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, February 23, 2017
8:30 a.m.

DIRECTORS PRESENT:
John Hoagland, Chairman
Danny Martin
Bill Wilson

STAFF PRESENT:
Jeff Armstrong, General Manager
Eva Plajzer, Assistant General Manager-Engineering and Operations
Rick Aragon, Director of Finance/Treasurer
Jason Martin, Director of Administration
Andrew Webster, Chief Engineer
Warren Back, Engineering Manager-Operations (left at 10:00 a.m.)
Tim Carlisle, Field Services Manager-Construction
Mark Kaveney, Water Reclamation Manager
Jeff Kirshberg, Water Resources Manager
Heath McMahon, Construction Contracts Manager
Rich Ottolini, Water Operations Manager
Jake Wiley, Engineering Manager-CIP & Development
Vicki Browder, Budget/Debt Administrator
Meggan Valencia, Senior Public Information Officer (left at 10:30 a.m.)
Dale Badore, Datacenter Operations Supervisor (left at 10:45 a.m.)
Bill Moses, Financial Analyst
Corry Smith, Engineering Services Supervisor (left at 10:00 a.m.)
Denise Todd, Administrative Services Supervisor (left at 10:45 a.m.)
Leslie Mayer, Sr. Administrative Assistant/Recording Secretary

OTHERS PRESENT:
Ben Drake, Alternate, RCWD Engineering and Operations Committee
Steve Corona, RCWD Board of Directors
Lisa Herman, RCWD Board of Directors
Bill Plummer, RCWD Board of Directors
Larry Markham, Markham Development Management Group (left at 9:23 a.m.)
Albair Hanna, Westin Engineering, Inc. (left at 10:45 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.

There were no additions to the Agenda.

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 February 23, 2017, as presented.

MOTION: Director Wilson moved to approve the Agenda of the Regular Meeting of the Engineering and Operations Committee of the Rancho California Water District of February 23, 2017, as presented. Director Martin 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. Discussion and Review Concerning Request for Annexation of Assessor Parcel Numbers 906-240-038, 906-240-039, 906-240-050, 906-240-051, and 906-240-055 in Consideration of Providing Retail Water Service to Tentative Tract Map No. 36385

Announcing a potential conflict of interest, Director Corona recused himself from discussion of this item and left the room.

Chief Engineer Andrew Webster addressed Rancho California Water District's (RCWD/District) Engineering and Operations Committee (Committee) to present
Providing background information, Mr. Webster recalled that this item was last reviewed by the Board of Directors (Board) at its August 9, 2012 regular meeting, and he utilized a PowerPoint slide containing an overview map of the Sauer Property, TTM 36385, which exists just outside the edge of the District’s service boundary, within Western Municipal Water District’s (WMWD) retail service area. Further, he indicated that WMWD has minimal water facilities in the area, and the surrounding properties to TTM 36385 consist of rural residential parcels that receive water through their own private wells. Mr. Webster explained the various required facilities that would be needed to provide water service to the Sauer property, through annexation to RCWD service area or through a water wheeling agreement with WMWD, and he also explained that if water were to be provided by WMWD, the property would receive low water pressure that would necessitate the addition of a hydropneumatic tank.

Continuing, Mr. Webster advised that the Committee meeting packet contained identified requirements (1-11) that RCWD would expect the property owner/developer to abide by in order to receive retail water service from the District should a request be received for annexation into RCWD’s service area, and identified requirements (1-5), plus certain WMWD facilities, in order for RCWD to wheel water for WMWD. Displaying another overview map, Mr. Webster reviewed in more detail the WMWD facilities that would be required in order to wheel water to TTM 36385.

Concluding his presentation, Mr. Webster stated staff’s request, as was included in the Committee meeting packet.

Chairman Hoagland agreed with the fact that WMWD facilities would provide the subject properties with a low pressure situation, and he recalled discussion in 2012 occurring when the District was already several years into drought conditions, with the highest concern by the Board being the overall increased demand that this property would place on RCWD due to additional water supply needs having to come from imported water, which is substantially more expensive. Further, he opined that, even if the District were to charge Tier 1 rates for this potentially annexed property, this situation would still impact the rates of all customers in the District, especially for those customers in the Santa Rosa Division. Responding, Mr. Webster added that, with Well No. 156 located near the subject development, the elimination of this property’s private well eliminates competition to the existing Well No. 156; further, since the developer will be signing an agency agreement, but not receiving a groundwater allocation for their water budget, staff views this potential annexation differently from other typical annexations, and is the reasoning for allowing Tier 1 rates to be charged. Responding to this information, Chairman Hoagland indicated that he does not necessarily agree with this strategy, since the District is under a fixed ceiling for groundwater pumping from the basin; thus, additional pumping from Well No. 156 would not be allowed anyway.

For the benefit of the newer Board/Committee members, Director Herman stated that previous discussions at Committee and Board level resulting in the current District policy against annexations not within the District’s Sphere of Influence, for the same reasons that Chairman Hoagland just pointed out; further, she does not see a benefit to the District with the subject item request.
Director Drake suggested that RCWD and WMWD further discuss the situation with the subject property and attempt to resolve the matter.

At this time Chairman Hoagland asked Larry Markham with Markham Development Management Group to address the Committee and provide any further relevant information. Mr. Markham addressed the Committee and acknowledged the discussion thus far as accurate, and he referenced Director Herman’s comment noting that he understands the current District policy for annexations as considering each request on a case-by-case basis. He described his experience with WMWD from August through December 2016 having had a meeting with staff from both WMWD and RCWD to try to resolve the water service situation, and suggested that WMWD is not willing to help solve the problem at this time. As for the water wheeling potential between WMWD and RCWD, WMWD is not willing to fund the distribution facilities to make that happen. Finally, he indicated that there will be other property owners/developers seeking water service from WMWD in their Murrieta Retail Water Division.

General discussion ensued regarding whether or not the subject property is part of a current master plan and how the previous “piecemealed” annexations in this area are problematic.

MOTION: Chairman Hoagland moved that the Committee direct staff to approach Western Municipal Water District regarding Tentative Tract Map No. 36385 and the surrounding area to discuss the need for a larger conceptual plan for water service to avoid “piecemeal” changes. The motion failed due to lack of a second, and discussion continued.

Brief conversation ensued regarding the need to use Ad Hoc Committee meetings between RCWD and WMWD to discuss further, and Chairman Hoagland offered another motion.

MOTION: Chairman Hoagland moved that the Committee direct staff to address the situation regarding Tentative Tract Map No. 36385 and the surrounding area with Western Municipal Water District at the next Ad Hoc Committee meeting in order to determine a remedy to the subject service area. Director Wilson seconded the motion, and it carried unanimously.

At this time Director Corona returned to the dais.

Item 2. Review and Consider 5-Year Capital Improvement Plan, Proposed Fiscal Year 2017-2018 Major Capital Projects and Minor Capital Projects, and Budget for Fiscal Year 2017-2018

Addressing the Engineering and Operations Committee (Committee), Water Resources Manager Jeff Kirshberg introduced the latest draft 5-Year Capital Improvement Plan (CIP) covering Fiscal Years (FY) 2017-2018 through 2021-2022, and instructed that staff prepared a list of recommended major and minor capital projects for FY 2017-2018, included as Exhibit “A” and totaling approximately $7,839,500, for the Committee’s review and consideration. He explained that the capital projects and capital replacement projects budget is prepared each year as part of the budget process to allow funding for such projects to be incorporated into Rancho California Water District’s (District) annual Non-Operating Budget, which is currently funded by revenue streams of
ad-valorem tax assessments, connection fees, standby charges, and general purpose property tax; thus, there is no impact to water rates due to proposed project expenditures.

Utilizing a PowerPoint presentation, Dr. Kirshberg prefaced the review of the major and minor projects included in the proposed FY 2017-2018 budget by providing an overview of the past year’s estimated CIP budget discussion. Noting that the original cost projection for the FY 2017-2018 CIP budget early last year totaled approximately $30 million, $13.5 million was received through bond financing for some of the planned FY projects, which brought the cost projection down to approximately $17.23 million in June 2016. Thereafter, staff further refined the CIP budget for FY 2017-2018 to where it currently sits, which is $7.84 million. This most recent refined CIP budget cost estimation is the result of staff’s newly implemented prioritization method, which, among other criteria, provides a priority scoring model to rank highest and lowest priority projects, and allows staff to better determine when repair or replacement is needed due to the capital asset reaching the end of its useful life.

Noting that not a single project originally planned for FY 2017-2018 has been deferred, Dr. Kirshberg announced that one project originally slated for FY 2018-2019 has been deferred to FY 2019-2020: Exterior Reservoir Recoats for Freeman Reservoirs No. 1 and No. 2 (Santa Rosa Division).

Dr. Kirshberg highlighted several of the proposed major and minor capital projects with photographs, relaying all relevant project information for the Committee. The complete listing of major capital project information that was provided within the Committee meeting packet is as follows:

### Fiscal Year 2017-2018 Major Capital Projects

**Rancho and Santa Rosa Divisions**

<table>
<thead>
<tr>
<th>Facility / Equipment Type</th>
<th>Capital Procedure</th>
<th>Rancho Division</th>
<th>Santa Rosa Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reservoirs</td>
<td>Interior and/or exterior recoating, including cathodic protection</td>
<td>$1,220,000</td>
<td>$1,840,000</td>
</tr>
<tr>
<td>Distribution System</td>
<td>Existing pipeline modifications</td>
<td>$ 550,000</td>
<td></td>
</tr>
<tr>
<td>Reservoir Repairs / Modifications</td>
<td>Reservoir mixing/disinfection system</td>
<td>$ 175,000</td>
<td></td>
</tr>
<tr>
<td>Recycled Facilities</td>
<td>Pump station upgrade</td>
<td>$ 100,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td>$ 2,045,000</td>
<td>$ 1,840,000</td>
</tr>
</tbody>
</table>

### Fiscal Year 2017-2018 Major Capital Projects

**Resource Division**

<table>
<thead>
<tr>
<th>Facility / Equipment Type</th>
<th>Capital Procedure</th>
<th>Rancho Division</th>
<th>Santa Rosa Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Water Facilities</td>
<td>Vail Dam modifications (Part 1 of 3)</td>
<td>$ 500,000</td>
<td>$ 500,000</td>
</tr>
<tr>
<td>Vail Lake Property Improvements</td>
<td>Rehabilitation of Septic Tank 4 and leach field</td>
<td>$ 52,500</td>
<td>$ 22,500</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td>$ 552,500</td>
<td>$ 522,500</td>
</tr>
</tbody>
</table>
## Fiscal Year 2017-2018 Major Capital Projects
### Wastewater Division

<table>
<thead>
<tr>
<th>Facility / Equipment Type</th>
<th>Capital Procedure</th>
<th>Wastewater Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer System Management Plan Update</td>
<td>Development</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>Wastewater Capacity Fee Study</td>
<td>Development</td>
<td>$ 35,000</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>$ 85,000</strong></td>
</tr>
</tbody>
</table>

The following minor capital project information was provided for the Committee within the meeting packet:

## Fiscal Year 2017-2018 Minor Capital Projects
### Rancho and Santa Rosa Divisions

<table>
<thead>
<tr>
<th>Facility / Equipment Type</th>
<th>Capital Procedure</th>
<th>Rancho Division</th>
<th>Santa Rosa Division</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pump Stations</strong></td>
<td><strong>Mechanical:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replace existing pump bowls and discharge head</td>
<td>$ 180,000</td>
<td>$ 100,000</td>
<td></td>
</tr>
<tr>
<td>Replace pump control valves</td>
<td>$ 80,000</td>
<td>$ 60,000</td>
<td></td>
</tr>
<tr>
<td>Replace pump seals</td>
<td>$ 60,000</td>
<td>$ 30,000</td>
<td></td>
</tr>
<tr>
<td>Replace system meters</td>
<td>$ 100,000</td>
<td>$ 85,000</td>
<td></td>
</tr>
<tr>
<td><strong>Wells</strong></td>
<td>$ 150,000</td>
<td>$ 150,000</td>
<td></td>
</tr>
<tr>
<td><strong>Structural:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings for site security</td>
<td>$ 12,000</td>
<td>$ 2,000</td>
<td></td>
</tr>
<tr>
<td><strong>Electrical:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level probe replacement</td>
<td>$ 12,000</td>
<td>$ 2,000</td>
<td></td>
</tr>
<tr>
<td><strong>Distribution System</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainline valve – new installation / replacement</td>
<td>$ 300,000</td>
<td>$ 300,000</td>
<td></td>
</tr>
<tr>
<td>Appurtenance new installation / replacement: CP Test Station/Anode, AV/AR, Blow-off/Hydrant</td>
<td>$ 200,000</td>
<td>$ 200,000</td>
<td></td>
</tr>
<tr>
<td>Appurtenance new installation / replacement: compliance monitoring sampling facilities</td>
<td>$ 305,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Zone of Benefit Fee Study</strong></td>
<td>Development</td>
<td>$ 7,500</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>$1,387,000</strong></td>
<td><strong>$ 874,500</strong></td>
</tr>
</tbody>
</table>
Fiscal Year 2017-2018 Minor Capital Projects

Resource Division

<table>
<thead>
<tr>
<th>Facility / Equipment Type</th>
<th>Capital Procedure</th>
<th>Rancho Division</th>
<th>Santa Rosa Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells</td>
<td>Well casing rehabilitation</td>
<td>$ 90,000</td>
<td>$ 90,000</td>
</tr>
<tr>
<td>Mechanical:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replace pump and motor</td>
<td>$ 70,000</td>
<td>$ 70,000</td>
</tr>
<tr>
<td>Mechanical:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Level probe replacement</td>
<td>$ 24,000</td>
<td>$ 24,000</td>
</tr>
<tr>
<td>Common Recycled Facilities</td>
<td>Mechanical:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replace pump control valves</td>
<td>$ 98,000</td>
<td>$ 42,000</td>
</tr>
<tr>
<td></td>
<td>TOTAL:</td>
<td>$ 282,000</td>
<td>$ 226,000</td>
</tr>
</tbody>
</table>

Fiscal Year 2017-2018 Minor Capital Projects

Wastewater Division

<table>
<thead>
<tr>
<th>Facility / Equipment Type</th>
<th>Capital Procedure</th>
<th>Wastewater Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Collection System</td>
<td>Sewer manhole repair</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL:</td>
<td></td>
<td>$ 25,000</td>
</tr>
</tbody>
</table>

While reviewing some of the highlighted proposed capital projects listed above, Dr. Kirshberg provided emphasis on a few facts associated with various projects and intermittent discussion took place regarding a few concerns/questions from the Committee:

- Reservoir recoating project costs can potentially increase 2 to 2½ times the cost to simply recoat surfaces if the project is deferred too long due to potential structural damage requiring design work to repair for interior projects and potential complete stripping of the exterior coating for exterior projects.
- Through further study and investigation, staff will identify the actual amount of recycled water pipeline required for the Temecula Parkway proposed project, currently estimated for budget purposes at up to 8,000 feet of pipe.
- Staff’s criteria for use of new motors versus rewinding motors for pump and well rehabilitation.
- Use of asset management plans for projected capital project identification for several years ahead, with the current practice of collecting data over time. Staff has eliminated “unnamed needs” in the budget structure and replaced with “named needs.”
- Passive reservoir mixing systems that were installed originally in the past, versus active reservoir mixing systems used today for proper water turnover.
- Preliminary Design Report that will be performed for the recycled water pump station upgrade to bring current below-ground facilities above-ground.
- Site security for two wells: Well No. 309 and Well No. 235.
Finally, Dr. Kirshberg noted that staff worked closely to score and shape the proposed capital projects for FY 2017-2018 and he then reviewed staff’s request for the Committee to recommend Board of Directors’ (Board) approval of the 5-Year CIP document (FY 2018-2022) and the major and minor capital projects for FY 2017-2018, as included in the Committee meeting packet.

<table>
<thead>
<tr>
<th>FUND</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rancho Division Debt Service/Capital Improvement Fund</td>
<td>$ 4,266,500</td>
</tr>
<tr>
<td>Santa Rosa Division Debt Service/Capital Improvement Fund</td>
<td>$ 3,463,000</td>
</tr>
<tr>
<td>Wastewater Division Replacement Fund</td>
<td>$ 110,000</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$ 7,839,500</td>
</tr>
</tbody>
</table>

To a query posed by Chairman Hoagland, Director of Finance/Treasurer Rick Aragon advised that staff will discuss fiscal analysis detail for the upcoming FY 2017-2018 CIP Budget amount at the March 2, 2017 regular Finance and Audit Committee meeting.

Director Drake asked staff to reconsider the need for the project proposed for the rehabilitation of Septic Tank 4 and Leach Field (Data Sheet No. 2017-07). General discussion ensued regarding this being a regulatory-required facility through the existing waste discharge permit and the amount of funding projected for the 1,000-gallon septic tank and the two 30-foot leach lines for the Vail Lake Resort, wherein Assistant General Manager-Engineering and Operations Eva Plajzer advised that staff will provide additional information about this project for the Board of Directors’ review and consideration.

MOTION: Director Wilson moved that the Committee forward this item to the Board of Directors with a recommendation if a concurring recommendation is received from the Finance and Audit Committee at its March 2, 2017 regular meeting to recommend the Board of Directors approve the proposed 5-Year Capital Improvement Plan (CIP) and to include those projects in Rancho California Water District’s Long-Range Capital Financing Plan. Similarly, it was further moved to recommend the Board of Directors approve the proposed Major and Minor Capital Projects for FY 2017-2018, as presented, the total cost of which to be included in the FY 2017-2018 Budget, with possible reimbursement with long-term financing, if the Finance and Audit Committee makes a concurring recommendation. Director Martin seconded the motion, and it carried unanimously.

At this time Chairman Hoagland called for a 5-minute break. After the break, the Committee proceeded with Item 3.

**Item 3. Presentation and Review of Capital Acquisition Budget**

Director of Finance/Treasurer Rick Aragon addressed the Engineering and Operations Committee (Committee) to present a review of Rancho California Water District’s (District) draft Fiscal Year (FY) 2017-2018 Capital Acquisition Budget (CAB), as part of the District’s Non-Operating Budget.

Utilizing a PowerPoint presentation, Mr. Aragon first explained that staff plans to present the CAB not only earlier than usual in the budget cycle, but as a stand-alone part of the Non-Operating Budget rather than being included in the Non-Operating Budget
review as a whole. Noting that specific budget information for the FY 2017-2018 CAB, comprising vehicle and equipment purchases, is included in the Committee meeting packet, Mr. Aragon reminded that the CAB is funded by property taxes and not customer rates, and consists of non-recurring vehicle and equipment expenses with a cost threshold of $2,000. Further, like the Capital Improvement Plan projects, he indicated that staff reviews and prioritizes all items to be included in the CAB.

Continuing, Mr. Aragon displayed a slide showing the annual CAB comparison covering FYs 2008-2009 through draft 2017-2018, noting that the draft FY 2017-2018 budget amount of $717,315 is approximately $400,000 less than the previous fiscal year. He also displayed the FY 2017-2018 draft budget summary showing the same budget amount of $717,315 separated into “replacement” budget items and “new” budget items.

Next, Mr. Aragon reviewed requested vehicles, air conditioning units, outside lighting and security cameras, upgraded network infrastructure, and various computer/electronic equipment.

At the request of Chairman Hoagland, Datacenter Operations Supervisor Dale Badore addressed the Committee to explain the need for the upgraded network infrastructure. Mr. Badore explained the network infrastructure depends on switches that uplink all information from computer components such as desktops, wireless access points, etc. to the datacenters and then out to the internet. Continuing, Mr. Badore reported that the District’s current switches were installed in 2006; industry best practices call for the life of switches to be 5-7 years. While the current switches have been in use successfully for 10 years, Mr. Badore advised that the type of switches the District currently uses can no longer be purchased and there are no updates for them; therefore, to keep the District’s network infrastructure highly available and allow system redundancy in case of a single failure, staff is requesting the purchase of components with better technology to upgrade the District’s antiquated infrastructure, in order to provide a more robust high availability in a more supportive fashion with current technology. To a question submitted by Director Wilson, Mr. Badore advised that staff is requesting a budget of $200,000 for upgraded network infrastructure, and plans to provide as much in-house staff labor as possible to complete the necessary work within budget.

Chairman Hoagland suggested that staff utilize an outside source for any drone camera needs, rather than purchasing one and being required to obtain licensing and permitting, among other concerns.

General comments were heard from the Committee and Board members regarding a few of the items listed within the CAB, including: Unit 122 forklift; tow behind man-lift; Unit 301 truck; and District headquarters parking lot lighting retrofit to enhance security, wherein Director Drake asked staff to investigate any potential cost savings if both the rear and front parking lot lighting were retrofitted at the same time, instead of in phases as staff had planned, for the Board of Directors’ further consideration.

There being no questions or comments, this item having been presented for information purposes only, the Committee proceeded to Item 4.
Item 4.  Consider Request for Approval of the Contract for Track 3 of the Enterprise Resource Planning Project

Director of Administration Jason Martin addressed the Engineering and Operations Committee (Committee) to present information relative to staff’s request for approval of a contract for Track 3 of Rancho California Water District’s (District) Enterprise Resource Planning (ERP) Project.

Utilizing a PowerPoint presentation, Mr. Martin reviewed the history and upcoming events for the District’s ERP project, as follows:

- 2010 – Lawson System Go Live (Finance/Human Resources/Procurement);
- 2011 – Hansen System Go Live (Computerized Maintenance Management System-CMMS);
- 2015 – Cayenta System Go Live (Customer Information/Utility Billing);
- March 2017 – Lawson System Upgrade (Version 9 to Version 10) – using mostly in-house staff for implementation at a substantial cost savings versus having to use outside sourcing; and
- April 2017 – Cayenta PIER Review.

Continuing, Mr. Martin reviewed Track 3 of the ERP project, noting that funding approval by the Board of Directors for this was already received in 2008, and that the scope of work for this track replaces the District’s current electronic document management system (EDMS), ApplicationXtender, due to: outdated and lacking features/functionality; limited support options; inability to locate documents easily; and the inability of the system to access or link to EDMS from all ERP systems.

Concluding his presentation, Mr. Martin reviewed the project goals, as follows:

- Will integrate EDMS with all ERP systems, seamless;
- Is fully searchable and indexed, no cabinet issues;
- Provides document approval and workflow capabilities;
- Provides large document scanning, storage, and retrieval capabilities;
- Improves collaboration; and
- Increases document security and control.

Mr. Martin advised that Albair Hanna from Westin Engineering, Inc. (Westin) is in attendance and can assist with any questions from the Committee. He then stated staff’s request for the Committee’s recommendation that the Board of Directors (Board) approve a contract in the amount of $96,560 to allow Westin to assist with Track 3 of the District’s ERP project.

To a question posed by Chairman Hoagland, Mr. Martin advised that the budget projection for the overall EDMS could reach approximately $1 million for software costs and implementation.

Director Drake opined that the workflow analysis for the ERP project under Westin’s guidance has been poor in the past, and he would like to see a flowchart from start to finish in order to allow the Board more control over knowing what is actually going on. He further opined that, for the amount of $96,560 that would cover the formation of a
Request for Proposals, he would hope that Westin would provide a whole lot more work than they did on the first go-around, as he wasn’t happy with the previous outcomes. Responding, Mr. Martin instructed that Westin will proceed in phases: 1) acquisition and planning, which involves meeting with department staff to determine actual needs; 2) requirements and functionality matrix that will require each vendor to rank and score how their system works in relation to what is required by the District; and 3) selection process that will include each vendor creating demonstration scripts.

General discussion ensued regarding finding a system that the District truly needs and the process that might be followed in order to understand if the particular system is a true fit for the District.

**MOTION:** Director Wilson moved that the Committee forward this item to the Board of Directors without recommendation to approve a contract in the amount of $96,560 to allow Westin Engineering, Inc. to assist staff in developing a Request for Proposals and select the most advantageous Electronic Document Management System solution for activities included within Track 3 of Rancho California Water District’s Enterprise Resource Planning project. Director Martin seconded the motion, and it carried unanimously.

**Item 5. Project Status Reports – January/February 2017**

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 January/February 2017.

Construction Contracts Manager Heath McMahon briefly reported on two bid openings that took place yesterday (March 22, 2017): 1) Flow EQ Basin Liner Replacement (Project No. PG194), and 2) Equipping New Well No. 237, Well No. 215 Replacement (Project No. D1779), noting that bids for Project No. PG194 came in a little higher than the engineer’s estimate, and bids for Project No. D1779 came in a little lower than expected. Further, Mr. McMahon indicated that he will be reviewing these bid results over the next few days.

To a question posed by Director Drake, which prompted Director Wilson to recuse himself from discussion and leave the meeting room, general discussion ensued regarding the status of the Berenda Road Pipeline Project. Engineering Manager-CIP & Development Jake Wiley provided the Committee with an update on the current status of the project, advising that the design plans are 90 percent complete, and final comments have been given to the project consultant. Further, due to the involved blue-line stream, staff has coordinated permitting with the Army Corps of Engineers and an environmental consultant has reviewed the project particulars. Mr. Wiley instructed that staff is working with the county on the encroachment permit, and had reviewed with the county the survey findings that determined the roadway is currently outside of the county right-of-way, wherein staff discussed a potential simultaneous effort with the county to get the roadway back into the right-of-way. As a result of that discussion, Mr. Wiley advised that the county does not have any interest in realigning the roadway into the right-of-way; thus, staff is proceeding the project design using a trenchless construction. Finally, Mr. Wiley indicated that a bid date for the project should occur within the next 60 days, and the total project expenditure should be close to the current projected budget amount.
The Committee accepted the Project Status Reports for the months of January/February 2017, as presented.

At this time Director Wilson returned to the dais.


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, Vail Lake storage and elevation charts, status reports, and water sales and production statistics for the month of January 2017.

To a question posed by Chairman Hoagland regarding the violation listed in the Regulatory Compliance Report pertaining to Order No. 94-92, Waste Discharge to Percolation, Nitrate exceedance, Water Reclamation Manager Mark Kaveney instructed that the Santa Rosa Water Reclamation Facility is not designed to remove nutrients, so there is no remedy for this type of discharge; further, due to the recent storm activity, staff had no choice but to discharge to percolation.

Director Drake inquired as to when the sludge hauling contract expires for Nursery Products, since they were just bought by Synagro. Responding, Mr. Kaveney advised he will review the contract and inquire if the rate structure could potentially change.

The Committee accepted the Operations Reports for the month of January 2017, as presented.

**Item 7. Assistant General Manager’s Report**

Assistant General Manager-Engineering and Operations Eva Plajzer briefly addressed the Engineering and Operations Committee (Committee) and displayed for the Committee’s reference a short video of an 8-inch waterline with a psi of 192 that failed on February 2, 2017 near Well No. 129, off of Nicolas Road.


Ms. Plajzer also mentioned the request received from the San Diego Regional Water Quality Control Board (RWQCB) seeking contact information for Rancho California Water District’s (District) agricultural customers, in conjunction with RWQCB’s recent adoption of the “General Waste Discharge Requirements for Dischargers from Commercial Agriculture.” Additionally, Ms. Plajzer indicated that staff will reach out to the County of Riverside to determine if they can assist the District’s customers in any way. General discussion followed and a few comments were heard such as requesting that staff require the RWQCB to pay for District staff time, if needed, and recalling that, in the past, the District was viewed negatively as if it was the agency responsible for requiring the agricultural customer information. Further discussion ensued regarding the potential
costs associated with agricultural customers joining a third-party group versus independent permitting options.

Finally, Ms. Plajzer reported that staff recently met with the Federal Emergency Management Agency and preliminary information is that the District may receive a reimbursement of up to 75 percent of the recent storm damage costs, including the damage sustained at Vail Lake, noting that Field Services Manager Tim Carlisle has been doing a great job assisting with this effort in keeping track of the total damage cost figures.

Prior to Chairman Hoagland declaring the meeting adjourned, General Manager Jeff Armstrong reported that 100 acre-feet of storage has been gained in Vail Lake from the recent rain activity.

Hearing no questions or comments, Chairman Hoagland proceeded to adjournment.

**Item 8. Adjournment**

There being no further business to come before the Committee, the meeting adjourned at 11:01 a.m.

/s/Leslie Mayer
Leslie Mayer, Recording Secretary