

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
MAY 3, 2023**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on May 3, 2023, was called to order by Chairperson Nelson at 3:31 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Nelson, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Brazier (*arrived via teleconference at 3:40 p.m.*), Member Johnson, Member Marnett, Member McKesson, Member Nelson.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Engineering and CIP Program Manager Williams, Information Technology Manager Khattab.

Absent: Member Gasca.

Also Present Via Teleconference or Video Conference:

Alternate Largent, Operations Manager Gutierrez, Senior Project Manager Tamimi, Human Resources Manager Harp, Administrative Analyst Barrow, Administrative Analyst Rubio.

One member of the public was present in person, via teleconference or video conference.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

There were no members of the public present; therefore, the instructions were not read aloud.

5. **SEATING OF ALTERNATES**

No alternates were seated.

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

There were no amendments to the agenda.

7. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

There were no comments.

***8. APPROVAL OF MINUTES**

A. April 5, 2023

Mr. McKesson inquired as to the expectations for Board Members attending committee meetings. Mr. Kennedy explained one Board Member may be appointed to serve on a committee; however, after three unexcused absences by any members, their membership may need to be reconsidered.

Motion:

Action: Approve, Moved by Member McKesson, Seconded by Member Marnett.

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

Ayes: Member Johnson, Member Marnett, Member McKesson, Member Nelson.

Absent: Member Brazier, Member Gasca.

9. GENERAL MANAGER COMMENTS

Mr. Kennedy talked about SDCWA's proposed rate increases including one of SDCWA's most recent indirect proposals. He pointed out how the delay in SDCWA setting their rates is impacting member agencies trying to prepare their budgets. He shared details related to SDCWA's proposed rate mitigation techniques. He mentioned SDCWA's General Manager announced June 29, 2023 as her retirement date.

Member Brazier joined the meeting at 3:40 p.m.

Mr. Kennedy announced the Bonsall Rotary Wine Brews and Blues Festival will take place on Saturday, May 6, 2023 for which tickets were still available for sale should anyone be interested in attending.

10. ENGINEERING AND CIP PROGRAM MANAGER COMMENTS

Mr. Williams deferred his comments to the agenda items.

11. OPERATIONS MANAGER COMMENTS

Mr. Gutierrez shared with the committee what was learned at the conference he and RMWD's senior mechanic attended related to electrifying vehicles. He stated although this regulation may not be as bad as perceived, it was still moving forward and would impact RMWD. Discussion ensued.

Mr. Gutierrez said he will prepare a presentation for next month's committee meeting.

12. COMMITTEE MEMBER COMMENTS

Mr. Marnett mentioned the weed abatement team completed the outside of the fence around the tank near his residence and did a good job. He also noted the installation of fencing protecting the spiral staircase at the tank was completed; however, it was less than desirable aesthetically.

Discussion went to Item #14.

13. BOARD ACTION UPDATES

Mr. Williams reported that the Board approved the quitclaim for the Campus Park West project.

Discussion returned to Item #12.

14. SAN LUIS REY GROUNDWATER STUDY UPDATE (GENERAL MANAGER)

Mr. Kennedy noted there were two primary options under consideration; one being RMWD build its own treatment facility and then run a brine line out to the ocean outfall and the other where RMWD pumps out the raw water and partner with the City of Oceanside to have treated at their Mission desalter facility. He pointed out the second option would be the cheaper of the two; however, it was still quite expensive.

Mr. Kennedy talked about another method brought forward that would be pretty close to what SDCWA rates would be in 2024. He mentioned he expressed his concerns to two City of Oceanside staff members. He said it may be advisable to take a good look at the new information to be provided to ensure RMWD was not making any unreasonable assumptions.

Mr. Kennedy reported RMWD made it through the first round of committees for earmarked funds for wastewater to help with this project. He pointed out if RMWD were to proceed on its own, the cost would be enormous; however, the final decision will be that of the Board of Directors.

Mr. Kennedy stated updates will continue to be provided to this committee following the upcoming planned workshops.

Mr. Nelson noted there are a few factors that sit on the dimming side of his enthusiasm for this project. He said after looking at some of the potential projections, the economics are more compelling to not proceed if the cost of groundwater is significantly higher than the cost of anything RMWD could project receiving in the future. He also stated he has dealt with a number of long-range projects in the past and has never had an engineer of record bring him an estimate with a 50% contingency.

Ms. Johnson inquired as to why they would be using 50%. Mr. Nelson stated his thought was that it was due to their not having an idea as to what the costs may be. He asked if any of the more major consultants have any business with SDCWA. Mr. Kennedy answered that he was aware. Discussion ensued.

Ms. Johnson asked if Mr. Kennedy would have an opportunity to attend sessions and collaborate with others while attending the 2023 ACWA Spring Conference dealing with this type of situation. Mr. Kennedy said he will have plenty of opportunity to speak with others. Discussion followed.

