

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 25, 2020**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 25, 2020 was called to order by President Brazier at 12:04 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

Present: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Customer Service and Communications Supervisor Gray.

No members of the public were present before Open Session. Two members of the public were present for Open Session.

3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

Director Rindfleisch requested Item #17 be removed from the agenda.

4. **ORAL/Written COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**

There were no comments.

Meeting adjourned to closed session at 12:06 p.m.

5. **CLOSED SESSION**

A. Consider Information Report on Cyber Security (Government Code §54957(a))

B. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
* Four Items

C. Conference with Legal Counsel-Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
* Otay Water District v. Rainbow Municipal Water District

The meeting reconvened at 1:50 p.m.

(*) - Asterisk indicates a report is attached.

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss six items and there was no reportable action.

9. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)

President Brazier announced Item #17 has been deleted per Item #3.

10. ORAL/Written COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).

There were no comments.

***11. APPROVAL OF MINUTES**

A. January 28, 2020 - Regular Board Meeting

Motion:

To approve the minutes.

Action: Approve, Moved by Director Rindfleisch, Seconded by Director Hamilton.

Vote: Motion carried unanimous vote (Summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

12. BOARD OF DIRECTORS' COMMENTS/REPORTS

Directors' comments are comments by Directors concerning District business, which may be of interest to the Board. This is placed on the agenda to enable individual Board members to convey information to the Board and to the public. There is to be no discussion or action taken by the Board of Directors unless the item is noticed as part of the meeting agenda.

A. President's Report (Director Brazier)

There was no report.

(*) - Asterisk indicates a report is attached.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy stated although he was unable to attend the recent meeting due to a family matter, he did mention approximately sixty agencies, including RMWD, have been named in a lawsuit regarding the validity of the agricultural water rate. He explained SDCWA adopted the principals of the new agriculture rate late last year; however, they have not finalized the rate structure because it will be part of the budget cycle. He mentioned everyone was keenly focused and aware of reassuring SDCWA member agencies who support the agricultural rate that it is worth continuing to support and that the principals on which it was derived remained sound irrespective of this nuisance lawsuit.

2. CSDA

Director Gasca reported on the February 20, 2020 CSDA Quarterly Dinner meeting noting there was a myriad of subjects covered related to farming in the area.

3. LAFCO

Mr. Kennedy announced Jo MacKenzie was reappointed as a LAFCO commissioner.

4. San Luis Rey Watershed Council

There was no report given.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton noted the next meeting will be April 21, 2020.

6. ACWA

Director Mack mentioned he was looking forward to attending the ACWA Conference.

C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)

1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Rindfleisch referenced his written report provided as a handout on the recent advanced Brown Act training seminar he recently attended. He noted the topics included agendas, closed sessions, administrative decisions, litigation, and settlements. He asked for a copy of the training be provided via email to each of the other Board Member for future board member training, internal training, and current Board Member enrichment. He stated the training was comprehensive and significantly robust to assure all angles of the Brown Act were covered and provided five of the highlighted topics covered.

Director Rindfleisch reported on the February 18, 2020 Council of Water Utilities meeting where highlights were shared on a property known as Rancho Cuejito. Director Gasca shared additional information he obtained at this meeting as well.

D. Directors Comments

There were no comments.

(*) - Asterisk indicates a report is attached.

- E. Legal Counsel Comments
 - 1. Attorney Report: Environmental Law Update (501668-0002)

Legal Counsel summarized the information provided in his written report.

13. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported the committee has been asked to provide input on the purchasing policies provided in RMWD's Administrative Code. He also noted the committee was advised a Request for Proposal may be coming to the Board for auditor selection.

B. Communications and Customer Service Committee

Director Hamilton reported the committee did not meet due to schedule conflicts.

C. Engineering and Operations Committee

Mr. Nelson reported the committee received an update on the WSUP program as well as heard information related to proposing installing solar panels at the Bonsall Reservoir. He mentioned the committee also received an interesting briefing on the corrosion protection program.

BOARD ACTION ITEMS

***14. ADOPT RESOLUTION NO. 20-03 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1**

Mr. Kennedy explained this was a recurring item setting the time and place for the public hearing. He mentioned the hearing date and time is being proposed as June 23, 2020 at 1:00 p.m.

Director Hamilton inquired as to the process for increasing the per parcel amount. Mr. Kennedy recalled this could be increased but could not without going out to the public for a vote and must pass with a two-thirds of the public.

Motion:

To adopt Resolution No. 20-03.

Action: Approve, Moved by Director Rindfleisch, Seconded by Director Gasca.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***15. FISCAL YEAR 2019-20 MID-YEAR BUDGET REVIEW AND BUDGET ADJUSTMENTS**

Ms. Largent explained review of the budgets are conducted monthly to ensure the District is in line with its revenues and expenditures. She said during mid-year, staff will bring the Board with proposed changes. She noted revenues are slightly under budget; however, there are no

(*) - Asterisk indicates a report is attached.

recommendations to change the revenue at this time. She referenced the expenditures listed would be a net budget increase of \$376,000 which has been significantly reduced by the Operations Department conducting work in-house as opposed to utilizing contractors. She pointed out the main items staff was requesting an adjustment for are legal and district claims.

President Brazier inquired as to the substantial increase in the Risk Management Department including how it will be manned and worked. Ms. Largent explained staff felt it was necessary to create a separate department to provide for more transparency as to what was being spent on insurance, risk, and claims at the District. Mr. Kennedy added the items moved to Risk Management were previously captured under Administration; therefore, he had Ms. Largent create a department budget code so the costs can be clearly tracked. He clarified Ms. Harp is the head of the department and manages Ms. Esnard who is the Risk Management Officer.

President Brazier expressed concern from one of her constituents that if RMWD was not going to utilize its insurance to pay for claims then maybe it should consider self-insuring. Mr. Kennedy explained RMWD was part of a pool of self-insured agencies through CSDA with SDRMA. He mentioned Ms. Harp does periodically research various insurance plans available to the District.

Director Rindfleisch suggested RMWD research the possibility of lowering the insurance deductible. Mr. Kennedy directed Ms. Largent to work with Ms. Harp on finding out if there would be a cost savings benefit to the District.

Ms. Largent announced the net budget increase being proposed to the Board was \$376,500. Director Hamilton pointed out looking at 2019/2020 budget, it forecasts a \$500,000 shortfall which was now being increased by \$376,500 based on a 12% increase in water sales which will be most likely 10% less than last year; therefore, the District may need to start looking at tightening the belt somehow. Mr. Kennedy agreed it can be tightened to the extent within the District's control, but unexpected costs such as \$150,000 on the Otay lawsuit as well as SDCWA's emergency shutdown and leaks are the primary drivers over which RMWD has no control. Director Hamilton said something needs to be done to at least mitigate the difference as much as possible.

President Brazier pointed out there must be small ways in which expenses can be cut which need to be explored. Ms. Largent agreed noting staff will be very mindful of this going into the next budget process.

Director Gasca proposed looking at how to cut the costs for power by installing solar panels. He recommended determining the top ten high costs and seeking means of mitigating such.

Motion:

To adopt Option 1 as amended - approve amended Operating Budget FY 2019-20 as provided in Exhibit A with a projected net budget expense increase of \$376,500.

Action: Approve, Moved by Director Hamilton, Seconded by Director Gasca.

Vote: Motion carried by unanimous vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***16. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-03 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.09 – COMMITTEES**

Mr. Kennedy reported Legal Counsel made proposed revisions to this section of the Administrative Code. Legal Counsel reviewed and summarized those revisions as provided in the redline version included in the agenda packet.

Director Rindfleisch recommended added “for the duration of their tenure” after the domicile requirement.

Director Gasca proposed adding Board Members should be excluded from serving as Chairperson or Vice Chairperson of the committee.

Motion:

To approve Option 2 - Approve Ordinance No. 20.03 with revisions.

Action: Approve, Moved by Director Rindfleisch, Seconded by Director Gasca.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

17. CONSIDER RESCHEDULING THE REGULARLY SCHEDULED JULY 28, 2020 BOARD MEETING TO JULY 21, 2020 (DIRECTOR RINDFLEISCH)

This item was deleted per Item #3.

***18. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS VACANCY-CALL FOR NOMINATIONS: SEAT B – SOUTHERN NETWORK**

Mr. Kennedy inquired as to whether a Director was interested in serving for the remainder of the term. He confirmed Seat B – Southern Network does include RMWD.

Motion:

To nominate Director Michael Mack for Seat B.

Action: Approve, Moved by Director Hamilton, Seconded by Director Gasca.

Vote: Motion carried by unanimous vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***19. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS SEAT C**

It was noted this was for the 2021-2023 term. Discussion ensued.

(*) - Asterisk indicates a report is attached.

President Brazier inquired as to whether any Board Member was interested in serving in this capacity. Director Gasca expressed an interest.

Motion:

To nominate Director Miguel Gasca for Seat C.

Action: Approve, Moved by Director Hamilton, Seconded by Director Mack.

Vote: Motion carried by unanimous vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***20. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-04 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 4 – PERSONNEL RULES AND REGULATIONS AND ALL SUBSECTIONS**

Mr. Kennedy pointed out Ms. Harp and Ms. Washburn worked on updating this section of the Administrative Code. Ms. Washburn explained the original purpose for updating this policy was to get the formatting changed, update the number sequencing, incorporate the appendix into one policy with that number sequencing, and separate the entire policy out by section to simplify any future revisions. She added the policy was also brought current with the State and Federal laws as well as RMWD's current MOU's and Employee Handbook.

President Brazier asked if a change is made to this section of the Administrative Code will it cut into the potential for MOU discussions during the upcoming negotiations. Ms. Washburn confirmed the intent was to remove any negotiable terms contained in the MOU out of the Administrative Code and replace those areas with reference to the current MOU or Employee Handbook.

Ms. Washburn also noted this was the first step in updating the tracking of the entire Administrative Code revisions by replacing "working copy" with "current policy" to avoid confusion in the future.

Motion:

To approve Option 1 as amended – Adopt Ordinance No. 20-04 amending and updating Administrative Code Title 4 and all chapters and subsections included in Administrative Code Title 4.

Action: Approve, Moved by Director Hamilton, Seconded by Director Mack.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

21. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests.

(*) - Asterisk indicates a report is attached.

Ms. Washburn mentioned all accommodations and registrations have been completed for the approved attendance at conferences granted at the January 28, 2020 Board meeting.

BOARD INFORMATION ITEMS

22. HISTORY OF THE DISTRICT VIDEO PREVIEW

Ms. Gray shared a preview of the video. Discussion ensued regarding the participants and the process of putting together the video.

It was noted the preview will be presented to the Communications and Customer Service Committee and once finalized it will be posted on the District website.

Director Gasca recommended the District's logo be incorporated into the beginning of the video as well as keeping Mr. Kennedy's title on the bottom of the screen each time he speaks.

Director Rindfleisch suggested setting the target date for the end of March to assist with the District's image and customer understanding.

23. AVOCADO FESTIVAL BOOTH UPDATE

Ms. Gray announced she was working to obtain a great spot at the festival. She confirmed the date of the festival is April 19, 2020. Discussion ensued regarding the giveaways for those visiting the RMWD booth.

Ms. Gray gave an update on the Fallbrook Vintage Car Show noting it will be held at a new location.

***24. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Staff Training Reports

C. Operations Comments

1. Operations Report

D. Engineering Comments

1. Engineering Report
2. As-Needed Services Expenditures Summary
3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

E. Human Resource & Safety Comments

1. Human Resources Report
2. Organizational Chart

F. Finance Comments

1. Information Report
2. Treasury Report
3. Five Year Demand
4. Credit Card Breakdown
5. Directors' Expense
6. Check Register
7. Water Sales Summary
8. Developer Projections

(*) - Asterisk indicates a report is attached.

9. RMWD Properties

Ms. Largent noted she will be going out for a Request for Proposal for audit services and bringing the Board options to consider at the next Board meeting.

Mr. Kennedy reported Camp Pendleton and FPUD have finalized on the consultant to conduct the work on the Camp Pendleton project. Discussion ensued.

Motion:

To receive and file information and financial items.

Action: Approve, Moved by Director Mack, Seconded by Director Rindfleisch.

Vote: Motion carried by unanimous vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

25. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

It was noted the audit services Request for Proposal, Request for Qualifications for developers for future development of the RMWD property, and Administrative Code purchasing policy updates should be on the next Board meeting agenda. It was also stated inclusion of a WSUP update be included in the recurring operations report including how RMWD was operating relative to the initial plan.

26. ADJOURNMENT

The meeting was adjourned by Director Brazier to a regular meeting on March 24, 2020, at 1:00 p.m.

The meeting was adjourned at 3:31 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.