MINUTES OF THE JOINT REGULAR MEETING OF THE
ENGINEERING AND OPERATIONS COMMITTEE
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE RANCHO CALIFORNIA WATER DISTRICT

Thursday, January 30, 2014
8:30 a.m.

DIRECTORS PRESENT:
Jack Hoagland, Chairman
Ben Drake
Bill Plummer

STAFF PRESENT:
Matt Stone, General Manager
Rich Williamson, Assistant General Manager
Craig Elitharp, Director of Operations and Maintenance
Andrew Webster, Chief Engineer
Warren Back, Engineering Manager-Planning
Bill Barnes, Field Services Manager-Facilities
Tim Carlisle, Field Services Manager-Construction (left at 11:06 a.m.)
Eileen Dienzo, Human Resources Manager (left at 11:06 a.m.)
Heath McMahon, Construction Contracts Manager
Rich Ottolini, Water Operations Manager
Corey Wallace, Engineering Manager-Design
Robert Avera, Principal Engineer (left at 11:06 a.m.)
Jeff Kirshberg, Principal Engineer (left at 11:06 a.m.)
Randy Neff, Principal Engineer
Phillip Dauben, Assistant Engineer
Justin Haessley, Conservation/Water Use Efficiency Analyst (left at 10:45 a.m.)
Denise Landstedt, Senior Water Resources Planner (left at 11:06 a.m.)
Mike McGrath, Water System Supervisor (left at 10:08 a.m.)
Dave Morrison, Safety/Risk Officer (left at 11:06 a.m.)
Ruth Zintzun, Finance Administrator (left at 10:08 a.m.)
Leslie Mayer, Sr. Administrative Assistant/Recording Secretary

OTHERS PRESENT:
Lisa Herman, Alternate, RCWD Engineering and Operations Committee (left at 11:45 a.m.)
Steve Corona, RCWD Board of Directors
James Stewart, RCWD Board of Directors
Roger Ziemer, RCWD Board of Directors
Jim Gilpin, Best Best & Krieger (left at 11:27 a.m.)
Michael Welch, Ph.D., Consultant (left at 10:45 a.m.)
Dennis Williams, Ph.D., Geoscience Support Services, Inc. (left at 10:45 a.m.)
Scott Goldman, RMC Water and Environment (left at 10:45 a.m.)
Stan Heaton, Temecula Engineering Consultants (left at 10:08 a.m.)
Rick Neugebauer, RTN Development (left at 10:08 a.m.)
BJ and Wendy Fazeli (left at 10:08 a.m.)
Fred Renzoni (left at 10:08 a.m.)
Kimberly Adams, Temecula Valley Convention & Visitors Bureau (left at 10:08 a.m.)
John Kelliher, Grapeline (left at 10:08 a.m.)
This Committee meeting is also noticed as a special meeting of the Board of Directors because a quorum of the Board may be present. Members of the Board who are not members of the Committee may attend and participate in the meeting, but only members of the Committee may make, second, or vote on any motion or other action of the Committee. Any actions taken pursuant to this agenda will be actions within the purview of the Committee and shall be approved by an affirmative vote of a majority of the quorum of the Committee. The Committee is not empowered to act for or on behalf of the Board or the District unless exercising delegated authority from the Board. Any actions taken by the Committee shall be deemed recommendations of the Committee for future consideration by the Board at a separately noticed regular or special meeting of the Board of Directors. The Board of Directors retains all powers, privileges, and duties to exercise and perform the business of the District.

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the District Secretary at (951) 296-6900 at least 48 hours before the meeting, if possible.

The meeting was called to order at 8:30 a.m. by Chairman Hoagland.

ADDITIONS TO AGENDA

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code (Brown Act), upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are 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 after the Agenda was posted.

Chairman Hoagland announced the addition of a Closed Session item to the end of the posted Agenda: Conference with Legal Counsel — Anticipated Litigation — Significant Exposure to Litigation (Per Government Code Section 54956.9(b)) One Potential Case.

Chairman Hoagland requested a motion for the added Closed Session item, as announced.

MOTION: Director Drake moved to approve the addition of the Closed Session item, as stated, to the posted Agenda of the Regular Meeting of the Engineering and Operations Committee of the Rancho California Water District of January 30, 2014, as announced. Director Plummer seconded the motion, and it carried unanimously.
APPROVAL OF AGENDA

Chairman Hoagland called for approval of the Agenda of the Regular Meeting of the Engineering and Operations Committee of the Rancho California Water District of January 30, 2014, as amended.

MOTION: Director Drake moved to approve the Agenda of the Regular Meeting of the Engineering and Operations Committee of the Rancho California Water District of January 30, 2014, as amended. Director Plummer seconded the motion, and it carried unanimously.

PUBLIC COMMENT

An opportunity was given for any person to address the Engineering and Operations Committee (Committee) upon any subject not identified on the Agenda, but within the jurisdiction of the Rancho California Water District. For items not listed on the Agenda, the Brown Act imposes limitations on what the Committee may do during public comment. As to matters on the Agenda, persons will be given an opportunity to address the Committee when the matter is considered.

There was no public comment.

Item 1. Consider Approval of the Recommended Groundwater Production for Fiscal Year July 1, 2014 through June 30, 2015

Water Operations Manager Rich Ottolini briefly addressed the Engineering and Operations Committee (Committee) to introduce this item. Mr. Ottolini explained to the Committee that, as part of the budget process, Rancho California Water District (RCWD/District) staff works with a consultant hydrogeologist to conduct a groundwater audit at the end of the water year, September 30, to determine how much groundwater will be produced for the upcoming fiscal year (FY). Further, the underlying philosophy guiding the groundwater audit has been and continues to be one of sound basin management by operating the groundwater basin within sustainable yields. Mr. Ottolini then introduced Dr. Dennis Williams of Geoscience Support Services, Inc. to provide an overview of the information used to determine anticipated groundwater production figures for FY 2014-2015.

