

The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held January 14, 2014. The intent is to provide a synopsis of key points of discussion and to chronicle decisions and actions taken by a quorum of the Board of Directors (ref: Roberts Rules of Order, Section 48). For more information or background, please refer to the applicable board packet.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
RINCON DEL DIABLO MUNICIPAL WATER DISTRICT
January 14, 2014

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, January 14, 2013 at 6:00 p.m. at the offices of the District located at 1920 North Iris Lane, Escondido, California 92026.

DIRECTORS PRESENT: Quist, Drake, Murtland, Draper

DIRECTORS ABSENT: Towne

STAFF PRESENT/GUEST: Greg Thomas, General Manager; Thomas Butler, Board Secretary; Scott Heil, Legal Counsel, Redwine & Sherrill; Golnar Fozi, Meyers Fozi, LLP, Tish Berge, Director of Administration & Finance; Clint Baze, Director of Operations & Engineering; Randy Whitmann, Senior Engineer; Mike Lowry, Fire Chief, Escondido Fire Department, Herb Griffin, Escondido Fire Department, Paul J. Kaymark, Senior Manager, Charles Z. Fedak & Company, Mark Elliot, Atkins and Doug Gillingham, Gillingham Water.

President Quist called the meeting to order at 6:00 p.m. and welcomed guests. The Board of Directors recited the pledge of allegiance to the flag of the United States of America.

ADDITIONS TO AGENDA

There were none.

ORAL COMMUNICATIONS TO THE BOARD

There were none.

SECTION 1 - CONSENT ITEMS

The following item was pulled for discussion:

1-B General Funds Disbursements, December 2013.

In a motion by Director Drake, seconded by Director Murtland, and unanimously carried, the Board of Directors passed the following consent items:

- 1-A Minutes of the Regular Board of Directors Meeting of December 17, 2013.
- 1-C Investment Portfolio Report, November 2013.
- 1-D Financial Statements, December 2013.
- 1-E Board of Directors' Per Diem Fees and/or Expense Reports, December 2013.

In a motion by Director Murtland, seconded by Director Drake and unanimously carried, the Board of Directors passed the following consent item:

- 1-B General Fund Disbursements, December 2013

Director Murtland pulled item 1-B and had questions in regards to the Stone Parking Lot Project, mileage reimbursement for staff member and Rick Opel reimbursement on claim. General Manager Greg Thomas and Staff clarified items in question.

SECTION 2 – FIRE SERVICES; EMERGENCY PREPAREDNESS & OPERATIONAL READINESS

- 2-A **PUBLIC HEARING** – Second Reading of Adopted Ordinance No. 2013.116.1-3, "Adopts by Reference the California Fire Code, 2013 Edition, and 2012 International Fire Code with Certain Amendments, Additions, and Deletions.

President Quist opened the Public Hearing at 6:07p.m to receive comments regarding Ordinance No. 2013.116.1-3, "Adopts by Reference the California Fire Code, 2013 Edition, and 2012 International Fire Code with Certain Amendments, Additions, and Deletions.

With no further discussion, and there being no one wishing to speak, President Quist closed the Public Hearing at 6:10p.m. and called for a motion.

Escondido Valley Fire Chief Lowry provided an overview on the proposed 2013 Fire Code and explained the process in which the Fire Code will be forwarded to the County as part of the San Diego County Consolidated Fire Code and Adopted by the Board of Supervisors. Fire Chief Lowry answered several questions from Director Draper, clarifying purpose.

In a motion by Director Drake, seconded by Director Draper and unanimously carried, the Board of Directors Adopted Ordinance No. 2013.116.1-3, "Adopts by Reference the California Fire Code, 2013 Edition, and 2012 International Fire Code with Certain Amendments, Additions, and Deletions, by the following roll call vote:

Director Quist – Aye
Director Drake – Aye
Director Towne – Absent
Director Murtland – Aye
Director Draper – Aye

2-A Oral Report by Escondido Fire Department Regarding Current Events and Community Fire Readiness Relating to Improvement District E.

Chief Mike Lowry provided an update on the following:

- Reported a total of 13,100 calls for service for 2013, with 80% being EMS. Rincon Fire Protection District had 528 of the 13,100 calls for 2013.
- Red Flag warning until January 15th and to be adjusted based on weather.
- Entire State in the middle of drought.
- CalFire stated that they are unable to close fire season.
- CalFire looking for ways to keep their seasonal firefighters on without making them full-time employees due to fire season.
- Provided a response to last Board's question related to high or very high severity zone and can pay \$115 to receive a California Residential Disclosure Report.

After the update, Chief Mike Lowry responded to questions of the Board.

SECTION 3 – PUBLIC INFORMATION & INTERGOVERNMENTAL RELATIONS

Nothing to report.

SECTION 4 – FINANCE, INSURANCE & PERSONNEL

4-A Receive Approved Finance, Insurance & Personnel (FIP) Committee Minutes of October 22, 2013.

The Board of Directors received and filed the Finance, Insurance & Personnel (FIP) Committee Meeting Minutes of October 22, 2013.

4-B Presentation on overview of Historical Annual Financials

Tish Berge, Director of Administration and Finance provided an overview of the Historical Annual Financials. President Quist stated on behalf of the Board and the Audit Committee, his thanks to Tish Berge for providing a very clear presentation on the

Historical Annual Financials. President Quist asked that the FIP Committee review Rincon Water's Reserve Policy.

4-C Receive and File the Annual Financial Statements for Fiscal Year 2012-13.

Paul J. Kaymark, Senior Manager Charles Z. Fedak & Company provided a presentation on the Annual Financial Statements for Fiscal Year 2012-13 and answered questions of the Board of Directors. President Quist thanked the Staff for their hard work in the audit process, especially since zero(0) adjustments were needed and audit did not identify any deficiencies in internal control related to a material weakness.

The Board of Directors received and filed the Annual Financial Statements for Fiscal Year 2012-13.

4-D Recess to the Rincon del Diablo Public Facilities Corporation.

President Quist recessed the regular meeting of the Board of Directors to the Rincon del Diablo Public Facilities Corporation (PFC) at 7:00p.m.

Receive Approved Rincon del Diablo Public Facilities Minutes of January 8, 2012.

In a motion by Director Drake, seconded by Director Murtland and unanimously carried, the Board of Directors approves the Rincon del Diablo Public Facilities Minutes of January 8, 2012.

There being no public comment, President Quist recommended that the Board vote to have the officers of the Rincon del Diablo Municipal Water District serve as the Board of the Rincon Public Facilities Corporation.

In a motion by Director Drake, seconded by Director Murtland and unanimously carried, the Board of Directors will serve as the Board of the Rincon Public Facilities Corporation.

President Quist reconvened to the Regular Board of Directors Meeting at 7:05.

4-E **PUBLIC HEARING** – Adoption of Ordinance 14-99-W, "Determining Director's Compensation."

General Manager Greg Thomas answered questions of the Board and provided an overview of historical increases in Per Diems.

President Quist opened the Public Hearing at 7:08p.m to receive comments regarding to Ordinance No. 14-99-W, "Determining Director's Compensation".

With no further discussion, and there being no one wishing to speak, President Quist closed the Public Hearing at 7:15p.m. and called for a motion.

In a motion by Director Drake, seconded by Director Draper, with a vote of 3-1-0, the Board of Directors approved the increase in Per Diems from \$150.00 to \$160.00 by the following roll call vote:

Director Quist – Nay
Director Drake – Aye
Director Towne – Absent
Director Murtland – Aye
Director Draper – Aye

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING

- 5-A Approval for Joint Community Facilities Agreement (JCFA) and Authorization for the General Manager to Secure Agreements with Standard Pacific Corporation and the San Diego County Sanitation District for County of San Diego Community Facilities District No. 2008-01 (Harmony Grove Village).

General Manager Greg Thomas provided an overview of the Joint Community Facilities Agreement (JCFA) and answered questions of the Board of Directors.

