

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 4, 2018**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on December 4, 2018 was called to order by President Brazier at 11:36 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

Present: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Stewart (*arrived at 12:00 p.m.*).

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Associate Engineer Powers, Administrative Analyst Gray, Project Manager Johnson.

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

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

President Brazier suggested the appointment of treasurer state who the appointment will be on the agenda itself. She also recommended the words “discussion and possible action” be removed on future consent calendar items.

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 11:39 a.m.

5. **CLOSED SESSION**

- A. Conference with Legal Counsel–Anticipated Litigation (Government Code §54956.9(d)(2))
 - Five Items
- B. Consider Personnel Matter-General Manager Performance Evaluation (Government Code §54957)

6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

The meeting reconvened at 1:22 p.m.

(*) - Asterisk indicates a report is attached.

Legal Counsel reported the Board met in Closed Session to discuss multiple matters. He stated there were five items discussed under Item #5A and one under #5B with one reportable action which was the Board reaching a settlement on a claim filed by Dr. Faramarz Jamshidi regarding alleged property damage incurred as a result of a storm event. He noted the settlement agreement will be finalized shortly and will be available upon request.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #6.

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

President Brazier noted some language changes were suggested for the Consent Calendar items and the Finance Manager would be appointed as Treasurer under Item #17 if approved.

**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. EMPLOYEE RECOGNITIONS

A. Kyle Schilling (5 Years)

Mr. Kennedy mentioned Kyle Schilling has been with the District's construction department for five years. Mr. Schilling thanked everyone for the opportunity to work at such a great water district works and how since he resides in the area, he enjoys serving his local water community. Mr. Kennedy presented Mr. Schilling with a plaque and check in recognition of his service.

B. David Hill (20 Years)

Mr. Kennedy asked David Hill about his first job when hired at RMWD. Mr. Hill replied he was hired as the janitor/landscaper and was now the inspector noting how he has enjoyed working with the employees over the past twenty years. Mr. Kennedy presented Mr. Hill with a plaque and check in recognition of his service.

C. Ed Bradley (30 Years)

Mr. Kennedy asked Ed Bradley what RMWD was like thirty years ago. Mr. Bradley stated it was a little more "wild west" that long ago. Mr. Kennedy mentioned Mr. Bradley currently works as RMWD's main electrician and asked what things he has done throughout his time at the District. Mr. Bradley said he started as a meter reader, working on different valves, as well as helping other crews. He said one of the fun things about working for a smaller agency is the variety it provides. Mr. Kennedy thanked Ed Bradley for his thirty years of service as he presented him with a watch, plaque and check.

***12. APPROVAL OF MINUTES**

A. October 23, 2018 - Regular Board Meeting

Motion:

To approve the minutes as written.

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

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

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

13. 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 (President Brazier)

There was no report given.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting October 25, 2018

Mr. Kennedy referenced the summary report provided in the packet. He noted SDCWA gave Moosa Creek pipeline project contractor a \$350,000 change order due to water being hit when they were digging in the creek. He mentioned SDCWA did come up with some strategies to deal with their pension benefit issues. He said SDCWA indicated they entered into an agreement with Valley Center Municipal Water District and Yuima on their emergency ESP pump station project but would not start the CEQA process for RMWD's emergency ESP pump station until next year. He stated he did check with SDCWA and found RMWD has spent over \$17 Million on ESP facilities since 2004 to which the District does not have access.

2. CSDA

Director Mack thanked the Board for approving his attendance at the recent Legislative Committee meeting held in Sacramento in November that he was invited to as an applicant. He stated although he was not allowed to vote on matters, he was permitted to participate in the discussions. He noted one of the items discussed was giving guidance to CSDA by determining goals for them to achieve in 2019. He explained the process taken to arrive at the goals presented. He mentioned other discussions that took place including MWD obtaining customer information. He reported he was selected to serve on the Election and Bylaws Committee.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy shared information shared at the November CSDA Quarterly Dinner Meeting. He reported the he, Jim Peasley, and Rich Stevenson were re-elected to serve on the San Diego Chapter Executive Board.

3. LAFCO

Mr. Kennedy reported LAFCO will be seeking nominations for two Special District seats in the near future.

