

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 2, 2023**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on August 2, 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 Nelson, Member Marnett, Member McKesson, Member Gasca (*via video conference*).

Also Present: General Manager Kennedy, Executive Assistant Washburn, Director Johnson, Engineering and CIP Program Manager Williams, Operations Manager Gutierrez, Senior Project Manager Parra, Information Systems Specialist Espino.

Absent: Member Brazier.

Also Present Via Teleconference or Video Conference:

Alternate Largent, Administrative Services Manager Harp, Senior Project Manager Tamimi, Administrative Analyst Barrow, Construction and Meters Supervisor Lagunas.

Eight members of the public were 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 in attendance via teleconference or video conference; 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)**

Mr. Williams recommended taking items #15, #16, and #17 before Item #14. There were no objections from the committee members.

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

There were no comments.

***8. APPROVAL OF MINUTES**
A. June 7, 2023

Motion:

To approve the minutes.

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

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

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

Absent: Member Brazier.

9. GENERAL MANAGER COMMENTS

Mr. Kennedy announced LAFCO approved the detachment at their July 10, 2023 public hearing which included an exit fee of \$64M that was credited back approximately \$39M for savings to SDCWA. He mentioned the City of San Diego trying to push through AB399 to force a vote on the detachment throughout SDCWA's service area as well as multiple counties who are in support of blocking this bill being approved. Discussion followed.

Mr. Kennedy also talked about SDCWA's third failed attempt to get authority from their Board of Directors to file a lawsuit against LAFCO. He also noted part of these discussions, the Board directed their General Manager and General Counsel to enter into settlement negotiations with RMWD, FPUD, and LAFCO following which meetings have been conducted; however, he would not be able to share any confidential details except all parties will dutifully meet with SDCWA to see if an agreement can be reached.

10. ENGINEERING AND CIP PROGRAM MANAGER COMMENTS

Mr. Williams talked about the incident that occurred a few weeks ago that caused there to be no power in three of RMWD's headquarter buildings.

11. OPERATIONS MANAGER COMMENTS

Mr. Gutierrez talked about the recent main break that put approximately 350 customers out of water. He reported the repairs have been made and staff members are currently checking into what it will entail to replace 500' feet of steel pipeline.

Mr. Gutierrez provided an update on the 540 meters identified as needing to be replaced noting another seventy have been replaced since the last committee meeting bringing the total to 141 completed.

Discussions followed.

12. COMMITTEE MEMBER COMMENTS

Mr. McKesson stated he had the pleasure of experiencing the operations crews conducting work at his property for approximately 3-4 days and how pleased he was with the service provided.

13. BOARD ACTION UPDATES

There were no engineering or operations updates from the July 25th Board meeting.

Discussion went to Item #15.

14. GROUNDWATER STUDY UPDATE (ENGINEERING)

Mr. Kennedy explained this presentation is the result of a joint effort of RMWD staff and Hoch Consulting.

Ms. Parra introduced herself as RMWD's project manager on the San Luis Rey Imported Return Flow Recovery Project. She also introduced with whom she has worked on the project including Adam Hoch, Sarah Davis, and Cari Dale from Hoch Consulting who were attending in person as well as Lauren Wicks, David Barnes, Terry Watkins, Leslie Dumas and Shane Trussel who were attending virtually.

Ms. Parra explained the overall San Luis Rey Valley Imported Return Flow Recovery Project's goal is to diversify RMWD's water supply by identifying a local source within the groundwater basin and eventually constructing a water treatment facility with multiple pump wells to incorporate local water supply into RMWD's supply. She noted the feasibility was the first step in exploring those options to determine if there was a viable option for implementing some means of a treatment facility.

Ms. Parra pointed out there was a previous study performed in 2016 to which the information being provided today was adding to some of that information as well as filling in some of the gaps. She reviewed the key project objectives being considered as part of the feasibility study. She mentioned Hoch Consulting team developed two different project alternatives as well as some additional project alternatives she will briefly explain today. She stated with regard to the funding opportunities, the report does identify some potential loan and grant opportunities; however, this will be an option continued to be explored if it is decided to move forward with the next project steps.