In a motion by Director Drake, seconded by Director Murtland and unanimously carried, the Board of Directors Authorizes the General Manager to Secure Agreements with Standard Pacific Corporation and the San Diego County Sanitation District for County of San Diego Community Facilities District No. 2008-01 (Harmony Grove Village).

- 5-B **PUBLIC HEARING** – Information on the 2013 Urban Water Management Plan.

Mark Elliott from Atkins and Doug Gillingham from Gillingham Water provided a presentation on the 2013 Urban Water Management Plan and answered questions from the Board of Directors.

President Quist opened the Public Hearing at 7:45p.m to receive comments regarding the 2013 Urban Water Management Plan.

With no further discussion, and there being no one wishing to speak, President Quist closed the Public Hearing at 7:47p.m. with no further discussion.

SECTION 6 – SDCWA DIRECTOR’S REPORT & DIRECTORS/STAFF ACTIVITIES REPORT

- 6-A This portion of the agenda may be used by the San Diego County Water Authority representative to make informal reports on activities.

Director Murtland provided a summary of activities at the San Diego County Water Authority meeting including:

- Route 76 construction development plans over aqueduct.
- Reservoir levels.
- Bay Delta Conservation Plan and Preferred Options.
- Supply and Demand Risk Assessment.
- 2003 Program EIR.
- San Diego County Water Authority (SDCWA) Climate Action Plan (CAP) Public hearing.

President Quist moved Item 8-B(a) Closed Session:

- a. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Dion v. Rincon del Diablo Municipal Water District, San Diego Superior Court Case No. 37-2013-00070999-CU-WT-NC

The Board of Directors recessed to Closed Session at 8:05p.m. President Quist reconvened to Open Session at 9:21p.m. with no reportable action from Item 8-B(a). President Quist recommended that Item 8-B(b), General Manager's Evaluation and Initial Progress Report and 8-B(c), Timely submission of Director Per Diems be discussed in closed session at the February 11, 2014 Regular Board of Directors Meeting.

6-B This portion of the agenda may be used by the Board of Directors or management to make informal oral reports on their activities.

Director Murtland:

- Association of California Water Agencies (ACWA) Fall Conference

Director Quist:

- CSDA Dinner
- Urban Water Institute (UWI) conference

6-C This portion of the agenda may be used by the Board of Directors to request items for future agendas.

There were none. However, due to schedule conflicts, the EPFS Committee meeting was rescheduled to January 27, 2014.

6-D Request Approval for a Board Member(s) to Attend Upcoming Meetings; Conferences; or Seminars for Those Not Authorized in the District's Administrative Code, Section 502 "Authorized District Memberships."

There were none.

6-E District Activities Report (DAR), December 2013.

The Board of Directors received and filed the December 2013 District Activities Report (DAR).

SECTION 7 – GENERAL MANAGER’S REPORT

7-A General Manager’s Oral Report.

General Manager Greg Thomas reported on the following:

- Update to proposed California Legislative initiative/proposals, as well as the Governor’s 2014-2015 Budget Proposal.
- Overview of WaterReuse Award submission for Rincon and provided copy of Award submitted to Directors.
- Discussed and provided information on the current drought conditions, state and regional reservoir levels, SDCWA position on drought, and potential Rincon actions to be addressed at PIIGR Committee meeting January 23, 2014.
- Update on ERP Project and held kickoff meeting with consultant.
- Rincon brief to SDCWA is now July versus March.
- Reviewed upcoming trips and conferences.

SECTION 8 – LEGAL MATTERS

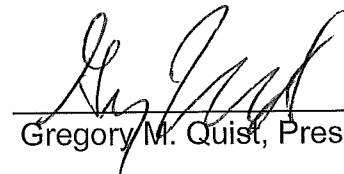
8-A District Counsel Oral Report.

There was no report.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by President Quist at 9:35p.m.

APPROVED:



Gregory M. Quist, President

ATTEST:



Thomas Butler, Board Secretary