Using a PowerPoint presentation, Dr. Williams addressed the Committee and provided several slides identifying the Upper Santa Margarita River Basin (Basin) encompassing the Pauba, Murrieta, and Wolf Valleys. Dr. Williams explained that during the audit process, attention is concentrated primarily on the Upper Santa Margarita River Basin groundwater levels. Continuing, Dr. Williams stated that each RCWD well is reviewed and analyzed, and recommendations are made for specific pumping wells. As for management of the basin, geologic factors, groundwater levels, and water chemistry are considered within each aquifer system encompassing the Younger Alluvium, Pauba Aquifer, and Temecula Aquifer. Further, production levels are recommended based upon findings from 11 hydrologic subunits.

Continuing, Dr. Williams indicated staff reviewed pumping schedules, hydrographs, and well levels in the Basin; thereafter, inputting recommended production rates through the groundwater model to assure a sustainable yield with no undesirable impacts such as overdraft (permanent lowering of the water table), degradation of water
quality, or subsidence/liquefaction issues. Subsequent to this effort, groundwater production levels are then recommended.

While a three-layer system (including stream channels, Upper Pauba system, and Deeper Temecula system) has been used as the model for the groundwater audit process, Dr. Williams advised that refinement efforts continue to update the size of cells within each system, in accordance with Cooperative Water Resources Management Agreement workshops that include participation from RCWD, Geoscience Support Services, Inc., Camp Pendleton, Stetson Engineers, the Santa Margarita River Watermaster, and the United States Geological Survey. Expanding, Dr. Williams explained that the current size of each cell provides great detail, measuring 400 feet by 400 feet, and contains a lithologic model with a total of five layers.

Dr. Williams reminded that RCWD participates in and provides information on water levels from approximately 20 wells dating back to 1980 for the California Statewide Groundwater Elevation Monitoring (CASGEM), a statewide groundwater elevation monitoring network.

After providing further details concerning numerous analyses and procedures performed as part of the annual water audit, Dr. Williams proposed that the recommended groundwater production budget for the FY 2014-2015 be 40,140 acre-feet. Further, Dr. Williams advised that an anticipated artificial recharge of the Upper Valle de Los Caballos (VDC) area will take place with an approximate 16,000 acre-feet of water, which includes 12,700 acre-feet of purchased, untreated water from Metropolitan Water District of Southern California (MWD) and 1,000 to 4,000 acre-feet of local water from Vail Lake releases.

To a question posed by Chairman Hoagland regarding Governor Brown’s declaration of a drought for the state of California, Dr. Williams advised that, historically, California has experienced 30-year droughts and he doesn’t believe this declaration to be an unusual situation in the long-term hydrologic cycle; moreover, for Southern California particularly, underground reservoirs greatly enhance water availability as opposed to Northern California’s current shortage of water with surface reservoir systems. As for the District with its groundwater reservoirs, water recharge efforts greatly improve water availability and sustainability, along with potential projects coming online for indirect potable reuse.

General discussion ensued regarding the benefits of groundwater recharge efforts to supplement overall water supplies for the District.

Responding to a query submitted by Director Plummer regarding the potential for MWD to curtail its supply of water for District purchase, General Manager Matt Stone advised that the District has purchased, in the past, interruptible replenishment water; however, the District is currently purchasing full-price untreated water for recharge purposes. For purposes of baseline drought allocation, this purchased water is in the record as a “full service” purchase. The District could face a curtailment of water allocation from MWD; however, any potential curtailment would be oriented toward the District’s historic base and supply need.

To a question posed by Director Ziemer, Dr. Williams explained issues associated with subsidence and used as an example the situation that occurred in the
Wolf Valley area some years ago, which prompted the installation of monitoring wells to assist with measuring any lowering of the land surface. He reported that no subsidence occurrences have been observed.

Mr. Ottolini briefly readdressed the Committee to state staff’s recommendation for FY 2014-2015.

**MOTION:** Director Drake recommended that the Engineering and Operations Committee approve staff’s recommendation of 40,140 acre-feet of well production with 27,440 acre-feet to be produced from locally occurring (native) groundwater and 12,700 acre-feet from recovered import recharge water and also recommended that the Committee direct staff to incorporate the approved recommendation into the Rancho California Water District Operating Budget for Fiscal Year 2014-2015. Director Plummer seconded the motion, and it carried unanimously.

**Item 2. Consider Denial of a Request to Fund a Pressure Reducing Station as part of Development of an Intermediate Pressure Zone for Water Service to New Development Projects Along De Portola Road**

Engineering Manager-Planning Warren Back addressed the Engineering and Operations Committee (Committee) to provide information concerning a request to fund a pressure reducing station (PRS) as part of development of an intermediate pressure zone (IPZ) for water service to new development projects along De Portola Road.

Utilizing a PowerPoint presentation and providing background information, Mr. Back reminded the Committee that the subject request was last reviewed at its October 31, 2013 regular meeting, wherein the Committee requested staff to revisit the subject item and discuss a potential IPZ within the 1790 Pressure Zone (PZ) along De Portola Road that might provide lower-pressure water service to the area. Subsequent to the discussion at the aforementioned meeting, the requesting property owners submitted a letter dated December 12, 2013, which was included in the Committee’s meeting packet, requesting Rancho California Water District (District) fund and construct a PRS to serve the collective group of properties affected by the higher water pressure conditions within the 1790 PZ.

Providing a summary of project proponent issues, also included in the Committee’s meeting packet, Mr. Back reviewed key issues cited by the project proponents when considering connection to the existing 1790 PZ transmission main, as follows:

- Increased cost due to the use of higher pressure rating piping and valving;
- Difficulty and expense of connecting to the existing 30-inch diameter prestressed concrete cylinder pipe (PCCP) within De Portola Road;
- Additional maintenance cost and risk of individual pressure regulators at the meter facility (equipment failure, service outages, and District maintenance costs); and
- Cost and timing of an IPZ’s common regulator.
Displaying an area map showing a potential IPZ layout (Figure 1), Mr. Back noted that several properties within the subject area currently receive water service from the 1790 PZ. He pointed to four properties that were outlined in black on the map, indicating that those comprise the collective group of properties seeking the subject request; specifically, the collective property owners are seeking changes to their service condition for the purpose of redeveloping their properties with the additional need for fire flow, etc. Mr. Back briefly instructed that the subject area totals 270 acres, and approximately 24 of the 30 individual properties currently have water service.

