

The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held April 11, 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
April 11, 2017**

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, April 11, 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; and Nick Lyuber, Senior Engineer.

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

Fire Services Staff Present: Rick Vogt, Interim Fire Chief.

Guests Present: Bruce Miller, President, Miller Spatial.

President Murtland called the meeting to order at 6:00 p.m. Director Quist 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 none.

SECTION 1 - CONSENT ITEMS

In a motion by Director Quist 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 March 14, 2017.
- 1-C. Investment Portfolio Report, February 2017.
- 1-D. Financial Statements, February 2017.
- 1-E. Board of Directors' Per Diem Fees and/or Expense Reports, March 2017.

Item 1-B. General Fund Disbursements, March 2017 was pulled for discussion.

Director Towne pulled Item 1-B, General Fund Disbursements, to ask about repetitive disbursements to CalPERS Retirement System and CalPERS Health Benefits. Tish Berg, Director of Administration and Finance responded to the inquiry by explaining entries are charged to different accounts for each pay period, which results in a minimum of two entries for each account per month. Director Towne then asked about the temporary data entry charges. After Ms. Berge addressed questions and provided clarification in regards to the costs associated with each disbursement and the budget, President Murtland called for a motion.

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

Item 1-C. General Fund Disbursements, March 2017.

SECTION 2 – EMERGENCY PREPAREDNESS & FIRE SERVICES

- 2-A. PUBLIC HEARING – Review and receive Public Comments on Resolution No. 17-851.25, “Establishing a Fire Mitigation Fee Program for Improvement District E (ID E)” for Consideration of Adoption at the May 16, 2017 Board of Directors Meeting.

President Murtland opened the Public Hearing at 6:09 p.m. to receive comments regarding Resolution No. 17-851.25, “Establishing a Fire Mitigation Fee Program for Improvement District E (ID E)” for consideration of Adoption at the May 16, 2017 Board of Directors meeting.

General Manager Greg Thomas provided an overview of Resolution No. 17-851.25. After the overview and their being no further discussions from staff or the public, President Murtland closed the Public Hearing at 6:15 p.m. Resolution No. 17-851.25 will be brought back to the May Board of Directors meeting for approval.

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

Interim Fire Chief Rick Vogt provided updates on the following:

- Fire Marshal Marlene Donner has left the Escondido Fire Department to take a Fire Marshal position at Rancho Santa Fe Fire Department. Al Dobyne, who is currently with the City of Escondido, was promoted to Fire Marshal.
- Fire Chief Russ Knowles has retired and Rick Vogt, Deputy Chief of Operations has been named as the Interim Fire Chief. Interim Chief Vogt shared his background and committed to working closely with Rincon Water.
- The new Type 6 Brush Engine received in January was put into service. The smaller and more agile vehicle will provide access to more rural areas.
- The Fire Department is working actively with the Burn Institute to secure additional donated funds for smoke detectors for the mobile home project, as discussed at earlier Rincon Board meetings and EPFS Committee meetings. In addition to working with the Burn Institute on the Smoke Detector Project, last year the Fire Department received a grant for smoke detectors for low income families with children who were identified by local schools.
- Recently there have been several fires in Escondido. The most recent was a commercial fire at the Escondido Mattress Company on Simpson, which was a complete loss. The cause of the fire is under investigation.
- There have been a number of vehicle fatalities recently. The most recent a two year-old run over by a car in an alley. Chief Vogt committed to increasing educational outreach and providing public service announcements regarding safety.

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 began her presentation with photos from NASA, with a comparison of the California Sierras snow pack photos from March of 2014 to March of 2017. Ms. Escamilla then 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 Northern Sierra precipitation is currently at 205 percent of average. Lake Shasta is at 113 percent of historical average and Lake Oroville is at 105 percent of historical average. For the Colorado River conditions, Lake Mead is 41 percent full and Lake Powell is 47 percent full. Colorado River basin precipitation is at 123 percent of normal and snow pack is 122 percent of normal. The Drought Monitor still shows San Diego County currently as abnormally dry (Level 1).

For the month of March, the District water conservation was at 33 percent. Overall District cumulative savings are at 28.8 percent for June 2015 to March 2017 as compared to 2013.

The wildland-urban fire potential indicates no threats for California at this time due to the above normal rain levels, while Texas and Florida are experiencing above normal fire potential.

Following Ms. Escamilla's report, General Manager Thomas announced Governor Brown issued Executive Order B-40-17, effective April 7, 2017, rescinding the majority of emergency drought orders for California. A number of orders and provisions will remain in force to eliminate wasteful water use.

Mr. Thomas then provided updates on the long-term framework report "Making Water Conservation a California Way of Life" released on April 7, 2017, and provided detailed analysis of several water related legislative bills of significance to the District. The District will continue to write letters and address state legislators related to proposed bills of concern and importance to the District.

In closing, Ms. Berge provided the Drought Impact on Financials Report. Customers conserved at 33 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

- 4-A. Annual Review of the District's Administrative Code Section 3200, Investment Policy.

General Manager Thomas presented Annual Review of the District's Administrative Code Section 3200, Investment Policy. The review is required by the California Government Code. Staff is requesting that the Board of Directors review and adopt the 2017-2018 Investment Policy with no revisions.

Director Towne had a question regarding the "SLMA" or "SallieMae" fund. This fund was previously a governmental fund, however, is now a publicly held fund, which Rincon Water does not typically invest in. Staff is to research this fund related to our policy. After no further discussion, a motion was made.

In a motion by Director Quist, seconded by Director Lump, by a vote of 5-0, the Board of Directors deferred the Annual Review of the District's Administrative Code Section 3200, Investment Policy to the May 16, 2017 Board meeting.

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING

- 5-A. Receive and File Engineering and Long Range Planning Committee Meeting Minutes of March 22, 2017.

Received and filed Engineering and Long-Range Planning (ELRP) Committee meeting minutes of March 22, 2017.

- 5-B. GIS and Data Conversion Project.

Nick Lyuber, Senior Engineer presented the GIS and Data Conversion Project. Mr. Lyuber updated the Board of Directors on the next phase to the District's Enterprise Resource Planning (ERP) System.

As part of the overall District ERP project, the last module left to install is the Tyler Energov product, which will provide GIS Interface, Asset Management, Work Order Management, and Inventory Management.

Developing a GIS platform is the first step to having a fully functional asset management system. Establishing the GIS platform with the main components will require the expertise of professionals in the field. Staff received two proposals from consultants who are well qualified and have Energov experience

to implement and facilitate the initial setup. After review, it was determined that the most cost effective and complete proposal was provided by Miller Spatial Services.

Following Mr. Lyuber's presentation, Bruce Miller, President of Miller Spatial, demonstrated some of the GIS platforms he had implemented. After Mr. Miller's demonstration, the Board expressed concerns with security and back-up, licensing, and the ROI. Mr. Miller and Mr. Lyuber addressed the Board's concerns and answered questions. President Murtland then asked for a motion.

In a motion by the Engineering & Long-Range Planning Committee, which unanimously carried, the Board of Directors authorized the General Manager to enter into an agreement with Miller Spatial Services and allocated the funds stipulated for future maintenance and expansion of the GIS platform, not to exceed \$40,560.

5-C. Hydraulic Models Calibration.

Nick Lyuber presented the Hydraulic Models Calibration. Mission Consulting Services (MCS) performs calibrations on the District's Potable and Recycled Water Hydraulic Models. The District uses the information obtained from the models to evaluate deficiencies in its systems and uses the information to make operational and engineering determinations required in water distribution management. Staff is requesting the Board of Directors approve the General Manager to enter into a contract with MCS for an amount of \$20,000, with an additional contingency of \$5,000, for a total of \$25,000 to perform these services. After Mr. Lyuber responded to questions from the Board, President Murtland asked for a motion.

In a motion by Director Towne seconded by Director Drake and unanimously carried, the Board of Directors authorized the General Manager to enter into a contract with Mission Consulting Services for an amount of \$20,000, with an additional contingency of \$5,000, for a total of \$25,000 for professional services.

5-D. Notice of Exemption for the Rockhoff Pump Station Replacement and VID Flume Supply Expansion Projects.

Nick Lyuber presented the Notice of Exemption for the Rockhoff Pump Station Replacement and VID Flume Supply Expansion Projects. Management is requesting the Board make the finding that the Rockhoff Pump Station Replacement and VID Flume Supply Expansion Projects are exempt from the provisions of the California Environmental Quality Act (CEQA), in accordance

with CEQA statutes and guidelines, and to approve the filing of the Notice of Exemption (NOE).

In a motion by Director Drake and seconded by Director Murtland, by a vote of 5-0 the Board of Directors unanimously approved the Notice of Exemption for the Rockhoff Pump Station Replacement and VID Flume Supply Expansion Projects.

