

A meeting of the Board of Directors of the Edgemont Community Services District, held at the Edgemont Community Center, was called to order at 7:01 p.m. by Mike Addie, President. Those board members present at the Edgemont Community Center were Brenda Addie, Mike Addie, Crystal Smith and Moses Taylor Jr. Those attending via Zoom app were Cheryl Franklin, board member, Sam Gershon, engineer, Edward Mackey, attorney, Sandra Leer, attorney, and Jessica Pfalmer, general manager.

For roll call: Brenda Addie (Br), Mike Addie (Mi), Cheryl Franklin (Ch), Crystal Smith (Cr), Moses Taylor, Jr. (Mo), Yea (Y), Nay (N).

Approve Minutes of August 27, 2020 – Crystal moved to approve the draft minutes, Moses seconded. Roll call Cr Y, Mo Y, Br Y, Ch Y, Mi Y. Motion was carried.

Public comment – There were no members of the public present.

Legal –

Ordinance regarding ADUs – adoption of ordinance – Ed read through Ordinance No. 332 “...establishing standards for the construction of accessory dwelling units.” He explained that that California had established guidelines for Accessory Dwelling Units (ADUs) and that the District needed to create some District guidelines also. Ed noted that there was a suggested change to the wording on Page 2, within section 2, second sentence should read “The applicant will ~~have~~ *continue* to pay the annual sewer user fee.” Cheryl moved to adopt Ordinance No. 332 with the suggested change, Crystal seconded. Roll call Cr Y, Mo Y, Br Y, Ch Y, Mi Y. Motion was carried.

Engineering – Sam reviewed the engineering memo.

District sewer repair and replacement project – status – Sewer work is 95% complete and project is 85% complete overall. Change Order 2 - Jessica has approved the change order authorizing the contractors to investigate the illegal connection on Pan Am. Change Order 3 During construction, a lateral was found to be located directly below a high pressure gas vault. This lateral was to be replaced because the videos which the District made showed that it had been damaged. The lateral will have to be re-routed around the gas vault for safety. The contractor will perform this work following time and material procedure, rather than a set change order cost, since the actual work to be done is unclear until the area is excavated by hand.

Private development projects – status – The District received the connection fee for the 18-unit apartment. Work continues on Horizons at Moreno Valley.

Freeway Business Center – approval of unconditional release – The contractor has not yet received the official sign-off from the City of Moreno Valley. This item is continued to next month.

Damaged Manhole Repair – The manhole repair was completed.

Administration

Financial report – June 2020 – Jessica provided some comments to the board about the financial statements.

Balance Sheet – Unaudited – This report shows the balance sheet including all funds. She noted that 1081 – Accounts Receivable – Taxes is \$0 for the current year because the July and August 2020 reports prepared by the County of Riverside were not available when these financial statements were prepared. The property tax and user fees recorded in the county reports will be accrued to FY 19-20, since they apply to that year's billings. 1083 – Miscellaneous Receivable – This amount is primarily the amount due from the City of Riverside from the finalization of the negotiations related to the surcharges on the effluent going to the Riverside treatment plant.

Profit & Loss - ACO – Unaudited – She pointed out that 5275- Contracted Services was \$0 for the current year. This indicates that there were no non-capital repairs made to the sewer system during the year.

Profit & Loss – General – Unaudited – She pointed out that accounts 5020 – Defined Benefit Plan and 5030 – Health Insurance are both new accounts in the current year. They are the costs associated with the pension plan and health insurance contracted this year and can also be found in the statements of profit & loss for Illumination and Sewer as well. 5015 – Miscellaneous Outside Services – includes the amounts paid to move the District to the Office 365 computer program with licenses for one year, IT security for one year and to create a new District domain for emails of all employees and board members. 5100 Insurance Expense – this expense is for all non-payroll related insurance expense. The allocation of this expense is divided between the funds for general, illumination and sewer based on the prior FY fund balances, so the allocation changes from year to year. 5122 – Clubhouse Expense (maintenance, utilities and security) – all decreased mostly due to the improvements made by the District to protect the building when there was an influx of homeless individuals attempting to live on-site. Though there has been an additional incident since the fencing and lighting were installed, the issue does not seem to be a continuous one. 5180 – Professional Services – The decrease is due to the completion of the fencing and lighting projects at the clubhouse. 4009 – Property Taxes – Other – these funds are related to the former redevelopment agency for property that is within the District but is maintained by the City of Riverside. The District's share of taxes is more than last year.

Profit & Loss – Illumination District – Unaudited – 4945 – Other Revenue – Plan check, etc. and 5181 – Professional Serv – Customer Pr is \$0 in the current year because there were no new illumination zones created. 5180 – Professional Services – Other – the costs decreased substantially this year because Webb Municipal Services (associated with Albert A. Webb

Associates) worked hard in FY 18-19 to create a more streamlined process, which apparently worked.

Profit & Loss – Sewer – Unaudited – Jessica noted that both 4937 and 4935 - Sewer User Charges - increased because of the rate increase. Accounts 4940 and 4945 – Other Revenue - combined increased due to a continued increase in development activity within the District. 5012 – Legal and Accounting – This amount increased due to the negotiation with the City of Riverside related to the sewer treatment plant. Jessica noted that the amount was substantially less than the ongoing benefit to the District from the surcharge limit adjustments. She also said that she really appreciated the work by Jack Leer in the negotiations. He is very professional and seems to have a way of distilling the issues down in a way that makes settlement easier for all parties. 5180 – Professional Services – This does not include the engineering work for the sewerline project, which is in ACO as a part of construction in process. The amounts not related to specific development projects is down substantially. 5326 – Mo. Serv. Charges – City of Riverside– These amounts are for the sewer treatment charges at the plant managed by the City of Riverside. This amount is down in the current year because of the settlement adjustment.

Journal transfer of funds – approval – Jessica reviewed the journal transfer of funds memo. Brenda moved to authorize the journal transfer of funds, Crystal seconded. Roll call Cr Y, Mo Y, Br Y, Ch Y, Mi Y. Motion was carried.

Submission of “No Spill Report” to State Water Resources Control Board – The report was filed as required.

Monthly update – other items – Jessica said that she had made the suggested efforts to make her computer function better, but that it did not improve the performance. She now has a new laptop with external monitor and keyboard, which is working very well.

Closed session opened at 7:50 p.m.

Closed Session – Appraisal update – value of easement regarding Horizons at Moreno Valley property

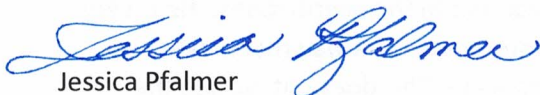
Sam left the meeting at 8:00 p.m

Closed Session – Personnel – Possible approval of increased District contribution to health insurance premiums.

Closed session ended at 8:55 p.m. reporting that the Board had approved a motion to change the District contribution towards health insurance to be 90% of the premium with a cap on the District share of \$1,675, which is a change only to the cap, an increase of \$75.

Adjourned: 8:57 p.m.

Respectfully Submitted,



Jessica Pfalmer
Secretary

Note: Due to the COVID-19 outbreak, California Governor Gavin Newsom issued Executive Order Nos. N-25-20, N-29-20 and N-35-20. These three orders in combination allow the District to have its meetings via teleconference without the other teleconference locations be accessible to the public, board members to attend and be full participants with voting powers via teleconference, and to have the public attend via remote teleconference means.

For the current meeting, the District offered board members and attendees the ability to attend via Zoom app, which allows for audio connection