The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held January 28, 2020. 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
January 28, 2020

A Regular Meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, January 28, 2020 at 6:00 p.m. at the offices of the District located at 1920 North Iris Lane, Escondido, California 92026.

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

Directors Absent: Quist.

District Staff Present: Clint Baze, General Manager; Jeff Umbrasas, Director of Administration and Finance; Julia Escamilla, Public Information Officer; Karen Falk, Senior Engineer; and Wanda Cassidy, Clerk of the Board.

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

Guests Present: David Forman, Tax and Audit Partner of White Nelson Diehl Evans, LLP.

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 to the agenda.

ORAL COMMUNICATIONS TO THE BOARD

There were no communications to the Board.

President Murtland then presented General Manager Baze with a Rincon del Diablo Municipal Water District lapel pin. After the presentation, General Manager Baze introduced Gio Goggia, the District's new Engineering Technician.
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 December 10, 2019.
1-D. Financial Statements, June, July, August, September, October, and November 2019.
1-E. Board of Directors’ Per Diem Fees and or Expense Reports, November and December 2019.

Director Towne pulled Item 1-B, General Fund Disbursements, November 2019 and December 2019. Director Towne requested clarification on disbursements related to Blue Watchdog. Public Information Officer Julia Escamilla provided clarification. After a discussion regarding WaterSmart software and Blue Watchdog water audits, President Murtland asked for a motion:

In a motion by Director Drake and seconded by Director Towne, by a vote of 4-0, the Board of Directors approved the following consent item unanimously:


SECTION 2 – EMERGENCY PREPAREDNESS & FIRE SERVICES


Rick Vogt, Chief of the Escondido Fire Department reported on the following:

- Fires – During the last month, there have been a few fires, including:
  - On January 17 an upholstery shop caught fire. There was moderate damage inside and no injuries. The investigation is ongoing.
  - On December 26, a home on Via Valle Vista caught fire. It is believed the fire started in the chimney.
  - On December 23, a garage caught fire. There were no injuries.
- Smoke alarms – On February 29, the Red Cross will be coordinating free smoke alarm installations at Carefree Mobile Home Park and Imperial Mobile Home Park. The fire department will be supporting this event.
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- Staff – The fire department hired four new paramedics. One of the paramedics was a graduate of the Fire Explorer Program.
- Ladder Truck – Fire Chief Vogt shared photos of the fully refurbished ladder truck. The truck is currently undergoing inspection at the manufacturer’s facility and should be in service soon. The truck has been updated, including new hydraulics, LED lights, and tool racks for electric tools.

After the report, Chief Vogt answered the Directors’ questions.

SECTION 3 – PUBLIC INFORMATION & INTERGOVERNMENTAL RELATIONS


Received and filed Public Information & Intergovernmental Relations (PIIGR) Committee Meeting Minutes of January 15, 2020.

SECTION 4 – FINANCE, INSURANCE & PERSONNEL

4-A. Recess to the Rincon del Diablo Public Facilities Corporations.

President Murtland recessed the regular meeting of the Board of Directors to the Rincon del Diablo Public Facilities Corporation (PFC) at 6:16 p.m.


In a motion by Director Towne, seconded by Director Drake and unanimously carried, the Board of Directors approved the Rincon del Diablo Public Facilities Minutes of January 16, 2019.

B. There being no public comment, President Murtland recommended that the Board vote to have the officers of the Rincon del Diablo Municipal Water District serve as the Board of the Rincon Public Facilities Corporation.

In a motion by Director Drake, seconded by Director Towne and unanimously carried, the Board of Directors will serve as the Board of the Rincon Public Facilities Corporation.

President Murtland closed the meeting and reconvened to Open Session at 6:18 p.m.

Received and filed Finance, Insurance & Personnel (FIP) Committee Meeting Minutes of January 9, 2020.

4-C. Receive and File Audit Committee Meeting Minutes of January 20, 2020.

Received and filed Audit Committee Meeting Minutes of January 20, 2020.


At the close of each fiscal year, the District contracts with a certified public accounting firm to conduct an audit. The audit is to ensure transactions are fairly reported, internal controls are sound and that the financial statements are accurate, complete, and fair. The result of the audit is the issuance of the District’s audited Annual Financial Statements. White Nelson Diehl Evans LLP was contracted by the District to conduct the FY 2018-2019 audit.

General Manager Baze introduced David Forman, Tax and Audit Partner of White Nelson Diehl Evans, LLP to present the FY 2018-19 audit findings.

Mr. Forman began the presentation with the audit process and summarized the findings of the audit. Highlights of the Fiscal Year 2018-19 audit are as follows:

- There were no major findings that would require the issuance of a Management Letter for the District for FY 2018-19.
- The net position for the current fiscal year totaled $65,513,807, an increase of $6,041,703 or 10%, compared to the Fiscal Year 2017-18 net position.
- All revenues for the year totaled $23,357,360, a decrease of $392,750 compared to prior year revenues of $23,750,110.
- Revenues from charges for services during the year totaled $17,380,128, a decrease of $410,535 compared to prior year revenues of $17,790,663.
- All expenses for the year totaled $17,315,657, a decrease of $799,411 compared to prior year expenses of $18,115,068.
- Total assets at year-end were $83,648,125, an increase of $4,214,972 compared to prior year assets of $79,433,153.
- Total liabilities at year end were $18,865,125, a decrease of $1,966,095 compared to prior year liabilities of $20,831,220.
- The pension liability and OPEB to net position ratio is decreasing.
- Investment earnings are increasing.
After the presentation, Mr. Forman and Director of Administration and Finance Umbrasas answered questions from Board members.

Received and filed the Audited Financial Statements for the Fiscal Year Ended June 30, 2019.

4-E. Approve Updates to Admin Code Section 3700: Customer Service Resulting from SB 998.

Director of Administration and Finance Jeff Umbrasas presented Approve Updates to Admin Code Section 3700: Customer Service. Mr. Umbrasas provided Directors with a recap of the bill’s legislation.

With the passage of SB 998, new restrictions on residential water service discontinuation in California require that the District revise policies, provide detailed notices, and allow customers to make alternative payment options effective February 1, 2020. Mr. Umbrasas reported the District’s current policy is, in large part, in compliance, and Accountant Josefina Traslavina-Washington has been attending workgroup meetings where water agencies are actively sharing policies and documentation to meet the requirements of in SB 998.

The necessary changes to address SB 998 have been made to Admin Code Section 3700: Customer Service and management is now requesting the changes be approved. After a brief discussion, President Murtland 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 approved changes to Admin Code 3700: Customer Service.

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING


Received and filed Operations; Engineering & Long-Range Planning Committee Meeting Minutes of December 18, 2019.

5-B. Approval of Professional Services Agreement with Infrastructure Engineering Corporation for Standard Specifications and Drawings Update.
Senior Engineer Karen Falk introduced Approval of Professional Services Agreement with Infrastructure Engineering Corporation (IEC) for Standard Specifications and Drawings Update.

Management is requesting approval to execute a contract with IEC for a comprehensive update to its Standard Specifications and Drawings.

The District's Standard Specifications and Drawings originated over 20 years ago and have been added to and updated as required for projects. The documents must be reviewed and updated periodically to meet current regulations, standard practices, and preferences.

With this agreement, the District will provide all existing Standard Specifications and Drawings to IEC for review and use. The engineering team from IEC will review and update all Standard Specifications and Drawings based on current industry standards and regulatory requirements. The final deliverable will be a cohesive package of water, sewer, and recycled water Standard Specifications and Drawings that will support the construction of future District Infrastructure.

After Ms. Falk answered questions from Directors, President Murtland asked for a motion:

In a motion by Director Towne and seconded by Director Drake, by a vote of 4-0, the Board of Directors unanimously approved the execution of a contract with Infrastructure Engineering Corporation (IEC) in an amount not to exceed $43,860.

5-C. Grant Award 84-2-6-80026, “Rincon Customer-Driven Demand Management Program” with San Diego Integrated Regional Water Management Program.

Public Information Officer Julia Escamilla presented Amended Grant Award 84-2-6-80026, “Rincon Customer-Driven Demand Management Program” with San Diego Integrated Regional Water Management Program.

Management is requesting the Board of Directors authorize the General Manager to enter into an Amendment for Grant Award Agreement 848-2-6-80026, “Rincon Customer-Driven Demand Management Program” with the San Diego Integrated Regional Water Management Program, and the authority to distribute the additional funds facilitated by this amendment. The agreement will increase the overall initial grant project budget by $270,949 of which $203,212 (75%) will be contributed by the Department of Water Resources and $67,737 will be contributed by Rincon Water.
The initial grant funding was used for the final installation of Advanced Metering Infrastructure (AMI) system within the District’s service area and to add a customer interface portal through WaterSmart Software Inc. in order to allow customer access to usage data. The Amendment would be used for enhancements to help to execute efficiencies which would benefit the current AMI program.

After a brief discussion, Ms. Escamilla answered questions from the Directors. President Murtland then asked for a motion:

**In a motion by Director Drake and seconded by Director Lump, by a vote of 4-0, the Board of Directors unanimously authorized the General Manager to enter into an Amendment for Grant Award Agreement 84-2-6-80026, “Rincon Customer-Driven Demand Management Program.”**

5-D: Tentative Approval for the Via Loma Vista Extension Project’s *Temporary Service Connection Agreement* and *Standard Agreement for Construction of Water System* (Rincon Account #22087).

Senior Engineer Falk presented Tentative Approval for the Via Loma Vista Extension Project’s *Temporary Service Connection Agreement* and *Standard Agreement for Construction of Water System* (Rincon Account #22087). Management is requesting the Board of Directors authorize the General Manager to execute a Temporary Service Connection Agreement and Standard Agreement for Construction of Water Systems upon satisfactory incorporation of all plan check and review comments.

