



**MINUTES
JOINT REGULAR MEETING OF THE
ENGINEERING AND OPERATIONS COMMITTEE AND
SPECIAL MEETING OF THE BOARD OF DIRECTORS
THURSDAY, JANUARY 25, 2018
8:30 AM**

DIRECTORS PRESENT:

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

STAFF PRESENT:

General Counsel Jim Gilpin, General Manager Jeff Armstrong, Assistant General Manager-Engineering & Operations Eva Plajzer, Assistant General Manager-CFO/Treasurer Rick Aragon, Chief Engineer Andrew Webster, Director of Administration Jason Martin, Engineering Manager-CIP & Development Jake Wiley, Water Operations Manager Rich Ottolini, Field Services Manager Randy Crowell, Construction Contracts Manager Heath McMahon, Water Resources Manager Jeff Kirshberg, Water Reclamation Manager Mark Kaveney, Senior Conservation and Water Budget Analyst Tyson Heine, Safety/Risk Officer Tom Marcoux, Accounting Supervisor Charlinn Watson, Water Systems Analyst Tony Fowler, Operations Systems Analyst Tom Greene, District Secretary Kelli Garcia, 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 for the Regular Meeting of the Engineering and Operations Committee of the Rancho California Water District of January 25, 2018, as presented.

MOTION: Director Brady moved to approve the meeting agenda, as presented. 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

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, 2018 through June 30, 2019

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. Noting that both Chris Coppinger and Johnson Yeh from Geoscience Support Services, Inc. are in attendance for this meeting, Mr. Ottolini asked Mr. Coppinger to provide an overview of the information used to determine the anticipated groundwater production for FY 2018-2019.

Using a PowerPoint presentation, Mr. Coppinger addressed the Committee and provided several slides identifying the Upper Santa Margarita River Basin (Basin) encompassing the Pauba, Murrieta, and Wolf Valleys. Mr. Coppinger explained that during the audit process, attention is concentrated primarily on the Upper Santa Margarita River Basin groundwater levels. Continuing, Mr. Coppinger 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. At Chairman Plummer's request for the benefit of all Committee and Board members, Mr. Coppinger explained the functionality of the confining layer between the two aquifers, noting that this mostly impervious clay layer maintains a divide/barrier between the upper and lower aquifers.

Continuing, Mr. Coppinger 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 quantities are then recommended.

Noting that, earlier this year, an announcement was made by Governor Brown that the state of California's 5-year drought has ended, resulting in the lifting of in-place emergency water conservation measures, Mr. Coppinger stated that, while the 5-year drought is over, historical precipitation data from approximately 1998 to current time still shows a long-term drought cycle. Further, he advised that data generated from Western Municipal Water District/Watermaster for the period of 1999 to 2015 shows an overall decline of 63,300 acre-feet in water storage. To a question posed by Director Brady, Mr. Coppinger indicated that, while this data is based on an 80-year trend, data is typically added to the series; however, the American Water Works Association is proposing to rethink this effort with new averaging based on new trends going forward.

To a question posed by Director Drake regarding his concern of any potential overdraft scenarios having occurred over the last 10 years or so, Mr. Ottolini reminded the Committee that staff presented information recently, wherein data from index wells within the Pauba and Temecula Aquifers show a short-term decline in elevation; however, both Camp Pendleton and those associated with the Cooperative Water Resources Management Agreement (CWRMA) are aware of this information and all agree that this trend should not continue. Staff continues to monitor levels regularly and change pumping strategy, when necessary. Director Drake suggested that staff take a step back once in a while and review data over a longer period of time.

General discussion continued regarding the District's 80-plus monitoring wells, 21 index wells, and 45 production wells. Additional discussion ensued regarding control over all pumping from the basin, including private well users and the effect of the District's Agency Agreement that governs overall control of water rights. To a question posed by Chairman Plummer regarding recharge capabilities within Temecula Creek, Mr. Ottolini briefly reviewed aspects of the CWRMA agreement relative to the water that flows regularly through Temecula Creek, noting that the amount of water flowing through the Younger Alluvium means the District does not have to purchase extra import water to fulfill the agreement requirements for water flow to Camp Pendleton.

Additional general discussion ensued regarding permitting for private water wells and whether or not these wells can be identified to determine if they are affecting the amount of the District's imported water supply purchases. Further discussion involved the struggle over the years with the District sometimes receiving no notification of well permits issued by the county and the District's use of Class I, II, and III well agreements for those customers with varying scenarios of well water use.

Finally, Mr. Ottolini proposed that the recommended groundwater production budget for the FY 2018-2019 be 31,511 acre-feet of well production, with 17,511 acre-feet to be produced from locally occurring (native) groundwater, and an additional 1,000 acre-feet of cyclic storage under the RCWD and Metropolitan Water District of Southern California Cyclic Storage Agreement.

MOTION: Director Wilson recommended that the Engineering and Operations Committee approve staff's recommendation of 31,511 acre-feet of well production, with 17,511 acre-feet to be produced from locally occurring (native) groundwater and an additional 1,000 acre-feet of cyclic storage under the RCWD and Metropolitan Water District of Southern California Cyclic Storage Agreement, and also recommended that the Committee direct staff to incorporate the approved recommendation into the Rancho California Water District Operating Budget for Fiscal Year 2018-2019. 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 2. Consider Award of an Agreement for Professional Services between Rancho California Water District and Geoscience Support Services, Incorporated for Annual Subsidence Monitoring Services

Operations Systems Analyst Tom Greene addressed the Engineering and Operations Committee (Committee) to provide information relative to staff's request for the award of a professional services agreement between Rancho California Water District (RCWD/District) and Geoscience Support Services, Incorporated (Geoscience) for annual subsidence monitoring services.

Referencing a handout distributed to the Committee and public prior to the start of this meeting, Mr. Greene explained that the information on the handout, which is a revised cost estimate for the subject annual subsidence monitoring services, reflects a slightly lesser total project cost than was originally included in the Committee meeting packet. Mr. Greene then welcomed any questions from the Committee.

MOTION: Director Wilson moved to forward this item to the Board of Directors, and discussion continued.

To a few questions posed by Director Drake, Mr. Greene reported that the District began receiving annual subsidence monitoring reports in 1991 and the results have shown the aquifer raising and lowering in what's considered a "normal" range; additionally, surveys performed in the area also show slight variations from year to year. Responding, Director Drake suggested that, since the data over the years has remained consistent, District staff consider changing the frequency of the subsidence monitoring services to once every other year in order to save money. Assistant General Manager-Engineering and Operations Eva Plajzer explained that staff request alternating services each year, to include both Global Positioning System (GPS) and satellite versions; moreover, while staff alternate the method of monitoring from year to year, discussion

with Geoscience Support Services can take place to revisit the best practice for subsidence monitoring for the District.

At this time, Director Brady seconded Director Wilson's motion, and discussion continued.

General discussion ensued regarding the amount of hours budgeted for the annual subsidence monitoring services and whether or not the scope of work could potentially be reduced. During this discussion, Chris Coppinger of Geoscience explained the collaborative relationship with the subconsultants and their respective part of this overall effort each year, along with the fact that a bulk of the billable hours involve digitizing the unit that measures the aquifer.

To a question posed by Chairman Plummer, Water Operations Manager Rich Ottolini advised that staff have not looked at obtaining proposals to potentially seek a digitized version for the monitoring report effort, but can consider doing so. He further agreed with the suggestions for considering a change in the frequency of the subsidence reporting, while stressing that it is important to keep in mind the needs of the adjudicated basin using the tools that provide solid due diligence for the District.

At this time, Director Wilson modified his original motion, as follows:

MOTION: Director Wilson recommended that the Engineering and Operations Committee forward this item to the Board of Directors and added that staff also present specific cost information relative to the digitizing method discussed, as well as the feasibility of various scope of work levels to maintain best practices for the District in preparing the subsidence monitoring reports, and the modified motion 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 for Approval of the Twelve Oaks Resort, Winery and Residential Project Water Supply Assessment

Prior to discussion of this item, Director Drake recused himself due to a potential conflict of interest and left the room.

Water Resources Manager Jeff Kirshberg addressed Rancho California Water District's (RCWD/District) Engineering and Operations Committee (Committee) to present information relative to a Water Supply Assessment (WSA) prepared for the proposed Twelve Oaks Resort, Winery and Residential Project (Project).

Utilizing a PowerPoint presentation, Dr. Kirshberg reviewed the specific legislative requirements that govern the issuance of a WSA, along with an overview map of the location of the proposed Project within the District's service boundaries, and noted how the District's Urban Water Management Plan and Water Supply Contingency Plan factor

into the preparation of the WSA.

Utilizing an overview map, Dr. Kirshberg then reviewed the existing land use for the Project area and advised that analysis shows that the Project will use less water than was projected for build-out. He also reviewed evaluation criteria for the project water demand analysis. Continuing with a few slides containing tables, Dr. Kirshberg instructed on total project water demand for the Project and associated water demand/supply analysis data.

Concluding his presentation, Dr. Kirshberg advised that: 1) the WSA identifies a sufficient and reliable water supply for the District and the Project over a 25-year planning period; 2) analysis shows the Project water demands will be met entirely from existing sources; and 3) it does not preclude District regulations in place at time of meter installation request.

To a question posed by Director Herman regarding the possibility of treating new projects the same way as annexations are handled, Chief Engineer Andrew Webster instructed that the District's Agency Agreements play a role and require the District to supply a certain amount of groundwater to the District's customers; further, District staff is comfortable with the projected water allocation numbers for the subject project.

MOTION: Director Brady moved to recommend the Board of Directors approve the proposed Twelve Oaks Resort, Winery and Residential Project Water Supply Assessment. 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. Update Revenue Protection Program

Prior to Agenda Item 4 discussion, Director Drake returned to the dais.

Senior Conservation and Water Budget Analyst Tyson Heine addressed the Engineering and Operations Committee (Committee) to provide information regarding staff's development of a Revenue Protection Program (RPP).

Utilizing a PowerPoint presentation, Mr. Heine displayed a slide that outlined the goals of the RPP: protect and recover Rancho California Water District (District) revenue; protect District's metering assets; and evaluate District's meter replacement requirements and timelines. Continuing, Mr. Heine provided information about staff's negotiation efforts with Harris Computer Systems using the existing SmartWorks software to develop a separate customized tool to help the District more effectively manage its metering assets; specifically, District staff signed a 12-month software development contract, in the amount of \$10,000, and negotiated an annual subscription fee of \$10,000 for the life of the program.

Continuing, Mr. Heine reviewed and explained in detail several methods of capturing malfunctioning meters, as provided in the Committee meeting packet, including: Zero Consumption Report; actual consumption as percent of baseline; greenness compared to usage; proximity to waterline repairs to ensure debris from repair does not later cause meter malfunction; and, most importantly, meters exceeding manufacturer's flow rates. He displayed an additional slide showing that, as a result of the effort to identify malfunctioning water meters, 36 "stuck" meters were identified and flushed, repaired, or replaced and eight degraded water meters were identified, replaced, and tested for accuracy (ranging from 0 percent accurate to 94 percent accurate). Stating that this RPP thus far has been extremely successful, with low District staff labor hours, he reviewed additional slides showing 2017 revenue recovered through a backbill procedure, per District policy, in the amount of \$450,000. Additionally, Mr. Heine reviewed the following figures representing the amount of revenue loss that could have occurred if the before-mentioned malfunctioning meters were not identified: Rancho Division - \$209,471.43 and Santa Rosa Division - \$834,495.70, for an annual total of \$1,043,967.13 and a five-year revenue recovery estimate of \$5,219,835.64. Mr. Heine also reported that a more exact total of revenue recovered in 2017 reflects approximately \$800,000 when considering both the backbilled amount of \$450,000 plus the amount of water that was now registering correctly within the replaced water meters.

General discussion ensued regarding various topics relative to calculating water usage, meter testing program for production meters, successful revenue accuracy efforts, and water allocations.

Concluding his presentation, Mr. Heine discussed future software enhancements such as: KPI Dashboard, probability/financial ranking scale, alert system, and mapping component, and then reviewed aspects of evaluating meter replacement: existing 15-year replacement policy; developing a more strategic approach to meter replacement; and identifying the best meter types. He indicated that staff recently began a pilot program to study and test the replacement of approximately 40 meters with solid-state ultrasonic meters.

Finally, Mr. Heine announced that the District's RPP may be presented at the upcoming AWWA annual conference in June, and welcomed any questions.

Hearing no additional questions or comments, at 10:29 a.m., Chairman Plummer advised that this meeting will be temporarily adjourned in order to begin the Special Meeting of the Board of Directors. Upon the Special Meeting's conclusion, the Engineering and Operations Committee meeting resumed.

Item 5. Consider Request for Approval of Revision to Administrative Code: Part III - Engineering, Operations, and Maintenance of the District, Chapter 1, Rules and Regulations for the Rancho California Water District, Section 1, Water System Facilities and Service

Engineering Manager-CIP & Development Jake Wiley addressed the Engineering and Operations Committee (Committee) to present proposed changes to Rancho California Water District's (District) Administrative Code: Part III - Engineering, Operations, and

Maintenance of the District, *Chapter 1, Rules and Regulations for the Rancho California Water District*, Section 1, Water System Facilities and Service, and to also discuss recent guidance provided for private versus public delineation of water systems. Mr. Wiley indicated that the Committee meeting packet included a track-changes version of the proposed changes to the subject chapter, section 1.7.12, noting staff's revision highlighted in yellow, as follows:

1.7.12 Requirement of Individual Meters

In accordance with California Water Code Section 535, 537, or when, in the opinion of the District Engineer, it would be in the best interest of the District to require individual meters to accurately measure water use or to quantify water usage by type of application, rather than a single or master meter, for water service to a customer, the District Engineer shall be authorized to require individual meters for such service. In accordance with California Water Code Section 537, multi-unit residential structures or mixed-use residential and commercial structures shall utilize submeters, per Section 1.7.13, for the measurement of the quantity of water supplied to each individual residential dwelling unit.

Individual meters for accessory dwelling units may be required, in accordance with California Government Code Section 65852.2

Utilizing a PowerPoint presentation, Mr. Wiley expanded on the above-noted recently updated Government Code Section 65852.2, explaining that it provides for state mandated maximum standards for jurisdictional approval of Accessory Dwelling Units (ADU). Further, Mr. Wiley indicated that, through SB 229 and AB 494, certain provisions are now applicable to the District, as follows:

- Prohibits separate service requirement for ADU that meet state guidelines; and
- Prohibits added connection/capacity fees for ADU that meet state guidelines.

Mr. Wiley then stated staff's request for the Committee to recommend the Board of Directors approve the modification to Section 1.7.12 of the District's Administrative Code, Part III, *Chapter 1, Rules and Regulations for the Rancho California Water District*, Section 1, Water System Facilities and Service.

MOTION: Director Wilson recommended that the Engineering and Operations Committee recommend the Board of Directors approve the modification to Section 1.7.12 of the District's Administrative Code, Part III, *Chapter 1, Rules and Regulations for the Rancho California Water District*, Section 1, Water System Facilities and Service. 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 6. Semi-Annual Update for Administrative Code: Part III - Engineering, Operations, and Maintenance of the District, Chapter 2, Standard Specifications for Facility Design Requirements for the Rancho California Water District

Engineering Manager-CIP & Development Jake Wiley addressed the Engineering and Operations Committee (Committee), noting that this item is presented to the Committee each January and July to provide semi-annual information 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 for this reporting period, Section 1 "Standard Specifications and Drawings" and Section 2 "Water System Facility Requirements and Design Guidelines."

Mr. Wiley entertained any questions from the Committee regarding the updated information that was included in the Committee's meeting packet, as follows:

- Update log and revised *Front-End Documents* (revised 7/17)
- Update log and revised *General Provisions* (revised 7/17)
- Update log and revised *Approved Materials List* (revised 7/17)
- Amended Guidance Memo - Public versus Private Water Facilities
- Update logs and revised Water System Facility Requirements and Design Guidelines (update logs dated 10/1/17 and 11/1/17)

To a question posed by Chairman Brady, Construction Contracts Manager Heath McMahon advised that the District does not currently accept electronically-submitted public bid documents; however, staff have discussed this in the past. Moreover, he explained that, due to the typical volume of public bids actually advertised annually, staff prefers to hold all documents in house; however, staff can look at this current standard practice in the future if the volume of public bid documents increases to the point that it becomes burdensome for staff.

General discussion ensued regarding Director Drake's concerns relative to alternative bid scenarios, heat and illness prevention programs, and performance clause with associated liquidated damage penalties. Further discussion continued regarding progress payments to the contractor and how they are determined/issued; determination of the lowest qualified, responsive bidder; and potentially offering a reciprocal incentive to liquidated damages if the contractor exceeds District expectations.

Next, Mr. Wiley provided updated information regarding public versus private water facility delineation, noting that staff discussed this with the Committee at its November

21, 2017 adjourned regular meeting. From discussion that occurred at that meeting, staff revised the table that outlines the current delineation to be used by staff for guidance purposes, as follows:

Public System (District-owned)	Private System
Detached units	Attached units
Privately-owned unit(s)	Rental units
Traditional lots and street patterns	Cluster lots with alleyways
Non-gated	Private access gates
Street width \geq 24 feet (curb to curb)	Street width $<$ 24 feet
Easement/ROW width \geq 44 feet	Easement/ROW width $<$ 44 feet
Standard horizontal and vertical utility locations and clearances	Proximity of water/sewer facilities to other utilities or structures causing O&M concerns
Located in paved streets with slopes $<$ 12% degrees	Located in unpaved streets (any slope) or paved streets with slope \geq 12% degrees, respectively

Concluding his presentation, Mr. Wiley reported that District staff is currently working on 67 active projects consisting of: multi-family (infill); South Redhawk; Wine Country; Hotels; and Commercial/Industrial developments.

Item 7. Project Status Reports - December 2017/January 2018

Presented for Engineering and Operations Committee (Committee) review and acceptance were the Rancho California Water District (District) Construction Project Status Report, Outside Contracts Summary Report, and Capital Job Status Report for the months of December 2017/January 2018.

The Committee accepted the Project Status Reports for the months of December 2017/January 2018, as presented.

Item 8. Operations Reports - December 2017

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 December 2017.

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

Item 9. Assistant General Manager's Report

Addressing the Engineering and Operations Committee (Committee), Assistant General Manager-Engineering and Operations Eva Plajzer announced that staff would begin, as of today, providing field tours after each monthly Committee meeting for up to three interested Board members at a time. She advised that the planned field tour scheduled for today is Well No. 102. Hearing no interest in today's tour, Ms. Plajzer indicated that staff will include in each monthly Assistant General Manager's report specific details of the planned field tour for each Board members' future consideration.

Continuing, Ms. Plajzer reported that during the period of December 2017 and early January 2018, staff were been extremely busy responding to numerous line failures and leaks. She concluded her presentation by displaying a series of slides of a recent 8-inch line break located at Santiago Road and Via Valencia.

Following Ms. Plajzer's presentation, Chairman Plummer proceeded to adjournment.

Item 10. Adjournment

There being no further business to come before the Committee, the meeting adjourned at 11:44 AM.