

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 24, 2015**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 24, 2015 was called to order by President Sanford at 12:02 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **ROLL CALL**

Present: Director Lucy
Director Walker
Director Sanford
Director Brazier
Director Griffiths (*Arrived at 12:02 p.m.*)

Absent: None

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Legal Counsel Moser
Finance Manager Thomas
Operations Manager Atilano
Acting District Engineer Kirkpatrick
Human Resources/Safety Manager Bush
Superintendent Maccarrone
Superintendent Zuniga

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

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

Mr. Kennedy stated there was a slight modification made to the Conflict of Interest Code (Item #17) as well as an additional Resolution under Item #19 that took place after the agenda packet was distributed; both documents were provided as handouts.

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.

The meeting adjourned to closed session at 12:03 p.m.

(*) - Asterisk indicates a report is attached.

5. CLOSED SESSION

- A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - 1 Potential Case
- B. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(4))
 - 2 Potential Cases

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

The meeting reconvened at 1:09 p.m.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

President Sanford reported there was nothing to report from Closed Session.

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

Mr. Kennedy mentioned a slight modification was made to the Conflict of Interest Code under Item #17 as well as there was another Board Member, Mr. Drake, to be considered for a resolution of support for ACWA/JPIA under Item #19. It was noted additional documents related to these items have been provided in handouts.

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 27, 2015 - Regular Board Meeting

President Sanford reported the minor revisions submitted to Ms. Washburn prior to the Board meeting which have already been made to the minutes.

Action:

Moved by Director Brazier to approve the minutes of January 27, 2015 as amended. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

(*) - Asterisk indicates a report is attached.

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 Sanford)

President Sanford talked about the amount of time being consumed by himself and staff on the RMWD/FPUD matter. He stated as time goes on it will consume more time of the Board Members as well. He complimented the General Manager for actively working on this issue and thanked Mr. Kennedy for having RMWD's best interest in mind.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy reported on the special meeting he attended where discussion was on the large proposed capital project; a hydropower project at San Vicente. He mentioned the desalination plant is anticipated to start up in September.

2. CSDA

Mr. Kennedy reported on the recent quarterly meeting where agencies were encouraged to stop at some points, observe their conditions, and then rethink their assumptions. He noted the speaker was one of the best he has ever seen at CSDA.

3. LAFCO

President Sanford reported LAFCO approved the annexation of Campus Park West.

Mr. Kennedy named the individuals recently seated on the LAFCO commission.

4. San Luis Rey Watershed Council

Director Walker reported the meeting was cancelled.

5. Santa Margarita Watershed Council

President Sanford noted there was no meeting.

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

There were no reports given.

D. Directors Comments

1. Employee Outreach

Director Lucy mentioned how happy he was to participate in the all hands meeting with RMWD employees. He encouraged other Directors to attend those in the future. Director Sanford offered to attend the March 25th all hands meeting.

***13. COMMITTEE REPORTS (Approved Minutes have been attached for reference only.)**

- A. Budget and Finance Committee**
1. January 8, 2015 Minutes

Mr. Stitle reported the committee was in good shape.

- B. Communications Committee**
1. January 5, 2015 Minutes

Mr. O'Leary reported there was a resignation from the committee and that Director Brazier may join the committee.

Mr. Kennedy noted there will be an item on the next committee agenda to add staff in order to keep a quorum. Director Brazier confirmed she volunteered to serve on a temporary basis.

- C. Engineering Committee**
1. September 3, 2014 Minutes
2. October 1, 2014 Minutes
3. November 5, 2014 Minutes

Mrs. Kirkpatrick reported the committee met on February 4th at which time two items on the Board agenda were generated.

14. BROWN ACT REVIEW AND DISCUSSION

President Sanford explained this was on the agenda to address some questions and get some definite direction as it relates to the Ralph M. Brown Act. Legal Counsel provided information as well as answered some of the questions related to this matter.

***15. CONSENT CALENDAR**

(The consent calendar items are matters voted on together by a single motion unless separate action is requested by a Board member, staff or member of the audience.)

