

*The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held April 8, 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  
April 8, 2014

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, April 8, 2014 at 6:00 p.m. at the offices of the District located at 1920 North Iris Lane, Escondido, California 92026.

DIRECTORS PRESENT: Drake, Towne, Murtland

DIRECTORS ABSENT: Quist, Draper

STAFF PRESENT/GUEST: Greg Thomas, General Manager; Thomas Butler, Board Secretary; Scott Heil, Legal Counsel, Redwine & Sherrill; 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; W. D. "Bill" Knutson, President, Yuima Municipal Water District and Peter Kuchinsky III, Lead Risk Management Consultant, Joint Powers Insurance Authority.

Vice President Drake 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.

Vice President Drake moved item 4-F Presentation of ACWA/JPIA Refund Check before consent items for consideration of time for guest.

W. D. "Bill" Knutson, President of Yuima Municipal Water District and Peter Kuchinsky II, Lead Risk Management Consultant of the Joint Powers Insurance Authority presented a check in the amount of \$27,573.00 to Rincon del Diablo Municipal Water District for demonstrating Rincon Water's commitment to reducing the frequency and severity of liability, workers' compensation, and property losses based on the performance and below average claim history of Rincon Water.

## **SECTION 1 - CONSENT ITEMS**

The following items were pulled for discussion:

- 1-B General Funds Disbursements, March 2014.
- 1-E Board of Directors Per Diem Fees and/or Expense Reports, March 2014

**In a motion by Director Towne, 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 February 11, 2014.
- 1-C Investment Portfolio Report, January 2014.
- 1-D Financial Statements, January 2014.

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

- 1-B General Funds Disbursements, March 2014.

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

- 1-E Board of Directors Per Diem Fees and/or Expense Reports, March 2014

## **SECTION 2 – FIRE SERVICES; EMERGENCY PREPAREDNESS & OPERATIONAL READINESS**

- 2-A Adopt Resolution No. 14-851.22, "Establishing a Fire Mitigation Fee Program for Improvement District E (ID E)". **(Action)**

**In a motion by Director Towne, seconded by Director Murtland, and unanimously carried, the Board of Directors Adopted Resolution No. 14-851.22, "Establishing a Fire Mitigation Fee Program for Improvement District E (ID E).**

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

Fire Chief Mike Lowry provided an update on the following:

- County Wildland firefighting and training forthcoming.
- Several retirement and promotions expected.
- Burn Center Boot drive raised \$10,000 in Escondido for the one day event and over \$200,000 collectively county wide.
- Replacement of Laptop Mobile Data Computers with GETAC Tablets.
- Based on inquiring from one Director, Chief Lowry or Griffin will contact Code Enforcement regarding use of chicken manure green fertilization and the offensive smell at the Escondido Country Club.

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 Annual Review of the District's Administrative Code Section 3200, "Investment Policy".

General Manager Greg Thomas stated the investment Policy is reviewed and approved on annual bases. Staff provided an overview of recommended changes, which included increasing allowable deposits in the San Diego County Investment Fund (SDCIF) from 10% per current policy to 50%. The Board and staff discussed investment policies and revisions for recommended changes.

**In a motion by Director Towne, seconded by Director Murtland, and unanimously carried, the Board of Directors moved to amend the deposits allowed in the San Diego County Investment Fund (SDCIF) from a maximum of 50 percent (as proposed) of the total portfolio to 30 percent and approved Admin Code Section 3200.**

4-B Adopt Resolution No. 14-01, "Authorizing Investment, Transfer, or Withdrawal of funds in the San Diego County Treasurer's Pooled Money Fund for Investment Purposes."

In concert with item 4-A, staff briefed this Resolution is necessary in order to open an account with the SDCIF.

**In a motion by Director Towne, seconded by Director Murtland, and unanimously carried, the Board of Directors Adopted Resolution No. 14-01, "Authorizing Investment, Transfer, or Withdrawal of Funds in the San Diego County Treasurer's Pooled Money Fund for Investment Purposes."**

- 4-C Adopt Resolution No. 14-22.8, "Authorizing Investment, Transfer, or Withdrawal of Funds in the Local Agency Investment Fund."

This Resolution just updated names and signatures for this account.

**In a motion by Director Towne, seconded by Director Murtland, and unanimously carried, the Board of Directors Adopted Resolution No. 14-22.8, "Authorizing Investment, Transfer, or Withdrawal of Funds in the Local Agency Investment Fund."**

- 4-D Resolution No. 14-02, "To Tax Defer Member Paid California Public Employees' Retirement System Contributions – IRC 414(h)(2) "Employer Pick-Up".

**In a motion by Director Murtland, seconded by Director Towne, and unanimously carried, the Board of Directors adopted Resolution No. 14-02, "To Tax Defer Member Paid California Public Employees' Retirement System Contributions – IRC 414(h)(2) "Employer Pick-Up", by the following roll call vote:**

**AYES: Drake, Towne and Murtland  
NOES: None  
ABSTAIN: None  
ABSENT: Quist, Draper**

- 4-E Public Employee Pension Reform Act (PEPRA) Update.

After discussion, the Board of Directors pulled the Public Employee Pension Reform Act (PEPRA) Update for future discussion at the May 20<sup>th</sup> Regular Board of Directors Meeting.

- 4-F Presentation of ACWA/JPIA Refund Check.

**In a motion by Director Murtland, seconded by Director Towne, and unanimously carried, the Board of Directors approved the \$27,573.00 refund check presented by the ACWA/JPIA be divided 50/50 between the District Personnel Fund and the General Fund.**

## **SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING**

- 5-A Receive Approved Engineering & Long-Range Planning (ELRP) Committee Meeting Minutes of February 26, 2014.

**The Board of Directors received and filed the Approved Engineering & Long-Range Planning (ELRP) Committee Meeting Minutes of February 26, 2014.**

- 5-B Authorized Budget Increase for the completion of the Districts Advance Metering Infrastructure (AMI) System.

Director of Engineering and Operations Clint Baze provided a presentation and update on the Districts' Advance Metering Infrastructure (AMI) System as well as requested additional funds to complete the project. After the presentation Director of Engineering and Operation Clint Baze responded to questions of the Board.

**In a motion by Director Murtland, seconded by Director Towne, and unanimously carried, the Board of Directors approved the budget increase of \$300,000 for the completion of the Districts Advanced Metering Infrastructure (AMI) System.**

Vice President Drake moved item 8-B(a)(b) Closed Session before SECTION 6 in the facilitation of telephonic conference with legal counsel:

- 8-B 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
  - b. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case.

The Board of Directors recessed to Closed Session at 8:12p.m. Vice President Drake reconvened to Open Session at 9:55p.m. with no reportable action.

## **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:

- Carlsbad Desal Plant is ahead of schedule and estimated producing water by September 2015.
- Provided an update on Municipal Water District (MWD) vs. San Diego County Water Authority (SDCWA) litigation.

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.

Nothing to report.

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

Nothing to report.

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."

Nothing to report.

6-E District Activities Report (DAR), March 2014.

Director Towne requested that the Board of Directors board and committee attendance schedule be added to the DAR.

6-F SDCWA Fiscal Sustainability Task Force Recommendations.

General Manager Greg Thomas provided an update on the San Diego County Water Authority (SDCWA) Fiscal Sustainability Task Force Recommendations specifically that the four recommendations have been tabled until this Fall and will be reviewed as part of the SDCWA rate setting process.

## **SECTION 7 – GENERAL MANAGER'S REPORT**

7-A General Manager's Oral Report.

General Manager Greg Thomas reported on the following:

- Provided an update and overview of upcoming calendar events with specific details on the two special workshops on April 17<sup>th</sup> and 22<sup>nd</sup>.
- Provided an update on the City of Escondido Water and Wastewater Recycled Water Plans

- Status update of the various Water Bonds in various legislative committees to potentially be on ballot in November.
- Recap of LAFCO meeting that addressed annexation of portions of Harmony Grove Village into Rincon service area.
- Update on MWD approving a 1.5% increase for the next two years. This increase will be included in the SDCWA CY 2015 rate increase, which is currently being developed. Finance Officers and General Managers will be meeting with the SDCWA over the next couple months to discuss these rates.

## SECTION 8 – LEGAL MATTERS

8-A District Counsel Oral Report.

Nothing to report.

## ADJOURNMENT

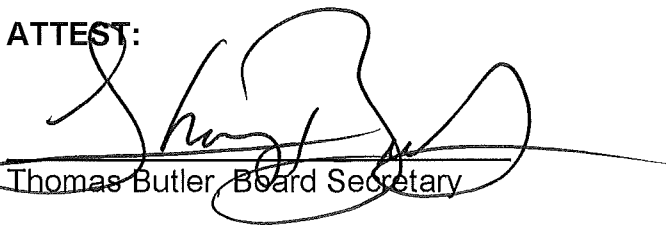
There being no further business before the Board of Directors, the meeting was adjourned by Vice President Drake at 10:25p.m.

**APPROVED:**



David Drake, Vice President

**ATTEST:**



Thomas Butler, Board Secretary