

The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held January 10, 2017. 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 10, 2017**

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, January 10, 2017 at 6:00 p.m. at the offices of the District located at 1920 North Iris Lane, Escondido, California 92026.

Directors Present: Murtland, Lump, Drake, Quist, and Towne.

Directors Absent: None.

District Staff Present: Greg Thomas, General Manager; Clint Baze, Director of Engineering & Operations; Julia Escamilla, Public Services Information Officer; Tish Berge, Director of Administration and Finance; Nick Lyuber, Senior Engineer; and Andrew Stibel, Management Analyst.

Legal Counsel Present: Gerry Shoaf, Legal Counsel, Redwine & Sherrill.

Fire Services Staff Present: Russ Knowles, Fire Chief, Escondido Fire Department.

Guests Present:

President Murtland called the meeting to order at 6:00 p.m. Director Drake then led the Board of Directors and attendees in the Pledge of Allegiance to the Flag of the United States of America.

ADDITIONS/CHANGES TO AGENDA

There were no additions to the Agenda.

ORAL COMMUNICATIONS TO THE BOARD

There were no oral communications.

SECTION 1 - CONSENT ITEMS

In a motion by Director Quist and seconded by Director Drake, by a vote of 5-0, the Board of Directors passed the following consent items unanimously:

- 1-A. Minutes of the Regular Board of Directors Meeting of December 13, 2016.
- 1-B. General Fund Disbursements, December 2016.
- 1-C. Investment Portfolio Report, November 2016.
- 1-D. Financial Statements, November 2016.
- 1-E. Board of Directors' Per Diem Fees and/or Expense Reports, December 2016.
- 1-F. Annual Report of Board Actions, 2016.

SECTION 2 – EMERGENCY PREPAREDNESS & FIRE SERVICES

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

Fire Chief Russ Knowles provided updates on the following:

- In response to questions posed earlier by the board, Chief Knowles reported that on December 29th, a call came in regarding a structural fire with trapped victims. The fire department responded and upon arrival, firemen found a mobile home engulfed in flames and learned children were still in the structure. The fire department was able to rescue one child, who later succumbed to injuries and unfortunately, another child perished in the fire. Although the fire department performed well and exceeded the quality of life standard, Chief Knowles and the fire department are looking for ways to improve their performance. In addition, the fire department is looking at ways to be proactive and educate the public on fire hazards to prevent these events from happening in the future. Education will include:
 - Smoke alarm and escape plan education in conjunction with and support by the Burn Institute, the Red Cross, and other agencies at mobile home parks.
 - Public announcements and education on smoke alarms and fire prevention throughout the City of Escondido.
- Call volume for 2016 was at 15,369 calls with approximately 80 percent medical or EMS related and the remainder due to fire services, Hazmat or rescue responses. In 2015 there were 14,536 calls. Call volume has increased by 44 to 45 percent over the last ten years. Over the last 26 years, call volume has increased by approximately four to five percent per

year. Chief Knowles then expressed his concern with budgets and how the fire department will handle future increases in call volume given the reduction in payments from MediCal or MediCare and covering the majority of costs the fire department is facing.

Chief Knowles then responded to questions from the Board and a discussion on how Rincon Water can assist with the education followed regarding items Director Drake identified in 2-B.

It was then suggested these items be referred to the Emergency Preparedness and Fire Services Committee for further discussion.

2-B. Discussion on Proposed Smoke and Carbon Monoxide Alarm Initiative.

Building off earlier discussion, the board discussed delving in deeper at the next Emergency Preparedness and Fire Services (EPFS) Committee for discussion, and include the Annual Fire Prevention and Safety Expo in June, public service announcements and other actions.

SECTION 3 – PUBLIC INFORMATION & INTERGOVERNMENTAL RELATIONS

3-A. Focus on Conservation – Update on District Conservation Programs, Regional Water Supplies, and Statewide Water Resource Outlook.

Public Services Information Officer Julia Escamilla, provided an update and presentation on the drought, District Conservation Programs and the status of current state water project allocations, water restrictions and potential water allocations due to drought.

Ms. Escamilla reported daily precipitation is at 4.40 inches and we are exceeding the wettest year of 1982 to 1983. Lake Shasta's condition has improved significantly and is at 76 percent capacity and 120 percent of historical average. Lake Oroville is two percent over historical average and currently at 64 percent of capacity. The Colorado River conditions have improved. Lake Mead has improved and is up about two percent. Lake Powell should show improvement, however, they have scheduled the release of water so it does appear to be down. Total system content shows we do appear to look as though we are at the same place as we were last year; however, it is quickly improving. Precipitation to date in the Colorado Basin is at 109 percent of normal with the snow pack 120 percent of normal.

For the month of December, water conservation increased to 37.6 percent. Overall District cumulative savings are at 28.1 percent for June 2015 to December 2016 as compared to 2013.

General Manager Thomas then provided an update on the State Draft Long-Term Framework on Conservation and Drought Planning. The SWRCB draft report was released in December and are divided into various chapters, those with already existing authorities and conservation efforts and those with proposed future conservation regulations and mandates. The draft report included 2017 Emergency Water Conservation Regulations, long-term, indoor and outdoor water use, management plans, commercial and industrial usage, and water budgets. General Manager Thomas and several agencies have submitted comments on the flawed plan. The final report is scheduled to be sent go to the Governor on January 20th.

After the presentation, General Manager Thomas responded to Board questions.

Ms. Escamilla then made the Board aware of an upcoming workshop, "Maximizing Your WaterSmart Experience & Revitalizing Your Landscape," which will be held on two days, January 27th and 28th and provided an updated list of water conservation rebates to the Board.

In closing, Director of Administration and Finance Tish Berge presented the Drought Impacts on Financials slide. The financial loss has leveled off and if the current rate stays the same it appears Rincon Water may end the year with a loss of approximately \$750,000. At that time, staff will come back with options on how this loss can be funded.

SECTION 4 – FINANCE, INSURANCE & PERSONNEL

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

President Murtland recessed the regular meeting of the Board of Directors to the Rincon del Diablo Public Facilities Corporation (PFC) at 6:42 p.m.

- A. Receive Approved Rincon del Diablo Public Facilities Minutes of January 12, 2016.

In a motion by Director Drake, seconded by Director Towne and unanimously carried, the Board of Directors approved the Rincon del Diablo Public Facilities Minutes of January 12, 2016.

- B. There being no public comment, President Murtland 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 Quist, seconded by Director Drake and unanimously carried, the Board of Directors will serve as the Board of the Rincon Public Facilities Corporation.

President Murtland reconvened to the Regular Board of Directors Meeting at 6:44 p.m.

4-B. Enterprise Resource Project Presentation.

Tish Berge, Director of Administration and Finance introduced Andrew Stibel, the Project Manager for the Enterprise Resource Project (ERP). Ms. Berge then presented an update on the ERP. The presentation included the history, the budget, implementation, and the current status of the system. The system, Tyler Incode, includes four main modules, of which three, the Financial Management Module, the Personnel Management Module, and the Utilities Billing Module have been implemented. The fourth, the EnerGov Module, will be implemented in the near future. In the past, customers have made a number of requests to ease the billing process. With the implementation of the software, Rincon Water has implemented some of these changes. Ms. Berge then provided a live demonstration on the software and reported on the budget savings Rincon Water has had with the migration to the new system. After the presentation, Ms. Berge responded to questions and requests from the Board.

Director Quist asked about measuring return on investment (ROI) with the new ERP. The board and staff discussed ROI, system specific metrics that include hard and soft costs, and possibly look to hire a consultant to assist staff with determining the ROI. Staff will provide an update on this item at a future meeting.

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING

- 5-A. Receive and File Engineering & Long-Range Planning (ELRP) Committee Meeting Minutes of December 28, 2016. *(Receive and File)*

The Board of Directors received and filed the Engineering & Long-Range Planning (ELRP) Committee Meeting Minutes of December 28, 2016.

5-B. Award of Contracts for the Construction of the Ash Street Bypass Project.

Nick Lyuber, Senior Engineer, presented the Award of Contracts for the Construction of the Ash Street Bypass Project. In response to overall reduced water consumption, in recent years, the San Diego County Water Authority (SDCWA) has only been using one of three pipelines to transport water south through the county, which has resulted in poor water quality within the unused pipelines. The District has two connections on the SDCWA pipelines, but has only been using one of these due to stated water quality and low flow supply issues, which means water for south part of ID-1 must flow through north portion of system prior, also resulting in abandoned usable assets. The Ash Street Bypass Project would address these concerns.

Four responsive bids were received for this project. Of the four, Southland Paving was identified as the low bidder for an amount of \$731,512. Mr. Lyuber requested approval from the Board to authorize the General Manager to award contracts to Southland Paving, Inc. in the amount of \$731,512 for the construction of the Ash Street Bypass Project and an estimated \$45,000 for an existing as-needed agreement for contract inspection services with Vallecitos Water District, for a total award of \$776,512. After discussion, President Murtland asked for a motion.

In a motion by Director Quist, seconded by Director Lump and unanimously carried, the Board of Directors approved award of contracts for the Construction of the Ash Street Bypass Project.

5-C. Award of Contracts for the Construction R1 Reservoir Recycled Water Conversion Project.

Senior Engineer Nick Lyuber presented Award of Contracts for the Construction of the R1 Reservoir Recycled Water Conversion Project. Mr. Lyuber described the project and explained a majority of the funding for this project will be provided by the developers. Staff is recommending the Board of Directors authorize the General Manager to acknowledge CalAtlantic awarding the bid for construction of R1 Reservoir Conversion Project to Southland Paving, Inc. in the amount of \$1,727,139. In addition, staff is recommending the Board of Directors authorize the General Manager to issue a contract with Tesco for SCADA Integration services in the amount of \$74,800 and allocate \$50,000 for inspection services.

In a motion by Director Quist, seconded by Director Drake and unanimously carried, the Board of Directors approved award of contracts for the Construction of the R1 Reservoir Recycled Water Conversion Project.

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 (SDCWA) representative to make informal reports on activities.

- President Murtland provided an update on changes in the San Diego County Water Authority Board of Directors.

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 Lump had nothing to report.
- Director Quist provided updates on the upcoming Urban Water Institute Conference, including a session on how tribalism affects water and the Urban Water Institute’s search for a new Executive Director.
- Director Drake provided an update on the upcoming Joint Powers Insurance Authority election season and his desire to retain his seat on the Board.

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

There were no items.

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.”

- President Murtland reported he will be attending the Water Education’s Headwaters Tour.
- Director Towne reported she will be attending the Water Education’s Central Valley Tour, is interested in attending the Headwater’s Tour with Director Murtland and requested the biographies on the website be updated since Directors have rotated positions.

6-E. District Activities Report (DAR), December 2016.

The following were discussed:

- Director Lump had a question regarding what type of meetings are listed on the Manager’s Meetings report and if meetings of personal nature should be included.

- Because the Board of Directors will be attending the ACWA Spring Conference on May 9th, the board decided that the regularly scheduled Board of Director's meeting be moved to May 23rd.

6-F. Proposed Assignments to Committees.

President Murtland presented committee assignments. After a brief discussion, it was agreed the assignments would be effective immediately.

<i>Agency Boards and Commissions</i>	<i>Appointed</i>	<i>Alternate</i>
Finance, Insurance & Personnel Committee	Gregory Quist	James Murtland
Finance, Insurance & Personnel Committee	Erin Lump	
Fire / Emergency Preparedness Committee	David Drake	Diana Towne
Fire / Emergency Preparedness Committee	Erin Lump	
Engineering & Long-Range Planning Committee	James Murtland	Gregory Quist
Engineering & Long-Range Planning Committee	Diana Towne	
Public Info & Intergovernmental Relations Committee	Diana Towne	Erin Lump
Public Info & Intergovernmental Relations Committee	James Murtland	
Audit Committee	David Drake	Diana Towne
Audit Committee	Gregory Quist	
San Diego County Water Authority	James Murtland	
ACWA	David Drake	
ACWA Region 10		
JPIA	David Drake	

6-G. Sponsorship of the Urban Water Institute Spring Conference.

The Urban Water Institute is seeking sponsorships for the Urban Water Institute's Spring Conference and asked that Rincon Water purchase a sponsorship. After discussion, it was agreed Rincon Water would provide \$1000 for the Urban Water Institute's Spring Conference's Programming Sponsorship.

In a motion by Director Towne, seconded by Director Drake and unanimously carried, the Board of Directors will provide \$1000 for the Programming Sponsorship for the Urban Water Institute's Spring Conference.

SECTION 7 – GENERAL MANAGER'S REPORT

7-A. General Manager's Oral Report.

General Manager Thomas reported on the following:

- The City of Escondido will be holding a Council decision meeting regarding the Microfiltration/Reverse Osmosis Advanced Water Treatment System that the Planning Department passed in December on January 11th.
- An update on the former Chatham Brothers Barrel Yard was distributed to Board members.
- A previous email regarding percentages related to potential LAFCO action.
- Reported on a meeting with the County to discuss the General Plan and Community Plan in relations to the EIR.
- Updated the Board on the new LED light bulbs. The new low energy LED bulbs work with the current light fixtures and will pay for themselves within a year. This was part of the ELRP Committee Energy Project.
- The Governor's budget was just released and Directors were sent a link.
- In response to Proposition 64 Legalizing Marijuana, Andrew Stibel attended a conference regarding recreational marijuana. Staff will review current legal guidance and update the Admin Code/Employee Handbook as applicable.

SECTION 8 – LEGAL MATTERS

8-A. Legal Counsel Report

There was no report.

8-B. Closed Session.

There was no closed session.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by President Murtland at 8:22 p.m.

APPROVED:



James B. Murtland, President

ATTEST: Wanda Cassidy
Wanda Cassidy, Board Secretary