

- EVMWD BOARD ACTION
 APPROVED
 APPROVED AS AMENDED
 DENIED
 CONTINUED
-

**MINUTES
REGULAR MEETING
FINANCE & ADMINISTRATION COMMITTEE**

**November 17, 2020
3:30 P.M.**

The Regular Finance and Administration Committee (FAC) Meeting was held via teleconference, with members of the public notified of the ability to observe and provide public comment telephonically through the information provided on the meeting Agenda.

Director Present

Harvey R. Ryan
Phil Williams

Staff Present

Greg Thomas, General Manager
Robert Hartwig, Assistant General Manager – Business Services
Ganesh Krishnamurthy, Assistant General Manager – Eng. and Ops.
Terese Quintanar, District Secretary/Administrative Services Supervisor
Christy Gonzalez, Executive Assistant/Deputy Board Secretary
Jennifer Dancho, Director of Human Resources
Margie Armstrong, Director of Strategic Programs
Jason Dafforn, Director of Engineering and Water Resources
Matthew Bates, Engineering Manager
Scott Thompson, Accounting Manager
Christina Henry, Community Relations Manager
Greg Morrison, Government Relations Officer
Tim Collie, Water Operations Manager

Others Present

Kim Byrens, BB&K
Adam Bauer
Public

CALL TO ORDER

Director Ryan called the meeting to order at 3:30 p.m.

PUBLIC COMMENTS

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

- 1. Proposed Formation of EVMWD Community Facilities District No. 2021-1**
Elsinore Valley Municipal Water District (“EVMWD”) has been approached by a developer, Strata Keith LLC, with a future development (Horizons) located south of Clinton Keith Road on the corner of Prielipp Road and Elizabeth Road, in the City

of Wildomar for water and sewer service for 135 new townhomes and a senior care facility.

The developer requested the formation of a Community Facilities District ("CFD") to help fund the cost of EVMWD facilities. The proposed CFD will have an authorizing bonding amount of approximately \$5 million. Bonds are not anticipated to be issued until the development is in further stages of development. At this time, the developer has agreed to enter into a funding and acquisition agreement.

Staff anticipates presenting this item at the December 16 Study Session for discussion. Additionally, as outlined above, Staff anticipates the resolution of intent to form the CFD be brought to the January 14, 2021 meeting for Board consideration.

Ms. Armstrong explained the CFD Improvements include water and sewer capacity fees of approximately \$3M, water and sewer pipelines in the amount of \$1M totaling approximately \$4M. The CFD formation schedule was provided by Kim Byrens with BB&K. They are not anticipating any delays with this CFD formation because it is a single landowner and single CFD area. Ms. Armstrong further clarified there will be two separate units, one being the townhome and other being the senior care facility. Mr. Bates also clarified there are no future needs to upsize the pipeline.

The committee requested to have more details in the Staff Report when presented at a future Study Session.

- 2. Termination of Easement for Road and Highway Purposes Upon APN 107-070-047** - The Elsinore Valley Municipal Water District (EVMWD) acquired the Temescal Water Company (Company) and their various assets in 1989. The acquisition included a fifty foot (50') wide easement for road and highway purposes located in the City of Corona along Sherborn Street south of Magnolia Avenue, more specifically over APN 107-070-047 (Property). This easement was acquired by the Company as recorded on January 17, 1935 (Easement) in Book 214, Page 284.

In 2019, the Property owner approached EVMWD with a conceptual plan to construct an industrial development (Development). The Development encompasses the subject Property and three adjacent parcels. The Development is unique in that an existing detention basin (Temescal Creek Detention Basin) encompasses roughly one-third of the developable area. The Development proposes to construct five (5) industrial buildings, of which the Easement bisects Building 2.

Staff evaluated the Property owner's request to terminate the easement in its entirety. Based on staff's review, it is recommended EVMWD consider a Termination of Easement only where it conflicts within the development area—the portion of the Easement outside the developable area would remain.

Following concurrence from the Property owner, staff conceptually discussed the termination with the Board at the July 3, 2019 Study Session. During Study Session, the Board expressed concerns regarding potential impacts to the Arlington Agricultural Pipeline and easement. Staff has evaluated the Board's concern and verified the Termination of Easement does not impact this pipeline or easement. The Arlington Pipeline easement is recorded under separate instrument from the road and highway easement and is not included in this Termination. Furthermore, the Arlington Pipeline and easement is located outside the development area.

Staff plans to present this item at the November 24, 2020 Board of Directors Meeting to recommend approval of a Termination of Easement for a portion of the existing easement that lies within the proposed industrial development at APN 107-070-047.

Director Williams mentioned there were concerns previously about bringing water through the Gage Canal using these easements. Mr. Bates clarified the Agriculture line would be used if needed.

3. Financial Performance Measures/Indicators as of September 30, 2020

Mr. Thompson reported on this item and referenced the documents within the packet. Total District cash and investment level, as of September 30, 2020, was at \$245M, up \$17.5M compared to a year ago. Portfolio structure, Capital Improvement Project (CIP) and Debt Performance Measures were then reviewed. There were significant drops in interest rates due to COVID. Director Williams requested a full list of open CIP projects quarterly.

The rate stabilization performance measures were then reviewed. The Committee suggested during budget discussions with the Board that upcoming plans with the reserve balances be included. Director Ryan also suggested bond ratings and our financial standings be a component of this discussion.

4. Other - Mr. Thomas reported further distancing will be enforced with more employees working from home due to the newer State and County COVID restrictions. This topic will be discussed further at tomorrow's Study Session.

Mr. Thompson updated the Committee on the proposed GAAN appropriation limit of \$15,455,000 for the next fiscal year. A resolution and the appropriation calculation will be presented to the Board at the next Board meeting.

Mr. Thomas updated the Board on a current claim from a customer for a past due balance. He also provided an update on the Links Golf Course recycled water bill past due balance.

5. Consider Items for Board Review – None.

6. Adjournment at 4:30 p.m.