

# Report!



Board of Directors Summary for **September 19, 2007**

**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. General Manager's Report

(Pack)

#### Past Activities

- Charlie and I met with the San Jacinto City Manager on several issues with the North San Jacinto Sewer, developer issues and lift stations that are now the City's responsibility under the transfer of the collector system to the City. Engineering will attend the City Council meeting on September 20, seeking approval for the traffic control plan for 7<sup>th</sup> Street. I have asked Charlie to prepare a presentation of all our future projects in the City that we briefed at the Planning Committee meeting, and we will present at a City Planning Commission and possibly City Council meeting.
- On Friday, September 7, Joe Lewis and I held a phone conference with the Interim Deputy Director, Fish and Game (F&G) on the disparity between the state and the feds on the mitigation requirement for the San Jacinto recharge project. The Deputy Director indicated he would get back to me before the trip to Washington. We also discussed the delay on the part of F&G in approving the MOU for the feasibility study and preliminary design and environmental work for the expansion of the wildlife refuge.
- Also on Friday, September 7 (in the afternoon), Jayne Joy, Gerry Shoaf and I met with the Riverside County DDA on the hazardous waste spill that occurred at the San Jacinto Regional Water Reclamation Facility (SJRWF) on September 3, 2005. We reached a tentative outline of an agreement and the staff will follow up this month.
- Last Wednesday, September 12, we met with Jeff Kightlinger and the MWD regulatory staff and John Rossi from WMWD to talk about the recent hazardous material enforcement actions by the County DA. We have a Closed Session item on this on the agenda.
- We also met with our financial team to discuss the planning schedule for the next refunding and the new money bond next year. We are trying to schedule a Special Board Work Session to go over some questions that the Board has raised prior to moving ahead.

#### Future Activities

- We are planning to burn the vegetation at the San Jacinto wetlands tomorrow pending a final approval in the morning. We have notified the

press and the cities. This burn will allow us to convert the wetlands to tertiary storage.

- Staff and representatives from Ventyx are meeting every day this week and next week to review the “gaps” identified during the workshops held in July and August. Staff will then make a recommendation and I will be meeting with the Chief Operations Officer (COO) next Friday and make a recommendation to the Board on October 3.
- We will be in Washington next week to review our funding with the Army Corps of Engineers, the Soboba Settlement, the WRDA bill and our bill on recycled water.

### **Follow Up From Previous Board Meetings**

- We will post the three fill stations at Garboni, Contour, and Patterson at Winchester Road. An example of one of the signs is attached and has been reviewed by the Board Committees. We also have a request from the RCWD staff to maintain the Pampero fill stations which we will discuss with RCWD on Friday.
- Yesterday I was able to meet with Rick Bishop from WRCOG to discuss a future partnership. We both feel it is beneficial to both organizations and he will contact his Chair and Vice Chair by today. I have also discussed this with the Board Executive Committee. The next step would be to have the elected officers and both administrative officers meet to discuss the benefits, procedures and schedules.

### **Operational Highlights**

- We have partnered with Southern California Gas Company on a grant application to the Public Utilities Commission (PUC) to conduct efficiency testing of our gas fueled engines similar to the program that is already in place with SCE for the electric driven engines.
- Last Friday (September 14) we had a lengthy meeting with Carollo Engineers on some of the reasons for the accelerated growth in construction costs. We will bring back a shortened version at a future work session, but Charlie will cover some of the principal findings as part of his update this morning.
- We found Quagga mussels in forebay of the Perris Water Filtration Plant pumping station, but no evidence on the membranes so far. We have been pre-chlorinating for a month but will increase the chlorination levels at the pump station based on MWD’s recommendation for a short period.
- Our recycled water deliveries are exceeding the plant production and the difference is being made up from storage. Last Wednesday (September 12) we delivered 57 MG of recycled water against a consumption of 152 MG, potable, for the same day.

- We will be sending out letters to those holders of Ag Rate accounts who did not respond to our August letter notifying them that they will be transitioned to an M&I rate in October.

