MINUTES FOR THE MEETING
OF THE BOARD OF DIRECTORS
OF THE RAMONA MUNICIPAL WATER DISTRICT
July 9, 2019

PRESENT
Jim Robinson President
Jim Hickle Vice President
Bryan Wadlington Secretary
Thomas Ace Treasurer
Jeff Lawler Director

A. Opening of Meeting

A.1. Call to Order and Pledge of Allegiance

The Regular Meeting of the Board of Directors of the Ramona Municipal Water District was called to order by President Robinson at 2:05 p.m., at the Ramona Community Center, 434 Aqua Lane, Ramona, County of San Diego, State of California.

President Robinson led the Board and members of the audience in the Pledge of Allegiance.

A.2. Consideration of Non-Agenda Items Which Arose Subsequent to the Posting of the Agenda

None.

A.3. Adoption of Agenda for Meeting of July 9, 2019

MOTION TO ADOPT THE AGENDA (Hickle/Ace)

AYES: Ace, Hickle, Lawler, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: None

A.4. Opportunity for Members of the Public to Address the Board on any Subject within its Jurisdiction but not on the Agenda

Rex Murray addressed the Board regarding board meeting times.

Susan Brinchman addressed the Board regarding an ADA request made to the District concerning smart meters.

A.5. Announcements and/or Informational Reports from Board and/or Staff

Director Lawler announced his plans to bring an agenda item forward at the August meeting to discuss regular board meeting times.

A.5.a. General Manager’s Report
General Manager Barnum reported out on several items:

- He summarized the history of the District’s financials and past decisions, its limited resources, and current efforts to address deferred maintenance and critical upgrades. To consider in relation to the agenda items presented in this meeting, he described the consequences of keeping rates, fees and charges as is.
- He announced a treatment error at the San Diego County Water Authority’s Twin Oaks Treatment Plant in April, which triggered a notice requirement to all customers. The regional board acknowledged that the likelihood of a health issue is very small and there were multiple levels of treatment to address the issue. To date there have been no reported illnesses and no water quality issues detected in the RMWD system.
- He introduced CalFire Division Chief Phillips and EMS Chief Sagura to the Board.

A.5.b. Committee Reports

None.

A.5.c.- Staff Reports

None.

B. Ministerial Items

B.1. Consent Calendar

(All matters on the consent calendar are to be approved by one motion unless a Board Member requests separate action on a specific item)

B.1.a. Adoption of the Regular Board Meeting Minutes for June 11, 2019

Recommendation: To adopt the Minutes for June 11, 2019.


Recommendation: No staff recommendation.

MOTION TO APPROVE THE CONSENT CALENDAR AS PRESENTED (Ace/Hickle)

AYES: Ace, Hickle, Lawler, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: None

C. Public Hearing/Bid Openings

(This space on the agenda is reserved in the event there is a public hearing or bid opening)

C.1. Public Hearing - To Take Public Input on Modifying the Water Rates in the Water Service Area

After an introductory statement by legal counsel, President Robinson opened the public hearing at 2:21 p.m.

The following individuals presented testimony in opposition of the rates and/or fees: Susan Brinchman, Claire Murray, Matthew Pickett, Tony Bowers, Gary Hurst, Gail Edwards, Neil Myers.
Seeing no other speakers, President Robinson closed the public hearing at 2:48 p.m.

The recording secretary reported out that of approximately 9,300 parcels subject to water rates and fees, there were 101 written protests received by the District (no majority protest).

C.1.a Discussion and Possible Action to Adopt an Ordinance Modifying the District’s Water Rates and Fees

Recommendation: Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.1., the Board approve the rate and fee changes to be effective August 1, 2019 for year 1, and subsequent Year 2-5 increases effective annually on July 1 from 2020-2023, by adopting the attached Ordinance.

General Manager Barnum provided an introduction to the agenda item and discussed the status of the District’s water infrastructure and financials. He stated that the District is currently operating at a loss in the water fund, paying out of reserves, and described the consequences of not adopting the proposed rate increases.

Craig Schmollinger, Chief Financial Officer, presented a brief overview of the water financials and recommendations going forward, along with the Proposition 218 requirements for adopting new rates. He highlighted the cost efficiencies in being proactive by replacing aging pipeline rather than reactively repairing it as needed. Reference was made to the District’s Water Facilities Plan to see the most current list of infrastructure needs.

Andrea Boehling of Raftelis provided additional detail on the proposed rates and reserve levels recommended to address the needs of the District, which can be found in the Water Rate and Fee Study.

Board discussion followed regarding the impact of future pass-through rates on customers and the breakdown of the rate increases to understand how much is being driven by capital improvement projects and operations versus pass-through costs.

Board Treasurer, Director Ace expressed his support for the rates and fees after review with both the General Manager and Chief Financial Officer. He also pointed out the transparent process followed to provide information to the public on the needs of the District and the proposed rates.

There was further discussion by Director Hickle proposing that future District rate increases be adopted separately from pass-through rates from SDCWA and SDG&E. Legal counsel provided an explanation as to why these rates were presented together in one Ordinance.

MOTION TO ADOPT AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT MODIFYING THE DISTRICT’S WATER RATES AND FEES TO BE EFFECTIVE AUGUST 1, 2019, THE ORDINANCE AS PRESENTED (INCLUDING SUBSEQUENT YEARS AS WRITTEN IN THE RECOMMENDATION) (Ace/Wadlington) [Ordinance 19-454] by the following roll call vote:

AYES: Ace, Robinson, Wadlington
NOES: Hickle, Lawler
ABSTAIN: None
ABSENT: None

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C.2. Public Hearing – To Take Public Input on the Modifying the Sewer System Charges in the San Vicente and Santa Maria Sewer Service Areas

After an introductory statement by legal counsel, President Robinson opened the public hearing at 3:58 p.m.

The following individual presented testimony in opposition of the charges: Gary Hurst.

Seeing no other speakers, President Robinson closed the public hearing at 4:04 p.m.

The recording secretary reported out that of approximately 7,000 parcels subject to sewer system charges, there were 84 written protests received by the District (no majority protest).

The meeting was adjourned for a break at 4:05 p.m. and resumed at 4:16 p.m.

C.2.a. Discussion and Possible Action to Adopt an Ordinance Modifying the District’s San Vicente and Santa Maria Sewer Service Charges Effective July 1, 2019 for Year 1 Adjustments and Annually Thereafter

Recommendation: Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.2., the Board approve the rate adjustments to be effective July 1, 2019 for Year 1 adjustments, and each July 1 thereafter from 2020-2023 for Years 2-5 adjustments, by adopting the attached Ordinance.

General Manager Barnum introduced the agenda item and reminded the board of the multi-year process implemented to address the District’s needs in the sewer system.

Craig Schmollinger, Chief Financial Officer, presented an overview of the sewer service financials and infrastructure needs as detailed in the Santa Maria and San Vicente Sewer Facilities Plans, along with the Proposition 218 requirements for adopting new rates. Alex Handlers of Bartle Wells Associates provided additional detail on the charges proposed as detailed in the Sewer Rate and Fee Studies.

Board discussion followed regarding the impact of recycled water sales in the San Vicente sewer service area on current and future rates. Directors Hickle and Lawler suggested bifurcating the Ordinance in the future to take action on the sewer service areas separately.

MOTION TO ADOPT THE PROPOSED ORDINANCE AS PRESENTED (Hickle/Ace) [Ordinance 19-455] by the following roll call vote:

AYES: Ace, Hickle, Robinson, Wadlington
NOES: Lawler
ABSTAIN: None
ABSENT: None

President Robinson requested to switch the order of the remaining agenda items, to address C.4. prior to C.3.

C.4. Public Hearing – To Take Public Input on Proposed Changes to the Ambulance and Paramedic User Fees
President Robinson introduced the agenda item and opened the public hearing at 4:46 p.m. Seeing no speakers, the hearing was closed at 4:46 p.m.

C.4.a. Discussion and Possible Action to Adopt an Ordinance Modifying Ambulance and Paramedic User Fees

Recommendation: Fire Department Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.4., the Board adopt the proposed Ordinance which will modify the Ambulance and Paramedic User Fees and revise Legislative Code Section 5.20.090 through the inclusion of the new Section 5.20.95 “Ambulance and Paramedic User Fees Adjustments”.

General Manager Barnum and CalFire Chief Converse introduced the agenda item, explaining the need for periodic review of ambulance user fees to keep revenue in line with the costs associated.

Fire Captain/EMS Coordinator Jared Andrade presented on current service levels and the costs associated. He explained the complex “payer mix” and how the District receives its revenue for ambulance and paramedic services. Projections were provided, highlighting the need for the proposed increase in user fees and how future scheduled increases will be calculated.

Board discussion followed regarding cost efficiencies in labor, service levels and funding, and call volume.

MOTION TO AMEND THE DISTRICT'S LEGISLATIVE CODE CHAPTER 5.20 FIRE PROTECTION AND AMBULANCE/PARAMEDIC FEES AND CHARGES AND ADOPTING AN ANNUAL ADJUSTMENT (Ace/Lawler) [Ordinance 19-457] by the following roll call vote:

AYES: Ace, Hickle, Lawler, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: None

C.3. Public Hearing – To Take Public Input on the Modifying the Water Capacity and Connection Fees and Deposits

President Robinson introduced the agenda item and opened the public hearing at 5:11 p.m.

The following individual presented testimony in opposition of the fees and/or deposits: Gary Hurst.

Seeing no other speakers, President Robinson closed the public hearing at 5:15 p.m.

C.3.a. Discussion and Possible Action to Adopt an Ordinance Amending the District’s Legislative Code Chapters 7.16, 7.28, and 7.44 and Adopting Revisions to the District’s Water Capacity and Connection Fees and Deposits

Recommendation: Staff respectfully recommends that after holding the public hearing and receiving public comments under Agenda Item C.3., the Board amend the District’s Legislative Code sections relating to water capacity and connection fees and the application fee by adopting the attached Ordinance.
General Manager Barnum introduced the agenda item. Craig Schmollinger, Chief Financial Officer, presented an overview of the water capacity and connection fees, specifically how they are calculated and applied. Andrea Boehling of Raftelis provided additional detail on the proposed changes, as recommended in the Water Rate and Fee Study, and discussed how they arrived at these amounts.

MUSIC MOTION TO APPROVE THE STAFF RECOMMENDATION (Hickle/Ace) [Ordinance 19-456] by the following roll call vote:

AYES: Ace, Hickle, Lawler, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: None

D. Agenda Items which Anticipate Possible Input from Members of the Public
   (This space on the agenda is reserved in the event a member of the public is scheduled to address the Board)

E. Agenda Items which Anticipate Possible Input from Other Agencies/Consultants
   (This space on the agenda is reserved in the event another agency/consultant is scheduled to address the Board)

F. Agenda Items which Anticipate Possible Input from Staff

G. Closed Session – NOT OPEN TO THE PUBLIC

President Robinson adjoined the meeting for a break at 5:38 p.m.

The board entered closed session at 5:44 p.m.

   G.1. Conference with Legal Counsel - Anticipated Litigation
       Initiation of litigation pursuant to Government Code section 54956.9(d)(4)-(1 case)

Closed session ended at 6:29 p.m. Legal Counsel reported that direction was given with no reportable action taken.

H. Remaining Agenda Items

   H.1. Directors' Reports of Reimbursed Meetings
       Pursuant to Legislative Code Section 2.08.140, members of the Board who receive reimbursement from the District for their actual and necessary expenses for attending meetings outside the District shall either prepare a written report to be submitted at the next subsequent Board meeting or make a verbal report during the next regular Board meeting. The report shall detail the information that may be of benefit to the District that was presented at the meeting

None reported.

I. Closing Agenda Items

   I.1. Date and Time for the Next Regular Meeting

       August 13, 2019 - 2:00 p.m.

President Robinson adjourned the meeting at 6:30 p.m.
Adjourn

Jim Robinson, President
Board of Directors
RAMONA MUNICIPAL WATER DISTRICT