



**MINUTES
JOINT REGULAR MEETING OF THE
PLANNING AND ADMINISTRATION COMMITTEE AND
SPECIAL MEETING OF THE BOARD OF DIRECTORS
THURSDAY, JANUARY 17, 2019
8:30 AM**

DIRECTORS PRESENT:

Carol Lee Brady	Chairman
Lisa Herman	Committee Member
John Rossi	Committee Member
Angel Garcia	Committee Alternate
Danny Martin	Board Member
William Plummer	Board Member
Bill Wilson	Board Member

STAFF PRESENT:

General Manager Jeff Armstrong, Assistant General Manager-Engineering & Operations Eva Plajzer, Assistant General Manager-CFO/Treasurer Rick Aragon, Director of Human Resources Eileen Dienzo, Director of Administration Jason Martin, Public Affairs Manager Meggan Valencia, Water Resources Manager Jeff Kirshberg, Water Operations Manager Rich Ottolini, Engineering Manager-CIP & Development Jake Wiley, Senior Water Resources Planner Justin Haessly, Public Information Officer Grace Cardenas, and Sr. Administrative Assistant/Recording Secretary Milin Ream.

OTHERS PRESENT:

Nicholaus Norvell of Best Best & Krieger

The meeting was called to order at 9:30 AM by Chairman Brady.

ADDITIONS TO AGENDA

There were no additions to the Agenda.

APPROVAL OF AGENDA

Chairman Brady entertained a motion to approve the Agenda of the regular meeting of

the Planning and Administration Committee of Rancho California Water District of January 17, 2019, as presented.

MOTION: It was moved by Director Herman and seconded by Director Rossi to approve the agenda as presented, and it carried as follows:

RESULT: **APPROVED [UNANIMOUS]**

MOVER: Lisa Herman, Committee Member

SECONDER: John Rossi, Committee Member

AYES: Carol Lee Brady, Lisa Herman, John Rossi

PUBLIC COMMENT

There was no public comment.

Item 1. Annual Review of Ad Hoc Committee Appointees

General Manager Jeff Armstrong announced that, as a result of the appointment of Director Rossi on the Board of Directors (Board), this item is presented to the Planning and Administration Committee (Committee) as an opportunity to review, discuss, and provide an updated choice in selection of Rancho California Water District's (RCWD/District) Ad Hoc Committee appointees.

Following review and discussion of the proposed 2019 Ad Hoc Committee appointment list, which was included in the meeting packet, it was the consensus of the Committee to accept the Board member assignments with one modification. Said change included switching Ad Hoc Committee appointments with Director Brady serving on the City of Temecula and Director Garcia serving on the City of Murrieta.

There being no further comments or discussion on the matter, the following motion was entertained.

MOTION: Director Rossi recommended the Board of Directors ratify the 2019 Ad Hoc Committee appointments, as discussed. Director Herman seconded the motion, and it carried as follows:

RESULT: **APPROVED [UNANIMOUS]**

MOVER: John Rossi, Committee Member

SECONDER: Lisa Herman, Committee Member

AYES: Carol Lee Brady, Lisa Herman, John Rossi

APPROVE INTERNAL AD HOC COMMITTEE APPOINTEES

Additionally, Mr. Armstrong noted updates to the internal list of Ad Hoc Committee appointments, whereby brief comments were heard.

Following a brief review of the various proposed internal Ad Hoc Committee appointments, Chairman Brady entertained a motion from the Committee.

MOTION: Director Rossi recommended the Board of Directors ratify the 2019 Internal Ad Hoc Committee appointments, as discussed. Director Herman seconded the motion, and it carried as follows:

RESULT: APPROVED [UNANIMOUS]
MOVER: John Rossi, Committee Member
SECONDER: Lisa Herman, Committee Member
AYES: Carol Lee Brady, Lisa Herman, John Rossi

Item 2. Annual Review Regarding Level of Compensation for Members of the Board

Assistant General Manager CFO/Treasurer Rick Aragon addressed the Planning and Administration Committee (Committee) to present information regarding the annual review of the level of compensation for members of the Board of Directors.

Mr. Aragon reported that since 2014, the Board's level of compensation has been set at \$200 per day, up to 10 days per calendar month. He further advised that should an increase be considered, the compensation amount for each day of service rendered as a member of the Board, could not exceed \$243.11.

Director Herman stated that there should not be a change to the amount of compensation and further opined that it is the civic duty as a member of the Board to serve out of want, and not for compensation. She also noted that several members of the Board have voiced concerns over increases and impacts to the budget, so it's time to set an example and keep costs down by not increasing said compensation.

Director Rossi concurred with Director Herman and stated that from a business standpoint, it's an important policy to keep as is.

Director Martin inquired as to the level of compensation Western Municipal Water District (WMWD) receives as stated in staff's annual survey of neighboring water agencies, which was included in the Committee information packet. Responding, Director Rossi advised that WMWD's compensation of \$241.00 has been frozen since 2004.

Director Garcia advised that one of the things he wanted to bring up for consideration is the compensation of the General Manager's (GM) negotiable salary/car allowance and tying this with the Board's compensation. He explained his equation of taking a 10th of the GM's combined salary, which would equate to \$235.16 in compensation per day for the Board. He further opined that, with the GM's work a direct reflection of the Board's direction, the compensation should coincide.

For the record, Chairman Brady stated that the most closely aligned District to RCWD is Elsinore Valley Municipal Water District and that they are currently at \$221.43.

Director Herman made clear that she does not agree with Director Garcia and that management and Board compensation should remain separate. She further noted that most of the other District's on the survey allow up to 10 meetings per calendar month and feels that the number perhaps should be lowered, as too many of the meetings that other Board members attend are more social rather than District business related. She concluded by advising that a meeting should reflect the level of the fiscal responsibility of the Board.

MOTION: Director Rossi moved to recommend the Board of Directors make no change on the subject item. Director Herman seconded the motion, and it carried as follows.

RESULT: **APPROVED [UNANIMOUS]**

MOVER: John Rossi, Committee Member

SECONDER: Lisa Herman, Committee Member

AYES: Carol Lee Brady, Lisa Herman, John Rossi

**Item 3. Review and Consider Amending Administrative Code Section 3.13
Board of Directors' Compensation**

Addressing the Planning and Administration Committee (Committee) General Manager Jeff Armstrong presented staff's recommendation to update the list of approved meetings which qualify for Board of Director (Board) per diem compensation, as established in Rancho California Water District (RCWD/District) Administrative Code Part 1 Chapter 3, Section 3.13.

Mr. Armstrong advised that in reviewing the list of approved meetings which qualify for per diem compensation, staff determined that the present list was outdated and should be revised to reflect the organizations that the District is affiliated with and/or maintains memberships with. He further noted that one association that the District is a member of, and at times active with, was not on the list.

Mr. Armstrong went on to further state that staff suggests an additional modification to the policy with respect to attending meetings of other water agencies. He advised that staff strongly believes that Board presence at Eastern Municipal Water District and Western Municipal Water District Board meetings are beneficial regardless of RCWD business being discussed; therefore, staff suggests the Board appoint a members(s) to attend these meetings and include them for qualification for per diem fees.

Concluding his report, Mr. Armstrong noted that there are a number of Board members wanting to attend the same conferences and perhaps the Board consider limiting the number of those that register, and if one does attend, provide a report on the meetings/session(s) they participated in.

Director Wilson opined that he does not see the value of having one of the District's Board members attending a neighboring agencies' meeting for \$200 if there is no RCWD business on the agenda. He further opined that unless the District is sponsoring a specific event, there is no value with Board members attending city chamber of commerce meetings and/or mixers, unless requested by the general manager.

Both Director Herman and Chairman Brady concurred with Director Wilson. Director Herman stressed that if it is a social event versus RCWD business or issues that could impact the District, then it should not be submitted for compensation.

Director Martin also concurred and agreed with Director Wilson on his comment

regarding city chamber meetings. He further advised that discussion regarding water issues happen at every Temecula Valley Wine Growers Association board meeting; however, this type of representation should not qualify for RCWD Board per diem compensation.

Director Plummer opined that it is more appropriate for District staff members to attend said chamber events or similar meetings rather than Board members and further agrees with the suggestion that that the Board share a report on their attendance at conferences and/or meetings attended.

At this time, general discussion ensued amongst the Committee and Board with respect to the number of Board members attending the same event/conference, possibility of having attendees attend different sessions, not fixing a set number of who can attend but rather strategizing and covering multiple areas to support an overall District presence.

Next, Chairman Brady acknowledged the value of adding the Southwest California Legislative Council (SWCLC) which is an advocacy coalition of the Temecula, Murrieta, Wildomar, Menifee, Perris, and Lake Elsinore Chambers of Commerce.

Public Affairs Manager Meggan Valencia commented that the SWCLC coalition has a mix of chamber members, as well as meetings that are attended by staff from the local legislative office(s). She further mentioned that they highlight a different speaker monthly.

Speaking on adding value, Director Garcia acknowledged the Council of Water Utilities (CWU), San Diego and urged other members of the Board to attend said meetings and become more involved.

Mr. Armstrong added that the CWU meetings are valuable and are attended by San Diego water agencies and their respective board members.

Next, general discussion ensued regarding miscellaneous meetings attended by Board members that are not submitted for per diem, as well as legal webinars and/or training sessions.

Director Herman commented that should any Board member be interested in attending another agency's meeting when there is no RCWD business on the agenda, it would be beneficial to attend via video feed, which is available through most agency websites.

Moving on, the Committee engaged in general discussion regarding the number of Board members who wish to attend the same event such as the Association of California Water Agencies (ACWA) Washington D.C. Conference. Discussion included added travel/hotel expenses, limiting the number of attendees, the added value of multiple members attending, having a strong presence and being a part of the decision making process, and members taking initiative by participating/attending the local conferences and/or meetings first.

Director Plummer stated that the larger Washington D.C. meetings and conference have usually been reserved for the Board President, and if the president is unable to attend, it befalls to another member of the Board.

Director Rossi opined that it is an area to tread carefully, as these are not inexpensive trips. However, he noted that they are not only interesting, but highly valuable in establishing relationships with elected officials. Specifically relating to the ACWA/ Washington D.C. Conference, he conveyed that said established relationships become important when support for certain issues arise. Director Rossi concluded by suggesting that perhaps Board members rotate each year with who gets to attend if the President cannot.

Director Wilson advised that with respect to the ACWA/Washington D.C. Conference, his first choice would be to select the Legislative Ad Hoc Committee members to attend, with other conference attendees at the discretion of the general manager.

Next, Mr. Armstrong summarized the Committee's direction, in addition to staff's recommended changes, as follows.

Modify:

- Amend language in Administrative Code Section 3.13.2 bulleted item(s) to read:
 - Attending a meeting or other official business/event of the Metropolitan Water District of Southern California where District business is discussed or affected; and
 - Attending meetings of Eastern Municipal Water District and Western Municipal District where agenda items of potential interest to the District is discussed.

Modify:

- Amend language in Administrative Code Section 3.13.3 bulleted item(s) to read:
 - Murrieta Valley Chamber of Commerce when event is District sponsored or at the Request of the General Manager; and
 - Temecula Valley Chamber of Commerce when the event is District sponsored or at the Request of the General Manager.

Remove:

- CalDesal
- California Water Awareness
- National Endangered Species Act Reform Coalition
- Water Agencies Association of San Diego County

Add:

- California Special District Association
- Southwest Legislative Council.

At this time, Chairman Brady reiterated that it is important to keep costs to a minimum; however, the 2019 ACWAWashington D.C. Conference would be highly beneficial for Board members to attend.

MOTION: Director Herman moved for Board of Directors approval of the modification to Section 3.13 Board of Directors Compensation, as summarized by the General Manager. Director Rossi seconded the motion, and it carried as follows:

RESULT: **APPROVED [UNANIMOUS]**

MOVER: Lisa Herman, Committee Member

SECONDER: John Rossi, Committee Member

AYES: Carol Lee Brady, Lisa Herman, John Rossi

Item 4. Consider Extending Professional Services Contract Between Rancho California Water District and ENS Resources, Inc. through February 28, 2021

Public Affairs Manager Meggan Valencia addressed Rancho California Water District's (RCWD/District) Planning and Administration Committee (Committee) to present staff's request for the Committee's consideration that the Board of Directors (Board) approve the extension of the subject agreement for federal lobbying services through February 28, 2021, at a monthly retainer of \$7,000.

Referencing her PowerPoint presentation, Ms. Valencia indicated that ENS Resources, Inc.'s (ENS) accomplishments are included as an attachment to the staff report, which also lists proposed activities for Fiscal Year 2019-2020. She then highlighted a few of the accomplishment that ENS assisted the District with, including:

- Relationship building with the United States Bureau of Reclamation (Bureau) where RCWD received multiple grants
- Developed collaborative relationships with the Federal Emergency Management Authority and the California Office of Emergency Services
- Assisted in developing RCWD's Legislative Strategic Plan
- Supported and identified funding opportunities

Continuing, Ms. Valencia reported ENS has worked to continue the District's relationships with its legislative offices in Washington, D.C. The strong relationships benefit the District when working on opportunities for federal funding, the Pechanga Settlement and other legislative bills. Over the next year, ENS will be instrumental in working on the funding aspect of the Pechanga legislation, as well as helping the District work to receive federal funding for other projects.

Addressing a question posed by Director Garcia as to the District's likely return in investment for renewal of the ENS contract, Ms. Valencia advised that ENS has helped the District forge relationships with staff from difference agencies resulting in two Bureau grants along with the Pechanga settlement. She noted that perhaps staff could

have accomplished it on our own; however, the relationships that we have established is priceless. She further added with the amount of funding that is available, said relationships are pivotal.

Director Garcia further inquired on Ms. Valencia's role as the District's Public Affairs Manager and her working in parallel with ENS. Ms. Valencia advised that she speaks and corresponds with ENS on a day-to-day basis.

Director Wilson stated that although he has a dislike for consultants and feels that they can be overpriced, he has seen firsthand how ENS works on the District's behalf and is supportive of the contract renewal.

Director Rossi further added and noted his past experience in working with ENS and that their great experience is valuable.

Assistant General Manager CFO/Treasurer Rick Aragon commented that the next few years will be key and with the ENS's assistance in achieving potential federal funding opportunities of up to \$40 million.

With no further discussion, Chairman Brady entertained a motion from the Committee.

MOTION: Director Rossi moved that the Committee recommend the Board of Directors authorize the General Manager to extend the agreement for professional services with ENS Resources, Inc. through February 28, 2021, at a monthly retainer of \$7,000 for the continuing services, as presented. Director Herman seconded the motion, and it carried by the following vote:

RESULT: **APPROVED [UNANIMOUS]**
MOVER: John Rossi, Committee Member
SECONDER: Lisa Herman, Committee Member
AYES: Carol Lee Brady, Lisa Herman, John Rossi

Item 5. Update on Conservation Efforts

Addressing the Planning and Administration Committee (Committee), Senior Water Resources Planner Justin Haessly utilized a PowerPoint presentation to provide an informational report on the following District grant acquisitions:

- Title XVI
- Proposition 1 Integrated Regional Water Management (IRWM)
- Hazard Mitigation Grant Program

Speaking on Title XVI, Mr. Haessly reported that there is approximately \$16 million available to RCWD with the eligible project type's as follows:

- Planning, design, construction of water reuse and recycling projects
- Must be part of approved feasibility study

As such, Mr. Haessly advised that the RCWD projects for qualification include the small scale integrated potable reuse with a funding request of \$6 million, and the District's recycled water expansion at \$5 million, with a total of \$11 million in funding towards \$44 million in project costs. In addition, he noted that staff is currently waiting for the grants request for proposal to be released sometime this January.

General Manager Jeff Armstrong advised that an effort is currently underway that is being spearheaded by WateReuse to go back and zero out the individuals who haven't used their authorizations under Title XVI and repurposing those funds towards other projects.

Providing the Committee with an update on the Proposition 1 IRWM, Mr. Haessly reported that there is two funding rounds with \$4.6 million available. The eligible project types include:

- Local and regional surface and underground water storage, including recharge projects
- Water reuse and recycling
- Water efficiency and Conservation

Highlighting the eligible RCWD projects, Mr. Haessly noted a total funding request of \$2.3 million for the following:

1. Well 162/613 - \$1 million
2. Recycled Water Expansion - \$1 million
3. Turf Replacement - \$0.3 million

Next, Mr. Haessly provided details related to the Hazard Mitigation Grant Program with approximately \$550 million available. He explained that eligible project types include wildfire related projects or other projects that mitigate future disasters. As such, he noted that staff would be submitting the Vail Dam Hazard Mitigation Project with \$33 Million funding request. Moreover, he explained that District staff is framing it as an enhancement project to raise the dam in order to prevent overspill along with a seismic retrofit.

He concluded his report by advising that staff is now putting the grant application together which will be due by April 2019.

Item 6. Update on Outreach and Educational Efforts

Presented for the Planning and Administration Committee's (Committee) information was a written report, submitted by Public Information Officer Grace Cardenas, regarding status updates on Rancho California Water District's (RCWD/District) outreach and educational programs.

Providing a verbal update, Ms. Cardenas briefly discussed staff's efforts in relation to

the following items:

- Attendance at the Emergency Operations Academy
- Mock Press conference and one-on-one interview training
- RCWD's education recognition event scheduled in March
- Upcoming Metropolitan Water District of Southern California Art exhibit

Addressing a question posed by Director Herman regarding staff being available as a resource to other entities in the event of an emergency, Public Affairs Manager Meggan Valencia expressed that staff could be available for more local events and/or disasters. However, she advised that for ones outside of the area and/or that require longer distances to travel, may require an extended commitment, which would then put a strain on available staffing within the District's own local resources.

There being no questions or comments, Chairman Brady moved on to the next order of business.

Item 7. Update on State Legislative and Federal Lobbying Activities

Addressing the Planning and Administration Committee (Committee), Public Affairs Manager Meggan Valencia provided a brief update on state legislation and upcoming details related to the safe and affordable drinking fees, Senate Bill 623 (Water Quality and Safe Affordable Drinking Water), and the State Water Resources Control Board's (SWRCB) release of their low income assistance program, related to Proposition 84 funding for public water systems.

Speaking on Senate Bill 623, Ms. Valencia advised that with the way it is written, it would require a vote from the people. She explained that RCWD staff is waiting to see if it makes it through the budget process or if it ends up being its own separate legislation. However, Ms. Valencia did convey that there are a few other efforts taking place to ensure that said fee is not added. The Association of California Water Agencies and the California Municipal Utilities Association are advancing a proposal to establish a safe drinking water trust fund. These funds would be utilized to provide assistance with failing water systems.

With regard to the SWRCB release of its Assembly Bill 401 implementation plan, Ms. Valencia reported that Rancho California Water District (RCWD/District) staff will be meeting with the SWRCB to evaluate what works best for the District in order to implement a viable solution that is also compatible with RCWD's utility billing program.

To a question posed by Director Herman with regards to the District's Tier 1 qualifying as a low income rate, Ms. Valencia explained that the way it is written, proposed low income will receive a 20 percent lower cost for their first 12 units of water used. She further advised that it's a matter of identifying who are those customers and how will they receive that credit.

Assistant General Manager-CFO/Treasurer Rick Aragon highlighted that there is a lot of

resistance within the water community trying to implement this system on its water utility bills, due to its complexity. He then explained that the main options being considered to administer the credit include:

- Additional credit on tax return
- Additional credit on EBT card
- Credit on utility energy bill

Concluding her verbal update, Ms. Valencia shared funding opportunities related to the WIIN Act.

There being no further questions or further comments, Chairman Brady moved on to the next Agenda item.

Item 8. Presentation on Human Resources Activities

Submitted for the Planning and Administration Committee's (Committee) review and information was Rancho California Water District's (District) Human Resources Activities report from the period of December 14, 2018 through January 10, 2019 issued by Director of Human Resources Eileen Dienzo.

There being no comments or question from the Committee, Chairman Brady moved on to the next item.

Item 9. Vail Lake Property Update

Assistant General Manager-CFO/Treasurer Rick Aragon advised that there were no updates to report on.

Item 10. Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 11:06 AM.