

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

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, July 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, and Towne.

Directors Absent: Quist.

District Staff Present: Greg Thomas, General Manager; Clint Baze, Director of Engineering & Operations; Julia Escamilla, Public Services Information Officer; Josefina Traslavina-Washington, Interim Director of Administration and Finance; Andrew Stibal, Management Analyst; and Nick Lyuber, Senior Engineer.

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

Fire Services Staff Present: Rick Vogt, Fire Chief; Al Dobyne, Fire Marshall.

President Murtland called the meeting to order at 6:00 p.m. Director Towne 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 or changes.

ORAL COMMUNICATIONS TO THE BOARD

There were no communications.

SECTION 1 - CONSENT ITEMS

In a motion by Director Drake and seconded by Director Lump, by a vote of 4-0, the Board of Directors passed the following consent items unanimously:

- 1-A. Minutes of the Regular Board of Directors Meeting of June 13, 2017.
- 1-B. Minutes of the Board of Directors Special Meeting of June 21, 2017.
- 1-C. Minutes of the Board of Directors Special Budget Meeting of June 27, 2017.
- 1-D. General Fund Disbursements, June 2017.
- 1-E. Investment Portfolio Report, May 2017.
- 1-F. Financial Statements, May 2017.
- 1-G. Board of Directors' Per Diem Fees and/or Expense Reports, June 2017.

SECTION 2 – EMERGENCY PREPAREDNESS & FIRE SERVICES

- 2-A. Resolution No. 17-869.30, “Confirming Weed Abatement Report and Fixing Liens on Affected Parcels within Improvement District E (ID E).”

General Manager Thomas presented Resolution No. 17-869.30, “Confirming Weed Abatement Report and Fixing Liens on Affected Parcels within Improvement District E (ID E).” Mr. Thomas then introduced Fire Marshal Dobynes for the Escondido Fire Department.

The District expends effort for the administration and verification of weed abatement as part of the administration of the Fire Protection Improvement District E. There is an oversight cost associated with the this effort. Rincon del Diablo’s Fire District Weed Abatement Ordinance 2005-116.2 designates it is the responsibility of property owners for the elimination of hazardous weeds and rubbish on their property. The Escondido Fire Department executed a contract with Fire Prevention Services to provide a weed and rubbish abatement program. Ordinance No. 2005-116.2 also authorizes the removal of hazardous weeds and rubbish by Rincon del Diablo Fire Protection District at the expense of the property owner.

Fire Prevention Services provided weed abatement services, at the direction of the Escondido Fire Department, to a property located on Royal Crest Drive and billed the property owners. Fire Prevention Services has been unable to collect the amount incurred for the abatement of the property and is seeking an assessment of the property on their tax bill.

After Fire Marshal Dobyne's answered questions from Directors, President Murtland asked for a motion.

In a motion by Director Drake, seconded by Director Towne, by a vote of 4-0, the Board of Directors unanimously approved Resolution No. 17-869.30, "Confirming Weed Abatement Report and Fixing Liens on Affected Parcels within Improvement District E (ID E)."

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

Chief Vogt reported on the following:

- Fire season is well underway. There are a few fires throughout California. A crew and fire engine from Escondido are supporting current efforts with the Alamo Fire in San Luis Obispo. The fire is nearly 30,000 acres and approximately 25 percent contained as of this report.
- A new fire inspector, Dan Newberry, started on July 10th. Mr. Newberry will be reporting to Fire Marshal Dobyne's.
- The Escondido Fire Department's website includes information regarding the weed abatement program including a PDF that is sent out to property owners to help prevent potential weed abatement and fire issues.
- An update on the June 27th smoke detector event was provided. The Fire Department, in partnership with the Red Cross and the Burn Institute, held an event installing 338 smoke detectors in 95 mobile homes at two mobile home parks. The Fire Department is planning another event in the Rincon service area in late September. General Manager Thomas asked that additional information be brought back to the Board as Directors and staff would like to participate in a future event.

Following the report, Chief Vogt answered questions from the Board.

SECTION 3 – PUBLIC INFORMATION & INTERGOVERNMENTAL RELATIONS

- 3-A. Focus on Conservation – Update on District Conservation Programs, Regional Water Supplies, Statewide Water Resource Outlook, and Legislation. (***Oral Report***)

Public Services Information Officer Julia Escamilla started her conservation update with a photo of skiers on July 4th at Mammoth. As summer approaches, there is still 105 inches of snow at the main lodge and 250 inches at the summit. Because of the extreme snowfall, Mammoth is expected to remain open for skiing until August 4th.

Ms. Escamilla then provided the Drought and Conservation Update. The Northern Sierra precipitation index is significantly above average at 193 percent. Lake Shasta is at 117 percent of average and 91 percent of capacity. Oroville, while emergency spillway repair work is ongoing, is at 83 percent of average and 65 percent of capacity. The Colorado River is at 111 percent of normal. Lake Powell was up 17 percent, while Lake Mead had a slight decrease.

The Drought Monitor has had no changes in two months and remains at abnormally dry (D1) conditions for the San Diego region. For the month of June, customers conserved at 28.4 percent reduction as compared to 2013 for water usage for the third straight month and GPCD was at 125 gallons. The Wildland Fire Potential is increasing as it's getting warmer and we are at significant wildland fire conditions.

General Manager Thomas then provided a legislative update.

- 13 bills introduced on long-term water use efficiency. Following are updates on the more critical bills:
 - AB 869 (Rubio) – Rincon/OMWD/Padre Dam sponsored; specifically deals with recycled and potable reuse and exemptions in any current or future drought regulations long-term.
 - AB 1654 (Rubio); AB 1667 (Friedman); AB 1323 (Weber) – All passed through the Assembly and have been sent to the Senate Natural Resources and Water Committee today.
 - Senator Hertzberg is key to the water industry (supports recycled and potable reuse) and is working with ACWA regarding SCA4, which is a constitutional amendment related to low income or ability for Prop 218 to provide an alternate means of developing water rates.
- General Manager Thomas then reported on the outcome of the Senate Natural Resources and Water Committee meeting, which was held on July 11th:
 - AB 1323 (Weber) – Establishes a working group to develop use targets, specifically commercial, industrial, and institutional – passed unanimously
 - AB 1654 (Rubio) – Drought contingency planning – passed
 - AB 1667 (Friedman) – Governors trailer bill language, will go up to working group with Assembly Member Garcia
 - AB 869 (Rubio) – This bill was pulled and will be revised and brought back
- AB 401 (Dodd) – Low-Income Assistance Program
 - SWRCB required to submit report by 1 Feb 2018
 - Workshops being held State wide for information
 - San Diego - Aug 14th 6-8pm
 - Several options being presented:
 - Applies to 200% of FPL (\$49,200) for family of 4; would apply to 34% of all CA households
 - All to attempt 20% rebate based on \$100 and 12 CCF usage

- One option has 20% rebate up to \$100 and 35% for portion over \$100
- Cost: \$550-620M annually
- Would amount to approx. \$6/month meter fee (for those above \$49,200) if passed as Public Goods Charge (PGC) fee or tax
- This is on top of other proposed assistance to low income, disadvantaged or areas with WQ issues another \$2-300m/yr.

Interim Director of Administration and Finance Josefina Traslavina-Washington then provided the drought impact on financials. Once the year-end financials are completed, staff will come back to the Board with recommendations on how to address the budget shortfall.

SECTION 4 – FINANCE, INSURANCE & PERSONNEL

- 4-A. Receive and File Finance, Insurance, & Personnel (FIP) Committee Meeting Minutes of June 28, 2017. (*Receive and File*)

Received and filed Finance, Insurance, & Personnel (FIP) Committee meeting minutes of June 28, 2017.

- 4-B. Resolution No. 17-817.27, "Establishing the Limit for Appropriations of Proceeds of Tax Subject to Limitation for Fiscal Year 2017-18, in Compliance with Article XII-B of the Constitution of the State of California."

Interim Director of Administration and Finance Washington brought forward Resolution No. 17-817.27, "Establishing the Limit for Appropriations of Proceeds of Tax Subject to Limitation for Fiscal Year 2017-18, in Compliance with Article XII-B of the Constitution of the State of California." Proposition 4 requires the aggregate taxes paid to the District, which exceed the State mandated appropriation limits, be refunded to the property owners of each areas.

The information for calculating the appropriate limit is provided by the State Department of Finance, and is based on a formula using population and per capita income changes for the Escondido area.

Current year property taxes received for ID 1, ID A, and ID E (Fire District) are well within the applicable appropriations limits.

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

In a motion by Director Drake, seconded by Director Towne, by a vote of 3-1 (Lump), the Board of Directors approved Resolution No. 17-817.27, "Establishing the Limit for Appropriations of Proceeds of Tax Subject to Limitation for Fiscal Year 2017-18, in Compliance with Article XII-B of the Constitution of the State of California."

**Murtland: Aye
Lump: Nay
Drake: Aye
Towne: Aye
Quist: Absent**

- 4-C. Approve and Adopt Resolution 17-07, "Electing to be Subject to Section 22893 to Establish Health Vesting Requirements for Future Annuitants Under the Public Employees' Medical and Hospital Care Act."

General Manager Thomas brought forward Resolution 17-07, "Electing to be Subject to Section 22893 to Establish Health Vesting Requirements for Future Annuitants Under the Public Employees' Medical and Hospital Care Act."

In 2016, the Board directed the Finance, Insurance, and Personnel (FIP) Committee to explore ways to control future medical costs, specifically by creating a two-tier system for Other Post-Employment Benefits (OPEB). Initial discussions required that a third party administer the program, however, after analysis by staff and consultants, it was determined the District will not have a \$2500 per year expense and will realize long term savings earlier if CalPERS administers the program. After discussion, the FIP Committee agreed to recommend bringing the two-tier system administered by CalPERS to the Board of Directors for approval.

After staff responded to questions, President Murtland asked for a motion:

In a motion by Director Lump, seconded by Director Drake, by a vote of 4-0, the Board of Directors unanimously approved Resolution 17-07, "Electing to be Subject to Section 22893 to Establish Health Vesting Requirements for Future Annuitants Under the Public Employees' Medical and Hospital Care Act.":

**Murtland: Aye
Lump: Aye
Drake: Aye
Towne: Aye
Quist: Absent**

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING

- 5-A. Receive and File Engineering and Long Range Planning (ELRP) Committee Meeting Minutes of June 28, 2017.

Received and filed Engineering and Long Range Planning (ELRP) Committee meeting minutes of June 28, 2017.

- 5-B. Country View Estates Recycled Water Retrofit – Construction Contract Award.

Senior Engineer Nick Lyuber presented the Country View Estates Recycled Water Retrofit – Construction Contract Award. Staff is asking that the Board of Directors award a construction contract for the above referenced project. The ELRP Committee recommended the contract of the award, as it is almost \$20,000 less than originally estimated. After discussion, President Murtland asked for a vote:

By a vote of 4-0, the Board of Directors unanimously approved the General Manager to authorize the award of the Country View Estates Construction Contract to C&M Construction, LLC in the amount of \$69,031.

- 5-C. Country View Estates Recycled Water Retrofit – Homeowners Association Agreement Amendment.

Senior Engineer Lyuber presented the Country View Estates Recycled Water Retrofit – Homeowners Association (HOA) Agreement Amendment.

Staff is requesting the Board of Directors authorize execution of an amendment to the agreement between the District and HOA established in 2016. The amendment has been requested by the HOA to address the financial responsibility of the District for the annual required testing by the Division of Drinking Water once the conversion is completed. The ELRP Committee recommended the approval of the amendment.

After a brief discussion, President Murtland asked for a vote:

By a vote of 4-0, the Board of Directors unanimously approved the General Manager to authorize execution of an amendment to the agreement between the District and HOA established in December of 2016.

- 5-D. Request to Increase Funds to Complete Sewer Agency EIR and Master Plan.

General Manager Thomas brought forward a request for the Board of Directors to increase funding by \$40,000 to complete the sewer agency EIR, Master Plan and LAFCO application.

Mr. Thomas provided the background on the lengthy process the District has taken for exercising latent powers for becoming a wastewater agency. Mr. Thomas reported after discussions with Robert Barry of LAFCO, it was agreed the District would proceed with only the acquisition of only the Harmony Grove Village Wastewater Facility and focus on providing wastewater service to the Harmony Grove Village development, which is well underway.

The additional \$40,000 would be used to complete the sewer agency EIR, Master Plan, and LAFCO application.

After discussion, General Manager Thomas responded to Directors' questions. President Murtland then asked for a motion.

In a motion by Director Drake, seconded by Director Towne, by a vote of 4-0, the Board of Directors unanimously approved the Request to Increase Funds by \$40,000 to Complete the Sewer Agency EIR, Master Plan and LAFCO Application.

**Murtland: Aye
Lump: Aye
Drake: Aye
Towne: Aye
Quist: Absent**

5-E. Capital Improvement Program Update.

Senior Engineer Nick Lyuber provided a Capital Improvement Program (CIP) update. The presentation included updates on the following CIP projects:

- R1 Conversion and Recycled Retrofit – This project includes 3,500LF of recycled waterline, conversion of the R1A potable tank to recycled, SCADA and control integration with the City of Escondido, and is primarily funded by the Harmony Grove Village developer. Completion is expected in September of 2017.
- Ash Street Bypass – This project includes 1,100LF of waterline and a flow control vault and will allow flexibility in using both SDCWA connections as well as fully utilize existing assets. Completion is scheduled for August of 2017.
- Rockhoff Pump Station – This project consists of a new pump station and 900 LF of waterline and will allow the use of VID as an alternate source

during SDCWA outages. The project duration is from September 2017 to July 2018.

- Lawrence Lane – This project consists of the replacement and relocation of 1,100LF of pipeline. Completion is scheduled for February of 2018.
- Eden Valley Lane – This project includes the replacement and relocation of 1,400LF of pipeline. Construction is planned for October 2017 to February 2018.
- Quiet Hills – This project includes the replacement and upsizing of 2,500LF of pipeline. This will improve fire flow to meet current fire code. Construction is planned for October 2017 to February 2018.

Following the presentation, Mr. Lyuber and Director of Engineering and Operations Clint Baze responded to questions from Directors.

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 June 22, 2017 SDCWA Board meeting:

- Engineering and Operations Committee - At the Engineering and Operations Committee meeting the General Manager was authorized to accept the Nob Hill Improvement Project as a completed project at a cost of \$10,106,807 and enter into an agreement with the City of San Diego for implementation of Phase 3 work for the San Vicente Energy Storage facility study. Following the approvals, Jim Fisher, Director of Operations and Maintenance presented on the Aqueduct Operating Plan.
- Administration and Finance Committee – At the Administration and Finance Committee meeting, the General Manager presented on the FY 2018 and 2019 Budget development. The Committee approved adoption of Resolution No. 2017 approving the recommended budget. The Administration and Finance Committee also held a public hearing on rates and charges. Resolutions were made and approved for a 3.7 percent increase. The new rate for treated water is \$1603/AF.
- Water Planning Committee – At the Water Planning Committee, the General Manager was authorized to award a three-year professional services contract in an amount not to exceed \$381,000 to Studio West Landscape Architecture & Planning to implement the WaterSmart Landscape Makeover Program.
- Legislation and Public Outreach Committee – At the Legislative and Public Outreach Committee, the Committee adopted positions on various state

bills. The Committee also approved to continue to use the firm Smith, Watts & Harman for regulatory advocacy services in the amount of \$93,500.

- Imported Water Committee – The Imported Water Committee amended an existing agreement to allow for temporary use of a portion of the Water Authority’s storage capacity in the semitropic water bank. Amy Chen then presented on MWD’s integrated resources plan. The demand for MWD water continues to decline. The meeting ended after closed session and an open session update on the MWD/SDCWA litigation and approval of extending litigation contracts for the next two-year budget period for Kecker Van Nest & Peters to \$4 million and Brownstein Hyatt Farber Schreck for \$2,863,712.
- Board of Directors Meeting – The Board of Directors approved various committee consent items.

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 Escondido Fire Department’s Graduation and Promotion Ceremony and COWU.
- Director Drake reported on COWU, Gary Eaton’s Retirement Celebration, the Fire Safety Expo, and the Fire Department Graduation and Promotion Ceremony. Upcoming meetings include the Urban Water Institute from August 16-18th and the County of San Diego Fraud Seminar.
- Director Towne provided information regarding the CSDA Webinar “Everything You Need to Know About Website Compliance” she and PSIO Julia Escamilla participated in and related to SB 272. Director Towne then made Directors aware of upcoming CSDA webinars on Legislation and others. A discussion regarding email and public records followed which will be further discussed at PIIGR Committee.

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

There were no requests.

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), June 2017.

The following were discussed:

- General Manager Thomas reported the following on the calendar:
 - The FIP Committee meeting will be held on Thursday morning, June 13th at 10:00 a.m. Director Quist will be absent so alternate Director Murtland will be attending.
 - The PIIGR Committee meeting will be held on Wednesday, July 25th at 10:00 a.m.
 - The EPFS Committee meeting will be held on Wednesday, August 2nd at 10:00 a.m.
 - August 8th will be the next Regular Board Meeting. Jeff Kightlinger, General Manager of MWD will be speaking.
 - The Urban Water Institute Fall Conference will be held from August 16th to 18th.
 - The CSDA Quarterly Dinner will be held on August 17th.
 - COWU will be held on Tuesday, July 18th.
 - September 12th is the date of the Regular Board of Directors meeting. Directors Murtland and Towne reported they will be unable to attend the meeting. A discussion on quorums and whether this meeting should be rescheduled to ensure a quorum followed. After the discussion, it was agreed this item will be placed on the August agenda.
 - ACWA will be held November 28th to December 1st.

6-F. Urban Water Institute Fall Conference Sponsorship.

The Urban Water Institute has requested the District provide some level of sponsorship at the Urban Water Institute's Annual Fall Conference. Staff is recommending the Board of Directors approve a \$1,000 Social Media Sponsorship for the conference, which will be held in San Diego from August 16th to August 18th. After a brief discussion, President Murtland asked for a motion:

In a motion by Director Drake, seconded by Director Lump, by a vote of 4-0, the Board of Directors unanimously approved a \$1,000 Social Media Sponsorship for the Urban Water Institute's Annual Fall Conference.

6-G. CSDA 2017 Board Elections.

CSDA is holding its 2017 Election for Seat C in the District's network. Each Regular Member, or District, in good standing is entitled to vote for one (1)

director to represent its network. Staff is requesting the Board of Directors arrive at consensus and vote for only one candidate on the ballot to represent the network in Seat C.

In a motion by Director Towne, seconded by Director Lump, by a vote of 3-1 (Murtland), the Board of Directors approved to vote for Arlene Schafer.

**Murtland: Nay
Lump: Aye
Drake: Aye
Towne: Aye
Quist: Absent**

6-H. General Manager's Evaluation.

Legal Counsel Gerry Schoaf brought forward the General Manager's Evaluation process. Mr. Schoaf and Directors agreed last year's evaluation form and process would be used for the 2017 evaluation. Mr. Schoaf will email Directors the evaluation form for completion. General Manager Thomas previously sent Directors documentation to refer to while completing the form. Directors then discussed whether completing the form was a per diemable event. Completed forms will be due to Mr. Schoaf by Wednesday, July 19th at 5:00 p.m. Once Mr. Schoaf receives all completed forms, he will correlate the data and report back to the Board.

SECTION 7 – GENERAL MANAGER'S REPORT

7-A. General Manager's Oral Report.

General Manager Thomas reported on the following:

- Received information regarding MWD's upcoming project, known as the California WaterFix and provided Directors with copies.
- The ACWA Region 8 will be holding their annual program – Water Reliability the Continued Value of Local Projects on August 24th.

SECTION 8 – LEGAL MATTERS

8-A. Legal Counsel Report

General Manager Thomas provided an update on the Ruiz case.

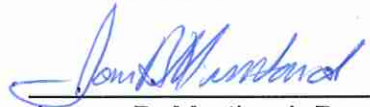
8-B. Closed Session.

There was no report.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by President Murtland at 8:32 p.m.

APPROVED:



James B. Murtland, President

ATTEST:


Wanda Cassidy, Board Secretary