



**MINUTES  
BOARD OF DIRECTORS SPECIAL MEETING  
MONDAY, MARCH 26, 2018  
8:30 AM**

**INTRODUCTION**

A Special Meeting of the Board of Directors of the Rancho California Water District was held on Monday, March 26, 2018, at the appointed meeting place of the Board, the Board Room of the District's Administrative Headquarters Building, located at 42135 Winchester Road, Temecula, California.

**ROLL CALL**

President Bennett Drake called the meeting to order at 8:30 AM. A quorum was declared with the following directors being present.

Bennett Drake	President
Bill Wilson	Sr. Vice President
Carol Lee Brady	Board Member
Angel Garcia	Board Member
Lisa Herman	Board Member
Danny Martin	Board Member
William Plummer	Board Member

Also present were members of the District staff and others, including but not limited to, General Counsel Jim Gilpin of Best Best & Krieger, General Manager Jeff Armstrong, Assistant General Manager-Engineering & Operations Eva Plajzer, Assistant General Manager-CFO/Treasurer Rick Aragon, Director of Human Resources Eileen Dienzo, Construction Contracts Manager Heath McMahon, Field Services Manager Randy Crowell, Public Affairs Manager Meggan Valencia, Public Information Specialist Grace Cardenas, and District Secretary Kelli Garcia.

**PLEDGE OF ALLEGIANCE**

Director Martin lead the Pledge of Allegiance to the flag.

**APPROVAL OF AGENDA**

President Drake entertained a motion to approve the Agenda of the Special Meeting of the Board of Directors of the Rancho California Water District of March 26, 2018.

**MOTION:** Director Garcia moved to approve the Agenda of the Special Meeting of the Board of Directors of the Rancho California Water District of March 26, 2018. Director Herman seconded the motion, and it carried as follows:

**RESULT:** **APPROVED [UNANIMOUS]**

**MOVER:** Angel Garcia, Board Member

**SECONDER:** Lisa Herman, Board Member

**AYES:** Drake, Wilson, Brady, Garcia, Herman, Martin, Plummer

## **PUBLIC COMMENT**

An opportunity was given for any person to address the Board of Directors (Board) 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 Board may do during public comment. As to matters on the Agenda, persons will be given an opportunity to address the Board when the matter is considered.

There was no public comment.

## **ITEM 1. ACTION ITEM**

### **A. Consider Adoption of a Resolution Authorizing Acceptance of Grant Funding from the U.S. Bureau of Reclamation for a Bay-Delta Restoration CALFED Water Use Efficiency Grant, and Rescinding Resolution No. 2018-3-1**

Assistant General Manager-CFO/Treasurer Rick Aragon announced that this is an administration item and explained that the Board of Directors (Board) approved Rancho California Water District Resolution No. 2018-3-1 at its March 8, 2018 regular meeting; however, it was brought to staff's attention that, Section 2 of said resolution had an incorrect amount referenced. Therefore, staff requests the Board adopt the appropriate resolution, authorizing acceptance of grant funding of up to \$400,000, and rescinding Resolution No. 2018-3-1 accordingly.

**MOTION:** Director Wilson moved to adopt a resolution authorizing Rancho California Water District's application with the United States Bureau of Reclamation for a Bay-Delta Restoration CALFED Water Use Efficiency grant to fund the Recycled Water Conversion Project in the City of Murrieta, and rescinding Resolution No. 2018-3-1. Director Brady seconded the motion, with the resolution titled:

### **Resolution No. 2018-3-11**

**Resolution of the Board of Directors of the Rancho California Water District, Riverside County, California, in Support of the City of Murrieta's Recycled Water Conversion Project, Authorizing the District's Application, and Approving Negotiation and Execution of a Cooperative Agreement with the United States Bureau of Reclamation for a Bay-Delta Restoration CALFED Water Use Efficiency Grant (Funding Opportunity No. BOR-MP-18-F002), Rescinding Resolution No. 2018-3-1**

The motion carried as follows:

**RESULT:**       **ADOPTED [UNANIMOUS]**  
**MOVER:**        Bill Wilson, Sr. Vice President  
**SECONDER:**   Carol Lee Brady, Board Member  
**AYES:**         Drake, Wilson, Brady, Garcia, Herman, Martin, Plummer

## **ITEM 2.        WORKSHOP**

### **A.       Fiscal Year 2018-2019 Budget Workshop**

Assistant General Manager-CFO/Treasurer Rick Aragon expressed his thanks to the Board of Directors (Board) for their cooperation and flexibility regarding scheduling meetings during the budget development process.

Utilizing a PowerPoint presentation, Mr. Aragon provided the Board with a detailed review of the following for the Rancho and Santa Rosa Divisions: fiscal year (FY) 2018-2019 and FY 2019-2020 tiered rates and related bill impacts, cost of service study results/changes, and proposed recycled water and wastewater rates.

During Mr. Aragon's report, lengthy discussion amongst the Board and staff ensued regarding increased demand, staffing plan for FY 2019-2020, "at will" employment/accountability, Metropolitan Water District of Southern California (MWD) proposed rate projections and their related impacts, and capital replacement rate options.

With regard to the capital replacement rate options, the Board was comfortable with Option 1; however, directed staff to provide further analysis on Options 2 and 3 for review and discussion at the April Finance and Audit Committee meeting.

Following review and discussion, Mr. Aragon highlighted the next steps in the budget development process as follows:

- **March 28** – Farm Manager's Meeting
- **April 5** – Follow-up Analysis/Assignments
  - Proposition 218 Review
  - Wastewater Capacity Review
- **April 12** – Final Rate Recommendations
  - Draft Cost of Service Study
  - Draft Budget Document
- **April 18** – Proposition 218 Mailing Deadline
- **June 14** – Public Hearing, Rates, and Budget Adoption

President Drake commented on making staff's presentations/PowerPoints available for public review in relation to transparency; whereby General Manager Jeff Armstrong advised that this matter can be presented for Board discussion at a subsequent Committee meeting.

**MOTION:** A motion was made by Director Wilson for staff to move forward with Option 1 (capital replacement rate) in relation to developing the Proposition 218 notice. Director Brady seconded the motion, and it carried as follows:

**RESULT:** **APPROVED [6 TO 1]**

**MOVER:** Bill Wilson, Sr. Vice President

**SECONDER:** Carol Lee Brady, Board Member

**AYES:** Wilson, Brady, Garcia, Herman, Martin, Plummer

**NAYS:** Bennett Drake

**ITEM 3. ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 9:57 AM.