

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
WESTERN MUNICIPAL WATER DISTRICT AND A
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
WESTERN MUNICIPAL WATER DISTRICT FACILITIES AUTHORITY

July 19, 2017

CALL TO ORDER / PLEDGE OF ALLEGIANCE

The Regular Meeting of the Board of Directors of Western Municipal Water District and the Special Meeting of the Board of Directors of the Western Municipal Water District Facilities Authority was called to order at 6:00 p.m. and Director Galleano 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

Others Present

John Rossi, General Manager
Craig Miller, Deputy General Manager
Rod LeMond, Assistant General Manager/CFO
Greg Duecker, Director of Administration
Candi Judd, Director of Human Resources
Daisy Banuelos, Financial Analyst
Thomas Thornton, Principal Engineer
Teri Patton, Senior Engineering Technician
Rachel McGuire, Communications Manager
Anna Briones, Senior Accountant
Jean Perry, Executive Assistant
Thomas Kleve, Office Assistant
Jeff Ferre, Best, Best and Krieger
Ken Mueller, Riverside Unified School District

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.

M-6682 – Approval of Consent Calendar

It was moved by Director Dennstedt, seconded by Director Stockton to approve the the Consent Calendar. As a result, the following Consent Calendar items were approved:

- A) Approve Directors' Request for Compensation
- B) Approve Regular Board Meeting Minutes, July 5, 2017

Motion carried 5-0.

- END OF CONSENT CALENDAR -

M-6683 – Conduct Public Hearing Regarding Proposed Adoption of Resolution 2983 Establishing Wastewater Rates and Charges for Fiscal Year 2017-2018, and Upon Completion of the Hearing Consider and Adopt Resolution 2983

President Evans stated that it is the time and place for the public hearing on proposed Resolution 2983 authorizing rate increases for wastewater service fees. President Evans then called upon staff to present the results of the rate analysis which substantiates the need for the increased rates, and to describe the proposed resolution.

General Manager John Rossi introduced Director of Finance Kevin Mascaro who made a presentation on the proposed retail wastewater rates for Fiscal Year 2017-2018. Mr. Mascaro stated that in light of the concerns expressed by the Riverside Unified School District, staff recommends that the Board still approve the proposed Resolution 2983, yet modify the rate per EDU for the school customer class presented in Exhibit B of the Resolution as follows: for schools in the WWRF Service Area, the rate per EDU would be \$51.43 per month instead of \$69.31; and for schools in the La Sierra Service Area, the rate per EDU would be \$35.94 per month instead of \$48.44.

Legal Counsel Jeff Ferre stated that the Board will now conduct a Proposition 218 public hearing. It was explained that the date and time of this public hearing is not less than 45 days after the mailing of the notice of the hearing. The notice was mailed, postage pre-paid and deposited in the U.S. Postal Service, to each record owner who is subject to the rates proposed to be established and reaffirmed. In addition, a notice of the hearing was mailed to all tenants who are directly liable for the payment of wastewater service fees, who are current customers in the District's billing system.

Legal counsel explained that the purpose of the public hearing is for the Board to hear all oral testimony and consider all protests and objections concerning the proposed Resolution which would adopt the increased wastewater rates. It was also explained that oral protests would be heard but that the law required a protest to be in writing in order to be counted as a protest under Proposition 218.

President Evans declared the public hearing to be open.

The following members of the public spoke in regard to this matter:

Ken Mueller
Chester B. Pinto

President Evans stated that as all speakers have been heard and since the request has been made for any additional protests, the public hearing is hereby closed.

Legal Counsel Jeff Ferre stated the District has received two written protests from qualifying owners of the parcels involved, which is not a majority protest so the Board may proceed to consider the proposed resolution.

Following a full discussion and consideration of this matter by the Board, a motion was made by Director Stockton, seconded by Director Galleano to adopt Resolution 2983 establishing retail wastewater rates and charges to be applied to all wastewater service billed on or after October 1, 2017 for the La Sierra, Western Water Recycling Facility (WWRF), and Murrieta service areas, with the recommended modifications to Exhibit "B" in regard to the rate per EDU for the school customer class. Motion carried 5-0.

M-6684 – Conduct Public Hearing Regarding Proposed Adoption of Resolution 3005 Adopting Report on Wastewater Charges and Directing that Wastewater Charges be Collected on the County Tax Roll

President Evans stated that this is the time and place set for the Public Hearing regarding the collection of wastewater service charges, and any prior year unassessed wastewater service charges, on the tax roll for Fiscal Year 2017-2018.

General Manager John Rossi explained that the collection of wastewater service charges on the tax roll for Fiscal Year 2017-2018 applies to all parcels of real property to which the District provides wastewater service, but not water service. Notice of the hearing for proposed collection of such charges on the County tax roll has been properly given. Mr. Rossi stated that he has Proof of Publication which shows that the notice was published in The Press-Enterprise, a newspaper of general circulation in Riverside County, on June 28 and July 5, 2017.

President Evans said that the documents are ordered received and filed.

Assistant General Manager/Chief Financial Officer Rod LeMond explained that placing wastewater charges on the tax roll will allow for the collection of \$1,091,882.58. This dollar amount is derived from 1,894 wastewater accounts. The wastewater charge is \$46.37 per Equivalent Dwelling Unit (EDU) per month for three months, and effective October 1, 2017, \$48.44 per month for the remaining nine months of the year. The total fiscal year amount per EDU is \$575.07 for applicable customers in the City of Riverside and Home Gardens area. Some of these accounts require additional maintenance on pipelines serving their area per agreement with the original housing developer. Those accounts incur an additional \$5 per month charge for lateral cleaning and inspection.

President Evans then said the hearing is now open, asking if there was anyone in the audience that wished to speak on this issue. Seeing as there was no-one who wished to

Speak on the matter, President Evans declared that the public hearing was closed and the matter is now before the Board for discussion.

A motion was made by Director Galleano, seconded by Director Stockton to adopt Resolution 3005 approving the written report on file with the secretary for the Board of Directors describing the parcels and amounts for collection, and ordering the collection of these charges on the County tax roll for Fiscal Year 2017-2018. Motion carried 5-0.

M-6685 – Conduct Public Hearing Regarding Proposed Adoption of Resolution 3006 Setting Fiscal Year 2017-2018 Water and Wastewater Availability Charges for the Murrieta Service Area, and Upon Completion of the Hearing Consider and Adopt Resolution 3006

President Evans stated that this is the time and place set for the Public Hearing regarding the collection of Fiscal Year 2017-2018 water and wastewater availability charges for property within the Murrieta service area.

General Manager John Rossi explained that notice of the hearing for proposed collection of water and wastewater availability charges on the County tax roll has been properly given. Mr. Rossi stated that he has Proof of Publication which shows that the notice was published in The Press-Enterprise, a newspaper of general circulation in Riverside County, on June 28 and July 5, 2017.

President Evans then said the documents are ordered received and filed.

Assistant General Manager/Chief Financial Officer Rod LeMond said that the Board is being asked to adopt the proposed water and wastewater availability charges listed in Resolution 3006. He explained that the charge is equal to \$21 per acre (with fractions of an acre rounded up to the nearest whole acre) for both water and wastewater, for a combined total of \$42 per acre. The amount of the charges has remained unchanged since Fiscal Year 2002-03. Water and wastewater charges billed monthly to customers, along with availability charges, are used to provide the necessary revenue to pay for operating and maintaining the water and wastewater systems in the Murrieta service area. By collecting availability charges on the tax rolls for operating revenue, approximately \$262,000 of the system operating expenses are paid for that otherwise would need to be offset in higher water and wastewater customer rates.

President Evans then said the hearing is now open, asking if there was anyone in the audience that wished to speak on this issue. Seeing as there was no-one who wished to speak on the matter, President Evans declared that the public hearing was closed and the matter is now before the Board for discussion.

A motion was made by Director Lopez, seconded by President Evans to adopt Resolution 3006 establishing water and wastewater availability charges for Fiscal Year 2017-2018 for properties within the Murrieta Service Area, and directing staff to place those charges on the County tax roll. Motion carried 5-0.

M-6686 – Consider Adoption of Resolution 3007 Approving a Wastewater Capacity Funding Agreement and Certain Information for Inclusion in Preliminary Official Statement Relating to the Santa Rosa Regional Resources Authority Tax-Exempt Fixed Rate Revenue Bonds, Series of 2017B and Approving Certain Other Matters in Connection Therewith

Assistant General Manager/Chief Financial Officer Rod LeMond explained that this agreement relates to financing the purchase price of the Wastewater Facilities and certain upgrades to such facilities. A motion was made by Director Dennstedt, seconded by Director Lopez to adopt Resolution 3007 approving a Wastewater Capacity Funding Agreement and certain information for inclusion in Preliminary Official Statement Relating to the Santa Rosa Regional Resources Authority Tax-Exempt Fixed Rate Revenue Bonds, Series of 2017A and Federally Taxable Fixed Rate Revenue Bonds, Series of 2017B and approving certain other matters in connection therewith. Motion carried 5-0.

M-6687 – The Board of Directors of the Western Municipal Water District Facilities Authority to Consider Adoption of Resolution 16 Approving a Wastewater Capacity Funding Agreement with Western Municipal Water District and Santa Rosa Regional Resources Authority

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 16 of the Board of Directors of Western Municipal Water District Facilities Authority approving a wastewater capacity funding agreement with Western Municipal Water District and the Santa Rosa Regional Resources Authority. Motion carried 5-0.

SAWPA Report

A summary report of the meeting was provided.

MWD Report

A summary report of the meeting was provided.

CDA Report

A summary report of the meeting was provided.

WRCOG Report

A summary report of the meeting was provided.

Adjourn

There being no further business to come before the Board, at 6:51 p.m. President Evans adjourned the Regular Board Meeting of Western Municipal Water District and the Special Board Meeting of the Western Municipal Water District Facilities Authority in honor of Legal Counsel Jeff Ferre's father, Frank Ferre, who passed away on July 2, 2017.



THOMAS P. EVANS
President



ROBERT STOCKTON
Secretary-Treasurer