

# Report!



Board of Directors Summary for **January 23, 2008**

**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

- Last Thursday, we were notified that we had been awarded a Silver level, California Award for Performance Excellence (CAPE). Although we increased our numerical score by over 100 points, there were many notable improvements mentioned, and we were right on the border of a Gold Award, we failed to communicate our level of success. We will schedule a feedback presentation with the senior examiner and the lead judge for sometime in February where we will receive more information on our strengths and weaknesses. I want to encourage the Board members to attend the debriefing. We'll advise you as soon as we have a date.
- On Friday Chuck and I and our Financial Team were successful in pricing a refunding bond for our 2001B series for \$56,855,000 in a very volatile and dynamic market. At a 3.10% interest rate, the savings were close to 14% or approximately \$7,000,000, net of expenses. We will have more information later in the work session and we can answer any questions about market conditions and expenses.
- On Friday, January 10, Charlie and I met with the City of Perris staff to discuss the Enchanted Heights Sewer Program, and other projects. No commitments were made and we are still waiting for funding from the State Board. They also requested a meeting with our staff and two board members and their staff and Council members Motte and Yarbrough to discuss water wheeling, utilizing one of their wells and the South Perris Industrial project. Rosemarie is scheduling the meeting. There will be two Directors attending
- On Tuesday, January 15, we held our Ad Hoc Committee meeting with the Board and staff of Ranch California Water District to discuss the recycled water agreement with the Pechanga Tribe. The joint call to the San Diego Regional Water Quality Control Board to discuss the use of recycled water by the Pechanga Tribe that was discussed at our join committee meeting will take place at 2:00 PM today. We will also have staff at the January 30, RCWD Engineering & Operations meeting.
- On Monday, Charlie, Joe Mouawad and I met with Barry McClellan and Habib Motlaugh to coordinate construction activities between San Jacinto and EMWD. We intend to meet monthly.

### **Future Activities**

- At the work session on February 6, we will have a presentation on our process for selecting our outside consultants and provide a listing of the current contracts. We had previously scheduled this for E&O at the request of the Board, but were unable to present due to time. We will also present the Engineering Design Guidelines at the next E&O committee. This was also scheduled for the last E&O meeting.

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

- We are working with Carollo Engineers to schedule a presentation to the Board and visit from their senior management, possibly by next board.

### **Operational Highlights**

- We received a wire last week for \$6,047,393 for the purchase of 1.2 MGD conveyance capacity in the brine line for the Inland Empire Energy Center.
- Standard & Poors reaffirmed our AA- rating with a positive outlook yesterday. Chuck, Charlie and I have been holding multiple conference calls with the rating agencies over the last week to reassure them on growth and the financing of our Capital Improvement Program.

### **Upcoming Meetings and Events**

- There are two items of special interest being agenzized for the next MWD Board meeting on February 12: approval of the Water Supply Allocation Plan and Appropriate Funds and authorize the acquisition of land for a future water treatment plant in Riverside County.
- Director Sullivan, Claire and I are going to Washington February 10 - 13<sup>th</sup>. Director Record and Paule will attend the ACWA Washington Conference February 26 - 28. Our Washington representative can work around that schedule. If you could, let me know of any materials you will need and any appointments you would like to schedule.
- We were scheduled to meet with the Chair of Western Riverside Council of Governments on January 31 to discuss what we can bring to the organization. I received some additional information last night and we'll need to discuss this meeting.
- The Regional Water Leaders Roundtable is set for Friday, February 1.
- Rosemarie has the details in her events binder being passed around.

### **Organizational and Administrative Changes**

- Bonnie Wright will start Monday
- We will begin the formal MOU negotiations with the Union on Tuesday January 29. We will be sharing information with the Board Committees and in closed session as information becomes known.

