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**OUR VALUES**

- Resource Stewardship
- Integrity
- Continuous Improvement
- Proud to serve the Greater Escondido Valley since 1954

**NOTICE TO THE PUBLIC**

**NOTICE:** Per Governor Newsom’s Executive Order N-33-20, this meeting will not be held in person, but telephonically. Directors will be provided access information separately. The public may access the meeting telephonically using the following access numbers:

**United States: +1 (872) 240-3412  
Access Code: 305-965-421**

All public comment may be submitted before the meeting by e-mail to the Rincon del Diablo Municipal Water District Clerk of the Board at [wcassidy@rinconwater.org](mailto:wcassidy@rinconwater.org) and submissions will be read aloud at the Public Comment period. Public Comments for Public Hearings can be made telephonically during the Public Hearing held at the beginning of the meeting.

If modifications or accommodations from individuals with disabilities are required, such persons should provide a request at least 24 hours in advance of the meeting by e-mail to the Rincon Clerk of the Board at [wcassidy@rinconwater.org](mailto:wcassidy@rinconwater.org).

**A Meeting of the Rincon del Diablo Municipal Water District’s Finance, Insurance, & Personnel Committee (Directors Quist and Murtland) will be held telephonically on Monday, April 19, 2021 at 9:00 a.m.**

**AGENDA  
April 19, 2021**

**I. CALL TO ORDER**

**II. ORAL COMMUNICATIONS TO THE BOARD OF DIRECTORS**

This portion of the agenda may be used by any person to address the Committee on any matter within the jurisdiction of the Committee. No consideration or discussion shall be undertaken by Committee members at this time on any item not appearing on this agenda except as permitted by the Ralph M. Brown Act. Items for consideration by the Committee may be placed on a future Committee agenda. Committee recommendations and/or items requiring action will be placed on agenda of a future meeting of the Rincon del Diablo Municipal Water District Board of Directors.

**III. AGENDA ITEMS**

- A. Minutes of the February 11, 2021 Finance, Insurance, and Personnel Committee Meeting. **(Information only)**
- B. FY 2021-22 and FY 2022-23 Budget. **(Oral Report and Discussion)**

**IV. GENERAL MANAGER'S REPORT**

This portion of the agenda may be used by the General Manager to make informational oral reports on items which may be of interest or concern to the Committee. No consideration or discussion shall be undertaken by Committee members except as permitted by the Ralph M. Brown Act.

**V. ADJOURNMENT**

The next meeting of the Operations; Engineering and Long-Range Planning Committee will be held on Thursday, July 8, 2021 at 8:00 a.m.

**FINANCE, INSURANCE & PERSONNEL  
Committee Meeting Minutes**

February 11, 2021

Minutes of the Finance, Insurance & Personnel (FIP) Committee (Directors Quist and Murtland) meeting held telephonically on Thursday, February 11, 2021 at 8:00 a.m.

**I. CALL TO ORDER**

Director Quist called the meeting to order at 8:03 a.m.

**Directors Present:** Director Quist (Chair)  
Director Murtland

**Staff Present:** Clint Baze, General Manager  
Jeff Umbrasas, Director of Administration and Finance  
(telephonically)  
Wanda Cassidy, Clerk of the Board

**Guests:** Inki Welch, Rate Payer (No questions or comments.)

**II. PUBLIC COMMUNICATION**

None.

**III. ITEMS FOR DISCUSSION**

- A. Minutes of the October 8, 2021 Finance, Insurance, & Personnel (FIP) Committee.

Directors reviewed the October 8, 2021 Finance, Insurance, & Personnel (FIP) Committee minutes.

- B. Update on Billing Delinquencies as Related to COVID-19 Pandemic.

Director of Administration and Finance Umbrasas began the discussion by walking the Committee members through the District's normal delinquency process, including the various steps of increasing severity to encourage customers to pay their water bill for amounts owed to the District. Ultimately, if a bill has not been paid by 83 days after the bill date, water service to the property is normally locked-off due to non-payment and water service is not restored until the bill amount and all fees and charges are paid to bring the account current.

Mr. Umbrasas reported on Governor Newsom's Executive Order N-42-20, which indefinitely restricts the ability of water systems to shut off water service

to residences and small businesses. The Order is intended to assist people who have been financially impacted by the COVID-19 pandemic by ensuring they have continuous water service. The District has maintained compliance with the Executive Order since its issuance. In addition to ceasing the lock-off process for delinquent customer accounts, the District has waived late fees and charges.

With the inability to lock-off significantly delinquent accounts, the District lost leverage in encouraging payment of these accounts. Although the majority of customers pay their bills timely and in full, the number and value of delinquencies has risen since the Executive Order was issued.

Mr. Umbrasas reported that between April 2020 and January 2021, the District has averaged 127 accounts per month that would have qualified for lock-off. During calendar year 2019, when lock-offs were still allowed and penalties were being charged, the District averaged 12 accounts that were locked-off per month. As of January 2021, the District is owed over \$106,000 in total customer billing delinquencies, with the amount generally increasing from April 2020 through January 2021. The amount decreased from a high of \$134,000 in December 2020 due to the effectiveness of an extra outreach letter sent to delinquent customers reminding them of their balance owed and their responsibility to still pay the amount. For reference, in FY 2019-20 the District received approximately \$16.9 million annually or \$1.4 million on average per month in water sales and service charge revenue, so the total amount of the delinquencies is still a small percentage of total revenue.

Mr. Umbrasas reported customer service staff has been diligently communicating and working with customers on delinquent payments. In addition, to protect the District's interest, staff has placed liens on properties or sent accounts to collections, as allowed by law. Overall, delinquencies have been kept at a manageable level for the District.

Following the presentation, the Committee members inquired about other options that may be available to the District to minimize delinquent payments, such as flow restrictors or interest on delinquent amounts. General Manager Baze reported there have been discussions amongst General Managers in the region regarding exploring various options that may be available for delinquent payments and that he will report back. Directors also expressed interest in how to obtain state or federal funding related to COVID-19 should it become available and necessary. In closing, it was agreed this agenda item would be taken to the full Board of Directors for further discussion.

C. Status Update on Water Rate Study.

Mr. Umbrasas reported that Raftelis, the consultant for the Water Rate Study is currently focusing on the Reserve Study. While many of the methodologies and targets are adequate, it is anticipated that there may be some recommendations made to the reserve policy after the study.

Staff is currently pulling together customer consumption and sales data, as well as water sales and purchase data, for analysis by the consultant. Mr. Umbrasas indicated the Rate Study may be delayed for a month or two at staff's request while the Water Master Plan and two-year budget are developed in more detail, as both of these projects provide a significant amount of information that is needed to accurately complete the Water Rate Study. Staff is anticipating a draft of the Rate Study will be available from mid to late summer for Committee review and feedback, which fits well into the overall District timeline.

Following the report, the Committee members asked questions regarding water budgets and rate comparisons with other local water agencies, for consideration during the Study.

#### **IV. GENERAL MANAGER'S REPORT**

General Manager Baze reported the following:

- Director of Administration and Finance Umbrasas and Management Analyst Alarid are in the early phases of preparing for a Strategic Plan update.
- Approximately \$1.6 million of the District's 2016 \$10 million loan is still unspent. The District was previously granted an extension until September 2021 to spend the remaining \$1.6 million, however, with COVID-19 and unanticipated project delays the funds remain unspent. Staff is strategizing on how best to use the funds in the required timeframe.
- Staff is working on an update to the District Administrative Code. The Admin Code will be brought back to the Board for review and approval when complete.

#### **V. ADJOURNMENT**

There being no further business for the FIP Committee, the meeting was adjourned at 8:50 by Director Quist.