

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
OCTOBER 24, 2017**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on October 24, 2017 was called to order by President Brazier at 12:31 p.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 Hamilton, Director Mack, Director Stewart, Director Gasca.

Also Present: General Manager Kennedy, Legal Counsel Smith, Administrative Analyst Gray, Associate Engineer Powers, Human Resources Manager Harp, Finance Manager Vanessa Martinez, Superintendent Maccarrone, Superintendent Walker, Superintendent Zuniga, Interim Engineering Manager Gerdes, Electrical/Electronic Technician Cline, Electrical/Electronic Technician Bradley, Mechanic Del Rio, Utility Worker Demary, System Operator Coffey, Crew Leader Rose.

Absent: Operations Manager Milner, Executive Assistant Washburn, Engineering Manager Kirkpatrick.

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

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

There were no changes to the agenda.

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 12:33 p.m.

(*) - Asterisk indicates a report is attached.

5. CLOSED SESSION

- A. Conference with Legal Counsel—Anticipated Litigation (Government Code §54956.9(d)(2))
- One Matter

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

The meeting reconvened at 1:14 p.m.

President Brazier reported there was no reportable action.

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)

There no changes to the agenda.

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).

Jeanne Meadow requested information regarding the new check processing and auto pay services including the cost for implementation, number of customers utilizing the services, and cost savings to the District. Mrs. Martinez stated RMWD receives approximately 3,000 check payments from customers per month. Mr. Kennedy mentioned by implementing the new service, hundreds of customers can be added to the system without adding to the customer service staff. He also pointed out not having to take credit card payments over the phone will also assist with the ongoing process to streamline operations as the District grows without increasing staff. Mrs. Martinez stated the cost for the service is approximately \$.30 per customer. Mr. Kennedy noted it costs 3-4 times more in labor costs to process customer checks. He reiterated this was as much to free up the labor costs by streamlining the workload on the customer service representatives and keeping the employee headcount down as the District grows; thereby, managing RMWD's income more effectively. He stated he would have the Budget and Finance Committee review the costs involved with the services as well as customer incentive programs. He invited Ms. Meadow to attend the November Budget and Finance Committee meeting at which there will be an agenda item to discuss this matter in more detail.

Mr. Kennedy pointed out the next speaker would be addressing the matter discussed in Closed Session earlier at the meeting; therefore, there probably would not be an interactive experience with the Board on the subject. President Brazier stated she would allow a little more than the allotted three minutes for Mr. Jamshidi to speak; however, not too much more due to the number of agenda items for the Board to discuss.

(*) - Asterisk indicates a report is attached.

Faraz “Frank” Jamshidi presented information regarding the property damage to 2160 Puerto Del Mundo, Fallbrook, CA 92028 that occurred approximately nine months ago when two drains above their property malfunctioned. He stated the drains were located and found to belong to RMWD which caused water to drain onto their property causing a great deal of damage. He said they waited for RMWD to do something and when the District did get involved it was the Operations Manager with whom they interacted with in addition to the General Manager. He stated they have had several meetings with the District regarding this matter. He mentioned his parents were heavily impacted by the situation. He said because they believed in the many things promised by the District and encouraged to be “neighborly”, they did not retain legal counsel. He said they were coming before the Board today to ensure their story was heard.

Mr. Kennedy offered to share the materials provided by Mr. Jamshidi with the Board of Directors. He also pointed the Board did consider this matter during Closed Session at which time he shared all the information, materials, and photographs he had available. He stated the Board did provide him with direction and that he would be in contact with the Jamshidi’s to discuss that further very soon.

11. EMPLOYEE RECOGNITIONS

A. Armando Lopez (20 Years)

Mr. Kennedy pointed out Armando Lopez was a senior construction crew member who handles the everyday difficult construction projects. He stated Mr. Lopez was one of RMWD’s hardest workers always working conscientiously representing the ratepayer when performing his job. He mentioned Mr. Lopez is always very honest and upfront when speaking with him. He presented Mr. Lopez with a plaque and check in recognition of his years of service.

