



AGENDA

REGULAR STUDY SESSION

November 4, 2020

9:00 AM

DIRECTORS PRESENT: McBride ☐ Burke ☐ Morris ☐ Ryan ☐ Williams ☐

PUBLIC COMMENTS

DISCUSSION ITEMS

1. Introduction of New and Promoted Employees
2. Support of a Balanced Energy Solution
3. State Lobbying Services
4. FY 19/20 P-Card Metrics and Updates
5. Customer Assistance Measures Related to COVID19
6. Board Committee Updates
7. Project Updates
8. Other
9. Adjournment

Pursuant to the Governor's Executive Order N-25-20, and in the interest of public health and safety, this meeting will be held telephonically. Remote public participation is encouraged in one of the following ways:

For Online Participation:

Go to: www.webex.com and select Join
Enter Meeting ID: 126 187 9223
Meeting Password: 92530

For Call-in Only:

Call: (213) 306-3065
Enter Meeting ID: 126 187 9223
Meeting Password: 92530

To request a disability-related modification or accommodation regarding agendas or attendance, contact Terese Quintanar, at (951)674-3146, extension 8223 at least 48 hours before the meeting.

Introduction of New and Promoted Employees (Human Resources)

New Employees:

Nelson Nuezca, Principal Engineer-Capital Projects - start date, 10/19/2020

Martin Soria, Wastewater Treatment Operator III – start date, 10/26/2020

Promoted Employees:

Keith Ray, Wastewater Collection Systems Superintendent – start date, 10/19/2020



STUDY SESSION
DISCUSSION OUTLINE

Date: November 4, 2020
Originator: Greg Morrison- Public Affairs
Subject: SUPPORT OF A BALANCED ENERGY SOLUTION

BACKGROUND AND RECOMMENDATION

In an effort to reduce the State’s carbon footprint, the State legislature and energy agencies have been pursuing goals for statewide carbon neutrality, defined by removing as much carbon dioxide as it emits. Under Governor Brown, Senate Bill 100, which mandates relying entirely on zero-emission energy sources for its electricity by the year 2045, would impose a cost burden on the EVMWD and impact future reliability.

The state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating cost prohibitive technologies to power buildings, and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state’s climate goals.

EVMWD understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility and local control to do so in a manner that best serves the needs of its customers.

Staff presented this item at the September 23, 2020, Legislation & Community Outreach Committee meeting. The matter was agendaized for consideration on the October 8, 2020 EVMWD Agenda, but was pulled for continued discussion.

Representatives from SoCal Gas and Southern California Edison will attend to present their perspectives.

If the Board wishes, the draft Resolution attached will be presented for consideration of adoption at a subsequent meeting.

ENVIRONMENTAL WORK STATUS

Not applicable.

FISCAL IMPACT

Not applicable.

Attachments:

Balanced Energy Myths vs. Facts
Southern California Edison information
Draft Resolution



THE FACTS ABOUT RENEWABLE NATURAL GAS

MYTH

"Cooking with natural gas causes indoor air pollution."

FACT

Both electric and natural gas stoves should be used with proper ventilation. The emissions from cooking food—not from the burner—are the main source of concern when it comes to indoor air quality.¹ Even toasters release toxic particles into the air the moment they are turned on, according to research by The University of Texas, Austin.² When cooking indoors, these pollutants can be easily addressed with good kitchen ventilation.³

MYTH

"Natural gas use in California homes is a major cause of greenhouse gas emissions."

FACT

The use of natural gas in homes creates about 6% of greenhouse gas emissions in California, and its use in commercial buildings adds another 3%.⁴ By comparison, tailpipe emissions from cars, trucks and shipping are responsible for 40% of greenhouse gas emissions.⁵ Simply replacing less than 20% of traditional natural gas with renewable natural gas (RNG) will achieve the same greenhouse gas reductions as electrifying 100% of buildings by 2030.⁶

MYTH

"There is not enough RNG to replace 20% of traditional natural gas to meet the needs of Californians."

FACT

According to two separate studies by EFI Global and the Gas Technology Institute, more than a third of the supply needed to switch 20% of our natural gas to RNG can come just from California's dead trees⁷, which experts say must be cleared.⁸ Further, municipal organic waste diversion plans will provide a great deal of RNG from waste that is currently going to landfills. Analysis shows Los Angeles County municipal operations could displace 100% of its current traditional natural gas with RNG by 2025 by converting food and paper waste to biogas.⁹

MYTH

"Switching to all-electric appliances will make energy less expensive for Californians."

FACT

Proponents of switching homes and buildings to all-electric appliances cite a study claiming cost savings for consumers. That study fails to account for the greenhouse gas reductions of renewable natural gas, it unfairly compares expensive high-tech electric heat pumps with conventional natural gas heating systems, and it doesn't factor in policies and programs expected to increase electric rates—such as wildfire mitigation programs or new transmission lines needed to move the additional renewable electricity to population centers.¹⁰

By contrast, using RNG to achieve emissions reductions would cost 2-3x less than mandating electricity only.¹¹ A study last year by the California Building Industry Association found that the initial cost of replacing natural gas appliances for electric ones, including the necessary electrical upgrades, would cost about \$7,345. And higher electricity bills would increase household expenses by as much as \$388 year.¹²

MYTH

"All-electric homes don't have any greenhouse gas emissions."

FACT

Because solar and wind power are not available 24/7 to meet demand when people need electricity, at least 40% of the electric supply does not come from renewable sources. Thus, homes that use only electricity still create GHG emissions.¹³

MYTH

"Getting rid of natural gas appliances is the only way to reduce greenhouse gas emissions from homes and commercial buildings."

FACT

By replacing 16-20% of traditional natural gas with renewable natural gas, we can achieve the same GHG reductions by 2030 as switching all homes and buildings to electricity only and at one-third to one-half the cost.¹⁴ This is because RNG, created with waste from dairies, farms, wastewater and landfills, takes more emissions out of the air than are created when it is used. In fact, state law requires 40 percent of methane from California's landfills and farms to be captured, with provisions to deliver that energy to customers.¹⁵ A report from former Energy Secretary Ernest Moniz notes that the only way to reduce emissions from agriculture is with RNG.¹⁶

MYTH

"The natural gas pipeline system leaks lots of methane."

FACT

A major Washington State University study noted new emission factors for natural gas distribution systems result in an emission rate for SoCalGas' system at 0.12% of all natural gas delivered.¹⁷

MYTH

"SoCalGas® just wants to keep delivering fossil gas, doing business as usual. To get rid of fossil fuels, California must get rid of its pipeline system."

FACT

SoCalGas supports California's carbon-neutrality goals and has committed to replacing 20% of its fossil natural gas supply with renewable natural gas by 2030. As noted in a report from former Energy Secretary Ernest Moniz, carbon-neutral or carbon-free fuels such as renewable natural gas and hydrogen will be necessary tools to achieving deep decarbonization along with a broad range of solutions. This will require the leveraging of the existing pipeline network and workers to reach California's climate goals.¹⁸

Using RNG to **achieve emissions reductions** would **cost 2-3x less** than mandating an all-electric approach.

1. <https://www.arb.ca.gov/research/indoor/cooking/cooking.htm>

2. <https://www.thetimes.co.uk/article/toast-is-more-toxic-than-traffic-fumes-wm6pb6c8z>

3. <https://scopeblog.stanford.edu/2018/03/06/use-your-range-hood-for-a-healthier-home-advises-indoor-air-quality-researcher>

4. The ARB GHG emissions inventory includes hydrofluorocarbons, adding 1-2% to total.

<https://www.arb.ca.gov/cc/inventory/data/data.htm>

5. <https://www.arb.ca.gov/cc/inventory/data/data.htm>

6. https://www.socalgas.com/1443741887279/SoCalGas_Renewable_Gas_Final-Report.pdf

7. According to the Gas Technology Institute, there are enough dead trees today in California to produce 78.3 billion cubic feet of RNG annually for 30 years.

8. <https://www.gov.ca.gov/wp-content/uploads/2019/04/Wildfires-and-Climate-Change-California%E2%80%99s-Energy-Future.pdf>

9. Based on SoCalGas' analysis and discussions with L.A. County's Internal Services Department and Public Works Department, which were highlighted in SoCalGas' comment letter to the County's Sustainability Plan.

10. <https://epic.uchicago.edu/research/publications/do-renewable-portfolio-standards-deliver>

11. https://www.socalgas.com/1443741887279/SoCalGas_Renewable_Gas_Final-Report.pdf

12. <https://efiling.energy.ca.gov/GetDocument.aspx?tn=224498&DocumentContentId=55045>

13. https://www.energy.ca.gov/almanac/electricity_data/total_system_power.html

14. https://www3.socalgas.com/1443741887279/SoCalGas_Renewable_Gas_Final-Report.pdf

15. https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=2015201605B1383

16. https://energyfuturesinitiative.org/s/EF1_CA_Decarbonization_FactSheet.pdf

17. https://www3.arb.ca.gov/fuels/lcfs/regamend14/scgattachment_04062015.pdf

18. https://energyfuturesinitiative.org/s/EF1_CA_Decarbonization_FactSheet.pdf

THE CLEAN POWER AND ELECTRIFICATION PATHWAY

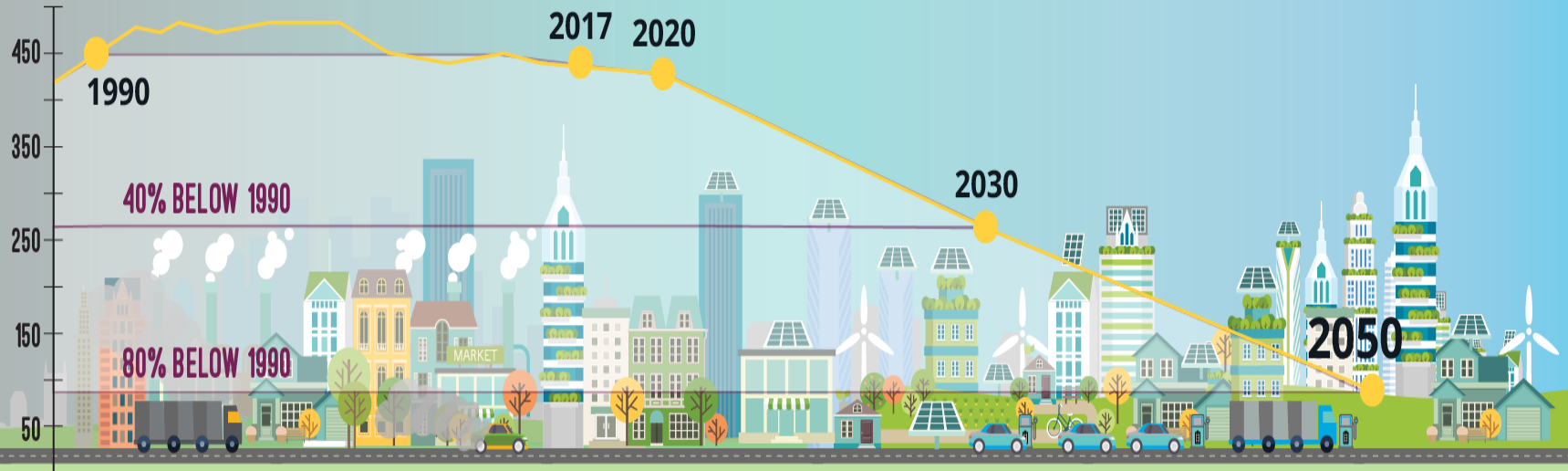
Southern California Edison's proposal to fight climate change and improve air quality.



Goals to improve

- California set a goal to **reduce emissions 40%** below 1990 levels by 2030, and 80% by 2050.

Million Metric
Tons of CO₂



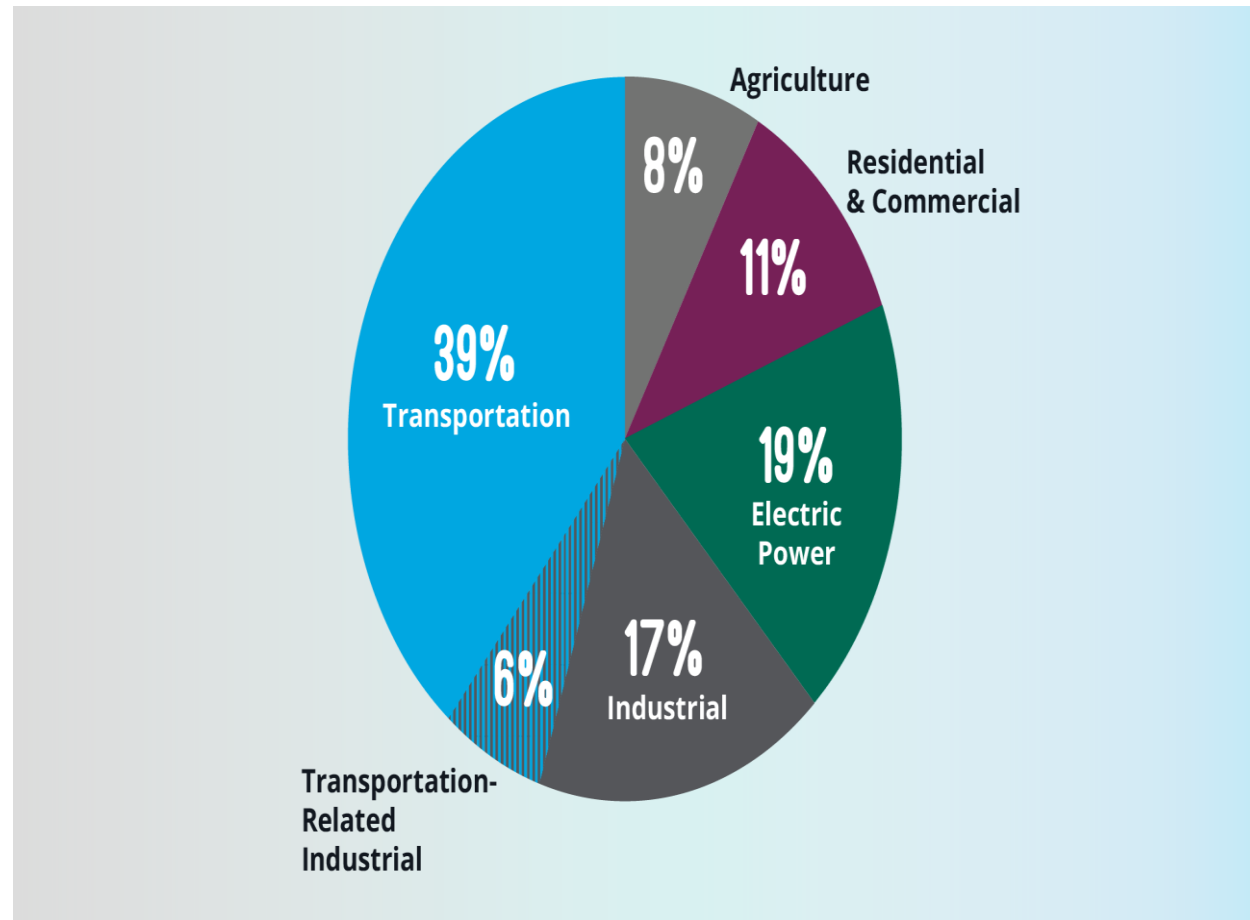
If we want to get to **zero emissions**, eventually we have to **replace** many of the things we rely on today that require combustion.

Emissions contributors

- The **largest contributor is transportation**, followed by the electric sector.

Industrial, and commercial and residential sectors trail not too far behind.

- The most **practical and economical** way to create real change is for sectors to **work together** to find an affordable alternative to fossil fuels.

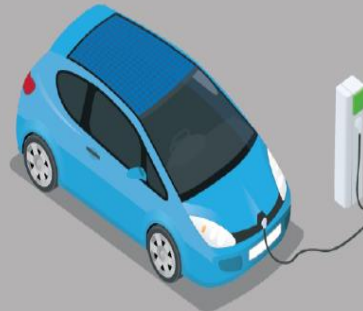


SCE's integrated solution

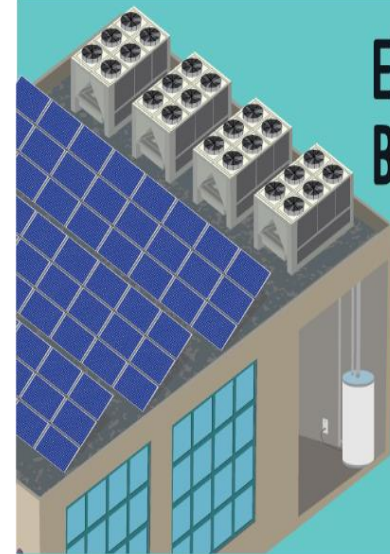
DECARBONIZE THE ELECTRIC SECTOR



ELECTRIFY THE TRANSPORTATION SECTOR



ELECTRIFY BUILDINGS



Clean the power grid. And electrify.

Solution Part 1:

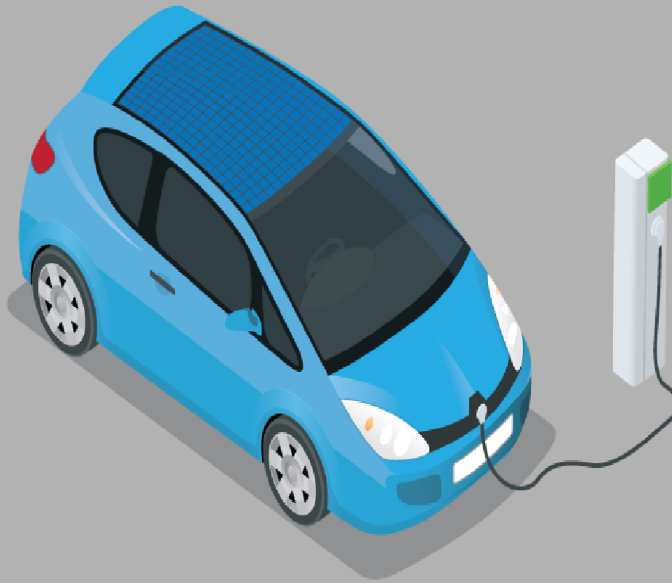
DECARBONIZE THE ELECTRIC SECTOR



- By 2030, create an electric generation mix powered by at least **80% carbon-free resources.**
- More **solar, wind, hydropower** and other zero-emission sources, along with **battery storage.**
- Currently at about 45%.

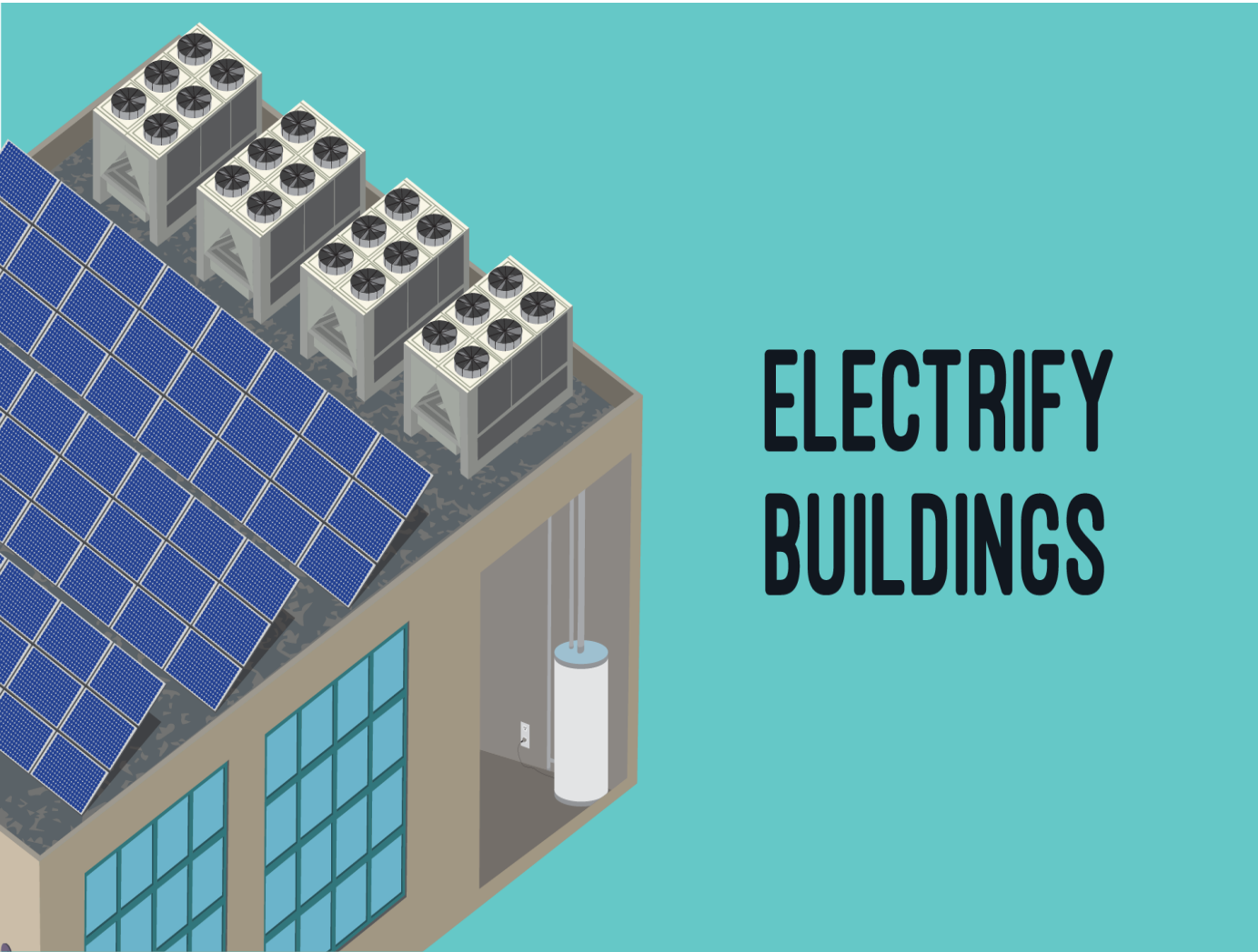
Solution Part 2:

ELECTRIFY THE TRANSPORTATION SECTOR



- By 2030, **electrify 25% of cars and trucks** – about 7 million in total.
- Transportation accounts for **39%** of emissions today.
- Use **zero-emission** electric generation to power zero-emission vehicles.

Solution Part 3:



ELECTRIFY BUILDINGS

- By 2030, electrify **one-third** of space and water heating in buildings.
- Buildings use **fossil fuels** for space & water heating, and they **don't need to**.
- Now powered by clean, **affordable** electricity.

Helping Business Customers Go Electric

Charge Ready Transport (MD/HD Program)

- “Make readies” for electric trucks, buses, shuttles, port and material handling equipment
- Charging station rebates for transit/school buses and sites in disadvantaged communities

New Commercial EV Rates

- No demand charges years 1-5 for separately-metered charging installations
- Low demand charges phased in years 6-10

Charge Ready 2 Proposal

- “Make-ready” approach to 32,000 ports at workplaces, multi-unit dwellings, destination centers and fleets
- Includes rebate program to support 16,000 charge ports at multi-unit dwellings (MUDs) under construction
- Provides rebate for all charging stations



RESOLUTION NO. 20-11-xx

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
ELSINORE VALLEY MUNICIPAL WATER DISTRICT
SUPPORTING BALANCED ENERGY SOLUTIONS AND
LOCAL CHOICE

WHEREAS, California's energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our customers;

WHEREAS, the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings, and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state's climate goals;

WHEREAS, clean, affordable and reliable energy is crucial to the material health and safety of the public;

WHEREAS, local control and the right to choose the policies and investments that most affordably and efficiently enable the public to comply with state requirements is highly valued;

WHEREAS, building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for residents and businesses;

WHEREAS, relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that diverse energy delivery systems and resources contribute to greater reliability and community resilience; and

WHEREAS, the district understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals requiring the flexibility to do so in a manner that best serves the needs of its residents and businesses.

NOW, THEREFORE, be it resolved, by the Elsinore Valley Municipal Water District hereby supports balanced energy solutions that provide it with the decision-making authority and resources need to achieve the state's climate goals, and supports proposed state legislation and regulation that retains local control by allowing all technologies and energy resources that can power buildings and fuel vehicles, and also meet or exceed emissions reductions regulations.

APPROVED, ADOPTED AND SIGNED this xth day of November 2020.

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

ATTEST:

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



STUDY SESSION
DISCUSSION OUTLINE

Date: November 4, 2020

Originator: Greg Morrison- Administration

Subject: STATE LOBBYING SERVICES

BACKGROUND AND RECOMMENDATION

The Elsinore Valley Municipal Water District's goal is to advocate its perspective and interests at the state level of government, as well as relationship with state agencies and regulators. To accomplish this task, EVMWD is seeking a lobbyist to engage with the Government Relations Officer with the goal of developing these relationships with state funding and regulatory agencies as well as the state legislature. This effort will ensure that EVMWD's funding and legislative priorities and interests, and any sponsored or co-sponsored legislation, are represented and advanced. The lobbying focus is not necessarily limited to issues involving water. Issues may be related to any and all areas that could impact EVMWD in any area of business operations.

On September 14, 2020, the District posted a request for proposals on Planet Bids for state lobbying services. Five bids were received by the deadline.

Three District staff members carefully reviewed and scored each of the five proposals submitted and based on the overall qualifications, selected and is recommending Reeb Government Relations to provide state lobbying services and strategic relationship development with state funding and regulatory agencies.

District staff will be presenting an overview of bid results for State Lobbying services and address any comments from the Board to ensure the District's state lobbying goals and objectives will be met over the course of the next two-year legislative cycle.

Staff plans to present this item at the November 24, 2020 Board meeting. This item is budgeted at \$8,000 per month, however District staff contacted Reeb Government Relations and they agreed to lower the monthly fee to \$7,000 per month for the first year. At the conclusion of the first year, the District will determine if the services Reeb provided is worthy of increasing their fee to the full amount for subsequent years.

ENVIRONMENTAL WORK STATUS

Not applicable

FISCAL IMPACT

Budgeted item

Attachments:

Scope of Work
Reeb Government Relations proposal



STUDY SESSION
DISCUSSION OUTLINE

Date: November 4, 2020
Originator: AJ Rivera- Purchasing
Subject: FY 19/20 P-CARD METRICS AND UPDATES

BACKGROUND AND RECOMMENDATION

The District utilizes a procurement card (P-Card) program, approved and incorporated into the Administrative Code, to allow staff a more efficient method of procuring low dollar goods while obtaining additional funds in the form of rebate dollars for participating in the program.

Staff will provide an update on the results of the program over the fiscal year 2019/2020, and will explain the opportunity for a new "virtual payment" option being introduced to increase the amount of rebate dollars the District receives from the program.

ENVIRONMENTAL WORK STATUS

Not applicable.

FISCAL IMPACT

Not applicable.

Attachments:

P-Card presentation

Elsinore Valley Purchase Card Program (P-Card)

Program Review
FY19/20



Background/History

- Started in 2014 as a cooperative agreement with US Bank, piggyback from the State of CA.
- Provides streamlined order process in lieu of purchase order
- Receive rebate dollars for every card use
- Approved staff spend up to \$5k per order
- Allow for immediate purchase and use of materials
- California Renewed agreement Jan. 2019 for 4 years

Updates for 2020

- Card holder limits increased from \$3,000 up to \$5,000 from admin code update (April 2020)
- Focused efforts to use p-card by staff
- Currently underway with “Virtual pay” program
- Improved fraud protections through enhanced algorithms and website security controls

P-Card Data Summary – EVMWD

FY 18-19

Total Spend: \$983,759.91

Total Transactions: 2,620

Avg. per Transaction: \$375

Unique Vendors: 418

Active Users: 78

Total Rebates: \$13,533.45 (1.38%)

FY 19-20

Total Spend: \$1,113,175.41

Total Transactions: 2,755

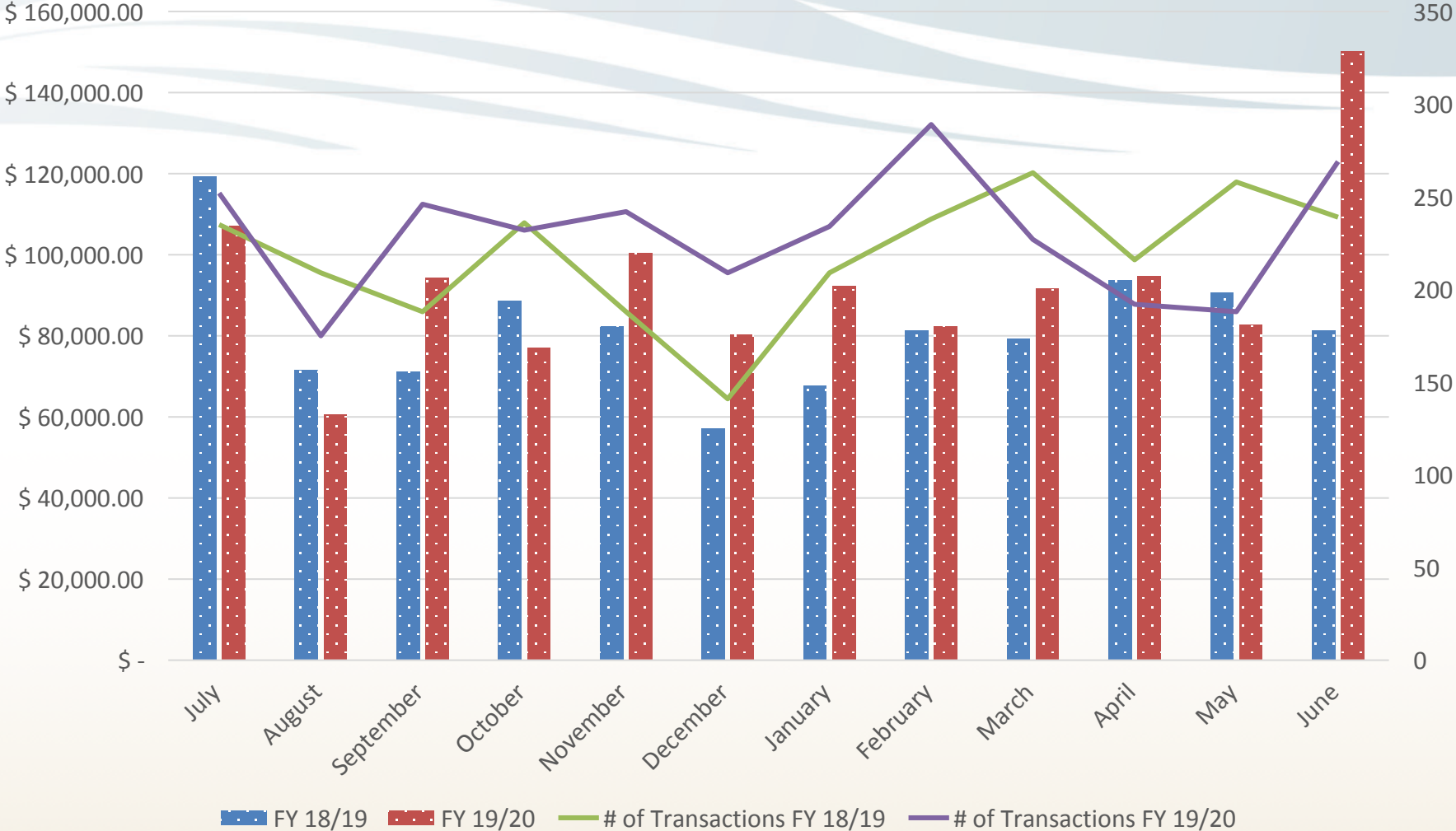
Avg. per Transaction: \$404

Unique Vendors: 460

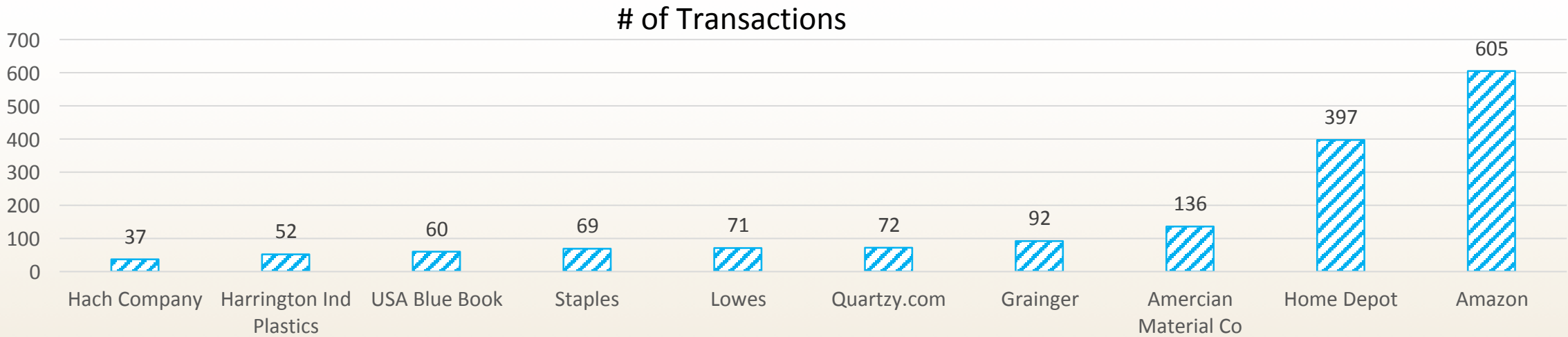
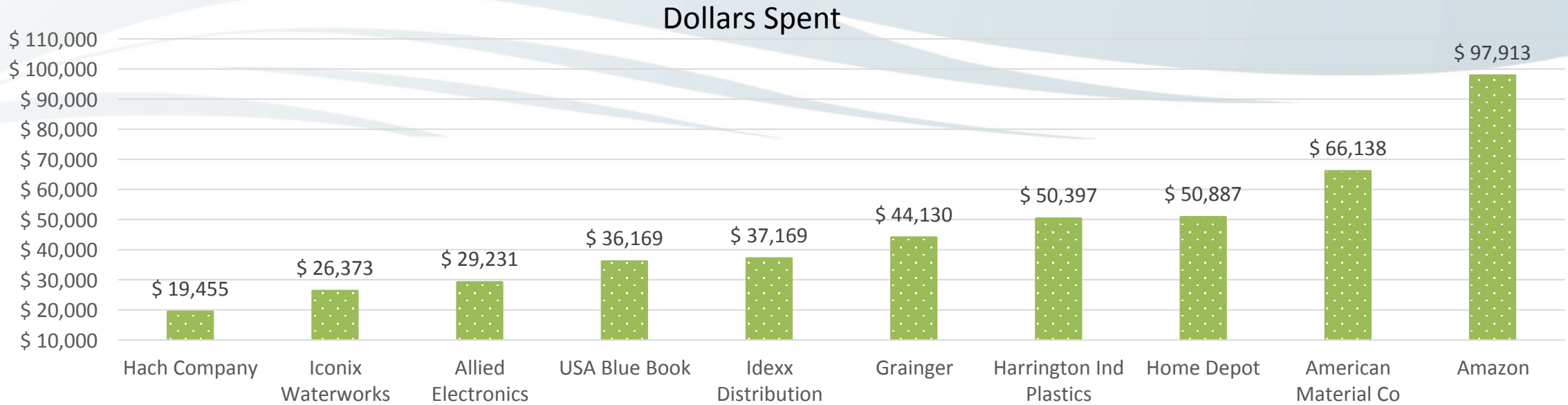
Active Users: 77

Total Rebates: \$13,272.34 (1.19%)

Monthly Spend

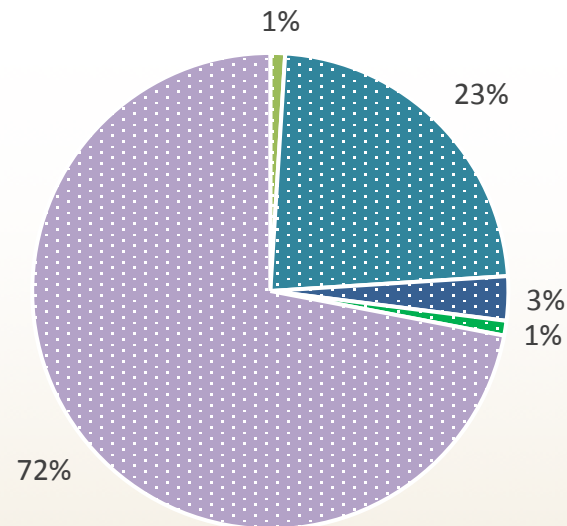


Top 10 Vendors



Spend by Department ~ EVMWD

| BOD | ENG/WR | HR/SAFETY/ADMIN | BUS SVC | OPS |
|--|--|---|--|--|
| <ul style="list-style-type: none"> •\$10,793 •86 | <ul style="list-style-type: none"> •\$13,462 •42 | <ul style="list-style-type: none"> •\$32,197 •337 | <ul style="list-style-type: none"> •\$259,158 •552 | <ul style="list-style-type: none"> •\$797,566 •1,738 |



■ BOD
 ■ BUS SVC
 ■ HR/SAFETY/ADMIN
 ■ ENG/WR
 ■ OPS

P-Card Data Summary – WESA

FY 18-19

Total Spend: \$101,119.43

Total Transactions: 699

Avg. per Transaction: \$144.66

Unique Vendors: 371

Active Users: 31

Total Rebates: \$1,522.96 (1.51%)

FY 19-20

Total Spend: \$96,706.35

Total Transactions: 740

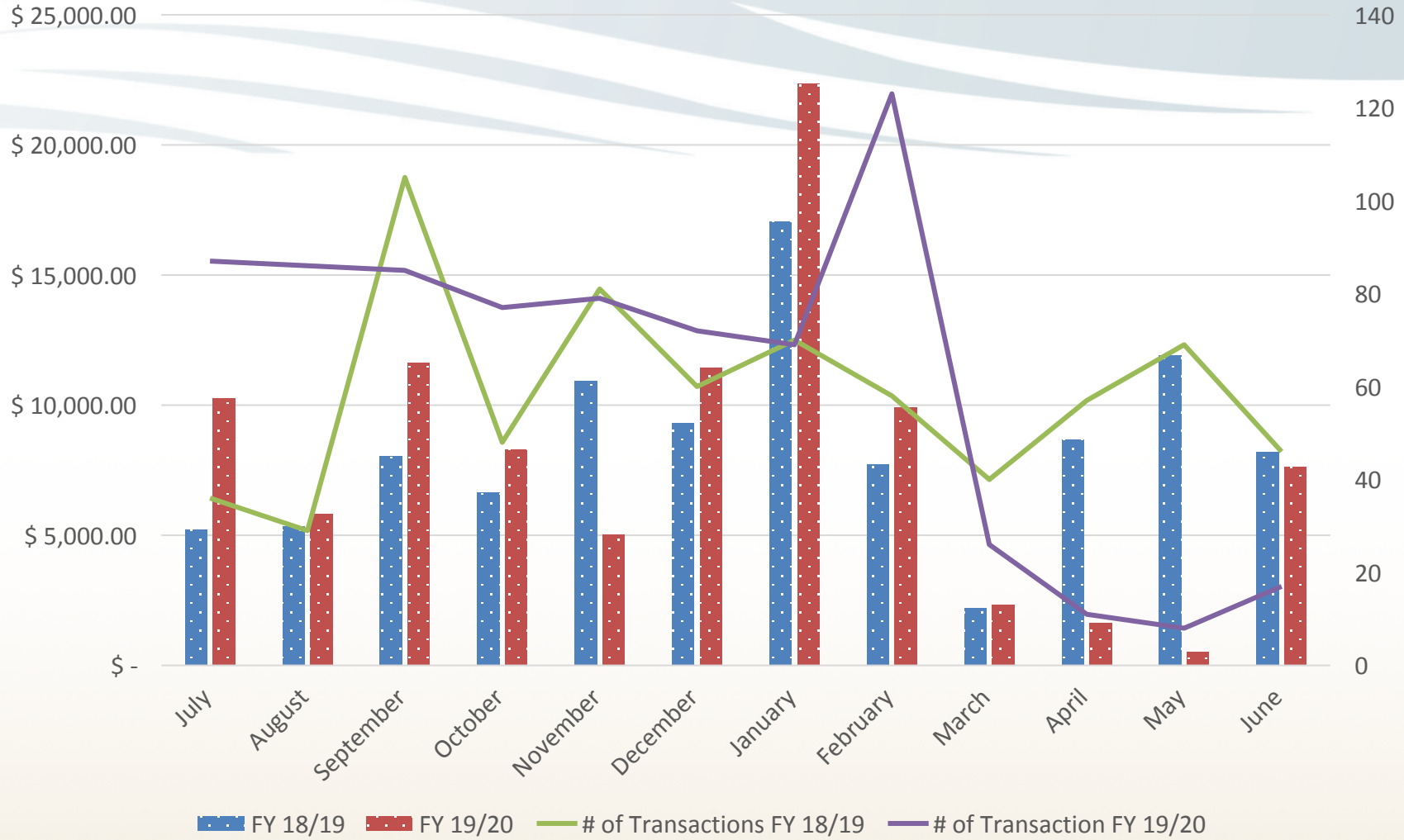
Avg. per Transaction: \$130.68

Unique Vendors: 273

Active Users: 36

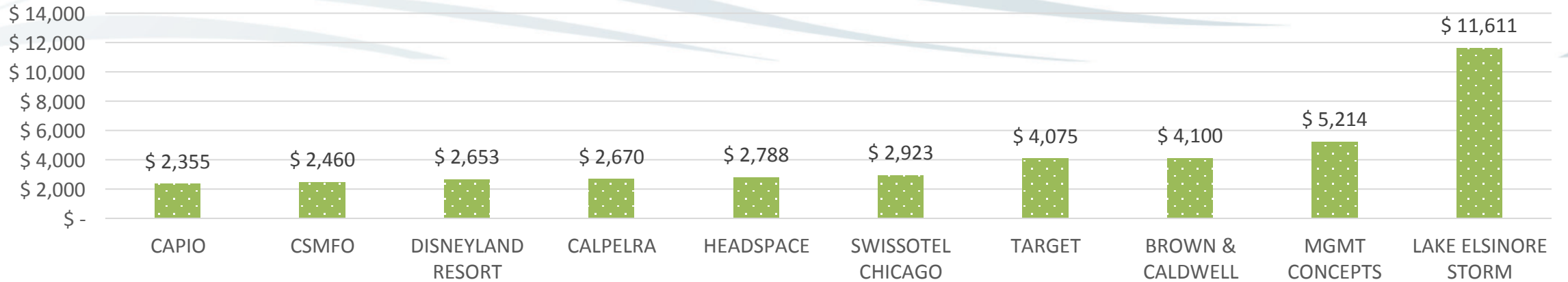
Total Rebates: \$1,751.98 (1.81%)

Spend by Month - WESA

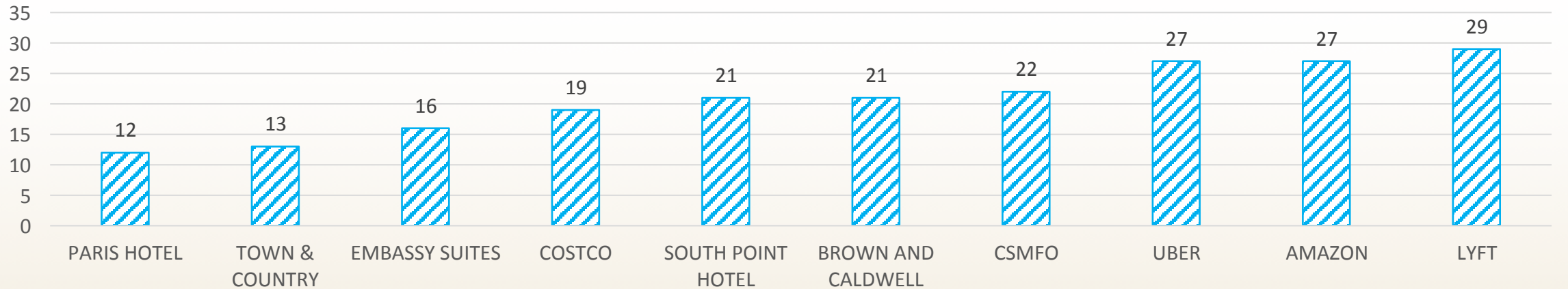


Top 10 Vendors ~ WESA

Dollars Spent

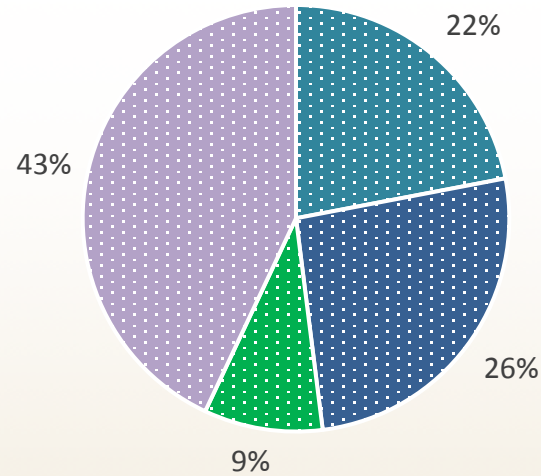


of Transactions



Spend by Department - WESA

| BOD | OPS | HR/SAFETY/ADMIN | ENG/WR | BUS SVC |
|--|---|--|--|--|
| <ul style="list-style-type: none"> • N/A • N/A | <ul style="list-style-type: none"> • \$8,625.29 • 111 | <ul style="list-style-type: none"> • \$21,643.87 • 123 | <ul style="list-style-type: none"> • \$25,155.46 • 125 | <ul style="list-style-type: none"> • \$41,281.73 • 381 |



■ HR/SAFETY/ADMIN ■ Eng/WR/SP ■ OPS ■ BUS SVC

Virtual Pay

- US Bank/Visa partnership for new payment method
- Increased rebates to the District
- Approval process consistent with check & ACH
- Vendor result: Faster payment, transaction fee (~1%)
- Optional program, still accept check & ACH
- 10-week outreach completed on 10/23
- Go live ETA 12/1/2020