### Upcoming Meetings and Events

- Charlie Bachman and Jim Wyatt will attend the San Jacinto Council meeting tomorrow to request a complete closing of 7<sup>th</sup> Street at the railroad crossing between State and Santa Fe for two weeks for construction of the San Jacinto Interceptor Sewer. This meeting was continued from the last Council meeting for what the City described as incomplete information. The City staff report recommends approval.

### Organizational and Administrative Changes/Items of interest

- There are currently 11,329 single family residential units in the various stages of foreclosure in the incorporated cities in our service area, as reported by RealtyTrac. This does not include the County properties.
- We met with representatives of Nationwide Retirement Solutions, which is our largest 457 Deferred Comp provider, to review our portfolio performance as we do annually.

#### A. Recap of Board Committee Meetings

1. Operations & Engineering (*September 13*)
2. Administrative (*September 17*)
3. Executive (*September 18*)
4. Planning (*September 18*)

Deferred

Deferred

Deferred

#### B. Items of Information

### II. Discussions and/or Comments by Board Members

(Pack)

#### A. Directors' Activities Report

1. Murrieta City Council (*September 4*) (Record/Paule)
2. Menifee Valley Chamber (*September 5*) (Sullivan)
3. Temecula Planning Commission (*September 5*) (Record)
4. Murrieta/Temecula Group (*September 7*) (Kuebler)
5. California Friendly Workshop (*September 8*) (Paule)
6. ~~Perris Chamber Mixer~~ (*September 12*) (Sullivan)
7. State of the City, Moreno Valley Chamber (*September 13*) (Slawson)
8. Joint Mixer (*September 13*) (Sullivan)
9. ACWA Region 9/10 (*September 13 - 14*) (Record/Kuebler/Paule)

See Item No. 8

#### B. (Others?)

### III. Matters Which Will Require Board Action

(Pack)

- A. Review of September 19, 2007 Agenda Items (*If Needed*)

None

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

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

**A. MWD Update (10 minutes) (Record/Harrison)**

- Heard a report on the current water supply condition. The 2007 SWP supplies are no longer at risk since the court ruling on the Delta operations does not take place until next year and DWR is expected to deliver the full 60 percent allocation from the SWP. Met is anticipating that about 345,000 acre-feet of water is at risk in 2008 due to the Delta smelt actions. They are preparing for 2008 by looking at conservation, local resources, transfers, dry year storage, cutting replenishment and ag water programs, near-term Delta actions, allocation plan, and emergency reserves. Met staff is developing additional water transfer opportunities for the Board to consider in subsequent months.
- Adopted conveyance criteria for water supply conveyance options in a long-term Delta vision. This criteria provides direction to staff on the direction the Board wants them to go. The Board would like the Delta vision to provide water supply reliabilities; improve export water quality; allow flexible pumping operations; enhance the Delta ecosystem; reduce seismic risks; and reduce climate change risks.
- Appropriated \$5.91 million for Phase II of the Quagga mussel control program. The Board also heard an update on the Quagga mussel. The goal of the control program is to keep the population of Quaggas as low as possible. Eradication is probably not feasible. Met is currently treating the water at Copper Basin with 15,000 gallons of chlorine per day; this is a tanker truck every six hours. Met staff is looking at other technologies for permanent control. This appropriation of money does not include money for controlling the Quagga in the SWP if it is found.
- Heard a report on Met's Long Range Financial Plan. Preliminarily, Met is predicting about a 10 percent average rate increase in 2009; 9 percent in 2010; and 2 percent increases in 2011 and 2012. Future risks to the financial plan include lower water sales, SWP power costs, Cargill lawsuit, OPEB funding, litigation, quagga mussels, Bay Delta conveyance improvements, and Perris Dam and SWP improvements. The predicted rate increases do not include potential costs for the Delta fix or controlling Quagga mussels in SWP facilities.
- Heard a report on the County of Riverside investigation at Mills plant. Approximately two years ago there was a release of caustic soda (approximately 240 gallons) at the plant. The Riverside County District Attorney has alleged violations including insufficient training; proper and timely responses; and unlawful disposal of hazardous waste. Since the incident, Met has incorporated new procedures and facilities to ensure future breaks are contained. Met is disputing the allegations of timely and proper reporting, events identified as not reported, and the reporting requirement. Met's concern is that Riverside County requirements are different from Los Angeles and Orange County requirements. Met would like to be consistent in their operations.

