

The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held June 25, 2019. 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
June 25, 2019**

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, June 25, 2019 at 6:00 p.m. at the offices of the District located at 1920 North Iris Lane, Escondido, California 92026.

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

Directors Absent: Murtland.

District Staff Present: Greg Thomas, General Manager; Clint Baze, Director of Engineering and Operations; Jeff Umbrasas, Director of Administration and Finance; Julia Escamilla, Public Services Information Officer; and Wanda Cassidy, Board Secretary.

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

Fire Services Staff Present: Jeff Murdock, Emergency/Disaster Preparedness Manager, Escondido Fire Department.

Guests Present: None.

In President Murtland's absence, Vice President Lump 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 or changes to the Agenda.

ORAL COMMUNICATIONS TO THE BOARD

There were no communications to the Board.

SECTION 1 - CONSENT ITEMS

In a motion by Director Drake and seconded by Director Quist, 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 May 28, 2019.
- 1-B. General Fund Disbursements, May 2019.
- 1-C. Investment Portfolio Report, April 2019.
- 1-D. Financial Statements, April 2019.
- 1-E. Board of Directors' Per Diem Fees and/or Expense Reports, May 2019.
- 1-F. CIP Financial Close-outs.

After the vote, Director Lump asked staff if a breakdown of expenses for CIP projects was available. Director of Administration and Finance Jeff Umbrasas responded the ERP software does have a module available to produce this information and it can be provided at a later date.

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.

Jeff Murdock, Emergency/Disaster Preparedness Manager of the Escondido Fire Department reported the following in Chief Vogt's absence:

- Water Watcher Program – With a recent water related death of a child in Oceanside, the fire department has made water safety awareness a priority.
- Earthquake Warning Alert Test – On June 27th at 11:00 a.m. the Governor's Office of Emergency Services and the United States Geological Survey will be conducting a test on all mobile phones in San Diego County. The test will evaluate whether the system can be effectively used for the California Earthquake Early Warning, or a ShakeAlert notification.
- Fire and Safety Expo - The Fire and Water Expo held on Saturday, June 15th from 10 a.m. to 2:00 p.m. at Fire Station 4, Kit Carson Park was a huge success. Mr. Murdock and Rincon Public Services Information Officer Escamilla estimated approximately 2,000 people attended.

Following the report, Mr. Murdock answered questions from the directors.

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.

Julia Escamilla, Public Services Information Officer provided the Focus on Conservation report. Overall Northern California precipitation is tapering off at 68.4 inches, however, is well above the seasonal average at 51.8 inches. Lake Shasta is above average at 97 percent of capacity and at 119 percent of seasonal average while Lake Oroville is at 98 percent of capacity and above seasonal average at 118 percent. For Colorado River conditions, Lake Powell is up 10 percent over last month and Lake Mead is steady at 40 percent of capacity. Precipitation was at 126 percent of normal and the current snowbase is at 2.2 inches.

For State Water Board monitoring for the month of May, customers reduced water usage by 48.4 percent reduction of use compared to May 2013 for a cumulative savings of 26.2 percent since June 2013. GPCD for residential customers was at 84.

Following the Focus on Conservation report, Ms. Escamilla provided a PowerPoint of the Fire and Safety Expo and a SDCWA “Brought to You by Water” video. After the reports, General Manager Thomas provided the Legislative Update.

General Manager Thomas started his state legislative update with a timeline of upcoming key dates for legislation. Following the timeline, Mr. Thomas provided information regarding the \$215 billion state budget that was approved by the legislature two days ahead of schedule. A number of Budget Trailer Bills were also approved, and in addition, several budget trailers are being drafted and others are under consideration.

Of importance is there will be no water tax, however, there will be a Safe Drinking Water Compromise which includes:

- \$100 million from the Greenhouse Gas Reduction Fund (GGRF) and \$30 million from the General Fund for Safe Drinking Water
- \$3.4 million from the General Fund for SWRCB for administrative costs

The approved trailer bill language includes the following:

- Specifies a 5 percent GGRF continuous appropriation beginning 2020-21 for safe drinking water with a cap of \$130 million

- Provides the General Fund backstop to fill the Safe Drinking Water Fund should the 5 percent of GGRF be lower than \$130 million beginning 2023-24
- Establishes the framework of the Safe Drinking Water Program and Safe Drinking Water Fund

Safe and Affordable Drinking Water legislation and their current status includes:

- AB 134 (Bloom) – Administrative Structure for safe drinking water program – still alive
- AB 217 (Garcia)
 - Water trust fund
 - Water tax – “water system charge”
 - Production agricultural taxes
 - Gutted and amended – now deals with income tax and federal conformity
- SB 200 (Monning) – Administrative structure for safe drinking water program – still alive
- SB 669 (Caballero) – Safe drinking water trust fund – dead
- SB 414 (Caballero) – Small water system consolidation authority – still alive

On April 29, 2019 Governor Newsom issued Executive Order N-10-19 directing the Natural Resources Agency, CalEPA, and the DFA to collaborate on a Water Resilience Portfolio. The purpose of the directive is to identify and assess a suite of complementary actions to ensure safe and resilient water supplies, flood protection, and healthy waterways for the state’s communities, economy, and environment.

Sponsored legislation included AB 1588 (Gloria/Gray). AB 1588 is co-sponsored by the San Diego County Water Authority and the Otay Water District. It is intended to address the lack of satisfactory crediting and equivalency standards for military veterans transitioning into civilian water and wastewater system operator occupations. AB 1588 has passed through the Assembly and Senate Environmental Quality Committee and will now go before the Senate Veteran Affairs Committee.

General Manager Thomas then updated the Board on other water related legislation of concern:

- AB 841 (Ting), relating to drinking water contaminants. SUPPORT – still alive
- AB 854 (Mayes), relating to Imperial Irrigation District board membership. OPPOSE - dead

- SB 332 (Hertzberg), relating to limitations on discharge of treated wastewater through ocean outfalls. OPPOSE UNLESS AMENDED – dead
- SB 134 (Hertzberg), water loss standards. SUPPORT – still alive
- AB 1180 (Friedman), updated rules/allowances for recycled water. Still alive
- AB 1672 (Bloom), labeling and material requirements and prevention of “flushable” wipes. Dead

Following the presentation, General Manager Thomas answered questions from directors.

SECTION 4 – FINANCE, INSURANCE & PERSONNEL

4-A. Identity Theft Oral Report – June 2019.

General Manager Thomas reported Administrative Code Section 1925, Identity Theft Prevention Policy, requires that the District’s General Manager provide periodic reports to the Board of Directors on the effectiveness of the policy.

Mr. Thomas reported since the last report in 2018, the District has had no significant instances of a red flag.

The policy also requires staff review the policy. Staff has reviewed the policy and determined that no revisions are necessary at this time.

Mr. Thomas and staff then answered directors’ questions.

4-B. Adopt Resolution No. 19-871.23, entitled “A Resolution of the Board of Directors of the Rincon del Diablo Municipal Water District Adopting an Operating and Capital Budget for FY 2019-20 and FY 2020-21.”

Director of Administration and Finance Jeff Umbrasas began his presentation by thanking staff for their hard work and input.

Mr. Umbrasas then provided a PowerPoint presentation on the budget document and Resolution No. 19-871.23, entitled “A Resolution of the Board of Directors of the Rincon del Diablo Municipal Water District Adopting an Operating and Capital Budget for FY 2019-20 and FY 2020-21.” Mr. Umbrasas informed directors the budget was reviewed by the Board previously on three occasions. The final budget incorporates Directors’ requested changes and recent updates from the San Diego County Water Authority rate setting effort.

The two-year zero-based budget will begin on July 1, 2019 and end on June 30, 2021 and will consist of multiple funds including Fire (03), Potable Water (05), Recycled Water (07), and the newly added Sewer (11). The budget establishes proposed revenues (FY 19-20 at \$24,339,593 and FY 20-21 at \$24,391,564) and expenditures (FY 19-20 at \$22,373,619 and FY 20-21 at \$22,876,455) budgets for the next two fiscal years, provides a longer-term view of the proposed Capital Improvement Program (CIP), and forecasts the District's overall financial plan over the next five years. Mr. Umbrasas also indicated for this budget, staff consolidated and simplified the District's chart of accounts in an effort to make transactions clearer and simpler to understand.

After the presentation, Mr. Umbrasas answered questions regarding the assumptions, rates, and reserve fund and then Vice President Lump asked for a motion:

In a motion made by Director Drake and seconded by Director Towne, by a vote of 4-0, the Board of Directors unanimously approved Resolution No. 19-871.23, entitled "A Resolution of the Board of Directors of the Rincon del Diablo Municipal Water District Adopting an Operating and Capital Budget for FY 2019-20 and FY 2020-21" by the following roll call vote:

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

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING

- 5-A. Receive and File Engineering and Long-Range Planning (ELRP) Committee Meeting Minutes of June 19, 2019. ***(Receive and File)***

Received and filed Engineering and Long-Range Planning Committee Meeting Minutes of June 19, 2019.

- 5-B. Authorization of a Professional Services Agreement with Dudek to Perform a Sewer Master Plan Update.

General Manager Thomas brought forward Authorization of a Professional Services Agreement with Dudek to Perform a Sewer Master Plan Update. During the District's LAFCO approval for providing sewer service, the District's sewer

planning area boundaries were set to include both the proposed/new Harmony Grove Village South and Valiano developments. Per County of San Diego Board of Supervisors conditions for the approvals of the two developments and LAFCO requirements, a Sewer Master Plan update is required to evaluate and determine which of the options for providing sewer service to the developments is the most efficient and effective.

Harmony Grove Village South requested the District move forward with the master plan update and evaluate sewer options in accordance with county conditions and provided \$30,000, or half of the cost of the update. Valiano is responsible for the remaining cost of the update, leaving the District with a net zero balance.

With the sewer master plan update being fully funded by developers, Dudek and the District entered into a professional services agreement. After entering into the agreement, staff recognized the amount of the agreement requires approval by the Board of Directors and is retroactively bringing the agreement before the Board for formal approval.

Staff is now requesting the Board authorize the General Manager enter into an agreement with Dudek retroactively, for a not to exceed amount of \$60,000 to perform a Sewer Master Plan Update.

After General Manager Thomas answered questions, Vice President Lump 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 authorized the General Manager to enter into an agreement with Dudek for a not-to-exceed amount of \$60,000 to perform a Sewer Master Plan Update.

5-C. Authorize Filing of Notice of Completion for Quiet Hills Pipeline Replacement Project.

Director of Engineering and Operations Clint Baze introduced Authorize Filing of a Notice of Completion for Quiet Hills Pipeline Replacement Project. The total Quiet Hills project cost including design and construction was \$818,845.06. The existing Quiet Hills budget was \$801,791.27. Change Order #1, Change Order #2, and a transfer of \$17,053.79 were approved at the May 28, 2019 Board of Director meeting.

The project has been completed and all final paperwork and payments have been made. Staff is now requesting the Board of Directors authorize the filing of the Notice of Completion for the Quiet Hills Pipeline Replacement Project.

After a brief discussion and staff answered questions from directors, Vice President Lump asked for a motion:

In a motion by Director Towne seconded by Director Drake, by a vote of 4-0, the Board of Directors unanimously authorized filing of the Notice of Completion for the Quiet Hills Pipeline Replacement Project.

- 5-D. Authorize Filing of Notice of Completion for the El Norte Recycled Water Retrofit Project (Offsite Phase).

Director of Engineering and Operations Baze introduced Authorize Filing of Notice of Completion for the El Norte Recycled Water Retrofit Project (Offsite Phase). The El Norte Recycled Water Retrofit Project is a three-part project that involves the construction of an offsite distribution main and two onsite potable water to recycled water conversions. The pipeline installation, connection, and service points have been completed by the contractor, Blue Pacific Engineering and Construction for a total of \$199,738.94 and have been accepted by the District's inspector and District staff.

Staff is now requesting the Board of Directors authorize the filing of the Notice of Completion for the El Norte Recycled Water Retrofit Project (Offsite Phase). The two onsite phases of the project are underway and will be brought to the Board in the Fall.

After Mr. Baze answered director's questions, and Vice President Lump asked for a motion:

In a motion by Director Towne seconded by Director Quist, by a vote of 4-0, the Board of Directors unanimously authorized filing of the Notice of Completion for the El Norte Recycled Water Retrofit Project (Offsite Phase).

SECTION 6 – WASTEWATER

- 6-A. Receive and File Wastewater Committee Meeting Minutes of June 11, 2019.

Received and filed Engineering and Long-Range Planning Committee Meeting Minutes of March 20, 2019.

SECTION 7 – SDCWA DIRECTOR’S REPORT & DIRECTORS/STAFF ACTIVITIES REPORT

7-A. This portion of the agenda may be used by the San Diego County Water Authority (SDCWA) representative to make informal reports on activities.
There was nothing to report.

7-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 reported on the Fire and Safety Expo and COWU. At COWU, a Bylaws Committee was established to review and amend the bylaws. Chair Castenada volunteered to be Chair of the committee and proposed the COWU bylaws be amended to allow a General Manager who has been elected Chair to appoint a designee to perform duties on his/or her behalf, and it was agreed the change would be accepted. Afterwards, Jeff Kightlinger, General Manager of Metropolitan Water District of Southern California (MET) was nominated and elected COWU Chair and appointed Mena Westford as his designee. Also at the meeting, agency members agreed future meetings continue to be held at the Butcher Shop.
- Director Towne reported on the Fire and Safety Expo and suggested there be more activities available for kids.
- Director Drake reported on the JPIA and the California Water Investment Fund, of which Director Drake was appointed to a two-year term as Vice President of the Board of Directors. Director Drake summarized why the California Water Investment Fund was established and reported on his recent JPIA meeting. Topics of the meeting included the rising cost of fire insurance and CalPERS healthcare costs.
- Director Quist – Director Quist reported on his continuous work on the Urban Water Conference. Sessions will include a panel of prominent women in water and a member of the Governor’s office speaking on the Water Resilience Portfolio. Director Quist also announced traveling to the Urban Water Institute’s North and South Meeting, whose goal is to establish better dialogue and working relationships between Northern and Southern California water agencies. In closing, Director Quist reported on his recent trip to Israel and Turkey.

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

There was nothing to report.

- 7-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.

- 7-E. District Activities Report (DAR), April 2019.

General Manager updated directors on the following:

- Five applications to date were received for the Senior Engineer position. The advertisement was placed on NeoGov and Brown and Caldwell as well as a few additional job boards.
- Andrew Stibal, Management Analyst, resigned effective July 5, 2019.
- Recruiting for the Administrative Assistant and Engineering Technician will begin soon.
- The Urban Water Institute Conference will be August 14th, 15th, and 16th.
- The week of July 1st, General Manager Thomas will be on vacation.
- The Finance, Insurance, and Personnel (FIP) Committee meeting scheduled on Thursday, July 11th will be cancelled due to lack of agenda items.
- The Public Information and Intergovernmental Relations (PIIGR) Committee meeting scheduled for Wednesday, July 17th will be cancelled due to lack of agenda items.
- General Manager Thomas and Director of Engineering and Operations Baze will be presenting on AMI and WaterSmart at the Tri-State Seminar in Las Vegas August 6th and 7th so the EPFS Committee meeting will need to be moved should there be any agenda items.
- The California Association of Sanitation Agencies (CASA) 64th Annual Conference is being held from August 21st to 23rd at the Manchester Grand Hyatt in San Diego. Directors Lump, Towne, and Drake would like to attend.
- On July 9th, General Manager Thomas will be meeting with Chris McKinney with the City of Escondido.
- The ACWA Region 10 Program entitled "The Human Right to Water and Water Agency Collaborations to Achieve the Goal" will be held on July 30th. General Manager Thomas will be on a panel.

- 7-F. General Manager's Evaluation.

General Manager Thomas introduced the General Manager's Evaluation. Mr. Thomas reviewed the timeline that was agreed upon at the April General Managers Evaluation Workshop with consultant Richard Pio Roda. The timeline begins with General Manager Thomas providing his self-evaluation and

accomplishments to directors in May or June. Directors will then use the self-evaluation as well as an evaluation outline provided by Mr. Pio Roda to complete an evaluation of General Manager Thomas. Directors will then forward their completed evaluations to Legal Counsel Shoaf for compiling. At the August meeting, directors will review the final documentation and perform a Strengths, Weaknesses, Opportunities and Threats (SWOT) assessment to develop goals for the 2019-2020 evaluation.

7-G. San Diego County Water Authority Regional Conveyance System Update.

General Manager Thomas provided an update on the San Diego County Water Authority Regional Conveyance System. Dan Denham of the San Diego Water Authority updated General Manager Thomas and President Murtland on the Regional Conveyance System Study as the Water Authority has included funding for the study in the proposed budget, which is on the agenda for approval at the next CWA Board of Director's meeting. The technical analysis will be a new two-phase study for a total of \$3.9 million to expand upon the previous "single-use" concepts with the intent to capture regional benefits through multi-purpose system configurations. In addition to the two Southern Alignments previously studied, consultants will also be evaluating a Northern Alignment.

The Water Authority and the consultant will also:

- Engage potential partners with compatible needs
- Evaluate partnership structures that reduce risk to the Water Authority and our member agencies and economic
- Pursue funding opportunities

After the presentation, General Manager Thomas answered questions from directors.

SECTION 8 – GENERAL MANAGER'S REPORT

8-A. General Manager's Report

General Manager Thomas reported the following:

- Andrew Stibal, the Management Analyst will be leaving.
- Ethics and Values training through EAP took place on Monday, June 24th.
- Sexual Harassment Training for all staff is scheduled for July 18th. A new law was passed and is effective July 1st, 2019 making sexual harassment training mandatory for all employees.

- The Consumer Confidence Report (CCR), which reports on the annual quality of water from last year, is currently being reviewed by the Department of Drinking Water. The report will indicate no issues out of the ordinary.
- In August, CSDA will be holding an election for vacant seats, including Southern Seat B.
- The ACWA Region 10 elections for the 2020-21 term will take place in September. Results will be announced on October 4th. President Murtland was nominated for this position.
- The Women in Water Inland Empire Breakfast will take place on Wednesday, July 24th in Rancho Cucamonga.
- On April 21st, 2019, there was a treatment process failure at the CWA Twin Oaks Valley Water Treatment Plant. Corrective action was immediately taken and the incident was reported to state regulators. Although the event had no impact to the quality of drinking water, SDCWA was cited by the Division of Drinking Water and is now working with impacted member agencies to follow state mandated noticing requirements and notify all customers who may have received water from the Twin Oaks plant during the April 21-22 incident. This includes Rincon customers from ID-1. The notifications will include a newspaper notice, a postcard to customers, and a website with information and contact number.
- The ACWA Region 10 Program “The Human Right to Water and Water Agency Collaborations to Achieve the Goal” will take place on July 30th, from 9:00 a.m. to 2:00 p.m. at the Arroyo Trabucco Golf Club in Mission Viejo.
- A copy of the audit letter notifying directors the audit has started was provided to directors.

SECTION 9 – LEGAL MATTERS

8-A. Legal Counsel Report.

- a. **CONFERENCE WITH LEGAL COUNSEL – LITIGATION**, Litigation pursuant to Government Code Section 54956.9(d)(1): San Diego County Office of Education, et al. v. The County of San Diego, et al.

There was nothing to report.

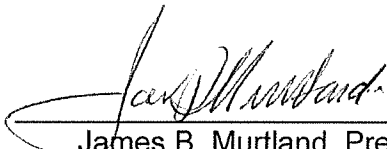
- b. **CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE PERFORMANCE EVALUATION** pursuant to Government Code Section 54957 (b) (1): General Manager’s Evaluation.

There was nothing to report.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by Vice President Lump at 9:17 p.m.

APPROVED:



James B. Murtland, President

ATTEST: 

Wanda Cassidy, Board Secretary