- A. ADOPT RESOLUTION NO. 15-06 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1**

Action:

Moved by Director Lucy to approve Resolution No. 15-06 fixing the time and place of the hearing meeting for the purpose of water availability charges for Improvement District 1 as May 26, 2015. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker.
NOES: None
ABSTAINED: None
ABSENT: None

BOARD ACTION ITEMS

16. DISCUSSION REGARDING STRATEGIC PLANNING FOR THE DISTRICT

President Sanford explained this item was for the Board to work together and put together some type of plan that depicts the direction in which the District is heading.

Mr. Kennedy noted one of the challenges for the general manager of a district is to execute the wishes of the Board; however, RMWD does not have a document clearly outlining the policy objectives of the Board. He explained how during the process of strategic planning, there will be a series of workshops with facilitators, Board Members, staff, and public. He stated after this process, the Board will go through each of these subject areas and determine their philosophies which in turn will give the general manager clear direction as to what needs to be done to meet the objectives of the Board. He noted there were strategic plan examples provided as handouts for reference purposes.

Mr. Kennedy suggested the Board select an ad hoc committee to interview consultants as well as assist with putting together a process. It was noted a strategic plan was not a mission statement.

Director Lucy said he thought it was a great idea; however, he was concerned with the cost involved. He suggested staff find a way to put together a plan, but not at great cost. He agreed RMWD had to do something and whatever that is determined to be he would like to receive input from the committee members and employees at all levels. Mr. Kennedy explained the costs will rise with the more people involved in the process; however, he has not received a firm cost estimate as of yet.

Director Griffiths suggested looking at RMWD's mission statement and then making minor adjustments to determine what was practical. He claimed this was not a difficult task and did not need to be so involved or costly. Mr. Kennedy said the goal was to at some point have a document that provides policy guidance from the Board for staff to execute.

President Sanford asked Director Lucy for clarification as to when he wanted something like this to be addressed. Director Lucy said he knew it was frustrating to wait until the RMWD/FPUD matter has been resolved; however, he was sensitive about any money being spent. Mr. Kennedy explained as regrettable as it is, in the situation RMWD faces with FPUD and LAFCO, there was a certain amount of uncertainty on the staff. He said planning processes such as this show staff some type of commitment. He clarified he was trying to act as general manager irrespective of the LAFCO issue because there are things that need to be done especially when it comes to planning for the big changes that are coming RMWD's way.

Director Lucy inquired as to whether Mr. Kennedy could get current resources together to get RMWD on the road to the strategic plan as a means of minimizing some of the costs. President Sanford concurred with Director Lucy's concept; however, he was somewhat protective of staff and them having enough time to work on something of this caliber on top of everything else taking place.

Mr. Kennedy stressed strategic planning was more of a Board matter with having someone talk to the Directors with little input from staff and public members. He acknowledged right now research should be conducted as how to getting this done as cost effectively as possible.

Director Walker said from his perspective, the strategic plan is probably one of the smartest things RWMD can do. He echoed what is says about RMWD as a water district. He stated the fact there is not a plan in place is troublesome because clear direction is unknown which gives a sense of uncertainty. He pointed out the Board keeps talking about cost savings and how more savings can be seen from a strategic plan than anything. He explained although RMWD was doing some of the right things, this will help the Board focus on determining the priorities and being able to focus on those which in turn will secure the sources of water as well as achieve larger cost savings on infrastructure such as Beck Reservoir. He said it would be better to spend a little money to have a plan done properly as opposed to going forward and ending up with something useless; therefore, this was worth further discussion. Director Lucy agreed Director Walker's idea seemed more logical in that RMWD could spend \$10,000 and in return end up savings a great deal more money by having a proper plan in place. Director Brazier concurred with spending a little more money to create efficiencies.

Mr. Kennedy explained the only action at this time would be for the Board to decide if they want to proceed with putting together plan. He pointed out this process would take a few months before it came back to the Board for approval. He reiterated this was really about the Board establishing their vision.

It was noted the Board was in favor of starting a strategic planning process with Mr. Kennedy leading the Board toward the next step.