- Adopted a Resolution to accept \$2 million (awarded under the Prop 50 grant program) for a High Efficiency Clothes Washer Program. The grant funding, in addition to other funding, would allow Met to offer \$110 per unit. Approximately 80,000 rebates would be provided. The project is expected to achieve direct water savings of more than 30,000 acre-feet of water over the life time of the appliances.
- Appropriated \$915,000 to increase the filter-outlet chlorination capacity at the Skinner plant. The project is necessary to comply with drinking water disinfection regulations after the new ozone facilities and the biological filtration process are operational.
- Appropriated \$7.3 million for Colorado River Aqueduct Reliability Programs. A comment was made by one Director that in light of the potential rate increases that may result from the court hearing and other risks to water supply, the Board might want to take another look at the necessity of CIP projects and weigh the costs of doing projects versus waiting to do the project.
- Appropriated \$1.01 million for final design and construction of upgrades to the Information Technology (IT) Disaster Recovery Facility, which will protect crucial business functions related to IT applications, data, and the support of IT infrastructure.
- Heard that the Diamond Valley Lake visitor center will be moved to the “Water Resources Center” formerly known as the “Center for Water Education.” This is to demonstrate to the state that Met is using the building so the \$5 million grant from the state will be released. The center will open to the public on September 27. Met is looking at proposals as to how to use the center in the future, which will take about four months to complete. Currently, Met’s outreach on Diamond Valley Lake is focusing on the Hemet community and showing that Met has spent a lot of money in the area. Met is hoping to dispel the notion that Met doesn’t care what happens to the center and surrounding area.

- B. SAWPA Update (*10 minutes*) **(Slawson/Sullivan/Pack)**
- C. Public Health Goals (*15 minutes*) **(Joy)**
- D. MWD Financial Planning (*15 minutes*) **(Rathbone)**
- E. IAWP and Water Shortage Update (*15 minutes*) **(Ghaderi/Mortazavi/Rathbone)**
- F. August Financial Report (*10 minutes*) **(Rathbone)**

## **VI. Closed Session**

**Not discussed**

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

**Not discussed**

- B. Re: Soboba Settlement  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

*Not discussed*

- C. Re: EMWD vs. Tajik  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

*Legal Counsel provided status on first case - Board provided direction on how to proceed*

- D. Re: Anticipated Litigation  
Government Code Section 54956.9 (b)  
Conference with Legal Counsel  
Two Potential Litigation Cases

**Adjournment**

**(Slawson)**

**Board Meeting**

**I. Recognitions**

**(Slawson, C.I.)**

*None*

- A. Service Awards

*M-296/07*

- B. Proclamation in Observing October 1-5, 2007 as National Customer Service Week
  - 1. **Consider Adoption of Minute Order**

- C. Sam Hartvigson and Timothy McFarland (Eagle Scouts)

*None*

- D. Proclamations/Academic Achievements/Others

**II. Public Hearings**

*O-70.8*

- A. **Hearing to Adopt Proposed Ordinance No. 70.8**, Revising Established Ethics Policies, Policies for Compensation and Amount of Compensation, Health Benefits and Authorized Reimbursement of Expenses for the Board of Directors and Their Appointed Representative to The Metropolitan Water District of Southern California Board of Directors, District Treasurer, General Manager and Outside Committee Members

*M-297/07*

- B. Hearing to Consider Public Comment on Public Health Goals and Approve the Public Health Goals Report

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

- C. Hearing to Adopt All Items Pertaining to CFD No. 2006-55 (Winchester Trails)

*R-4743*

- 1. **Adopt Proposed Resolution No. 4743**, a Resolution of the Board of Directors of Eastern Municipal Water District, Approving a Joint Community Facilities Agreement with the Valley-Wide Recreation and Park District for Community Facilities District No. 2006-55 (Winchester Trails);

*R-4744*

- 2. **Adopt Proposed Resolution No. 4744**, a Resolution of the Board of Directors of Eastern Municipal Water District, Establishing Community Facilities District No. 2006-55 (Winchester Trails) and Authorizing the Levy of Special Taxes, and Calling Elections Therein;

R-4745

3. **Adopt Proposed Resolution No. 4745**, a Resolution of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-55 (Winchester Trails), Determining the Necessity to Incur Bonded Indebtedness Within Community Facilities District No. 2006-55 (Winchester Trails) and Calling an Election Therein;

R-4746

4. **Adopt Proposed Resolution No. 4746**, a Resolution of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-55 (Winchester Trails), Certifying the Results of the September 19, 2007, Special Tax and Bond Elections; and

O-142

5. **Adopt Ordinance No. 142**, an Ordinance of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-55 (Winchester Trails), Authorizing the Levy of a Special Tax Within Such District

M-298/07

- D. Continuation of Hearing to Adopt All Matters Pertaining to CFD No. 2002-07 (Pacific Mayfield)

1. **Consider Adoption of Minute Order**

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

**IV. Approval of Minutes**

M-299/07

- A. Regular Meeting of September 5, 2007
  1. **Consider Adoption of Minute Order**

**V. Board Committee Reports**

**(Receive & File)**

- A. Operations & Engineering Committee (*September 13*)
- B. Administrative Committee (*September 17*)
- C. Executive Committee (*September 18*)
- D. Planning Committee (*September 18*)

Deferred

Deferred

Deferred

**VI. Letters of Correspondence to the Board of Directors**

**VII. Consent Calendar**

*Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors at one time without discussion. If any Board member, Staff member, or interested person requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.*

Deferred

- A. ~~Approve and Authorize an Amendment to the Engineering Design Services Agreement with Carollo Engineers for the San Jacinto Valley Regional Water Reclamation Facility Expansion Project~~

M-300/07

- B. Approve and Authorize an Amendment to the Agreement with Krieger and Stewart, Inc., and an Agreement with RMS for Engineering Services for the Moreno Valley, San Jacinto Valley, and Temecula Valley Regional Water Reclamation Facilities Digester Gas System Replacement

M-301/07

- C. Approve and Authorize an Award of Contract Under Specification No. 1113W, Barton/Nandina Interagency Connection Pipeline - Phase 1, and Appropriate Additional Funds

M-302/07

- D. Approve and Authorize the Pat Road Pump Station Engine Replacement Project

**Annexations**

- E. Annexation of Parcel Nos. U-19-07-4 and U-20-07-4 to Improvement District Nos. U-19 and U-20 (Pacific Century Group - Tract 29843 Lots 121-125)

M-303/07

1. **Consider Adoption of Minute Order**, Approving the Maps and Legal Descriptions for Parcel Nos. U-19-07-4 and U-20-07-4 and Order Such Maps and Legal Descriptions Filed With the Secretary; and

R-4747, R-4748

2. **Adopt Proposed Resolution Nos. 4747 and 4748**, Annexing Parcel Nos. U-19-07-4 and U-20-07-4 to Improvement District Nos. U-19 and U-20 of EMWD

Receive & File

- F. **Reports for the Month of August, 2007**

*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. Employee Reimbursement Reporting Specific Charges Greater Than \$100
2. District Staffing Status Report by Classification
3. EMWD Claims
4. Special Funding Districts Status Report
5. Water Supply Conditions
- \* 6. Change Orders to Specifications Issued
- \* 7. Treasurer's Report for the month of August, 2007
  
- \* 8. **Post Audit of Checks for the month of August, 2007**

**(End of Consent Calendar)**

**VIII. Negative Declarations**

M-304/07

- A. Approve and Authorize CEQA Certification of the Silver Oak Murrieta 1 LLC Annexation – Initial Study and Negative Declaration
1. **Consider Adoption of Minute Order**

M-305/07

- B. Approve and Authorize CEQA Certification of the Diaz Road Lift Station Replacement Project – Initial Study and Mitigated Negative Declaration, and Mitigation Monitoring Program
1. **Consider Adoption of Minute Order**

**IX. Letters From the General Manager**

M-306/07

- A. Approve and Authorize Setting of Time and Place of Hearing to Consider the Adoption of a “Resolution of Necessity” to Acquire, by Eminent Domain Proceedings, Real Property for Facilities Construction Related to the Western Way Pump Station Project
1. **Consider Adoption of Minute Order**

- M-307/07** B. Approve and Authorize the Water Supply Assessment for Emerald Acres, a High Density Residential Project Proposing 674 Units, Located North of Stetson Avenue and West of California Avenue in the City of Hemet, Owned by Hickory Investors, LLC  
1. **Consider Adoption of Minute Order**
- M-308/07** C. Approve and Authorize the Water Supply Assessment for the Airport Distribution Center an Office/Warehouse Project on 36 Acres Located at the Northwest Corner of Goetz Road and Artlo Road in the City of Perris  
1. **Consider Adoption of Minute Order**
- R-3353.15** D. **Adopt Proposed Resolution No. 3353.15**, Revising Certain Water Rate Schedules
- R-4749** E. **Adopt Proposed Resolution No. 4749**, Authorizing Application Filing for the Construction of the San Jacinto Valley Regional Water Reclamation Facilities Expansion – and Designating an Authorized Representative
- R-4750** F. **Adopt Proposed Resolution No. 4750**, Authorizing Application Filing for the Construction of the Moreno Valley Regional Water Reclamation Facilities Expansion – and Designating an Authorized Representative
- R-4751** G. **Adopt Proposed Resolution No. 4751**, Supporting a State Legislative Proposal to Thwart Metal Theft
- O-143** H. **Adopt Proposed Ordinance No. 143**, Authorizing the Dissolution of Said Community Facility District and Authorizing and Directing the Recordation of a Notice of Cancellation of Special Tax for Community Facilities District No. 2003-22 (Brookfield Overlay)

### **Claims**

- Cancelled** I. ~~Deny Claim Against the District, Filed by Verizon for Property Damage (Yamas Drive & Prielipp)~~  
1. **Consider Adoption of Minute Order**
- Cancelled** J. ~~Deny Claim Against the District, Filed by Verizon for Property Damage (Emperor Drive & Black Duck Drive)~~  
1. **Consider Adoption of Minute Order**
- Cancelled** K. ~~Deny Claim Against the District, Filed by Verizon for Property Damage (Olive Street & Grape Street)~~  
1. **Consider Adoption of Minute Order**
- Cancelled** L. ~~Deny Claim Against the District, Filed by Southern California Edison (SCE) for Property Damage~~  
1. **Consider Adoption of Minute Order**

### **X. Closed Session**

- Legal Counsel provided status – no action taken** A. Re: Camp Pendleton Four-Party Agreement Claim  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation
- Legal Counsel provided status - Board provided direction on how to proceed** B. Re: Soboba Settlement  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

*Legal Counsel  
provided status -  
Board provided  
direction on how to  
proceed*

- C. Re: EMWD vs. Tajik  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation

*Legal Counsel  
provided status on  
second case - Board  
provided direction on  
how to proceed*

- D. Re: Anticipated Litigation  
Government Code Section 54956.9 (b)  
Conference with Legal Counsel  
Two Potential Litigation Cases

M-309/07

**ADJOURNMENT**

*Adjourned the meeting to Wednesday, October 3, 2007, 9:00 a.m.*