

**MINUTES OF THE SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MAY 18, 2010**

1. **CALL TO ORDER** - The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on May 18, 2010 was called to order by President Petty at 11:00 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Petty presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Director Griffiths
Director Lucy
President Petty
Director Walson
Director McManigle

Absent: None

Also Present: Finance Manager Buckley
District Engineer Lee
Operations and Maintenance Manager Sneed
General Manager Seymour
Board Secretary Washburn

One member of the public was present.

4. **PUBLIC COMMENT RELATING TO ITEMS ON THE AGENDA**

There were no comments.

BOARD ACTION ITEMS

*5. **DISCUSSION AND POSSIBLE ACTION REGARDING THE REPLACEMENT OF LINE Q-3**

Mr. Seymour apologized for having to call a special meeting; however, he pointed out timing was critical.

Mr. Lee explained how at the last Board meeting, the Board authorized staff to attempt the slip lining of the existing 22" steel pipeline at Q3 and to continue on with the design of the two-pipe horizontal directional drilling process. He noted that when staff moved forward in this direction, they came across a small problem. There is an eight week lead time in the purchase of the PVC pipeline. He stated staff was moving forward with the slip lining of the 22" pipeline with the hope and belief it will be successful; however, a risk still exists due to the fact the condition of the line is unknown where the break occurred and it may not take to slip lining. He stressed if this was the case, RMWD will only have enough pipeline material to horizontal directional drill one

(*) - Asterisk indicates a report is attached.

pipeline if the District decides to only purchase enough material for that one pipeline. He pointed out that if RMWD purchases more material then RMWD would be committing itself to installing more than one pipeline at Q3. He explained this was the premises behind calling this special Board meeting-to find out whether or not the Board was comfortable enough with attempting the slip lining and purchasing the necessary material for such and not having enough material left over should the District need to perform the one horizontal directional drill now and two more in the future. He reported the cost associated with the entire project if the slip lining is unsuccessful and only one pipeline is purchased now will be over \$5M after all three lines are in versus \$3.5M if the slip lining is successful or if installation of the other pipelines becomes necessary with horizontal directional drilling. He pointed out this was a significant cost difference between these two variations; therefore, staff was asking the Board how much material was the Board comfortable with purchasing at this time.

Mr. Lee explained material cost for three pipelines would be approximately \$558,950 based on the proposal included in the Board packet. He added this was special material due to the high pressure experienced at the project location; therefore, the material was not returnable. He mentioned staff recognizes financial issues associated with this fact, thus staff refers to the Board for direction with what they would like to see done.

Director Lucy inquired as to how Line NN figures into this project operationally. Mr. Sneed stated he firmly believes RMWD needs Line NN as soon as possible (definitely before Morro Reservoir is taken out of service for its rehabilitation). He said operationally he tends to disagree with Mr. Lee on the need for multiple lines at Q-3. He explained he would like to see RMWD get at least one line in (hopefully through the host pipe) and gather data from that particular line. He noted the disagreement between him and Mr. Lee as far as how large of capacity is necessary is based on him looking at this project operationally based on what has been discussed among his operators and Mr. Lee looking at a model. He assured the Board RMWD absolutely needs both Lines NN and Q-3.

President Petty asked how many lines are being considered at Q-3. Mr. Lee answered staff was recommending three 16" lines at Q-3. He stressed he did not want the Board to get the impression he and Mr. Sneed disagree. He explained if he could comfortably say RMWD would get one line slip lined and had 100% confidence it would succeed at Q-3, he had no problem holding off on the other two lines until more data regarding the flow rates can be obtained. He confirmed Line NN and Moosa Canyon lines only carry approximately 2,500 gpm across the river versus Q-3 which carries close to 6,000 gpm across the river based on modeling. He noted the modeling has proven pretty accurate to date based on other projects on which it has been utilized. He clarified he does not disagree with Mr. Sneed regarding putting in the one line; however, he had concerns that should RMWD only purchase enough material for one line and cannot slip line the pipe, then the costs will be escalated on the overall project should more than one line be deemed necessary.

Director McManigle joined the meeting at 11:07 a.m.

(*) - Asterisk indicates a report is attached.

