

**LAKE HEMET MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
August 19, 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

President Foutz called the meeting to order at 3:00 p.m.

II. Roll Call

PRESENT:

Directors Foutz, Jorgensen, Marshall and Pastor

VIA CONFERENCE CALL:

Director Minor

OTHERS PRESENT:

General Manager Gow, District Council Wojcik and District Secretary Billinger

III. Agenda Approval

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

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor

IV. MinPublic Comment Period

Jack Podsedly-Garner Valley

GM Gow Customized report that Mr. Podsedly requested during litigation, president Foutz stated they will take it up at the finance committee and see if it is something they can provide in the future.

Johnny Jones, Garner Valley Lawsuit

How is their 1.8 million debt going to get collected?

Director Foutz explained, it was determined by our rate hearing, a rate structure was built in which repayment and revenue streams was factored in.

Mr. Jones believes everyone should have to pay the same amount.

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.

Basecamp is having issues with their fuel and chlorine supply, we are not having any problems but the price has gone up 10%. Looking for other options for availability and pricing.

Our board room was selected as a site for ballot drop off for election on September 14, 2021.

The District is applying for funding to pay for outstanding deficient accounts

The District paid off the state loan, per boards direction.

Early payoff for EMWD's debt is still being worked on within the ranks of EMWD.

Drought Update: The State and MWD is already calling for voluntary cutbacks. We still have half the volume at Lake Hemet and we still have water for this year. Next year we may have dire circumstances if we do not get some adequate rain.

Covid Update: Three employees are back in the office, there are two in quarantine that have tested positive and another one is out, waiting for results. Out of all our employees thirty have either had it or are vaccinated. (Fifteen vaccinated and eighteen have had the virus.)

Director Foutz asked if the District was incentivizing to get our employees vaccinated? How can we encourage our employees to get vaccinated? GM Gow stated that employees wear masks, follow CDC guidelines and the field workers are using only one person per vehicle. Director Foutz stated that the clinic at Hemet Hospital provides vaccinations every Wednesday and Thursdays and he encourages everyone to get vaccinated and consider the booster as well.

Director Jorgensen suggested to offer the incentive for paid time off to get the vaccination. GM stated that the covid leave is set to expire September 30.

Director Foutz stated, short of requiring employees to get vaccinated, we need to do what we can to get our staff fully vaccinated.

Director Pastor, in our industry, we can't afford to have our employees out on leave.

GM Gow stated our employees are dedicated to getting their job done.

Tank Repainting Update: They will be done with the last tank, Cunningham, in the next three to four weeks and it will be back in service.

2. Board Member Reports

Director Pastor stated the next LAFCO meeting is set for September 23, 2021 at 9:30 a.m. and the Watermaster Meeting will be held on August 23, 2021 at 4:00 p.m. Director Jorgensen plans to be in attendance at the Watermaster Meeting.

VI. Board Action Items

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

a) Ratify July 2021 Expenditures

There was a discrepancy on page 7 of the warrants list, safety compliance, the computer combined the values of two checks, \$250 safety compliance and the one that was missing is Snyder Electric is the balance of \$23,000 add to original. Revised version added to agenda packet.

Approved as amended

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

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor

4. **Minute Order** - Approve Minutes of the Regular Board Meeting on July 15, 2021

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

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor

5. **Minute Order** - Approval of Sixth Amendment to Lease-Sheriff's Substation, 56550 Highway 74, Mountain Center, CA

The benefits of having the Sheriff's Department on-site outweighs the 1% CPI we are not collecting at this point. Next amendment, the CPI will be requested.

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

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor

6. **Minute Order** - Approve and Authorize Award of Contract for Equipment at Well 8A

Well 8A will produce half acre foot a day. Director Minor asked if a soft start in included? GM Gow stated yes, they are installed on all new wells.

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

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor

7. **Minute Order** - Approve Mountain Well Lease Agreement

If Lake Hemet pumps more water than McMillan, we would pay 300 per acre foot, McMillan wanted it to be the full Edison cost, GM Gow deliberated and based the rate increase on the District's cap, which is 3% right now, not Edison's. Our cap will change after the new rate study in 2023.

GM Gow stated it is good insurance for us in the future to have this well readily available.

District Council Wojcik stated that the District has right and refusal to purchase said wells. If you like the terms we can approve at this time.

Director Foutz is very satisfied that we will have this resource if needed in the future.

Director Pastor, being pro-active is a great idea.

Director Minor abstained from this discussion and did not engage in any discussion.

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

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

8. **Minute Order** - Approve Amendment to M&M Well Lease Agreement

Should the rate increase, Lake Hemet would pay a rate which would be capped at CPI, 3% and matching the Lake Hemet rate increase for irrigation water.

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

Director Minor abstained from this discussion and did not engage in any discussion.

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

9. **Minute Order** - Approve Amendment to McMillan Well Lease Agreement

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

Director Minor abstained from this discussion and did not engage in any discussion.

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

10. **Minute Order** - Cancellation of the Board of Directors Meeting on September 16, 2021.

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

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor

VIII. **Board Discussion Items**

11. Garner Valley Annexation

Section 7 of the Agreement, District is the trusting agent, etc. The annexation document is a recorded document and it shows up in their title report regarding the water rights of 1972. As the trustee, we need to protect those rights and litigate anyone who drills a well.

Director Foutz, at his point, if GV is unhappy, they would have to approach LAFCO (Local Agency Formation Commission), Lake Hemet MWD cannot unilaterally withdraw from this agreement. District Council Wojcik stated they can create their own water company or join an existing water company. It's clear in the agreement, that the owner conveyed the rights to Lake Hemet MWD.

Director Jorgensen asked if we have any connections down here to the GV water system? GM Gow stated No. If someone is over-pumping in the basin it will lower the water table.

Public Comment:

Jack Podsedly-Garner Valley

Spoke to LAFCO a few years ago and they said we can contract with a company that runs small water agencies.

He spoke to a water scholar and their Water rights were not severed, the only reason the district can get involved is if someone drills a well and depletes the water table. They have a very high water table as they are 5 acre parcels, can't treat as we do. GV overall rights have not been severed.

District Council Wojcik: Severance of water rights, it would be problematic if we took their water and trucked it down here in the valley.

Director Jorgensen, has the water rate in GV has increased, they are seeing the increase, is that an effect from our lawsuit? Director Foutz, yes, it was discussed in the rate study.

Director Pastor asked Mr. Podsedly to restate the name of this company he mentioned in his initial comment. Mr. Podsedly didn't give name or contact information, his response was, "it was a few years ago."

Director Foutz stated, our policy that stands is that if someone attempts to drill a well, we will immediately seek an injunction to stop it. LAFCO would have to deem their approval. You are aware that the other water companies up on the mountain are almost four times more expensive than Lake Hemet? At this point, we will litigate and we are not going to de-annex and we will do anything to continue to provide great service to the Garner Valley residents.

District Council Wojcik asked if we maintain the pipes up there? GM Gow stated, Yes, we do. We also have provided generators in times of crisis, and note, they have never been without water.

Remove Item C from closed session, it will not be discussed.

Recessed to closed session at 4:06 p.m.

IX. Closed Session

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Section 54956.9(d)(1); LHMWD vs. The Dow Chemical Company; Dow Agro Sciences, LLC, Shell Oil Company; et al.; District Counsel: Attorney Wojcik AND Outside Counsel: Attorney Sansone

U.S. District Court For the Central District Case No. 5:18 cv-02022

No reportable action

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Section 54956.9(d)(1); Kutsch vs. LHMWD, Urban Park Concessionaires, et al.; District Counsel: Attorney Wojcik
Riverside Superior Court Case No: RIC 2003140

No reportable action

C. 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

551-200-034

551-040-030-8

(Ground Lease Terms)

Removed from action.

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

No reportable action

Director Marshall moved and Director Pastor seconded a motion to report out of closed session at 4:30 p.m.

Motion carried by the following roll call vote:

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor

X. Adjourned – at 4:30 p.m. to Thursday, October 21, 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 July 15, 2021. A copy of the minutes was sent to each board member for review prior to the August 19, 2021 meeting. Motion to approve was made by Director Marshall with a second from Director Jorgensen. It carried by the following roll-call vote:

AYES: Foutz, Jorgensen, Marshall, Minor, Pastor



Todd Foutz, Board President
Lake Hemet Municipal Water District