NOTICE TO THE PUBLIC

NOTICE: Per Governor Newsom’s Executive Orders, the below meeting will not be held in person but electronically. Directors will be provided electronic access information separately. The public may access the meeting telephonically by calling: +1 (224) 501-3412 and using the following access code: 179-806-533.

Public comment may be submitted by either of these two methods:

1. The public may access the meeting telephonically by calling: +1 (224) 501-3412 and using the following access code: 179-806-533. Public comments are three minutes or less; or

2. Before the meeting e-mail your comment to Rincon del Diablo Municipal Water District Clerk of the Board at WCASSIDY@RINCONWATER.ORG and it will be read aloud at the public comment periods (three-minute limit).

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 del Diablo Municipal Water District Clerk of the Board at WCASSIDY@RINCONWATER.ORG.

The Board of Directors of the Rincon del Diablo Municipal Water District
Budget Workshop (telephonic)

AGENDA
Tuesday, May 11, 2021, 5:00 p.m.

Note: Items on the Agenda may be taken out of sequential order as their priority is determined by the Board of Directors.

Call to Order
Welcome to Guests
Pledge of Allegiance
Roll Call, Determination of Quorum

I. Additions to Agenda (Gov. Code Sec. 54954.2(b))

In accordance with Government Code Section 54954.2 (the Brown Act), additions/changes to the agenda generally require a determination by a two-thirds vote of the members of the board present at the meeting, or, if less than two-thirds of the members present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the agenda being posted.

II. Oral Communications to the Board of Directors

This portion of the agenda may be used by any person to address the Board of Directors on any matter within the jurisdiction of the Rincon del Diablo Municipal Water District. However, depending upon the subject matter, the Board of Directors may be unable to respond at this time until the specific item is placed on the agenda at a future meeting in accordance with the Brown Act.
III. Agenda Items

A. Fiscal Years (FYs) 2021-22 and 2022-23 Budget Development. *(Oral Report)*
B. Loan Spending Update/CIP Budget Adjustments. *(Action)*

ADJOURNMENT

Note: At the discretion of the Board of Directors, all items appearing on this agenda may be deliberated and may be subject to action by the Board of Directors.

I certify that this agenda was posted 72 hours prior to the meeting of May 11, 2021.

Wanda Cassidy, Clerk of the Board

*Please note that Board Meeting Agenda Items will be scheduled in such a manner as to end meetings by 9:00 p.m.; at the Board’s discretion, discussion of Agenda Items that would extend a meeting beyond 9:00 p.m. may be continued to a subsequent meeting.*

*Rincon del Diablo Municipal Water District, in complying with the American with Disabilities Act (ADA), asks that requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in the Board Meeting, please contact Board Secretary, (760) 745-5522 at least three business days (72 hours) prior to the scheduled meeting to ensure that the District may assist you. The agenda material for this meeting is available to the public at the District’s Administrative Office, located at 1920 North Iris Lane, Escondido, California 92026. If any additional material related to an open session agenda item is distributed to all or a majority of the Board of Directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.*
May 11, 2021

III-B: Loan Spending Update/ CIP Budget Adjustments.

PURPOSE:
To update the Board on the spending of loan proceeds and to approve capital improvement program (CIP) budget adjustments.

FISCAL IMPACT:
Staff is requesting an additional appropriation of $500,000 to the potable water CIP, a transfer between projects of $100,000 in the potable water CIP, and a transfer between projects of $300,000 in the recycled water CIP. Funds expended will be reimbursed with existing loan proceeds.

PREVIOUS BOARD ACTION(S):
November 2016 The Board of Directors approved Resolution No.16-02, approving an Installment Purchase Agreement
June 2019 The Board of Directors approved the FY 2019-20 and FY 2020-21 Operating and Capital Budget

BACKGROUND/DISCUSSION:
In November 2016, the District entered into an Installment Purchase Agreement in the amount of $10,068,250 to finance the acquisition, construction, and improvement of its water system infrastructure. The original Installment Purchase Agreement stipulated that the loan proceeds must be spent by November 16, 2019 in order to maintain tax-exempt status. Due to personnel vacancies and unforeseen delays of several projects which were originally intended to be funded with the loan proceeds, the District was unable to spend full amount of the funds by this date. In order to maintain the tax-exempt status of the loan proceeds, the District engaged its bond counsel to obtain a Supplemental Tax Certificate, which extended the date by which the District must spend all of the loan proceeds to September 30, 2021.

Through April 2021, $1.49 Million of loan proceeds remain to be spent, including the original funds received and interest earned on those funds. Prior major projects funded via the Installment Purchase Agreement include:

- Rockoff Pump Station & VID Flume ($3.03M)
- Sierra Linda / San Pasqual Pipeline Replacement ($1.28M)
- Quiet Hills Pipeline Replacement ($865K)
- Lawrence Lane Pipeline Replacement ($843K)
- El Norte Recycled Water Retrofit ($806K)
- Ash Street Bypass ($779K)
- Eden Valley Pipeline Replacement ($615K)
- Northwest Recycled Water Line Extension ($112K)
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The District has several projects planned to spend the remaining $1.49 Million of loan proceeds by September 30, 2021. These projects include:

- Advanced Meter Infrastructure ($500K)
- R-1 Drain Line ($400K)
- Citracado Bridge Pipeline Extension ($400K)
- Andreasen Pipeline Fire Flow Upgrades ($75K)
- Transmission Line / Air-Vac Improvements ($50K)
- I-15 Crossings ($75K)

The currently requested Advance Meter Infrastructure project funding of $500,000 will facilitate the purchase of over 2,500 new water meters, which will replace and upgrade existing water meters near the end of their life cycle and will ensure compatibility with the 2nd phase of the District’s AMI project. Due to the lead time required to purchase that volume of meters from the manufacturer, funding is required immediately to ensure the transaction is completed prior to September 30, 2021. For this, staff is requesting a budget adjustment for an additional appropriation of $500,000 to project 05-5200-52103-0000 (Advanced Meter Infrastructure). The funds spent from the project will be reimbursed by loan proceeds.

The R-1 Drain Line project will facilitate the relining of an existing drain line attached to the R-1A and R-1B reservoirs. Portions of the drain line, utilized when the tank is fully emptied for repairs, have deteriorated requiring spot repairs and/or a trenchless relining. As this is a new project, not previously on the District’s CIP plan, funding is required immediately to ensure the project is completed prior to September 30, 2020. The total estimated cost of the project is $400,000, with the project benefitting both the potable water and recycled water systems. As such, budget transfers are being requested to fund this new project as follows:

- $100,000 from 05-5200-52130-0000 (Pipeline Replacement Program) to new “R-1 Drain Line – Pctable” project. (Project # TBD)
- $300,000 from 05-5200-52125-0000 (Misc. RW Extensions/Retrofits) to new “R-1 Drain Line – Recycled” project. (Project # TBD)

The remaining projects listed above to spend the loan proceeds, either have existing funding already available or will have funding made available as part of the FY 2021-22 budget process.

RECOMMENDATION:
Staff recommends that the Board of Directors:

1. Approve a budget adjustment for an additional appropriation of $500,000 to project 05-5200-52103-0000 (Advanced Meter Infrastructure)
2. Approve a budget transfer of $100,000 from 05-5200-52130-0000 (Pipeline Replacement Program) to new “R-1 Drain Line – Potable” project. (Project # TBD)
3. Approve a budget transfer of $300,000 from 05-5200-52125-0000 (Misc. RW Extensions/Retrofits) to new “R-1 Drain Line – Recycled” project. (Project # TBD)
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ATTACHMENTS:
None