Continuing, Mr. Back displayed another area map showing two proposed PRSs and a proposed pipeline for a conceptualized IPZ (Figure 2), with a probable estimated cost of $2.4 million, or approximately $9,000 per acre, based on a 270-acre area of benefit. Further, Mr. Back stated that the facilities needed to serve the initial development area include approximately 1,000 feet of pipeline and one PRS; based on the 49-acre development, the per-acre cost would be approximately $9,135.

Displaying another slide, Mr. Back reviewed general IPZ considerations, as follows:

- PRS and distribution pipelines are secondary facilities (Class 3);
- No oversizing, and therefore no District participation, is warranted for service beyond IPZ area;
- Proportionate cost share is $9,000 per acre for IPZ area; and
- Cost sharing agreement among property owners for property-specific (Class 3) facilities would be available for the sponsoring developer.

Concluding his presentation, Mr. Back reported that staff requests the Committee recommend the Board of Directors (Board) deny the subject request for the District to fund the construction of the PRS. Further, staff suggests the project proponents either construct Phase I of IPZ improvements at a cost of approximately $9,135 per acre or make direct connection to the 1790 PZ pipeline for service at a cost of approximately $5,000 per acre.

Indicating that he has a number of questions and comments, Director Drake stated that, first of all, he believes the subject requested facilities fall under the Class 2 category rather than the Class 3 category, and these facilities should be included in a separate Zone of Benefit with its own zone of water pressure. Additionally, all current connections to the high pressure 1790 PZ pipeline should never have been allowed to occur and, if these same property owners are now requested to pay an amount of $9,000 per acre, he does not believe they will. Further, he opined that the District did not set up the infrastructure in the beginning to collect money to do it the right way. Secondly, Director Drake stated that “to go into that high pressure pipe” and start poking holes in it, it’s like poking holes in your roof to install vents; every time you put another hole in a pipe, you expose yourself to more potential problems that ratepayers will have to pay for at some point in time. He then asked Mr. Back for the cost of connecting into the aforementioned pipeline. Responding, Mr. Back advised that the approximate deposit cost would be $70,000. Considering the costs involved with connecting to the high pressure pipeline, Director Drake indicated that it makes more sense for the District to install the PRS, from which, the area developers can then extend a new pipeline, at their expense, to serve their respective properties.
General discussion ensued regarding the District’s decision to allow the current 13 connections to the high pressure pipeline and the pipeline’s original installation relative to the specific zoning of the subject area at the time being agriculture use with large lot/rural residential properties. Further discussion centered on the idea that the economics of the time dictated the installed facilities within the subject area. Summarizing the discussion involving the 1790 PZ high pressure pipeline thus far, General Manager Matt Stone stated that this item involves a Board policy call that must be made and staff has provided the best analysis and recommendation based on current District policy.

Comparing the two divisions of the District (Santa Rosa and Rancho Divisions), Chairman Hoagland asked staff to approximate how many water services on the west side of the District (Santa Rosa Division) have the same set of circumstances as the project proponents in the Rancho Division, i.e. water service pressures of approximately 230 psi; or phrasing it differently, he asked if there are more than ten such services. Responding, Chief Engineer Andrew Webster indicated positively. With this response, Chairman Hoagland opined that the high water pressure situation experienced by the project proponents is not uncommon for the District; further, the District has not set up IPZs within the Santa Rosa Division in an attempt to remedy such a situation. Continuing, Chairman Hoagland offered that high water pressure situations, relative to the area terrain, is a “fact of life;” however, he agrees that it may not be best to continue with the practice of allowing water connections to the 1790 high pressure transmission main. Reflecting on discussion of the subject item thus far, Chairman Hoagland stated that, while staff has offered the project proponents a solution for an IPZ to serve their affected properties, he is not comfortable with the idea of all District ratepayers being responsible for payment of a non-permanent facility.

To a question posed by Director Drake regarding current maintenance records for repair work involving the 1790 PZ transmission main along De Portola Road, Field Services Manager-Facilities Bill Barnes advised that a number of maintenance tickets have been issued dealing with affected Cla-Val equipment installed before the customer’s water meter due to the high pressure conditions; specifically, 11 pressure-related issues have occurred over the last several years and multiple after-hour customer calls have been received from the subject area, totaling approximately $5,000 in staff time. Additionally, Mr. Barnes noted that a customer claim has been submitted due to a failed District pressure regulator before the customer’s water meter; the customer’s private-side pressure regulator simultaneously failed, resulting in flooding of the customer’s home.

Noting that a separate, lower pressure zone should have been considered for the area due to the high pressure conditions, Director Plummer queried if staff has a specific pressure “setting” that would be considered for the subject IPZ. Responding, Mr. Back indicated that staff would plan for 1600/1610. More general discussion ensued regarding how the IPZ would serve a small, isolated area.

Director Drake asked if the District desires to add a potential of eight connections for four parcels (water and fire service) to the high pressure transmission main along De Portola Road, or consider the installation of a PRS as a benefit to the affected property owners who can then connect to the PRS at their own expense. Further, Director Drake reflected that, while the subject item has been discussed now for nearly a year, there are wineries that need to open their doors; however, they require a remedy for obtaining
fire service beforehand. Additionally, he opined that this situation “is a mess” and the area should have been its own Zone of Benefit before the existing connections to the high pressure transmission main were made and feels that this situation is an oversight of the District by not creating a separate pressure zone years ago; a solution must be found today that will be the best for everyone involved.

Noting that several Request to Speak forms were received prior to the start of the meeting, Chairman Hoagland asked Rick Neugebauer, RTN Development to approach the podium.

Addressing the Committee, Mr. Neugebauer introduced himself as the developer for Renzoni Vineyards, Inc. and Backus Vineyards. He began by suggesting that what is missing from the discussion thus far is that there is a total separation of customer application from the west side of the District to the east side of the District; specifically, unlike the west side (Santa Rosa Division), the east side (Rancho Division) is commercially applicable for fire sprinkler applications, and nowhere else in the District does the set of circumstances exist with high pressure transmission mains connecting to fire sprinkler systems, with pressures exceeding 230 psi. Continuing, Mr. Neugebauer asked if the District desires to “cut into” the high pressure transmission main in multiple locations for multiple water services, creating liability; he asked if there might be some level of interfacing that could happen with the new commercial applications along De Portola Road between the District and the fire department. Finally, he instructed that the project proponents’ request calls for the District to pay for the redundant PRS and to complete the outlet pipeline that would terminate directly across the roadway, so that the affected property owners can connect their waterlines at that point, at their own expense. As one final thought, Mr. Neugebauer reminded the District that a liability exists with allowing fire services to connect to high pressure transmission mains, where the pressure regulator valves, both on the District side of the customer’s water meter and the private side of the water meter, can fail, leading to the failure of fire sprinkler systems that are not designed for high pressure.

The next speaker, Stan Heaton, Temecula Engineering Consultants, addressed the Committee and introduced himself stating that, while he is representing a few property owners concerned with the subject item, the subject request goes beyond just a few property owners and the discussion at hand is more than just consideration for an IPZ; rather, it is about an extension of the 1610 PZ and should be master-planned for with that in mind. He opined that staff’s calculation of a $5,000 per-acre cost for direct connection to the 1790 PZ high pressure transmission main is incorrect; based on his calculations, the per-acre cost would be two and a half to three times higher. Continuing, Mr. Heaton stated that the PRS should be reclassified as a primary water delivery system/facility; the surrounding area is changing with current and future development with wine country expansion that will require, among other things, higher fire flow demands, and he asked that the District adopt a more business-friendly attitude for the area in general. Mr. Heaton opined that the District is ignoring the potential liability involved with adding more water service connections to the 1790 PZ high pressure transmission main and believes that an additional distribution pipeline is needed to avoid the risk of damage to the existing transmission main. Finally, Mr. Heaton reiterated the project proponents’ request for a variance of District policy to assist the area developers by funding the PRS.
At this time, for clarification purposes, Director Plummer reviewed the project proponents’ request with Mr. Heaton, which he understands to be the District’s funding of all costs associated with the PRS, and all costs associated with connection to the PRS being borne by the developers. Mr. Heaton indicated that Director Plummer’s understanding of the request is correct and added that the point of connection to the PRS by the developers would preferably be from an outlet pipeline that would terminate across the street from the PRS.

As a follow up question for Mr. Heaton, Mr. Stone asked if any of the property owners would be providing a site for the PRS as part of the bargain. General discussion ensued among staff and the Committee, wherein it was determined that the lower PRS could be accommodated within the Los Caballos Pump Station site.

Continuing with the Request to Speak forms, Chairman Hoagland invited Kimberly Adams, President and Chief Executive Officer of the Temecula Valley Convention and Visitors Bureau (TVCVB), to the podium. Ms. Adams addressed the Committee and thanked all for the opportunity to speak. Noting that tourism revenue in Temecula has increased from approximately $100 million to $625 million over the last 10 years, Ms. Adams reported that a nine percent increase in tourism revenue is estimated for this year. Then, Ms. Adams read verbatim from a letter from the Board of Directors of the TVCVB addressed to the District regarding “De Portola Water Connections near Robert Renzoni Vineyards,” which has been subsequently filed electronically within the District’s central files. Following the reading of the letter, Ms. Adams indicated that, while innovation is the number one economic driver for this year in California, she hopes the District will consider the potential economic impacts involved with its decision on the subject matter.

Next, Fred Renzoni was invited to the podium by Chairman Hoagland; however, Mr. Renzoni declined his time to speak. Moving on, Chairman Hoagland then invited BJ Fazeli to the podium. Introducing himself as an investor/entrepreneur within the Temecula Valley, Mr. Fazeli shared his opinion of what he has learned thus far from listening to District staff during item discussion; particularly, the understanding that the 1790 PZ transmission main wasn’t designed for the type of water services that have already connected and any subsequent connections could potentially create a liability that will cost the ratepayers a lot of money for repairs. Continuing, Mr. Fazeli stressed the fact that the affected property owners are required to have fire service to their developed structures and asked the Committee how the District intends to provide water for fire service with the current facilities so that the property owners can proceed with the development of their properties. Finally, he asked for the Committee’s help with the subject matter in order to assist the property owners with continuing their development projects, and thanked the Committee for the time to speak. Chairman Hoagland then asked Wendy Fazeli to approach the podium; however, she declined her time to speak.

With the last Request to Speak form in hand, Chairman Hoagland asked John Kelliher, Grapeline, to approach the podium. Mr. Kelliher introduced himself, noting that he served on the Board of Directors of the TVCVB and wished to share a few perspectives for the Committee’s consideration. First, he explained that tourism is a major economic driver in the Temecula Valley, bringing in approximately $625 million in direct economic impact to the area; of which, the area’s tourism industry is underpinned by the Wine Country that is thriving and growing. Continuing, Mr. Kelliher suggested that the decision to be made by the District should consider what is good for the entire
community overall. Secondly, Mr. Kelliher asked the Committee to consider that the winery developers do not necessarily have a choice of area to develop their wineries. Finally, Mr. Kelliher asked the Committee to consider these perspectives and the overall public good when formulating a final decision. Then, brief general discussion ensued regarding the potential number of additional wineries anticipated for the surrounding area along De Portola Road.

Noting that the District strives to be business-friendly, Director Herman opined that if other types of businesses were attempting to develop in the subject area, such as shopping centers, car dealerships, etc., these discussions would not be occurring. Recalling specific development among car dealerships along Ynez Road years back, she reminded that these particular businesses created a Community Facilities District (CFD) to accommodate expenses for the required facilities. Director Herman added that what’s at issue within the subject discussion is who is paying for the requested facilities and she suggested that a mechanism such as a CFD could be formed to fund the requested facilities, rather than the expense of these facilities falling on all ratepayers within the District. Moreover, Director Herman stated that she believes there needs to be more participation from the landowners.

To a few questions posed by Chairman Hoagland, Mr. Barnes indicated an overall approximate cost of $6,000 to $8,000 for repairs performed along the 1790 PZ transmission main and Mr. Webster reported that the subject area along De Portola Road is zoned for Citrus Vineyard policy area, per the county’s current land use plan.

