

- EVMWD BOARD ACTION  
 APPROVED  
 APPROVED AS AMENDED  
 DENIED  
 CONTINUED
- 

**MINUTES**  
**FINANCE & ADMINISTRATION COMMITTEE**  
**Regular Meeting of**  
**March 19, 2019**  
**3:30 P.M.**

The Regular Finance and Administration Committee (FAC) Meeting was held at EVMWD's principal offices at 31315 Chaney Street, Lake Elsinore, California.

Director Present

Harvey Ryan (Chair)  
Phil Williams

Staff Present

John Vega, General Manager  
Robert Hartwig, Assistant General Manager – Business Services  
Brian Macy, Director of Engineering and Water Resources  
Terese Quintanar, District Secretary  
Margie Armstrong, Director of Strategic Programs  
Scott Thompson, Accounting Manager  
Jennifer Dancho, Human Resources and Safety Manager  
Tim Collie, Water Production Manager  
Christina Henry, Customer Service Manager  
Jason Dafforn, Director of Engineering  
Corrine Nikolic, Accountant III

**CALL TO ORDER**

The meeting was called to order at 3:30 p.m.

**PUBLIC COMMENTS**

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

1. **Claims Update** – Jen Dancho reported on the Mission Trail Sewer Spill. Staff attended mediation last week and information will be shared in closed session on March 28, 2019. There was an incident on the February 18, 2019 which caused contamination to a pool from a sewer backup. This claim has been paid by JPIA.
2. **Safety Update** – Five prescription glasses have been issued and there have been two ergonomics inspections along with two site and vehicle inspections. Cal Osha, Arc Flash and Lock Out Tag Out training is scheduled currently. Eleven trainings have been held this year, with 54 hours of training for staff in the month of February. Back Injury Prevention was assigned in Target Solutions and Eye

Safety is next. There were 150 days without injury that was celebrated, and today we are at 97 days without injury. No vehicle damage or collisions have taken place and we've had no lost days or Workers' Compensation claims this year. There has been one reported minor injury.

3. **Recruitment & Personnel Update** – We had three employee separations this year along with two recruitments, and 408 applications processed for two position. There was a total of 4,710 job posting hits this year. The average number of days to fill positions is 95 and we currently have 14 vacant position. We have seven temporary employees. We have had two internal promotions, one retirement and one resignation this year. Three new-hire orientations have taken place and one employee wellness event was held, for a total of three this year. March training was Unconscious Bias for Management Staff. There are two water production positions, four field maintenance positions, one wastewater treatment operator positions open. The Sr. Civil Engineer – Development Services and Field Maintenance Worker positions are being filled this month. Employee Demographics have not changed much since last month.
4. **Professional Services Agreement with David Taussig and Associates, Inc. for Special Tax Consulting – CFD and Other Tax Roll Charge Administration**  
Authorized by the Mello-Roos Community Facilities Act of 1982, Community Facilities Districts (“CFDs”) are special districts established by local governments to provide an alternative method of financing public improvements and services. The CFDs seek public financing through the sale of municipal bonds to help finance streets, water and sewer systems, schools, parks and other infrastructure in addition to police and fire protection. A Special Tax assessed on each property within the CFD then pays the principal and interest of the outstanding bonds as well as any administrative costs related to the CFD. Elsinore Valley Municipal Water District (“EVMWD”) currently has the following CFDs formed:

- CFD 98-1 Temescal Valley Project
- CFD 98-2 Wildomar
- CFD 99-1 La Gonda
- CFD 2002-1 Oakmont II
- CFD 2003-1 Watermark
- CFD 2003-2 Greer Ranch
- CFD 2004-1 Woodmoor

David Taussig and Associates, Inc. (“DTA”) currently handles all the District's CFD Special Tax Consulting. Given the length of time that the District has been utilizing DTA's services, staff determined that a review of services offered by qualifying institutions was appropriate and publicly posted a Request for Proposal (RFP) in September 2018. The District received three responses. Staff reviewed the responses and based on the scoring criteria established will recommend the continuation of a Professional Service Agreement with DTA. Based on a scale of

30, DTA scored 30, Webb Municipal Finance scored 24.6 and Psomas scored 22.8.

The proposed contract is for a five year period and is not to exceed \$611,636 (includes annual CPI increases) with an optional five-year extension. This contract amount includes estimated CFD formation costs of \$233,000 and CFD Administration and Delinquency Management of \$309,128 all of which are paid for directly by each individual CFD or developers (not a District cost). Developers will pay for the CFD formation costs during the formation of the Horsethief CFD and the administration/delinquency costs are recovered annually through the assessments placed on the tax roll for each CFD.

The remaining balance of approximately \$69,508 is the estimated cost for the levy and enrollment of annual Water and Sewer Standby charges and Sewer Only charges on the property tax rolls for the five-year period. This cost also includes an audit of all Districts parcels to ensure standby charges are being properly assessed.

DTA is a public finance-consulting firm with corporate offices located in Newport Beach and a local office in the city of Riverside. Since its establishment in 1985, DTA has completed consulting assignments for over 2,750 clients and has been involved in the formation of 1,500 public finance districts, with bond authorizations exceeding \$60 billion. They have provided annual administration services that included special tax levies, special assessments and other charges on the property tax bills for approximately 1,000 special districts and municipalities. Additionally, DTA is a registered Municipal Advisor with the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB").

DTA was the special tax consultant for the formation and bond issuance of the seven existing CFDs listed above and continues to serve as the CFD administrator for all. They have assisted the District with five CFD bond refundings and are currently assisting the District with the formation of the Horsethief CFD.

Staff plans to present this item at the April 11, 2019 Board meeting to recommend approval of a 5 year contract with David Taussig & Associates, Inc. for a total amount of \$611,636.

Director Williams mentioned an issue in Tuscan Hills where customers who were supposed to be included in a CFD were not. Robert Hartwig answered that we will be auditing on vacant land and sewer only, and on an annual basis. If there are any issues, staff will be made aware. Ms. Armstrong explained that the one time charge is to form the Horsethief CFD. This is not an annual charge. Mr. Hartwig referenced the chart breaking down the components of the audit and fees associated.

5. **Amendment to Section 926 WESA Administrative Code** – Executive Staff Members include the General Manager, Assistant General Managers, Director of Engineering & Water Resources, Director of Information Technology, District Secretary, Director of Strategic Programs, Human Resources and Safety Manager, Director of Operations, and the Governmental Relations Officer. Periodically, titles are changed, or organizational changes result in the need to update policy language. It has come to staff's attention that Section 926 E. of WESA's Administrative Code does not properly reflect these titles. To keep the policy consistent with current assignments and budgeting procedure, staff recommends the policy be updated to include all Executive Staff Member position titles. Auto allowances, as set forth in the policy are included in fiscal year budgets.

Staff plans to present the attached amendment to the Board at the April 11, 2019 WESA Board meeting to recommend the Board approve Amendment to WESA's Administrative Code, Section 926. E to reflect titles of current Executive Staff members.

6. **Review of WESA Position Listing & Salary Schedule** – To ensure compliance with CalPERS requirements as they pertain to publicly available pay schedules, as defined in CCR 570.5(a)(4), requiring a list of all CalPERS eligible positions and their minimum and maximum hourly pay, WESA has developed the WESA Position Listing & Salary Schedule. The information contained in the listing has been previously approved by the Board of Directors, either through approval of each position revision, which includes bargaining unit, exempt status, and pay range, or through the ratification of each Memorandum of Understanding, which includes, among others, the cost of living adjustment parameters. The purpose of this document is to provide position and salary information in one listing, rather than in multiple documents. After any approved change is made to the authorized position listing, this document will be updated and provided to the Board of Directors for review and approval, to include all active positions. The current listing includes the COLA for 2019, which took effect January 12, 2019. Position Ranges are already approved and PERS requires everything in one list. Estimated hourly is based on actual 2018 numbers.

The current WESA Position Listing & Salary Schedule will be presented for approval at the April 11, 2019, WESA Board Meeting. Every agency in PERs will be required to develop a list of this type as well.

7. **February 2019 Customer Service Department Performance Measures** – Web payments have increased 4% and mailed payments decreased by 3%. Call handle time is down one minute from last year. Calls received totaled 4,912 in February, with 4,583 answered; or 93%. There were 161 calls abandoned and the total average call per employee per day was 40, with 33 calls sent to escalation. There were 10,740 accounts assessed with a late charge. Balance inquiry and stop and start of service are the most common reasons for calls.

AquaHawk sign ups have slowed since last year and we have 185 more customers signed up for eBill Accounts. We had 1,970 alerts in February; which is about 12% of the customer base. Outreach will continue to encourage to sign up with this tool. We are also looking into utilization of Spanish in AquaHawk. Director Ryan suggested a computer available to the public in the lobby. The majority of customers prefer email communication. There is an increase in eligible accounts for RARE, and 89% received credit, for payout of \$39,528 for February. There were 19% of RARE eligible customers turned off. Tenant owned bad debt is at 88%. Director Williams asked for discussion of a phased in approach for owner accounts versus tenant. Christina Henry will be bringing information to the Board in the near future to try to reduce bad debt and also to comply with current legislation. Ms. Henry reported that some agencies require the owner to sign an affidavit acknowledging responsibility for tenant's bad debt. We can give balance information to the owners. If we have the affidavit, we can lien the property.

AquaHawk success stories were shared. One customer would have used 428 units of water, with a bill of \$3,200. Another customer was notified in time to save 180 units of water or \$1,400.

8. **Other** – John Vega explained the changes to the Human Resources Department and Government Affairs. He recommended reclassifying the Human Resources Manager position to the Director of Human Resources. There is no salary change currently. To reclassify, the position will still be out of range by about 14% for about four years. Director Ryan suggested staff provide an organizational chart to show the change.

Mr. Vega also provided background about the Government Relations Officer position. He recommended this position be reclassified with a range increase to 40.

9. **Consider Items for Board Review** – Grant Report will be provided as an informational item in the March 28, 2019 Board packet. The potential rate impact is mixed in with the budget.

10. **Adjournment at 4:21 p.m.**