President Petty asked how many lines does staff think RMWD ultimately needs to efficiently take care of the flows. Mr. Lee said based on the information he has as well as the modeling that has been completed within a computer, the District will need three lines at Q-3 and one at Line NN for a total of four.

Director Griffiths inquired as to the decent velocity. Mr. Lee stated it was below 5' per second. Director Griffiths asked if there would be any problem with going higher using another type of material. He suggested utilizing HDPE due to the fact it was very resistant to water hammer. He said he would not be in support on voting on this matter until he has enough time to review the information provided. He said he feels RMWD could get away with one line and safely thread it through the existing 20-plus inch existing line. He stated although he has studied this project with the object of HDPE line for several days, he would like an opportunity to make some comparisons before voting on this matter.

Director Walson expressed concern that all the Board has to go on is the modeling done by RBF which he believes include numerous inconsistencies in the data in those reports. He explained he had little confidence in the data received and how it makes him uncomfortable when software only does what it is told to do. He stated he would prefer going forward with one line and having operations install flow meters to make what he believes will be more realistic determinations.

President Petty asked Mr. Lee whether or not what Director Walson's were true. Mr. Lee said it was not true due to the fact the District has flow data taken from hydrants and flow validations of the computer model that provide him with a comfort level with what the computer has presented for flow across the river. Discussion followed.

Mr. Seymour explained RMWD has validated the model to the best of its ability; however, they were not physically validated.

Director Griffiths stated he wanted a line down the host pipe capable of carrying the maximum amount of water possible for the existing conditions. He pointed out for the purpose of this conversation, it does not matter what is going across the river. He asked Mr. Sneed how he restricts the velocity of water in those lines. Mr. Sneed stated the District has no control over it. He explained the orchestration of how the flows affect a variety of facilities.

President Petty clarified Director Griffiths favored putting in a smaller pipe than what was once at the specified location. Director Griffiths stated he would be; however, the smaller pipe he was recommending would be capable of handling occasional pressure spikes and/or water hammer. He mentioned he was still waiting for information regarding PVC capabilities.

Mr. Seymour reminded the Board they had already decided to slip line the pipe at the last Board meeting; therefore, the only question today was do they want to purchase just enough pipe for one line or extra to do one or two more pipes at this time in the event the one does not work or take the risk and know it may take two months to get additional pipe should it fail.

(*) - Asterisk indicates a report is attached.

President Petty acknowledged the request but wanted to know whether or not RMWD could “get by” with one pipe. Director McManigle asked what he meant by “get by”. President Petty explained RMWD has just “gotten by” for many years which has cost the district a great deal of money unnecessarily; therefore, he wanted to be sure the district is doing the right and proper thing and not going backwards. Mr. Lee stated if RMWD installs a single pipeline at the Q-3 crossing, staff believes it will survive this summer. He added; however, in order to continue the level of service experienced in the past, the lifespan of that pipeline needs to be 80-100 years. He noted there will need to be two additional pipelines at that river crossing to get the maximum life out of the construction of that project.

Director Walson finished his comments from earlier. He reiterated his feelings that right now RMWD does not have a clue how much capacity needs to be passed back and forth due to the fact the only thing they would be relying on would be the model.

Mr. Lee stated RMWD cannot readily go into the river and fix any repairs on this transmission line which was why staff was recommending dropping the velocity down so that that line has a longer survival rate. He pointed out if the District has to repair a line on Highway 76 or Lilac Road it would be an easier process because the velocity can be increased on the pipelines and allow the ability to go in and fix the lines at a later date when they fail. He concluded by confirming he was trying to obtain lower velocities to lengthen the life of the pipes and the pipes attached is able to support the three pipes.

Discussion continued.

Director Walson proposed doing the one line at Q-3 and Line NN, get the measurements and then determine whether or not there a need exists for two extra 16’ lines or not.

Director McManigle asked Mr. Lee about the inconsistencies Director Walson claimed existed in the numbers in the report provided. Mr. Lee answered the inconsistencies referred to by Director Walson were due to that on peak days Line Q-3 carries lower flow than on normal days. He said this was truly an anomaly based on the entire system and this was only one little pipeline, not the entire south zone. He continued explaining how the peaks would impact the system including the events that should be more concerning. He pointed out he agreed with everyone else in that if one pipeline can get installed successfully and get RMWD through the summer, staff can take a step back and validate what the model demonstrates. He said although he would be comfortable with this solution, there is no guarantee that one pipeline can be installed because the condition of the pipe or where the break is located remains unknown.

Discussion ensued regarding the costs involved with all the proposed solutions.

Mr. Seymour explained the whole point today was timing and whether or not the Board wanted to authorize the purchase enough materials for one or more pipelines.

Mr. Lee confirmed should the Board authorize the purchase all of the pipe the RMWD may need but does not utilize, it can be used in other areas. It was noted it may take a long time to use, but it will be bought and paid for and readily available in inventory.

Discussion ensued why RWMD should install multiple smaller pipes as opposed to one large pipe.

(*) - Asterisk indicates a report is attached.

Mr. Jeff Heden of J.C. Heden & Associates, the design firm for this project, talked about the project and acknowledged how it is complicated to understand. He drew diagrams of both the primary and secondary projects being discussed.

Discussions continued.

Director McManigle asked what the cost would be if the Board decided to do the secondary project from the start. Mr. Lee stated it would be approximately \$3.5M without messing around with slip lining. Mr. Lee added, however, the slip lining was the quickest means of getting a pipeline in place.

Mr. Heden noted the idea was to order some pipe as being recommended today due to the fact it is eight weeks out. He pointed out they have worked diligently with a local firm who specializes internationally for these types of products which come with complete warranties. He explained this was why the matter was time critical.

Discussion ensued regarding the very aggressive schedule for Line NN.

Mr. Lee provided a breakdown of the schedule for line Q-3. He explained the equipment necessary to clean out the line would be the same equipment necessary to put the line through.

Discussion ensued regarding the environmental issues involved with a project of this type.

Action:

Moved by Director Walson to purchase one pipe's worth of materials so that RMWD can reline Q-3 and then install flow meters in order to collect real data to determine what would be the next best step to take. Seconded by Director Griffiths.

After consideration, the motion FAILED by the following vote:

AYES: Director Griffiths and Director Walson.
NOES: Director Lucy, Director McManigle and President Petty.
ABSTAINED: None.
ABSENT: None.

Mr. Seymour clarified Director Walson's proposal may meet the needs of the District; however, it has not been confirmed.

Ms. Brazier stated as a ratepayer this whole process has been very frustrating for her to watch. She pointed out Board Members are elected to set policy and engineers and general managers are hired for their expertise and decision making. She said there are a number of engineers out there with a vast generation gap. She explained the engineers in her acquaintance who worked

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primarily in the last century are not as trustful of computer modeling whereas younger engineers currently working in the field have much more confidence in this technology. She mentioned RMWD has not been well served in the past by constructing delay. She concluded by saying she sees purchasing one unit of pipe as penny wise and pound foolish. She urged the District to go for it and buy all three pipes and then recover. She stressed this was her point of view which was on her shoulders and those of her fellows whom the burdens of either decision will fall.

Director Griffiths reiterated why he was in favor of Director Walson's motion.

Director Lucy called for the vote.

Action:

Moved by Director McManigle to approve Staff Recommendation-authorize staff to purchase enough pipeline material for three crossings. Seconded by Director Lucy.

After consideration, the motion carried by the following vote:

AYES: Director Lucy, Director McManigle and President Petty.
NOES: Director Griffiths and Director Walson.
ABSTAINED: None.
ABSENT: None.

Director Lucy pointed out Ms. Brazier's comments articulated his feelings exactly. He said he was tired of the Board second guessing staff when they make clear recommendations sensitive to the financial considerations. He stressed that Director Griffiths was a Board Member now and should not be acting in the capacity of an engineer.

Director Walson stressed why he objected to the motion based on the computer modeling being highly suspect. Director Lucy stressed it may be discovered a need for more water may arise. It was noted there was no answer either way; however, this was purely a business decision.

President Petty called for the vote.

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

7. ADJOURNMENT - To Tuesday, May 25, 2010, at 11:00 a.m.

The meeting was adjourned with a motion made by Director Petty to a regular meeting on May 25, 2010, at 1:00 p.m.

The meeting was adjourned at 12:21 p.m.

Rua Petty, Board President

Dawn M. Washburn, Board Secretary

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