- 5-E. Notice of Exemption for the Country View Estates Homeowners Association Retrofit to Recycled Water.

Nick Lyuber, Senior Engineer brought forward the Notice of Exemption for the Country View Estates Homeowners Association Retrofit to Recycled Water Project. Management is requesting the Board make the finding that the Country View Estates Homeowners Association Retrofit to Recycled Water Project is exempt from the provisions of the California Environmental Quality Act (CEQA), in accordance with CEQA statutes and guidelines, and to approve the filing of the Notice of Exemption (NOE).

In a motion by Director Lump and seconded by Director Drake, by a vote of 4-0-1 (Director Towne recused herself) the Board of Directors unanimously approved the Notice of Exemption for the Country View Estates Homeowners Association Retrofit to Recycled Water Project.

- 5-F. Renew Sixth Amendment to Agreement with Olivenhain MWD to Reimburse Expenses and Participate with Federal Lobby Efforts, as a Member of the North San Diego Water Reuse Coalition (NSDWRC).

General Manager Thomas requested the Board approve the renewal of an agreement with the North San Diego Water Reuse Coalition (NSDWRC) to engage a lobbyist for federal legislative outreach and grant funding for Regional Recycled Water Projects. This would be the sixth renewal of the original agreement with Olivenhain Municipal Water District as contracting agency, and is a one-year extension to the cost-sharing agreement between the original eight parties plus new participation from Santa Fe Irrigation District and the City of Escondido.

After a brief discussion, President Murtland asked for a motion.

In a motion by Director Drake seconded by Director Quist, by unanimous vote, the renewal of the Sixth Amendment to the Agreement with Olivenhain MWD to Reimburse Expenses and Participate with Federal Lobby Efforts for a total of \$14,341.87, as a

Member of the North San Diego Water Reuse Coalition was approved.

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 March 23, 2017 SDCWA Board meeting:

- **Engineering and Operations Committee:** At the Engineering and Operations Committee meeting, the Committee chairman reviewed the work plan for calendar years 2017 and 2018 and the plan was adopted by the Committee. Director Mike Hogan presented an update on the Energy Task Force actions regarding the San Vicente Pump Storage Project and Dr. Kelly Rogers (SDCWA staff) presented an Energy Program update. The new energy initiatives are the floating solar at Olivenhain Reservoir, the hydro sites, and the wind turbine system at Olivenhain Dam.
- **Admin and Finance Committee –** At the Admin and Finance Committee meeting, the Monthly Treasurer’s Report was noted and filed, the Committee’s work plan for calendar years 2017 and 2018 was adopted, the Cost of Service Study, including updated annexation fees and capacity charges was reviewed and considered for approval, and the multi-year budget for fiscal years 2018 and 2019 were approved. In closing, Gary Eaton (SDCWA staff) presented on the Innovation Program.
- **Water Planning Committee –** At the Water Planning Committee, Committee Chairman Cherashore reviewed the calendar years 2017 and 2018 work plan and the Committee adopted it. The Committee then authorized applying for a WaterSmart grant from Bureau of Reclamation and heard an update on water supply conditions.
- **Legislation and Public Outreach Committee –** At the Legislative and Public Outreach Committee, positions on various state bills were given, including support for AB 18 (Garcia) relating to parks and resources bonds, support for AB 196 (Bigelow) relating to use of greenhouse gas reduction funds, if amended, support for AB 554 (Cunningham) relating to statewide desalination goals, supporting AB 574 (Quirk) relating to potable reuse, and support for AB 869 (Rubio) relating to disposition of recycled water production within the long-term water use efficiency framework.
- **Imported Water Committee –** The Committee adopted the work plan for calendar years 2017 and 2018 and reviewed the Bay-Delta proposal and the Quantification Settlement Agreement timeline to consider extension or early termination. Also discussed were the Salton Sea plans and water

transfer flexibility. The Committee was then updated on MWD issues and activities, the California Waterfix, and the FEIR/EIS review. The meeting closed after discussions and updates on MWD issues and activities followed by a closed session on the MWD rate case.

- Board of Directors Meeting – The Board of Directors approved various Committees consent items, the General Counsel’s contract renewal for another year, and the General Manager’s annual salary increase.

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 COWU and the Senator Anderson Town Hall event.
- Director Drake recapped Senator Anderson’s Town Hall event and the County of San Diego Treasurers’ training.
- Director Towne provided a follow-up on her Central Valley Tour and recapped the District’s WaterSmart Workshop.
- Director Quist provided an update on the planning of the Urban Water Institute’s August Conference, and the coordination of a panel session on infrastructure.
- Director Murtland recapped his trip to Washington DC.

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.”

There were no requests.

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

The following were discussed:

- Director Towne had questions regarding Delinquent Customer Account Activity and the reporting timeframe. In addition, it was suggested the District provide education on delinquent payments to rate payers.
- Director Towne asked questions regarding General Manager Thomas’ meetings, specifically, ensuring meeting locations out of San Diego are noted in the report.

- Director Towne asked questions regarding Public Information Officer Escamilla's presentations at various elementary schools.
- The FIP Committee meeting will be held on Thursday, April 13, 2017.
- The PIIGR Committee meeting will be held on Tuesday, April 25, 2017. The Board agreed the time will be changed to 10:00 a.m. for this meeting and all meetings going forward.
- The Water Reliability Coalition Reception will be held on Thursday, April 20, 2017. An email regarding carpooling will sent out.
- The EPFS Committee meeting will take place Wednesday, May 3, 2017 at 8:00 a.m.
- The ACWA Spring Conference will be held from May 7 to May 12, 2017 in Monterey.
- The next Board of Directors' meeting will be on Tuesday, May 16, 2017.
- COWU will be held on Tuesday, April 18, 2017. The speaker will be Gary Arant, General Manager of VCMWD.
- General Manager Thomas will be out of town for the June 13 Board meeting. Tish Berge, Director of Administration and Finance will be the acting General Manager for the meeting.
- A Budget Workshop will be held on Tuesday, May 23, 2017 at 6:00 pm.
- A Special Meeting to adopt the FY 2017-18 and FY 2018-19 budgets will be held on June 27, 2017 at 6:00 p.m.

6-F. SDCWA Communications Campaign Update.

General Manager Thomas provided the most recent exchange of letters between SDCWA and the Metropolitan Water District and gave an update on the communication campaign between SDCWA and the Metropolitan Water District that was discussed at the last Board meeting.

6-G. Little Hoover Commission.

At the March Board of Directors' meeting it was suggested the Board discuss concerns with comments made by Scott Barrett, a Little Hoover Commission Commissioner at the CSDA Quarterly Dinner. General Manager provided copies of a letter from the San Diego Chapter of the CSDA regarding those issues and the response from the Little Hoover Commission. After discussion it was agreed the letters addressed any concerns the Board had and no action was taken.

SECTION 7 – GENERAL MANAGER'S REPORT

7-A. General Manager's Oral Report.

General Manager Thomas reported on the following:

- Rincon Water received comments regarding the EIR from the Harmony Grove Elfin Forest attorney. General Counsel Gerry Shoaf is currently reviewing the letter.
- General Manager Thomas spoke to Rincon Water's attorney regarding the Ruiz case. The attorney is working closely with the City of Escondido as they are named in the lawsuit as well. General Manager Thomas was informed that a new non-governmental entity has been named in the lawsuit. The attorney is hopeful after upcoming depositions by Lloyd Holt and the brother of the deceased that the majority of litigation against Rincon Water may be dropped.
- The back-up computer data has been tested. Because of the complexity of operating system and application back-ups, CMIT, Rincon Water's IT consultants are researching to ensure a successful back-up without disrupting the system.
- The Palomar Health Outpatient Center groundbreaking is being held on April 12th from 11:30a.m. to 12:30 a.m. General Manager Thomas will be representing Rincon Water at the event.
- The General Manager Evaluation process is quickly approaching. General Manager Thomas will bring this back at the May meeting for discussion and direction. It was also requested that information regarding consultants who can assist with the evaluation process be included in the discussion.

SECTION 8 – LEGAL MATTERS

8-A. Legal Counsel Report

Legal Counsel Gerry Shoaf provided an update on Redwine and Sherrill. Redwine and Sherrill will be closing doors in one month. With the departure of Gerald Eagans and Julianna Tillquist, Redwine and Sherrill will be moving to a new location as a LLC. Mr. Shoaf will remain and will continue as Rincon Water's General Counsel with Gil Granito as a back-up. Mr. Shoaf will work with General Manager Thomas on a succession plan for General Counsel and this will be a discussion item for the May meeting.

8-B. Closed Session.

No action was taken.

ADJOURNMENT

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There being no further business before the Board of Directors, the meeting was adjourned by President Murtland at 9:02 p.m.

APPROVED:



James B. Murtland, President

ATTEST: Wanda Cassidy
Wanda Cassidy, Board Secretary