

**Board of Directors
January 16, 2019**

SUBJECT:

General Manager's Report

I. Updates from the January 11, 2019 Weekly Report

- a. Soboba Band of Luiseño Indians Pending Resort Opening: On January 15, 2019, EMWD Engineering management and construction staff met with representatives of the Soboba Band of Luiseño Indians (Tribe) and their contractors to coordinate the completion, testing, and commissioning of the sewer system serving the new Casino and resort facilities. The portion of the sewer being constructed by the Tribe is on the critical path for the Casino and resort opening scheduled for February 14, 2019. The gravity sewer and force main along Ramona Expressway, recently installed by the Tribe's contractor, is scheduled to be completed by the first week of February. In the interim, EMWD will make all necessary accommodations to allow for the testing of Casino facilities including the kitchens and laundry, which will require close monitoring of wet well levels given limited capacity of the existing Soboba Lift Station. Once the force main tie-in to gravity sewer is completed, EMWD will test the new lift station and sewage flows will be redirected to the new facility. In addition, EMWD wastewater operations staff completed cleaning the existing forcemain and have scheduled additional cleaning this week in preparation for the additional flows. Representatives of the Tribe have expressed appreciation for EMWD's efforts to work with the Tribe's contractors to facilitate the timely completion and commissioning of the new sewer system.

II. Past and On-going Activities

- a. City of Menifee Rural Area Groundwater Community Meeting: On December 19, 2018, District management, engineering and finance staff along with Director Sullivan participated in a City-hosted community meeting with residents impacted by dry well conditions in the Garbani Road and Wickerd Road area of rural eastern Menifee. A comprehensive presentation was given regarding groundwater and well field conditions and potential engineering and financing options for providing a reliable potable water source. The option offered by the District includes construction of new potable water infrastructure and the formation of a Community Facilities District (CFD) to finance the improvements. Residents were provided an opportunity to ask numerous questions and were given background information including a draft non-binding letter of interest to review and consider. A follow-up meeting has been scheduled at EMWD's headquarters for January 22, 2019. Should the District receive a sufficient number of executed letters of interest for constructing and financing the facilities (a two-thirds vote is required to

form the CFD), a projected cost and recommendation to proceed forward with the formation proceedings will be brought to the Board for consideration.

III. Items of Interest to the Board

- a. San Jacinto River Replenishment Diversions: As a result of the recent wet weather, San Jacinto River diversions to the Grant Avenue Ponds have commenced again and through the end of last week, 230 AF of surface water was diverted and recharged into the groundwater basin. With the current wet weather diversions are expected to substantially increase. EMWD is permitted to divert up 5,760 AF from the San Jacinto River each water year (November through May) for groundwater recharge.
- b. Governor Supports Water Fee and Takes Cabinet Members on Field Tour of Failing Water Systems: Late last week, Governor Newsom released his first draft state budget which included establishing the Safe and Affordable Drinking Water Fund that would receive funding from a drinking water retail customer fee as well as fertilizer and dairy fees. The structure mirrors the failed SB 623 (Monning), and would provide funds for the State Water Resources Control Board to assist communities with contaminated water in upgrading, operating, adding treatment and maintaining their water systems. In addition, the proposed budget allocates \$4.9 million from the General Fund on a one-time basis for the State Board and the California Department of Food and Agriculture Drinking Water Programs. On January 11, 2019, Governor Newsom also took key Cabinet members on field visit to the community of Ceres in Stanislaus County to conduct a public roundtable discussions with residents. Newsome declared that for his Administration "...safe drinking water, affordable drinking water is top of mind," and stated his goal to get the "...\$ 130 million water fee annualized."
- c. AB 401 (Dodd) Low Income Rate Assistance Study Released: On January 3, 2019, the State Water Resources Control Board (State Board) released the draft water Low Income Rate Assistance (LIRA) study required under AB 401 (Dodd) which was passed by the legislature in 2015. The study outlines program components and identifies potential program recipients, different mechanisms for delivering benefits to low-income households, and possible funding sources. The funding sources identified in the report include a drinking water retail customer fee on non-eligible households' water bills, a quarter percent tax increase on personal income above \$1 million, and a sales tax surcharge on bottled water. These new fees would generate the estimated \$620 million per year in proposed program costs. Staff is working with ACWA and others to review the study and submit comments to the State Board by the February 1, 2019, deadline.

IV. Operational Highlights

- a. Potable Water Production and Demands: Water consumption was at 63 MGD. The potable supply blend was 16 percent from potable wells, 11 percent from the Desalters,

17 percent from imported raw water treated at EMWD's plants, and 56 percent from imported, treated water.

- b. Water Filtration Facilities: The Perris Water Filtration Plant (PWFP) produced 7.4 MGD. The Hemet Water Filtration Plant (HWFP) produced 3 MGD.
- c. Menifee and Perris I Desalters: The Menifee and Perris I Desalters produced 7.1 MGD.
- d. Recycled Water: The average daily demands were 18 MGD. Tertiary recycled water storage is at 1,341 MG, or 58 percent of total capacity.
- e. Wastewater Treatment Facilities: All four regional water reclamation facilities (RWRFs) met their water quality objectives for the past week treating a total daily average of 44.4 MG.

V. Upcoming Meetings

- a. 1/17/19: Executive Committee (Slawson, Board President)
- b. 1/17/19: Delta Conveyance Finance Authority (Record)
- c. 1/17/19: EMWD and WMWD Joint Committee Meeting (Sullivan, Slawson)
- d. 1/22/19: Rural Menifee Groundwater Community Meeting (Sullivan)
- e. 1/24/19: OWOW Steering Committee (Sullivan)