- A. Recap of Board Committee Meetings
  - 1. Operations & Engineering (*January 15*)
  - 2. Administrative (*January 17*)
  - 3. Executive (*January 21*)
- B. Items of Information

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

- A. Directors' Activities Report
  - 1. One Water, One Watershed (OWOW) (*December 20*) (Sullivan)
  - 2. Southern Coalition (*January 4*) (Record)
  - 3. SAWPA Special Commission (*January 8*) (Slawson)
  - 4. Ad Hoc Meeting with Elsinore Valley MWD (*January 8*) (Paule/Sullivan)
  - 5. CASA Meeting (*January 10*) (Paule)
  - 6. Murrieta/Temecula Group (*January 11*) (Paule)
  - 7. California Wetlands - Sacramento (*January 14 – 15*) (Paule)
  - 8. Ad Hoc Meeting with RCWD (*January 15*) (Sullivan/Kuebler)
  - 9. Ad Hoc Meeting with Western MWD (*January 17*) (Slawson/Sullivan)
  - 10. Supervisor Ashley's Staff and BIA (*January 17*) (Record)
  - 11. Meeting with Assemblyman Cook (*January 18*) (Record/Slawson)
  - 12. Mayor Batey & Moreno Valley Residents (*January 19*) (Slawson)
- B. (Others?)

Reported on Jan. 9

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

- A. Review of January 23, 2008 Agenda Items (*If Needed*)
- B. (Others?)

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

- A. Elan & Associates Report on 2007 Projects (Roger Shintaku/Greg Kahlen)  
(*15 minutes*)

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

- A. MWD Update (*20 minutes*) (Record/Harrison)
  - Determined that the FY 2008/09 revenue requirements are \$1.32 billion. The MWD Board set a public hearing for February 12, 2008 to hear comments on the rates and charges that will be effective January 1, 2009. The MWD Board will adopt the 2008/09 budget and 2009 rates and charges in March 2008. During the subject presentation, staff reported that 91 percent (\$1,272.6 million) of the proposed budget is committed expenses and only 9 percent (\$118.6 million) is non-committed. This does not leave a lot of room for cutting expenses.

- Staff is recommending a 9.8 percent rate increase plus a \$25 per acre-ft water supply surcharge (effectively about a 14 percent increase). \$177 million of reserve funds would be used. With this option, MWD's reserve funds in 2009 and 2010 would fall below the minimum reserve level that the Board set as a goal. Some Board members expressed reluctance to allow the reserve balances to go below the minimum. The discussion on the proposed rates will continue in February at the Business and Finance Committee and at the Budget Workshop scheduled for February 24, 2008. The Board will adopt the 2008/09 budget and rates at their March Board meeting.
- Heard public comment and a report on the proposed water supply allocation plan that will dictate how Met will allocate its supplies to member agencies in case of shortage. The representative from the Avocado Commission expressed concern that some member agencies would like to change the rules of the interim agricultural program mid-stream. He urged the Board to consider changes to the program only after this current crisis is over. One of the key points arising out of the discussion on the shortage plan is that the Met Board needs to address the issue of why a member agency with preferential rights to more water than the allocation plan allows would be willing to pay a penalty of up to four times the tier II rate when they have a legal right to the water. The Board did not take action on the plan. The proposed plan will be further discussed at the member agency manager's meeting this Friday.
- Heard from Kathy Cole that the fiscal emergency in California is affecting the fate of a water bond for 2008. Some legislators and others are saying they need to get the state's fiscal house in order before there are any new bonds. The water crisis has a high profile in Sacramento, so we can expect to see legislative proposals related to water conservation and recycled water. Also on the agenda is pension reform and health care reform. The legislature will be spending a lot of time on budget issues, which will affect how much time is spent on other issues. Kathy also reported that Senator Perata was able to get SB1XX out of the Senate on Monday. This bill would appropriate about \$610 million in existing bond monies for various delta and water-related purposes.
- Authorized \$774,000 for Diamond Valley Lake Security and Wildlife Protection Fencing. This action includes security fencing on the border of the East Recreation Wildlife corridor to limit human and animal interactions, as well as keep people away from the East Dam and its associated sensitive monitoring equipment.
- Appropriated \$1.95 million and authorized seven rehabilitation projects within Metropolitan's service area. These projects will protect Metropolitan's assets, increase the reliability of service to our customers, and reduce the risk of costly emergency repairs.
- Approved MWD's Legislative Strategy for 2008 with an amendment to emphasize the importance of delta conveyance.

- |   |                         |
|---|-------------------------|
| B. SAWPA Update (10 minutes)                  | (Slawson/Sullivan/Pack) |
| C. COP Refunding (10 minutes)                 | (Rathbone)              |
| D. Water Systems Status (15 minutes)          | (Ghaderi)               |
| E. Recycled Water Systems Status (15 minutes) | (Ghaderi)               |

- F. CIP Quarterly Report (15 minutes) (Bachmann)
- Deferred G. Appropriations Request (15 minutes) (Harrison)
- Deferred H. December Financial Reports (15 minutes) (Robinson)

**VI. Closed Session**

- Discussed after Board Meeting A. Re: Camp Pendleton Four-Party Agreement Claim  
Government Code Section 54956.9  
Conference with Legal Counsel  
One Potential Litigation
- Discussed after Board Meeting B. Re: Anticipated Litigation  
Government Code Section 54956.9 (b)  
Conference with Legal Counsel  
One Anticipated Litigation Case
- Discussed after Board Meeting C. Re: EMWD vs. Indus  
Government Code Section 54957.1  
Conference with Legal Counsel  
One Litigation Case
- Cancelled D. Re: EMWD vs. Bewley  
Government Code Section 54957.1  
Conference with Legal Counsel  
Workman's Comp Claim No. 9100-001-02-0002

**Adjournment**

(Slawson)

**Board Meeting**

**I. Recognitions**

(Slawson, C.I. Officer)

- M-12/08 A. Employee of the Year – Marty Martinez  
1. **Consider Adoption of Minute Order**
- M-13/08 B. Employee of the Quarter – Allan Freetage  
1. **Consider Adoption of Minute Order**  
C. VIP Leadership Excellence Award, 4th Quarter 2007 – John Ward
- M-14/08 D. Endorse the Selection of the Employee Quality Improvement Program Annual Monetary Award Winners  
1. **Consider Adoption of Minute Order**  
E. Service Award **Director Sullivan, 5 years**
- None F. Proclamations/Academic Achievements/Others
- M-15/08 Approve and Authorize the Addition to the Agenda Item No. II.D.: Postpone Hearing to Acquire Real Property, by Eminent Domain Proceedings, for Facilities Construction Related to the Western Way Pump Station Project to February 6, 2008  
1. **Consider Adoption of Minute Order**
- M-16/08 Approve and Authorize the Addition to the Agenda Item No. II.E.: Continuation of Hearing to Adopt All Items Pertaining to CFD No. 2006-53 (Western Village)  
1. **Consider Adoption of Minute Order**

**II. Public Hearings**

**Cancelled**

- A. ~~Hearing to Adopt All Items Pertaining to CFD No. 2006-53 (Western Village)~~
1. ~~**Adopt Proposed Resolution No. 4782**, a Resolution of the Board of Directors of Eastern Municipal Water District, Establishing Community Facilities District No. 2006-53 (Western Village) and Authorizing the Levy of Special Taxes, and Calling an Election Therein;~~
  2. ~~**Adopt Proposed Resolution No. 4783**, a Resolution of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-53 (Western Village), Determining the Necessity to Incur Bonded Indebtedness Within Community Facilities District No. 2006-53 (Western Village) and Calling an Election Therein;~~
  3. ~~**Adopt Proposed Resolution No. 4784**, a Resolution of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-53 (Western Village), Certifying the Results of the January 23, 2008 Special Tax and Bond Elections; and~~
  4. ~~**Adopt Ordinance No. 146**, an Ordinance of the Board of Directors of Eastern Municipal Water District, Acting as the Legislative Body of Community Facilities District No. 2006-53 (Western Village), Authorizing the Levy of a Special Tax Within Such District~~

**Cancelled**

- B. ~~Hearing to Adopt Resolution No. 4785, a Resolution of Necessity of Eastern Municipal Water District to Acquire Real Property, by Eminent Domain Proceedings for Facilities Construction Related to the Western Way Pump Station Project~~

**M-17/08**

- C. Postpone Hearing to Acquire Real Property in the City of San Jacinto, County of Riverside by Eminent Domain for the Chase Road Well to February 6, 2008

1. **Consider Adoption of Minute Order**

**M-18/08**

- D. Postpone Hearing to Acquire Real Property, by Eminent Domain Proceedings, for Facilities Construction Related to the Western Way Pump Station Project to February 6, 2008

1. **Consider Adoption of Minute Order**

**M-19/08**

- E. Continuation of Hearing to Adopt All Items Pertaining to CFD No. 2006-53 (Western Village)

1. **Consider Adoption of Minute Order**

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

**IV. Approval of Minutes**

M-20/08

- A. Adjourned Regular Meeting of January 9, 2008  
1. **Consider Adoption of Minute Order**

Receive & File

**V. Board Committee Reports**

- A. Operations & Engineering Committee (*January 15*)  
B. Administrative Committee (*January 17*)  
C. Executive Committee (*January 21*)

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

Reply mailed after  
the Board Meeting

- A. An email was received from Ms. Cambria Dorado in regards to her trash service.

**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.*

M-21/08

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

M-22/08

- B. Approve and Authorize the Purchase and Installation of Additional Headworks Screen at Temecula Valley Regional Water Reclamation Facility (TVRWRF) as part of the Moreno Valley Regional Water Reclamation Facility (MVRWRF) and TVRWRF Rehabilitation Project

M-23/08

- C. Approve and Authorize an Amendment to the Engineering Service Agreement with Cozad & Fox, Inc. for Specification No. 935S, French Valley Sewer

M-24/08

- D. Approve and Authorize the Olive Street Sewer Manhole Rehabilitation Project

M-25/08

- E. Approve and Authorize the Well 25 Pump Rehabilitation Project

M-26/08

- F. Approve and Authorize Execution of a Lease Agreement with T-Mobile USA Inc.

M-27/08

- G. Approve and Authorize a Three-Year Agreement with Three Contractors for Miscellaneous Electrical Services

**Annexations**

- H. Annexation of Parcel Nos. U-27-08-1 and U-28-08-1 to Improvement District Nos. U-27 and U-28 (Perris Industrial, LLC - APN 303-110-001)

M-28/08

1. **Consider Adoption of Minute Order**, Approving the Map and Legal Description for Parcel Nos. U-27-08-1 and U-28-08-1 and Order Such Maps and Legal Descriptions Filed With the Secretary; and

R-4786, R-4787

2. **Adopt Proposed Resolution Nos. 4786 and 4787**, Annexing Parcel Nos. U-27-08-1 and U-28-08-1 to Improvement District Nos. U-27 and U-28 of EMWD

- I. Annexation of Parcel Nos. U-35-08-2 and U-36-08-2 to Improvement District Nos. U-35 and U-36 (Barbara Amundsen - APN 462-030-044)

M-29/08

1. **Consider Adoption of Minute Order**, Approving the Map and Legal Description for Parcel Nos. U-35-08-2 and U-36-08-2 and Order Such Maps and Legal Descriptions Filed With the Secretary; and

R-4788, R-4789

2. **Adopt Proposed Resolution Nos. 4788 and 4789**, Annexing Parcel Nos. U-35-08-2 and U-36-08-2 to Improvement District Nos. U-35 and U-36 of EMWD

Receive & File

J. **Reports for the Month of December, 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 December, 2007
  
- \* 8. **Post Audit of Checks for the month of December, 2007**

**(End of Consent Calendar)**

**VIII. Letters From the General Manager**

Deferred

- A. ~~Approve and Authorize Award of Contracts and Consultant Agreements Under Specification 1123 for Construction of the Administrative Office Expansion~~

M-30/08

- B. Approve and Authorize Execution of Agreement with Elan Associates, Ltd., to Provide Services Related to Development of Funding Applications for District Projects and to Provide Liaison Services with Environmental Resource Agencies and the Appropriation of Funds

1. **Consider Adoption of Minute Order**

R-2963.20

- C. **Adopt Proposed Resolution No. 2963.20**, Revising Certain Fee-For-Service Charges

R-4790

- D. **Adopt Proposed Resolution No. 4790**, Approving the Sale and Delivery of Approximately \$56,500,000 Principal Amount of Water and Sewer Refunding Revenue Variable Rate Certificates of Participation, Series 2008A and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith

**IX. Closed Session**

**Legal Counsel passed along settlement concept & was given instructions on how to respond**

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

**Legal Counsel  
described situation  
to Board – no action  
taken**

- B. Re: Anticipated Litigation  
Government Code Section 54956.9 (b)  
Conference with Legal Counsel  
One Anticipated Litigation Case

**Staff provided  
history, information  
& recommendation –  
Board gave  
instruction on how to  
proceed**

- C. Re: EMWD vs. Indus  
Government Code Section 54957.1  
Conference with Legal Counsel  
One Litigation Case

**Cancelled**

- D. Re: EMWD vs. Bewley  
Government Code Section 54957.1  
Conference with Legal Counsel  
Workman's Comp Claim No. 9100-001-02-0002

**M-30/08**

**ADJOURNMENT**

***Adjourned the meeting to the Facilities Corporation, at 2:30 p.m., then to  
Wednesday, February 9, 2008, 9:00 a.m.***