Brief general discussion ensued regarding the current development of properties along De Portola Road and the recent requirement for fire sprinkler systems. Mr. Webster reiterated that the water transmission system was designed properly, based upon the information that the District had at the time, and current District rules and regulations dictate that the subject requested facilities are considered Class 3 facilities.

Chairman Hoagland led more general discussion regarding the concerns of the requesting developers and the planning cost for the PRS, along with a review of the previously-discussed concerns regarding the 1790 PZ high pressure transmission main; Mr. Back indicated that the approximate cost for the PRS is $270,000, without consideration for land purchase.

**MOTION:** Director Drake moved that the Engineering and Operations Committee recommend the Board of Directors, under the General Manager’s authority per District policy, authorize the installation of a pressure reducing station, with a cap on expenditure to be determined, involving proper sizing of a waterline for a separate area pressure zone so that when the new wineries require connection, they will connect at their own expense to serve their respective properties, and he further moved that staff move rapidly to assist ratepayers; specifically, Renzoni Vineyards, Inc. with a solution for their fire flow needs so the customer can open their facility, and discussion continued.

Requesting clarification, Director Herman asked Director Drake exactly what the District would pay for with his motion. Director Drake reiterated his request that the PRS and portion of pipeline necessary for customer connection be paid for by the District. Director Herman then asked staff for clarification on the dollar amount to install such
facilities; responding, Mr. Back repeated that such facilities would cost approximately $270,000, noting that this figure is not firm and was approximated for the benefit of discussion only at this point. Mr. Stone reminded that additional funding for the cost of land would not be necessary if the pressure reducing station were sited within the existing Los Caballos Pump Station property.

Director Plummer seconded the motion and stated that he is convinced that a PRS is needed; however, he questioned the need for a second PRS at a higher elevation, as shown on staff’s Figure 2. Responding, Mr. Stone explained that, with a sub-pressure zone/IPZ, the second PRS would be considered for redundancy. Brief discussion continued regarding whether or not the one proposed PRS would be adequate to handle the high water pressures in the subject area; Director Plummer cautioned staff to ensure that valving is appropriately sized for the PRS and fire flow pressures required by the fire department for the subject area.

For further clarification purposes, Mr. Webster asked if the project proponents’ request includes outlet piping from the PRS to a point across the street where connection can then be made by private developer. Director Drake suggested that the District provide the outlet piping to a location across the street so that the excavation crossing the street only needs to occur once. Chairman Hoagland concurred with Director Drake’s suggestion and added that customers can then connect to a “T” installed by the District. More general discussion continued regarding the positioning of the PRS and the estimated length of pipe that would be required to cross the street; it was offered by Mr. Stone and noted by Chairman Hoagland that staff will calculate all approximate costs associated with the installation of the subject PRS and outlet piping and present this information at the February 13, 2014 regular Board meeting for further discussion.

Also for clarification purposes, Mr. Stone asked about the second portion of Director Drake’s motion; specifically, assistance provided by the District for Renzoni Vineyards, Inc.’s fire flow requirements in order to expedite the opening of their business. Responding, Director Drake advised that the aforementioned winery, in working through “the process” since February 2013, desires to open up their doors very soon; the facility has been built and, now that the business is ready to open its doors, the owners have been instructed by the fire department that the facility must have water service for fire protection prior to opening for business. Director Drake further stated that he wants to make sure that the District is providing the help and necessary guidance so that the customer can obtain the required water service for fire protection, at the customer’s expense. Mr. Stone suggested an interim high-pressure water service at the customer’s expense and risk.

As one last point of clarification to the motion on the floor, Mr. Webster queried Director Drake’s use of the phrase “cap on expenditure” when referring to the cost of the PRS, and asked him if this is strictly a reimbursement scenario, wherein the District will pay for a PRS that the developers designed and constructed, or is it the intent that the District will design and construct the PRS. Chairman Hoagland opined that, while it would be extremely helpful for District staff to have a standard design for a PRS that can be built by the developer, prevailing wage requirements would not necessarily allow the PRS to be built for less money than if the District had it built for the developer; further, he believes that the motion on the floor calls for the PRS to be a District-built and -owned facility. Responding, Director Drake reiterated that at the time that staff
presents an approximate project budget amount at the aforementioned Board meeting, more discussion will occur in order for the Board to make a final decision on the subject matter.

Hearing no additional comments or questions, Chairman Hoagland called for the question on the motion on the floor, and it carried unanimously.

At this time Chairman Hoagland called for a three-minute break; following the break, the meeting resumed with Item 3.


Assistant General Manager Rich Williamson briefly addressed the Engineering and Operations Committee (Committee) to introduce the subject item regarding a status report on the preparation of Rancho California Water District’s (RCWD/District) Temecula Valley Groundwater Basin Salt and Nutrient Management Plan (SNMP). Mr. Williamson thanked all staff involved with the preparation of the SNMP and noted that Scott Goldman (RMC Water and Environment), Dr. Michael Welch, and Dr. Dennis Williams (Geoscience Support Services, Inc.), who are all in the audience today, were actively involved in preparing the SNMP. Mr. Williamson then introduced Mr. Goldman to the Committee for his portion of the presentation of the subject item.

Utilizing a PowerPoint presentation, Mr. Goldman began by providing background information, indicating that the SNMP is a requirement that was established by the state of California within its recycled water policy; any groundwater basin where recycled water is used requires a SNMP to ensure that the basin is being properly managed and full impacts of salts and nutrients are taken into account during the operation and maintenance of the basin.

Noting that this is a stakeholder-driven process during plan development, Mr. Goldman advised that a technical working group amongst the stakeholders was established early on in the process, including Eastern Municipal Water District, Elsinore Valley Municipal Water District, Riverside County Flood Control, and the Santa Margarita River Watermaster, all working together with the Regional Water Quality Control Board (RWQCB) during four workshops. Mr. Goldman explained further that additional workshops were held by a broader stakeholder group consisting of local agriculture, recycled water users, well owners, environmental groups, and the general public.

