

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MARCH 28, 2017**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on March 28, 2017 was called to order by President Brazier at 1:00 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, Administrative Analyst Gray, Associate Engineer Powers, Engineering Manager Kirkpatrick, Finance Manager Martinez, Human Resources Manager Harp, Operations Manager Milner, Superintendent Walker, Superintendent Zuniga.

One member of the public was present for Open Session.

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.

*6. **APPROVAL OF MINUTES**

A. February 28, 2017 - Regular Board Meeting

Motion:

To approve the minutes as written.

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

Director Gasca pointed out his name was misspelled on Page #12 of the agenda packet.

Director Stewart amended his original motion.

(*) - Asterisk indicates a report is attached.

Motion:

To approved the minutes as amended.

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

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

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

7. 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

A. "MWD's Fiscal Practices and the Impact on Southern California Ratepayers"

Mr. Kennedy talked about the Metropolitan Fiscal Practices provided in the agenda packet. He mentioned staff was working to have the General Manager of MWD address the RMWD Board at a future meeting.

2. CSDA

Mr. Kennedy reported on the correspondence between RMWD and the Little Hoover Commission including a response letter from the Commission's Chair, Pedro Nava, basically thanking Mr. Kennedy for outlining the problems the special districts have with Mr. Barnett's concepts. He offered to provide copies of the response letter to the Board. He mentioned he and Jo MacKenzie will be meeting Mr. Barnett for lunch to discuss these concerns further.

3. LAFCO

There was no report given.

4. San Luis Rey Watershed Council

Director Stewart reported the meeting dates and locations have changed without notifying him or RMWD; however, Ms. Washburn was diligently working to get the updated information as well as getting the correct names on the mailing list so he can attend the next meeting.

5. Santa Margarita Watershed Council

Director Hayden reported the next meeting will be April 18, 2017.

(*) - Asterisk indicates a report is attached.

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

Mr. Kennedy reported on the WaterUse Conference he attended. He briefed the Board on those items important to RMWD in terms of impacts and benefits. He noted this may be added to the list of memberships included in the RMWD Membership/Subscriptions Policy.

Director Gasca reported on the recent Council of Water Utilities meeting. He noted there was discussion regarding the Cal State San Marcos Certificate program with surrounding agencies.

D. Directors Comments

Director Mack thanked Ms. Washburn for arranging for the corporate pictures taken earlier today.

Director Stewart commented on the several main line breaks in his residential area and the significant costs involved spent since April in time, manpower, and equipment. Mr. Kennedy asked Mrs. Kirkpatrick to look at this residential area to see what can be done to assist with this recurring problem.

Director Hamilton thanked Mr. Kennedy for taking the new Board Members on a tour of the District to provide them with a better understanding of RMWD.

Director Gasca talked about a conversation he had with a RMWD customer, Bob Coleman, who spoke very highly of RMWD staff. He noted the customer agreed to write a letter to the District regarding how pleased he was with District staff during some recent repair job. He also recommended staff consider utilizing the "Next Door" Bulletin Board for posting information.

E. Legal Counsel Comments

1. Attorney Report: Public Records Act (501668-0002)

Mr. Smith mentioned the report provided was an update to the report provided at the last Board meeting. He stated the court considered privacy concerns and provided suggestions for each agency's use in implementing their own individual policies. He pointed out any employee or elected official conducting District business on their private cell phones must send a copy of those emails to their District email address.

Mr. Kennedy explained some of the regulations the District is currently implementing. He also mentioned the recent Public Records Request being circulated to RMWD as well as other local agencies. He told the Board they will have RMWD emails provided to them soon to assist with conducting District business.

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

A. Budget and Finance Committee

1. February 14, 2017 Minutes

Mr. Stitle reported the Committee hopes to have the final audit report at the next meeting at which time the committee will conduct a review of the document and make a recommendation to the Board for their consideration.

Discussion ensued regarding the Springbrook software.

(*) - Asterisk indicates a report is attached.

B. Communications Committee
1. February 6, 2017 Minutes

Director Hamilton reported the Committee discussed public relations opportunity within the community and brainstormed ideas for renaming some of RMWD's facilities. Mrs. Gray reported RMWD has received approval for a spot at the Fallbrook Avocado Festival on April 23, 2017. Director Hamilton also mentioned the Committee reviewed the new billing statement and provided staff with input on what information would be helpful, and talked about the self-audit program at the local schools.

Mrs. Gray reported on the self-audit presentations given at the schools.

Director Hamilton noted the Committee was waiting to hear back from Legal Counsel regarding RMWD providing services to senior citizens. He stated he has recently been contacted by two customers asking for this exact type of assistance. Discussion ensued regarding whether RMWD could legally provide this type of service.

C. Engineering Services Committee
1. February 1, 2017 Minutes

Mrs. Kirkpatrick reported the Committee discussed the preliminary studies being conducted on RMWD's headquarters flood way and flood plain to figure out how much property is worth and where it is buildable. She added discussions included condition assessment for which Committee Members Mick Ratican and Harry Stille volunteered to review proposals, a second review of the proposal Administrative Code changes before the Board at this meeting for consideration, and the review of Indirect Potable Reuse Project alternatives were reviewed.

BOARD ACTION ITEMS

***9. CONSIDER APPROVAL OF A MASTER SALES AGREEMENT WITH ITRON INC FOR THE PROCUREMENT OF ADVANCED METERING INFRASTRUCTURE (AMI) METER READING HARDWARE, SOFTWARE, AND IMPLEMENTATION SERVICES FOR A PILOT PROJECT TO DEMONSTRATE FEASIBILITY OF AN AMI SYSTEM THAT WOULD OPERATE USING SAN DIEGO GAS AND ELECTRIC'S METER NETWORK**

Mr. Kennedy gave a presentation providing detailed information in terms of the contractual negotiations process, potential challenges, the proposed contract terms reached by both parties, and the next steps to be taken. He talked about the low upfront costs would be recovered by the significant long-term savings to the District.

Director Gasca inquired as to the timeframe for getting the pilot ready. Mr. Diaz reported SDG&E was waiting on information to be provided by ITRON.

Director Stewart pointed out SDG&E must resolve any issues prior to proceeding.

Director Gasca asked staff if locations have been identified for the end points. Mr. Kennedy provided a map of the areas staff has pre-selected noting these areas are the most complicated which was exactly what SDG&E suggested. Discussion followed.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy reported the pilot will run at least ninety days or until both RMWD and SDG&E are comfortable with the results.

Director Stewart asked for the cost involved with the full roll out of this project. Mr. Kennedy stated it would cost approximately \$2M; however, the future savings will be substantial to the ratepayers.

Director Mack inquired as to the costs involved and whether they include both hardware and software. Mr. Diaz explained there would not much cost associated with hardware; however, there will be a need to upgrade software and required training. Director Mack asked about annual and software upgrade costs. Mr. Diaz stated annual costs would be approximately \$3,500. Mr. Kennedy explained normally when paying annual license fees, upgrades are provided for free. It was confirmed the \$2M does include labor. Discussion ensued regarding the comparison in cost between this program and having to install towers.

Motion:

Approve the contract with Itron as presented subject to the revision of the contract's implementation cost.

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

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

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

10. CONSIDER ESTABLISHMENT OF BOARD OF DIRECTORS AD-HOC COMMITTEE FOR THE PURPOSE OF FACILITATING LABOR NEGOTIATION PROCESS

Mr. Kennedy noted as a means of streamlining the negotiations process, staff wanted to see if the Board was open to the concept of establishing an ad-hoc committee consisting of the Board Members. He clarified the information exchanged with the ad-hoc committee would be more policy involved as opposed to details. He pointed out there are only two Board meetings scheduled to be held prior to the expiration of the MOU's; therefore, this would be a way to expedite the process.

Director Stewart stated he was open to establishing a Board ad-hoc committee to demonstrate to the employees the Board was working diligently to complete this process.

President Brazier appointed Directors Mack and Hamilton would be appointed to the serve on the ad-hoc committee and Director Gasca would serve as the alternate. Mr. Kennedy pointed out these meetings would not be in violation of The Brown Act requirements and would be closed meetings due to there only being two Board Members present at any one time.

There was no action taken.

***11. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT FOR THE DEVELOPMENT OF A CONDITION ASSESSMENT PROGRAM FOR WATER FACILITIES**

Mrs. Kirkpatrick pointed out the latest Master Plan found a need for RMWD to develop a Condition Assessment Program. She explained the program RMWD was seeking would expand beyond the typical services provided to support developing a long-term rehabilitation program. She talked about the proposals received which were reviewed by two members of the RMWD Engineering Services Committee.

Mr. Kennedy added HDR was the most receptive to the terms set by RMWD. He talked about using failure rate models to calculate both the financial and staffing impacts.

Discussion ensued regarding the details of the condition assessment program works.

Director Stewart stated this was a very reasonable investment in knowledge.

Motion:

Authorize General Manager to enter negotiations with HDR and execute a professional services contract for a price not-to-exceed \$99,297.

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.

***12. DISCUSSION AND POSSIBLE ACTION TO APPROVE PURCHASE OF KNOTTWOOD WAY PRESSURE REGULATING STATION**

Mrs. Kirkpatrick explained the proposed site where two roads do not connect. She stated the County and Sycamore Ranch is working on getting a bridge built the County will tie into. She noted RMWD has two water lines that end on either side of the tributary. She gave a presentation showing various pressure station styles.

Director Hamilton inquired as to whether RMWD can require a specific type of pressure station style to be constructed during development. Mrs. Kirkpatrick noted the RMWD Standards and Specifications provides for an approved list of pressure station types and that staff reviews the plans prior to development going forward. Discussion ensued regarding how the requirements may vary depending on the site location; however, there may be an opportunity to replace the red box pressure stations in purchased in bulk.

Motion:

Authorize General Manager to purchase pressure reducing station from Engineering Fluid Inc. for \$59,273.00.

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

(*) - Asterisk indicates a report is attached.

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 AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE ROBERT A. WEESE FILTRATION PLANT INTERCONNECT**

Mrs. Kirkpatrick noted the site of the facility and how during SDCWA shutdowns, RMWD's operations staff sets up a temporary pump at the Gopher Tank to pump water out of Weese. She explained how much cost and labor is involved with this process and how the proposed project would make permanent facilities.

Mr. Kennedy stated RMWD was currently waiting for response from the City of Oceanside regarding the amount of water they may have for RMWD to purchase. He noted should the City of Oceanside not agree to sell water to RMWD or the costs continue to rise, the District will most likely not proceed with construction of this project because the return on investment will not show the right return. He pointed out before being able to make an informed decision, the design must be completed first.

Director Hamilton asked how much RMWD pays on average annually for the temporary pumps. Mr. Kennedy replied \$25,000, noting the reason for the pumps is due to the fact SDCWA cannot hydraulically get the water to RMWD.

Director Gasca inquired as to how long before RMWD would reach the break-even point. Mr. Kennedy said although it depends on how much water the District purchases, he estimates it to be approximately eighteen months.

Discussion ensued regarding the potential for an additional water source.

Motion:

Authorize staff to award a Professional services contract to IEC to provide design services for the Robert A. Weese Filtration Plant Interconnect not to exceed \$186,272.

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

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

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

***14. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 17-02 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 6 – ENGINEERING, TITLE 8 – WATER AND TITLE 9 – SEWER**

Mrs. Kirkpatrick noted some of the proposed changes involved bringing engineering related topics from Title 8-Water and Title 9-Sewer into the Title 6-Engineering section. She pointed out redundancies were removed, changing of position titles, as well as fines for water theft and relocating temporary construction meters were also part of the proposed changes.

Mr. Kennedy explained part of this process was to make it easier to find information easier within the Administrative Code for reference, enforcement, and training purposes. He added as further review the Administrative Code continues, there may be other amendments.

Mr. Kennedy thanked both Mrs. Kirkpatrick and Ms. Washburn for their hard work and the great deal of time they spent working on this project.

Director Stewart inquired about customers having to hire a licensed contractor to install water service. Mrs. Kirkpatrick explained although this was practice, it was unclear in the Administrative Code.

Discussion ensued regarding future updates to the sewer section of the Administrative Code.

Motion:

Approve Ordinance No. 17-02.

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

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

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

Director Stewart excused himself from the meeting at 3:31 p.m.

***15. CONSIDER A PROFESSIONAL SERVICES AGREEMENT WITH INFOSEND, INC., FOR DOCUMENT PRINTING AND MAILING SERVICES OF UTILITY BILLS**

Mrs. Martinez noted this item was to seek approval for a Professional Services Agreement with InfoSend, Inc. for document printing and mailing services for RMWD utility bills. She mentioned some of the customer complaints RMWD has received mostly regarding the delay in receiving their bills. She pointed out another local agency utilized InfoSend, Inc. and has provided RMWD with a high recommendation. She concluded by explaining should the Board approve the agreement, implementation of services with InfoSend, Inc. would be June 1, 2017.

Discussion ensued regarding the transition process.

Motion:

Authorize the General Manager to execute an agreement in a form approved by the District's Counsel with Infosend, Inc. for the printing and mailing of the District's Utility Bills.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Absent: Director Stewart.

(*) - Asterisk indicates a report is attached.

***16. APPROVAL OF RESOLUTION NO. 17-11 ESTABLISHING CHECK SIGNING AUTHORITY**

Motion:

Approval Resolution No. 17-11.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Absent: Director Stewart.

***17. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 17-10 AUTHORIZING THE GENERAL MANAGER OR DESIGNEES TO EXECUTE STATE OFFICE OF EMERGENCY SERVICES AND/OR FEDERAL EMERGENCY DOCUMENTS AND RELEVANT PERMIT APPLICATIONS FOR PRESENT AND FUTURE DISASTER RELIEF APPLICATIONS**

Mr. Kennedy pointed out to receive free grant emergency funding due to the damage caused by the recent storms hitting the area, these documents and applications must be completed. He provided an update on the extreme damage caused to the Moosa Creek pipeline and steps staff has taken to address this matter including discussions with outside resources. He stated a report would be provided to the Board each month on this emergency matter.

Mrs. Harp pointed out the deadline to apply for any reimbursement for cost associated with the January storms is April 11, 2017. She also noted this resolution authorizes the General Manager or his designees to sign those application forms for reimbursement for three years; therefore, should any future events occur, RMWD would be able to apply for that reimbursement.

Motion:

Approve Resolution No. 17-10. (Correction: This item was to consider approval of Resolution No. 17-12 (not Resolution No-17-10) per Option 1 of Action Letter and Resolution provided in original March 28, 2017 Board Meeting agenda packet. The intent of the Board was to approve Resolution No. 17-12 as presented.)

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Absent: Director Stewart.

(*) - Asterisk indicates a report is attached.

18. DISCUSSION AND POSSIBLE ACTION REGARDING RMWD BOARD MEMBERS AND GENERAL MANAGER ATTENDING THE CSDA SPECIAL DISTRICT LEADERSHIP ACADEMY IN JULY 2017

Mr. Kennedy talked about how part of the Strategic Plan was to achieve the District of Distinction Accreditation and the various options for meeting the requirements. He noted he and Director Brazier have already met their requirements. He explained this was an opportunity for the remaining Board Members to decide how they would like to achieve this accreditation, including attending upcoming workshops or participating in on-demand webinars.

The meeting adjourned for a break at 3:50 pm.

The meeting reconvened at 4:00 p.m.

Discussion ensued regarding timeframes and the available options.

Directors Brazier, Gasca, Hamilton, and Mack stated they would be interested in participating in the webinars once they become available.

Motion:

To defer this item to the next meeting.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Absent: Director Stewart.

***19. CALIFORNIA SPECIAL DISTRICTS ASSOCIATIONS (CSDA) CALL FOR NOMINATIONS SEAT C**

Mr. Kennedy stated if any of the Board Members are interested in serving on the CSDA Board of Directors, they would need to submit a nomination package to CSDA by May 19, 2017. He explained the commitment involved with this role and some benefit it could be to RMWD.

Motion:

To support the nomination of Director Michael Mack.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Absent: Director Stewart.

(*) - Asterisk indicates a report is attached.

BOARD INFORMATION ITEMS

***20. QUARTERLY STRATEGIC PLAN OBJECTIVES AND GOALS UPDATE**

Mr. Kennedy gave a presentation on the objections and goals updates provided in a handout.

Director Gasca expressed concern the plan lacks mentioning what the Board could do to assist with implementing and achieving the goals. Discussion ensued regarding community outreach opportunities.

Mr. Kennedy stated the staffing analysis and strategic plan objectives will be discussed at the April Board meeting.

***21. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR FEBRUARY/MARCH 2017**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Ratepayer Letters
2. Staff Training Reports

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 talked about sewer damage caused by a root block in the line belonging to another residence. He stated although the claim has not been completed, RMWD will be arranging hotel accommodations and proper clean-up crew to assist the customer with the inconvenience.

Motion:

To receive and file information and financial items.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Absent: Director Stewart.

(*) - Asterisk indicates a report is attached.

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

It was noted the Strategic Plan objectives, District of Distinction Accreditation, emergency update, staffing analysis, MOU negotiations, and potential claim will be on the next agenda. Ms. Washburn pointed out the annual Rainbow Public Facilities Corporation meeting will also need to be conducted in April.

Director Gasca notified the Board he will miss the April 25, 2017 meeting.

Mr. Kennedy announced he will miss the May 23, 2017 meeting.

Director Mack mentioned he will miss the June 27, 2017 meeting.

23. ADJOURNMENT - To Tuesday, April 25, 2017 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Hamilton and seconded by Director Mack to a regular meeting on April 25, 2017, at 1:00 p.m.

The meeting was adjourned at 5:08 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary