



## AGENDA

### SPECIAL MEETING OF THE BOARD OF DIRECTORS

November 24, 2020

4:00 PM

CALL TO ORDER AND ROLL CALL

ADD-ON ITEMS

APPROVAL OF AGENDA

#### PUBLIC COMMENT

*Any person may address the Board at this time upon any subject not identified on this Agenda, but within the jurisdiction of Elsinore Valley Municipal Water District; however, any matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered.*

#### I. PUBLIC HEARING

- 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
- B. Public Hearing for the Proposed Formation of Horsethief Community Facilities District (CFD) 2020-1 and Authorization of a Bonded Indebtedness for the CFD

#### II. CONSENT CALENDAR

*Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Calendar, it shall be removed so that it may be acted upon separately.*

##### A. APPROVAL OF:

- 1. Minutes of the Regular Board Meeting of November 12, 2020
- 2. Demands
- 3. Investment Report, Receive And File
- 4. Termination of Easement for Road and Highway Purposes Upon APN 107-070-047



III. BUSINESS ITEMS

*Business Items call for discussion and action by the Board.*

- A. Consider Adoption of a Resolution Further Deferring Various Rate Increases Originally Scheduled to Take Effect on July 1, 2020

IV. REPORTS

*Reports are placed on the Agenda to provide information to the Board and the public. There is no action called for in these items. The Board may engage in discussion on any report upon which specific subject matter is identified, but may not take any action other than to place the matter on a subsequent Agenda.*

- A. General Manager's Report
- B. Legal Counsel's Report
- C. Board Committee Reports

V. DIRECTOR'S COMMENTS AND REQUESTS

*Directors' Comments concern District business which may be of interest to the Board. They are placed on the Agenda to enable individual Board members to convey information to the Board and the public. There is no discussion or action required, other than to place the matter on a subsequent Agenda.*

VI. INFORMATION ITEMS

- A. Grant Updates November 2020

VII. 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](http://www.webex.com) and select Join  
Enter Meeting ID: 126 162 3838  
Meeting Password: 92530

**For Call-in Only:**

Call: 213-306-3065  
Enter Meeting ID: 126 162 3838  
Meeting Password: 92530

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the District's Administrative offices not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of all, of the members of District's Board, are available for public inspection in the office of the District Secretary, 31315 Chaney Street, Lake Elsinore, California.

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.



**Elsinore Valley Municipal Water District**

*Our Mission...*

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

---

DATE: November 24, 2020

TO: Board of Directors

FROM: General Manager

**SUBJECT: 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**

**STRATEGIC GOAL**

Financial Management

**RECOMMENDATION**

The General Manager and staff recommend that the Board of Directors:

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 a 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.

**BACKGROUND**

Prior to October 1990, the District received a portion of property tax for every property within the District. Property tax receipts are used for a variety of purposes including operations and capital projects that benefit the ratepayers of the District as a whole.

In October 1990 the County of Riverside adopted a master tax resolution specifying that for newly annexed properties, the county will not be transferring property taxes to effected agencies unless a service that's already being provided by the County is also being transferred to that agency. Since the County does not provide water or

wastewater services, they will not be transferring future property taxes to fund the cost of those services.

In most places when a property annexes in they are charged a fee, commonly known as a back tax, to recoup the costs related to existing District infrastructure/operations. Due to the changes noted above, the District is unable to collect any future property tax amounts for newly annexed properties which puts some of the burden of paying for future infrastructure repairs and replacements on pre-1990 ratepayers. As a result, EVMWD currently imposes both a back tax and a future (lost) tax fee for annexing properties.

In 1998, the District contracted with Black and Veatch (“B&V”) to review the effects of back and future taxes. B&V provided a report recommending an independently validated method for calculating annexations fees, which included both back tax and future tax amounts.

Based on the B&V report, the adopted annexation fee considered that the District would not receive its fair share of back property taxes nor would the District be entitled to any future share of general-purpose property taxes from the County of Riverside for newly annexed property. As a result, the adopted annexation fee included both a “back tax” and “future tax” component to ensure that annexing properties are on par with, or equal to, properties within the District that have historically paid property taxes.

In April 2019, 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 with the following factors adjusted:

- For return on investment, use LAIF’s historical return over the last 25 years, which is commonly used instead of a fixed 5% return
- For the back tax, use the current assessed values (AV) of all undeveloped parcels divided by the corresponding undeveloped acreage deriving an AV per undeveloped acre that is easy to calculate and update annually
- The back tax component should look back to the District’s inception date of 1950
- Calculation for future tax will use the undeveloped AV per acre of most recent completed fiscal year

By retaining the current methodology, but making adjustment for the factors listed above, 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 that 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. 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 costs will be billed at the following hourly rates:

- Engineering \$220
- Information Technology \$106
- Executive Administration \$ 96

This item was presented and discussed at the July 15th, 2020 Study Session. A Notice of Intent to Adopt the Administrative Fee Deposit for processing applications for annexation was published as required, and staff recommends approval of the recommendations listed above.

### **ENVIRONMENTAL WORK STATUS**

Not applicable.

### **FISCAL IMPACT**

If the District adopts the new recommendations from Raftelis, annexation fees will initially increase by \$296.20 per acre (from \$3,415.00 to \$3,711.20), with small annual adjustments in the future.

If the annexation fee were to be updated using the currently approved calculation and methodology from the 1998 B&V report, it would result in an increase of \$765 per acre for any future annexed property as compared to the currently approved fee.

Originated by: Art Landeros – Finance  
Reviewed by: Scott Landeros – Finance

Attachments:

Admin Code 1900  
Admin Code 2600  
Annexation Fee and Comparison Report

**SECTION 1900. ANNEXATIONS**

**§1901. Policy.**

It is the District’s policy to consider annexation requests whenever all required information is submitted, appropriate fees have been paid and whenever a finding is made by the Board of Directors that such annexation is in the best interests of the District’s customers.

**§1902. Annexation Fees Computation** (M-1972, M-2075, M-2247, M-3097, M-3268, M-3415, M-3526, M-3549, M-3787, M-4029, M-4194, M-4348, M-4459, M-4645, M-5127)

In addition to the administrative fee defined in §1903 paragraph A, the annexation fees for newly annexing areas to the District for January 1, ~~2016~~2021 -to December 31, ~~2016~~2021 shall be the sum of the amounts computed under paragraphs A and B of this section. The maximum annexation fee is ~~\$3,415~~3,711.20 per acre. (Fees also listed in Section 26070). For subsequent years, the amounts under paragraphs A and B of this section will be adjusted as defined in paragraph F.

~~Back Taxes. The calculation for the calendar year 2016-2020 back taxes increment portion of the Annexation Fee is listed below. Back taxes are calculated from 1978-1950 to present utilizing factors developed in the methodology of the Board approved report.~~

$$\frac{\$26.23 \times 1.0294 \times (\$11,920/1,000) = \$321.97 (\$322 \text{ rounded})}{\text{Undeveloped Assessed Value} \times \text{Tax Rate} \div \text{Undeveloped Acres}} \text{Back taxes} =$$

~~A. Back Tax Component: The back-tax component of the calendar year 20210 annexation fee is calculated to be \$1,871.90 per acre. This is derived by applying the abovebelow calculation annually, back to the District’s year of inception, 1950. As an example, the Present Value of Tax Revenue total for FY20192020 is calculated to be \$13.58~~

	<u>Undeveloped Assessed Value</u>	<u>\$886,999,521</u>
x	<u>District Tax Rate</u>	<u>.04196%</u>
÷	<u>Undeveloped Acres</u>	<u>27,405</u>
=	<u>Present Value of Tax Revenue</u>	<u>\$13.58</u>

~~Assessed values for all years prior to FY20192020 are derived by discounting the Present Value of Tax Revenue (\$) discounted using a 2% constraint annually, which is the Prop. 13 limit. The results for each year are is then brought forward to present worth using LAIF’s 25-year average rate of return. The total derived tax revenue of all years is then summed up to determine the back-tax per acre charge. The \$26.23 base amount was determined by calculating the taxes the District would have~~

~~received (per thousand dollars of assessed valuation using a 5% interest income rate) if a property had annexed into the District in 1978 (the year proposition 13 was passed). The 1.0294 is the annual increase factor that is utilized to determine the revised back tax component. The \$11,920 is the average unimproved value of property per acre in the District for 1998, per the County of Riverside assessor database.~~

- B. ~~**Per Acre Charge.**~~ **Future Tax Component:** The ~~second~~ future tax component of the annexation fee for calendar year ~~2016-2021~~ is calculated to be ~~\$3,093.24~~ 1,839.30 per acre (~~\$3,093 rounded~~). This ~~figure amount~~ is a net present value calculation and is derived by using the Present Value of Tax Revenue on undeveloped properties calculated in paragraph A above of \$13.58 from the amount of General Purpose Property taxes received per acre of undeveloped property in the District for the fiscal year ending June 30, 2015 ~~2019~~. That amount is then projected into the future utilizing ~~an increase in the tax rate~~ a growth factor of 2% per year and then calculating the present worth using a ~~53.46720%~~ rate of return equal to the LAIF 25-year average. This portion of the annexation fee will compensate the District for forgoing receipt of future general purpose property taxes.
- C. **Special Cases.** Parcels smaller than 1 acre, or those requiring special calculations will be brought before the Board on a case by case basis for review.
- D. **Option to Collect.** If for any reason (due to adoption in this state of tax limitation Constitutional initiatives, legislation or otherwise), any or all of the District's taxes to raise the minimum annexation charge are unable to be levied, then the Board shall have the option to collect such charge, or unlevied balances thereof, with interest at five percent per annum, within said area through any lawful means now, or to become, available to District.
- E. **Use of Fees.** The revenues from this annexation shall be used for any and all lawful purposes as deemed appropriate by the Board of Directors.
- F. ~~**Future Updating Annexation Fees.**~~ A new ~~The~~ annexation fees listed in paragraph A & B of this section ~~charge~~ shall be ~~recalculated~~ updated ~~annually on or around October~~ annually on or around December 1<sup>st</sup> of each year to reflect the revised back tax and future taxes components of the fee for the next calendar year utilizing the updated factors developed in the and methodology of the approved by the Board approved report. and the current AV in the District. The back taxes would increase each year by a factor of 1.0294. The per acre charge representing future taxes may be held constant.



**§1903. Application/Procedure.**

A. **Submittal.** Applications for annexation to the District shall be initiated with the following submittals:

1. Written request for annexation by landowner or petition signed by landowners representing not less than 5% of the designated territory to be annexed.
2. Agents or representatives acting on behalf of landowners must submit letters from landowners granting representation authority.
3. Map and meets and bounds legal description of property to be annexed, stamped by a registered civil engineer.
4. Check in the full amount of the current annexation fees or appropriate financial arrangements and an initial deposit of \$1,500n administrative fee of \$750 per application to cover the District's cost of processing the application. The District will track actual time and resources charged for each application and additional deposits will be collected if the balance has been depleted. Any dDeposit amounts remaining after completion of the ~~planning phase~~full application process will be refunded. (Hourly rates are fees listed in Section 26070).
5. A copy of the most recent property tax bill for the property to be annexed.
6. A County or City approved EIR, Negative Declaration or other proof of conformance with state and federal environmental requirements.

B. **Property Tax Exchange.** *(Minutes 10/12/94)* All annexations are contingent upon the successful completion of property tax revenue negotiations with the County of Riverside. Sections (5) and (6) of the Property Taxation Code state:

In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of tax revenues.

Notwithstanding any other provision of law, the executive officer (of the Local Agency Formation Commission) shall not issue a certificate of filing pursuant to Section 56828 of the Government Code until the local agencies included in the tax revenue exchange negotiation, within the 30 day negotiation period, present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of tax revenues.

- C. **Concurrent Annexations.** Upon receipt of the appropriate submittals, staff will notify Western Municipal Water District in writing of the annexation request and initiate proceedings for concurrent annexation to Western Municipal Water District and Metropolitan Water District. In most cases, Western Municipal Water District will act as conducting authority in the annexation process.
- D. **EVMWD Approval.** Following investigation and approval by the General Manager, a recommendation and resolutions will be prepared and scheduled for the next regular meeting of the Board of Directors.

**SECTION 2600. MISCELLANEOUS FEES AND CHARGES**

**§ 2601. Engineering Fees.**

A. Service Availability Letters *(R-995, R-16-06-02)*

One Single Residence	\$170
Tract & Commercial Development	\$340

B. Engineering Services. *(R-03-06-13, MO #4843, R-16-06-02, R-19-09-04)*

1. Planning Deposits

For substantive projects that will require, for example, preparation of master plans with computer models or other extensive planning efforts prior to the submittal of improvement plans for plan checking, developers will be required to post a Planning Deposit. The deposit will be used to cover District staff and actual consultant costs. A supplemental deposit will be collected if the balance is depleted. Deposit amounts remaining after completion of the planning phase will be refunded. The need for and amount of the deposit will be determined by the District Engineer.

District staff costs will be billed at the following hourly rates:

Engineering	\$220
Operations	\$158
SCADA	\$197
Administrative Support	\$ 86
Management Support	\$275

1. Plan Check Deposit

The Plan Check deposit is 3% of the engineer’s estimate for construction or a minimum of \$1,500. Costs charged against the deposit includes District’s cost for comprehensive review of the improvement plans and documents including, but not limited to, grant of easements, water rights grant deeds, quitclaims, and termination of easements which could include review by subject matter experts, such as electrical and SCADA, as well as review by Operational staff for other site specific operational conditions. An additional deposit will be collected if the balance has been depleted. Deposit amounts remaining after plan check completion will be refunded.

District costs will be billed at the following hourly rates:

Engineering	\$220
Operations	\$158
SCADA	\$197
Administrative Support	\$ 86
Management Support	\$275

The Engineer’s Estimate must be prepared using District approved unit costs. Estimates of Capital Facilities must be approved by the District Engineer and must reflect actual market prices. *(R - 03-06-13)*

2. Inspection Deposit

An inspection deposit of 10% of the contract amount for construction or a minimum of \$750 is collected for Tract or Commercial Development. For a single residence, a minimum deposit of \$250 for water or sewer inspection, or a combined water and sewer inspection deposit of \$500 is collected.

Costs charged against this deposit includes District’s cost for inspection of water and sewer facilities, SCADA, and interconnection of developer to District water or sewer facilities. An additional deposit will be collected if the balance has been depleted. Any remaining portion of the deposit is returned to the applicant after satisfying District requirements. *(R - 03-06-13, R-16-06-02)*

District inspection costs will be billed at the following hourly rates:

	Regular Rate	Overtime Rate
Inspectors	\$166	\$249
Operations	\$105	\$158
SCADA	\$197	\$213
Administrative Support	\$ 86	\$129
Management Support	\$275	\$413

3. Inspection Fee Deposit - Final Inspection Services

An inspection fee of \$150.00 per EDU (undeveloped lot) to cover the District’s required final inspection services was established by Resolution No. 1278. These inspection deposits will be collected from developers requiring final inspection services. The tract’s infrastructure must be completely built and have been previously inspected. Upon completion of construction, any unused inspection deposits will be refunded to the builder once the District’s final requirements have been met (as-built drawings, digital submissions, etc.). *(R - 03-06-13)*

4. Maps and Records Fee

A fixed non-refundable fee of 1.5% of the contractor’s bid for construction. (R-1060, R-19-09-04)

5. Reproduction

\$5.00 per sheet for 24” x 36” plots, plus staff time in excess of one-half hour. (MO #0889, R-19-09-04)

§ 2602. Service Origination Fee. (MO #4253)

New Accounts (advance order):	\$15.00
Same Day New Accounts Turn on Fee:	\$50.00/acct (MO #3002)
After Hours:*	\$100.00/acct (MO #3002)

\* The After Hours Turn-on Service provides customers with the option to have their water service turned on after 2:30 p.m., which is the deadline for same day turn on service. This service is not available for customers that have had their service interrupted due to non-payment. These customers must wait until the following business day to restore service if their payment is made after 2:30 pm.

Should a new customer call after the District's business hours requesting turn-on services, the responding standby crew will have the customer sign an After Hours Turn-on Agreement before service is connected. The agreement advises the customer of the after hours turn-on fee, which will be added to their account.

§ 2603. Fire Flow Inspection.

\$125.00 (R-1009)

§ 2604. Backflow Devices. (MO #4586)

Inspection charge per backflow device for all new backflow installations will be as follows:

A. For active construction	\$300.00
B. For existing construction	\$150.00

Monthly Administration Charge per backflow device \$4.00 (R-04-06-04)

**§ 2605. Meter Accuracy Testing.**

Deposit of \$50.00, refunded to customer if meter is proven to register above AWWA standards for meter accuracy [98.5% - 101%].  
(MO #4240)

**§ 2606. Pre Treatment Fees.** *Effective Date 7/1/05, See also AC §2415 (MO #4595)*

Description	1	2	3	4	5
Permit Fee/Yr.	\$4,590	\$920	\$180	\$370	\$280
Permit Revision Fee	920	280	90	90	280
Routine/Follow-Up Inspection/Yr.	1,380	460	180	180	N/A
Non - Compliance Inspection	1,100	730	460	460	N/A
Non - Compliance Sampling	180	180	180	180	180
Non - Compliance Meeting	180	180	180	180	180
Failure To Allow Entry For Inspection	180	180	180	180	N/A

All Classes:

Environmental Compliance Review Fee	\$210
Construction Inspection Fee	290
Additional Manpower/Hr.	88
Replace Dump Station Access Card	92
Liquid Waste Process Fee/Gallon	\$0.03
Liquid Waste Process Fee/Gallon ( Offsite )	TBD
Chemical Analysis	Actual Costs As Billed By Lab Plus G&A+ O/H

**§ 2607. Annexation Fees.** *(MO #4029, MO #4348, MO #4459, MO #4645, M-#5127)*

~~\$3,415.00~~ \$3,711.20 ~~Per Acre Fee~~  
~~\$750~~ \$1,500.00 ~~Initial deposit- Abased administrative Fee~~  
 (sP-per application)

A deposit of \$1,500.00 per application is initially required. The District will track actual time and resources charged for each application and additional deposits will be collected if the balance has been depleted. Any dDeposit amounts remaining after completion of the planning phasefull application process will be refunded. ~~Additional deposit will be collected if the balance has been depleted prior to completion of application. Any remaining portion of the deposit is returned to the applicant after satisfying District requirements.~~

District staff costs will be billed at the following hourly rates:

<u>Engineering</u>	<u>\$220</u>
<u>Information Technologies</u>	<u>\$106</u>
<u>Executive Admin Support</u>	<u>\$ 96</u>

Note: See Section 1900 for annexation fees calculation & policy

**§ 2608. Copies.**

The charge for photocopies to the general public is 25¢ for the first page and 10¢ for each additional sheet thereafter.

**§ 2609. Assessment District Administrative Fees. (R-1047)**

- A. Assessment District Administrative Fees shall be charged for each parcel within Assessment District No. 79-1, Assessment District 84-1 and Assessment District 84-2 and placed on the Riverside County Tax Rolls each year.
- B. Assessment District Administrative Fees shall not exceed the actual costs incurred; and shall not exceed the legal limitation of 5% of each parcel’s annual assessment and shall not exceed \$16 on any parcel thereof.
- C. Assessment District Administrative Fees are established according to the following schedule:

<u>Assessment District</u>	<u>Fee Per Parcel</u>
79-1 (Canyon Lake)	\$ 4.00
84-2 (Lakeland Village)	9.00
84-2 (Victorian Estates)	16.00

**§ 2610. Land and Assessment Division Processing Fees. (R-1048)**

- A. The following fee schedule is determined to be reasonable and is an amount that will cover reimbursement for the necessary costs in processing applications for divisions of land and assessments pursuant to the “Improvement Bond Act of 1915”, being Division 10 of the Streets and Highways Code of the State of California.



All applications for division of land and assessment shall be accompanied by a fee to be determined as follows:

<u>No. of New Parcels</u>	<u>Fee</u>
2 - 3	\$2,400 lump sum
4 - 10	3,300 lump sum
11 - 20	3,300 + \$150/parcel over 10
21 - 35	4,900 + \$100/parcel over 20
36 - 55	6,600 + \$75/parcel over 35
56 - 80	8,250 +\$55/parcel over 55
81 - 115	9,800 +\$30/parcel over 80
116 - 165	10,900 + \$20/parcel over 115
166 - 315	12,000 + \$15/parcel over 165
316 - 500	14,500 +\$10/parcel over 315
501 - 700	16,500 + \$5/parcel over 500
701 and more	17,600 + \$3/parcel over 700

- B. If no application is filed, at the time the Superintendent of Streets files the amended assessment pursuant to order of the Board, the fee is determined from the above schedule with each new parcel paying its proportionate share in accordance with each new parcel’s share of the principal remaining on the original assessment. Prior to making the division, the Superintendent of Streets shall notify the property owner as to the costs for the apportionment. In the event the costs are not paid within fifteen (15) days of notification, Superintendent of Streets shall, in preparing the amended assessment, show separately thereon the amount of said fee charged to each individual parcel. The amount so charged shall then be entered, if not paid, upon the assessment roll and collected along with the first installment of the amended assessment.
  
- B. All fees so collected, either by application or as an installment on the assessment, are to be deposited in the General Fund of the District

**§2611. Brine Line Connection and User Fees. (M- #4277, #4526, #4643 4861, #4958, #5048, #5145, #5236)**

*See Section 2414 also.*

(Effective 8/1/17)

**TREATMENT, DISPOSAL AND REPLACEMENT COSTS:**

VARIABLE MONTHLY RATE (per mg discharged).	\$1,129*
FIXED MONTHLY RATE FOR TREATMENT CAPACITY (per mgd)	\$15,187
FIXED MONTHLY RATE FOR PIPELINE CAPACITY (per mgd)	\$7,488

**QUALITY SURCHARGES:**

PASS THRU BRINE LINE RATES (for any volumetric flows):

TSS (per 1,000 lbs of dry weight)	\$450
BOD (per 1,000 lbs of dry weight)	\$322

**EXCESS QUALITY SURCHARGES:**

For any strength of the average of the sampling and metering for the month that exceeds the owned/leased treatment and disposal capacity rights	\$0.2405/lb. TSS \$0.3923/lb. BOD
---	--------------------------------------

**EMERGENCY RATES:**

For standby discharges/emergency overflow connections	110% of the Flow, BOD, TSS, and Excess Quality/Quantity Surcharges
---	--

**EXCESS QUANTITY SURCHARGE:**

For any flow exceeding the purchased amount in any day during any month (per gpd).	\$0.1978
--	----------

**Footnote**

\* = EVMWD charges 3%/MG over WMWD's rate to cover for administrative fees.

Brine Line–Industrial User–Indirect Connection (Truck Hauled)	
SAWPA Permit Fee	
Annual Permit Fee	\$6,535/yr. for Significant User \$5,934/yr. for Industrial User \$5,635/yr. for Non-Significant Industrial User
EVMWD's Initial Deposit	
Post a deposit equal to 90 days anticipated billing based on discharge information provided in the questionnaire.	
Use Fee	
Brine – BOD and TSS less than 100 mg/L	\$0.038 per gallon
Non-Brine Tier 1 – 100 to 999 mg/L	\$0.054 per gallon
Non-Brine Tier 2 – 1,000 to 2,499 mg/L	\$0.103 per gallon
Non-Brine Tier 3 – 2,500 mg/L and higher	\$0.038 per gallon plus, a surcharge of \$0.6957/lb. BOD and \$0.662/lb. TSS
An additional \$0.02 per gallon is added to the above rates if truck-delivered non-reclaimable wastewater discharges from outside the Santa Ana River Watershed to a SAWPA authorized truck dump station.	
Deposit	
Upon execution of any agreement with EVMWD for any industrial discharge right into the Brine Line, the user shall deposit with an amount sufficient to cover operation, maintenance, and replacement costs for 90 days.	

**§2612. Delinquent Notice Fee (R-20-01-01)**

- A Delinquent Notice Fee of \$0.78 will be added to customer accounts for every written Service Interruption Warning letter mailed out.
- A Delinquent Processing Fee of \$21.45 fee will be added to customer accounts for every Service Interruption Warning letter (door hanger) physically placed at the service address.

RESOLUTION NO. 20-11-XX

A RESOLUTION OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT ESTABLISHING THE ADMINISTRATIVE FEE DEPOSIT FOR PROCESSING APPLICATIONS FOR ANNEXATION

WHEREAS, the District provides services for annexations of property into its service boundary; and

WHEREAS, the Board of Directors is determined to allocate costs on a fair and equitable basis for services provided; and

WHEREAS, staff have completed a thorough review of staff time associated with processing applications for annexations in order to determine the amount which reflects current costs of providing these services; and

WHEREAS, the Board of Directors has determined the need to modify the Administration Fee to process applications for annexation of property from a flat fee of \$750 to a deposit-based fee of \$1,500, in order to cover actual labor and overhead costs; and

THEREFORE, BE IT RESOLVED, by the Board of Directors of Elsinore Valley Municipal Water District as follows:

1. The Administrative Fee Deposit of \$1,500 for processing applications for annexations is here by established.
2. To the extent the costs for processing applications for annexation are less than the Annexation Fee Deposit set forth above, based on the costs set forth in the worksheets attached hereto as Exhibit A, unspent portions of the Annexation Fee Deposit will be returned to the applicant.

APPROVED, ADOPTED AND SIGNED this 24th day of November, 2020.

---

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

ATTEST:

---

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

EXHIBIT A

Worksheet for Annexation Fee Deposit

[see attached]

# MEMORANDUM REGARDING:

## ANNEXATION FEE AND COMPARISON

**Agency:** Elsinore Valley Municipal Water District  
**To:** Scott B. Thompson, Accounting Manager  
**From:** Habib Isaac, IB Consulting on behalf of Raftelis  
**Re:** Annexation Fees of Comparable Agencies  
**Date:** June 16, 2020

---

This memorandum concludes the review of annexation fee calculations from comparable water agencies in Southern California for the Elsinore Valley Municipal Water District (EVMWD). It begins with an explanation of what annexation fees are and why water districts use these fees, followed by examples of three neighboring water agencies and two other water agencies in Southern California, and ends with policy considerations for updating EVMWD's Annexation Fee moving forward.

### Background on Annexation Fees

Annexation is an administrative process through which a landowner outside a water agency's boundary requests to join the water agency's service area. Landowners apply for annexation through the water agency of interest, and the application requires Local Agency Formation Commission (LAFCO) approval. LAFCO's are state-mandated institutions, operating at the county level, that regulate boundaries of local agencies (i.e., cities and special districts). Annexation applications must go through LAFCO proceedings to formally annex into the boundaries of a local agency.

The purpose of Annexation Fees is to recover taxes that would've been paid by the annexing parcel(s) if it was originally within the boundaries of the agency. Only agencies that receive a share of the 1% general ad valorem tax are candidates for imposing an Annexation Fee to recover previously levied taxes. Therefore, Annexation Fees are a "Back Tax" paid by annexing parcel(s) to account for estimated accrued tax revenue since the agency's inception or a set number of years. Imposing an Annexation Fee provides a means to recover an estimated amount of ad valorem taxes from the annexing parcel(s) that undeveloped parcels within the agency's service area have historically paid. With the levy of an Annexation Fee, an annexed parcel becomes on par with similar undeveloped properties already inside the agency's service area.

EVMWD Annexation Fees are currently made up of two components. The first component captures Back Taxes to ensure the parcel(s) is on par with undeveloped properties within the EVMWD service area. The second component captures "Future Taxes" that will not be collected by EVMWD in subsequent years as the County of Riverside retains the property taxes as part of the LAFCO proceedings.

### **Current Approach with Back Tax Component**

The Assessed Value (AV) of undeveloped parcels is used to determine the amount of EVMWD property taxes for the current fiscal year. Back Taxes for previous years extend back to 1978 when Proposition 13 took effect. Historical AVs are estimated by taking the current AV and discounting it by 2% for each previous year. The 2% adjustment is in-line with Proposition 13's maximum annual change to a property's AV. The Back Taxes of each year are then brought forward into today's dollars by using a 5% rate of return. A comprehensive update was completed in 1998 and the back tax has been increased each year by 2.94% ( $1.05/1.02 = 1.0294$ ), but has not been increased since 2016.

### **Current Approach with Future Tax Component**

The second component of EVMWD's Annexation Fee captures Future Taxes. In the future, EVMWD will not receive ad valorem taxes as the County of Riverside will retain all the property taxes after the LAFCO proceedings. Therefore, the proposed annexing parcel(s) will not contribute to future tax revenue, causing inequity in future years between newly annexed parcel(s) and existing parcels. The Future Tax component is intended to eliminate this ongoing tax inequity. The Future Tax uses the average AV per acre within the EVMWD service area and applies a 2% inflator with a discount factor of 5%. As an example, if the average AV per acre within EVMWD is \$1,000 per Acre, the future tax per acre would equal \$50,000 per Acre:

$$\text{Future Tax} = \$1,000 / (0.05 - 0.03) = \$50,000$$

As part of reviewing EVMWD's current Annexation Fee, we also reviewed Annexation Fees of other agencies, including Rancho California Water District, Eastern Municipal Water District, Western Municipal Water District, Calleguas Municipal Water District, and Santa Clarita Valley Water District. Through our research, none of these agencies include a future tax as part of their Annexation Fee.

### **Rancho California Water District Temecula, CA**

Rancho California Water District (RCWD) has Annexation Fees for two separate divisions: Rancho Division and Santa Rosa Division. The FY 2019-20 Annexation Fee is \$5,639 per Acre for the Rancho Division and \$4,054 per Acre for the Santa Rosa Division.

As a first step, RCWD calculates the AV per acre of undeveloped properties within the service area of each division from FY 1978-79 to present. The average ad valorem tax rate within the Rancho Division is .03%, and the average ad valorem tax rate within the Santa Rosa Division is .05%. The Back Tax applies the effective tax rate to the historical AV for each and uses the 25-year Local Agency Investment Fund (LAIF) average rate of return to determine the Present Value (PV) of Back Taxes. LAIF provides an index for the rate of return on invested funds. The sum of all past taxes, including the return on investment, determines the PV of the Back Tax per acre, which is then discounted to account for asset depreciation over the years.

**Table 1** summarizes how the annual Back Tax is calculated for RCWD's Rancho Division.

RCWD does not charge a Future Tax even though RCWD does not receive future property tax revenue from annexed territory.

**Table 1: Calculation of RCWD Rancho Division Back Tax – Rancho Division**

FISCAL YEAR	TAX RATE	TAX REVENUE	AV PER ACRE	SB CHARGE-ACRE	TOTAL PER ACRE	PV Per Acre (LAIF)	
						3.82%	With Depreciation
1978/1979	0.31%	\$ 86,721.09	\$ 1.74	\$ 11.00	\$ 12.74	\$ 56.97	\$ (1.46)
1979/1980	0.31%	\$ 101,667.98	\$ 2.04	\$ 11.00	\$ 13.04	\$ 56.17	\$ -
1980/1981	0.31%	\$ 121,581.59	\$ 2.44	\$ 11.00	\$ 13.44	\$ 55.76	\$ 1.43
1981/1982	0.31%	\$ 598,303.12	\$ 11.99	\$ 11.00	\$ 22.99	\$ 91.90	\$ 4.71
1982/1983	0.35%	\$ 785,045.53	\$ 15.73	\$ 11.00	\$ 26.73	\$ 102.93	\$ 7.92
1983/1984	0.40%	\$ 943,694.98	\$ 18.91	\$ 11.00	\$ 29.91	\$ 110.94	\$ 11.38
1984/1985	0.45%	\$ 1,125,504.13	\$ 22.56	\$ 11.00	\$ 33.56	\$ 119.88	\$ 15.37
1985/1986	0.50%	\$ 1,456,454.76	\$ 29.19	\$ 11.00	\$ 40.19	\$ 138.29	\$ 21.28
1986/1987	0.50%	\$ 1,804,836.98	\$ 36.17	\$ 11.00	\$ 47.17	\$ 156.35	\$ 28.06
1987/1988	0.50%	\$ 3,228,241.98	\$ 64.69	\$ 11.00	\$ 75.69	\$ 241.68	\$ 49.58
1988/1989	0.41%	\$ 3,252,421.88	\$ 65.18	\$ 11.00	\$ 76.18	\$ 234.29	\$ 54.07
1989/1990	0.36%	\$ 3,158,870.77	\$ 63.30		\$ 63.30	\$ 187.54	\$ 48.09
1990/1991	0.36%	\$ 4,233,684.00	\$ 84.84		\$ 84.84	\$ 242.11	\$ 68.29
1991/1992	0.36%	\$ 4,966,093.56	\$ 99.52		\$ 99.52	\$ 273.55	\$ 84.17
1992/1993	0.36%	\$ 5,194,316.72	\$ 104.09		\$ 104.09	\$ 275.61	\$ 91.87
1993/1994	0.36%	\$ 5,239,241.90	\$ 104.99		\$ 104.99	\$ 267.77	\$ 96.12
1994/1995	0.34%	\$ 4,766,752.02	\$ 95.53		\$ 95.53	\$ 234.67	\$ 90.26
1995/1996	0.34%	\$ 4,683,760.25	\$ 93.86		\$ 93.86	\$ 222.11	\$ 91.12
1996/1997	0.34%	\$ 4,555,770.48	\$ 91.30		\$ 91.30	\$ 208.10	\$ 90.71
1997/1998	0.30%	\$ 3,985,839.98	\$ 79.88		\$ 79.88	\$ 175.37	\$ 80.94
1998/1999	0.30%	\$ 4,109,063.38	\$ 82.35		\$ 82.35	\$ 174.15	\$ 84.84
1999/2000	0.30%	\$ 4,484,148.21	\$ 89.86		\$ 89.86	\$ 183.06	\$ 93.88
2000/2001	0.30%	\$ 5,219,907.99	\$ 104.61		\$ 104.61	\$ 205.26	\$ 110.53
2001/2002	0.30%	\$ 5,724,274.90	\$ 114.71		\$ 114.71	\$ 216.82	\$ 122.31
2002/2003	0.30%	\$ 6,523,160.30	\$ 130.72		\$ 130.72	\$ 238.00	\$ 140.36
2003/2004	0.30%	\$ 7,448,086.43	\$ 149.26		\$ 149.26	\$ 261.76	\$ 161.08
2004/2005	0.30%	\$ 8,650,411.37	\$ 173.35		\$ 173.35	\$ 292.84	\$ 187.72
2005/2006	0.30%	\$ 10,752,512.84	\$ 215.48		\$ 215.48	\$ 350.62	\$ 233.75
2006/2007	0.30%	\$ 12,512,694.63	\$ 250.76		\$ 250.76	\$ 393.02	\$ 272.09
2007/2008	0.30%	\$ 14,153,221.20	\$ 283.63		\$ 283.63	\$ 428.21	\$ 307.43
2008/2009	0.30%	\$ 14,469,376.01	\$ 289.97		\$ 289.97	\$ 421.68	\$ 313.56
2009/2010	0.30%	\$ 12,091,553.53	\$ 242.32		\$ 242.32	\$ 339.43	\$ 261.10
2010/2011	0.30%	\$ 11,692,962.47	\$ 234.33		\$ 234.33	\$ 316.18	\$ 251.32
2011/2012	0.30%	\$ 11,570,948.31	\$ 231.88		\$ 231.88	\$ 301.38	\$ 247.29
2012/2013	0.30%	\$ 11,477,487.84	\$ 230.01		\$ 230.01	\$ 287.96	\$ 243.66
2013/2014	0.30%	\$ 11,936,797.16	\$ 239.21		\$ 239.21	\$ 288.47	\$ 251.49
2014/2015	0.30%	\$ 12,701,286.77	\$ 254.53		\$ 254.53	\$ 295.67	\$ 265.34
2015/2016	0.30%	\$ 13,281,915.68	\$ 266.17		\$ 266.17	\$ 297.82	\$ 274.91
2016/2017	0.30%	\$ 13,801,833.41	\$ 276.59		\$ 276.59	\$ 298.10	\$ 282.81
2017/2018	0.30%	\$ 14,526,172.44	\$ 291.11		\$ 291.11	\$ 302.21	\$ 294.46
2018/2019	0.30%	\$ 15,245,693.82	\$ 305.52		\$ 305.52	\$ 305.52	\$ 305.52
<b>FEE PER ACRE</b>					<b>\$ 4,792.11</b>	<b>\$ 8,744.32</b>	<b>\$ 5,639</b>

**Eastern Municipal Water District  
Perris, CA**

Eastern Municipal Water District (EMWD) passes through the Annexation Fee from Metropolitan MWD and has two separate EMWD fees for annexations. The 2020 charge for MWD Annexation Fee is \$6,151 per Acre. EMWD charges two miscellaneous fees to recover staff time and cost incurred through the LAFCO annexation proceedings and Improvement District Annexation. The miscellaneous fees equal a flat fee of \$4,000 for LAFCO annexation and \$200 per Acre for the Improvement District. In addition to these fees, annexations are also subject to an ongoing standby charge up to \$30 per Acre depending on zone of benefit.

**Western Municipal Water District  
Riverside, CA**

Western Municipal Water District (WMWD) passes through the Annexation Fee from Metropolitan MWD. WMWD does not charge an annexation fee related to their Back Taxes but includes processing fees within its development fee schedule to recover staff time for the LAFCO proceedings. Fees are on a time and material basis and the initial required deposit is \$5,000.



**Calleguas Municipal Water District  
Thousand Oaks, CA**

Calleguas Municipal Water District (CMWD) was established in 1953. The current CMWD annexation fee is \$3,105 per Acre. The annexation fee is calculated based on the annual AV per acre of all parcels within the service area going back to 1953. The AVs are summed and divided by the total acreage within the service area. Given this extended time period and the approval of Proposition 13, which caps AVs increases to no more than 2%, CMWD’s Back Tax calculation has two distinct components: 1) Pre-1978 and 2) Post-1978. From the years, 1953-77, the AV is equivalent to the market value, and a housing price index was used to estimate AV.<sup>1</sup> From 1978 onward, a constant 2% annual increase is used to determine each year’s AVs. CMWD average effective tax rate is 0.95%.

The next step in determining the annexation fee is calculating the net present value of the annual payments. The present value uses a return on investments of 3.946% determined by taking the 25-Yr average rate of return of the LAIF. As a final step, the net present value of each year’s share of the property tax (Column F) is summed from 1953 to the present.

CMWD does not charge a Future Tax; however, CMWD receives ad valorem property tax from the annexed territory in subsequent years after annexation.

**Table 2** summarizes Back Tax for CMWD.

---

<sup>1</sup> Lincoln Institute of Land Policy’s “Decennial Census of Housing-Based Price Index: For Residential Land” was used to calculate AV from 1953-77.

**Table 2: Calculation of CMWD Annual Property Tax Revenue**

Year	% Change in			
	AV	Land Value	Property Tax	Present Value
1953	18%	\$24,463.92	\$2.33	\$25.66
1954	6%	\$25,886.40	\$2.46	\$26.12
1955	-5%	\$24,475.81	\$2.33	\$23.76
1956	6%	\$25,823.59	\$2.46	\$24.12
1957	16%	\$30,050.26	\$2.86	\$27.00
1958	12%	\$33,597.01	\$3.20	\$29.04
1959	10%	\$36,923.75	\$3.51	\$30.70
1960	5%	\$38,782.34	\$3.69	\$31.02
1961	1%	\$39,350.72	\$3.75	\$30.28
1962	2%	\$40,172.63	\$3.82	\$29.74
1963	6%	\$42,718.35	\$4.07	\$30.42
1964	1%	\$43,000.33	\$4.09	\$29.46
1965	-9%	\$39,140.68	\$3.73	\$25.80
1966	-5%	\$37,360.86	\$3.56	\$23.69
1967	0%	\$37,278.36	\$3.55	\$22.74
1968	8%	\$40,220.76	\$3.83	\$23.61
1969	16%	\$46,685.36	\$4.44	\$26.36
1970	26%	\$58,877.31	\$5.60	\$31.98
1971	19%	\$70,162.49	\$6.68	\$36.66
1972	7%	\$75,372.08	\$7.17	\$37.89
1973	8%	\$81,650.41	\$7.77	\$39.49
1974	21%	\$98,850.24	\$9.41	\$45.99
1975	29%	\$127,180.65	\$12.10	\$56.93
1976	22%	\$154,997.66	\$14.75	\$66.74
1977	13%	\$175,903.01	\$16.74	\$72.87
<b>1978</b>	<b>2%</b>	<b>\$179,421.07</b>	<b>\$17.08</b>	<b>\$71.51</b>
1979	2%	\$183,009.49	\$17.42	\$70.17
1980	2%	\$186,669.68	\$17.77	\$68.85
1981	2%	\$190,403.08	\$18.12	\$67.56
1982	2%	\$194,211.14	\$18.48	\$66.30
1983	2%	\$198,095.36	\$18.85	\$65.06
1984	2%	\$202,057.27	\$19.23	\$63.84
1985	2%	\$206,098.41	\$19.61	\$62.64
1986	2%	\$210,220.38	\$20.01	\$61.47
1987	2%	\$214,424.79	\$20.41	\$60.32
1988	2%	\$218,713.29	\$20.82	\$59.19
1989	2%	\$223,087.55	\$21.23	\$58.08
1990	2%	\$227,549.30	\$21.66	\$56.99
1991	2%	\$232,100.29	\$22.09	\$55.93
1992	2%	\$236,742.29	\$22.53	\$54.88
1993	2%	\$241,477.14	\$22.98	\$53.85
1994	2%	\$246,306.68	\$23.44	\$52.84
1995	2%	\$251,232.82	\$23.91	\$51.85
1996	2%	\$256,257.47	\$24.39	\$50.88
1997	2%	\$261,382.62	\$24.88	\$49.93
1998	2%	\$266,610.28	\$25.37	\$48.99
1999	2%	\$271,942.48	\$25.88	\$48.08
2000	2%	\$277,381.33	\$26.40	\$47.18
2001	2%	\$282,928.96	\$26.93	\$46.29
2002	2%	\$288,587.54	\$27.47	\$45.43
2003	2%	\$294,359.29	\$28.01	\$44.58
2004	2%	\$300,246.47	\$28.57	\$43.74
2005	2%	\$306,251.40	\$29.15	\$42.92
2006	2%	\$312,376.43	\$29.73	\$42.12
2007	2%	\$318,623.96	\$30.32	\$41.33
2008	2%	\$324,996.44	\$30.93	\$40.56
2009	2%	\$331,496.37	\$31.55	\$39.80
2010	2%	\$338,126.29	\$32.18	\$39.05
2011	2%	\$344,888.82	\$32.82	\$38.32
2012	2%	\$351,786.60	\$33.48	\$37.60
2013	2%	\$358,822.33	\$34.15	\$36.90
2014	2%	\$365,998.78	\$34.83	\$36.21

Estimated Annexation Fee per Acre of Land	\$2,769.30
---	------------

## Santa Clarita Valley Water Agency

### Santa Clarita, CA

Santa Clarita Valley Water Agency (SCVWD) was previously known as Castaic Lake Water Agency and was established in 1963. SCVWD calculates annexation fees based on the actual AV of the parcel to be annexed, rather than the AV of the parcels already in the service area. Using this approach provides a more accurate calculation of ad valorem tax revenue of the proposed annexed territory. If historical AVs are not available for specific years dating back to the agency inception of 1963, a 2% adjustment is used through 1978, and an average of all years before 1978. SCVWD's average ad valorem tax rate is .05% and has a State Water Project Tax at a rate of .07%. These rates are applied to the annual total AVs from 1963 to date. The present value uses a return on investments by taking the 25-Yr average rate of return of LAIF. As a final step, the net present value of each year's share of the property tax is summed from 1963 to the present, similar to the previous example from CMWD.

SCVWD previously included a future tax component for any shortfall in its share of property taxes resulting from the LAFCO proceedings. Historically, SCVWD has experienced a slight reduction in its ad valorem tax share due to exemptions of school districts' tax share. This exemption ensures a school district's property tax share does not change as a result of annexation, and the shortfall is passed on to all other agencies that receive a portion of property taxes. In 2014, SCVWD decided to eliminate this component of the Annexation Fee calculation to avoid overburdening the current property owners for all future property taxes. Removing this component also stopped SCVWD from having to estimate future market values. **Table 3** summarizes an example of SCVWD Back Tax charge.

**Table 3: Calculation of CMWD Annual Property Tax Revenue**

Fiscal Year	Increase In AV %	Actual Property Assessed Value	Esitamed Property Assessed Values FY 63-64 thru FY 91-92	SWP Tax Rate	Calculated Tax Amount	Total PV of SWP Tax 3.64%	CLWA % of 1% General Tax 5.22%	CLWA PV of 1% Tax 3.64%
FY 63-64	0.49%		\$198,462	6.29%	\$125	\$921	\$104	\$765
FY 64-65	0.49%		\$199,429	6.29%	\$125	\$893	\$104	\$741
FY 65-66	0.49%		\$200,400	6.29%	\$126	\$866	\$105	\$719
FY 66-67	0.49%		\$201,376	6.29%	\$127	\$840	\$105	\$697
FY 67-68	0.49%		\$202,357	6.29%	\$127	\$814	\$106	\$676
FY 68-69	0.49%		\$203,343	6.29%	\$128	\$790	\$106	\$655
FY 69-70	0.49%		\$204,334	5.00%	\$102	\$609	\$107	\$636
FY 70-71	0.49%		\$205,329	5.80%	\$119	\$685	\$107	\$616
FY 71-72	0.49%		\$206,329	5.80%	\$120	\$664	\$108	\$597
FY 72-73	0.49%		\$207,334	6.50%	\$135	\$722	\$108	\$579
FY 73-74	0.49%		\$208,344	6.50%	\$135	\$700	\$109	\$562
FY 74-75	0.49%		\$209,359	6.50%	\$136	\$679	\$109	\$545
FY 75-76	0.49%		\$210,379	6.50%	\$137	\$658	\$110	\$528
FY 76-77	0.49%		\$211,404	7.20%	\$152	\$707	\$110	\$512
FY 77-78	0.49%		\$212,433	9.80%	\$208	\$933	\$111	\$497
FY 78-79	0.49%		\$213,468	7.60%	\$162	\$701	\$111	\$481
FY 79-80	0.49%		\$214,508	6.60%	\$142	\$591	\$112	\$467
FY 80-81	0.49%		\$215,553	9.00%	\$194	\$781	\$112	\$453
FY 81-82	2.00%		\$219,864	8.56%	\$188	\$731	\$115	\$446
FY 82-83	2.00%		\$224,261	4.13%	\$93	\$347	\$117	\$438
FY 83-84	2.00%		\$228,746	4.13%	\$94	\$342	\$119	\$432
FY 84-85	2.00%		\$233,321	4.13%	\$96	\$336	\$122	\$425
FY 85-86	2.00%		\$237,988	9.57%	\$228	\$767	\$124	\$418
FY 86-87	2.00%		\$242,748	7.01%	\$170	\$553	\$127	\$411
FY 87-88	2.00%		\$247,602	7.56%	\$187	\$587	\$129	\$405
FY 88-89	2.00%		\$252,555	8.02%	\$203	\$613	\$132	\$399
FY 89-90	2.00%		\$257,606	6.10%	\$157	\$459	\$134	\$392
FY 90-91	2.00%		\$262,758	5.32%	\$140	\$394	\$137	\$386
FY 91-92	2.00%		\$268,013	4.64%	\$124	\$338	\$140	\$380
FY 92-93	2.00%	\$ 273,373	\$273,373	2.61%	\$71	\$187	\$143	\$374
FY 93-94	2.00%	\$ 278,839	\$278,839	5.46%	\$152	\$385	\$145	\$368
FY 94-95	2.00%	\$ 284,415	\$284,415	5.35%	\$152	\$372	\$148	\$362
FY 95-96	2.00%	\$ 290,103	\$290,103	5.23%	\$152	\$357	\$151	\$357
FY 96-97	2.00%	\$ 295,906	\$295,906	5.06%	\$150	\$341	\$154	\$351
FY 97-98	2.00%	\$ 301,824	\$301,824	5.00%	\$151	\$331	\$157	\$345
FY 98-99	281.15%	\$ 1,150,410	\$1,150,410	5.14%	\$591	\$1,250	\$600	\$1,270
FY 99-00	0.03%	\$ 1,150,809	\$1,150,809	5.47%	\$629	\$1,285	\$600	\$1,226
FY 00-01	2.00%	\$ 1,173,823	\$1,173,823	5.46%	\$641	\$1,263	\$612	\$1,207
FY 01-02	2.00%	\$ 1,197,296	\$1,197,296	12.03%	\$1,441	\$2,740	\$625	\$1,188
FY 02-03	2.00%	\$ 1,221,239	\$1,221,239	10.62%	\$1,297	\$2,380	\$637	\$1,169
FY 03-04	2.00%	\$ 1,245,660	\$1,245,660	6.60%	\$822	\$1,456	\$650	\$1,151
FY 04-05	2.00%	\$ 1,270,573	\$1,270,573	5.62%	\$714	\$1,219	\$663	\$1,133
FY 05-06	-40.95%	\$ 750,214	\$750,214	4.93%	\$370	\$610	\$391	\$645
FY 06-07	2.00%	\$ 765,211	\$765,211	4.00%	\$306	\$487	\$399	\$635
FY 07-08	2.00%	\$ 780,507	\$780,507	4.00%	\$312	\$479	\$407	\$625
FY 08-09	2.00%	\$ 796,111	\$796,111	4.00%	\$318	\$472	\$415	\$615
FY 09-10	2.00%	\$ 812,028	\$812,028	6.08%	\$493	\$705	\$424	\$605
FY 10-11	-0.24%	\$ 810,096	\$810,096	7.06%	\$572	\$789	\$423	\$583
FY 11-12	0.75%	\$ 816,190	\$816,190	7.06%	\$576	\$767	\$426	\$567
FY 12-13	2.00%	\$ 832,508	\$832,508	7.06%	\$588	\$755	\$434	\$558
FY 13-14	2.00%	\$ 849,152	\$849,152	7.06%	\$600	\$743	\$443	\$549
FY 14-15	2.00%	\$ 866,135	\$866,135	7.06%	\$611	\$731	\$452	\$540
FY 15-16	1135.78%	\$ 10,703,509	\$10,703,509	7.06%	\$7,557	\$8,717	\$5,585	\$6,442
FY 16-17	1.35%	\$ 10,847,648	\$10,847,648	7.06%	\$7,658	\$8,524	\$5,660	\$6,300
FY 17-18	1.33%	\$ 10,991,786	\$10,991,786	7.06%	\$7,760	\$8,335	\$5,735	\$6,160
FY 18-19	1.31%	\$ 11,135,925	\$11,135,925	7.06%	\$7,862	\$8,148	\$5,810	\$6,021
FY 19-20	2.00%	\$ 11,358,639	\$11,358,639	7.06%	\$8,019	\$8,019	\$5,926	\$5,926
						<b>\$80,866</b>		<b>\$62,531</b>
						Total Back Tax (SWP and CLWA)		<b>\$143,397</b>
						Total Usable Acres		234.74
						Back Tax per Acre		<b>\$610.87</b>

## Conclusion and Recommendations

Annexation Fees provide a means to recover an estimated amount of historical ad valorem taxes from the annexing parcel(s) to achieve equity with parcels already within the agency's service area that have historically paid taxes. The ad valorem tax revenue pays for investments within the water district that have benefited all users since the agency's inception. The examples presented herein illustrate that, while the general process is similar, each agency has a unique method of calculating annexation fees, driven by internal policies. One of the main differences across agencies is how to estimate AVs. Some agencies have used the value of all property within the service area, others have used the value of only undeveloped properties within the service area, and another has used the actual value of the annexing parcel(s). This last option may result in a more accurate calculation of the fees the landowner would have paid if the property were in the water agency's service area since inception, but historical AVs for specific parcel(s) is challenging to track, especially when reviewing decades of data where parcels have subdivided and changed parcel numbers numerous times.

For EVMWD, there are a few policy considerations identified:

- For return on investment, using LAIF's historical return over the last 25 years is commonly used instead of a fixed 5% that doesn't change.
- For the Back Tax, using the current AVs of all undeveloped parcels divided by the corresponding undeveloped acreage derives an AV per undeveloped acre that is easy to calculate and update annually.
- The Back Tax should look back to the District's inception date of 1950.
- The Future Tax recognizes that EVMWD does not receive an ad valorem tax share in future years after annexation. Tax share allocations are part of the LAFCO proceedings; however, future ad valorem tax revenue is not available from annexing territory to EVMWD because none of the existing County services will be transferred over to EVMWD for the annexed territory.
- EVMWD future tax component accounts for not receiving any future ad valorem tax revenue from annexing territory. The calculation should either start with the tax revenue derived for FY 2019 from the Back Tax calculation or use EVMWD's total AV per acre for estimating future tax revenues. The total AV per acre reflects all parcel types as well as stages of development that impacts AVs. Using total AV per acre recognizes that the annexing parcel(s) will develop and increase in total AV over time.

Based on these considerations, the Annexation Fee for EVMWD may either include only a Back Tax or both a Back Tax and Future Tax. If any adjustments are made based on policy, the Annexation Fee will be updated to reflect the changes. For illustrative purposes, **Table 4** provides a summary of the present worth of previously paid taxes by using undeveloped AV based on the 2% constraint of Proposition 13 and applying the EVMWD tax rate for each respective fiscal year. The result is then brought forward to present worth using LAIF's 25-year average rate of return of 3.4672%. Total tax revenue of all previous years is then summed to determine the Back Tax rate of **\$2,633** per Acre.

**Table 4: FY 2019-20 Back Tax Calculation**

Fiscal Year	Increase in AV (Prop. 13 Limit)	Undeveloped Assessed Value	EVMWD Tax Rate	Tax Revenue	Tax Revenue Per Acre	EVMWD PW of Tax Revenue <u>3.47%</u>
FY1950	2%	\$ 221,074,818	0.06%	\$ 136,806.88	\$ 5.45	\$57.21
FY1951	2%	\$ 225,496,314	0.06%	\$ 139,543.02	\$ 5.55	\$56.39
FY1952	2%	\$ 230,006,240	0.06%	\$ 142,333.88	\$ 5.67	\$55.59
FY1953	2%	\$ 234,606,365	0.06%	\$ 145,180.56	\$ 5.78	\$54.81
FY1954	2%	\$ 239,298,493	0.06%	\$ 148,084.17	\$ 5.89	\$54.03
FY1955	2%	\$ 244,084,462	0.06%	\$ 151,045.85	\$ 6.01	\$53.26
FY1956	2%	\$ 248,966,152	0.06%	\$ 154,066.77	\$ 6.13	\$52.51
FY1957	2%	\$ 253,945,475	0.06%	\$ 157,148.11	\$ 6.26	\$51.76
FY1958	2%	\$ 259,024,384	0.06%	\$ 160,291.07	\$ 6.38	\$51.03
FY1959	2%	\$ 264,204,872	0.06%	\$ 163,496.89	\$ 6.51	\$50.31
FY1960	2%	\$ 269,488,969	0.06%	\$ 166,766.83	\$ 6.64	\$49.59
FY1961	2%	\$ 274,878,749	0.06%	\$ 170,102.16	\$ 6.77	\$48.89
FY1962	2%	\$ 280,376,324	0.06%	\$ 173,504.21	\$ 6.91	\$48.20
FY1963	2%	\$ 285,983,850	0.06%	\$ 176,974.29	\$ 7.04	\$47.51
FY1964	2%	\$ 291,703,527	0.06%	\$ 180,513.78	\$ 7.19	\$46.84
FY1965	2%	\$ 297,537,598	0.06%	\$ 184,124.05	\$ 7.33	\$46.17
FY1966	2%	\$ 303,488,350	0.06%	\$ 187,806.53	\$ 7.48	\$45.52
FY1967	2%	\$ 309,558,117	0.06%	\$ 191,562.66	\$ 7.63	\$44.87
FY1968	2%	\$ 315,749,279	0.06%	\$ 195,393.92	\$ 7.78	\$44.24
FY1969	2%	\$ 322,064,265	0.06%	\$ 199,301.80	\$ 7.93	\$43.61
FY1970	2%	\$ 328,505,550	0.06%	\$ 203,287.83	\$ 8.09	\$42.99
FY1971	2%	\$ 335,075,661	0.06%	\$ 207,353.59	\$ 8.25	\$42.38
FY1972	2%	\$ 341,777,174	0.06%	\$ 211,500.66	\$ 8.42	\$41.78
FY1973	2%	\$ 348,612,718	0.06%	\$ 215,730.67	\$ 8.59	\$41.19
FY1974	2%	\$ 355,584,972	0.06%	\$ 220,045.29	\$ 8.76	\$40.60
FY1975	2%	\$ 362,696,671	0.06%	\$ 224,446.19	\$ 8.93	\$40.03
FY1976	2%	\$ 369,950,605	0.06%	\$ 228,935.12	\$ 9.11	\$39.46
FY1977	2%	\$ 377,349,617	0.06%	\$ 233,513.82	\$ 9.30	\$38.90
FY1978	2%	\$ 384,896,609	0.06%	\$ 238,184.10	\$ 9.48	\$38.35
FY1979	2%	\$ 392,594,541	0.06%	\$ 242,947.78	\$ 9.67	\$37.81
FY1980	2%	\$ 400,446,432	0.06%	\$ 247,806.73	\$ 9.86	\$37.27
FY1981	2%	\$ 408,455,361	0.30%	\$ 1,217,242.88	\$ 48.45	\$176.94
FY1982	2%	\$ 416,624,468	0.08%	\$ 329,741.11	\$ 13.13	\$46.33
FY1983	2%	\$ 424,956,957	0.07%	\$ 293,696.33	\$ 11.69	\$39.88
FY1984	2%	\$ 433,456,097	0.09%	\$ 411,058.99	\$ 16.36	\$53.94
FY1985	2%	\$ 442,125,218	0.11%	\$ 471,340.84	\$ 18.76	\$59.78
FY1986	2%	\$ 450,967,723	0.11%	\$ 516,071.67	\$ 20.54	\$63.26
FY1987	2%	\$ 459,987,077	0.10%	\$ 468,105.77	\$ 18.63	\$55.46
FY1988	2%	\$ 469,186,819	0.10%	\$ 451,487.03	\$ 17.97	\$51.70
FY1989	2%	\$ 478,570,555	0.08%	\$ 365,699.35	\$ 14.56	\$40.47
FY1990	2%	\$ 488,141,966	0.09%	\$ 417,522.69	\$ 16.62	\$44.66
FY1991	2%	\$ 497,904,806	0.08%	\$ 391,282.89	\$ 15.58	\$40.45
FY1992	2%	\$ 507,862,902	0.06%	\$ 293,939.27	\$ 11.70	\$29.37
FY1993	2%	\$ 518,020,160	0.06%	\$ 307,763.77	\$ 12.25	\$29.72
FY1994	2%	\$ 528,380,563	0.05%	\$ 256,936.47	\$ 10.23	\$23.98
FY1995	2%	\$ 538,948,174	0.05%	\$ 265,718.79	\$ 10.58	\$23.97
FY1996	2%	\$ 549,727,138	0.05%	\$ 268,689.22	\$ 10.70	\$23.42
FY1997	2%	\$ 560,721,680	0.05%	\$ 273,103.93	\$ 10.87	\$23.01
FY1998	2%	\$ 571,936,114	0.05%	\$ 278,188.16	\$ 11.07	\$22.65
FY1999	2%	\$ 583,374,836	0.05%	\$ 309,443.70	\$ 12.32	\$24.35
FY2000	2%	\$ 595,042,333	0.05%	\$ 307,759.74	\$ 12.25	\$23.41
FY2001	2%	\$ 606,943,180	0.05%	\$ 311,315.98	\$ 12.39	\$22.89
FY2002	2%	\$ 619,082,043	0.05%	\$ 303,315.34	\$ 12.07	\$21.55
FY2003	2%	\$ 631,463,684	0.05%	\$ 296,957.30	\$ 11.82	\$20.39
FY2004	2%	\$ 644,092,958	0.05%	\$ 290,108.77	\$ 11.55	\$19.26
FY2005	2%	\$ 656,974,817	0.01%	\$ 57,028.53	\$ 2.27	\$3.66
FY2006	2%	\$ 670,114,313	0.01%	\$ 78,815.94	\$ 3.14	\$4.89
FY2007	2%	\$ 683,516,600	0.04%	\$ 257,345.04	\$ 10.24	\$15.42
FY2008	2%	\$ 697,186,932	0.04%	\$ 251,850.70	\$ 10.03	\$14.59
FY2009	2%	\$ 711,130,670	0.04%	\$ 271,383.09	\$ 10.80	\$15.19
FY2010	2%	\$ 725,353,284	0.04%	\$ 286,907.84	\$ 11.42	\$15.52
FY2011	2%	\$ 739,860,349	0.04%	\$ 309,147.18	\$ 12.31	\$16.16
FY2012	2%	\$ 754,657,556	0.04%	\$ 303,281.95	\$ 12.07	\$15.33
FY2013	2%	\$ 769,750,708	0.04%	\$ 337,241.02	\$ 13.42	\$16.47
FY2014	2%	\$ 785,145,722	0.04%	\$ 341,647.62	\$ 13.60	\$16.13
FY2015	2%	\$ 800,848,636	0.04%	\$ 356,545.97	\$ 14.19	\$16.27
FY2016	2%	\$ 816,865,609	0.04%	\$ 361,056.57	\$ 14.37	\$15.92
FY2017	2%	\$ 833,202,921	0.04%	\$ 359,975.74	\$ 14.33	\$15.34
FY2018	2%	\$ 849,866,979	0.04%	\$ 329,103.78	\$ 13.10	\$13.55
FY2019	Actual	\$ 866,864,319	0.04%	\$ 366,751.52	\$ 14.60	\$14.60

**\$ 561.00** **\$2,633** Per Acre

The Future Tax is a Net Present Value (NPV) calculation with a growth rate of 2% and a discount factor equal to LAIF. The future value would either reflect the calculated tax revenue per acre of undeveloped land equal to \$14.60 per Acre or tax revenue based on total AV, equal to \$146.48 per Acre. The calculation below uses \$14.60 to illustrate the result of **\$995.01** per Acre.

$$NPV = \frac{FV}{(i-g)}$$

**FV:** Future Value (\$14.60)  
**i:** Discount Rate (3.4672%)  
**g:** Growth Rate (2%)

**Table 5: Current Annexation Fee Summary**

Agency	Annexation Fee (\$)	Misc Fees (\$)	Standby Charge
EVMWD	\$3,415 / Acre	\$750	
RCWD	\$5,639 / Acre		
EMWD	\$6,151 / Acre	\$4,000 + \$200/Acre	\$30 per Acre <sup>2</sup>
WMMD	\$6,151 / Acre	\$5,000	
CMWD	\$3,105 / Acre	-	
SCVWD	\$611 / Acre	-	

**Table 6: EVMWD Annexation Fee/Acre (Current versus Proposed)**

Annexation Fee	Amount / Acre
Current	\$3,415
Proposed	\$3,628

<sup>2</sup> Varies by Zone of Benefit with no zone exceeding \$30 per Acre



**Elsinore Valley Municipal Water District**

*Our Mission...*

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

---

DATE: November 24, 2020

TO: Board of Directors

FROM: General Manager

**SUBJECT: PUBLIC HEARING FOR THE PROPOSED FORMATION OF HORSETHIEF COMMUNITY FACILITIES DISTRICT (CFD) 2020-1 AND AUTHORIZATION OF A BONDED INDEBTEDNESS FOR THE CFD**

**STRATEGIC GOAL**

Infrastructure

**RECOMMENDATION**

The General Manager and staff recommend that the Board of Directors:

1. Continue the Public Hearings on the Resolution of Intention to Establish Community Facilities District No. 2020-1 (Horsethief) and the Resolution Declaring Necessity for Community Facilities District No. 2020-1 (Horsethief) to Incur Bonded indebtedness to January 14, 2021 in order to confirm with the Registrar of Voters that there are no registered voters in CFD No. 2020-1 (Horsethief).

**BACKGROUND**

Since 2016, Elsinore Valley Municipal Water District (“EVMWD”) has been working with four landowners with future developments within the Horsethief Canyon area of the EVMWD service area to provide water and sewer service for 1,174 new residential units. In April 2020, the Board approved a development agreement allowing for the expansion of Horsethief Water Reclamation Facility (“WRF”), which will be fully funded by the developers.

The landowners requested the formation of a CFD to fund their cost of expanding the Horsethief WRF. The proposed CFD would be formed with 7 improvement areas, with a total authorizing bonding amount of approximately \$42 million. The CFD is structured with an Improvement Area “A” for all of the developments and “B” for 3 of the 4 developers. Improvement Area “A” bonds will be based on the amount anticipated to



finance each developer's proportionate share of Horsethief WRF expansion, estimated to be \$20 million. These bonds are anticipated to be issued in the first half of 2021. Improvement Area "B" bonds will be utilized for additional public facilities of either EVMWD, the School District, the County of Riverside or the County Flood Control District and issued based on the timing of each development. The total estimated amount of the "B" series bonds is \$17 million for the three developments. The purpose of dividing the CFD into several improvement areas is to provide flexibility in the future and to mitigate risk. Should several developments go forward and one development lag behind, then the slower developing parcel does not impact the credit or the special taxes of the other developments.

The developers have also agreed to enter into funding and acquisition agreements, which set forth how the WRF will be financed with bond proceeds of the CFD and the levy of special taxes within the CFD and improvement area "A" therein, as well as the provision of additional security for the payment of special taxes.

On September 30, 2020, this item was brought to the Study Session for discussion. On October 22, the Board approved resolutions declaring intention to establish the proposed CFD, incurring bonded indebtedness for the CFD, and calling a public hearing on November 24. At the conclusion of the hearing, an election to levy special taxes was to be conducted. If there are fewer than 12 registered voters within the boundaries of the proposed CFD, the qualified electors are the landowners within the boundaries of the CFD. As the land within the proposed boundaries of CFD is vacant, it is anticipated that a landowner vote would be conducted. However, additional time is needed to confirm with the Registrar of Voters that there are no registered voters in the CFD 2020-1 (Horsethief). Therefore, staff recommends that the Board continue the public hearing to January 14, 2021.

### **ENVIRONMENTAL WORK STATUS**

Not Applicable

### **FISCAL IMPACT**

Not Applicable

Originated by: M. Armstrong – Strategic Programs

Reviewed by: C. Gonzalez – Administration

Attachments:

None

**MINUTES  
REGULAR MEETING OF THE BOARD  
OF DIRECTORS OF ELSINORE VALLEY  
MUNICIPAL WATER DISTRICT  
THURSDAY, NOVEMBER 12, 2020**

The Regular 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  
Mike Maurer, Legal Counsel  
Terese Quintanar, District Secretary/Administrative Services Supervisor  
Ganesh Krishnamurthy, Assistant General Manager – Eng. and Operations  
Christy Gonzalez, Deputy Board Secretary/Executive Assistant  
Christina Ramirez, Executive Assistant  
Margie Armstrong, Director of Strategic Programs  
Jason Dafforn, Director of Engineering and Water Resources  
Greg Morrison, Government Relations Officer  
Tim Collie, Water Operations Manager  
Parag Kalaria, Water Resources Manager  
Scott Thompson, Accounting Manager  
David Smith, Maintenance Manager  
Matt Bates, Engineering Manager  
Shawnelle Morelos, Principal Engineer, Capital Projects  
Bonnie Woodrome, Community Affairs Supervisor  
Kaitlyn Wu, Community Affairs Specialist  
Isabel Casteran, Safety Officer  
Patrick Allen, Water Quality Analyst

Others Present

Public

<b>CALL TO ORDER</b>
----------------------

The meeting was called to order by President Morris at 4:07 p.m.

<b>APPROVAL OF AGENDA</b>
---------------------------

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

<b>PUBLIC COMMENTS</b>
------------------------

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

<b>Item I.0 - CONSENT CALENDAR</b>
------------------------------------

<i>Resolution Nos. 20-11-01 &amp; 20-11-02</i> <i>Minute Order #5578</i>
---

- A. APPROVAL OF:
1. Minutes of the Regular Board Meeting of October 22, 2020
  2. Minutes of the Regular Water Planning Committee Meeting of October 19, 2020
  3. Minutes of the Regular Engineering and Operations Committee Meeting of October 5, 2020
  4. Minutes of the Regular Finance and Administration Committee Meeting of October 20, 2020
  5. Demands
  6. Contract Services Agreement with General Pump Company, Inc. for Annual As-Needed Potable Well Performance Testing (*MO# 5578*)
  7. Adoption of a Resolution Amending the District's Conflict of Interest Code (*Reso. No. 20-11-01*)
  8. Adoption of a Resolution to Approve the Purchase of Tax-Defaulted Property from the County of Riverside Treasurer-Tax Collector (*Reso. No. 20-11-02*)

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

- 1. Approve the Consent Calendar.**

<b>Item II. A GENERAL MANAGER'S REPORT</b>
--

Mr. Thomas reported that the City of Canyon Lake and CLPOA Agreements have been signed. Also, the District has received approval for two SRF low-interest loans for the Regional Wastewater Reclamation Facility and Diamond Lift Station. These 0.9% interest loans will save \$65M, over the long run. Mr. Thomas thanked

staff for their work to accomplish this opportunity and commented on how important relationships are, such as our relationship with State Water Board staff.

Mr. Thomas also informed everyone of the planned Railroad Canyon Road closure this weekend.

In regard to the working group for the shutoff moratorium, Mr. Morrison held a meeting this week with our regional partners to develop an outline for communication. Director Burke asked if we have diversified our stakeholders on that committee. Mr. Morrison answered that it currently includes local agencies, but local businesses can be included as well.

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

Mr. Maurer reported on a recent FPPC determination regarding the ability for a consulting firm to perform the initial scope on a project and also bid on doing the work outlined in the scope.

He also mentioned that ACWA's "2020 Summary of Legislation" and "2020 Summary of Appellate Cases" policy documents are now available and located on ACWA's website.

#### **Item II. C COMMITTEE REPORTS**

Director Ryan reported on the Lake Elsinore-EVMWD group meeting, where they reviewed lake levels and projected levels. Mayor Pro-Tem Magee mentioned a District-owned property the City of Lake Elsinore may want to acquire to use as a transition property. This will be discussed further in the future.

Director Burke reported on the Meeks and Daley Water Company Board meeting and that Todd Jorgenson re-joined the Board, replacing David Garcia. The planned work at the Seven Oaks Dam was discussed. Estimates for the project are 30-40% higher than anticipated, which may affect future assessment amounts. The Colton Motel property was also discussed, and staff is reaching out to the Motel owner to see if there is a desire to purchase both parcels. The Colton Motel property lease expires next September.

Director Burke also reported on the City of Canyon Lake Council Meeting, where the second reading of the landscape ordinance was read, and there were no issues. Also, they are starting a volunteer police group. Councilman Randy Bonner is retiring, and Dale Welty has been elected to fill the vacancy. She also reported on the MWD meeting where Roger Patterson, Assistant General Manager with MWD will be retiring at the end of December.

At the MWD meeting, Director Burke reported that the San Diego County Water Authority (SDCWA) opposed potential partnership with Southern Nevada Water Authority (SNWA) for the new expanded LA Recycled Water Program. After discussions, the compromise was to move forward to fund the next phase with sanitation districts and revisit the SNWA partnership next month. She also

participated in the District’s Veteran Day and Marine Corps birthday celebration and reported that it was wonderful. It was nice to see everyone honoring those who have served.

President Morris reported that the SRRRA Board approved moving forward with a battery with Sunpower, for a guaranteed savings of \$520,000 for the life of the battery, with the potential of up to \$1M in savings. After 10 years, SRRRA can negotiate retaining the battery for further potential savings estimated to be a minimum of \$50,000 per year.

**Item III.0 DIRECTORS’ COMMENTS AND REQUESTS**

Director Burke requested the District send letters of congratulations to those succeeding in local elections and letters of appreciation to those leaving office.

President Morris commended staff on the recent funding awards.

**Item IV.0 ADJOURNMENT**

The meeting was adjourned at 4:26 p.m.

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

ATTEST:

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



## AP Disbursement Report

Cash Disbursements for 11/04/2020 through 11/24/2020

Check or Reference #	Payment Date	Paid to Vendor	Payment Description	Interim Justification	Pmt Type	Payment Amount
<b>INTERIMS</b>						
6442	11/05/2020	FIRST FOUNDATION BANK	FLATIRON ESCROW ACCOUNT	DUE 10/30/2020	ACH	134,010.00
6443	11/05/2020	FLATIRON WEST INC	REG WATER RECLAMATION FACILITY UPGRADES	DUE 10/30/2020	ACH	1,206,090.04
6444	11/05/2020	REGAN, CHARLES C. INC	PAVING SERVICE	DUE 10/11/2020	ACH	875.00
6445	11/10/2020	INNOVATIVE DOCUMENT SOLUTIONS	DISTRICT NETWORK COPIERS	DUE 11/14/2020	ACH	2,161.97
6446	11/10/2020	NORTHSTAR CHEMICAL	CHEMICAL	DUE 11/22/2020	ACH	24,900.34
6447	11/10/2020	ONLINE INFORMATION SERVICES	CREDIT CHECK SERVICE	DUE 11/20/2020	ACH	529.88
6448	11/10/2020	SOUTHERN CA FLEET SERV INC	TROUBLE SHOOT LIFT STATION	DUE 11/07/2020	ACH	17,415.00
245228	11/05/2020	CINTAS CORPORATION	JANITORIAL SUPPLIES	DUE 10/03/2020	CHECK	404.16
245264	11/05/2020	EASTERN MUNICIPAL WATER DIST	RECYCLED WATER	DUE 11/17/2020	CHECK	20.39
245265	11/05/2020	FRANCHISE TAX BOARD	CORP #0982323 2019 FORM 199	DUE UPON RECEIPT	CHECK	10.00
245266	11/05/2020	SOUTHERN CALIFORNIA EDISON	ELECTRIC INVOICE	DUE 11/17/2020	CHECK	114,772.60
245267	11/05/2020	US BANK	P-CARD PURCHASES	DUE UPON RECEIPT	CHECK	102,540.45
245268	11/05/2020	RIVERSIDE CTY RECORDERS OFFC	RECORD FEE FOR HORSETHIEF CFD BNDRY MAP	DUE UPON RECEIPT	CHECK	261.00
245269	11/12/2020	AT&T MOBILITY	PHONE INVOICE	DUE 11/25/2020	CHECK	12,016.63
245270	11/12/2020	CITY OF CANYON LAKE	OCT 2020 UTILITY TAX REMITTANCE	DUE 11/20/2020	CHECK	27,881.79
245271	11/12/2020	CITY OF CORONA	FLAGLER TREATMENT FACILITY	DUE 11/28/2020	CHECK	47.64
245280	11/12/2020	GREATAMERICA FINANCIAL SERVICE	COPIER LEASE	DUE 11/26/2020	CHECK	1,584.22
245281	11/12/2020	HORTON, NANCY	REFUND PRIOR YEAR EXCESS WITHHOLDING	DUE UPON RECEIPT	CHECK	1,233.70
245282	11/12/2020	MCMILLIN SUMMERLY, LLC	WATER & SEWER INSPECTION REFUNDS	DUE UPON RECEIPT	CHECK	301.00
245283	11/12/2020	W. BEN WICKE	REFUND PRIOR YEAR EXCESS WITHHOLDING	DUE UPON RECEIPT	CHECK	1,582.54
245284	11/12/2020	GEORGE WOOD	REFUND SEWER LATERAL INSPECTION	DUE UPON RECEIPT	CHECK	127.50
245285	11/12/2020	JUDY GUGLIELMANA	REFUND PRIOR YEAR EXCESS WITHHOLDING	DUE UPON RECEIPT	CHECK	687.78
245286	11/12/2020	LYNN THOMAS	REFUND SEWER LATERAL INSPECTION	DUE UPON RECEIPT	CHECK	824.85
245287	11/12/2020	SANTA ROSA RGNL RES AUTHORITY	NON-OPE DEBT SERVICE CONTRIBUTION	DUE 11/23/2020	CHECK	314,244.13
245288	11/12/2020	SO CAL GAS	GAS INVOICE	DUE 11/23/2020	CHECK	554.89
245289	11/12/2020	SOUTHERN CALIFORNIA EDISON	ELECTRIC INVOICE	DUE 11/23/2020	CHECK	191,495.97
245290	11/12/2020	SPOK INC	PAGER INVOICE	DUE 11/21/2020	CHECK	152.85
245291	11/12/2020	WASTE MANAGEMENT	RUBBISH SERVICE	DUE UPON RECEIPT	CHECK	119.13
245301	11/24/2020	JON CHRISTENSEN	2020-2021 PROP TAXES - 1ST INSTALLMENT	DUE 12/10/2020	CHECK	1,210.91
<b>VIRTUAL PAYMENT PROGRAM</b>						
100	11/12/2020	BEST BEST AND KRIEGER	LEGAL SERVICES	DUE 11/30/2020	VIRTUAL	75,902.13





# AP Disbursement Report

Cash Disbursements for 11/04/2020 through 11/24/2020

Check or Reference #	Payment Date	Paid to Vendor	Payment Description	Interim Justification	Pmt Type	Payment Amount
<b>DEMAND REGISTER</b>						
6449	11/24/2020	ACLARA TECHNOLOGIES LLC	INDUSTRIAL EQUIPMENT		ACH	72,789.28
6450	11/24/2020	AMERICAN LABOR POOL	TEMPORARY SERVICES		ACH	9,535.11
6451	11/24/2020	CAL OLYMPIC GLOVE AND SAFETY C	SAFETY SUPPLIES		ACH	1,679.35
6452	11/24/2020	CALIFORNIA HAZARDOUS SERVICES	QUARTERLY OPERATOR SITE VISIT		ACH	450.00
6453	11/24/2020	CALIFORNIA WATER TECHNOLOGIES	CHEMICAL		ACH	2,542.68
6454	11/24/2020	CAROLLO ENGINEERS	DIAMOND REGIONAL SEWER LIFT		ACH	26,488.73
6455	11/24/2020	CHANDLER ASSET MANAGEMENT INC	INVESTMENT MANAGEMENT SERVICES		ACH	9,159.77
6456	11/24/2020	CLARK LAND RESOURCES, INC.	ON-CALL REAL ESTATE SERVICES		ACH	595.00
6457	11/24/2020	CS AMSCO	MODULATING ACTUATOR		ACH	10,605.23
6458	11/24/2020	FORUM INFO - TECH, INC.	SECURITY FOR SCADA		ACH	1,499.00
6459	11/24/2020	HELIX ENVIRONMENTAL PLANNING	ON CALL ENVIRONMENTAL SERVICES		ACH	444.70
6460	11/24/2020	INFOR	GHR SYMMETRY SUBSCRIPTION		ACH	300.00
6461	11/24/2020	INFRASTRUCTURE ENGINEERING COR	BACK BASIN TP REPAIRS TO FILTER 586		ACH	3,361.25
6462	11/24/2020	KENNEDY JENKS CONSULTANTS	EVMWD-CLWTP ALTERNATIVES FEASIBILITY STUDY		ACH	51,501.25
6463	11/24/2020	KONE INC	ELEVATOR MAINTENANCE		ACH	238.35
6464	11/24/2020	NORTHSTAR CHEMICAL	CHEMICAL		ACH	28,151.76
6465	11/24/2020	NURSERY PRODUCTS	SLUDGE HAULING		ACH	70,230.08
6466	11/24/2020	PARKHOUSE TIRE INC	TIRES		ACH	2,315.84
6467	11/24/2020	REGAN, CHARLES C. INC	PAVING SERVICE		ACH	1,750.00
6468	11/24/2020	SOUTHERN CA FLEET SERV INC	PUMP MAINTENANCE		ACH	273.00
6469	11/24/2020	STANLEY CONVERGENT SECURITY	MONITORING SERVICE		ACH	99.93
6470	11/24/2020	STEP SAVER, INC.	COURSE SALT		ACH	1,436.30
6471	11/24/2020	SWAINS ELECTRIC INC	ELECTRIC MOTOR SERVICE		ACH	7,818.01
6472	11/24/2020	SYSTEMS INTEGRATED LLC	MAINTENANCE		ACH	14,380.00
6473	11/24/2020	TRL SYSTEMS	QUARTERLY VIDEO MONITORING		ACH	6,931.36
6474	11/24/2020	VECTIS DC LLC	GOVERNMENT RELATIONS & FEDERAL LOBBYING SERVICES		ACH	5,000.00
6475	11/24/2020	WATERWISE CONSULTING INC	RESIDENTIAL EVALUATION PROGRAM - OCT 2020		ACH	2,000.00
6476	11/24/2020	WESTERN MUNICIPAL WATER DIST	MONTHLY MWD CAPACITY & READINESS-TO-SERVE NOV 2020		ACH	117,577.10
245292	11/24/2020	AQUA METRIC SALES COMPANY	METERS		CHECK	12,180.17
245293	11/24/2020	AYALA ENGINEERING	ELSINORE DOWNTOWN CCTV		CHECK	6,000.00
245294	11/24/2020	CALDESAL	ANNUAL MEMBERSHIP DUES		CHECK	1,000.00
245295	11/24/2020	CINTAS CORPORATION	JANITORIAL SUPPLIES		CHECK	526.05
245296	11/24/2020	DIGITAL NETWORKS GROUP INC	AUDIO/VISUAL SUPPORT SERVICE		CHECK	7,635.34
245297	11/24/2020	DUDEK AND ASSOCIATES INC	LIFT STATION ASSESSMENT & PRIORITIZATION		CHECK	891.30



## AP Disbursement Report

Cash Disbursements for 11/04/2020 through 11/24/2020

Check or Reference #	Payment Date	Paid to Vendor	Payment Description	Interim Justification	Pmt Type	Payment Amount
245298	11/24/2020	FEDERAL EXPRESS CORPORATION	DELIVERY SERVICE		CHECK	6.71
245299	11/24/2020	FIELDMAN ROLAPP AND ASSOCIATES	VRDO CONVERSION ANALYSIS		CHECK	11,916.50
245300	11/24/2020	FIRST CHOICE SERVICES	LUNCHROOM SUPPLIES		CHECK	670.21
245302	11/24/2020	PITNEY BOWES-RESERVE ACCOUNT	REPLENISH POSTAGE METER		CHECK	2,000.00
245303	11/24/2020	PROJECT PARTNERS	WASTEWATER OPS MGMT SUPPORT SERVICES		CHECK	15,190.00
245304	11/24/2020	RAYNE WATER CONDITIONING INC	DEIONIZED WATER SERVICE		CHECK	137.00
245305	11/24/2020	ROCKWELL CONSTRUCTION SERVICES	ON-CALL ELECTRICAL		CHECK	2,000.00
245306	11/24/2020	SBC TAX COLLECTOR	PROPERTY TAX 1ST INSTALLMENT		CHECK	944.35
245307	11/24/2020	SCAP	ANNUAL MEMBERSHIP DUES FY20/21		CHECK	1,686.00
245308	11/24/2020	SOBOBA BAND of LUISENO INDIANS	REGIONAL WATER RECLAMATION		CHECK	3,300.00
245309	11/24/2020	SOUTH COAST WATER	SOFTENER		CHECK	577.00
245310	11/24/2020	SOUTHWEST CALIF LEGISLATIVE COUNCIL	2021 SWCLC SPONSORSHIP CONTRIBUTION		CHECK	1,000.00
245311	11/24/2020	SPRINT SPECTRUM L.P.	PHONE INVOICE		CHECK	254.19
245312	11/24/2020	STATE WATER RESOURCES CONTROL	CLEAN WATER STATE REVOLVING FUND		CHECK	229,791.31
245313	11/24/2020	SUPERIOR READY MIX CONCRETE LP	SAND - SLURRY		CHECK	2,767.38
245314	11/24/2020	UNITED WATERWORKS, INC	WATERWORKS PART & SUPPLIES		CHECK	1,874.51
245315	11/24/2020	UNIVERSAL WASTE SYSTEMS INC	SLUDGE HAULING		CHECK	5,340.00
245316	11/24/2020	WATER SYSTEMS CONSULTING, INC.	WATER MODEL UPDATE & ON-CALL SERVICES		CHECK	13,502.50
245317	11/24/2020	WILDERMUTH ENVIRONMENTAL, INC.	UPPER TEMESCAL VALLEY IMPLEMENTATION		CHECK	41,430.77
<b>VIRTUAL PAYMENT PROGRAM</b>						
102	11/24/2020	UNDERGROUND SERVICE ALERT	UNDERGROUND UTILITY ALERT		CHECK	896.35
<b>CUSTOMER REFUNDS</b>						
245229	11/05/2020	GINA GRAJEDA	CUSTOMER REFUNDS		CHECK	81.53
245230	11/05/2020	MARTHA MCNAMARA	CUSTOMER REFUNDS		CHECK	66.68
245231	11/05/2020	KIM CARRILLO	CUSTOMER REFUNDS		CHECK	214.76
245232	11/05/2020	HUGO MALDONADO	CUSTOMER REFUNDS		CHECK	18.86
245233	11/05/2020	REGINA VAN PELT	CUSTOMER REFUNDS		CHECK	155.82
245234	11/05/2020	JOSE HERNANDEZ	CUSTOMER REFUNDS		CHECK	200.00
245235	11/05/2020	RONALD CAMPBELL	CUSTOMER REFUNDS		CHECK	128.66
245236	11/05/2020	ANTONIO VAZQUEZ	CUSTOMER REFUNDS		CHECK	82.89
245237	11/05/2020	TINGDONG XU	CUSTOMER REFUNDS		CHECK	147.70
245238	11/05/2020	SEAN MITCHELL	CUSTOMER REFUNDS		CHECK	175.87





## AP Disbursement Report

Cash Disbursements for 11/04/2020 through 11/24/2020

Check or Reference #	Payment Date	Paid to Vendor	Payment Description	Interim Justification	Pmt Type	Payment Amount
245239	11/05/2020	SILVIA AVALOS	CUSTOMER REFUNDS		CHECK	107.53
245240	11/05/2020	ROBERT MASON	CUSTOMER REFUNDS		CHECK	62.31
245241	11/05/2020	MARIA CASTRO	CUSTOMER REFUNDS		CHECK	92.62
245242	11/05/2020	MATTHEW HALL	CUSTOMER REFUNDS		CHECK	55.36
245243	11/05/2020	QIONGYI LIAO	CUSTOMER REFUNDS		CHECK	187.63
245244	11/05/2020	JASON FRANZ	CUSTOMER REFUNDS		CHECK	12.58
245245	11/05/2020	DANIELLE TOSH	CUSTOMER REFUNDS		CHECK	57.46
245246	11/05/2020	PAFAMOVI, INC	CUSTOMER REFUNDS		CHECK	5,343.82
245247	11/05/2020	CRYSTAL JIMENEZ	CUSTOMER REFUNDS		CHECK	41.04
245248	11/05/2020	SANDRA ROMERO	CUSTOMER REFUNDS		CHECK	99.87
245249	11/05/2020	WILDOMAR LAND LLC	CUSTOMER REFUNDS		CHECK	1,306.42
245250	11/05/2020	ANGEL MONDRAGON	CUSTOMER REFUNDS		CHECK	77.52
245251	11/05/2020	ROXANA GUILLEN	CUSTOMER REFUNDS		CHECK	105.81
245252	11/05/2020	AAA TRUCKING & HAULING LLC.	CUSTOMER REFUNDS		CHECK	176.25
245253	11/05/2020	YUEHUA ZHANG	CUSTOMER REFUNDS		CHECK	143.74
245254	11/05/2020	NATASHA ROBINSON	CUSTOMER REFUNDS		CHECK	136.55
245255	11/05/2020	ROBERT RONAN	CUSTOMER REFUNDS		CHECK	191.91
245256	11/05/2020	ALL AMERICAN ASPHALT	CUSTOMER REFUNDS		CHECK	1,720.00
245257	11/05/2020	ABDUL TAUFIQ	CUSTOMER REFUNDS		CHECK	26.63
245258	11/05/2020	JOSE SILVA	CUSTOMER REFUNDS		CHECK	127.98
245259	11/05/2020	KENNETH GIESE	CUSTOMER REFUNDS		CHECK	42.06
245260	11/05/2020	MARGARET FOLEY	CUSTOMER REFUNDS		CHECK	103.44
245261	11/05/2020	GENEVIEVE CLARK	CUSTOMER REFUNDS		CHECK	114.37
245262	11/05/2020	JOHN EGAN	CUSTOMER REFUNDS		CHECK	63.41
245263	11/05/2020	MARK HUDSON	CUSTOMER REFUNDS		CHECK	130.02
245272	11/12/2020	NARICE ARRUABARRENA	CUSTOMER REFUNDS		CHECK	48.57
245273	11/12/2020	TIFFANY LYNCH	CUSTOMER REFUNDS		CHECK	55.89
245274	11/12/2020	ALMA DURAN	CUSTOMER REFUNDS		CHECK	11.25
245275	11/12/2020	NADIYA AZIZ	CUSTOMER REFUNDS		CHECK	91.68
245276	11/12/2020	FORREST JENSEN	CUSTOMER REFUNDS		CHECK	1,335.00
245277	11/12/2020	KAREN WHITE	CUSTOMER REFUNDS		CHECK	21.05
245278	11/12/2020	MONIQUE SANCHEZ	CUSTOMER REFUNDS		CHECK	13.89
245279	11/12/2020	CARINA VALENCIA	CUSTOMER REFUNDS		CHECK	164.05



Print Date: 11/17/2020

# AP Disbursement Report

Cash Disbursements for 11/04/2020 through 11/24/2020

Check or  
Reference # Payment Date Paid to Vendor

Payment Description

Interim Justification

Pmt  
Type

Payment  
Amount

## WIRE TRANSFER

201919708394 11/17/2020

MUFG UNION BANK, N.A.

2011A LOC QTRLY FEES

WIRE

30,222.74

Reviewed By: 

Date: 11/17/2020



**Elsinore Valley Municipal Water District**

*Our Mission...*

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

---

DATE: November 24, 2020

TO: Board of Directors

FROM: General Manager

**SUBJECT: INVESTMENT REPORT, RECEIVE AND FILE**

**STRATEGIC GOAL**

Financial Management

**RECOMMENDATION**

The General Manager and staff recommend that the Board of Directors:

Receive and file the report.

**BACKGROUND**

Not applicable.

**ENVIRONMENTAL WORK STATUS**

Not applicable.

**FISCAL IMPACT**

Not applicable.

Originated by: Art Landeros – Finance

Reviewed by: Scott Thompson – Finance

Attachments:

Investment Report

# ELSINORE VALLEY MUNICIPAL WATER DISTRICT

## INVESTMENT REPORT - Total District Investments

September 30, 2020

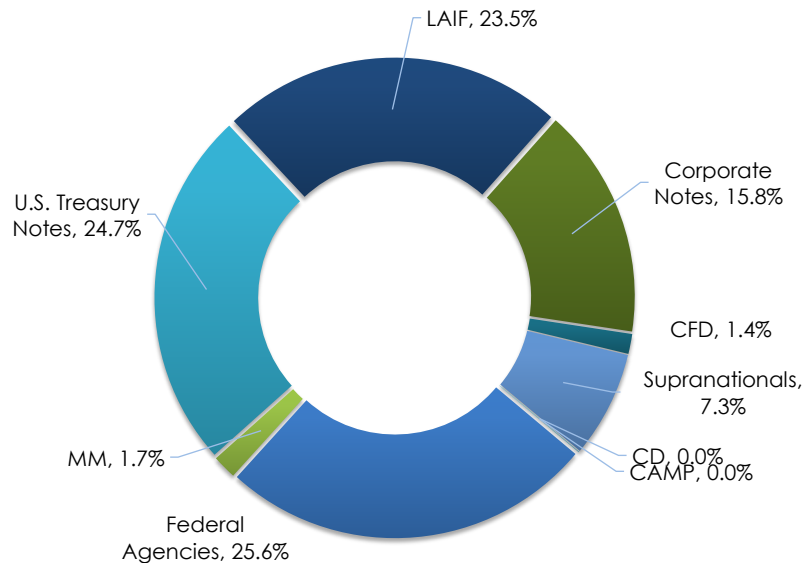
### PORTFOLIO COMPLIANCE

Elsinore Valley Municipal Water District is in full compliance with the California Government Code Sections 53601 and 53635. The holdings in the investment pool are in compliance with the current investment policy statement.

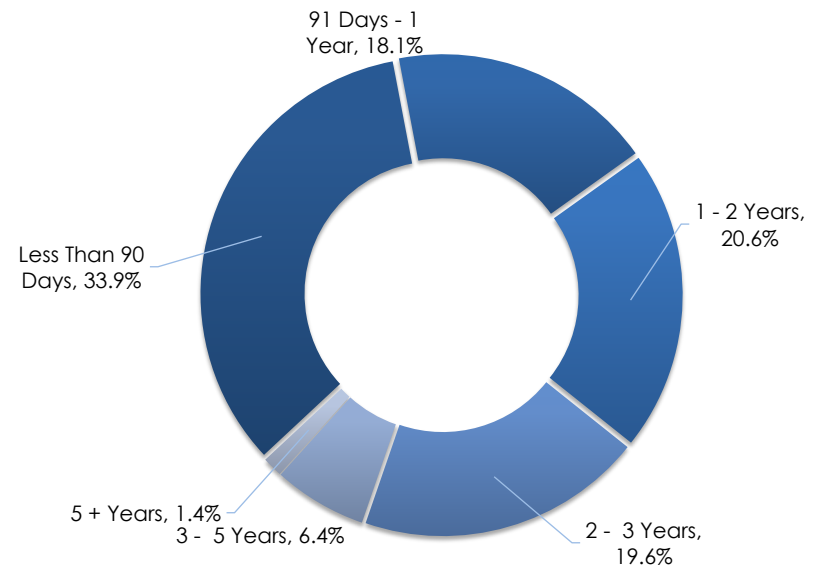
### PORTFOLIO PERFORMANCE

	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>
Portfolio's Month-End Book Value	\$ 225,454,206	\$ 225,682,270	\$ 226,178,148	\$ 226,686,015	\$ 222,505,466	\$ 227,377,168
Month-End Market Value of Portfolio	\$ 232,123,628	\$ 232,461,822	\$ 232,765,079	\$ 233,209,000	\$ 228,631,443	\$ 233,157,009
Unrealized Gain (Loss)	\$ 6,669,422	\$ 6,779,551	\$ 6,586,932	\$ 6,522,985	\$ 6,125,977	\$ 5,779,842
Percent of Unrealized Gain or Loss	2.96%	3.00%	2.91%	2.88%	2.75%	2.54%
Current Yield	2.03%	1.97%	1.95%	1.86%	1.83%	1.75%
Monthly Interest & Dividends	\$ 311,534	\$ 165,431	\$ 439,440	\$ 396,804	\$ 300,808	\$ 379,032
Weighted Average Maturity (Days)	590	582	555	528	509	475

### PORTFOLIO STRUCTURE



### PORTFOLIO LIQUIDITY



\* Source of Market Valuation: Interactive Data Inc.

**ELSINORE VALLEY MUNICIPAL WATER DISTRICT**  
**INVESTMENT REPORT - Total District Investments and Cash by Investment Category**  
**September 30, 2020**

CASH FLOW REQUIREMENT

Elsinore Valley Municipal Water District has sufficient funds to meet its expenditure requirements for the next 6 months.

INVESTMENT	INVESTMENT CATEGORY	MATURITY DATE	PAR VALUE	INTEREST RATE	ACQUISITION COST	MARKET VALUE	CREDIT RATING
US Treasury	Treasury Notes	10/13/20	300,000	0.058	299,994	299,994	TSY
US Treasury	Treasury Notes	10/31/20	4,600,000	1.375	4,579,695	4,604,784	TSY
US Treasury	Treasury Notes	12/31/20	4,000,000	2.500	3,998,281	4,023,520	TSY
US Treasury	Treasury Notes	01/31/21	6,500,000	1.375	6,437,031	6,526,650	TSY
US Treasury	Treasury Notes	04/30/21	3,500,000	1.375	3,413,594	3,525,830	TSY
US Treasury	Treasury Notes	10/31/21	3,850,000	1.250	3,731,309	3,896,624	TSY
US Treasury	Treasury Notes	07/31/22	4,000,000	1.875	3,910,469	4,127,800	TSY
US Treasury	Treasury Notes	08/31/22	3,800,000	1.875	3,712,570	3,926,616	TSY
US Treasury	Treasury Notes	11/30/22	4,000,000	2.000	3,939,688	4,161,400	TSY
US Treasury	Treasury Notes	03/31/23	4,000,000	2.500	3,997,656	4,235,640	TSY
US Treasury	Treasury Notes	04/30/23	4,500,000	1.625	4,502,285	4,671,900	TSY
US Treasury	Treasury Notes	05/31/23	4,200,000	1.625	4,177,195	4,365,690	TSY
US Treasury	Treasury Notes	10/31/23	4,000,000	1.625	4,003,594	4,180,800	TSY
US Treasury	Treasury Notes	01/31/24	5,250,000	2.250	5,365,459	5,611,988	TSY
<b>SUB-TOTAL TREASURY NOTES</b>			<b>56,500,000</b>		<b>56,068,820</b>	<b>58,159,235</b>	
FNMA	Federal Agency	11/30/20	14,975,000	1.500	14,935,932	15,009,293	Aaa
FHLMC	Federal Agency	02/16/21	3,750,000	2.375	3,737,175	3,781,425	Aaa
FNMA	Federal Agency	06/22/21	4,300,000	2.750	4,274,329	4,381,184	Aaa
FHLB	Federal Agency	10/12/21	4,000,000	3.000	3,997,280	4,117,920	Aaa
FNMA	Federal Agency	01/05/22	1,400,000	2.000	1,361,500	1,433,376	Aaa
FHLB	Federal Agency	03/11/22	2,200,000	2.250	2,172,456	2,266,572	Aaa
FHLB	Federal Agency	03/11/22	1,800,000	2.500	1,807,002	1,861,092	Aaa
FHLB	Federal Agency	06/10/22	3,000,000	2.750	2,994,600	3,132,120	Aaa
FNMA	Federal Agency	09/06/22	3,890,000	1.375	3,876,463	3,981,298	Aaa
FHLB	Federal Agency	09/09/22	1,250,000	3.125	1,251,038	1,320,850	Aaa
FFCB	Federal Agency	10/11/22	4,000,000	1.375	3,989,720	4,097,200	Aaa
FHLB	Federal Agency	12/09/22	1,000,000	2.500	996,370	1,050,810	Aaa
FHLMC	Federal Agency	05/05/23	3,845,000	0.375	3,843,385	3,861,495	Aaa
FFCB	Federal Agency	08/14/23	2,000,000	1.600	1,997,420	2,078,520	Aaa
FHLB	Federal Agency	09/08/23	4,000,000	2.375	4,122,600	4,248,840	Aaa
FHLB	Federal Agency	12/08/23	1,400,000	2.250	1,440,936	1,488,508	Aaa
FNMA	Federal Agency	02/05/24	1,400,000	2.500	1,445,528	1,505,056	Aaa
<b>SUB-TOTAL FEDERAL AGENCIES</b>			<b>58,210,000</b>		<b>58,243,733</b>	<b>59,615,559</b>	

\*Rated A or better by other nationally recognized ratings agencies

**ELSINORE VALLEY MUNICIPAL WATER DISTRICT**  
**INVESTMENT REPORT - Total District Investments and Cash by Investment Category**  
**September 30, 2020**

CASH FLOW REQUIREMENT

Elsinore Valley Municipal Water District has sufficient funds to meet its expenditure requirements for the next 6 months.

INVESTMENT	INVESTMENT CATEGORY	MATURITY DATE	PAR VALUE	INTEREST RATE	ACQUISITION COST	MARKET VALUE	CREDIT RATING
International Finance Corp	Supranational	01/25/21	500,000	2.250	498,570	503,195	Aaa
Intl. Bank Recon & Development	Supranational	03/09/21	3,000,000	1.625	2,964,360	3,018,900	Aaa
International Finance Corp	Supranational	07/20/21	2,150,000	1.125	2,080,577	2,165,738	Aaa
Intl. Bank Recon & Development	Supranational	09/20/21	3,000,000	1.375	2,928,720	3,034,050	Aaa
Inter-American Dev Bank	Supranational	01/18/22	3,400,000	2.125	3,339,072	3,482,790	Aaa
Intl. Bank Recon & Development	Supranational	02/10/22	2,000,000	1.625	1,916,920	2,038,320	Aaa
Inter-American Dev Bank	Supranational	04/14/22	3,000,000	1.750	2,884,890	3,069,630	Aaa
<b>SUB-TOTAL SUPRANATIONALS</b>			<b>17,050,000</b>		<b>16,613,109</b>	<b>17,312,623</b>	
Cisco Systems	Medium Term	02/28/21	2,400,000	2.200	2,352,288	2,418,744	A1
Bank of NY Mellon Corp	Medium Term	05/03/21	750,000	2.050	733,538	756,885	A1
American Express Credit	Medium Term	05/05/21	1,250,000	2.250	1,251,576	1,262,463	A2
State Street Bank	Medium Term	05/19/21	1,000,000	1.950	976,090	1,010,940	A1
Wal-Mart Stores	Medium Term	06/23/21	1,350,000	3.125	1,354,590	1,379,282	Aa2
Paccar Financial Corp	Medium Term	08/09/21	500,000	3.150	499,845	512,500	A1
Paccar Financial Corp	Medium Term	08/11/21	2,350,000	1.650	2,285,070	2,377,472	A1
American Honda Finance	Medium Term	09/09/21	1,500,000	1.700	1,437,570	1,517,895	A3
PNC Bank	Medium Term	12/09/21	1,000,000	2.550	993,670	1,025,310	A2
US Bancorp	Medium Term	01/24/22	1,850,000	2.625	1,829,210	1,902,337	A1
Praxair	Medium Term	02/15/22	1,400,000	2.450	1,360,156	1,432,564	A2
Oracle Corp	Medium Term	05/15/22	2,300,000	2.500	2,238,313	2,372,036	A3
Toyota Motor Credit Corp	Medium Term	09/08/22	2,000,000	2.150	1,530,419	1,661,392	A1
IBM Credit Corp	Medium Term	09/08/22	1,600,000	2.200	1,908,940	2,068,720	A2
John Deere Capital Corp	Medium Term	01/06/23	1,500,000	2.700	1,460,910	1,577,820	A2
Bank of America Corp	Medium Term	01/11/23	2,000,000	3.300	2,067,740	2,122,980	A2
JP Morgan Chase	Medium Term	01/25/23	1,500,000	3.200	1,562,955	1,594,470	A2
Bank of NY Mellon Corp	Medium Term	01/29/23	1,000,000	2.950	1,001,410	1,053,370	A1
Apple Inc	Medium Term	02/23/23	2,000,000	2.850	1,968,560	2,110,640	Aa1
Berkshire Hathaway	Medium Term	03/15/23	2,800,000	2.750	2,833,432	2,949,492	Aa2
Apple Inc	Medium Term	05/03/23	1,000,000	2.400	988,520	1,052,880	Aa1
PNC Bank	Medium Term	06/08/23	1,000,000	3.500	1,053,830	1,074,780	A2
State Street Bank	Medium Term	11/20/23	1,500,000	3.700	1,595,505	1,652,685	A1
American Honda Finance	Medium Term	01/12/24	650,000	3.550	694,649	709,215	A3
<b>SUB-TOTAL CORPORATE NOTES</b>			<b>36,200,000</b>		<b>35,978,784</b>	<b>37,596,870</b>	
			<b>167,960,000</b>		<b>166,904,446</b>	<b>172,684,287</b>	

ELSINORE VALLEY MUNICIPAL WATER DISTRICT  
 INVESTMENT REPORT - Total District Investments and Cash by Investment Category  
 September 30, 2020

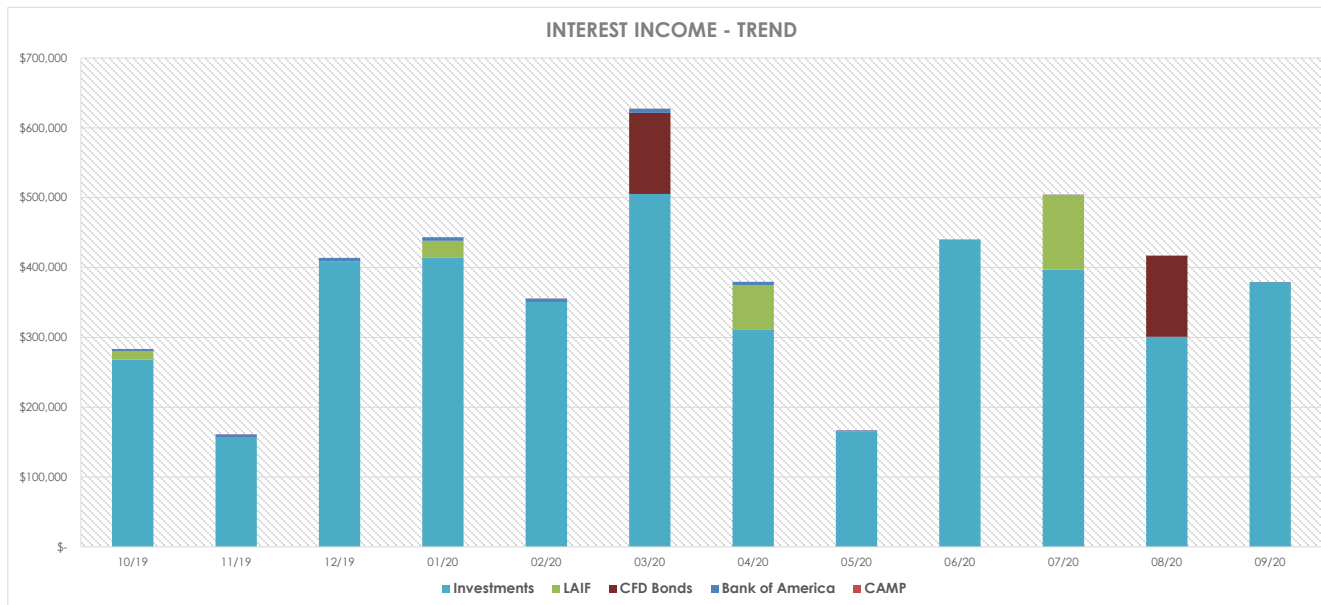
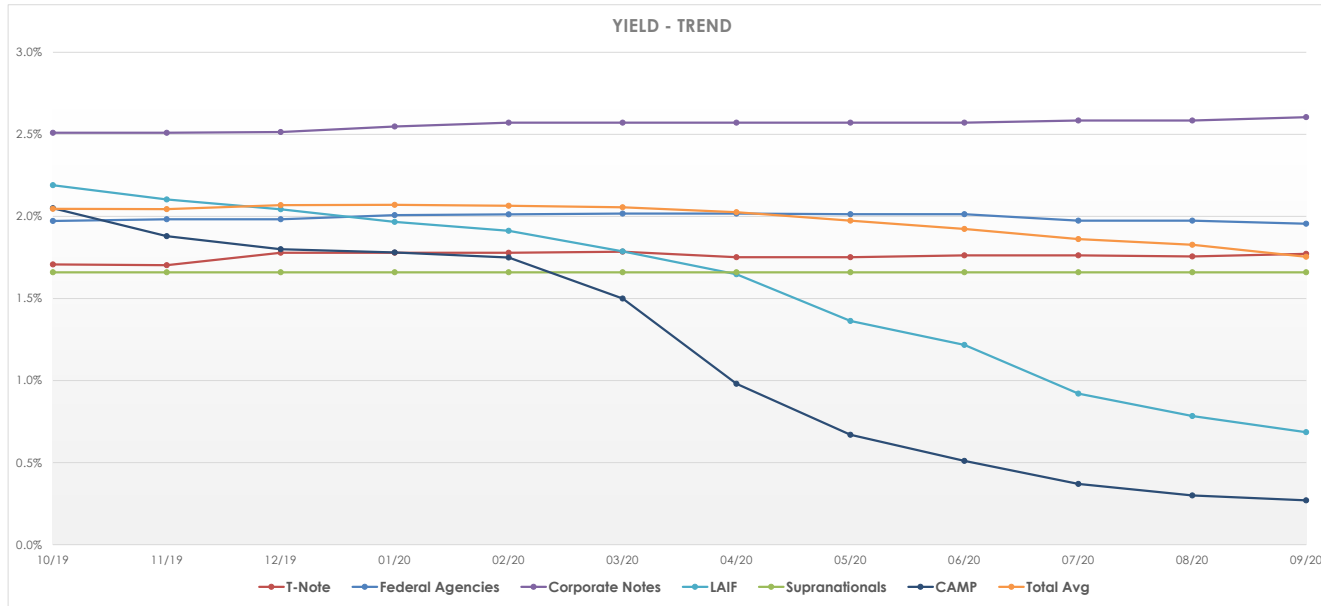
CASH FLOW REQUIREMENT

Elsinore Valley Municipal Water District has sufficient funds to meet its expenditure requirements for the next 6 months.

INVESTMENT	INVESTMENT CATEGORY	MATURITY DATE	PAR VALUE	INTEREST RATE	ACQUISITION COST	MARKET VALUE	CREDIT RATING
Money Market				0.160%	3,758,024	3,758,024	
Total Chandler Asset Management (Investment Acct)					<b>170,662,470</b>	<b>176,442,311</b>	
Wildomar CFD Bonds (District Owned)		09/01/32		7.000%	3,110,000	3,110,000	
LAIF				0.685%	53,499,431	53,499,431	
CAMP				0.270%	105,267	105,267	
				<b>Sub-total Investments</b>	<b>227,377,168</b>	<b>233,157,009</b>	
B of A (Checking)					13,706,639	13,706,639	
				<b>Sub-total Cash &amp; Investments</b>	<b>241,083,807</b>	<b>246,863,648</b>	
Union Bank (COP)					4,265,301	4,265,301	
Union Bank (Revenue Bonds)					4	4	
				<b>Sub-total Restricted Cash</b>	<b>4,265,305</b>	<b>4,265,305</b>	
				<b>Total District Investment and Cash</b>	<b>\$ 245,349,111</b>	<b>\$ 251,128,953</b>	
Union Bank (CFD Bonds)					266,710	266,710	
				<b>Total Investment and Cash</b>	<b>\$ 245,615,822</b>	<b>\$ 251,395,663</b>	

\*Rated A or better by other nationally recognized ratings agencies

**ELSINORE VALLEY MUNICIPAL WATER DISTRICT**  
 INVESTMENT REPORT - Portfolio Yield and Interest Income  
 September 30, 2020

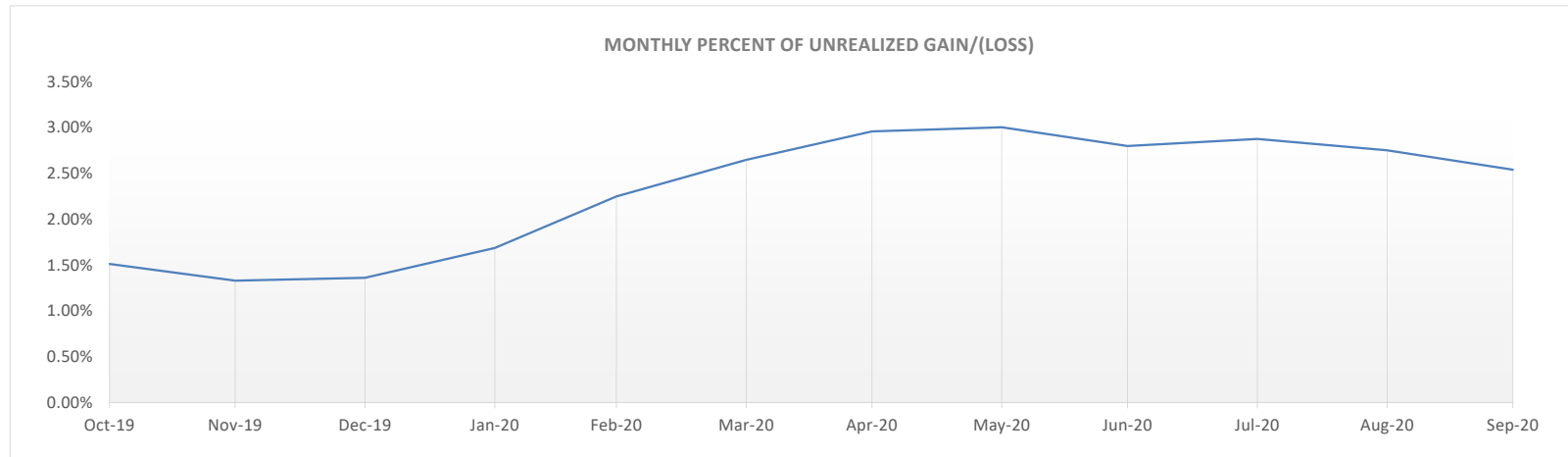




**ELSINORE VALLEY MUNICIPAL WATER DISTRICT**  
 INVESTMENT REPORT - Authorized Investments  
 September 30, 2020

**CALIFORNIA GOVERNMENT CODE & DISTRICT INVESTMENT POLICY**

Cal Govt. Code	Investment Category	California Government Code			District Investment Policy			Actual District Portfolio	Within Authorized Limit	Weighted Average Maturity (in years)
		Maximum Maturity	Authorized Limit	Quality	Maximum Maturity	Authorized Limit	Quality			
53601 (a)	CFD Bonds		No Limit		30 Years	10%		1.4%	Yes	12.1
53601 (b)	U.S. Treasury	5 Years	No Limit		5 Years	No Limit		24.7%	Yes	1.7
53601 (c)	CA Warrants, Notes/Bonds	5 Years	No Limit		5 Years	10%				
53601 (e)	CA Local Agency Debt	5 Years	No Limit		5 Years	10%				
53601 (f)	Federal Agencies	5 Years	No Limit		5 Years	40%		25.6%	Yes	1.4
53601 (g)	Bankers's Acceptances	180 Days	40%		180 Days	10%				
53601 (h)	Commercial Paper	270 Days	25%	AAA	270 Days	10%	AAA/Aaa			
53601 (m/i)	Certificate & Time Deposits	5 Years	30%		-	-				
53601 (j)	Repos	1 Year	No Limit		90 Days	5%				
53601 (j)	Reverse Repos	650.9	20%		-	-				
53601 (k)	Med Term Notes	5 Years	30%	A	5 Years	20%	A	15.8%	Yes	1.7
53601 (l)	Mutual Funds	5 Years	20%	AAA	5 Years	15%	AAA/Aaa	1.7%	Yes	0.0
53601 (n)	Secured Deposits	5 Years	No Limit		-	-				
53601 (o)	Mortgage Pass-Through Sec	5 Years	20%	AA	-	-	-			
53601 (p)	Local Government Investment Pools	-	No Limit		-	-	-	0.0%	Yes	0.0
53601 (q)	Supranational Obligation	5 Years	30%	AA	5 Years	10%	AA	7.3%	Yes	1.1
	LAIF	-	-		-	\$65,000,000		23.5%	Yes	0.0
TOTAL								100.0%		



	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
% of Unrealized Gain/(Los	1.51%	1.33%	1.36%	1.69%	2.25%	2.65%	2.96%	3.00%	2.80%	2.88%	2.75%	2.54%
Unrealized Gain (Loss) \$	3,243,500	2,915,070	2,989,354	3,782,710	5,049,476	5,960,363	6,669,422	6,779,551	6,586,932	6,522,985	6,125,977	5,779,842
YTD Unrealized Gain/(Loss) \$	760,890	432,460	506,744	1,300,100	2,566,866	3,477,753	4,186,813	4,296,941	4,104,322	(63,947)	(460,955)	(807,090)



**Elsinore Valley Municipal Water District**

*Our Mission...*

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

---

DATE: November 24, 2020

TO: Board of Directors

FROM: General Manager

**SUBJECT: TERMINATION OF EASEMENT FOR ROAD AND HIGHWAY PURPOSES UPON APN 107-070-047**

**STRATEGIC GOAL**

Infrastructure

**RECOMMENDATION**

The General Manager and staff recommend that the Board of Directors:

1. Approve the Termination of Easement for road and highway purposes upon APN 107-070-047; and
2. Authorize the General Manager to execute the appropriate documents on behalf of EVMWD.

**BACKGROUND**

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 that 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 Meeting. 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 that 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 presented this item at the November 17, 2020 Finance and Administration Committee Meeting, and recommends 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.

### **ENVIRONMENTAL WORK STATUS**

This item does not constitute a project under CEQA.

### **FISCAL IMPACT**

Not applicable.

Originated by: Jason Dafforn – Engineering  
Reviewed by: Terese Quintanar – Administration

Attachments:

Termination of Easement  
Site Plan

No Recording Fees Required  
Per Government Code  
Section 27383

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

ELSINORE VALLEY MUNICIPAL  
WATER DISTRICT  
P.O. Box 3000  
31315 Chaney Street  
Lake Elsinore, CA 92531

APN: 107-070-047

(Space above this line is for Recorders use)

FILE:

TRA:

**TERMINATION OF EASEMENT/QUITCLAIM**

AVMGH II LIMITED PARTNERSHIP (“Owner”) is the record owner of that certain real property in the County of Riverside, State of California, described in Exhibit “A” and depicted in Exhibit “B” attached hereto and by reference made a part hereof (“Burdened Property”). ELSINORE VALLEY MUNICIPAL WATER DISTRICT, a public agency of the State of California (“District”), and its successors and assigns, possess an easement for road and highway purposes at a portion of the Burdened Property (“Easement”).

The District, as the holder of the Easement on the Burdened Property, no longer requires the use of the Easement. Based upon the foregoing, District hereby releases and terminates the Easement. As a result of this release and its recording in the records of Riverside County, California, the Easement will no longer affect title to the Burdened Property.

**ELSINORE VALLEY MUNICIPAL WATER DISTRICT, a public agency of the State of California**

Date \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Greg Thomas

(Print Name)

\_\_\_\_\_  
31315 Chaney St

(Mailing Address)

\_\_\_\_\_  
Lake Elsinore, CA 92530

(City, State, and Zip Code)

Doc. No. \_\_\_\_\_

NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA                    )

COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_,  
Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Notary Signature \_\_\_\_\_

(Seal)

**EXHIBIT A**

**LEGAL DESCRIPTION OF EASEMENT AREA**

[Attached on following page]

# EXHIBIT "A"

## WATER EASEMENT QUITCLAIM

### "LEGAL DESCRIPTION"

THAT PORTION OF LAND LYING WITHIN PARCEL "E" OF LOT LINE ADJUSTMENT NO. 01-014, SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, EVIDENCED BY DOCUMENT RECORDED JANUARY 16, 2002, AS INSTRUMENT NO. 2002-026202 OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE SOUTHWESTERLY TERMINUS OF THE NORTHWESTERLY LINE OF SAID PARCEL "E",

THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINES OF SAID LOT 4 AND PARCEL E, NORTH 40°44'32" EAST 768.40 FEET;

THENCE SOUTH 33°13'10" EAST 25.66 FEET;

THENCE SOUTH 30°21'02" EAST 26.79 FEET TO A LINE PARALLEL WITH AND DISTANT SOUTHEASTERLY 50.00 FEET MEASURED AT RIGHT ANGLES FROM SAID NORTHWESTERLY LINES;

THENCE SOUTHWESTERLY ALONG SAID PARALLEL LINE, SOUTH 40°44'32" WEST 836.36 FEET TO A CURVE IN THE WESTERLY LINE OF SAID PARCEL "E", SAID CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 250.00 FEET, A RADIAL LINE TO THE BEGINNING OF SAID CURVE BEARS NORTH 68°58'24" WEST;

THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 21°12'20", AN ARC LENGTH OF 88.16 FEET;

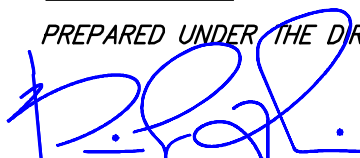
THENCE CONTINUING NORTHERLY ALONG SAID WESTERLY LINE, NORTH 00°48'12" EAST 9.95 FEET TO THE **POINT OF BEGINNING**.

**CONTAINING** 39,832 SQUARE FEET OR 0.914 ACRES, MORE OR LESS.

**EXHIBIT "B"** ATTACHED HERETO AND BY THIS REFERENCE MADE A PART THEREOF.

### SURVEYOR:

PREPARED UNDER THE DIRECTION OF:



10/13/20

BRIAN L. THIENES  
P.L.S. NO. 5750  
REG. EXP. DEC. 31, 2021

DATE



Last Update: 10/13/20  
O:\3738\ESMT\WATER ESMT QC\3738\_WATER QC.dwg



**EXHIBIT B**

**DEPICTION OF EASEMENT AREA**

[Attached on following page]



# EXHIBIT "B"

WATER EASEMENT QUITCLAIM

"PLAT"



**PARCEL B**  
APN: 107-070-045

**PARCEL F**  
APN: 107-070-048

APN: 107-070-016

**LLA NO. 01-014**  
**DOC. NO. 2002-026202**  
**REC. 01/16/2002**

**PARCEL E**  
APN: 107-070-047

**PARCEL D**  
APN: 107-070-037

NWLY LINE  
PARCEL "E"

SEE SHEET 2 FOR DETAIL

**SHERBORN STREET**

Last Update: 10/13/20  
O:\3738\ESMT\WATER ESMT QC\3738\_WATER QC.dwg

**Thienes Engineering, Inc.**  
CIVIL ENGINEERING • LAND SURVEYING  
14349 FIRESTONE BOULEVARD  
LA MIRADA, CALIFORNIA 90638  
PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

*[Handwritten Signature]*

BRIAN L. THIENES  
P.L.S. NO. 5750  
REG. EXP. DEC. 31, 2021

10/13/20  
DATE



**EXHIBIT "B"**  
 WATER EASEMENT QUITCLAIM  
 "PLAT"



**PARCEL B**  
 APN: 107-070-045

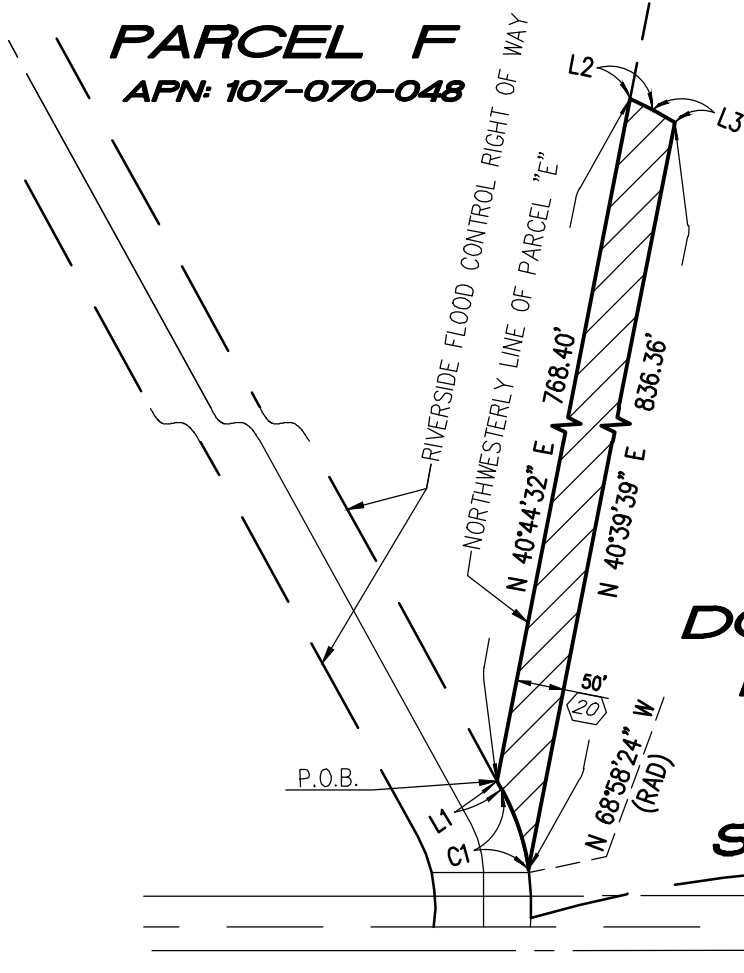
**PARCEL F**  
 APN: 107-070-048

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N 0°48'12" E	9.95'
L2	S 33°13'10" E	25.66'
L3	S 30°21'02" E	26.79'

CURVE TABLE			
CURVE #	DELTA	RADIUS	LENGTH
C1	20°12'20"	250.00'	88.16'

**PARCEL E**  
 APN: 107-070-047

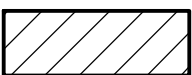
**LLA NO. 01-014**  
**DOC. NO. 2002-026202**  
**REC. 01/16/2002**



**SHERBORN STREET**

**SANTA FE RAILROAD**

**LEGEND:**



INDICATES EXISTING WATER  
 EASEMENT BEING QUITCLAIMED  
 HEREON (BK. 214, PG. 284, O.R.)  
 CONTAINS: 39,832 SQ. FT.  
 0.914 AC. ±

**SURVEYOR:**

PREPARED UNDER THE DIRECTION OF:

*[Signature]*

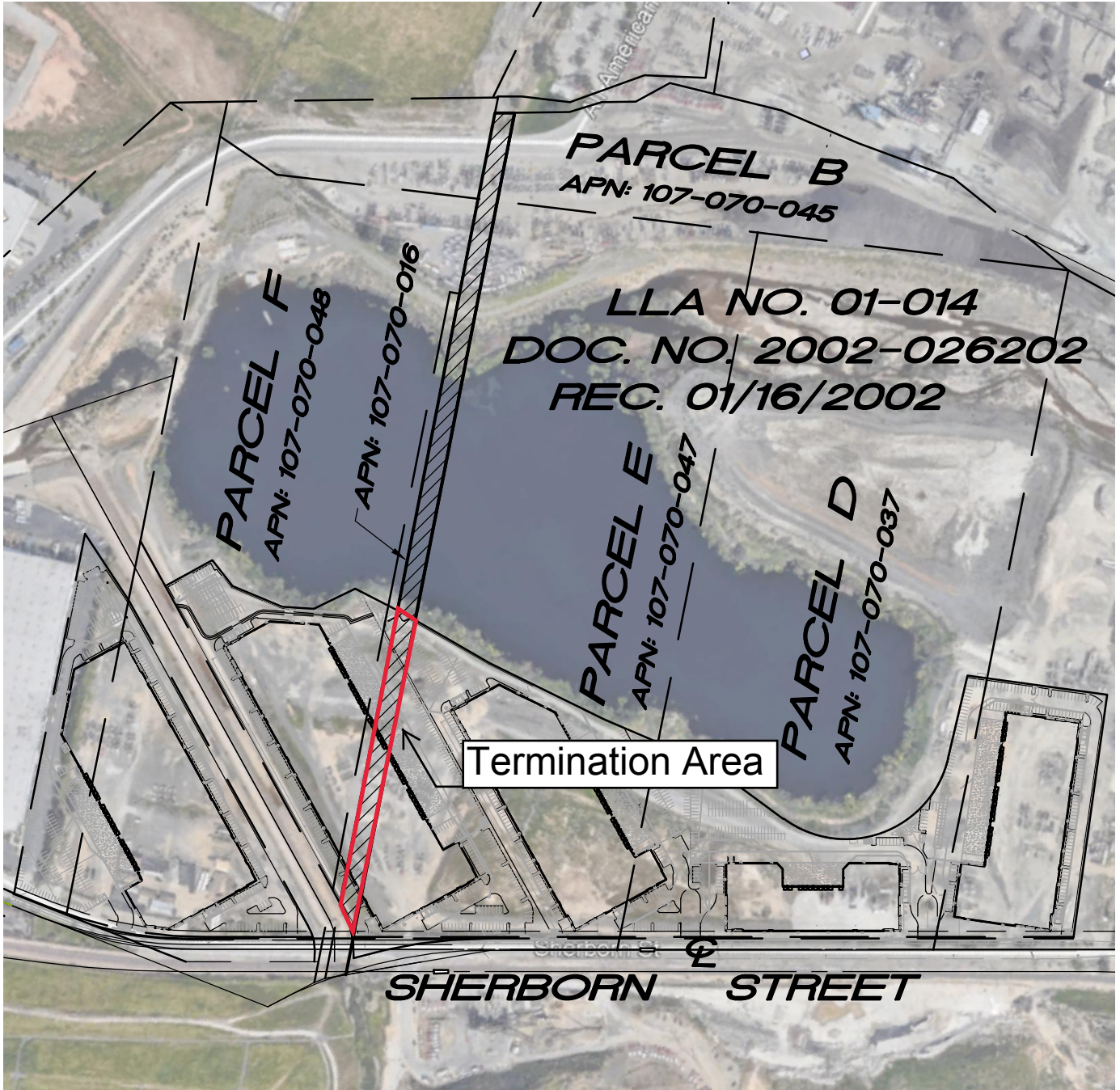
10/13/20  
 DATE

BRIAN L. THIENES  
 P.L.S. NO. 5750  
 REG. EXP. DEC. 31, 2021



**Thienes Engineering, Inc.**  
 CIVIL ENGINEERING • LAND SURVEYING  
 14349 FIRESTONE BOULEVARD  
 LA MIRADA, CALIFORNIA 90638  
 PH.(714)521-4811 FAX(714)521-4173

# EASEMENT SITE PLAN



Last Update: 10/20/20  
O:\3700-3799\3738\ESMT\WATER ESMT QC\3738\_WATER QC-SITEPLAN.dwg

**Thienes Engineering, Inc.**  
 CIVIL ENGINEERING • LAND SURVEYING  
 14349 FIRESTONE BOULEVARD  
 LA MIRADA, CALIFORNIA 90638  
 PH.(714)521-4811 FAX(714)521-4173



**Elsinore Valley Municipal Water District**

*Our Mission...*

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

---

DATE: November 24, 2020

TO: Board of Directors

FROM: General Manager

**SUBJECT: RESOLUTION DEFERRING VARIOUS RATE INCREASES  
ORIGINALLY SCHEDULED TO TAKE EFFECT ON JULY 1, 2020**

### **STRATEGIC GOAL**

Organizational Development

### **RECOMMENDATION**

The General Manager and staff recommend that the Board of Directors:

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.

### **BACKGROUND**

On August 22, 2019 the Board of Directors of the Elsinore Valley Municipal Water District (“EVMWD”) adopted its biennial operating and capital budgets. At that time, a rate hearing was conducted in accordance with Proposition 218 and new rates were adopted in various District funds.

On March 4, 2020 the Governor of California declared a statewide emergency as a result of a global pandemic due to an emerging virus known as COVID-19. This declaration included “stay at home” orders, which have reduced economic activity in the State and increased unemployment.

The Board of Directors reviewed the effects of the emergency at a Study Session held on May 4, 2020. Based on that review, on May 28, 2020, the Board adopted Resolution No. 2020-05-03 deferring several rate increases scheduled to go into effect on July 1, 2020. This Resolution deferred the rate increases to January 1, 2021.

The RARE credit offset was originally scheduled to increase from \$27.34 to \$29.68 on July 1, 2020. This increase was also deferred by Resolution 2020-05-03, as it had a direct correlation to rate increases.

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, the Board asked staff to further defer the rate increases to April 1, 2021. The rate increase deferral affects the rate that will be imposed on customers. It is not intended to reduce the maximum rate that the District is authorized to impose pursuant to the District's Proposition 218 proceedings, or for purposes of calculating future CPI increases.

### **ENVIRONMENTAL WORK STATUS**

Not applicable.

### **FISCAL IMPACT**

Water revenues are expected to decrease by an additional \$500,000 as a result of deferring the scheduled rate increases to April 1, 2021. This difference will be offset by a combination of reduced operating expenditures and use of existing reserve balances.

Originated by: Robert Hartwig – Business Services  
Reviewed by: Terese Quintanar – Administration

Attachments:

Draft Resolution

RESOLUTION NO. 20-\_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT DEFERRING CERTAIN RATE INCREASES SCHEDULED TO TAKE EFFECT ON JULY 1, 2020 TO APRIL 1, 2021

WHEREAS, The Board of Directors of the Elsinore Valley Municipal Water District (the "District") adopted increases in various water rates at its August 22, 2019 Board Meeting; and

WHEREAS, these rate increases were scheduled to take effect on July 1, 2020; and

WHEREAS, Resolution No. 2020-05-03 was adopted on May 28, 2020, deferring these rate increases to January 1, 2021; and

WHEREAS, the United States of America, including the State of California continues to experience the effects of a global pandemic known as COVID-19; and

WHEREAS, the State of California has declared a statewide emergency as a result of the pandemic; and

WHEREAS, the results of the pandemic have had a significant, negative impact on employment and income within the District's boundaries; and

WHEREAS, the results of the pandemic have had a significant, negative effect on business, government, and non-profit organizations; and

WHEREAS, these negative impacts affect many of the District's ratepayers, making it difficult for many to pay their bills; and

WHEREAS, the Board of Directors hereby finds that deferring the scheduled rate increase is in the best interests of both the Elsinore Valley Municipal Water District and its ratepayers.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes that certain rate increases scheduled to take effect on July 1, 2020 should be further deferred until April 1, 2021.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following rate increases shall be deferred:

Recycled Water Rates:

The scheduled rate increase in fixed charges

Temescal Division Water Rates:

The scheduled rate increase in fixed charges

Elsinore Division Water Rates:

The scheduled rate increase in fixed charges

The scheduled rate increase in variable charges

RARE Program

The scheduled increase in RARE Program customer offsets

Section 2. The District's General Manager is directed to adjust operating costs and use reserves as necessary to offset the revenues that the District will forego as a result of this Resolution.

Section 3. The deferral of rate increases provided herein is not intended to reduce the maximum rates authorized pursuant to the District's Proposition 218 proceedings, for purposes of calculating future CPI adjustments.

Section 4. This Resolution shall remain in full force and effect until April 1, 2021, unless rescinded prior to that date, and filed with the State Treasurer's Office.

ADOPTED, SIGNED AND APPROVED this \_\_\_ day of \_\_\_\_\_, 2020.

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

ATTEST:

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



# Elsinore Valley Municipal Water District

## Grants/Loans Activity Summary - As Of November 2020

I	Awarded (Completed)		\$	19,045,597	\$313,322,543				
II	Current Projects		\$	226,529,420					
III	Pending Funding Agreement		\$	-					
IV	Submitted Applications		\$	9,747,526					
V	Future Pursuits		\$	58,000,000					
		PHASE							
	Funding: Project Name	Future Application	Initiation	Planning/Design	Implementation	Final Stages	Complete	Funding *	Future Pursuits
<b>TOTALS</b>		<b>8</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>15</b>	\$ 289,966,377.00	\$ 58,000,000.00
I	Awarded (Completed)								
1	SRF: Regional Water Reclamation Facility Upgrade Design - Low interest loan est. 0% 10-year repayment						X	\$ 2,557,346	
	SRF: Regional Water Reclamation Facility Upgrade Design - Grant						X	\$ 500,000	
2	SRF: Regional Water Reclamation Facility SCADA Construction - Low interest loan est. 1.8% 20-year repayment						X	\$ 1,555,777	
	SRF: Regional Water Reclamation Facility SCADA Construction -Grant						X	\$ 1,555,776	
3	CDPH/SWRCB: Safe Drinking Water SRF Prop 1						X	\$ 4,500,000	
4	Wells Fargo/NFWF Environmental Solutions for Communities Grant						X	\$ 38,000	
5	DWR Water-Energy Grant						X	\$ 858,625	
6	BOR: Water Conservation Field Services Program So Call Office (SCAO)						X	\$ 75,000	
7	BOR: WaterSmart: Title XVI Reclamation and Reuse Program Feasibility Studies						X	\$ 150,000	
8	Bay-Delta Restoration Program: CALFED Water Use Efficiency Grants						X	\$ 750,000	
9	BOR: Drought Contingency Planning Grant						X	\$ 115,000	
10	AMI Clean Water State Revolving Fund (SRF) Green Reserves Fund - Low interest loan 1.3% 20-year repayment						X	\$ 2,347,026	
11	AMI Clean Water State Revolving Fund (SRF) Green Reserves Fund						X	\$ 3,453,047	
12	County Water Company Temporary Connection						X	\$ 500,000	
13	BOR: Water Conservation Field Services Program						X	\$ 90,000	
<b>I: TOTAL AWARDED</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>\$ 19,045,597</b>	<b>\$ -</b>
II	Current Projects								
1	DWR: Groundwater Sustainability Plan			X				\$ 1,000,000	
2	BOR: System Optimization Review (SOR)			X				\$ 80,000	
3	SRF: Regional Water Reclamation Facility Expansion - Low interest loan est. 0% 10-year repayment				X			\$ 5,795,834	
3	SRF: Regional Water Reclamation Facility Expansion Phase - Green Project Principal Forgiveness							\$ 500,000	
4	BOR: Palomar Well			X				\$ 300,000	



## Elsinore Valley Municipal Water District

### Grants/Loans Activity Summary - As Of November 2020

I	Awarded (Completed)								
		\$						19,045,597	
II	Current Projects	\$						226,529,420	
III	Pending Funding Agreement	\$						-	<b>\$313,322,543</b>
IV	Submitted Applications	\$						9,747,526	
V	Future Pursuits	\$						58,000,000	
5	SRF: Regional Water Reclamation Facility Upgrades Construction Regional WRF - Low-Interest Loan				X			\$ 42,487,100	
5	SRF: Regional Water Reclamation Facility Upgrades Construction Regional WRF - Green Project Principal Forgiveness				X			\$ 3,500,000	
6	SARCCUP			X				\$ 3,044,580	
7	Title XVI BOR -Regional Expansion Planning/Design			X				\$ 1,397,974	
8	Regional WRF Expansion Construction <span style="color: red;">Pending State Backlog Decemeber 2020</span>			X				\$ 129,860,229	
9	Diamond Regional Sewer Lift Station and Dual Force Mains <span style="color: red;">Pending State Backlog 12.2020</span>							\$ 36,540,937	
10	Local Hazard Mitigation Plan <span style="color: red;">Award notice ETA 11/01/2020</span>		X					\$ 125,000	
11	Rice Canyon Mitigation Efforts				X			\$ 1,897,766	
<b>II: TOTAL PENDING FUNDING AGREEMENT</b>			<b>0</b>	<b>0</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>\$ 226,529,420</b>
III	<b>Pending Funding Agreement</b>								
<b>III: TOTAL PENDING FUNDING AGREEMENT</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ - \$ -</b>
IV	<b>Submitted Applications</b>								
1	Septic to Sewer – Sedco Hills Planning <span style="color: red;">ON HOLD</span>		X					\$ -	
2	BOR -WaterSMart Groundwater Sustainability Modeling Tools <span style="color: red;">Award Notice ETA 11/01/2020</span>			X				\$ 300,000	
3	Title XVI BOR- Regional Expansion Construction <span style="color: red;">Award Notice ETA 12/1/2020</span>							\$ 9,147,526	
4	CalOES Special District			X				\$ 300,000	
<b>IV: TOTAL SUBMITTED APPLICATIONS</b>			<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ 9,747,526</b>
V	<b>Future Pursuits</b>								
1	Lee Lake Dam/ and Basin		X						\$ 40,000,000
2	Canyon Lake Masterplan Upgrades		X						\$ 18,000,000
3	New Well - Warm Springs		X						TBD
4	PFA's/PFO's		X						TBD
5	Electric Vehicle/Charging Stations		X						TBD
6	Replace/Rehab Mayhew Well		X						TBD
<b>V: TOTAL FUTURE PURSUITS</b>			<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ - \$ 58,000,000.00</b>

\* Green is Grant Funded Black is low interest Loan Funded