Mr. Lopez share one of his favorite stories from his twenty years at the District.

Director Stewart offered Mr. Lopez high praise noting Mr. Lopez has always been exceptionally professional during each of their encounters.

B. Board Nomination for All Negotiations Team Members

Tom Kennedy
Karleen Harp
Marc Walker
Ramon Zuniga
Darren Milner
Steve Coffey
Justin Demary
Rene Del Rio
Ed Bradley
Dawn Washburn
Cynthia Gray
Bryan Rose

(*) - Asterisk indicates a report is attached.

Director Hamilton read aloud the Board's nomination:

“Considering the potential contentious nature of employee contract negotiations, the individuals should be recognized for their effort to find an equitable solution for all participants. The very nature of contract negotiations can lead to situations creating the illusion of winners and losers. Through a team effort this group was able to reach a consensus where all parties determined terms and conditions that were mutually satisfactory. By doing so, the team was able to avoid having to resort to external influences and decisions such as arbitration and/or litigation, that have the potential of creating long lasting hostilities and animosity within the RMWD team.”

Director Hamilton stated the Board thought it was very important that although it was not smooth working throughout the negotiations, the teams continued communicating in synch to reach an equitable situation that was agreeable by all parties. He said this team was able to do that and for doing so, the Board wanted to nominate the negotiating teams for such.

Director Hamilton read the RMWD core value definitions for Teamwork stating all of the points listed were demonstrated by the negotiation teams. He pointed out some of the team members would receive an award for Teamwork that have not yet been recognized and those that have been recognized will receive an honorable mention.

Director Hamilton presented Mr. Kennedy and Mrs. Harp with a Teamwork Coin award. He presented Honorable Mention Certificates to Bryan Rose, Cynthia Gray, Ed Bradley, Rene Del Rio, Justin Demary, Steve Coffey, Ramon Zuniga, and Marc Walker. It was noted Dawn Washburn and Darren Milner were not present.

Director Hamilton congratulated every team member on behalf of the Board for their efforts in reaching a solution with which everyone could live.

***12. APPROVAL OF MINUTES**

- A. September 5, 2017 – Special Board Meeting
- B. September 26, 2017 – Regular Board Meeting

Motion:

To accept the minutes for the September 5, 2017 Special Board meeting and September 26, 2017 Regular Board meeting.

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

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

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

(*) - Asterisk indicates a report is attached.

***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)

President Brazier stated something occurred at the September Board meeting that convinced her that Board procedures must be tightened and standardized. She noted RMWD operates under the California Water Code and by such the Board is only responsible for hiring the general manager, legal counsel, and the auditor and nobody else. She stressed no other employees are under the Board's control at all. She mentioned last month a staff member, asked to do so by a Director, made his request to the Board for approval to attend a conference as opposed to putting something in writing to present to the Board in his absence. She stated assuming the right to stakeholder funds is not acceptable. She referenced the form employees are required to submit prior to attending conferences pointing out Board Members will start following the same process by completing the request forms, delivering them in person at the Board meeting, or in advance to the General Manager or Board President if it is known they will be absent at the Board meeting. She specified the information requested will be obtained and filled out by the Director themselves as it is their responsibility as opposed to staff's. She explained the same expectations for staff should be in place for the Board as they are also employees of the District. She pointed out there were no trick answers or questions that anyone seeking stakeholder funds should be able to provide. She said she would see to it that sufficient copies of the forms are available and notify the Board where they can be obtained.