Director Griffiths suggested the only reason to bring in an outside consultant would be if an objective does not seem practical after conducting in-house discussions. Mr. Kennedy noted strategic planning goes beyond general ideas in that it addresses bigger policy decisions.

There was no action taken.

***17. DISCUSSION AND POSSIBLE ACTION TO AMEND AND UPDATE ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST CODE AND ADOPT ORDINANCE NO. 15-04**

Mr. Kennedy noted this was an update to the Conflict of Interest Code that involved adding additional positions to the list of designated Form 700 filers. He explained after looking at job descriptions, there were a number of individuals who should be added to the list due to the fact they could be influenced by receiving gifts. He said this would just offer an additional layer of transparency to RMWD.

Mr. Kennedy reminded the Board they will be considering the revised draft provided under separate cover from the agenda packet which includes the inspector job description as well as a change to which Form 700's will be filed at the County and which will be maintained at the District. It was noted the General Services Technician position serves as RMWD's purchasing agent.

Action:

Moved by Director Brazier to adopt Ordinance No. 15-04. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Director Brazier, Griffiths, Lucy, Sanford, and Walker

NOES: None

ABSTAINED: None

ABSENT: None

***18. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 15-02 INCORPORATING SECTION 5.04.030-DISPOSITION OF SURPLUS ASSETS INTO THE RMWD ADMINISTRATIVE CODE**

Mr. Kennedy pointed out the Board wanted a modification to this section where if an item does not sell, it can be opened a second time where employees or their family members may participate in the bidding.

Discussion ensued regarding how RMWD will address collecting the cash from the winning bidder.

Action:

Moved by Director Brazier to adopt Ordinance No. 15-02. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker

NOES: None

ABSTAINED: None

ABSENT: None

***19. DISCUSSION AND POSSIBLE ACTION REGARDING CONCURRING SUPPORT FOR ACWA/JPIA EXECUTIVE COMMITTEE MEMBERS**

Mr. Kennedy pointed out there was an additional request for support for an additional candidate. He noted there were three Resolutions before the Board for consideration; Resolution Nos. 15-07, 15-08, and 15-09.

Action:

Moved by Director Brazier to approve Resolution Nos. 15-07, 15-08, 15-09. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

(*) - Asterisk indicates a report is attached.

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***20. DISCUSSION AND POSSIBLE ACTION REGARDING NOMINATION OF A RAINBOW MUNICIPAL WATER DISTRICT REPRESENTATIVE FOR ELECTION TO THE SDRMA BOARD OF DIRECTORS**

Mr. Kennedy stated although he was unsure if any of the Directors wanted to run for this seat, he wanted to put it before the Board for consideration. President Sanford stated if this would give RMWD more exposure throughout the region as a viable functioning agency, he would be willing to get a resolution before SDRMA for consideration.

Director Lucy expressed his only concern was that he want the Board concentrating on RMWD's issues; however, if Director Sanford was willing to do this he would support it.

Action:

Moved by Director Brazier to direct the General Manager to bring back a resolution recommending Dennis Sanford. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

21. DISCUSSION AND POSSIBLE ACTION TO APPOINT AN ALTERNATE REPRESENTATIVE TO THE SAN LUIS REY WATERSHED COUNCIL

Director Brazier pointed out the only reason to have an officially designated alternate is that only a designated alternate can vote in place of the representative in their absence.

Action:

Moved by Director Lucy to appoint Helene Brazier as the alternate representative to San Luis Rey Watershed Council. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

(*) - Asterisk indicates a report is attached.

***22. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 15-05, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING KARL G. FEKETE FOR HIS OUSTANDING SERVICE AS A VOLUNTEER ON THE DISTRICT'S ENGINEERING COMMITTEE**

Mr. Kennedy mentioned Mr. Fekete was a one of the original members of the Engineering Committee who regrettably passed away on January 1, 2015. He stated the Engineering Committee requested the Board adopt a resolution honoring him for his service.

Action:

Moved by Director Brazier to approve Resolution No. 15-05. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

23. DISCUSSION AND POSSIBLE ACTION TO APPOINT SHERRY KIRKPATRICK AS A MEMBER AND TOM KENNEDY AS AN ALTERNATE MEMBER TO THE ENGINEERING COMMITTEE

Mr. Kennedy recalled this would be a temporary fix to make sure there is a quorum at committee meetings. It was noted Harry Stille has volunteered to serve on this committee and once that becomes official, this will come back to the Board for consideration again.

Director Griffiths expressed concern the Board wants independent opinion as opposed to that of staff. He strongly advised against having a staff member serve on any committee.

Director Lucy pointed out this was to facilitate the meetings as opposed to not being able to meet due to a lack of a quorum.

Mr. Kennedy pointed out the Administrative Code does allow for Board and staff members to serve on the committees. He agreed to keep soliciting for new committee members; however, until there is response from interested public members this will allow for the meetings to be held on a regular basis.

Action:

Moved by Director Brazier to appoint Sherry Kirkpatrick and Tom Kennedy to serve on the Engineering Committee. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Lucy, Sanford, and Walker
NOES: Director Griffiths
ABSTAINED: None
ABSENT: None

(*) - Asterisk indicates a report is attached.

24. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS RELATED TO THE FPUD REORGANIZATION AND DISSOLUTION APPLICATION TO LAFCO

- A. Ad Hoc Committee
- B. Public Relations Consultant Update
- C. LAFCO Consultant Update

Director Brazier reported the committee continues to work. Director Walker stated he has learned some things by attending the Ad Hoc Committee in Director Sanford's absence.

Director Brazier noted the committee continues to work on planning strategic moves in opposition to the hostile takeover which have been thrown at RMWD. Mr. Kennedy announced there was a new website up and running called www.saynotofpud.org.

Discussion ensued regarding the benefit of having a LAFCO consultant.

No action taken.

***25. RECEIVE AND FILE INFORMATION ITEMS FOR JANUARY 2015**

- A. **General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. **Communications**
 - 1. Ratepayer Letters
- C. **Construction & Maintenance Comments**
 - 1. Construction and Maintenance Report
 - 2. Valve Maintenance Report
 - 3. Garage/Shop Repair
- D. **Water Operations Comments**
 - 1. Water Operations Report
 - 2. Electrical/Telemetry Report
- E. **Wastewater Comments**
 - 1. Wastewater Report
- F. **Operations Comments**
 - 1. Water Quality Report
 - 2. Cross Connection Control Program Report
- G. **Engineering Comments**
 - 1. Engineering Report
- H. **Customer Service**
 - 1. Field Customer Service Report
 - 2. Meters Report
- I. **Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Changes in Personnel
 - 3. Organizational Chart
 - 4. Safety Report

Mr. Kennedy pointed out the additional Item #B where communications received from the public will be presented to the Board.

Discussion ensued regarding getting information out to the customers.

(*) - Asterisk indicates a report is attached.

President Sanford noted at the recent Bonsall Chamber of Commerce meeting he and Mr. Kennedy received high compliments on the promptness, service and the courtesy of some of RMWD's field personnel.

Director Griffiths complimented RMWD's Customer Service staff for their assistance.

President Sanford asked all Board Members to contact the appropriate staff with any specific questions on the information items provided in the agenda packet as opposed to discussing these things during the Board meeting. It was noted the information was available to the public and there are resources available to everyone to get answers.

Director Griffiths insisted on asking his questions and offered to keep them at a minimum. Discussion ensued.

Action:

Moved by Director Brazier to receive and file the information items. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***26. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR JANUARY 2015**

A. Finance Manager Comments

1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
6. Statistical Summary
7. Projected CIP Cash Flow Report
8. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Action:

Moved by Director Brazier to receive and file financial statements and information. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Director Brazier, Lucy, Sanford, and Walker
NOES: Director Griffiths
ABSTAINED: None
ABSENT: None

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

It was noted the appointment to the Engineering Committee, groundwater study update, and strategic planning be on the next agenda.

Mr. Kennedy agreed to look into more background on Check No. 47989 for Director Griffiths.

28. ADJOURNMENT - To Tuesday, March 24, 2015 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a regular meeting on March 24, 2015 at 1:00 p.m.

The meeting was adjourned at 2:42 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary