

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
WESTERN MUNICIPAL WATER DISTRICT
OF RIVERSIDE COUNTY

June 21, 2017

CALL TO ORDER / PLEDGE OF ALLEGIANCE

The Regular Meeting of the Board of Directors of Western Municipal Water District was called to order at 9:30 a.m. and President Evans led the Pledge of Allegiance to the flag.

Directors Present

Tom Evans, Presiding
Brenda Dennstedt, Vice President
Robert Stockton, Secretary-Treasurer
Donald D. Galleano
S. R. "Al" Lopez (Absent)

Others Present

John Rossi, General Manager
Rod LeMond, Assistant General Manager/CFO
Kevin Mascaro, Director of Finance
Tim Barr, Director of Water Resources
Greg Duecker, Director of Administration
Ryan Shaw, Deputy Director of Water Resources
Karly Gaynor, Water Planning and Policy Manager
Michele McKinney, Special Projects Coordinator
Veronica Zheng, Accounting Manager
Anna Briones, Senior Accountant
Rachel McGuire, Communication Manager
Michael Hadley, Government Affairs Officer
Teri Patton, Senior Engineering Technician
Sonia Huff, Civil Engineer II
Son Bui, Creative Services Specialist III
Daisy Banuelos, Financial Analyst
Jean Perry, Executive Assistant
Steve Gustafsson, IT Specialist III
Jeff Ferre, Best, Best and Krieger
Brian Wilson, PRT-BMT

ORAL COMMUNICATIONS

Any person may address the Board upon any subject within Western's jurisdiction, which is not on the agenda, at this time. However, any non-agenda matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. Any person may also address the Board on any agenda matter at the time that matter is discussed, prior to Board Action.

There were no members of the public who wished to speak during Oral Communications.

PRESENTATIONS

General Manager John Rossi introduced Ernie Reyna, Chief Financial Officer of Western Riverside Council of Governments representing Government Finance Officers Association who awarded Western with the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.

Director of Water Resources Tim Barr introduced Alison Loukeh, Community Affairs Supervisor of Jurupa Community Services District who made a presentation on the WECAN Turf Replacement Project which was funded by the California Department of Water Resources, Western Municipal Water District and Jurupa Community Services District.

M-6670 – Approval of Consent Calendar

President Evans noted that Agenda Item 3-I would be pulled for further discussion. It was then moved by Director Galleano, seconded by Director Stockton to approve the remainder of the Consent Calendar. As a result, the following Consent Calendar items were approved:

- A) Approve Directors' Requests for Compensation
- B) Consider Adoption of Resolution 2999 Honoring Celeste Cantú
- C) Consider Adoption of Resolution 3000 Honoring Rick Dudley
- D) Consider Approval of an Agreement Funding a Turf Replacement Program for Commercial Customers in Western Municipal Water District's Murrieta Division
- E) Consider Quitclaim Easement and Replace with New Easement Within Santa Ana Watershed Project Authority Headquarters
- F) Consider Award of Construction Contract for Specification W-248 Operations Warehouse Building B Tenant Improvement Project
- G) Consider Award of a Construction Contract for the Tank Top Fall Protection Project
- H) Consider Awarding a Five-Year Contract for Landscape Evaluations to Norris Consulting
- J) Consider Adoption of Resolution 2990, Approving the Western Riverside County Regional Wastewater Authority Fiscal Year 2017-2018 Budget
- K) Budget vs. Actual Report Through March 31, 2017

Motion carried 4-0, with Director Lopez absent.

- END OF CONSENT CALENDAR -

M-6671 – Consider Adoption of Resolution 2995 Establishing Water Rates and Charges for Retail Agencies

General Manager John Rossi introduced Director of Finance Kevin Mascaro who explained the details of the proposed water rates and charges for retail agencies for the Fiscal Year 2017-2018. Mr. Mascaro stated that these water rates and charges are essentially a pass-through of Metropolitan Water District of Southern California's rates and

charges with the addition of a per-acre-foot Western Administrative Charge and Mills Gravity Line Maintenance Charge to cover a portion of Western's costs.

The following individual spoke in regard to this matter:

John Farnsworth

Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Stockton to adopt Resolution 2995 establishing water rates and charges for retail agencies. Motion carried 4-0, with Director Lopez absent.

M-6672 – Consider Adoption of Resolutions 2991, 2992, 2993 Approving the Fiscal Year 2017-2018 Budgets and Levy of Special Taxes for Community Facilities District No. 88-1, Improvement Area No. 2 of CFD No. 88-1, and CFD No. 99-1

General Manager John Rossi introduced Anna Briones who explained that this item is for approval of the proposed Fiscal Year 2017-2018 budgets and levy of special taxes for Community Facilities District No. 88-1, Improvement Area No. 2 of CFD No. 88-1 and CFD No. 99-1.

Director Dennstedt asked legal counsel Jeff Ferre if she was required to abstain from voting on this matter as she lives in the Murrieta service area. Mr. Ferre stated that she is eligible to vote on the matter since this is not a matter of changing or increasing fees, charges, or rate formulas that have previously approved as well as the fact that this action would have the same impact on the Director as on the public generally.

Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Stockton to:

1. Adopt Resolution 2991 approving the budget and levy of special taxes for Fiscal Year 2017-2018 for Community Facilities District No. 88-1.
2. Adopt Resolution 2992 approving the budget and levy of special taxes for Fiscal Year 2017-2018 for Improvement Area No. 2 of Community Facilities District No. 88-1.
3. Adopt Resolution 2993 approving the budget and levy of special taxes for Fiscal Year 2017-2018 for Community Facilities District No. 99-1.

Motion carried 4-0, with Director Lopez absent.

With approval of the Board Agenda Item 3-I was brought to this place on the Agenda.

M-6673 – Approval of Consent Calendar

- I) Consider Adoption of Resolution 2996, Approving the Santa Ana Watershed Project Authority Budget for Fiscal Year 2017-2018 – President Evans explained that at the recent Santa Ana Watershed Project Authority meeting there was discussion in regard to this matter and that all questions were answered satisfactorily. He stated that at the conclusion of the meeting it was agreed upon

that all member agency board members would go back to their respective agencies and recommend approval of the budget. It was then moved by President Evans, seconded by Director Dennstedt to adopt Resolution 2996 approving the Santa Ana Watershed Project Authority budget for Fiscal Year 2017-2018. Motion carried 4-0, with Director Lopez absent.

M-6674 – Consider Approval of Murrieta Standing Committee

General Manager John Rossi explained that this matter is to consider changing the Murrieta Ad Hoc Committee to a Standing Committee. Following a full discussion and consideration of this matter by the Board, a motion was made by Director Dennstedt, seconded by Director Stockton to approve changing the Murrieta Ad Hoc Committee to a Standing Committee. After further discussion there was a motion made by President Evans, seconded by Director Dennstedt to approve the Committee matrices with the recommended changes and appoint Director Robert Stockton as the alternate representative to the Murrieta Committee. Motion carried 4-0, with Director Lopez absent.

Closed Session

The Board did not go into Closed Session on the following matter:

- A) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant paragraph (2) and (4) of subdivision (d) of Government Code Section 54956.9(b)
One potential case

Legal Counsel Report

Legal Counsel Jeff Ferre said there was nothing to report today.

Staff Reports

General Manager John Rossi and staff reported on the following:

- Reported that the Metropolitan Water Inspection Trips have been confirmed
- Advised that today is the United Way/Day of Action which is being held in the Training Room
- Assistant General Manager/CFO Rod LeMond provided an update on SRRRA bond issues

Workshop to Discuss Retail Water Rates and Charges

Assistant General Manager/CFO Rod LeMond introduced Director of Finance Kevin Mascaro who made a presentation on the proposed retail water rates. Topics of discussion included the water budget structural changes, fixed system charge, Metropolitan Water District readiness-to-serve charge, agricultural commodity rates and March East Service Area.

The following individual spoke in regard to this matter:

John Farnsworth

The Board then provided direction to staff regarding additional information to be brought back to the Board for further consideration of this matter.

SAWPA Report

Director Evans provided a summary report of the meeting and requested that the Board receive a copy of the draft brochure for the SAWPA General Manager position.

MWD Report

Director Galleano provided a summary report of the meeting.

CBWM Report

Director Galleano said there was nothing to report today.

CDA Report

Director Stockton said there was nothing to report today.

WRCRWA Report

General Manager John Rossi noted that the Change of Use Agreement is scheduled to go to the Board on June 28, 2017 for request of approval.

WRCOG Report

Director Dennstedt noted that the General Assembly is scheduled to be held on June 21, 2017 and the Executive Committee meeting is scheduled for June 23, 2017.

SRRRA Report

Director Dennstedt said there was nothing further to report today.

Director's Report

Director Evans noted that SAWPA's General Manager Celeste Cantú's retirement celebration is scheduled for June 22, 2017.

Adjourn

There being no further business to come before the Board, at 11:11 a.m. President Evans adjourned the Regular Board Meeting of Western Municipal Water District.



THOMAS P. EVANS
President



ROBERT STOCKTON
Secretary-Treasurer