

**MINUTES  
SPECIAL MEETING OF THE BOARD  
OF DIRECTORS OF ELSINORE VALLEY  
MUNICIPAL WATER DISTRICT  
TUESDAY, NOVEMBER 24, 2020**

The Special Meeting of the Board of Directors of Elsinore Valley Municipal Water District was held via teleconference, through a call-in number clearly noted on the meeting Agenda, posted in accordance with the Brown Act.

Directors Present

Andy Morris, President  
Phil Williams, Vice President  
Harvey Ryan  
Darcy M. Burke  
Jared McBride

Staff Present

Greg Thomas, General Manager  
Steve Anderson, Legal Counsel  
Terese Quintanar, District Secretary/Administrative Services Supervisor  
Ganesh Krishnamurthy, Assistant General Manager – Eng. and Operations  
Christy Gonzalez, Deputy Board Secretary/Executive Assistant  
Susie Evans, Sr. Executive Assistant  
Greg Morrison, Government Relations Officer  
Parag Kalaria, Water Resources Manager  
Scott Thompson, Accounting Manager  
Matt Bates, Engineering Manager  
Shawnelle Morelos, Principal Engineer, Capital Projects  
Nelson Nuezca, Principal Engineer, Capital Projects  
Bonnie Woodrome, Community Affairs Supervisor  
Kaitlyn Wu, Community Affairs Specialist  
Haley Munson, Community Affairs Specialist  
Isabel Casteran, Safety Officer  
Leah Skor, Records Coordinator

Others Present

Kim Byrens, Best Best and Krieger  
Public

**CALL TO ORDER**

The meeting was called to order by President Morris at 4:05 p.m.

**APPROVAL OF AGENDA**

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

**PUBLIC COMMENTS**

The meeting was opened to public comments on the teleconference and in the room and there were none.

**Item I.0 PUBLIC HEARING****Item I.A. – PUBLIC HEARING TO CONSIDER ADOPTION OF UPDATED ANNEXATION FEE METHODOLOGY AND CORRESPONDING APPLICATION FEES FOR 2020, AND AMENDMENTS TO ADMINISTRATIVE CODE SECTIONS 1900 AND 2608**

*Resolution No. 20-11-03*

The hearing was opened by President Morris at 4:08 p.m. He asked the Secretary for proofs of mailing of the notices and the Secretary confirmed notices were published in the Press Enterprise on November 14, 2020 and November 21, 2020.

President Morris requested a report from staff and Mr. Thompson reported the District contracted with Raftelis to perform a review of current annexation fees methodology and comparison to other local water agencies in Southern California. Based on their review, Raftelis recommends retaining the current methodology but making adjustments for factors previously discussed at the July 15, 2020 Study Session. The current annexation fee changes from \$3,415 to \$3,711.20 per acre. The annexation fee will continue to be updated annually based upon the approved methodology and adjusted factors approved.

Additionally, staff also reviewed the administrative fee charged for annexation applications. After reviewing the specific staff involved and the amount of time typically incurred during the annexation application process, it was determined the District's current fee does not sufficiently cover the costs of processing an application. The current fee is a flat \$750 per application. Staff is recommending changing the administrative fee from a flat fee amount to an actual time incurred based fee utilizing approved hourly staff rates, listed in the staff report. Under this method, an initial deposit of \$1,500 will be required and staff will track and charge actual time and resources incurred for each application. Additional deposit amounts will be collected if the actual costs incurred by staff exceed the initial

deposit. Any deposit amounts remaining after completion of the application process will be refunded.

Staff is recommending adopting the updated annexation fee methodology and proposed changes as recommended by Raftelis, adopting the updated annexation fee for 2021 in the amount of \$3,711.20 per acre, adopt the resolution establishing an Administrative Fee Deposit for processing applications for annexation, based upon on actual staff time incurred, associated hourly staff rates and initial deposit of \$1,500 per application and, approve amendments to Administrative Code Sections 1900 and 2608 for annexation computation and fees.

President Morris requested the District Secretary note all objections, protests, and requests to be heard, which have been filed, received, read and considered. She responded there were none.

President Morris opened the hearing for public comments and there were none. The Public Hearing was then closed at 4:12 p.m.

Director Williams questioned why the fee is being set to \$3,711.20 when it will be a deposit-based program. Mr. Thompson clarified that these fees are separate charges, the \$3,711.20 is the per acre charge when annexed in and the deposit is for application processing.

Director McBride voiced his concern of a clear methodology on how the deposit-based fee was derived, from \$750 to \$1500. Mr. Thomas noted that in the staff report the hourly engineering fees was reported, which is in alignment with the current fees, also in Admin Code Section 2601. Staff also noted the amount of time of processing the annexation was far more than \$750. The increase to \$1500 will cover the administrative costs; any costs not used will be refundable. Mr. Thompson also reported the previous deposit of \$750 was established over 20 years ago. After reviewing staff's per-application processing time, it was determined an average of 12 hours is spent per application. Calculating the hourly rate and time staff spent totaled \$1500 per application. Actual time will be tracked, and a monthly bill will be created and sent to the customer showing the deposit and time spent on the annexation. Mr. Thomas verified to Director McBride this is in Admin Code Section 1903.

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

- 1. Adopt updated annexation fee methodology and proposed changes as recommended by Raftelis;***
- 2. Adopt updated Annexation Fee for January 1, 2021 to December 31, 2021 in the amount of \$3,711.20 per acre;***
- 3. Adopt the Resolution Establishing an Administrative Fee Deposit for processing applications for annexation, based upon on actual***

- staff time incurred, associated hourly staff rates and initial deposit of \$1,500 per application; and,*
- 4. Approve amendments to Administrative Code Sections 1900 and 2608 for annexation computation and fees.**

<p><b>Item I.B.- PUBLIC HEARING FOR THE PROPOSED FORMATION OF HORSETHIEF COMMUNITY FACILITIES DISTRICT (CFD) 2020-1 AND AUTHORIZATION OF A BONDED INDEBTEDNESS FOR THE CFD</b></p>
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President Morris opened the hearing at 4:26 p.m. and reported this hearing will be continued to Thursday, January 14, 2020 at 4:00 p.m.

<p><b>Item II.0 - CONSENT CALENDAR</b> <i>Minute Order #5579-5580</i></p>
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- A. APPROVAL OF:
1. Minutes of the Regular Board Meeting of November 12, 2020
  2. Demands
  3. Investment Report, Receive and File *(MO# 5579)*
  4. Termination of Easement for Road and Highway Purposes Upon APN 107-070-047 *(MO# 5580)*

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

- 1. Approve the Consent Calendar.**

<p><b>Item III.0 BUSINESS ITEMS</b></p>
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<p><b>Item III.A. CONSIDER ADOPTION OF A RESOLUTION FURTHER DEFERRING VARIOUS RATE INCREASES ORIGINALLY SCHEDULED TO TAKE EFFECT ON JULY 1, 2020</b> <i>Resolution No. 20-11-04</i></p>
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Given the continued economic impacts of COVID on the local community, as well as Governor's orders related to moratorium on shutoffs and Riverside County maintaining a "Widespread" Risk Level, and based on further analysis presented at the November 4, 2020 Study Session, and at the request of the Board, Mr. Thomas requested to adopt the resolution to further defer the rate increases to April 1, 2021.

Director Ryan commented that although the future is unknown in the next few months, the Board is sensitive to what is happening to the economy and the ratepayers, but at the same time is financially responsible to make up for the shortfall such as contingency funds to get us through this period. In addition, the District has reduced expenses to help not be in a worse position. There will be a

time when the rates will need to be discussed to bring back the contingency funds to a healthier position, which in turn will help with obtaining low interest loans. The District does not want to compromise our financial stability. Director Burke also commented that although we have deferred rates, MWD has not, and we will need to absorb these rate increases. We are being good stewards, however, there will come a time when difficult decisions will need to be made. We will need to let everyone know what the stress factors are when doing rate increases.

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

- 1. Adopt the resolution and all documents necessary for permitting the District to further defer certain increases affecting various water rates adopted as part of the fiscal year 2020 and fiscal year 2021 biennial budgets;**
- 2. Adjust the deferral date from January 1, 2021 to April 1, 2021; and**
- 3. Authorize Amendment to the Administrative Code, revising the effective date of rates being deferred.**

#### **Item IV. A GENERAL MANAGER'S REPORT**

Mr. Thomas reported that in December we will be obtaining more awards and encouraged attendance of Board Members who would like to be photographed with staff. An email was sent to the Board regarding the 2021 State Budget Correction and Economic Recovery Task Force. He also reported that Phil Rosentrater, General Manager of the Salton Sea Authority, recently retired and that Patrick O'Dowd has taken the position, resigning from the Coachella Valley Water District as a Director but will still retain his ACWA Federal Affairs Committee Chair position.

#### **Item IV. B LEGAL COUNSEL'S REPORT**

Mr. Anderson reported on a recent litigation involving Department of Water Resources validation of issuing bond resolutions for the Delta tunnel project. As this is an important litigation matter, he will report back to the Board when a decision is made, in 12-18 months.

Director Burke commented there have been over 120 studies done on the Delta to fix it since 1914, and expenses related to that could of built the tunnels many times over.

#### **Item IV. C COMMITTEE REPORTS**

Director Burke reported on the recent Western Municipal Water District (WMWD) Group meeting she attended, where the finalization of the Mills Gravity Line and Meeks and Daley agreements were in process. A news release is expected next week. Several agencies are working with WMWD for a joint messaging effort on PFAS in Sacramento. The Metropolitan (MWD) IRP process is moving forward

and their SARRCUP agreement has stalled. Several revisions are needed and will be going back to the MWD committee in January. In regard to the Delta project, the State contractors are moving forward with the environmental effort. WMWD's lobby is still closed to the public due to COVID-19. They are also exploring a wholesale concept, giving more flexibility and resiliency for the region to move water.

Director Morris expressed appreciation and relayed kudos to staff for their efforts on work done and the signing of the WMWD agreements.

Director Williams reported EVMWD will be receiving the trifecta award from ACWA JPIA for having low insurance claims on liability, property and workers compensation. He congratulated staff and asked that his enthusiasm be relayed to staff.

<b>Item V.0 DIRECTORS' COMMENTS AND REQUESTS</b>
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Director Burke requested a list of active water rights ligations from Steve Anderson.

President Morris wished everyone a Happy Thanksgiving and relayed how he is thankful for everyone and what they do for the public.

<b>Item VI.0 ADJOURNMENT</b>
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The meeting was adjourned at 4:46 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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Terese Quintanar, Board Secretary  
to the Board of Directors of  
Elsinore Valley Municipal Water District