

*The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held August 8, 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  
August 8, 2017**

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, August 8, 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 Quist.

**Directors Absent:** Towne.

**District Staff Present:** Greg Thomas, General Manager; Clint Baze, Director of Engineering and Operations; Julia Escamilla, Public Services Information Officer; Josefina Traslavina-Washington, Interim 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, Fire Chief.

**Guests:** Jeff Kightlinger, General Manager, Metropolitan Water District; Meena Westford, Special Projects Manager, Metropolitan Water District; Dennis Cushman, Assistant General Manager, San Diego County Water Authority; David Ross, Editor, Valley Roadrunner; and Wendy Chambers, General Manager, Carlsbad Municipal Water District.

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 or changes.

## **ORAL COMMUNICATIONS TO THE BOARD**

There were no communications.

### **SECTION 1 - CONSENT ITEMS**

**In a motion by Director Quist and seconded by Director Drake, 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 July 11, 2017.
- 1-B. General Fund Disbursements, July 2017.
- 1-C. Investment Portfolio Report, June 2017.
- 1-D. Financial Statements, June 2017.
- 1-E. Board of Directors' Per Diem Fees and/or Expense Reports, July 2017.
- 1-F. Quarterly Financial Report, FY 2016-2017, 4<sup>th</sup> Quarter, June 31, 2017.

### **SECTION 2 – EMERGENCY PREPAREDNESS & FIRE SERVICES**

- 2-A. Public Hearing – Resolution No. 17-851.25(B), “Adopting A Multi-Year Facilities Equipment Plan for Improvement District E (ID E).”

President Murtland opened the Public Hearing and General Manager Thomas presented Resolution No. 17-851.25(B), “Adopting A Multi-Year Facilities Equipment Plan for Improvement District E (ID E).” Each year, Rincon del Diablo Municipal Water District is required to submit a Fire Mitigation Fee Report to the San Diego County Office of Disaster Preparedness outlining the sources and uses for Fire Mitigation Fees received. The fees are collected by the San Diego County Department of Planning and Land Use (County), and assigned to the District as part of the building permit process. These fees are used to offset growth-related impacts of County-approved projects within the Rincon del Diablo Fire Protection District, ID E.

As part of the Fire Mitigation Program reporting process, the District is required to submit a resolution containing a Multi-Year Facilities Plan outlining the anticipated use of fees for the next five years. Since the District forwarded funding from the general fund for fire equipment and facility purchase, all Fire Mitigation Fees collected will be applied to the negative balance until the General Fund is made whole.

The Fire Mitigation Fee Report submitted to the County requires ratification by Rincon's Board of Directors, after conducting a public hearing to receive any comments relating to the resolution.

After closing the public hearing and General Manager Thomas responding to questions from Directors, President Murtland asked for a motion:

**In a motion by Director Drake, seconded by Director Lump, by the following roll call vote, the Board of Directors unanimously approved Resolution No. 17-851.25(B), "Adopting A Multi-Year Facilities Equipment Plan for Improvement District E (ID E)."**

**Director Murtland - Aye  
Director Lump - Aye  
Director Drake - Aye  
Director Towne - Absent  
Quist - Aye**

- 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:

- A brush engine and seven member strike team are back from 23 days of battling a series of brush fires in northern California. Another engine and two strike team leaders are currently in Alturas fighting a fire in the Modoc National Forest in Northern California.
- Four new paramedics have been hired and will be going through the fire department's training program.

Following the report, Chief Vogt responded to questions and reported that San Diego County has a very robust fire mutual aid program which allows local fire agencies to access resources from other participating agencies should it be necessary during an emergency.

### **SECTION 3 – PUBLIC INFORMATION & INTERGOVERNMENTAL RELATIONS**

- 3-A. Receive and File Public Information & Intergovernmental Relations (PIIGR) Committee Meeting Minutes of July 25, 2017.

**Received and filed Public Information & Intergovernmental Relations (PIIGR) Committee meeting minutes of July 25, 2017.**

**SECTION 4 – FINANCE, INSURANCE & PERSONNEL**

- 4-A. Receive and File Finance, Insurance, & Personnel (FIP) Committee Meeting Minutes of July 13, 2017.

**Received and filed Finance, Insurance, & Personnel (FIP) Committee meeting minutes of July 13, 2017.**

- 4-B. Approval of Proposed Fund Balance Transfers.

Interim Director of Administration and Finance Josefina Washington brought forward Approval of Proposed Fund Balance Transfers. Each year the Board of Directors approves the transfers to and from the District's Appropriated Fund Balances in order to conduct business as per approved policy. A schedule detailing Appropriated Fund Balance minimum and maximum levels, current balances, recommended transfers of both restricted and discretionary funds, and the totals after the proposed transfers was provided to directors. The minimum and maximum levels are consistent with the Restricted and Appropriated Fund Balance policy established by the Board of Directors and codified in Administrative Code Section 3150, Restricted and Appropriated Fund Balances.

After Ms. Washington and General Manager Thomas responded to directors' questions, President Murtland asked for a motion:

**In a motion by Director Quist, seconded by Director Drake, by a vote of 4-0, the Board of Directors approved the Proposed Fund Balance Transfers as noted in the Board Memo.**

- 4-C. Education Reimbursement.

General Manager Thomas brought forward Modifications to the District's Education Reimbursement Program. At the July 13, 2017 Finance, Insurance & Personnel (FIP) Committee meeting, Committee members discussed the current Education Reimbursement Program and agreed to recommend that the Board of Directors consider and approve an increase from \$1,000 per year to \$3,000 per year, and consider increasing the minimum grade requirement to a "B" or better. After General Manager Thomas answered questions and additional discussions, Directors agreed to take this item back to the FIP for further discussion. President Murtland then asked for a motion:

**In a motion by Director Quist, seconded by Director Drake, by a vote of 4-0, the Board of Directors agreed the Education Reimbursement Program should be taken back to the FIP Committee for further discussion.**

- 4-D. Annual Report of Director Expenses and Reimbursements for Fiscal Year 2016-2017.

**Received and filed the Annual Report of Director Expenses and Reimbursements for Fiscal Year 2016-2017.**

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

- 5-A. Award of Contract for the Design of the Eden Valley Lane Pipeline Replacement Project.

Senior Engineer Nick Lyuber presented Award of Contract for Design Services for the Eden Valley Replacement Project.

District staff solicited design service proposals from two qualified firms for design services for the Eden Valley Replacement Project, with Hunsaker and Associates being selected, at a total cost of \$58,690.

Staff is requesting approval from the Board of Directors to authorize the General Manager to enter into a professional services contract with Hunsaker and Associates in the amount of \$58,690 for the design of the Eden Valley Lane Pipeline Replacement Project. The FY 2017-2018 CIP budget includes \$400,000 for Rehabilitation and Replacement which will be used to fund this project.

**By a vote of 4-0, the Board of Directors unanimously approved the General Manager authorize the award of the Eden Valley Lane Pipeline Replacement Project Design Contract to Hunsaker and Associates in the amount of \$58,690.**

- 5-B. Award of Contract for the Design of the Quiet Hills Pipeline Replacement Project.

Senior Engineer Nick Lyuber presented the Award of Contract for Design of the Quiet Hills Pipeline Replacement Project.

District staff solicited design service proposals from two qualified firms, with Hunsaker and Associates being selected at a total cost of \$71,220.

Staff is requesting approval from the Board to authorize the General Manager to enter into a contract with Hunsaker and Associates for the design of Quiet Hills Waterline replacement project for an amount of \$71,220.

**By a vote of 4-0, the Board of Directors unanimously approved the General Manager enter into a contract with Hunsaker and Associates for the design of the Quiet Hills Waterline Replacement Project in the amount of \$71,220.**

5-C. CEQA Notice of Exemption – Lawrence Lane Relocation.

Senior Engineer Lyuber presented the CEQA Notice of Exemption – Lawrence Lane Relocation.

Staff is requesting the Board of Directors find that the Lawrence Lane Relocation Project is categorically and statutorily 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 Exemptions (NOE) with the San Diego County Clerk.

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

**After a motion made by Director Quist and seconded by Director Drake, by a vote of 4-0, the Board of Directors unanimously approved the filing of the Lawrence Lane CEQA Notice of Exemption.**

5-D. Tentative Approval/Will Serve for Escondido Country Club – The Villages Development.

Senior Engineer Lyuber presented Tentative Approval for Escondido Country Club – The Villages Development. Management is requesting tentative approval from the Board of Directors for the Escondido Country Club Development, which potentially consists of 392 residential homes located along Country Club Drive, within the old golf course area.

The District has collected a deposit from the developer to reimburse District direct and indirect expenses related to facilitating responses to questions, performing hydraulic and fire flow analysis, as well as gathering records of existing utilities for the developer.

The District has completed a review of the preliminary waterline designs done by the Developer to identify potential impacts to the existing infrastructure as a result of added domestic demands and fire flow scenarios. Staff concluded that the existing infrastructure that will be serving the new development is adequate

to supply the added demand and meet current fire flow requirements, including the District's simultaneous fire provision. Recycled water has not yet been reviewed, and the District and Developer have yet to receive input from the City of Escondido on their position and capacity in regards to supplying recycled water to the area.

After Mr. Lyuber and General Manager Thomas answered questions from directors, President Murtland asked for a motion:

**In a motion made by Director Lump and seconded by Director Drake, by a vote of 3 (Lump, Drake, Murtland) to 1 (Quist), the Board of Directors granted tentative approval for the Escondido County Club – Villages Development.**

## **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 July 27, 2017 SDCWA Board meeting:

- Engineering and Operations Committee – The Engineering and Operations Committee recommended the General Manager award a contract to L.H. Woods & Sons, Inc. for \$28 million for the Pipeline 3 Relining Lake Murray to Sweetwater Reservoir project. Following the recommendation, updates on the San Vicente Energy Storage Task Force, Carlsbad 6 Flow Control Facility Project, and Water Treatment Plan Operations were given.
- Administration and Finance Committee – The Administration and Finance Committee meeting included the Treasurer's Report, the Controllers Report, the Investment Manager's Performance Report, and the adoption of an ordinance increasing the daily amount reimbursable for meals.
- Water Planning Committee – The Water Planning Committee amended Water Authority Annexation Policy #4 and Policy #12 to address approved revisions to the annexation fee structure.
- Legislation and Public Outreach Committee – The Legislation and Public Outreach Committee sponsored bills, AB 1323 (Weber) Sustainable Water Use and Demand Reduction and SB 701 (Hueso) Salton Sea Restoration. The committee also discussed SB 623 (Monning), Public Goods Charge, Low Income Water Rate Assistance. General Manager Thomas then provided an update on SB 606 (Hertzberg and Skinner) Water Management Planning. Revised legislation will be authored by Senator

Skinner. Staff from Senators Hertzberg and Skinner and the governor's office met last week to discuss the legislation. There are concerns the most recent draft legislation does not address credits for recycled water and reclaimed potable water and will require additional revisions.

- Imported Water Committee – A brief MWD report as well as a report on the Water Fix by Amy Chen were provided. Committee members were also provided a copy of the most recent MWD white paper on the Water Fix.
- Board of Directors Meeting – This was a lengthy meeting discussing ongoing litigation and QSA issues.

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 Quist reported on Urban Water Institute meetings in preparation for the Urban Water Institute Fall Conference.
- Director Drake reported on completion of his Sexual Harassment and Ethics training and his attendance at the County fraud detection training and the Assemblymember Lorena Gonzalez-Fletcher meeting held at SDCWA. Director Drake then reported on a water quality issue at his home. General Manager Thomas then briefed the Board on customer concerns regarding water quality issues in ID-1, based on a false and misleading report that all water agencies received. Mr. Thomas also reported some local water agencies experienced operational issues due to the heat. In closing, General Manager Thomas stated that on Thursday, August 10<sup>th</sup>, the District will be flushing pipelines for a hydraulic analysis study to update system models.
- Director Lump expressed concern with the recent Facebook posting regarding water quality.
- Director Murtland reported on the meeting with Assemblymember Lorena Gonzalez-Fletcher and expressed concerns with AB 401 (Dodd) Low Income Assistance legislation.

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), July 2017.

The following were discussed:

- President Murtland noted the “0” change in water sales in the month of June.
- On page 3, General Manager Thomas updated the Board on changes in personnel and recruiting for open positions.
- General Manager Thomas reported the following on the calendar:
  - The Urban Water Institute Conference will be from August 16-18<sup>th</sup>.
  - The CSDA Quarterly Dinner will be held Thursday, August 17<sup>th</sup>.
  - The State Water Board will hold a briefing on Low Income Assistance Programs on August 14<sup>th</sup> at 6:00 p.m. to 8:00 p.m. with Max Gomberg.
  - COWU will be held on Tuesday, August 15<sup>th</sup>. The speaker will be Tom Scaglione.

6-F. Metropolitan Water District of Southern California (MWD), Jeffrey Kightlinger, General Manager.

President Murtland introduced Jeff Kightlinger, General Manager of Metropolitan Water District (Metropolitan). The presentation included the History and Overview of Metropolitan, 2017 Major Metropolitan Issues, and San Diego County Water Authority (SDCWA) issues.

- Overview – MWD’s regions consists of 5200 square miles and has a service area of approximately 19 million people. It provides wholesale water to one out of every two Californians. If we were a nation, would be 11<sup>th</sup> largest economy in the world.
- Local supplies including groundwater, recycled water, and the Los Angeles Aqueduct make up about 45 percent of the water supply. Water from the Bay Delta provides about 30 percent of Southern California’s water supply.
- Colorado River Aqueduct’s initial deliveries began in 1941, with water delivery to San Diego starting in 1947. In 1960, voters approved the State Water Project, which provides Northern California water to Southern California. With a commitment of one half the capital cost every year for 75 years, MWD paid \$500,000,000 this year and continues to contribute until 2035.
- MWD is addressing increased water needs and possible future droughts by reducing customer water demands, building local water supplies, investing in the Water Fix, the Successor Minute with Mexico, and purchasing fallowed farms and trading water between states.

Mr. Kightlinger then discussed ongoing litigation with the San Diego County Water Authority. Litigation has gone through the Court of Appeals with a decision coming back the third week of July. The Court of Appeals reversed the decision regarding the critical issue of rate structure charges, however, decisions on Rate Structure Integrity Language and Preferential Rights to Water were upheld.

In closing, Mr. Kightlinger responded to the SDCWA allegations regarding overspending on local projects, overspending and overcollections in water rates, concerns with the Turf Replacement Rebate Program and the Delta island purchases, and answered directors' questions.

Following Mr. Kightlinger's presentation, Dennis Cushman, Assistant General Manager at San Diego County Water Authority reiterated their position regarding MWD's alleged fiscal irresponsibility and their need to develop a long-range finance plan and be more fiscally sustainable.

6-G. General Manager's Evaluation and Salary Adjustment Based on Performance Evaluation.

Due to time constraints, this item will be moved to the September Board meeting.

6-H. Discussion on Date for September Regular Board of Directors Meeting.

At the July Board meeting, Directors agreed to discuss moving the September 12<sup>th</sup> Board meeting due to the possibility of a lack of quorum. After a brief discussion, Directors agreed to move the September 12<sup>th</sup> Board meeting to September 19<sup>th</sup>.

6-I. Sponsorship for Women in Water "Bringing Women Water Leaders Together."

On behalf of Director Towne, General Manager Thomas brought forward Sponsorship for "Women in Water, Bringing Women Water Leaders Together." ACWA President Kathleen Tiegs chairs the Women in Water event at the semi-annual ACWA conferences and is asking for sponsors. After a brief discussion, President Murtland asked for a motion:

**In a motion by Director Quist, seconded by Director Drake, by a vote of 4-0, the Board of Directors unanimously approved a \$250 Prestige Sponsorship for the "Women in Water" Fall 2017 and Spring 2018 receptions.**

6-J. ACWA Committee Considerations for 2018-19 Term.

General Manager Thomas brought forward the ACWA Committee Considerations

for the 2018-19 Term. After a brief discussion, the Board agreed to support General Manager Thomas on the State Legislative Committee and Clint Baze on the Water Quality Committee.

6-K. ACWA Region 10 Board Ballot for the 2018-2019 Term.

General Manager Thomas brought forward the ACWA Region 10 Board Ballot for the 2018-2019 Term. After a brief discussion, President Murtland asked for a motion:

**After a motion by Director Quist, seconded by Director Drake, by a vote of 4-0, the Board of Directors approved the ACWA Nominating Recommended Slate.**

General Thomas then reported we received a request to send a letter of support for Brent Hastey, who is currently Vice President of ACWA and is running for ACWA President. After a brief discussion, President Murtland asked for a motion:

**After a motion by Director Drake, seconded by Director Lump, by a vote of 4-0, the Board of Directors approved supporting Brent Hastey for President of ACWA and forwarding a letter of support.**

## SECTION 7 – GENERAL MANAGER’S REPORT

7-A. General Manager’s Oral Report.

General Manager Thomas reported on the following:

- A list of the MWD and SDCWA tours was provided to directors.
- The ACWA Region 8 will be holding their annual program – “Water Reliability the Continued Value of Local Projects” at the MWD on August 24<sup>th</sup>.
- Tim Quinn, Executive Director of ACWA will be out on a medical leave for approximately two months.
- On August 11<sup>th</sup>, Rincon will be conducting recycled water testing at Dos Lagos and Harmony Grove Village. After passing testing, Dos Lagos and Harmony Grove Village can be connected for recycling water. This will complete work for the IRWM grant and an invoice can be submitted for the remaining grant funds.
- Rates for 2018 CalPERS healthcare benefits were provided to directors for open enrollment. The open enrollment period is September 11, 2017 to October 6, 2017.

**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 8:57 p.m.

**APPROVED:**

  
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James B. Murtland, President

**ATTEST:**   
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Wanda Cassidy, Board Secretary