Ms. Johnson asked if RMWD's grant specialist was actively looking into grants and funding from the State of California. Mr. Kennedy answered Ms. Kim was looking into both; however, getting money from the State was very challenging and may take a long time.

Mr. Nelson suggested another option may be to pay a small stipend to a company that has already done this type of work to review the study should Hoch be unable to satisfy RMWD's concerns and questions, especially the 50% contingency.

15. DETACHMENT UPDATE (GENERAL MANAGER)

Mr. Kennedy announced LAFCO will be conducting the hearing on June 5th and how it was available to attend in person or virtually. He noted the report released contains five options for which he shared details. He mentioned should LAFCO not make a final decision at their June 5th meeting it will be continued to August unless a special meeting is called in July.

Mr. McKesson asked whether the \$23M net separation fee would be for both FPUD and RMWD. Mr. Kennedy confirmed noting RMWD's portion would be approximately \$15M-\$16M. Mr. McKesson asked how much this would equate to over five years for the typical ratepayers. Mr. Kennedy stated approximately \$27.00 per month. Ms. Johnson pointed out this information would be helpful to have available should a similar question be raised at the upcoming Town Hall Meeting. Discussion ensued.

Ms. Johnson recommended staff start thinking of some of the questions the public may ask as part of the advance planning preparations. She stressed this will be critical of the perception of the public when the matter goes to a vote. Mr. Kennedy agreed; however, RMWD must be very careful to share information and facts, but not advocate.

*16. ENVIRONMENTAL PROPOSAL (ENGINEERING)

Mr. Williams stated the District put out a Request for Proposals for continuing on-call as-needed assignments to which two of the existing firms did not respond. He reported three firms did respond, including Helix Environmental. He said after reviewing the three proposals, it was the staff's recommendation to award two of the three firms that proposed. He explained the reason this was not being awarded to all three is that it seemed the staff resumes provided did not quite meet that which RMWD was seeking. He noted although staff did not receive any comments or scores from the committee members, he would be happy to answer any questions they may have.

Mr. McKesson asked for clarification that the contract would be for \$100,000 for each. Mr. Williams confirmed it was \$100,000 per firm, but not to exceed \$200,000.

Mr. Nelson inquired as to whether the staff had conducted an analysis showing two firms were necessary. Mr. Williams explained the benefits of having two firms, including potential savings. Mr. McKesson stated he believes in having two firms to mitigate a single point of failure.

Mr. Williams pointed out the contracts would be for three years as well as explained what steps are taken when a need for environmental services is deemed necessary. He also confirmed RMWD was under no obligation.

Motion:

To recommend the Board to select Staff Recommendation Option 1 – Authorize the General Manager to execute two (2) Professional Services Agreements in the amount of \$100,000 each to Helix and RECON and make a determination that the action defined herein does not constitute a “project” as defined by CEQA.

Action: Approve, Moved by Member Johnson, Seconded by Member McKesson.

Vote: Motion passed by roll call vote (summary: Ayes = 4, Noes = 0, Abstain = 1, Absent = 1).

Ayes: Member Johnson, Member Marnett, Member McKesson, Member Nelson.

Abstain: Member Brazier.

Absent: Member Gasca.

***17. CONSTRUCTION MANAGEMENT PROPOSAL (ENGINEERING)**

Mr. Williams reported the District had two existing firms, one of which was non-responsive. He mentioned Harris & Associates contacted him to say they preferred focusing on the as-needed civil services going forward which was unfortunate because they provided backup for RMWD's senior inspector when necessary. He stated staff receive a much bigger recipient pool with nine proposals of which three were selected based on the scoring. He pointed out this would be for a three-year contract not to exceed \$100,000 for each.

Mr. McKesson inquired how much has been spent on these services in the past. Mr. Williams explained these services were utilized as overlap for RMWD's one senior inspector. He reported over the last three years \$133,000 was spent on Harris & Associates' services over the past three years.

Ms. Johnson asked why three firms were selected when the third was significantly lower in score than the top two. Mr. Williams stated he was not part of this process; however, the staff members involved with reviewing the proposals liked the third one. Mr. Kennedy stated he preferred not to add more to Hoch's workload due to the work they are already doing on behalf of RMWD.

Mr. McKesson inquired as to whether the line was drawn at three due to the full budget ask being \$300,000. Mr. Williams explained the Request for Proposal stated it would be \$100,000 for up to three years, which the finance team confirmed RMWD could support. He pointed out should this Board accept this contract in May, a task assignment will be issued for the backup inspection services when RMWD's senior inspector is out of the office.

Mr. Nelson asked for clarification as to the need to provide backup for the senior inspector. Discussion ensued.

Mr. Nelson stated for the record when RMWD started down this path of as-needed consultants, he was in favor of such because he had a view of it that RMWD would use these primarily to hire specialized expertise that were not maintained in-house and would be uneconomical to maintain in-house. He expressed concern that RMWD has essentially used as-needed consultants to completely replace its engineering capacity with no plans to hire engineers in the foreseeable future. He said he believes RMWD needs to retain a certain amount of corporate capability in order to do what it is supposed to do on behalf of the ratepayers. He stated there was no formula, human resources analysis, etc. that would ever prove to him it was cheaper to hire consultants at their generally exorbitant rates than it is to hire employees. He implored RMWD to develop some type of in-house corporate capability noting he was concerned with the engineering department being completely devoid of engineers and that these as-needed contracts have evolved as a tool to replace RMWD engineering department. He concluded noting he will vote in favor of this item; however, he wanted to make this plea.

Ms. Johnson asked whether this matter could be delayed allowing for the Budget and Finance Committee to discuss the possibility of looking into hiring an engineer. Mr. Nelson said he appreciated Ms. Johnson's comments; however, in the end, he believes the Board expects staff to present whatever is in the best interest of the ratepayers. He explained he was merely

expressing a contrarian view to what staff believes. He said although there has been involvement with the process of updating and modernizing the internal working procedures in the engineering department, he was wary of this volunteer citizens committee attempting to dictate to the staff and general manager precisely in great detail how they run the department. He clarified he was merely expressing his concern.

Mr. Kennedy clarified it was his vision as to how this was rolling out and explained the reasoning for such. He pointed out the next general manager may have a different vision.

Discussion took place regarding how many partial engineers were necessary to cover RMWD's needs.

Ms. Johnson stated she appreciated the conversation.

Mr. Marnett said he was in total agreement with Mr. Nelson. He expressed concern RMWD may get burned in the future by not having staffed engineers to review and check on things in greater detail than that of a manager. He noted it has worked so far for RMWD due to Mr. Kennedy's personal engineering knowledge. Mr. Kennedy pointed out this may be partially true, but Mr. Williams has over two decades of experience in this field. He concluded with noting that although this may change in the future, it may be a good time to take a tactical pause at least until a decision has been made about the detachment.

It was noted this item was related to construction management and inspection, not engineers.

Motion:

To recommend the Board adopt Staff Recommendation Option 1 - Make a determination that the action defined herein does not constitute a "project" as defined by CEQA and authorize staff to award three (3) Professional Services Agreements in the amount of \$100,000 each to Acrostic CM, Ardurra, and Valley CM.

Action: Approve, Moved by Member McKesson, Seconded by Member Johnson.

Vote: Motion passed by roll call vote (summary: Ayes = 4, Noes = 1, Absent = 1).

Ayes: Member Johnson, Member Marnett, Member McKesson, Member Nelson.

Noes: Member Brazier.

Absent: Member Gasca.

18. NOTICE OF COMPLETION AND ACCEPTANCE OF INFRASTRUCTURE FOR SUMAC COMMUNICATION TOWER PHOTOVOLTAIC AND BACK-UP BATTERY SYSTEM DESIGN-BUILD PROJECT (DIVISION 4) (ENGINEERING)

Mr. Khattab shared a presentation noting the location of the communications tower, its importance relative to RMWD's SCADA systems and fire, as well as the solution to the problems experienced prior to installation of the back-up battery system.

Mr. Williams noted the \$300,000 was spread over six different projects and how this one includes a three-year maintenance contract.

Mr. Khattab described the design-build delivery method mentioning some of the highlighted results. He continued with the presentation showing pictures of the sites as he shared information related to each of the system sites. He noted the main concern was to have 100% backup for seven days.

Mr. Nelson stated he was very pleased with the manner in which this project was handled.

Motion:

To recommend the Board approve Staff Recommendation Option 1 – Accept the Sumac Communications Tower Photovoltaic and Back-Up Battery Design-Build Project as complete and as shown on the approved plans, approve Filing the Notice of Completion, add installation costs of \$170,635.39 to the District’s valuation, and make a finding that the action herein does not constitute a “project” as defined by CEQA.

Action: Approve, Moved by Member Nelson, Seconded by Member Brazier.

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

Ayes: Member Brazier, Member Johnson, Member Marnett, Member McKesson, Member Nelson.

Absent: Member Gasca.

Member Johnson excused herself from the meeting at 5:33 p.m.

***19. AS-NEEDED SERVICES EXPENDITURES SUMMARY**

Discussion took place.

20. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING

It was noted that the electric vehicle presentation as well as updates on the groundwater study and detachment should be on the next committee agenda.

21. ADJOURNMENT

The meeting was adjourned by Chairperson Nelson.

The meeting adjourned at 5:35 p.m.

Flint Nelson, Committee Chairperson

Dawn M. Washburn, Board Secretary