Displaying a few additional slides, Mr. Goldman outlined the study area within the Temecula Valley Basin with an overview map, and reported on the basin plan objectives for total dissolved solids (TDS) within the Pauba and Temecula Aquifers, noting the TDS objective is set at a range of 500 mg/l to 750 mg/l, and the basin plan objective for the entire study area’s Nitrate level is set at 10 mg/l. Finally, Mr. Goldman discussed an overview map containing current concentrations for the past five years, divided into sub-basins, to identify the ranges of TDS throughout the basin.

At this time Mr. Goldman asked Dr. Welch to continue with the presentation by reviewing water quality analysis information.
Dr. Welch addressed the Committee and continued with the presentation by stating that the SNMP is required by the RWQCB for all basins, principally to address an inconsistency in state law and regulations; the RWQCB is required to establish groundwater quality objectives in all basins and to regulate wastewater and recycled water projects to achieve those objectives. Continuing, Dr. Welch instructed that each SNMP addresses several key questions, noting that there are consequences associated with the answers to them:

1) What are the key influences of water quality within the basin?
2) Can you attain the water quality objectives with the recycled water use presently planned?
3) If not, is it appropriate to change those basin plan objectives?
4) Are there other regulatory actions the RWQCB should be taking to regulate the recycled water project?

Dr. Welch stated that a similar version of the current study was performed at the time the District’s original water reclamation facility was being set up nearly 20 years ago, and the initial thought for the current study was that the results were already known. In addition, other studies such as the assembly of capacity analyses, Temecula Valley Wine Country studies, and the evaluation of Dr. Williams’ groundwater modeling indicated that the District’s recycled water is not a big influence on water quality and no further regulations would be necessary.

Continuing, Dr. Welch stated that the water quality analysis portion of the study consisted of looking at salt and nutrient loads within the basin, identifying the source of the loads, making use of Dr. Williams’ groundwater model to assess water quality over a 20-year period within the basin, and also included spreadsheet modeling to assess future impacts of land use changes on water quality.

To a query posed by Director Plummer, Dr. Welch advised that the District’s overall water quality has benefited from the use of artificial recharge and one of the results of the subject study is that the most important water quality protection measure that has occurred over the last 30 years in the area is the implementation of the artificial recharge operation; water quality has stabilized in the zones that the operation influences.

Using several time periods for the overall analysis and indicating that, over time, there has been a slight degradation in water quality that will continue more so in the Pauba Aquifer than the Temecula Aquifer, Dr. Welch instructed that current conditions were assessed using the past five years of historical data; existing conditions (projected) were assessed utilizing impacts of existing land use conditions and simulating loading from existing land and existing water use over a 20-year period; and future conditions (projected) were assessed identifying future land use conditions and simulating loading from future land and future water use over a 20-year period. Referring to a few additional slides, Dr. Welch reviewed the average annual basin-wide TDS and Nitrate loading for existing land use, and suggested that the assertion that agriculture use is a major load factor on water quality would be untrue; in fact, turf grass is the dominant load source with respect to TDS and Nitrate. As for Nitrate, Dr. Welch reported that septic tanks have a huge influence on water quality and also influence TDS in a number of areas within the basin. Further, recycled water is a minor component with the overall salt load analysis within the basin.
Reviewing the water quality conclusions, Dr. Welch displayed a slide containing the following points:

- Historic trends are likely to continue;
- RCWD groundwater recharge/recovery operations provide a substantial benefit to water quality;
- No need to change basin plan TDS objectives;
- Recycled water use is compatible with basin plan objectives;
- Large volume septic tank discharges in 500 mg/l TDS basins are inconsistent with basin plan objectives; and
- Future water quality protection programs/actions may be appropriate.

Responding to a question submitted by Director Herman, Dr. Welch advised that turf grass, both residential and commercial landscape applications, is contributing to the higher levels of TDS within the basin. Director Herman then opined that, with this information, the use of turf grass can have a negative impact from both a water conservation and water quality standpoint.

At this time Mr. Goldman returned to the podium to summarize that the information presented thus far including project background, historical trends, and water quality data are factors that formulate recommendations within the SNMP for management decisions for the groundwater basin, categorized into three areas, as follows:

1) Monitoring and Evaluation
2) Prevention
3) Reduction/Mitigation

Mr. Goldman expanded upon these three categories, listing objectives and recommended actions for each, and instructing that the District is already addressing and performing many of the objectives in all categories to manage the basin.

Referring to the near-term planned action recommendation under the Prevention category, Director Drake asked if the SNMP recommends using onsite wastewater treatment systems, as he recalls these systems would not be used due to salinity issues. Clarifying, General Manager Matt Stone advised that the use of this term in the SNMP refers to septic tanks. Further, Director Drake noted that wineries are building onsite treatment facilities.

Director Herman recalled a newsletter that the District issued, some time ago, stating that customer’s lawns may be brown due to lack of fertilizer rather than lack of water; now, with the information just shared, she wondered if staff might want to be careful with the message the District is sending out in order to balance both water conservation and water quality issues.
Concluding his presentation, Mr. Goldman indicated that the current version of the SNMP contains draft recommendations thus far and can accommodate additional recommendations. Noting that the recycled water policy requires that the SNMP be adopted within five years, he then advised that staff’s next steps/actions include the following:

- Finalize the draft SNMP per RCWD comments/direction – February 2014;
- Submit the draft SNMP to stakeholders for review – February 2014;
- Present the revised SNMP to RCWD Board of Directors for review and approval – March 2014; and
- Submit the final version of the SNMP to the RWQCB for approval – March 2014.

Responding to a question submitted by Director Drake regarding the timeframe of the SNMP’s implementation relative to Riverside County’s Local Agency Management Plan (LAMP), Mr. Williamson indicated that the SNMP is an important part in the District’s overall groundwater protection policy efforts. Further, in recent meetings with the RWQCB, staff has learned that Riverside County plans to deliver the LAMP to the RWQCB for approval by the end of 2014; therefore, it is staff’s intention to begin discussions with Riverside County immediately. Moreover, Mr. Williamson stated that staff has already submitted a request for records pertaining to what approvals are pending, to include the last three years, which will help determine what has been done thus far and to mitigate any future impacts. Finally, he advised that a chapter within the LAMP covers “special interests” and, as the District is one of those special interests, it is important that the District’s groundwater protection policy gets incorporated into the LAMP to the greatest extent possible.

There being no questions or comments, this item having been presented for information purposes only, the Committee proceeded to Item 4.


Engineering Manager-Planning Warren Back briefly addressed the Engineering and Operations Committee (Committee) to introduce the item, instructing that staff is building upon the current asset management plan activities that the operations and maintenance departments performs each day, with a more comprehensive strategic business plan that has been identified by the Board of Directors previously. He then introduced Principal Engineer Jeff Kirshberg to present staff’s specific development and implementation efforts thus far.

Mr. Kirshberg addressed the Committee and, utilizing a PowerPoint presentation, first defined asset management as a term used when striving to spend the least amount of money over the lifetime of an asset, while considering operations and maintenance, disposal, and regulatory costs for the asset, to deliver the desired level of service from the asset.
Displaying a slide containing the following motivating factors associated with asset management, Mr. Kirshberg expounded on its benefits and use by other industries in their quest to maintain assets within the aforementioned definition:

- Plan and pay for future rehabilitation;
- Justify expenditures;
- Recover the full cost of service;
- Better operational decisions;
- Minimize total lifecycle costs;
- Reports to public and boards/councils;
- Better project tracking;
- Ability to ask appropriate questions; and
- Makes job easier.

Continuing, Mr. Kirshberg discussed staff’s plan for phased implementation of the District’s asset management plan by facility, as follows:

- Wastewater collection system (2014);
- Santa Rosa Water Reclamation Facility (2014);
- Reservoirs (2014);
- Production and monitoring wells (2015);
- Pumping stations (2015);
- Meters and automatic meter reading facilities (2015);
- Pipelines (2016);
- Major facilities-Vail Dam, recycled water storage ponds, VDC recharge basins, and solar power facilities (2017);
- Treatment systems-disinfection facilities such as salt hopper and VDC chloramination facility, and wellhead treatment facilities (2017); and
- Other-District headquarters, Diaz rental building, undeveloped properties, vehicles/fleet, and SCADA/IT (2018).

Noting that staff has always been, and continues to be, focused on making District assets last longer and providing an optimal level of service to all ratepayers, Mr. Kirshberg indicated that the District’s asset management plan now places a definition on the effort to find corresponding benefits. As provided in the Committee meeting packet relative to staff’s objective for each asset management plan, Mr. Kirshberg reviewed the five core questions framework, as recommended by the United States Environmental Protection Agency’s Asset Management/A Best Practices Guide, dated April 2008:

1. What is the current state of my assets?
2. What is the required level of service?
3. Which assets are critical to sustained performance?
4. What are the best operations and maintenance and Capital Improvement Program (CIP) investment strategies to minimize life cycle costs?
5. What are the best long-term funding strategies?

Referencing the four preliminary draft asset management plans included in the Committee meeting packet, Mr. Kirshberg advised that the summary report includes staff’s approach, methodology, benefits, and also explains the need for a phased implementation approach; moreover, over time, subsequent chapters will be added to
show the key findings from each facility asset management plan. Further, Mr. Kirshberg instructed that, regardless of the individual plan and approach, each asset management plan must follow a Plan-Do-Check-Act cycle, which is the same process used for the District’s master plans and the sewer system management plan. He then displayed a slide showing the components of the cycle.

Next, Mr. Kirshberg displayed a slide containing a graph showing the results of a detailed asset hierarchy that was built for Cal Oaks Lift Station’s capital and operations/maintenance costs over time. He continued with showing a few additional graphs depicting a summary of the wastewater collection 20-year capital and operations/maintenance estimated costs.

Concluding his presentation, Mr. Kirshberg discussed the status of the asset management plans for both the District’s reservoirs and wells, as follows:

- Goals and strategies have been developed;
- Asset hierarchies have been created;
- Work is ongoing; and
- Asset management plans will be presented to the Committee as they are developed.

Director Plummer complimented staff for providing this information and asked how and when the information will be shared. Responding, Mr. Kirshberg advised that, while compiling the major and minor CIP budget amounts for each fiscal year, the individual projects and corresponding budget amounts will be added by referring to the individual asset management plans. Interjecting, Chief Engineer Andrew Webster offered that the asset management plans will provide justification for each proposed project within its respective fiscal year budget, and will also help determine those projects that are required to be completed within the current fiscal year versus those projects that can be deferred.

There being no questions or comments, this item having been presented for information purposes only, Chairman Hoagland announced the added closed session item will be discussed before Item 5 on the Agenda in order to accommodate Director Herman’s schedule. At 11:06 a.m., Chairman Hoagland adjourned the meeting to closed session, whereby Committee members, Board members, legal counsel, and select staff members remained, all other individuals left the room. Director Ziemer recused himself from the closed session discussion due to a potential conflict of interest and left the room.

Add-On Item. Closed Session

A. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION
   – Significant Exposure to Litigation (Per Government Code Section 54956.9(b)) One Potential Case

The Committee reconvened in open session at 11:27 a.m., whereby General Counsel Jim Gilpin announced that there were no reportable actions. Director Ziemer returned to the dais and the Committee proceeded to Item 5.
Item 5. Status Update for the Well No. 110 Replacement Project (Project No. D1784)

Engineering Manager-Design Corey Wallace addressed the Engineering and Operations Committee (Committee) to briefly introduce the item regarding Rancho California Water District’s (RCWD/District) Well No. 110 Replacement Project (Project No. D1784). Noting that Well No. 110 is located downstream of the Valle de Los Caballos (VDC) recharge ponds, Mr. Wallace advised that it had been a high producing well historically until staff identified problems with its well casing. Further, Well No. 110’s replacement well will be drilled within the current property site.

Utilizing a PowerPoint presentation, which was copied in handout format and distributed to the Committee prior to the beginning of this meeting, Mr. Wallace reviewed a few photos of the down-hole inspection video that was previously presented at the August 29, 2013 regular Committee meeting by Field Services Manager-Facilities Bill Barnes, and indicated that water production from Well No. 110 has been restored with a temporary pump to maintain some level of groundwater production. Mr. Wallace advised that staff will present an action item at the February 13, 2014 regular meeting of the Board of Directors (Board) requesting approval of additional funding for the well replacement project and award of a construction contract to the lowest responsive bidder resulting from the project’s bid opening that will take place on February 3, 2014. He then introduced Principal Engineer Randy Neff to provide the Committee with additional project information.

Mr. Neff addressed the Committee and displayed a slide showing a table representing the historical and recent instantaneous discharge rates in gallons per minute (GPM) and production discharge rates in acre-feet per year (AFY), which indicate the decline in production from Well No. 110 since 1982. Mr. Neff instructed that staff desires to maintain a production well in this same location due to this site’s proven historical high water production capability; thus, the need for the replacement well project. Using the same table, Mr. Neff discussed anticipated post-construction discharge rates in GPM and AFY, relative to the current water audit with other Pauba Aquifer wells and depending upon groundwater levels within the VDC recharge basin.

Displaying a slide depicting an overview map of the current well site, located at the corner of Conquistador Place and Pauba Road, with both the existing and replacement well locations indicated, Mr. Neff instructed that the yellow highlighted area within the well site property boundary represents the equipment layout for the drilling project, including settling tanks, drill rig, drill rig fluid tank, storage shelter, and a trailer.

Continuing, Mr. Neff advised that the District obtained a right-of-entry agreement from an adjacent property owner, who was very helpful in accommodating the District’s request. He then showed the right-of-entry area, represented by a hatched section on the overview map, to the Committee.

Next, Mr. Neff displayed another slide containing a section view of the proposed (stainless steel) well casing design and identified that the proposed design is based on drilling to 490 feet below ground surface (bgs), with screened casing sections within both the Pauba and Temecula Aquifers. During the course of the well drilling construction, the final well design and depth will be determined after the pilot hole is
drilled and aquifer zone testing is complete. If the well is determined to be limited to the Pauba Aquifer, the well depth is expected to be reduced to approximately 220 feet bgs.

Concluding his presentation, Mr. Neff displayed the cost summary for the subject project, indicating that staff’s request for additional project funding is estimated at $2.1 million, which includes the engineer’s estimated well drilling construction cost of $1.2 million, hydrological and oversight services during construction with Geoscience Support Services, Inc., construction inspection, final design, reporting, and design/installation for equipping of the well. Interjecting, Chief Engineer Andrew Webster added that staff is identifying the estimated total project costs at this time on an informational basis for the Committee; due to the timeframe requirements to complete the replacement well project and have the well begin its water production in order to meet the District’s pumping requirements, Mr. Webster reminded that staff will be presenting an action item with the results of the aforementioned bid opening at the February 13, 2014 regular meeting of the Board.

General discussion ensued regarding the particulars of the well replacement project bid items and overall design parameters.

To a question posed by Director Ziemer regarding the existing degradation of the well casing, Mr. Neff instructed that the drilling of the existing well was not straight and the casing was fabricated from mild steel, which has a life expectancy, with proper maintenance, of approximately 30 years.

Responding to a query submitted by Director Herman, Mr. Webster advised that the subject project was not included in last year’s Capital Improvement Plan (CIP) budget; moreover, because this well is deemed a critical facility from a groundwater production standpoint, staff is moving forward expeditiously in order to replace the well. Engineering Manager-Planning Warren Back clarified that Well No. 110 was included in last year’s CIP budget as a rehabilitation project; however, during the rehabilitation effort, once the actual condition of the well was discovered, staff determined the need for the replacement project.

There being no questions or comments, this item having been presented for information purposes only, the Committee proceeded to Item 6.


Engineering Manager-Design Corey Wallace briefly addressed the Engineering and Operations Committee (Committee) to introduce the item pertaining to recent updates to engineering documentation that will be incorporated into Rancho California Water District’s (District) Administrative Code: Part III - Engineering, Operations, and Maintenance of the District, Chapter 2, Standard Specifications for Facility Design Requirements for the District; specifically, Section 1 “Standard Specifications and Drawings,” Section 2 “Water System Facility Requirements and Design Guidelines,” and
Section 3 “Sewer System Facility Requirements and Design Guidelines.” Mr. Wallace then introduced Assistant Engineer Phillip Dauben to present specific updates.

Mr. Dauben addressed the Committee and announced that the following revisions were made between July 2013 and December 2013 involving Chapter 2, Standard Specifications for Facility Design Requirements for the District, and stated that further information provided on the update logs has been included in the Committee’s meeting package:

- Technical Provisions – Division 4 (Valve Specifications): minor edits to the materials and coatings;
- Approved Materials List: added new couplings and clarified other miscellaneous approved materials;
- Standard Drawing RW-20: updated the above-ground fire service and backflow prevention assembly to reflect the design specifications used in the District’s recent retrofit project; and
- Water and Sewer System Facility Requirements and Design Guidelines: an update was made to accommodate a pre-design process; submittal requirements were revised; a new survey standard was created; a new construction change process was created to address field changes during construction; and a few changes were made to appendices “N” and “G.”

There being no questions or comments, this item having been presented for information purposes only, the Committee proceeded to Item 7.


Presented for Engineering and Operations Committee (Committee) review and acceptance were the Rancho California Water District (RCWD/District) Construction Project Status Report, Outside Contracts Summary Report, and Capital Job Status Report for the months of December 2013/January 2014.

The Committee accepted the Project Status Reports for the months of December 2013/January 2014, as presented.


Presented for Engineering and Operations Committee (Committee) review and acceptance were the Rancho California Water District (RCWD/District) Operations Reports, Regulatory Compliance Report, production charts, status reports, and water sales and production statistics for the month of December 2013.

Water Operations Manager Rich Ottolini briefly advised that, with thanks to Field Services Manager-Facilities Bill Barnes’ crews, a majority of the wells that were offline are now online and are producing more groundwater supply, the results of which will be shown in next month’s operations reports.

The Committee accepted the Operations Reports for the month of December 2013, as presented.

Prior to adjournment, Chairman Hoagland thanked Public Information Officer Meggan Valencia for the timely updates concerning the water leak overnight on Margarita Road, between Solana Way and Overland Drive.
Item 9.     Adjournment

There being no further business to come before the Committee, the meeting adjourned at 11:54 a.m.

/s/Leslie Mayer
Leslie Mayer, Recording Secretary