

The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held March 14, 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
March 14, 2017**

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, March 14, 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 Rex Lane, Senior Technician.

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

Fire Services Staff Present: None.

Guests Present: Chris Palmer, Public Affairs Field Coordinator, California Special Districts Association.

President Murtland called the meeting to order at 6:00 p.m. General Manager Thomas 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

Chris Palmer, Public Affairs Field Coordinator from the California Special Districts Association presented General Manager Thomas and the Board of Directors with the CSDA District Transparency Certificate of Excellence.

SECTION 1 - CONSENT ITEMS

In a motion by Director Drake and seconded by Director Lump, 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 February 14, 2017.
- 1-B. General Fund Disbursements, February 2017.
- 1-C. Investment Portfolio Report, January 2017.
- 1-D. Financial Statements, January 2017.
- 1-E. Board of Directors' Per Diem Fees and/or Expense Reports, February 2017.

SECTION 2 – EMERGENCY PREPAREDNESS & FIRE SERVICES

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

Fire Chief Knowles was not able to attend however communicated the Fire Department is working on their annual budget and securing additional smoke detectors for the mobile home project, as discussed at earlier Rincon Board meetings and EPFS Committee meetings.

SECTION 3 – PUBLIC INFORMATION & INTERGOVERNMENTAL RELATIONS

- 3-B. 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 began her report with an update on the erosion damage and repairs to the Lake Oroville spillway. Ms. Escamilla then reported Northern Sierra precipitation is currently at 77.8 inches and is well above average. Lake Shasta's condition was reaching near capacity in February and there have been releases to bring it back to average. Lake Mead and Lake Powell remain steady. Precipitation is at 19.3 inches and 127 percent of normal and snow pack is 148 percent for the Colorado Basin.

For the month of February, the District water conservation was at 34.6 percent. Overall District cumulative savings are at 28.5 percent for June 2015 to February 2017 as compared to 2013.

The Drought Forecast indicates we will be at a moderate condition the next couple months. The wildland-urban fire potential indicates no threats for California at this time due to the above normal rain levels.

General Manager Thomas then provided updates on the long-term framework report "Making Water Conservation a California Way of Life" and water related legislative bills.

After Mr. Thomas' update, Ms. Escamilla made the Board aware of upcoming District events including the "Maximizing Your WaterSmart Experience & Revitalizing Your Landscape" workshops which will be held on March 17th from 5:00 p.m. to 8:00 p.m. and on March 18th from 9:00 a.m. to 12:00 p.m., and the Annual Fire & Water Safety Expo "The Art of Living Safely" which will be held on Saturday, June 3rd.

Juan Zamora, Conservationist for Eastern Municipal Water District will be the headline speaker at the "Maximizing Your WaterSmart Experience & Revitalizing Your Landscape" workshops.

In closing, Ms. Berge provided the Drought Impact on Financials Report. Customers conserved at 34.6 percent which translated into lower revenues than expected. Projections are based on average monthly contributions, and actual contributions are significantly affected by weather. Staff recommends coming back at the end of the fiscal year with recommendations on addressing any revenue shortfall.

SECTION 4 – FINANCE, INSURANCE & PERSONNEL

Nothing to report.

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING

5-A. R-1 Potable Valve Replacement Authorization.

Nick Lyuber, Senior Engineer presented the R-1 Potable Valve Replacement Authorization for approval. Staff recommended the Board of Directors authorize the General Manager to issue a work order to Southland Paving for \$54,493 with a set aside contingency of \$5,507 for a total award of \$60,000.

Southland Paving is currently working on the R-1 Project and would replace the valves while they are performing the R-1 conversion work, saving a significant amount on the project due to being on-site and already performing work on the pipeline.

After Mr. Lyuber responded to questions from Directors, President Murtland asked for a motion.

In a motion by Director Drake, seconded by Director Quist and unanimously carried, the Board of Directors authorized the General Manager to issue a work order to Southland Paving for \$54,493, with a set aside contingency of \$5,507, for a total award of \$60,000.

5-B. Update on Progress to Exercise Latent Powers to Become a Wastewater Agency.

General Manager Thomas provided an update on Rincon Water's progress requesting exercising latent powers to become a wastewater agency. The revised Environmental Impact Report went out the previous week for a 45-day public comment period. The report was originally prepared with Rincon Water providing wastewater service to two potential future projects, the Valianos Project and Harmony Grove Village South, in addition to Harmony Grove Village. The revised Environmental Impact Report is based on Rincon Water exercising latent powers for wastewater service to Harmony Grove Village and setting a planning boundary area per LAFCO recommendations. Once the 45-day public comment period has ended, Rincon Water will respond to all comments and proceed with the process for exercising latent powers to become a wastewater agency.

Following the presentation, General Manager Thomas responded to the Director's questions.

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 reported the following on the February 23, 2017 SDCWA Board meeting:

- Engineering and Operations: The Engineering and Operations Committee approved an amendment to the service contract with Nash Fabricators for \$160,000 and the General Manager was authorized to enter into a no cost

solar power and services agreement with Pristine Sun for a floating photovoltaic power system on Olivenhain Reservoir. The Committee was also provided an update on the Pipeline 4 Relining at Lake Murray and an Energy Task Force update was provided.

- Admin and Finance – At the Admin and Finance Committee meeting, Monthly Treasurer’s and Controller’s Reports were given, as well as a capital market update.
- Water Planning – The Water Planning Committee conducted a Public Hearing on Mitigated Negative Declaration for the proposed second San Diego Aqueduct Moosa Canyon Crossing Erosion Control Project. The hearing was followed by an update on water supply conditions and drought response activities.
- Legislation and Public Outreach – The Legislation and Public Outreach Committee received updates on legislation including bills on long-term water use efficiency, public goods charges on water proposed by Senator Hertzberg, Proposition 218 reform, a water/resources bond, and an increase in statewide water storage capacity by Assembly members Gray and Gonzalez-Fletcher.
- Imported Water – The Imported Water Committee discussed the Board Officers enhanced public outreach program regarding litigation against MWD and the impact of MWD’s proposed budget and rates on San Diego ratepayers.
- Formal Meeting – At the Board of Directors’ meeting, Ken Olson from Del Mar was reappointed and the appointment of Mark Watton to the Colorado River Board was ratified.

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 recapped the LAFCO Advisory Board Meeting and the CSDA Quarterly Dinner.
- Director Drake recapped Escondido’s State of the City event, including a discussion on Escondido’s infrastructure, and recapped the COWU meeting.
- Director Towne reported on the CSDA Quarterly Dinner and the State of the City Address. Director Towne also reported on her Central Valley Tour.
- Director Quist provided a recap of the CSDA Quarterly Dinner.
- Director Murtland had nothing further to report.

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

Director Lump suggested The Little Hoover Commission be placed on the next agenda.

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."

- The Republican Party of San Diego County's 75th Assembly Caucus Meet-up is not Per Diemable.

6-E. District Activities Report (DAR), February 2017.

The following were discussed:

- General Manager explained Exchange Data in the Water Purchased, Received and Exchanged Chart was negative due to Rincon transferring more water to Escondido than it received from Escondido.
- Director Drake asked about the Andreason water leak. General Manager Thomas provided an update.
- Director Drake asked about the 156 non-active AMI meters. General Manager Thomas responded this could be due to a variety of issues, including a bad MTU or blockage to the signal.
- Director Towne had questions related to exchange meters, non-active meters, and construction meters. General Manager Thomas responded to Director Towne's questions.
- Director Towne had questions related to the calendar. General Thomas provided the necessary information and updates.
- The family picnic will take place on April 8th at Walnut Park in San Marcos.
- The Engineering and Long Range Planning (ELRP) Committee will meet on Wednesday, March 22nd.
- The next Board of Directors' meeting will be on Tuesday, April 11th.
- COWU will be held on Tuesday, March 21st and the CSU San Marcos Certification in Water Management Program will be the topic.
- President Murtland will be going to Washington DC on April 4th for a federal lobbying visit.
- President Murtland and Director Towne will be attending the Headwaters Tour sponsored by the Water Education Foundation from April 27th to April 28th.
- The ACWA Spring Conference will be held from May 7th to May 12th in Monterey.

6-F. Form 700s.

Directors were asked to complete the Statement of Economic Interest Form 700 Annual Disclosures filings for 2016-2017 and provide them to the District Secretary no later than Friday, March 31. The completed and signed forms will then be submitted to the County of San Diego's Clerk of the Board, as well as copies provided to ACWA/JPIA.

6-G. Approval to Co-Sponsor California WaterReuse Proposed Legislation.

General Manager Thomas provided information on proposed legislation related to exempting recycled and potable reuse from long-term use efficiency regulations.

AB 869 (Rubio) is drafted to propose exemptions for recycled water and potable. Assemblymember Rubio is seeking co-sponsors to her bill, which will address recycled water/potable reuse. Rincon Water has provided written and oral communications to support increased water reuse and has been requested to be co-sponsors of the bill. Seven agencies have already committed to co-sponsoring the bill. Management is recommending that the Board of Directors approve co-sponsoring AB 869 (Rubio). After a brief discussion, President Murtland asked for a motion.

In a motion by Director Quist, seconded by Director Drake and unanimously carried, the Board of Directors approved co-sponsoring AB 869 (Rubio).

6-H. SDCWA Communications Campaign.

General Manager Thomas and President Murtland brought forward the SDCWA Communications Campaign. General Manager Thomas provided additional information regarding the SDCWA's campaign against Metropolitan Water District of Southern California (MWD).

SDCWA reports MWD has increased its outreach efforts within San Diego County to undermine the SDCWA's rate case victory. SDCWA has responded to the outreach by contracting with Southwest Strategies, who will provide expanded and continued consulting public outreach services related to MWD. The purpose of the campaign is to achieve near-term and long term changes at MWD by informing and educating local elected officials, engage public officials, civic and opinion leaders throughout MWD's service area, get answers to questions the SDCWA's MWD delegates have been asking, bring about changes in MWD's financial practices so that it is accountable and sustainable, and require transparency in MWD's business practices and decision making.

SDCWA recently increased the Southwest Strategies service agreement by \$476,505 increasing the total to \$875,505. In addition, after a lengthy closed session, it was announced SDCWA general counsel was authorized to sign a litigation planning agreement with Southwest Strategies for a not-to-exceed amount of \$340,000 through June of 2018.

The Board then expressed their concerns with the entire matter, efforts of the expanded outreach campaign, and President Murtland answered questions.

SECTION 7 – GENERAL MANAGER’S REPORT

7-A. General Manager’s Oral Report.

General Manager Thomas reported on the following:

- General Manager Thomas is working with Legal Counsel regarding Proposition 64 and the new Marijuana laws and the conflict between state laws and federal laws as it impacts Rincon Water Policy and the Administrative Code.
- The joint City of Escondido and Rincon Water meeting was held March 9th. It was agreed each would report to the others Board on a regular basis.
- The City of Escondido reported that the AWT approved for Ash Street had a CEQA lawsuit filed by the Springs of Escondido, a retirement community. This could result in a one year delay on the project.
- A NBC news story reported on San Diego County water quality and the story highlighted a mobile home park near Lake Wohlford had below standard water. Although it appears the water is supplied by the City of Escondido, the truth is the water is supplied by mobile home park local wells, not a public water system.
- Two public record requests were received. One requesting information regarding school data for lead testing, the other for President Murtland’s data regarding wireless access and the URLs visited while on the Rincon Water network. The District responded in a timely manner on both requests.
- General Thomas provided a residential bill comparison for local water agencies. Rincon Water fell in the middle, even with Rincon Water on drought level 1 rates.

SECTION 8 – LEGAL MATTERS

8-A. Legal Counsel Report

Legal Counsel Gerry Shoaf provided an update on the City of San Jose v Superior Court of Santa Clara County verdict related to personal communication devices of Directors that may be used for District business being open to public records requests.


8-B. Closed Session.

No action was taken.


ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by President Murtland at 8:10 p.m.

APPROVED:



James B. Murtland, President

ATTEST: 

Wanda Cassidy, Board Secretary