President Brazier also talked about the Directors' responsibilities in terms of requesting items for the agenda pointing out the Administrative Codes states the General Manager and Board President put the agenda together by discussing and prioritizing each item as an attempt to have an agenda that is achievable at each meeting. She added this applies to all items submitted by the public and the Directors. She particularized staff agenda items are due at the end of business on the Tuesday two weeks prior to the Board meeting which is the same deadline for Directors as well; therefore, any items submitted past the due date may be considered for a subsequent meeting, but not necessarily. She noted the items must be in writing prepared by the Director and include the general topic, the purpose/outcome the petitioner is seeking, any clarifying information available, fiscal impacts, and proposed options for the Board's decision-making process (i.e., action, direction, etc.). She explained as soon as possible after the submission deadline, the Board President and General Manager will meet and assemble the agenda. She concluded by noting these changes should make the carrying out of Director responsibilities clear, consistent, and transparent.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy noted the MWD vs. SDCWA lawsuit was over; however, there were two more cases outstanding with a few issues needing to be resolved. He mentioned the letter SDCWA circulated. He stated there will be a handful of SDCWA Board Members selected to meet and discuss a path that is less toxic. He explained there was some clear direction provided to the organization's leadership during a Closed Session meeting.

2. CSDA

Mr. Kennedy reported the next meeting will include hearing from the new LAFCO executive officer as well as the election for the local chapter officers.

3. LAFCO

This item was addressed under Item #13B2.

4. San Luis Rey Watershed Council

Director Stewart noted a copy of his written report was provided to the Board. He summarized his report citing he was applying for a seat on the Council for which elections will be held on October 25th, an El Nina was forecasted with expectations of a normal winter for 2017, the SLRWC Progress Report, and the South Coast Steelhead Coalition presentation.

5. Santa Margarita Watershed Council

Director Hamilton reported he attended his fourth meeting and he was unclear as to the direction of this committee. He talked about the Watermaster being an officer of the Court who reports to the judge and the steering committee has no authority, is strictly informational, advisory to the Watermaster. He mentioned the motion to add a steering committee member was hindered on procedural issues. He pointed out the Conjunctive Use Project between FPU and Camp Pendleton was basically a done deal with Camp Pendleton already starting construction. He announced the next meeting is scheduled for January 16, 2018.

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

1. Board Reports

Director Mack gave a report on the CSDA Annual Conference he attended with Mr. Kennedy noting there were many different breakout courses to allow attendees to get as much knowledge as possible including the laws related to the upcoming legalization of marijuana use, Board conduct, and the Brown Act. He encouraged each of the Board Members to attend in this conference filled with engaging topics and information.

Mr. Kennedy pointed out RMWD received its Certificate of Excellence at the CSDA Annual Conference. He added the San Diego Chapter CSDA gave \$500 to the scholarship program for SDLF which is used to assist small districts with low budgets pay for their Board Members into the conference for training purposes.

Director Gasca summarized his report included in the agenda packet for the CEQA workshop he recently attended. He mentioned East Valley Water District gave a presentation including sharing the idea of implementing a chain of command peer group for filtering customer grievances. Mr. Kennedy interjected there may be some challenges with putting this type of program in place and meeting the Government Code regulatory requirements. Director Gasca mentioned the new CEO of Babcock Laboratories had invited him to visit their facility which has been scheduled for November 7, 2017.

D. Directors Comments

There were no comments.

(*) - Asterisk indicates a report is attached.

- E. Legal Counsel Comments
 - 1. Prop 218 and Voter Initiatives (501668-0002)

Legal Counsel talked about pending constitutional amendments and possible changes to the laws related to Proposition 218 process.

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

- A. Budget and Finance Committee
 - 1. September 12, 2017 Minutes

Mr. Stitle reported there was an update on the Cost of Service Study and there were hopes Raftelis will be at the next meeting.

Mr. Kennedy pointed out there will be an AMI kickoff meeting. He added there will be a progress report as well as a presentation at the North American Water Loss Conference in early December will be given by RMWD's Associate Engineer, Michael Powers.

- B. Communications Committee
 - 1. September 11, 2017 Minutes

Director Hamilton reported Ms. Martinez presented the upcoming change for delivering 48 hour and shutoff notices which in turn will boost proactivity utilizing staff time more efficiently. He added discussion took place regarding incentive programs that would get ratepayers engaged in either efficiencies or helping identify inefficiencies within our organization.

- C. Engineering Services Committee
 - 1. September 6, 2017 Minutes

Michael Powers reported the last meeting consisted of an AMI update, and a presentation on the Condition Assessment Program. He explained the goal of the assessment program was to bring balance between the District's investments and addressing fixing older, depleting infrastructure.

President Brazier called for a break at 2:34 p.m.

The meeting reconvened at 2:46 p.m.

BOARD INFORMATION ITEMS

15. CYBER SECURITY INFORMATON UPDATE AND PRESENTATION (REQUESTED BY DIRECTOR GASCA)

Director Gasca briefed the Board on his personal and professional experiences dealing with Cyber hacking and other criminal activities. He presented information regarding easy and sensible ways to protect the District's data.

Mr. Kennedy pointed out consultants and staff members were present to give a brief overview of RMWD's security systems.

(*) - Asterisk indicates a report is attached.

Spencer Dale, Ostari's CFO, introduced himself sharing some of his and the company's background. He introduced Justin Clay who presented an overview of their company, services and experience. Discussion ensued regarding developing a risk profile as well as the recent phishing scam experiment.

Mr. Cline and Mr. Bradley presented information pertaining to protecting the RMWD Supervisory Control and Data Acquisition (SCADA) system.

Mr. Kennedy added having a contract with Ostari and the level of expertise they offer helps keep employees working and productive. He mentioned more information will be provided as staff develops the new IT position for the District. Discussion followed.

***16. DISCUSSION REGARDING RAINBOW MUNICIPAL WATER DISTRICT PROPERTY LIST**

Mr. Kennedy presented a list of properties excluding easements. Director Stewart ask Legal Counsel about ways to search for and find all RMWD properties and assessor data for property ownership. He mentioned the District's goals and objectives for enhanced property management.

17. DISCUSSION REGARDING LONG STANDING CONTRACTS REVIEW

Mr. Kennedy asked for more details regarding this agenda item. He guaranteed a more detailed review of contracts will be established as a normal practice. Legal Counsel pointed out the contract with the City of Oceanside was very undesirable agreement. Discussion followed.

BOARD ACTION ITEMS

***18. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE ENGINEERING SERVICES FOR STUDIES TO ADVANCE BONSALL BASIN DESALTER IMPLEMENTATION AND APPROPRIATE \$152,903 TO THE PROJECT BUDGET**

Mr. Kennedy pointed out a few stopping points have been added as requested by the Board. Discussion followed.

Motion:

To award a Professional Services Contract to provide engineering services for studies to advance Bonsall Basin Desalter implementation and appropriate \$152,903 to the project budget including two review points to advise the Board on the continuance of the project.

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

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

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

(*) - Asterisk indicates a report is attached.

***19. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 17-12 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 8.11 – CONNECTION AND METER CHARGES**

Mr. Powers pointed out the change to the Administrative Code would assist with having the District's water policy aligned with its sewer policy in terms of connection and meter charges. He noted it would specifically bring an end to a refund of capacity fees if the project is not ready within two years. He recalled the Board had requested information pertaining to why RMWD did not consider making the applications non-transferable; therefore, the item was tabled until this meeting when Mr. Kennedy would be available to provide a response.

Mr. Kennedy explained there are a fair number of times when a project is going through the development process where a developer will change from one Limited Liability Corporation (LLC) to another. He said situations such as this become administrative challenging for the District. He pointed out the biggest change is the cap at two years so there are no applications ongoing for numerous years. He noted by eliminating the word permit, it becomes an application process where until the fees are paid in full and the project is connected to the system the applicant remains such.

Director Gasca asked why it was RMWD's responsibility to return the fees as opposed to having the new LLC reapply. Mr. Kennedy explained the fees are for those that apply to connect to the system. He stated should someone decide not to connect to the system and RMWD does not refund the fees, it subjects RMWD to a lawsuit. He noted if RMWD takes a fee for a particular reason such as connecting to the District's system which causes an impact to the system and when should the applicant decide to cancel their connection, it would be fundamentally unfair. Mrs. Meadow inquired about transfer fees. Mr. Kennedy clarified all refunds are minus RMWD costs including staff time. Discussion followed.

Director Mack asked what happens when the fees change over the two-year period. Mr. Kennedy explained the transfer does not extend; therefore, the applicant would need to reapply at which time the current fees would be charged.

Director Stewart referenced Section 8.11.030.1.3 noting it "if no connection is made it shall expire and all rights of application shall terminate" asking for clarification. Mr. Kennedy explained if an applicant pays RMWD for connection and does not connect within the two years, the application is cancelled and the applicant is reimbursed for the fees paid less the District's costs. He confirmed once an applicant is connected to the system, they become a RMWD customer. He stated it does not matter if there is a water meter in use; however, the meter fees must be paid or they will be locked off.

Motion:

To approve Staff Recommendation Option 1 – Adopt Ordinance No. 17-12 amending and updating Administrative Code 8.11 – Connection and Meter Charges.

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

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

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

20. REQUEST FOR RETROACTIVE COMPENSATION FOR CONFERENCE ATTENDANCE IN MAY 2017 BY DIRECTOR MACK

President Brazier noted there was no explanation as to the reason for this request provided. Mr. Kennedy explained Ms. Washburn prepared the action letter based on the information provided by Director Mack.

Director Mack mentioned Ms. Washburn had drafted several versions of the per diem forms to be signed once the Board made a decision regarding Board Member compensation at the conclusion of that particular Board meeting. He stated since a decision was not made at that time due to issues brought forth by other Directors causing the matter to be tabled for several months, he was making this request several months later.

President Brazier asked why Director Mack was seeking an increase. Director Mack clarified it was not an increase reiterating it was already stipulated it would be paid until President Brazier brought forth a concern which caused the matter to be placed on hold for several months, a committee had been formed to discuss the matter further, and the matter continued to be delayed. President Brazier stated Director Mack was banking on a proposed Administrative Code change that has not yet been made. She asked Director Mack if he was requesting compensation for attending a conference post any Administrative Code changes. Director Mack replied at the very first conference he attended with Mr. Kennedy, he consulted Mr. Kennedy regarding the compensation for attendance at which time Mr. Kennedy told him it was a per diem which means "per day". He added based on this information Ms. Washburn prepared different versions of the per diem forms for his signature. Mr. Kennedy clarified the reason for the multiple per diem forms was based on the Administrative Code being unclear in terms of whether Directors should be paid for one day or each day they attend a conference which ultimately needed to be decided by the Board. He stated since the matter was being brought to the Board for their consideration, staff was prepared to have the correct per diem form ready for signature based on the Board's decision.

President Brazier asked Director Mack whether he reviewed the reimbursement policy provided in the Administrative Code. Director Mack stated Mr. Kennedy told him the policy which is what he chose to follow. President Brazier pointed out the Board of Directors operates under the Administrative Code, not what is said by the General Manager. Director Mack confirmed he was making the request based on what he was told and that since this matter was being addressed it would be to make it. President Brazier inquired as to whether Director Mack accepted compensation for attending the meetings based on the Administrative Code policy in place at that time. Director Mack reiterated he was making the request based on what he was told by Mr. Kennedy. President Brazier stressed Mr. Kennedy is an employee of the Board of Directors and the Board operates under the Administrative Code.

President Brazier repeated herself asking Director Mack if he in fact accepted payment for attending the conference based on the Administrative Code in place at that time. Director Mack restated there were three different per diem forms prepared that Ms. Washburn had him sign not knowing what the proper compensation would be. President Brazier asked Director Mack if he did not receive any compensation for the conferences. Director Mack stated Ms. Washburn processed

the per diem form for the minimum amount because no one had decided what the proper compensation should be due to the issues raised. President Brazier confirmed Ms. Washburn did the right thing by following what was authorized by the Administrative Code at that time; therefore, he did accept compensation for attending the conferences. Director Mack reiterated Ms. Washburn had prepared three separate documents because she did not know which one to process due to an issue being raised regarding clarifying the Administrative Code policy which has taken several months to get. President Brazier said she did not raise an issue of clarification; this was an agenda item for the Board to consider when questions are raised by anyone.

President Brazier stated her point was that at the time Director Mack attended these conferences, he was under a false impression as to what his compensation would be; therefore, the Board Secretary/Executive Assistant filed the paperwork to authorize him to accept the compensation that was authorized in the Administrative Code at that time. Director Mack repeated his earlier responses. Director Hamilton asked if there has been any compensation received for any of these events. President Brazier stated \$150.00 per conference has been remitted. Director Hamilton explained to Director Mack he did accept the compensation for these two events which is what President Brazier was trying to express. Director Mack said he did accept the compensation; however, it was his understanding he was doing so until the outcome of the Board's decision was finalized. Director Hamilton asked Director Mack to clarify if he was saying he accepted the compensation for those conferences conditionally. Director Mack he said he signed the three forms presented to him not knowing which one would be processed; therefore, he did get paid one per diem for each of the conferences because the policy clarification had not been completed. Director Hamilton pointed out the clarification was that Director Mack was entitled to the compensation allowed per the Administrative Code which was one per diem for each conference. Director Mack said he was not trying to make an issue out of this request, but rather making the request based on what he was told that "per diem" meant "per day" which he thought had been resolved.

President Brazier pointed out the Administrative Code has not changed and things were no different prior to the Board discussing the next agenda item. She explained this meant there was no change to the policy that would allow any further compensation. Director Mack stated this was fine; however, at that time no one knew how the Board wanted to define "per diems". President Brazier stated she was defending the Administrative Code.

Mr. Kennedy added at the time this was being reviewed, there was some discussion at the staff level regarding what the term "per diem" meant. He explained "per diem" literally means "per day"; however, this was not the understanding of those following the policy so it was determined to bring the policy to the Board for clarification and consideration. He pointed out the proposed changes being brought to the Board today will revise certain sections of this policy that clarifies these areas. He stated the interpretation of the Administrative Code at the time this matter came forward was that compensation would be one payment for one day's attendance at a conference.

President Brazier pointed out at the September Board meeting the Board had to change several sections of the proposed changes because the word meeting was used which could have been misconstrued the same as per diem has been.

Director Stewart asked if prior Directors had requested \$150.00 payment per day they attended a conference. Mr. Kennedy stated staff reviewed records from the past ten years does not show these types of requests have been made. Director Stewart mentioned he went to three conferences prior to Director Mack joining the Board and how he assumed he would be reimbursed for all travel, meal, and accommodation expenses without additional compensation because that was what the other Board Members were doing at that time. He stated he did not know of other

Directors being compensation for going to a multiple-day conferences and the issue was never raised. He said he has mixed feelings regarding whether the District should compensate Directors for attending conferences for which the District is paying significant expenses. He reminded the Board this was a volunteer job. He noted the Board needs to resolve going forward what it would like the policy to be which will be discussed under the next agenda item.

President Brazier explained why she stated she was defending the Administrative Code. She said in June and August this Board was asked to authorize compensation which was not allowed under the Administrative Code. She recalled in June a Director implied he may not attend a conference if he did not get money to cover child care costs; therefore, a majority of the Board voted to compensate that Director \$400. She pointed out in August, a majority of the Board approved compensating one Director for attending a conference even when other RMWD Directors attended. She stressed this would be the third time the Administrative Code would be disregarded by a majority of this Board. She said since a change to the Administrative Code was being sought in the next agenda item, these occurrences give her no confidence that someone else may want to evade the new version of the Administrative Code policy. She stressed this was why she was so adamant about this matter. She said either the Board operates under the rules or not have any rules and become an anarchy.

Director Mack withdrew his request. He apologized for not familiarizing himself with the Administrative Code and because he was new to the Board, he merely followed what he was told by Mr. Kennedy. President Brazier acknowledged the withdrawal of the request and urged the Board of Directors to familiarize themselves with how RMWD is supposed to be run.

Director Mack pointed out in the past President Brazier brought up the matter related to the Brown Act. He stated when he made inquiries at the conferences regarding the situation, he was told the situation discussed was not a violation of the Brown Act. He said before President Brazier makes accusations maybe she needs to attend seminars to receive some training. President Brazier challenged the claim that she made accusations as opposed to raising a question there could be a potential violation. She encouraged Director Mack to listen to the audio recordings to verify what was said.

No action taken.

***21. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 17-13 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.03 - REMUNERATION AND REIMBURSEMENT, SECTION 2.08.010 - TRAINING AND ASSOCIATIONS POLICY, AND CHAPTER 4.01 - PERSONNEL RULES AND REGULATIONS RELATED TO BOARD MEMBER ATTENDANCE AT MEETINGS, SEMINARS, AND CONFERENCES**

Director Hamilton stated the policy does not clarify as to whether compensation includes travel time. Mr. Kennedy explained this would allow the Board to consider approving a Director's attendance at conferences, workshops, or training on a case-by-case basis founded on the information provided in a formal request submitted by a Director on the request forms distributed to the Board. He pointed out the revised policy would include requiring the Board to provide a written report on the form provided once they attend one of the listed events. He pointed out although the amount spent on these events is small compared to the budget, the values and benefits should be disclosed.

(*) - Asterisk indicates a report is attached.

Director Brazier commented on the District's current environment of the District's funding and confidence of the ratepayers. She talked about how Ordinance 95-1 came into fruition due to past Board Members overspending by not adhering to the Administrative Code as well as ignoring the concerns of others. She explained the Ratepayer Oversight Committee (ROC) was formed which was tasked with trying to get the Board to become more fiscally responsible; however, since the Board ignored the committee initiated Ordinance 95-1, one Director was recalled and other resigned. She said it was her hopes this Board realizes they are spending stakeholder money and they expect a return on investment. She pointed out the one thing the District needs is the confidence and trust of the stakeholders so that they know the Board is doing the right thing and in turn will support the Board efforts. She explained she shared this history as it was important to know.

Director Stewart offered his support for creating and implementing an official Board pre-approval process for conference and seminar attendance.

President Brazier pointed out the ad hoc committee worked diligently to put together an updated policy proposal they believed would be fair; however, her position would be not to support it due to her doubts the Board will adhere to the provisions provided in the amended Administrative Code policy.

Director Gasca expressed his support of the proposed changes and how it aligns with the State Code. He mentioned obtaining a matrix from special districts to understand what it takes to get Board Members educated as well as the value to achieving some of the levels to be attained by the District will assist in considering approval of spending District funds on some of these events. President Brazier noted he was pointing out what it takes to make RMWD a good district; however, she doubts the ratepayers are as interested in whether the District was in the top ten percent of anything as much as they are interested in the Board serving them well. Director Gasca explained he believes the ratepayers would be interested in a third-party organization that is taking a valuation of where the Districts ranks. President Brazier reiterated the ratepayers were much more interested in how the Board serves them than whether RMWD has the prestige in being recognized by somebody else. Director Hamilton pointed out the ratepayers are going to question why the Board has not cut back on education when their rates are increasing. President Brazier noted it was an admirable goal to be considered well by an organization of its peers, but it is even more important to serve its stakeholders well.

Director Stewart stated all the costs associated with supporting its Board of Director (including education) being compared to the water rates based on the District's total budget, the difference in rates would be pennies per month. He said if the Directors are acting reasonably in accordance with what is common practice and accepted practice to do the right thing in government and special districts of RMWD's size with minimal impact on the ratepayers there should not be a problem. He agreed with Director Gasca's comments about obtaining a matrix.

Director Mack added he believes the Board needs to be educated. He said he has heard the previous RMWD Board Members (not the current) did not care about or doing their job especially in approving past employee salaries. Mr. Kennedy clarified the Board approves the budget and the General Manager handles employee matters. Director Mack asked shouldn't the Board have questioned the budget. President Brazier agreed with Director Mack on this issue; however, it was unknown the past Board did not raise questions during their budget approval process. Director Mack clarified he was questioning some of the decision making. Director Stewart reaffirmed the Board only gets involved with employees matter indirectly such as approving the new salary ranges based on the recent Salary Survey conducted during the recent negotiations which in turn provides the General Manager guidelines from which he can set salaries.

Director Stewart called for the motion.

Motion:

To approve Staff Recommendation Option 1 – Approve Ordinance No. 17-13 amending and updating Administrative Code Chapter 2.03, Section 2.08.010, and Chapter 4.01.

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

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

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

Noes: Director Brazier

Mr. Kennedy excused himself from the meeting at 4:48 p.m.

21A. DISCUSSION AND POSSIBLE ACTION TO APPOINT FLINT NELSON AS A ALTERNATE MEMBER TO THE BUDGET AND FINANCE COMMITTEE

Motion:

To approve the appoint Flint Nelson as an alternate member to the Budget and Finance Committee.

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

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

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

22. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

It was confirmed Directors Stewart and Mack have already received Board approval to attend the ACWA conference in November.

Director Gasca stated he would like to attend the full ACWA conference in November.

Director Brazier said she would notify the District before the November 1, 2017 deadline whether she will attend the ACWA conference in November or not.

There was no objection to Directors Gasca and Brazier attending the conference.

No action taken.

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

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar (November and December 2017)

B. Operations Comments

1. Operations Report

(*) - Asterisk indicates a report is attached.

- C. Engineering Comments**
 - 1. Engineering Report
- D. Customer Service Comments**
 - 1. Customer Service Report
- E. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
- F. 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

Mrs. Martinez mentioned the 48-hour notice process will now be handled via USPS Priority Mail Service. She noted this change will cost RMWD less as well as allow the opportunity for meter crews to work on higher level priorities. Discussion ensued.

Mrs. Harp announced RMWD achieved 1,000 days with no lost time accidents. She stated she was very proud of the workforce being diligent. She reported the third module of NEOGOV has been launched and how the first two modules are working very well. The Board expressed appreciation to staff for working safely.

Discussion ensued regarding asphalt work being behind schedule.

Mrs. Martinez reported the staff will be meeting with the rate consultant to review the preliminary analysis. She said it was anticipated to have something to present to the Board within the next couple of months. Discussion followed.

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

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

Mr. Powers gave an update on the status of Moosa. He noted the pipe was in place and SDCWA shutdown begins November 4, 2017. He explained there was one outstanding issue that may change after the bridge was already constructed that related to the thermal expansion of the pipe on top of the bridge that may cause delay in the shutdown to prevent customers from being put out of water. He said there may be a change order on the December Board agenda related to this matter; however, the change order will not be on the District.

It was noted there may be a sewer agreement for the Villa Estrella project on the next agenda.

(*) - Asterisk indicates a report is attached.

25. ADJOURNMENT - To Tuesday, December 5, 2017 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a regular meeting on December 5, 2017 at 1:00 p.m.

The meeting was adjourned at 5:05 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary