

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
JUNE 28, 2016**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 28, 2016 was called to order by President Sanford at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

**Present:** Director Sanford, Director Walker, Director Brazier, Director Bigley.

**Absent:** Director Stewart.

**Also Present:** General Manager Kennedy, Executive Assistant Washburn, Legal Counsel Stender, Engineering Manager Kirkpatrick, Finance Manager Martinez, Superintendent Maccarrone, Superintendent Walker, Administrative Analyst Gray, Associate Engineer Powers, Human Resources Manager Harp.

No members of the public were 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. May 24, 2016 - Regular Board Meeting

***Motion:***

***Approve the minutes of May 24, 2016 Regular Board meeting.***

***Action: Approve, Moved by Director Brazier, Seconded by Director Bigley.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

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

**Absent: Director Stewart.**

**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 Sanford)**

There was no report given.

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

**1. SDCWA**

**A. Summary of Formal Board of Directors' Meeting May 26, 2016**

Mr. Kennedy noted SDCWA approved rates at the last meeting which would be the same rate structure Mrs. Martinez will describe during the budget review later in the meeting. He also announced SDCWA cancelled all the drought restrictions with the exception of the State's list of mandatory requirements. He commented on the Gregory Canyon Landfill, Delta project, and desalination plant, respectively.

**2. CSDA**

Mr. Kennedy noted RMWD would wait to participate in legislative training until February when it's held in San Diego.

**3. LAFCO**

Mr. Kennedy reported Judy Hanson has been appointed to the alternate seat.

**4. San Luis Rey Watershed Council**

Director Walker reported the Council met on June 27, 2016 and how they are in negotiations with an individual to prepare grant proposals as well as oversee a portion of an agricultural pilot program. He noted the Council reviewed the list of priorities again as well as how the agricultural seat still remains vacant.

**5. Santa Margarita Watershed Council**

There was no report given.

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

There were no reports given.

**D. Directors Comments**

There were no comments.

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

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

- A. Budget and Finance Committee**  
1. May 10, 2016 Minutes

Mr. Kennedy reported the committee reviewed the budget at their last meeting.

- B. Communications Committee**  
1. May 2, 2016 Minutes

Mr. Kennedy reported the committee was in the process of reviewing communications plans. He mentioned the nomenclature “stakeholder” seemed to be favored as opposed to “ratepayer”; however, he wanted to solicit the Board for their input prior to making formal changes.

Director Walker expressed concern stakeholder could refer to anyone who has an interest in RMWD including outsiders. He suggested differentiating between RMWD stakeholders and outside stakeholders.

Mr. Kennedy said he would continue to work on this and report back to the Board at a later date.

- C. Engineering Committee**  
1. May 4, 2016

Mrs. Kirkpatrick reported there were two recommendations from the Engineering Committee before the Board in regards to the Urban Water Management Plan and the Cross-Connection Control Policy, respectively. She noted the committee had a preliminary discussion on an introduction about capacity fees including the methodology which will be discussed further with the Budget and Finance Committee. She provided an update on the proposed development. She noted Caltrans has pretty much stopped working on the sewer portion of the Highway 76 project until they do the traffic switch.

**BOARD ACTION ITEMS**

**\*9. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 16-14 APPROVING FISCAL YEAR 2016-17 BUDGET**

Mrs. Martinez gave a presentation on the Fiscal Year 2016-2017 Operating and Capital Improvement Budget. She noted some revisions have been made since the Board reviewed the budget at their May 2016 Board meeting.

Mrs. Martinez thanked the Board, Budget and Finance Committee, and senior staff for their assistance with the budget process. Mr. Kennedy in turn thanked Mrs. Martinez for her hard work putting this new budget together.

***Motion:***

***To approve the budget as submitted and Resolution No. 16-14.***

***Action: Approve, Moved by Director Walker, Seconded by Director Brazier.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

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

***Absent: Director Stewart.***

**\*10. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF RESOLUTION 16-13, ADOPTING THE DISTRICT'S DRAFT 2015 URBAN WATER MANAGEMENT PLAN**

Mrs. Kirkpatrick reported RMWD has not received any comments on the Urban Water Management Plan since the public hearing conducted at the last Board meeting; therefore, this item was before the Board to consider adoption of the plan.

Mr. Kennedy added SDCWA used a great deal of this data for forecasting RMWD's adequate supplies.

***Motion:***

***Approve Resolution No. 16-13.***

***Action: Approve, Moved by Director Brazier, Seconded by Director Walker.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

***Absent: Director Stewart.***

**\*11. DROUGHT ORDINANCE UPDATE**

Mr. Kennedy explained the State Board has changed its ruling and now allows RMWD to conduct a process that founded a 0% reduction requirement. He noted the State did have a number of end use requirements that are mandatory which he reviewed. He talked about the main changes to the ordinance which was to move the new mandatory requirements into the Level 1 Drought Watch without specific conservation requirements. He pointed out the Board will be considering a resolution to move RMWD into Drought Level 1 after this ordinance update item has been discussed.

***Motion:***

***To accept the updated drought ordinance.***

***Action: Approve, Moved by Director Bigley, Seconded by Director Brazier.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

***Absent: Director Stewart.***

**\*12. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-16 REDUCING THE DROUGHT LEVEL FROM LEVEL 2 TO LEVEL 1 IN ACCORDANCE WITH RMWD DROUGHT ORDINANCE NO. 16-10**

Mr. Kennedy pointed out in the Ordinance it states the General Manager has the authority to change the drought level; however, he wanted to bring it to the Board for consideration.

***Motion:***

***For the approval of Resolution No. 16-16.***

***Action: Approve, Moved by Director Brazier, Seconded by Director Walker.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

***Absent: Director Stewart.***

**\*13. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 16-11 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 8.20 – CROSS-CONNECTION CONTROL**

Mr. Kennedy noted the main aspects of the updates were related to wordsmithing as well as to remove the requirements for backflow devices to be installed at every home.

Legal Counsel pointed out prior to the meeting “8 fee” should be “8 feet” in Section 8.20.

Director Walker referenced Page 380 as he inquired as to whether the Department of Environmental Health can be included as an agency of authority. Legal Counsel suggested adding “other relevant authority having jurisdiction” to this section.

***Motion:***

***To adopt Ordinance No. 16-11 with the amendments.***

***Action: Approve, Moved by Director Brazier, Seconded by Director Walker.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

***Absent: Director Stewart.***

**\*14. DISCUSSION AND POSSIBLE ACTION REGARDING CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2016 BOARD ELECTIONS**

It was noted Jo MacKenzie has recommended John DeMonaco. Director Walker stated although the candidates are not known by the RMWD Board, he would be inclined to take Ms. MacKenzie’s recommendation.

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

**Motion:**

**To accept Mr. DeMonaco and the Board Member for CSDA.**

**Action: Approve, Moved by Director Brazier, Seconded by Director Walker.**

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

**Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.**

**Absent: Director Stewart.**

**15. DISCUSSION AND POSSIBLE ACTION TO APPOINT CYNTHIA GRAY AS AN ALTERNATE MEMBER TO THE COMMUNICATIONS COMMITTEE AND VANESSA MARTINEZ AS AN ALTERATE MEMBER TO THE BUDGET AND FINANCE COMMITTEE**

**Motion:**

**To support these two as alternates.**

**Action: Approve, Moved by Director Brazier, Seconded by Director Walker.**

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

**Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.**

**Absent: Director Stewart.**

**\*16. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-15 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES EFFECTIVE JULY 1, 2016 THROUGH JUNE 30, 2017 AND THE GENERAL MANAGER’S SALARY EFFECTIVE AUGUST 29, 2015 THROUGH AUGUST 28, 2016**

Mr. Kennedy explained this resolution reflects the last 2% COLA approved under the current MOU. He also introduced Karleen Harp as the new RMWD Human Resources Manager. It was noted the General Manager performance evaluation will be on the August agenda as a Closed Session item and any action would be taken under an Open Session item.

**Motion:**

**To adopt Resolution No. 16-15 and direct human resources to post a copy on the RMWD website.**

**Action: Approve, Moved by Director Bigley, Seconded by Director Brazier.**

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

**Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.**

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

**Absent: Director Stewart.**

**\*17. DISCUSSION AND POSSIBLE ACTION ON BOARD RELATED PROFESSIONAL SERVICES CONTRACTS**

Mr. Kennedy reported on the history of the auditors RMWD has utilized for several years. He also noted RMWD's records related to a contract with legal counsel needs to be updated.

Mr. Kennedy proposed utilizing Squar Milner for auditing services this year and then going out for bid after this year's audit is complete, putting out a Request for Proposal for legal services with an invite to Procopio, and continue utilizing Shepherd & Staats, Inc. for tax roll billing services.

President Sanford suggested with looking at proposals for both the auditor and legal services. Mr. Kennedy recommended waiting to solicit proposals for auditing services until after the auditing season passes; however, RFP's for legal services could be sent out at any time.

**Motion:**

**Action: Accept staff recommendation:**

- **Auditor – since we have only a short time before the next audit must commence, the recommendation is to proceed with Squar Milner for the FY15/16 audit and issue a RFP for auditing services in the fall of 2016.**
- **General Counsel – issue a RFP for General Counsel services. A draft RFP was presented to the Board in February 2016.**
- **Tax Roll Billing Services – since this work is a small expense and the current firm is well suited to the task, staff sees no benefit to RMWD in changing firms at this time. The cost of the RFP process would likely exceed the annual billing for this work with the addition of the timing for legal services.**

**With the addition of the RFP for legal services being sent out immediately.**

**Moved by Director Walker, Seconded by Director Brazier.**

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

**Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.**

**Absent: Director Stewart.**

**\*18. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-17 ACCEPTING CALIFORNIA DEPARTMENT OF WATER RESOURCES PROPOSITION 50 WATER USE EFFICIENCY GRANT FUNDS AND DESIGNATE A REPRESENTATIVE AUTHORIZED TO EXECUTE THE CONTRACT AND SIGN REQUESTS FOR DISBURSEMENT**

Mr. Kennedy explained the new requirements implemented by the Governor. He mentioned Ken Weinberg was hired to assist with the grant processes. He noted RMWD needs to resolution stating the District accepts the money and that these funds will be utilized.

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

***Motion:***

***To approve Resolution No. 16-17, Action: Approve, Moved by Director Brazier, Seconded by Director Walker.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

***Absent: Director Stewart***

**\*19. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR MAY 2016**

**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
2. Organizational Chart

**G. Finance Manager Comments**

1. Credit Card Breakdown
2. Check Register
3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Kennedy mentioned the demonstration he saw on ITRON and AMI during the recent AWWA conference. He also talked about space planning study being conducted for RMWD's facilities.

Director Walker acknowledged the ratepayer letter included in the agenda packet noting it makes someone proud to be a part of an organization that puts customer service at the forefront demonstrating we care.

Mr. Kennedy noted the departmental reports have changed to reflect more vital information.

***Motion:***

***To receive and file.***

***Action: Approve, Moved by Director Brazier, Seconded by Director Walker.***

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

***Ayes: Director Sanford, Director Walker, Director Brazier, Director Bigley.***

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



***Absent: Director Stewart***

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

Ms. Washburn reported election packets will be mailed out by the Registrar of Voters the week of July 11<sup>th</sup> and will be available at the District for pick up. She noted completed packets must be filed on August 12<sup>th</sup> before 5:00 p.m.

**21. ADJOURNMENT - To Tuesday, July 26, 2016 at 1:00 p.m.**

***The meeting was adjourned with a motion made by Director Brazier and seconded by Director Walker to a regular meeting on July 26, 2016 at 1:00 p.m.***

The meeting was adjourned at 2:50 p.m.

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**Dennis Sanford, Board President**

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**Dawn M. Washburn, Board Secretary**