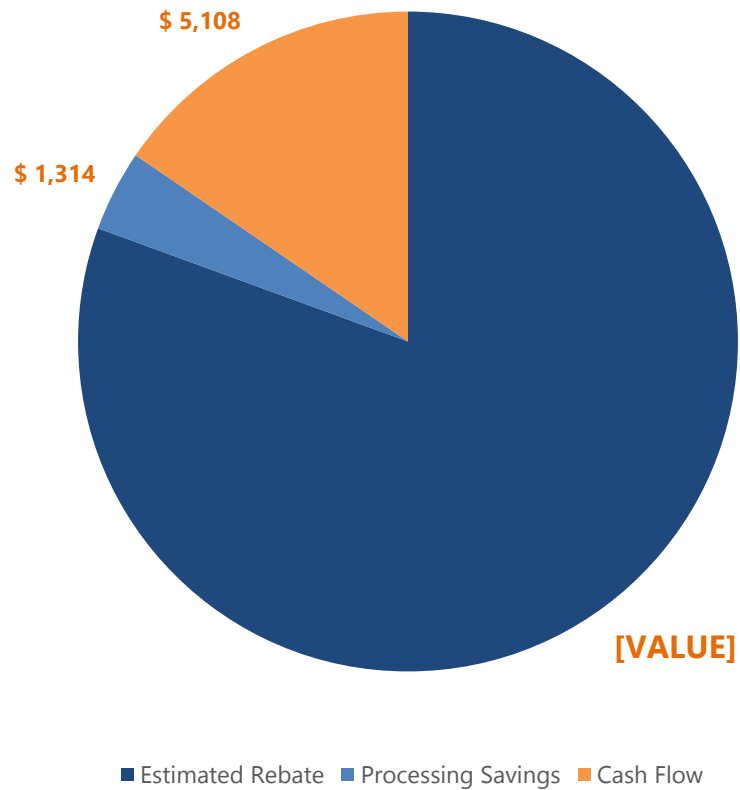
Virtual Pay – Outreach Campaign

| | Count | Dollars | % of Spend |
|--------------------|-------|--------------|------------|
| Total suppliers | 208 | \$13,308,114 | |
| Targeted suppliers | 109 | \$12,899,134 | 97% |
| Enrolled | 44 | \$2,663,426 | 20% |
| Declined | 36 | \$5,355,007 | 40% |
| Un-responsive | 26 | \$4,637,396 | 35% |
| Un-verified | 99 | \$408,979 | 3% |
| Other | 3 | \$145,093 | 1% |

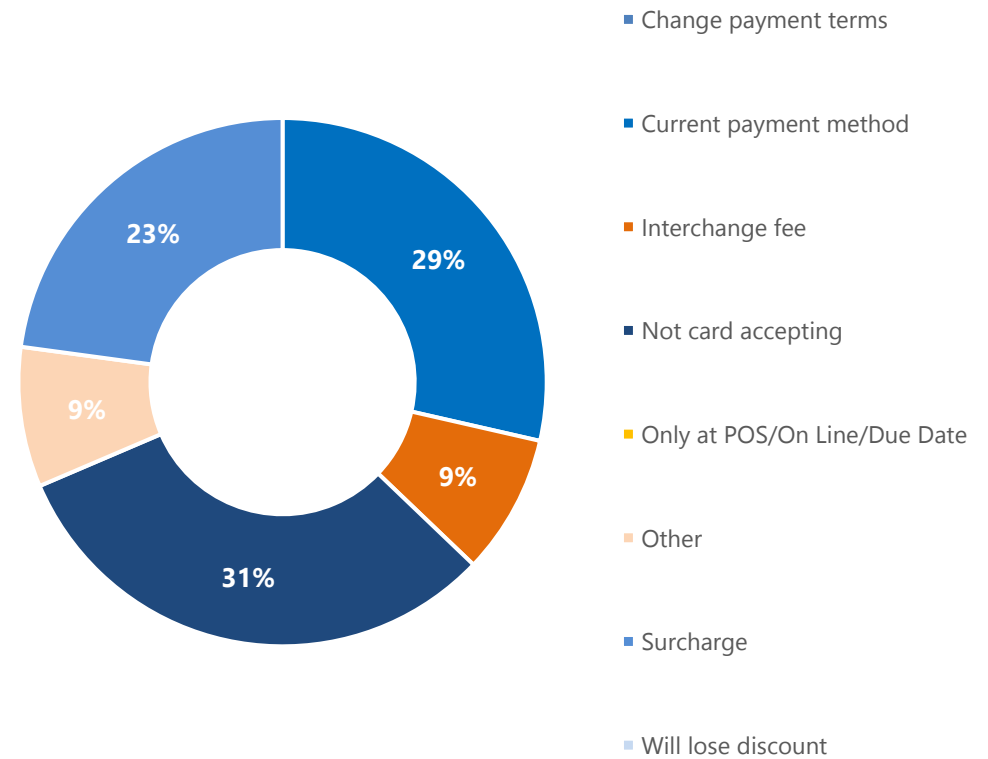
| | |
|------------------------|--------------------|
| Enrolled Spend | \$2,663,426 |
| Estimated Rebate Rate | 1.0% |
| Total Estimated Rebate | 26,634 |

Virtual Pay – Outreach Campaign

Potential Program Impact ¹



Decline Reasons





THANK YOU





STUDY SESSION
DISCUSSION OUTLINE

Date: November 4, 2020

Originator: Robert Hartwig- Business Services

Subject: CUSTOMER ASSISTANCE MEASURES RELATED TO COVID19

BACKGROUND AND RECOMMENDATION

At the May 6, 2020 Study Session, the Board of Directors of the Elsinore Valley Municipal Water District (“EVMWD”) reviewed the rate increase scheduled for July 1, 2020. Due to COVID-19 and the Governors Orders for closures of local businesses and schools, and mandatory stay-at-home orders as a measure to stop the spread of the Coronavirus, local businesses and residential customers experienced significant financial impact. To help ease this financial strain and impact, the Board voted on May 28th to delay most of the scheduled increases to January 1, 2021.

Staff will present updated information at the Study session regarding the financial effects of the current deferral estimated through January 1, 2021, as well as the estimated effects of deferring the new rates for an additional six months.

ENVIRONMENTAL WORK STATUS

Not Applicable.

FISCAL IMPACT

Net water revenues (revenue impacts net of expenditure budget savings) are expected to decrease by \$1.6 million if the rate increase occurs on January 1, 2021. Deferring the rate increase to July 1, 2021 is estimated to increase this number to \$2.7 million. This directly impacts the rate stabilization fund as well as operating and maintenance funds.

Attachments:

None.