

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

**Monday, February 25, 2019**

The Special 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

Andy Morris, President  
Phil Williams, Vice President  
Darcy Burke, Treasurer  
Jared McBride

Directors Absent

Harvey R. Ryan

Staff Present

John Vega, General Manager  
Jim Gilpin, General Counsel  
Christy Gonzalez, Executive Assistant/Deputy Board Secretary  
Susie Evans, Sr. Executive Assistant  
Brian Macy, Assistant General Manager - Eng./Ops  
Robert Hartwig – Assistant General Manager - Business  
Jason Dafforn, Director of Engineering and Water Resources  
Margie Armstrong, Director of Strategic Programs  
Jim Ollerton, Director of Information Technology  
Jase Warner, Director of Operations  
John Manhard, Facilities Manager  
Tim Collie, Water Operations Manager  
Jennifer Dancho, Human Resources and Safety Manager  
Bonnie Woodrome, Community Affairs Supervisor  
Scott Thompson, Accounting Manager  
Dennis McBride, Wastewater Operations Manager  
Matthew Bates, Engineering Manager  
Parag Kalaria, Water Resources Manager  
Jacob Shiba, Community Affairs Specialist  
Allison Cadava, Senior Office Assistant

Others Present

Peter Dawson  
Poster Contest winners, family, and teachers  
Rick Farr, Arcadis U.S., Inc.  
Arthur Seratis, Arcadis U.S, Inc.  
Amy Czajkowski, IEC

**CALL TO ORDER**

The meeting was called to order by President Morris at 4:00 p.m.

**APPROVAL OF AGENDA**

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

**Item 1.0 EVMWD POSTER CONTEST RECOGNITION CEREMONY**

This year's poster contest theme was "Water: Use it Wisely." EVMWD had over 2,000 entries in the contest by elementary students in grades K-5, which was whittled down to 23 poster winners. Mr. Shiba reported that EVMWD has a long-standing relationship with LEUSD, providing water education materials and programs for over 25 years. Each teacher was presented a teacher's package, including supplies and paper.

Trophies were handed out to the poster winners and photos were taken with Elsinore Eddie along with the Board of Directors.

**PUBLIC COMMENTS**

Peter Dawson, a current resident of Lake Elsinore, addressed the Board. A handout was provided to the Board, addressing his concerns. He commented on his history in the community and property owned in Lake Elsinore. His parcel has deed language written in about access to Lake Elsinore. His concern is about the intentions of the Nevada Hydro LEAPS Project. He is concerned about the implications of property owners to have to disclose to potential buyers about the possible change to the nature of the lake with this project.

**Item II.0 CONSENT CALENDAR**

*Minute Order #5398-5399*

*Resolution Nos. 19-02-03- 19-02-08*

**A. APPROVAL OF:**

1. Minutes of the Special Meeting of February 6, 2019
2. Minutes of the Special Meeting of February 14, 2019
3. Minutes of the Regular Meeting of February 14, 2019
4. Demands
5. Adopt Resolution Setting Time and Place of Public Hearing to Consider 2018-19 Sewer Only Charges on the Tax Roll (*Reso. No. 19-02-03*)
6. Adopt Resolutions Setting Time and Place of Public Hearing to Consider Fiscal Year 2019-2020 Schedule of Assessments for Standby Charges (*Reso. Nos. 19-02-04 thru 19-02-08*)

7. Amendment No. 1 to the Professional Services Agreement for Engineering Design Services for the Diamond Regional Sewer Lift Station and Dual Force Mains (*MO# 5398*)
8. Purchase Agreement with Technology International, Inc. for an Oil-Less Rotary Screw Compressor (*MO# 5399*)

Director Burke requested to pull Consent Calendar Item A. 5 and A 6. for discussion.

President Morris abstained on Consent Calendar Item A.4, No. 239626 for source of income.

Director Williams requested to pull Consent Calendar Item A.4, No. 239702 for discussion.

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

**1. Approve the Consent Calendar non-pulled items.**

A motion was made by Director Burke, seconded by Director Williams, and carried, with President Morris abstaining to:

**1. Approve the Consent Calendar Item A.4, Nos. 239626.**

Director Burke commented that for items A. 5 and A 6, she would like to expand the notification to the public above publication in the Press Enterprise, such as including digital publication, social media, and the District's website. General Manager Vega deferred to Legal Counsel on the legal publication requirements. President Morris indicated the change is a policy change, which could be discussed for future items, but for these two items, we should proceed. Legal Counsel Gilpin indicated there is nothing in the law precluding the additional notification. Publication in the Press Enterprise is a requirement. Director Burke indicated that going forward, she would like to discuss changing the policy to add more notification. President Morris asked staff how many customers were on sewer only, which is who would be affected by one of the standby charges. Assistant General Manager Hartwig indicated there are approximately a dozen customers that are on sewer only.

The policy issue for future items will be brought to a Study Session for discussion.

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

**1. Approve the Consent Calendar Items A.5 and A 6.**

Director Williams inquired about Item A.4, No. 239702 questioning when the District has annexed anything into Wildomar. Margie Armstrong commented that an annexation was approved at the last Board meeting, which Director Williams was

absent for. The demand is the refund of the difference between the old fee and the new fee.

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

**1. Approve the Consent Calendar Item A.4, No. 239702.**

<b>Item III.0 BUSINESS ITEMS</b>
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<b>Item III.A CONSIDER APPROVAL OF A PUBLIC WORKS CONTRACT WITH M. BREY ELECTRIC, INC. FOR THE BAKER AND BRYANT RESERVOIR ELECTRICAL SERVICE PROJECT</b>
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*Minute Order #5400*

Mr. Dafforn presented this item. This Project involves installation of electrical service connections for both Baker and Bryant Reservoirs.

The Bryant Reservoir project was originally advertised for bid in June 2018 through PlanetBids; however, the single bid received on July 5, 2018 was 275% higher than the engineer's estimate. Staff rejected all bids and elected to package the Baker Reservoir and Bryant Reservoir as one project.

The combined project was advertised for bid on November 21, 2018. The bid opening was held on December 17, 2018 with one (1) bid received by the deadline.

Staff performed a detailed review of the bid documents and checked references. Based on staff's analysis, M. Brey Electric, Inc. is determined to be the lowest, responsive, and responsible bidder.

Staff presented this item at the February 4, 2019 Engineering and Operations Committee Meeting and recommended award of a Public Works Contract with M. Brey Electric, Inc. in the amount of \$310,853.10. This item, including overhead of \$17,343.00, consulting management (215 hours) of \$36,000.00, as well as staff time (76 hours) & fringe benefits of \$12,663.00, totals \$376,859.10.

Director McBride questioned the funding amounts and from which fiscal year this was budgeted in. Mr. Dafforn responded that this is from the 11/12 and 12/13 Fiscal Year budget and required an additional \$50,000. Director McBride asked if it would be beneficial to wait until the next fiscal year instead of moving forward at this time. Mr. Dafforn responded that this project is long overdue. This project will increase operational efficiency as well as maintain a better water quality in the reservoirs. He further clarified that other mixing projects were completed in fiscal year 11/12 and 12/13, this being the last of the mixing for this project. Director McBride inquired if the budget was going to be renewed in the next budget year. Mr. Dafforn indicated that there were not planning on adding anymore mixing at this time.

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

1. ***Reject all bids received on July 5, 2018;***
2. ***Approve a Public Works Contract with M. Brey Electric, Inc. in the amount of \$310,853.10;***
3. ***Authorize \$17,343.00 for overhead, \$36,000.00 for consulting management, and \$12,663.00 for staff time;***
4. ***Authorize the total expenditure in the amount of \$376,859.10 to the Capital Improvement Fund 490, with funding provided from the Storage Participation Fees Program 510;***
5. ***Authorize a supplemental budget appropriation of funds in the amount of \$50,063 to the Capital Improvement Fund 490, with funding provided from the Storage Participation Fees Program 510; and,***
6. ***Authorize the General Manager to execute the appropriate documents on behalf of EVMWD.***

<p><b>Item III.B    CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH ARCADIS U.S., INC. FOR THE REGIONAL WATER RECLAMATION FACILITY UPGRADES AND EXPANSION PROJECT FOR CONSTRUCTION MANAGEMENT SERVICES</b></p>
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<p><b>Minute Order #5401</b></p>
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Mr. Dafforn presented on this item. The Regional Water Reclamation Facility (RWRF) is currently operating at about 75% of capacity, and planned development in the region will increase wastewater generation and plant influent flow. The RWRF expansion project will increase the average daily capacity to 12 Million Gallons per Day (MGD) to accommodate the increased flows and includes a new UV system and an additional liquid treatment train.

Although work for the expansion project will not commence until 2020, on July 9, 2018, the District solicited proposals to support construction oversight for all three phases of the Project. On August 31, 2018, 3 proposals were received by the deadline.

On September 28, 2018, staff met internally to review the proposals and recommended interviews as the next step in the evaluation process. On October 10, 2018, all three firms were interviewed with questions related to scope, team involvement, and fee. Staff re-evaluated the proposals and interview responses. Based on firm qualifications, experience, and project understanding, staff concluded that Arcadis U.S., Inc. is most qualified.

Staff presented this item at the February 4, 2019 Engineering and Operations Committee Meeting and recommended award of a Professional Services Agreement

with Arcadis U.S., Inc. in the amount of \$9,468,722. This item, including overhead of \$149,688, totals \$9,618,460.

Director McBride questioned if the amount was for the first project (74595). Mr. Dafforn commented that the agreement will cover all three phases of the project: SCADA, Upgrades and Expansion for the Regional Plant. Additionally, only a portion of it will be paid for by the SWRCB Loan. He explained this project will bring the Plant to 12 MGD. Director McBride asked what percentage of buildout this will bring the district to with Mr. Dafforn responding approximately 65%. Director McBride asked if the loans are being paid by the capacity fees. Robert Hartwig responded to the question related to the financing. Since it is an expansion, it will be paid by new development through capacity fees. Director McBride expressed concern about a possible future recession and how the debt will be paid. Director Williams indicated that this work is mandated by the State to be done and is not optional. Mr. Hartwig indicated if the District couldn't repay, the District is required to exhaust all other sources of funds before going to the ratepayers. When debt is issued, the bond rating agencies look at our debt and determines our capacity to pay that debt. Mr. Vega indicated we have surpassed the requirement to expand the flow, even with existing customers, regardless of new development. Director Burke commented the expansion is mandated and not optional. We have already hit the trigger to expand the Plant. Director McBride asked if there was another way to pay for it instead of taking out loans creating more debt. Director Williams commented that the District could build up reserves, but then would have to explain why our reserves are built up so much.

Mr. Hartwig commented that no reserves were used and no additional funds from ratepayers were used during the last recession in 2008. We are not anticipating that we will need to do that at this time as well.

President Morris commented about a previous project that needed to be completed during the previous recession and the District didn't need to use any reserves.

Mr. Vega provided more explanation on the necessity of the project and benefits down the road. We need to move forward and expand the Plant.

President Morris also pointed out that the Plant currently can treat 8 MGD but never got 8 MGD production out of it. Mr. Vega responded that we aren't currently treating to the full 8 MGD, but since we have met the 75% trigger, we must expand it.

Director McBride commented that he would like to put more money away so that we don't have to take out large loans.

Director Williams commented that, in the past, we had change orders ranging from 10-12% on the larger projects but since then that percentage has decreased. If any change orders need to be completed, he would like the company to come to the Board meeting to present the reasons for the change order to keep everyone accountable. He also requested that the team give progress presentations to the Board at future Study Sessions.

A motion was made by Director Burke, seconded by Director Williams and carried 3-1, with Director McBride opposing to:

1. ***Approve authorization of a Professional Services Agreement with Arcadis U.S., Inc. in the amount of \$9,468,722;***
2. ***Authorize \$149,688 for overhead;***
3. ***Authorize the total expenditure in the amount of \$9,618,460 to the Capital Improvement Program 490, with funding provided from sources as outlined in the fiscal impact; and***
4. ***Authorize the General Manager to execute the appropriate documents on behalf of EVMWD.***

Director McBride opposed due to his different philosophy. President Morris asked if he is voting against the project or the philosophy on the funding. Director McBride indicated he is voting against the philosophy of the project.

<b>Item IV.A GENERAL MANAGER'S REPORT</b>
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Mr. Vega reported on the recent rains and water levels. For the rain season there has been 15.26 inches of rain. From January 2 through the end of February, there has been 10.5 inches of rain, which amounts to about 6 feet of water in Lake Elsinore. The lake level is currently at 1240.90 feet.

The Northern Sierra snow-pack is at 24.8 inches, or 125% of normal. The Southern Sierra snow-pack is at 27.7 inches, or 149% of normal. He continued reporting on Los Angeles rainfall being 185% of normal and San Diego at 168% of normal. Oroville Reservoir has gone up 12% and is just under 50% full. All the way down the state, there are no reservoirs less than 80%.

On the Colorado side, Lake Mead is at 40% and Lake Powell is at 39%. We are now at 35% allocation.

Director Morris commented that the press has reported that we are out of the drought, but they aren't talking about the Colorado River side, which we depend heavily on. Mr. Vega commented that they are only looking at the precipitation levels.

<b>Item IV.B LEGAL COUNSEL'S REPORT</b>
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Jim Gilpin reported that Maureen Stapleton announced her retirement last week.

He also reported on the proposed Constitutional Amendment 3, Assemblyman Mathis, setting aside 2% of the general budget, or \$4B annually for funding water improvement projects.

Another legislation being proposed is SB 266, which is a renewal of last year's SB 1124 not signed by the Governor. The Bill would require public agencies to make retirees whole who were negatively affected by erroneous reporting to CALPERS.

<b>Item IV.C BOARD COMMITTEE REPORTS</b>
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There were none.

<b>Item V.0 DIRECTORS' COMMENTS AND REQUESTS</b>
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Director Burke found the informational item about the grants to be very helpful. She felt this information would be beneficially at a future Study Session. She also congratulated Greg Morrison for his nomination for Citizen of the Year for the Temecula Chamber of Commerce. Director Burke expressed how impressed she was with the participation of the poster contest and commended Mr. Shiba for his hard work.

Director McBride also commended Greg Morrison for his nomination as Citizen of the Year.

President Morris wished all going to DC this week safe travels.

<b>Item VI.0 ADJOURNMENT</b>
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There being no further business, the meeting was adjourned at 4:57 p.m.

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Andy Morris, President of the  
Board of Directors of the  
Elsinore Valley Municipal Water District

ATTEST:

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Christy Gonzalez, Deputy Board Secretary to the  
Board of Directors of  
Elsinore Valley Municipal Water District