Items / Status Reports / Information Items**

- A. MWD Update (*5 minutes*) (Record/Harrison)



LEGISLATIVE AFFAIRS DEPARTMENT

MWD BOARD MEETING HIGHLIGHTS

JULY 25, 2006

The Metropolitan Water District of Southern California (MWD) held its monthly Asset and Recreation Committee, Executive Committee, and Special Committee on Human Resources meetings on July 25, 2006. At these meetings, the MWD Directors:

- Authorized in committee the termination of the exclusive negotiating agreement with Shopoff/Centex; and authorized entering an exclusive negotiating agreement with Shea/Parsons/LEDO for the Diamond Valley Lake Recreation and Land Development Program. Staff will bring the new exclusive negotiating agreement to the committee for approval prior to developing a plan for proceeding with the program. The original Board Action for this item was to approve entering into a new agreement with Lewis/Shea/Parsons/LEDO, but MWD heard on the day prior to the committee meeting that Lewis had dropped out of the deal on Friday, July 21. There was concern by some members about Lewis dropping out, so they asked Legal Counsel to make sure everything is legal.
- Heard that construction on MWD's Washington DC office will begin in mid-late August. The

move in date is somewhere between September 15 – 30. The office space is 1600 square feet and will house two full-time staff members and includes space for visiting directors and member agencies and a conference room. The rent is \$7,000 a month which includes expenses. MWD's current DC office rent is \$10,000 month.

- Heard reports on the Legal Department, Audit Department, and Ethic's Department activities for the past year.
- Discussed the procedure for electing the next MWD chairman. The election will take place on October 10. All Directors who would like to be considered for chair should submit their names to the Secretary by August 14. Nominations from the floor will be accepted on October 10. On September 12, all candidates will present their platform to the Board and respond to questions from the Board. There was a motion stating that the Board should elect the vice-chair(s) also, but this motion was defeated. Current procedure is for the chair to appoint vice-chair(s).
- Heard in the Special Committee on Human Resources meeting that the Auditor gave the Human Resources department an opinion of unsatisfactory and recommended restructuring the department. There will be a recruitment for a new Human Resources manager.

- |   |                                |
|---|--------------------------------|
| B. SAWPA Update ( <i>5 minutes</i> )  | <b>(Slawson/Sullivan/Pack)</b> |
| C. CIP Quarterly Report ( <i>10 minutes</i> )                                 | <b>(Bachmann)</b>              |
| D. Temecula Valley Water Reclamation Facility Expansion ( <i>15 minutes</i> ) | <b>(Bachmann)</b>              |
| E. Water Shortage Contingency Plan ( <i>15 minutes</i> )                      | <b>(Ghaderi)</b>               |
| F. Water System Operations Update ( <i>15 minutes</i> )                       | <b>(Ghaderi)</b>               |

**VII. Closed Session**

**Status report given – no action taken**

- A. Re: Camp Pendleton Four-Party Agreement Claim  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

**Not discussed**

- B. Re: Aguilera vs. JWS Associates and EMWD  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation Case

**Not discussed**

- C. Re: Hemet/San Jacinto Integrated Recharge and Recovery Project – San Jacinto Z, LLC Development  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation Case

**Not discussed**

- D. Re: EMWD vs. Theresa Fontno – Manzanita Tank Settlement Case  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

**Not discussed**

- E. Re: Assurance Co. of America vs. EMWD  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

**Adjournment**

***Adjourned the Work Session at 12:33 p.m.***

**(Record)**

**BOARD MEETING**

**I. Recognitions**

**(Record, C.I. Officer)**

- A. VIP Leadership Excellence Award - 2nd Quarter 2006 **Debra Haskell**
- B. Service Awards **Terry Arndt - 25 years; Rudy Esparza, Julie Hendershott & Ken Marshall – 15 years; Jean Cortez & Karen McVey – 10 years**
- C. Academic Achievement Award for Dennis Rich **Masters of Science, Business Administration**
- D. Proclamation Honoring Steve Temple, for His Retirement From The City of Hemet  
1. **Consider Adoption of Minute Order**

**M-219/06**

**II. Public Hearing**

- A. Hearing to Adopt All Items Pertaining to CFD No. 2006-51 (Nuevo Meadows)

**R-4513**

- 1. **Adopt Proposed Resolution No. 4513**, a Resolution of the Board of Directors of Eastern Municipal Water District, Establishing Community Facilities District No. 2006-51 (Nuevo Meadows) and Authorizing the Levy of Special Taxes, and Calling Elections Therein;

**R-4514**

- 2. **Adopt Proposed Resolution No. 4514**, a Resolution of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-51 (Nuevo Meadows), Determining the Necessity to Incur Bonded Indebtedness Within Community Facilities District No. 2006-51 (Nuevo Meadows) and Calling an Election Therein;

**R-4515**

- 3. **Adopt Proposed Resolution No. 4515**, a Resolution of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-51 (Nuevo Meadows), Certifying the Results of the August 2, 2006, Special Tax and Bond Elections; and

**O-133**

- 4. **Adopt Ordinance No. 133**, an Ordinance of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-51 (Nuevo Meadows), Authorizing the Levy of a Special Tax Within Such District

**III. Discussions and/or Comments by Board Members**

**M-220/06**

**IV. Approval of Minutes**

- A. Regular Meeting of July 19, 2006  
1. **Consider Adoption of Minute Order**

**Receive & File**

**V. Board Committee Reports**

A. Operations & Engineering (*July 18*)

**VI. Letter of Correspondence to the Board of DIRECTORS**

A. Mrs. Frieda Daniels regarding the hardship of AD-19 Bond Assessment

***Update provided to Board on all letters of reply received by Mrs. Daniels***

**VII. Consent Calendar**

**Annexations**

A. Annexation of Parcel No. U-8-06-1 to Improvement District No. U-8 (Temecula Valley RV - APN 910-090-009 & 011)

**M-221/06**

1. **Consider Adoption of Minute Order**, Approving the Map and Legal Description for Parcel No. U-8-06-1 and Order Such Map and Legal Description Filed With the Secretary; and

**R-4516**

2. **Adopt Proposed Resolution No. 4516**, Annexing Parcel No. U-27-06-3 to Improvement District No. U-27 of EMWD

B. Annexation of Parcel Nos. U-29-06-4 and U-30-06-4 to Improvement District Nos. U-29 and U-30 (City of Perris - APN 310-210-029 & 030)

**M-222/06**

1. **Consider Adoption of Minute Order**, Approving the Maps and Legal Descriptions for Parcel Nos. U-29-06-4 and U-30-06-4 and Order Such Maps and Legal Descriptions Filed With the Secretary; and

**R-4517, R-4518**

2. **Adopt Proposed Resolution Nos. 4517 and 4518**, Annexing Parcel Nos. U-29-06-4 and U-30-06-4 to Improvement District Nos. U-29 and U-30 of EMWD

C. Annexation of the 96th Fringe Area to EMWD and MWD (Hohman Murrieta)

**M-223/06**

1. **Consider Adoption of Minute Order:**

- a. Approving the Map and Legal Description for the Subject Parcel(s) of Land Proposed to be Annexed and Order Them Filed with the Secretary; and
- b. Authorizing All Work Necessary and Pertinent to the Annexation Proceedings and the Appropriation of the Funds Necessary to Cover the Involved Expenses (Which Appropriated Funds will be Reimbursed by the Property Owner(s) Prior to the Completion of the Proceedings):

**R-4519**

2. **Adopt Proposed Resolution No. 4519:**

- a. Requesting LAFCO to Initiate and Conduct a "Reorganization Proceeding" to Concurrently Annex the Subject Land(s) to Eastern Municipal Water District (EMWD) and The Metropolitan Water District of Southern California (MWD); and
- b. Setting Forth EMWD's Terms and Conditions to be Associated with the Annexation, Which Terms and Conditions, Among Other Things, Provide for or that:

1. The Owner(s) of the Subject Land Shall be Obligated to Pay EMWD Such Sums of Money as are in the Future Determined by EMWD's Board of Directors to be Necessary to Cover All of EMWD's Expenses Associated with the Annexation Proceeding; and
2. The Subject Land(s) Shall be Concurrently Annexed to MWD Under Terms and Conditions Fixed by Their Board of Directors;

**R-4520**

3. **Adopt Proposed Resolution No. 4520**, Determining That There Will be No Exchange or Transfer of Ad Valorem Property Tax Revenue Between the County of Riverside and EMWD as a Result of the Subject Proposed Reorganization; and

**R-4521**

4. **Adopt Proposed Resolution No. 4521**, Making Application to the Board of Directors of MWD for Formal Consent and Terms and Conditions for the Annexation of the Subject Land to MWD

C. Annexation of the 97th Fringe Area to EMWD, RCWD, and MWD (Highpointe Temecula V, LP)

**M-224/06**

1. **Consider Adoption of Minute Order:**

- a. Approving the Map and Legal Description for the Subject Parcel(s) of Land Proposed to be Annexed and Order Them Filed with the Secretary; and Annexation of the 97th Fringe Area to EMWD, RCWD, and MWD (Highpointe Temecula V, LP)
- b. Authorizing All Work Necessary and Pertinent to the Annexation Proceedings and the Appropriation of the Funds Necessary to Cover the Involved Expenses (Which Appropriated Funds will be Reimbursed by the Property Owner(s) Prior to the Completion of the Proceedings):

**R-4522**

2. **Adopt Proposed Resolution No. 4522:**

- a. Requesting LAFCO to Initiate and Conduct a "Reorganization Proceeding" to Concurrently Annex the Subject Land(s) to Eastern Municipal Water District (EMWD), Rancho California Water District (RCWD) and The Metropolitan Water District of Southern California (MWD); and
- b. Setting Forth EMWD's Terms and Conditions to be Associated with the Annexation, Which Terms and Conditions, Among Other Things, Provide for or that:
  1. The Owner(s) of the Subject Land Shall be Obligated to Pay EMWD Such Sums of Money as are in the Future Determined by EMWD's Board of Directors to be Necessary to Cover All of EMWD's Expenses Associated with the Annexation Proceeding; and
  2. The Subject Land(s) Shall be Concurrently Annexed to RCWD and MWD Under Terms and Conditions Fixed by Their Board of Directors;

**R-4523**

3. **Adopt Proposed Resolution No. 4523**, Determining That There Will be No Exchange or Transfer of Ad Valorem Property Tax Revenue Between the County of Riverside and EMWD as a Result of the Subject Proposed Reorganization; and

**R-4524**

4. **Adopt Proposed Resolution No. 4524**, Making Application to the Board of Directors of MWD for Formal Consent and Terms and Conditions for the Annexation of the Subject Land to MWD

**Receive & File**

**E. Report for the Month of June, 2006**

*The back up materials and/or reports indicated (\*) are on file with the Secretary of the District and will be made available for inspection, upon request, by any person or persons interested.*

1. Treasurer's Report for the month of June

**(End of Consent Calendar)**

**VIII. Letters From the General Manager**

**Deferred**

- A. Approve and Authorize an Amendment to the Agreement with Engineering Resources of Southern California, Inc., for Inspection Services

1. **Consider Adoption of Minute Order**

**M-225/06**

- B. Approve and Authorize the Water Supply Assessment for the Warehouse Distribution Center on the Northwest Corner at Rider Street and Perris Boulevard Proposed by Ridge Property Trust

1. **Consider Adoption of Minute Order**

**M-226/06**

- C. Approve and Authorize the Water Supply Assessment for the Tentative Parcel Map No. 33942 Proposed by Prologis

1. **Consider Adoption of Minute Order**

**M-227/06**

- D. Approve and Authorize the Water Supply Assessment for the Tentative Tract Map 33530 Proposed by the Kearny Real Estate Company

1. **Consider Adoption of Minute Order**

**M-228/06**

- E. Approve and Authorize Upgrade and Purchase of Hydraulic Modeling Software for Water, Wastewater, and Recycled Water Modeling

1. **Consider Adoption of Minute Order**

**M-229/06**

- F. Approve and Authorize a Project in the Amount of \$1,170,000 for the Distribution of 4,000 High Efficiency Toilets

1. **Consider Adoption of Minute Order**

**R-3345.19**

- G. **Adopt Proposed Resolution No. 3345.19**, Amending Exhibit "A" - Classification of Positions

**R-3352.12**

- H. **Adopt Proposed Resolution No. 3352.12**, Amending the Canyon Lake Sewer Rate Schedule

**R-3410.6**

- I. **Adopt Proposed Resolution No. 3410.6**, Establishing General Obligation Bond Tax Rates, Water Standby Assessments, Sewage and Waste Service Standby Charges, Assessment District Fixed Charges, and Community Facilities District Special Taxes for Fiscal Year 2006/2007

**R-4525**

- J. **Adopt Proposed Resolution No. 4525**, Approving a Joint Community Facilities Agreement with the Moreno Valley Unified School District and Beazer Homes Holdings Corp. and Hearthstone Multi-Asset Entity B, L.P. for Community Facilities District No. 2005-5 of the Moreno Valley Unified District

**R-4526**

- K. **Adopt Proposed Resolution No. 4526**, Approving a Joint Community Facilities Agreement with the Menifee Union School District School District and D.R. Horton for Community Facilities District No. 2006-3 of the Menifee Union School District

**IX. Closed Session**

**Status report  
given after the  
Work Session –  
no action taken**

A. Re: Camp Pendleton Four-Party Agreement Claim  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

**Not discussed**

B. Re: Aguilera vs. JWS Associates and EMWD  
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C. Re: Hemet/San Jacinto Integrated Recharge and Recovery Project –  
San Jacinto Z, LLC Development  
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D. Re: EMWD vs. Theresa Fontno – Manzanita Tank Settlement Case  
Government Code Section 54956.9  
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E. Re: Assurance Co. of America vs. EMWD  
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One Potential Litigation

**ADJOURNMENT**

Adjourn the meeting to Friday, August 4, 2006, 1:30 p.m. for  
Special Work Session, then to Wednesday, August 16, 2006,  
9:00 a.m.

**M-230/06**