

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
DECEMBER 5, 2017**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on December 5, 2017 was called to order by President Brazier at 1:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

**Present:** Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.

**Also Present:** General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Finance Manager Martinez, Human Resources Manager Harp, Operations Manager Milner, Superintendent Walker, Superintendent Zuniga, Superintendent Maccarrone, Interim Engineering Manager Gerdes, Utility Worker Lopez

**Absent:** Administrative Analyst Gray, Associate Engineer Powers, Engineering Manager Kirkpatrick, Legal Counsel Pellman.

Five members of the public were present.

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

There were no changes to the agenda.

5. **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.

**PRESENTATION**

Time Certain: 1:00 p.m.

6. **SDCWA PRESENTATION BY MAUREEN STAPLETON**

Ms. Stapleton updated that Board of Directors on the lawsuit between San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) in a presentation entitled "MWD Litigation Update". She noted the goal was to give a brief factual summary of where SDCWA was in the litigation process as well as the next steps.

Ms. Stapleton mentioned SDCWA and MWD Board Teams are meeting to discuss issues of mutual interest including litigation, local projects and outreach.

(\*) - Asterisk indicates a report is attached.

Director Hamilton inquired as to the 2010 & 2012 Litigation Outcome presented. Mrs. Stapleton reviewed all nine items listed explaining the outcome of each. Mr. Kennedy pointed out the State Water Project Costs item was worth a couple hundred million dollars which was won by MWD. Discussion ensued regarding the length of time it will take for the outstanding court cases to be resolved and the benefit to ratepayers.

Mr. Stitle inquired as to how much money MWD had available. Mrs. Stapleton talked about MWD's recent and current financial situations.

Director Mack asked what would happen if SDCWA was not satisfied with the completed rate model. Mrs. Stapleton explained the steps to be taken based on MWD's response to SDCWA input.

Discussion ensued regarding SDCWA's reliance on MWD's water supply in the future.

Meena Westford from MWD introduced herself to the Board. She said she appreciates Ms. Stapleton's presentation today, but wanted to let the Board know that it is true SDCWA does have the MWD's financial planning model with all the inputs and outputs available on the MWD website. She stated this information was given to SDCWA, but it is not made available to the public to manipulate the rate model which is probably the case for most water agencies. She stated she wanted to make it clear SDCWA does have the model in its possession; however, they are not allowed to share it. She offered to return to RMWD to talk about some of the other issues there may be slight disagreement on and clarify any information provided today.

Mr. Stitle stated if MWD was a public utility, he would like to know why the rate model should not be shared with the public. Ms. Westford answered it was difficult to print out a model such as theirs because it was proprietary. Mr. Stitle disagreed stating the model should be public if paid for with public funds. Ms. Stapleton added SDCWA has a non-functioning version of the MWD rate model. Discussion ensued regarding how a functioning copy of the rate model could be provided.

Director Gasca inquired as to if there were additional issues to be expected in the future. Mrs. Stapleton stated there may be a need to file another lawsuit as a placeholder in 2018 for MWD's adopted rates in 2019 & 2020; however, if this took place, it would be placed in the stayed position.

Mrs. Stapleton talked about the Public Records Act requests and how if MWD was more transparent, it would encourage the two teams to work together.

Mrs. Westford said she would contact RMWD to schedule a presentation from MWD to provide an update on the California water fix, MWD's financial situation, as well as some of the strategic investments made during the last drought.

## **\*7. APPROVAL OF MINUTES**

### **A. October 24, 2017 - Regular Board Meeting**

Director Brazier noted the changes she had presented to Ms. Washburn including how she mentioned three positions for which the Board is responsible for hiring, the word "retic" should be "right", and the word "busy" should be "business". She stated Ms. Washburn has listened to the meeting recording and has revised the draft minutes accordingly.

(\*) - Asterisk indicates a report is attached.

***Motion:***

***Approve the minutes as amended.***

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

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

***Ayes: Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.***

**8. 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 given.

**B. Representative Report (Appointed Representative)**

**1. SDCWA**

Mr. Kennedy stated there was not a formal Board meeting last month; however, there was a special Board meeting related to consideration of a proposed power-generating project.

**2. CSDA**

Director Mack reported a representative from CSDA gave an update on what was happening with the organization. He noted the new LAFCO Executive Officer introduced himself to the members and spoke on the different political aspects involved with his organization. Mr. Kennedy shared for the record that in a survey conducted by California LAFCO of over 500 random adults statewide asking what they knew about LAFCO, one response was "those are the guys that screw over Rainbow Water District".

**3. LAFCO**

Mr. Kennedy gave a report on the Special District Advisory Committee discussions.

**4. San Luis Rey Watershed Council**

Director Stewart reported on the recent meetings he attended at which the Council representatives were discussed. He offered to provide copies of the Council's governing documents to anyone interested. He pointed out SLRWC had not invoiced its members for annual membership in 2017, including RMWD. He stated the Council will be holding another meeting later this week. He concluded with noting he is working with Mr. Kennedy as well as the Council to continually ensure the benefits of supporting the organization.

(\*) - Asterisk indicates a report is attached.

## 5. Santa Margarita Watershed Council

Director Hamilton reported the next meeting will be in January 2018. He noted the Council may be reverting to a Steering Committee.

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

#### 1. Board Reports

Mr. Kennedy reconfirmed for Board Members to receive compensation for attending conferences/workshops/training/classes, a written report must be provided to the District and Board. He also pointed out blank forms will be provided to each Director for them to complete their own compensation and mileage reimbursement forms going forward.

Director Stewart pointed out the notes he provided for the ACWA conference; however, he was unsure of the level of detail to be provided in the reports. Mr. Kennedy suggested the reports include any information that may be useful to RMWD. President Brazier added she would like to know what the Director learned and how what was learned would benefit the District.

Director Hamilton noted it would also be important to know if there was no benefit to the District which may deter future attendance. He mentioned when someone wants to attend an event, he wants to know what that person expects to learn by attending and whether those expectations were satisfied, and if not were there other benefits as well as whether the event should be put on the "black list" for future reference.

Director Stewart said he takes away more information about the big picture of the water situation for the entire state of California each time he attends an ACWA conference. He talked about climate changes having a direct impact on decisions made by RMWD. He stressed the importance of RMWD remaining engaged and educating its Directors.

Director Gasca referenced his written report noting the details were from the notes he took during each one of the sessions he attended. He mentioned the first page were the highlights and the attached pages provide additional detail to those interested. He stated there were two things that stood out to him: 1) outreach and communications and how the District should make sure they utilize each event to reach out to each of the legislators and regulators attached to their agency, and 2) securities of facilities and the serious issues agencies are facing due to vulnerabilities. He pointed out it was suggested that a vulnerability assessment be conducted through Legal Counsel to keep the attorney-client privileges in place. He concluded with noting there was another session regarding a method of catching and storing energy he found interesting.

President Brazier stated the purposes of the written reports is to notify the public that information is being brought back to the Board so they can make decisions about policies and things that will affect the water district as well as their lives. Director Gasca added they are also to ensure getting the best practices from other organizations and see how they can be applied at RMWD. President Brazier noted they were also to underscore the value.

Director Mack reported he attended a session on communications at which he learned Facebook was the number one means of reaching the public. Director Gasca stated it was recommended that if a negative comment is made on social media, the District should be proactive in trying to resolve the matter by scheduling a meeting with the person making the comment(s). Director Mack also noted there was a 90-minute documentary on the food supply derived from Central California growers and how water agencies may want to rethink how to protect the California water industry.

Director Gasca suggested posting any suitable videos on RMWD's website for public access.

Mr. Kennedy pointed there was a North American Water Loss Conference taking place today at which RMWD staff was attending and making a presentation.

**C. Directors Comments**

Director Gasca asked for an update on the claim discussed at RMWD's October 24, 2017 Board meeting. Mr. Kennedy explained this matter was discussed in Closed Session; therefore, the only update he had at this time is the matter has not yet been resolved.

Director Gasca mentioned he had an opportunity to speak with Megan at the CSDA conference who in turn provided him with statistics related to the District of Distinction accreditation that shows agencies who receive this status would be in the top 5% of special districts.

Director Hamilton recommended RWMD investigate any grants that become available.

**E. Legal Counsel Comments**

1. Attorney Report: District-Issued Electronic Devices (501668-0002)

Legal Counsel referenced the written report provided in response to a request made at RMWD's September Board meeting related to best management practices for district-issued electronic devices. He mentioned everyone was invited to Nossaman's celebration of the recent opening of their Carlsbad office on Thursday, December 14, 2017 from 4:00-7:00 p.m.

**\*9. COMMITTEE REPORTS (Approved Minutes have been attached for reference only.)**

**A. Budget and Finance Committee**

1. October 10, 2017 Minutes

Mr. Stitle stated it was anticipated there would be a report from Raftelis at this month's meeting and an audit report in January. He expressed displeasure with MWD's response regarding the rate model not being accessible to the public when it was paid for by the public. Discussion followed.

**B. Communications Committee**

1. October 5, 2017 Minutes

Director Hamilton reported at the November meeting David Shinn resigned from his recent appointment to the committee due to unexpected changes in his work schedule. He stated the committee was working on billing envelope snipes, reviewing the 2018 calendar, as well as looking on the ratepayer tour program. Ms. Washburn passed along ratepayer, Bill Hitt's recent compliment at how pleased he was with the information provided in the recent newsletter pertaining to understand the water rates and billing breakdown. Discussion ensued.

**C. Engineering Services Committee**

Mr. Kennedy reported the committee members participated in a tour of the new bridge. Discussion followed regarding RMWD looking at opportunities for using this same type of infrastructure at other facilities.

***President Brazier called for a break at 2:46 p.m.***

***The meeting reconvened at 2:58 p.m.***

**BOARD INFORMATION ITEMS**

**10. EAM MILESTONE REVIEW**

Mr. Kennedy gave a presentation on the EAM program since its implementation in 2016. He gave attention to processes that have been improved in order to save staff time which in turn provides better efficiencies to the customers as well as a savings to the District. He demonstrated the details and charts the software produces.

Mr. Kennedy introduced Ruben Lopez from RMWD's Wastewater Department. Mr. Lopez demonstrated for the Board how a work request is created utilizing an iPad. Mr. Kennedy pointed out this is useful when crew members are out in the field and notice there may be something that needs to be addressed or scheduled for work. He explained with this system crew members can notify the appropriate RMWD personnel something may need attention so that the matter can be reviewed and scheduled for work accordingly.

Director Mack asked if other agencies were utilizing a system such as this. Mr. Kennedy explained there are other agencies using similar programs; however, RMWD was most likely further along than most. Director Mack inquired as to whether RMWD considered being recognized for the creation and implementation of these programs integrating. Mr. Kennedy replied he did give a presentation earlier this year; however, RMWD has not been formally recognized.

Discussion continued regarding the time and efforts involved with the creative integrating of these software programs and how they are utilized.

Mr. Kennedy pointed out the data provided by the EAM program will greatly assist with the condition assessments going forward.

**BOARD ACTION ITEMS**

**\*11. DISCUSSION AND POSSIBLE ACTION TO APPROVE AGREEMENT CONSENTING TO SEWER CONNECTION FEE CHARGES AND TO THE EXCHANGE OF LOT 25 FOR CAPACITY CREDIT BY AND BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND DEVELOPMENT SOLUTIONS BON, LLC**

Mr. Kennedy pointed out this item was to finalize the agreement so the development can be completed.

(\* ) - Asterisk indicates a report is attached.

**Motion:**

**Approve Option 1 - Approve the Agreement Consenting to Sewer Connection Fee Charges and to the Exchange of Lot 25 for Capacity Credit By and Between Rainbow Municipal Water District and Development Solutions Bon, LLC. Also, authorize General Manager and General Counsel to make minor revisions as needed before execution of the agreement.**

**Action: Approve, Moved by Director Hamilton, Seconded by Director Stewart.**

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

**Ayes: Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.**

**\*12. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE UPDATED WARNER RANCH WATER SUPPLY ASSESSMENT (WSA)**

Mr. Kennedy stated staff wanted the updated Water Supply Assessment and approved by the Board.

**Motion:**

**Approve Option 1 - Approve the Updated Warner Ranch Water Supply Assessment.**

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

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

**Ayes: Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.**

**\*13. DISCUSSION AND POSSIBLE ACTION TO RENEW THE SEWER PERMIT APPLICATION FOR BEAZER HOMES HOLDING CORP.**

Mr. Gerdes explained was for an extension to allow enough time to complete the Sewer Service Agreement.

**Motion:**

**Approve Option 1 - Approve a six-month extension to the Agreement to Acknowledge and Defer Sewer Connection Fee Charges between Rainbow Municipal Water District and Beazer Homes Holding Corporation for Pala Mesa Highlands, TM 5187-1 and direct Staff to prepare a Sewer Service Agreement, including said fee payment acknowledgement, for subsequent Board consideration.**

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

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

**Ayes: Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.**

**14. PROJECT UPDATE AND DISCUSSION AND POSSIBLE ACTION TO APPROVE A CHANGE ORDER FOR THE MOOSA CREST WATERLINE EMERGENCY REPAIR PROJECT**

Mr. Kennedy explained the designer told RMWD there was a mistake on the expansion joint that needs to be changed. He clarified the engineering firm will be paying RMWD by check for the cost of this fix.

***Motion:***

***Approve Option 1 - Approve the change order amounting in \$24,507.00 to complete the project construction.***

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

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

***Ayes: Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.***

**\*15. DISCUSSION AND POSSIBLE ACTION TO APPROVE WATER AND SEWER CONSTRUCTION AGREEMENT FOR THE PALOMAR NORTH EDUCATION CENTER WATER AND SEWER IMPROVEMENTS**

Mr. Gerdes explained the current sewer line goes under the freeway east and then south to Highway 76. He stated this Water and Sewer Construction Agreement compiles all the past agreements together. He noted the agreements have been reviewed by all parties including District's Counsel. He said the agreement was being signed Palomar College for signature.

Mr. Kennedy added Mr. Gerdes' experience allowed for a more detailed look at the contracts to make sure all the District's bases were covered. Mr. Gerdes talked about experience he had with this type of project in San Marcos.

***Motion:***

***Approve Option 1 - Approve the Water and Sewer Construction Agreement pending Palomar College approval/signature and allow construction to proceed.***

***Action: Approve, Moved by Director Stewart, Seconded by Director Gasca.***

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

***Ayes: Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.***

**16. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

There were no requests.

**\*17. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

**A. General Manager Comments**

1. Meetings, Conferences and Seminar Calendar

**B. Communications**

1. Staff Training Reports

(\*) - Asterisk indicates a report is attached.



- C. Operations Comments**
  - 1. Operations Report
- D. Engineering Comments**
  - 1. Engineering Report
- E. Customer Service Comments**
  - 1. Customer Service Report
- F. Human Resource & Safety Comments**
  - 1. Human Resources Report
- G. Finance Manager Comments**
  - 1. Interim Financial Statement
  - 2. Credit Card Breakdown
  - 3. Directors' Expense
  - 4. Check Register
  - 5. Water Sales Summary
  - 6. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Kennedy referenced Item #17F1 noting the benefits of hiring an in-house right-of-way position as opposed to contracting out for these services. He explained the importance of moving forward on getting this position filled as quickly as possible.

Mrs. Harp reported the purchasing position she posted last week has received more than 90 applications. Discussion followed regarding the applicant evaluation process.

***Motion:***

***To receive and file information and financial items.***

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

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

***Ayes: Director Brazier, Director Hamilton, Director Mack, Director Stewart, Director Gasca.***

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

It was noted there would be some resolutions for the updated purchasing position as well as benefit plans on the January meeting agenda.

Director Stewart noted he has provided the information for him to properly conference into the January 10, 2018 Special Board meeting.

**19. ADJOURNMENT - To Wednesday, January 10, 2018 at 1:00 p.m.**

***The meeting was adjourned with a motion made by President Brazier to a Special Board meeting on January 10, 2018 at 1:00 p.m.***

The meeting was adjourned at 4:09 p.m.

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**Helene Brazier, Board President**

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**Dawn M. Washburn, Board Secretary**

(\*) - Asterisk indicates a report is attached.