Ms. Parra reviewed the feasibility study highlighting the site suitability analysis tool the Hoch Consulting team along with their group of subconsultants developed to help do some additional site suitability analysis. She noted this tool was something to which RMWD is essentially able to add to the District's tools that was not available at the time the 2016 feasibility study took plan.

Ms. Parra provided background on the 2016 feasibility study highlighting three of the key items touched on in that report. She noted the timeframe between 2016-2023, there has been some stakeholder disagreements with the tribes, county, etc. that along with funding constraints have slowed RMWD's progress. She pointed out the Board authorized District staff to move forward with reinitiating another feasibility study last year; thus, this is where RMWD is at today. She reiterated since 2016, there have been significant changes to land use within the river valley in addition to changes to water consumption rates; therefore, there are several factors that needed to be reevaluated which will be captured in today's presentation.

Ms. Parra walked the committee through the return flow estimate factors noting the subsurface inflow from Pala and outflow to the Mission Basin. Mr. Marnett asked whether the inflow from Pala is anticipated to be stable or does there need to be cause for concern about them approving additional housing and taking some of the water RMWD can expect to receive. Mr. Kennedy provided a response noting RMWD should not have to rely on it because RMWD's rights are based on what it is putting into the system along with Valley Center.

Ms. Parra transitioned to the Groundwater Model Update noting as previously mentioned, West Yost developed a Groundwater Flow Model with a calibration period ranging from 1947-1977; whereas the Hoch Consulting team took it a step further adding an additional forty years of data covering a period of 1947-2021. She talked about the information contained in the map displayed as well as reviewed the chart related to land use trends. Discussion followed.

Ms. Parra noted the next factor reviewed was existing well inventory as well as mentioned what information was pulled into the current data. She presented information related to imported water suppliers. Mr. Kennedy pointed out if RMWD relies on the contributions to increase the yield of the project, details will also need to be worked out in terms of the relative contributions and share of the yield.

Ms. Parra reviewed the information contained in the Annual Return Flow from Imported Water chart. She pointed out this information was looking at three different water suppliers from 1947-2021 noting the annual imported flows continued on an upward trend up to the 1980's and then started to decline. She stated this was important to keep in mind when working towards performing preliminary investigations and better understanding the feasibility in that this trend will continue to decline until an actual project can be constructed. She pointed out this was important in that the less imported water that makes it into the groundwater basin, the less water RMWD can extract.

Mr. Kennedy added the septic versus agricultural contribution plays a hand because the septic systems are essentially the same, but the agricultural contribution has been steadily declining. Ms. Parra mentioned Geo Science did look at a scenario with a drop in 50% of the current agricultural land and how it significantly changed the amount of yield that would be produced.

Ms. Parra pointed out the main points from the feasibility study show that watershed wide return flow values are decreasing, the return flow available for reuse continues to decline, and how as a result of the return flow dropping, there will be less water remaining for RMWD to pump. She noted in addition to this, if these numbers are driven down even more, RMWD would have less water available for extraction. She said as it stands now, if RMWD implements a treatment plant depending on the means of treatment that is needed, RMWD would be looking at getting approximately 80% of the proposed project pumping amount listed (essentially 2,600 AF ideally being turning or converting to potable water delivery).

Mr. Nelson asked whether RMWD's view of the future was being considered. Mr. Hoch explained it was difficult to forecast the future and although a stress test was conducted with the worst case scenario included a reduction in agriculture of 50%, those numbers were not reflected in the numbers being presented today; these numbers are where they sit today. He clarified 50% of the agricultural return flow went away and the top number of watershed wide return flow estimate would drop to that number. He explained the bottom part was a judgement call in that they thought they could get approximately 3,200 gallons per minute out of the basin at any one point without impacting any water rights holders within the area and how the middle number is the legally defensible amount of water RMWD could extract from the basin. He noted they could have done a 3,450 AFY per year project, but they rounded the numbers.

Mr. Nelson clarified his inquiry regarding what the future may hold in that was the downward slope demonstrated in the chart was being taken into consideration. Mr. Kennedy explained this will be addressed; however, it was not part of the particular forecast at this stage.