After a brief discussion, Ms. Falk answered questions from the Directors. President Murtland then asked for a motion:

**In a motion by Director Lump and seconded by Director Drake, by a vote of 4-0, the Board of Directors unanimously authorized the General Manager to execute a Temporary Service Connection Agreement and Standard Agreement for Construction of Water Systems upon satisfactory incorporation of all plan check and review comments.**

**SECTION 6 – SEWER**

6-A. Receive and File Sewer Committee Meeting Minutes of December 10, 2019.
Received and filed Sewer Committee Meeting Minutes of December 10, 2019.

6-B. Operations and Maintenance Agreement for the Harmony Grove Sewer Treatment Plant and Sewer Lift Station.

General Manager Baze presented the Operations and Maintenance Agreement for the Harmony Grove Sewer Treatment Plant (Plant) and Sewer Lift Station (SLS). With the District assuming responsibility for the operations and maintenance of the Plant and SLS and the District does not have a certified Plant Operator on staff, the District must hire a consultant to operate the facilities.

The District solicited proposals from vendors who provide this service and two vendors, DUKEK and Water Quality Specialists responded with quotes. After evaluation of the quotes, DUKEK was selected.

Staff recommended the Board of Directors authorize the General Manager execute a Professional Services Agreement with DUKEK.

After discussion, Directors and Legal Counsel agreed that the agreement required additional revisions and that the agreement be brought back for approval at a future meeting.

6-C. Harmony Grove Village Sewer Treatment Plant Update.

General Manager Baze reported he had been on several walkthroughs of the plant. Overall, the plant is running well. The generator and the lift station automatic switch still require testing. A 24-hour composite sampling is currently underway and SCADA management has been completed and works well with the lift station.

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.

President Murtland was unable to attend the SDCWA January 23, 2020 Board of Directors’ meeting, however reported on the following:

- Dan Denham is the deputy General Manager.
- There will be minor reorganizations in departments.
The SDCWA is sponsoring an Imperial Valley Tour. The Tour will be on Thursday, January 30, 2020. The tour will include the Salton Sea and the All-American and Westside Main Canals where Directors will hear about the Proposed Regional Conveyance System.

Mayor Faulkner continues to encourage SDCWA and MWD to conclude litigation.

President Murtland then answered questions from the Directors.

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 Quist was absent.
- Director Towne reported on the California Association of Sewer Agencies (CASA) Conference and a Diamond Valley Lake Tour.
- Director Drake reported on the California Association of Sewer Agencies (CASA) Conference.
- President Murtland reported on the California Association of Sewer Agencies (CASA) Conference and a Diamond Valley Lake tour.
- Director Lump had nothing to report.

After oral reports, Directors discussed a CASA session related to a fire in Northern California. Directors expressed their concerns with emergency preparedness. General Manager Baze reported and the recent Emergency Preparedness/Fire Services (EPFS) Committee meeting emergency preparedness was discussed and training will be scheduled in the near future.

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

There were no requests.

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.


Directors requested additional information on the following:

- The meeting with the City of Escondido
- The CASA Summer Conference from August 12-14, 2020 in Squaw Valley
• The CSDA Quarterly Dinner on Thursday, February 20, 2020

7-F. Form 700s.

The Clerk of the Board announced Form 700s must be completed and submitted by April 1, 2020.

7-G. Urban Water Institute Conference Sponsorship.

The Urban Water Institute has requested the District provide a level of sponsorship at the Urban Water Institute’s Annual Spring Conference. In the past, the District has provided various sponsorships at the $1,000 level.

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

In a motion by Director Towne and seconded by Director Drake, by a vote of 4-0, the Board of Directors unanimously approved a $1,000 sponsorship for the Urban Institute’s Annual Spring Conference.

SECTION 8 – GENERAL MANAGER’S REPORT

8-A. General Manager’s Oral Report

General Manager Baze announced a photographer will be onsite to take Directors’ photos several hours prior to the February 25, 2020 meeting.

SECTION 9 – LEGAL MATTERS


Open Session

Nothing to Report.

The Board of Directors convened to closed session at 7:38 p.m.

9-B. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL – LITIGATION, Litigation pursuant to Government Code Section 54956.9(d)(4): San Diego County Office of Education, et al. v. The County of San Diego, et al. (This is a
long-term item related to dissolution of redevelopment agencies and successor agencies and will remain on the agenda as long as Rincon Water is involved. No action is required on our part at this time.)

b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION pursuant to Gov. Code Section 54956.9(d)(4) to discuss potential litigation (one case).

c. CONFERENCE WITH LEGAL COUNSEL – PERSONNEL MATTERS pursuant to Government Code Section 54957 (b): To Consider Appointment or Employment of a Public Employee.

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

Director Drake exited closed session at 8:40, after agenda items 9-B.c and 9-B.d were discussed. The remainder of Directors reconvened in open session at 9:10 p.m.

There were no reportable actions taken.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by President Murtland at 9:11 p.m.

APPROVED:

James B. Murtland, President

ATTEST: Wanda Cassidy, Clerk of the Board