

**MINUTES
REGULAR MEETING OF THE BOARD
OF DIRECTORS OF ELSINORE VALLEY
MUNICIPAL WATER DISTRICT**

THURSDAY, FEBRUARY 11, 2010

The Regular Meeting of the Board of Directors of Elsinore Valley Municipal Water District was held at its principal offices at 31315 Chaney Street, Lake Elsinore, California.

Directors Present

Judy Guglielmana, President
Ben Wicke, Vice President (arrived at 4:55 p.m.)
Harvey R. Ryan Treasurer
Phil Williams
John Lloyd

Staff Present

Ronald Young, General Manager
Terese Quintanar, District Secretary/Administrative Services Supervisor
John Brown, General Counsel
Paul Carver, Director of Engineering
John Vega, Director of Operations
Margie Armstrong, Director of Finance
Greg Morrison, Director of Legislative and Community Affairs
David Bell, Director of Human Resources
James Ollerton, Director of Information Technology
Mitch Pierson, Wastewater Chief Plant Operator

Others Present

Public

CALL TO ORDER

The meeting was called to order by President Guglielmana at 4:19 p.m.

APPROVAL OF AGENDA

A motion was made by Director Ryan, seconded by Director Williams and carried unanimously to approve the Agenda as presented.

PUBLIC COMMENTS

The meeting was opened to public comments and there were none.

Item I.0 - Consent Calendar**Minute Order #4466**

- A. Approval of the Minutes of the Special Board Meeting of January 27, 2010
- B. Approval of Travel Authorizations
 - 1. Harvey Ryan - ACWA Washington, D.C. Conference
- C. Approval of Demands
- D. Investment Report, Receive and File
- E. Ratify the Minutes of the Engineering and Committee Meeting of January 7, 2010
- F. Ratify the Minutes of the Finance and Administration Committee Meeting of January 19, 2010
- G. Approve Sewer Capacity Fee Deposit for Unknown Spaces and Amendment to Administrative Code 2408 **MO #4466**

Director Ryan abstained on Consent Calendar Item C, No. 197976 for source of income. He also pulled Consent Calendar Item G for comment.

Director Williams abstained on Consent Calendar Item C, Nos. 197806, 197807, 197808, and 197856 for source of income.

A motion was made by Director Ryan, seconded by Director Lloyd and carried unanimously to:

- 1. Approve the Consent Calendar as presented.**

Item I.G - Approve Sewer Capacity Fee Deposit for Unknown Spaces and Amendment to Administrative Code 2408**Minute Order #4466**

Director Ryan commented that this issue was discussed at the City group meeting and it how it related to some restaurants that have been in existence. He opined that this helps the District make landowners take accountability. He asked how the policy would be monitored and Mr. Young explained that as individual retailers transfer the water service in their name, they will have their own meter, and the category will be determined at that time. In addition, restaurants are required to have annual inspections of their grease traps and this is a means for us to make sure everything is operating properly.

A motion was made by Director Ryan, seconded by Director Williams and carried unanimously to:

1. ***Approve a Sewer Capacity Fee Deposit that is equivalent to the Small Retail Store Capacity Unit of 0.3807 for Unknown Spaces;***
2. ***Approve an Amendment to Section 2408 of the Administrative Code and,***
3. ***Authorize the General Manager to execute the appropriate documents on behalf of EVMWD.***

Item II.A GENERAL MANAGER'S REPORT

Ronald Young followed up on Director Williams' compliment to Paul Carver and reported that Castle and Cooke is working on a Water Supply Assessment for their development over the next 20 years. They are projecting 9,666 residential units, 4.9 million square feet of commercial development, and approximately 9,300 students between two elementary schools, a middle school, and a potential college.

Mr. Young also informed everyone that President Guglielmana shared information with him on a new ruling by the Public Utilities Commission regarding connecting and disconnecting service, and ratepayers who cannot pay their bills and how that might affect EVMWD ratepayers.

He also relayed from Greg Morrison that Assemblyman Jeffries is offering a Bill (AB1704) involving change in the California Environmental Quality Act (CEQA). He has asked EVMWD to be his primary sponsor as a public agency and we have agreed to take on that roll. The Bill would provide an expansion of exemption for construction of potable and non-potable water pipelines. Currently, recycled water pipelines are not included in the exemption. The Bill would extend the exemption to also allow a Notice of Exemption for water pipelines of a particular length. Mr. Young pointed out that there is also an oversight by the originator that the sewer lines are not included and we want to make sure the Bill is amended to include sewer lines and maybe even irrigation pipelines. It will help to reduce administrative costs on our every day business.

Item II.B LEGAL COUNSEL'S REPORT

John Brown reported that Judge Wanger has scheduled a series of hearings and is inclined to shut down one of the pumps coming out of the Delta. This is being done in consideration of the Endangered Species Act. Mr. Brown opined that it is not a good way to do business in California to have a Federal Court in Fresno and millions of dollars being spent on lawyers and biology. California needs to craft its own solution to this problem; one that's palatable to everybody. We hope that this can happen in the next couple of years.

Item III.0 COMMITTEE REPORTS

Director Lloyd reported on the Meeks and Daley Water Company meeting. Empire Water wants to export their rights out of the basin and the Watermaster has been asked to make a determination. He also attended the Wildomar City Council meeting and stated that Greg Morrison provided a presentation on the Reclaimed Water Project. It was done well and the City Council appreciated his explanation of the timeline. He thanked Mr. Morrison for the great presentation. They also had their discussion and final vote on the Veterinarian Hospital, yet they still don't show that we've agreed to provide them water. He asked for the City to be kept informed. Mr. Carver reminded the Board of the arrangement with the Veterinarian Hospital's sewer and water provisions.

Director Ryan reported on the Washington, D.C. trip. It was a good trip and they kept a very busy schedule and met with the individuals they had planned to see. Overall, it was productive and they seem to be excited about the septic/sewer conversion legislation. They had the opportunity to speak with Senators Feinstein and Napolitano, briefly.

Director Williams reported on the City Group meeting, and stated that the City has adopted the Landscape Ordinance. We will be working with the City on reducing water use at its parks. Also, this will be the third year in a row that the City is requesting to forego adding the \$650,000 to the Lake Maintenance Fund. He opined that this should be discussed at a Study Session meeting. Councilman McGee suggested that a multi-year waiver program be set in place; however the fund may not be healthy enough to allow it. The Aeration Project is getting quieter and they are discussing installing sound blankets. We may rent them to see if they are efficient. Dr. Anderson's Quagga Mussel Report is out and he asked that it be placed on the Director's SharePoint site. They also discussed scaling back some of the designs for the Tuscany Hills Recycled Water Pump Station. An update was given regarding the sewer line along Spring Street and there were some questions posed regarding the animal shelter. The animal shelter will be discussed again at a later date.

Director Guglielmana reported that she and Brenda Denstendt will be attending the Lake Elsinore Unified School Board meeting. Director Denstendt will be presenting a check from WMWD to Rick Walters for his participation in the solar boat event. He will also receive the Lois B. Krieger award. Director Guglielmana also reported that she attended the Quail Valley Environmental Coalition meeting, which was to address septic tank issues in Quail Valley. Mark Adelson of the Regional Water Quality Control Board (RWQCB) was there to advise them of ways to obtain "environmental justice" funds. This is a non-profit committee and is filing for the non-profit status now. She also reported that Director Wicke had not yet arrived at this meeting because he was attending another meeting on this matter.

Item IV.0 PUBLIC COMMENTS

The meeting was opened to public comments and there were none.

Item V.0 DIRECTORS' COMMENTS AND REQUESTS

President Guglielmana thanked Greg Morrison for his presentation to the City Council. Director Lloyd echoed the gratitude for Mr. Morrison's presentation in Wildomar.

Item VI.0 CLOSED SESSION

The Board adjourned to Closed Session at 4:39 p.m. to discuss:

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS APNs: 375-163-029, 030, 031, 032, 033, 034, 035, 036, 037, 038, 039 and 040, 375-163-049, 056, 057, 375-293-012, 375-293-013, 017, 058, 059, 060, 061, 062, 063, 064, 065, 066, 067, 068, & 069, 375-292-012, 375-292-013, 375-292-014, 375-022-016, 375-324-028 & 375-302-047 Lake Elsinore; Negotiators: Ronald E. Young-EVMWD, and Country Club Holdings, LLC . Under negotiation: Price
- B. CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION Significant exposure to litigation pursuant to subdivision (b) of Government Code (5 potential cases)
- C. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) Elsinore Valley Municipal Water District v. R. & H. Wildomar LLC, Riverside Superior Court Case No. RIC 460663
- D. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) Elsinore Valley Municipal Water District v. City of Lake Elsinore (3rd Street), Riverside County Superior Court Case No. RIC 431267
- E. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) California Polytechnic State University Foundation. v. Elsinore Valley Municipal Water District, Riverside Superior Court Case No. RIC 525633
- F. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) Mingus Constructors Inc. v. Elsinore Valley Municipal Water District, Riverside Superior Court Case No. RIC 508757
- G. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to subdivision (a) of Government Code Section 54956.9) R&H Wildomar 1, LLC v. The Elsinore Valley Municipal Water District and Does 1 through 20, Case No. RIC 517668
- H. CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION

Name of case: UNITED STATES, THE STATES OF CALIFORNIA, et al.
vs. J-M MANUFACTURING COMPANY, INC. and FORMOSA PLASTICS
CORPORATION, U.S.A.

(United States District Court Case No. ED CV06-0055-GW)

The Board reconvened to open session at 5:25 p.m. and no reportable action was taken.

Item VII.0 ADJOURNMENT

There being no further business, the meeting was adjourned at 5:25 p.m.

Judy Guglielmana, President of the
Board of Directors of the
Elsinore Valley Municipal Water District

ATTEST:

Terese Quintanar, Secretary to the
Board of Directors of
Elsinore Valley Municipal Water District