4. San Luis Rey Watershed Council

Director Stewart reported there were a series of meetings held a few months ago and how a great deal of time was spent on looking at the Administrative Code; however, the work on the draft has not yet been completed. He also shared the work being conducted related to researching grants. He suggested the Board give this information consideration when appointing their next Council representative.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton said he was looking forward to the meeting scheduled for January 2019.

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

1. Board Seminar/Conference/Workshop Training Attendance Requests and Reports

President Brazier reminded the Board Members to include the benefits to their District in their written reports following these events.

Director Gasca shared information from the written report he prepared as follow up to the oral report he provided at the October 23, 2018 RMWD Board meeting on the American Academy of Environmental Engineers and Scientists workshop he attended in October. He noted a copy of the briefing provided was available to be forwarded via email.

Director Mack reported on the 2018 ACWA Fall Conference noting how he realized how truly disconnected the State was from water districts based on the miscommunications and information shared during one of the sessions. Director Gasca reported he attended eight different sessions and ultimately decided to stay an extra day after learning the Bureau of Reclamation would be holding a session. Director Hamilton reported he focused on the Water Fix aspect of the conference; noting he found the most educational to be “Fins, Furs, Feathers, and Farms” as he summarized the information learned.

D. Directors Comments

Director Stewart stated he has been privileged to serve with all the members of the Board and how he found the members to reach a consensus more often than not. He acknowledged there has been huge advancements made at the District over the past two and one-half years in which he has worked. He thanked the initial Board responsible for his appointment and stated it was his hopes to continue to serve at RMWD as part of one of the RMWD standing committees. He wished everyone the very best in continuing what they have so ably begun in transforming the District to one that is professionally managed overseen by a consensus Board with all the right motives to create the best agency possible to serve this community and ratepaying public. President Brazier thanked Director Stewart for his kind remarks.

(*) - Asterisk indicates a report is attached.

Director Mack noted he attended the annual Fallbrook Christmas Parade and suggested RMWD participate next year as part of community events if possible. He also thanked Director Stewart for the opportunity to work with him. He complimented each Board Member on their experience, positive interaction with each other, and how proud he was to be a part of a supportive and unbiased Board.

Director Gasca told Director Stewart it was a pleasure working with him.

- E. Legal Counsel Comments
 - 1. Attorney Report - State Mandates (501668-0002)

Legal Counsel briefed the Board on the new court ruling related to state mandates being denied. He noted this ruling was being appealed at which time he will provide the Board with updates. Mr. Kennedy mentioned Ms. Washburn has provided information to the State regarding past mandates for which they could not find records of payment for which the District hopes to receive payment.

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

- A. Budget and Finance Committee
 - 1. October 9, 2018 Minutes

Mr. Stitle reported he was not present at the past meeting. Discussion ensued regarding the final audit report. Mr. Kennedy explained there were some incorrect journal entries that altered the numbers. Ms. Largent stated these entries had to do with depreciation and GASB adjustments.

- B. Communications and Customer Service Committee
 - 1. October 4, 2018 Minutes

Ms. Gray reported the committee reviewed the Flume project noting a survey would be mailed out shortly after which the results will be shared with the Board. She stated the committee reviewed the leak policy as well as discussed the water service upgrade and ABM projects, respectively. She announced Mike Daily has resigned from the committee effective in January 2019, reiterating there were opportunities for Director Stewart to participate on the committee.

- C. Engineering and Operations Committee

Mr. Strapac introduced RMWD's new Project Manager, Sarah Johnson. He also reported the committee discussed the corrosion protection RFP, a variance, as well as the level of detail the Board would like included in the agenda packet operations department report.

President Brazier called for a break at 2:31 p.m.

The meeting reconvened at 2:43 p.m.

PRESENTATION

15. SDCWA/MWD SETTLEMENT PROPOSAL PRESENTATION

Mr. Kennedy shared a presentation given at the SDCWA Member Agency Managers Meeting. He explained why this information was no longer confidential. He reviewed, summarized and explained the five key terms. He mentioned the correspondence passed between MWD and

(*) - Asterisk indicates a report is attached.

SDCWA as well as the meetings with both parties. He stated although SDCWA wanted this matter resolved by January 1, 2019, it was most likely not probable.

CONSENT CALENDAR ITEMS

- *16. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-27 - AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST**
- 17. DISCUSSION AND POSSIBLE APPOINTMENT OF TREASURER**
- *18. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 18-18 DESIGNATING TRACY LARGENT AS CONTRACT SIGNER FOR ALL UNION BANK TRANSACTIONS**
- *19. APPROVAL OF RESOLUTION NO. 18-19 ESTABLISHING CHECK SIGNING AUTHORITY**
- *20. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-16 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE DECEMBER 4, 2018 THROUGH JUNE 30, 2019**
- *21. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-25 - AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.09 – COMMITTEES**

Motion:

To approve the Consent Calendar.

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

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

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

BOARD ACTION ITEMS

- *22. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE NO. 17-07 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT**

Mr. Powers talked about the application for variance received from Bob Marnett. He noted Mr. Marnett currently has a 1" meter on his 7.4-acre parcel that no longer has several hundred avocado trees. He pointed out Mr. Marnett provided a great deal of data showing his water use over the past several years which was compared to District records and verified. He mentioned this matter was reviewed by the Engineering and Operations Committee at their recent meeting at which time Mr. Marnett recused himself from the discussion.

Motion:

To accept the variance.

(*) - Asterisk indicates a report is attached.

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

Vote: Motion passed (summary: Ayes = 4, Noes = 0, Abstain = 1).

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

Abstain: Director Brazier.

23. DISCUSSION AND POSSIBLE APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT TO PROVIDE A RECORD OF SURVEY FOR FOUR (4) PARCELS COMPRISING DISTRICT HEADQUARTERS

Mr. Strapac stated RMWD current sits on four individual parcels of land currently zoned for agricultural purposes that do not appear on a true subdivision map; therefore, to move forward in any type of development or possible construction, one of the first steps necessary to take is identifying the boundaries of the parcels and monument them with appropriate corners. He pointed out since a Record of Survey has not been done, one must be formed to create a file that is recorded with the County with the monuments set. He stated engineering staff has prepared and released an RFP to which five proposals and responses were received with all very close in both price and scope; however, after staff evaluation based on qualifications and the proposals, it was being recommended the Board select KDM Meridian to conduct the work.

President Brazier asked if this was the first part of RMWD getting their records updated as part of moving forward. Mr. Strapac confirmed.

Mr. Kennedy explained right now there was money budgeted for this; however, in future years money will need to be taken from the CIP reserves appropriated to the current fiscal year. Discussion ensued regarding the increasing development in the area and the District's location becoming a desirable property.

Director Stewart inquired about what transpires once the survey is completed in terms of obtaining the title insurance. He recommended the District contact a title insurance company to make sure what is being done adds up to something with which title can be insured. Mr. Strapac agreed as well as pointed out the survey proposals were also required to meet ALTA requirements as well.

Director Gasca asked about County fees associated with the Record of Survey. Mr. Kennedy stated funds would be appropriated from the reserves into the current fiscal year budget into a specified project related to new headquarters building. It was noted the recording fees were relatively inexpensive.

Director Mack questioned the property being zoned for agriculture. Mr. Strapac and Mr. Kennedy clarified stated the lots are currently zoned agriculture, but RMWD is not subject to County zoning rules. Director Mack asked if the property would have to be rezoned for commercial. Mr. Kennedy said should a development go forward at some point, there will be discussion with the County for a General Plan Amendment. He added the County has expressed interest in getting land from the District for a river park as well as noted this property would also be a key place for the County to rezone because it is next to several major transportation hubs plus it is not being used for agriculture.

Motion:

To adopt Option 1 - Authorize the General Manager to execute the Professional Services Agreement with KDM Meridian for a Record of Survey for the four (4) parcels of the District headquarters. Appropriate \$75,000 to the CIP budget, \$57,460 for the RoS, and the remaining amount for implementation, administration, and RFP for the planning efforts for the remainder of this fiscal year.

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

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

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

***24. DISCUSSION AND POSSIBLE ACTION TO QUITCLAIM SEWER EASEMENT ON PALOMAR COMMUNITY COLLEGE DISTRICT, NORTH COUNTY CAMPUS PROPERTY**

Mr. Powers addressed the Board regarding the quitclaim of a sewer easement at the new Palomar College campus. He stated recently there was construction of a new sewer line to connect the Pala Mesa sewer line running under Interstate 15 that now connects from there directly to the Horse Ranch Creek Road sewer main to the new lift station at Pankey Road. He said because of this new sewer line there is an existing sewer line partially abandoned just east of Interstate 15 running north and south along with five manholes, staff finds it would be appropriate to quitclaim the easement which contains that sewer line. He explained this would quitclaim something RMWD no longer needs and does not see a need for it in the future due to where it is in an environmental area.

Director Stewart asked if it was outside the parking lot area of the college. Mr. Powers confirmed it was located between the parking lot and freeway.

Director Hamilton asked if there was any argument for keeping the southern section. Mr. Kennedy responded it would all go away with the new Campus Park development and brought into roadways. He added the new system was a far superior alternative to the older system.

Director Gasca inquired about the horizontal section in the handout not being marked out in green and whether in the future the remaining main located in the south will be abandoned with the flow being redirected to the lift station. Mr. Kennedy confirmed the flows will be picked up and brought into the new lift station.

Mr. Marnett asked if the District has an obligation to remove the piping and manholes when abandoned. Mr. Kennedy stated the District was not required to dig anything up, but rather ensure they are properly sealed and no longer convey any water.

Motion:

To approving the action to quitclaim sewer easement on Palomar Community College District.

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

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

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

***25. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-26 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 5.05.050 – RECORDS RETENTION POLICY**

Mr. Kennedy expressed many thanks to Ms. Washburn and Ms. Gray for doing a great deal of work with the assistance of other staff members in dealing with numerous old records kept at the District offices. He explained the records were carefully cataloged including 120 boxes of records received from the District's previous Legal Counsel firm of which ten were kept and transferred to Nossaman to retain. He pointed out the updated policy defines each different type of record, a retention schedule, the regulatory requirement, as well as each department responsible to retention and disposition of records. He talked about the plans to move forward with implementing a Records Management Program with a goal of keeping and tracking records electronically and lessen the risk of loss.

Director Gasca inquired about the media types listed and whether paper records would transition into electronic records over time. Mr. Kennedy explained the media types listed are the current manner in which the records are being kept noting the intention would be to shift to more electronic records at which time the Administrative Code would be updated to reflect those changes.

Director Mack noted there has been talk of trying to actively get record retention laws changed in the near future.

Director Stewart commended and congratulated staff for their work on this project. He asked if Legal Counsel has reviewed the policy to ensure all the retention periods are correct. Legal Counsel confirmed he has reviewed the policy. Director Stewart stated with staff following Legal Counsel's guidance, there would not be much to change.

President Brazier seconded Mr. Kennedy's shout out to Ms. Washburn and Ms. Gray noting they sacrificed their dignity as well as a great deal of hot hours spent in the storage containers. Ms. Gray stated without the staff members' support and encouragement, she and Ms. Washburn could not have gotten this done timely and well; it was a major group effort.

Motion:

To adopt the policy and Ordinance No. 18-26.

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 Gasca, Director Hamilton, Director Mack, Director Stewart.

***26. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-21, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING MIKE DAILY FOR HIS OUTSTANDING SERVICE AS A VOLUNTEER ON THE DISTRICT'S COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE**

Director Hamilton said all he could say was that the committee did not function without Mike Daily. Ms. Gray added he has been one of the best Chairpersons serving on a committee who knows how to run a meeting, is very engaged, and has participated in each of the community events.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy mentioned Mr. Daily was on the committee when it was in a tough place when the ad-hoc committee had taken over communications during the LAFCO matter.

President Brazier stated she served on the Communications Committee before Mr. Daily came on board who gave it a new life.

Motion:

To approve Resolution 18-21 as written.

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

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

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

***27. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-22, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING WILLIAM "BILL" STEWART FOR HIS OUTSTANDING SERVICE AS A DIRECTOR**

Mr. Kennedy mentioned it can be challenging to find someone to seek appointment when Board vacancies arise and how supportive it was to have Director Stewart becoming a member of the Board. He said Director Stewart's experience and interest in investing in the District's infrastructure were very helpful during his tenure. He thanked Director Stewart for his service and said he looked forward to his continued participation.

Director Stewart said it has been a joy serving on the Board as well as reiterated he believes the District was on the brink of some exciting things which is why he would like to

President Brazier stated it is a pleasure to serve on a Board where, in spite of disagreements, they come together and support the will of the majority and go forward. She told Director Stewart she was glad he was a part of it.

Motion:

To approve Resolution No. 18-22.

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

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

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

28. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests submitted.

(*) - Asterisk indicates a report is attached.

BOARD INFORMATION ITEMS

29. UPDATE ON FINANCIAL PLAN – 2019 RATE INCREASE

Mr. Kennedy noted this presentation was related to the District's financial plan and water rate increases. He recalled the Board adopted a one-year Proposition 218 notice. He stated although the plan was to utilize the model, during the transition of personnel in the finance department, Raftelis was consulted to assist the District with the rate model he was sharing as part of his presentation. He summarized the information being presented as well as the steps to be taken for adjusting and completing the model including discussions with the Budget and Finance Committee.

Director Mack inquired as to the circulating wet weather predictions. Director Stewart stated this information was shared through the San Luis Rey Watershed Council in which there was a solid prediction this will be a big El Nino winter for Southern California.

Mr. Kennedy referenced the end reserve balances noting the Administrative Code policy establishing these balances. He explained when the Board discusses this at their next meeting, there will be a report provided with various scenarios on capital funding, water demands, escalation rate expectations, etc. as well as a recommendation for a forecast of possible rate increases for Board consideration. He provided examples for smoothing out the model structure noting this information was based on a great deal of hard to predict variables; however, it was clear in order to get anywhere close to having enough money to perform pipeline replacements there was some work required on the numbers.

Director Mack inquired about future development. Mr. Kennedy acknowledged future development would assist with stabilizing rates; however, the District cannot base decisions on promises of development because often those promises do not come through.

Mr. Kennedy talked about different scenarios he proposes to present at the next Board meeting. Discussion ensued.

Mr. Kennedy recommended the Board schedule a Special Board joint meeting with the Budget and Finance Committee for January 8, 2018 and set the public hearing for February as part of complying with the Prop 218 notification regulations.

30. FLUME PROJECT UPDATE

Mr. Kennedy summarized the results of the pilot program to date as well as solicited the Board for input and feedback as to how they would like to proceed based on some of the options he shared. Discussion ensued.

Ms. Gray noted she would also ask the pilot program participants about their thoughts as to the value of the device in comparison it brings to the ratepayers.

Director Hamilton expressed he wants the customers to make some type of investment in the device costs. Discussion followed.

Discussion ensued regarding whether a public relations program should be implemented as well as to what degree does RMWD want to be involved.

(*) - Asterisk indicates a report is attached.

Mr. Nelson suggested the District, for a relatively small number of units, purchase or heavily subsidize the units and then conduct one round of a first-come-first-serve program or lottery to test the elasticity of demand followed by providing a way for those who were not fulfilled at the conclusion of the program to contact Flume directly to purchase the device at a substantial discount. He explained this would assist the District in determining the actual demand for such devices as opposed to investing a great deal of money in the devices and then discovering there are not as many active takers as anticipated. Director Hamilton agreed with this idea and recommended Mr. Kennedy negotiate a discount for a specified number of units and then passing the discount along to the customer.

Mr. Kennedy stated he would work out a few options to present to the Communications and Customer Service Committee for recommendations for the Board to consider.

***31. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Staff Training Reports

C. Operations Comments

1. Operations Report

D. Engineering Comments

1. Engineering Report

E. Customer Service and Meters Comments

1. Customer Service and Meters Report

F. Human Resource & Safety Comments

1. Human Resources Report
2. Organizational Chart

G. Finance Comments

1. Interim Financial Statement
2. Treasurer Report
3. Credit Card Breakdown
4. Directors' Expense
5. Check Register
6. Water Sales Summary
7. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Gutierrez noted future newsletters will now contain small segments of what is transpiring in each of the operational departments. He mentioned he would be working in conjunction with engineering on the ABM project including public outreach. He talked about the Emergency Response Plan being updated as well as the status of the recent incident involving a vehicle and fire hydrant. Discussion ensued.

President Brazier reiterated she would like to leave the information on valve maintenance in the operations report.

Ms. Harp formally welcomed Ms. Largent as RMWD's new Finance Manager. She also announced the Employee Recognition Banquet RSVP's are needed from Board Members in the next week or so.

Motion:

To receive and file information and financial items.

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

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

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

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

It was noted selection of the Board officers and representatives and the corrosion protection program will be on the regular meeting agenda for January 2019.

33. ADJOURNMENT - To Tuesday, January 8, 2019 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a Special meeting on January 8, 2019 at 1:00 p.m.

The meeting was adjourned at 4:50 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary