

**LAKE HEMET MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
May 20, 2021**

Important Update

Please note this meeting will be conducted pursuant to the provisions of Executive Order N-25-30 issued by Governor Gavin Newsom on March 12, 2020, governing protocol for teleconferenced meetings. Certain board members may be participating via teleconference. The call-in number is as follows:

Dial-in Number: 1-602-580-9460 (TOLL)
Access Code: 6175438#

For any members of the public attending via teleconference, public comments must be e-mailed to kbillinger@lhmwd.org prior to 2:00 p.m. the day of the board meeting. Please state which item you are addressing on the agenda on your email.

Any member of the public can observe and participate in this meeting by attending the meeting at 26385 Fairview Avenue, Hemet, CA 92544. Face coverings are required and social distancing will be enforced.

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE – 3:00 p.m.

President Foutz called the meeting to order.

All are complying with the Governor's Face Covering Mandate

II. ROLL CALL

PRESENT:

Directors, Foutz, Minor and Pastor
Director Jorgensen arrived at 3:03 p.m.

ABSENT:

Director Marshall

OTHERS

PRESENT:

General Manager Gow, District Council Wojcik, Administrative Services
Manager Markham and District Secretary Billinger

III. Agenda Approval

Director Minor moved and Director Pastor seconded a motion to approve.

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Minor, Pastor

ABSENT: Marshall

IV. Public Comment Period

*Jack Ponsedly – Garner Valley resident – Cost of Service and water rights over the Garner Valley Area.

*Torbin – Garner Valley resident – Cost of Service

*Greg Estevane – Hemet resident - Water Sources

REGULAR SESSION OF THE BOARD OF DIRECTORS

V. Response Items / Reports

1. General Manager Report – Mike Gow

a. Manager's Report

b. Construction & Engineering

GM reviewed written reports in the agenda packet.

Director Foutz asked when will the testing results be ready on McMillan Well? GM Gow stated it is on closed session for discussion.

2. Board Member Reports

Director Pastor attended the April 22, 2021, LAFCO Meeting via Zoom, they have a balanced budget. Although they did not have much activity this year, next year, they are anticipating an increase.

The next Watermaster Meeting will be held on May 24, 2021.

VI. Board Action Items

3. Consent Agenda Items – Approval by Master Motion. Directors may separate items for discussion and voting.

a) Ratify April 2021 Expenditures

Director Pastor moved and Director Minor seconded a motion to approve.

Motion carried by the following roll call vote:

AYES:	Foutz, Jorgensen, Minor, Pastor
ABSENT:	Marshall

**4. Minute Order - Approve Minutes of the Regular Board Meeting on April 15, 2021
Director Minor moved and Director Jorgensen seconded a motion to approve.**

Motion carried by the following roll call vote:

AYES:	Foutz, Jorgensen, Minor, Pastor
ABSENT:	Marshall

5. Minute Order - Establish and Appropriate Budget for Payment of LHMWD Contribution for the Bautista Channel Recharge Basin Expansion Project in the Amount of \$335,698

GM Gow stated that construction should start next month. Director Foutz noted that this will allow us to use the pipeline to recharge our ponds. GM Gow replied, yes, not just storm run-off.

Director Pastor asked, how many acres? GM Gow, replied, seventeen acres and this will more dramatically affect our wells.

Public Comment:

Howard Tounget asked how is this going to affect well 8, since it's not pumping much at this time. GM Gow responded, proximity was something we looked into, we have quite a few wells that will benefit from this project. There are requirements in place and we have met all requirements.

Director Pastor asked how long will it take the water to percolate? GM Gow replied, in general, six months to a year, and in the upper San Jacinto Basin in the Canyon Basin approximately two to four months.

Director Minor moved and Director Jorgensen seconded a motion to approve.

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Minor, Pastor
ABSENT: Marshall

6. **Minute Order** - Approve an Exemption in Ordinance No.176 for Tr. 31810 for New Water Service

Michael Wright was present to respond to questions from the board, he represents the developer.

Director Pastor asked how many projected homes? GM Gow, 146, well capacity would be 1 gpm per house. Also asked if Watermaster has any say in this? GM Gow responded, no, it's just as if we drilled the well ourselves. It is measured against our production rights. It is the developers due diligence to look into.

GM Gow's recommendation is to go forth and support their request. Next steps are review/approval of a concept to drill and equip a well that will supply not only the demands of this project, but possibly enter into an agreement with the District.

No action needed at this time.

7. **Approve Resolution Nos. 799 and 800** – Declaring Intent for Annual Levy and Collection of Availability Charges in Fiscal Year 2021/2022; and Setting a Public Hearing Date and Time of July 15, 2021 at 3:00 p.m. to Hear and Consider Any/All Protests

- a. **Resolution No. 799** – Improvement District No. A (Garner Valley) for the Annual Levy and Collection of Water Availability Charges

Director Minor moved and Director Pastor seconded a motion to approve.
Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Minor, Pastor
ABSENT: Marshall

- b. **Resolution No. 800** – Improvement District U-2 (Valle Vista) for the Annual Levy and Collection of Sewage Service Availability Charges

GM Gow stated that since we collect so little money on this, the ratio of the expense is not worth the income. The Finance Committee's recommendation is to not access in the ID U2. He recommends we not do anything this year or going forward.

Director Pastor moved and Director Jorgensen seconded a motion to table this resolution and not access in the ID U2 this year or going forward.
Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Minor, Pastor
ABSENT: Marshall

VII. Board Discussion Items

8. Discussion of Well 8

GM Gow, does not recommend any additional work, we can install a small pump for \$51,000 and hopefully get 125 gpm out of it. We will come back to the board with new bids.

Director Jorgensen asked, how much are in for? Response, approximately 1.3 million.

9. Review of Draft Budget for Fiscal Year 2021-2022

Presented by LeAnn Markham, Administrative Services Manager
Draft budget attached with highlights

Payoff early debt:

GWMP loan through EMWD approximately \$4,541,865

DWR (Leaky Pipe) Loan approximately \$506,698 (\$869,380 less the \$362,682 in the reserve fund) with \$260,500 in annual payments.

Director Pastor asked if we make any money off Little Lake? GM Gow stated, it loses money, approximately \$1,500 a year, but it is included in our agreement with Basecamp Hospitality for Lake Hemet.

Director Jorgensen asked since we have less employees, doesn't it cost us more to contract out? Hence, spending more money in the end? Director Foutz stated, it's best to keep the numbers low and contract out, especially when we factor in CalPers costs, which causes unfunded liabilities, the cost is much higher to keep more full-time employees on payroll.

Director Pastor, on Page 25, legal expenses, were 0 then went up to 100,000. Administrative Services Manager Markham stated that is pertaining to the ongoing litigation costs. District Counsel Wojcik stated we have insurance that will pay most of it, we will have to figure out indemnification once completed.

Recessed to closed session at 4:20 p.m.

VIII. Closed Session

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS** – Pursuant to Gov. Code Section 54954.5(b); District Negotiator(s): General Manager Gow/Attorney Wojcik Negotiating Party(s): Gary McMillan; Under Negotiation: Assessor Parcel Numbers: 551-200-055, 056 and 057 (Ground Lease Terms)

No reportable action

- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to Gov. Code Section 54956.9(d); One Potential Case; Randy Butler Claim

The board has concluded closed session and is reconvening into open session. With regard to Item VIII. B., pursuant to California Government Code § 54957.1, on motion made by Director Pastor and seconded by Director Jorgensen, the board unanimously approved the claim filed by Randy Butler on March 29, 2021 in the amount of \$1,000 pursuant to California Government Code § 912.6(b). Directors Minor and Marshall were not present for the vote.

The claim is conditionally accepted subject to Mr. Butler entering into a settlement agreement with a Civil Code § 1542 waiver of all claims. The district will payout the claim within the time period proscribed under California Government Code § 912.4(a).

The board authorized Mike Gow, General Manager, to negotiate and sign the settlement agreement on the board's behalf.

- C. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** – Pursuant to Gov. Code Section 54957; Continued Review of the General Manager; Michael A. Gow


No reportable action.

Director Pastor moved and Director Jorgensen seconded a motion to report out of closed session at 4:49 p.m.

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Pastor
ABSENT: Marshall and Minor

- IX. **Adjourned** – at 4:49 p.m. to Thursday, June 17, 2021 at 3:00 p.m.



Kathleen Billinger, Assistant Secretary

President Foutz asked for a motion to approve the minutes for the Regular Board Meeting of April 15, 2021. A copy of the minutes was sent to each board member for review prior to the May 20, 2021 meeting. Motion to approve was made by Director Minor with a second from Director Jorgensen. It carried by the following roll-call vote:

AYES: Foutz, Jorgensen, Minor, Pastor
ABSENT: Marshall



Todd Foutz, Board President
Lake Hemet Municipal Water District