



**MINUTES  
JOINT REGULAR MEETING OF THE  
ENGINEERING AND OPERATIONS COMMITTEE AND  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
THURSDAY, JUNE 28, 2018  
8:30 AM**

**DIRECTORS PRESENT:**

William Plummer	Committee Chairman
Carol Lee Brady	Committee Member
Bill Wilson	Committee Member
Lisa Herman	Committee Alternate
Bennett Drake	President
Angel Garcia	Board Member
Danny Martin	Board Member

**STAFF PRESENT:**

Assistant General Manager-Engineering and Operations Eva Plajzer, Assistant General Manager-CFO/Treasurer Rick Aragon, Chief Engineer Andrew Webster, Director of Administration Jason Martin, Field Services Manager Randy Crowell, Water Operations Manager Rich Ottolini, Water Reclamation Manager Mark Kaveney, Water Resources Manager Jeff Kirshberg, Construction Contracts Manager Heath McMahon, and Senior Administrative Assistant/Recording Secretary Leslie Mayer

**ADDITIONS TO AGENDA**

There were no additions to the Agenda.

**APPROVAL OF AGENDA**

Chairman Plummer called for approval of the Agenda of the Regular Meeting of the Engineering and Operations Committee of the Rancho California Water District of June 28, 2018, 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 June 28, 2018, as presented. Director Brady seconded the motion, and it carried as follows:



reliability issues (single water source). Reviewing a few unforeseen conditions that led to higher project costs than were originally budgeted, Mr. Webster provided the following reasons, as included in the Committee meeting packet:

- Shallow depth of cover available for the pipe crossing over the storm drain requires thicker-walled pipe and special backfill;
- Additional design effort required than was originally anticipated due to alignment and sequencing of construction constraints;
- Longer length of pipe required than initially anticipated due to existing utility conflicts, horizontal alignment location, and the resultant fittings necessary to install, test, and connect the new pipeline segment;
- Additional appurtenance required (air-vacuum valve assembly) to route the pipeline above the existing storm drain; and
- Impacted local market conditions driving higher construction prices and reduced motivation by contractors for smaller projects.

Reviewing the bid resume for the project bid opening that occurred on May 31, 2018, Mr. Webster reported that the apparent low bidder for the subject project, AToM Engineering Construction, Inc. (AToM), submitted a bid in the amount of \$95,962. While the entire project budget was originally estimated at \$100,000, Mr. Webster explained that once the design phase was complete, coupled with the low bid amount being received as high as it was, there is a need to increase the overall project budget by \$75,000, for a total new revised budget amount of \$175,000, and award the construction contract to AToM.

Lengthy general discussion ensued regarding how the project costs may not have been estimated properly at the beginning, budget stage, and the understanding that the required additional \$75,000 is based on the overall needs of the project, including design costs. During discussion, the project cost summary was questioned by several Committee members as to why certain estimated amounts were not originally called out or apparently estimated too low to begin with, such as project contingency and staff labor amounts sharply increasing from original budgeted amounts. Additional discussion continued regarding specific work performed by the design consultant and a suggestion that staff provide a better effort in establishing estimated project costs; further, a suggestion was made that contract bidding could potentially be held from advertising publicly until a project budget is better determined and approved by the Board of Directors.

Director Martin queried the tasks provided by a design consultant and whether or not this work can be done in-house. Responding, Assistant General Manager-Engineering and Operations Eva Plajzer explained the drafting work alone to develop a set of design drawings is quite expensive and is a service that cannot be provided by in-house staff. Continuing, Ms. Plajzer instructed on how staff charges time to specific jobs, from design work through construction inspection.

**MOTION:** Director Wilson moved that the Committee recommend the Board of Directors take the following actions related to Rancho California Water District's Crystalaire Drive Potable Water Pipeline Replacement project (Project No. D1937): 1) approve additional funding, in the amount of \$75,000, increasing the approved project budget amount from \$100,000 to \$175,000; and 2) approve the award of a construction contract to the lowest responsive bidder, AToM Engineering Construction, Inc. (AToM), in the amount of \$95,962, with the proposed source of the additional funds being 100 percent Rancho Division Debt Service/Capital Improvement Fund. Director Brady seconded the motion, and it carried as follows:

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

**MOVER:** Bill Wilson, Committee Member

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

**AYES:** William Plummer, Carol Lee Brady, Bill Wilson

**Item 3. Review and Consider Request to Place Delinquent Accounts on Secured Tax Roll for Collection**

Director of Administration Jason Martin addressed the Engineering and Operations Committee (Committee) to review staff's annual request for the Committee to recommend the Board of Directors (Board) adopt the appropriate resolution(s) to add delinquent Rancho California Water District (District) customer accounts identified within this item to the County of Riverside (County) Secured Property Tax Roll for collection purposes for Fiscal Year (FY) 2018-2019.

Mr. Martin explained that the current identified delinquent accounts, included in the Committee meeting packet, all carry balances that each exceed \$500.00, and all identified delinquent account balances total over \$42,000 for this request; further, staff desires to receive Board approval so that the customer accounts can be submitted to the County's tax roll in July, to be placed on each individual's property tax bill in August.

Continuing, Mr. Martin advised that, over the last 11 years, the District has submitted over \$500,000 in delinquent account balances to the County's secured property tax roll and recovered approximately 98 percent; however, successful recovery of these funds depends on these customers owning property within the county. Mr. Martin also reviewed other collection methods used by the District under existing policy, such as normal collection efforts using a third-party collection company, the use of property liens, and the use of the State Franchise Tax Board.

Brief general discussion ensued regarding how the County collects via its tax roll, sewer charge versus water charge reconciliation, and the suggestion for the need to update the District's water bills to better highlight sewer versus water costs. Further discussion ensued regarding how the collection agencies pursue delinquent customer accounts and how the District determines specific collection activity methods.

**MOTION:** Director Brady moved that the Committee recommend the Board of Directors adopt the appropriate resolution(s) to add the delinquent charges identified herein to the County of Riverside Secured Tax Roll for collection purposes for Fiscal Year 2018-2019. Director Wilson seconded the motion, and it carried as follows:

**RESULT:**       **APPROVED [UNANIMOUS]**  
**MOVER:**       Carol Lee Brady, Committee Member  
**SECONDER:**   Bill Wilson, Committee Member  
**AYES:**        William Plummer, Carol Lee Brady, Bill Wilson

**Item 4.        Project Status Reports - May/June 2018**

Presented for Engineering and Operations Committee (Committee) review and acceptance were the Rancho California Water District Construction Project Status Report, Outside Contracts Summary Report, and Capital Job Status Report for the months of May/June 2018.

The Committee accepted the Project Status Reports for the months of May/June 2018, as presented.

**Item 5.        Operations Reports - May 2018**

Presented for Engineering and Operations Committee (Committee) review and acceptance were the Rancho California Water District (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 May 2018.

Water Operations Manager Rich Ottolini announced that operations staff have performed very well this year with regards to maintaining the water budget, with much support received from the engineering department and field services crews.

Responding to queries from Directors Drake and Martin concerning the higher vehicle miles and fuel costs indicated in the monthly fuel and mileage report included within staff's information for this item, Field Services Manager Randy Crowell advised that staff are receiving a higher number of field trouble tickets lately and all fleet vehicles are still being tracked by the District's current tracking system. He confirmed that he will review the concerning increases noted in the monthly fuel and mileage report.

The Committee accepted the Operations Reports for the month of May 2018, as presented.

**Item 6.        Assistant General Manager's Report**

Assistant General Manager-Engineering and Operations Eva Plajzer addressed the Engineering and Operations Committee (Committee), bringing their attention to items included in the staff report and providing an overview map and short video containing

footage of a recent significant mainline leak on Temecula Parkway, caused by corrosion on a four-inch pipeline.

Continuing, Ms. Plajzer highlighted information regarding the California Public Utilities Commission's (CPUC) recent decision on the Southern California Edison (SCE) rate case, as described in staff's report within the Committee meeting packet. Further, Ms. Plajzer announced that CPUC's rate case decision includes a directive to SCE to work with renewable energy water districts that were involved in the rate case proceedings, resulting in confidential General Rate Case Phase 2 proceedings that endeavors to develop "an indifference mechanism that, by mutual agreement, will have the result that SCE's Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) program continues to be a viable mechanism for the government entities that participate in the program." Lastly, Ms. Plajzer indicated that staff will update the Committee and Board of Directors with information from the Phase 2 proceedings, as it becomes available.

#### **Item 7. Vail Lake Property Update**

Assistant General Manager-Engineering and Operations Eva Plajzer addressed the Engineering and Operations Committee (Committee), reminding the Committee that the Board of Directors (Board) held a special workshop yesterday, June 27, 2018, concerning the Vail Lake Property, and indicated that staff will provide a recommendation to the Board at its July 12, 2018 regular meeting. Further, Ms. Plajzer advised that staff will be visiting RV park sites beginning with a visit to Lake Hemet today, followed by several RV park site visits in San Diego on Monday, July 2, 2018.

Responding to a query submitted by Director Drake, Ms. Plajzer advised that, with regards to the water slide removal at the Vail Lake property, the original estimate to remove the slide was approximately \$15,000; however, new information has been received indicating that the cost to remove the slide increased to approximately \$100,000. Director Drake asked for an itemized performance list from Urban Park Concessionaires to explain approximately \$200,000 worth of expenditures.

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

#### **Item 8. Adjournment**

There being no further business to come before the Committee, the meeting adjourned at 9:37 AM.