Ms. Parra continued with the presentation noting the steps taken to determine the criteria for treated water quality goals for RMWD's water treatment facility. Discussion ensued regarding Total Dissolved Solids (TDS) levels desired by local avocado growers.

Ms. Parra noted the TDS was also looked at as part of a watershed project study area during which it was found that lower TDS numbers were to the east of Pala area and higher numbers to the west. She stated ideally when it comes to locating a site for a treatment plant, this is a huge factor to consider. She said unfortunately in some of the middle areas of this studied area, a great deal of data was not available on TDS findings; therefore, should RMWD decide to move forward, one of the next steps would be to do test pump wells and ongoing water quality monitoring to be sure the District is aware of what constituents they need to treat including TDS. Mr. Kennedy added test wells are very expensive.

Ms. Parra talked about Perfluorolky Substances (PFAS) noting this was the latest topic of discussion throughout the water industry in that they are the chemicals that take the longest to breakdown and are found in waters, soils, fish, and other components. She said there has been data recently released indicating the presence of PFAS results can cause human health effects; therefore, regulatory agencies are trying to establish maximum contaminant levels to get a feel for what type of treatment means need to be incorporated into treatment facilities to remove or reduce the amount of PFAS that makes it way into potable water. Mr. Kennedy pointed out any time treatment is taken over, one is also subjective to any regulatory change as well as considering risk elements.

Mr. Williams mentioned staff had the opportunity to tour FPU's return outflow plant today and how it that plant has been reclassified as a T-5 plant based on PFAS as well as other contaminants. He stated FPU was told they are now required to have a T-5 operator on staff within a certain amount of time, which is indicative that these regulatory changes will be taking place.

Ms. Parra continued with presenting information regarding other project considerations including site suitability. She pointed out this was an enhanced tool that RMWD's consulting team developed for determining site suitability. She noted there were a handful of considerations that were essentially added to this database and the output was generating certain suitability assessment of certain parcels within the actual San Luis Rey Groundwater Study area. She stated from this, the areas provided were identified as having high, medium, and low suitability. She explained from this information, they were able to narrow down potential sites for installing pump wells and a treatment facility. She pointed out only two sites were identified (circled in red on the map displayed) on this slide and how the one to the right was one of the upper basin scenarios that is actually located at the RMWD's headquarters.

Ms. Parra presented three different model scenarios that were mapped as having high suitability. She identified these sites as the upper basin near RMWD's headquarters, mid basin near Highway 76 and Gird Road, and lower basin near the Old Bonsall Bridge. She stated from these different sites, the project pumping yield that was established was applied and then modeled into different outcomes. Mr. Williams added each site would have five production wells.

Ms. Parra explained that by having those five production wells all pumping at 400 gallons per minute, RMWD would be able to achieve the established criteria the consultants determined what was feasible. She stated from there the raw water would then be transferred from the pump well sites to the treatment facility, undergo means of treatment, and the ultimate potable water delivery would be approximately 20% less than what is actually being pumped, reflecting 80% of the project yield. She noted altogether each scenario would produce 2.5 million gallons per day.

Mr. Nelson asked how much the 2.5 million gallons per day would equal in acre feet. Ms. Parra said for the 3 million gallons per day that would be transported to the treatment facility would equate to approximately 3,200 acre feet and the potable water delivery of the 2.5 million gallons per day would equate to approximately 2,600 acre feet per year. Mr. Kennedy explained the various unit conversions in regard to water.

Ms. Parra shared information related to environmental and regulatory requirements. She stated in terms of what is known right now, RMWD would be dealing with approximately 3-5 different local agencies as well as a minimum of three state and federal agencies, respectively. She pointed out once a project is handed over to any type of agency, the project timeline is most often significantly affected. She stated as different project alternatives are established and looking at feasible means for implementing pump wells and a treatment facility, this is a huge consideration that has been considered and how measures for reducing environmental impacts as well as the level of involvement with some of these agencies are being explored.

Ms. Parra reviewed the environmental flow chart that provides a high-level overview of what would be considered as part of the project environmental and permit components. She pointed out although this provides a high-level overview of what is being considered, as the work continues down to the construction phase of the project, as well as some of the water rights and other water supply permitting with the State Water Resources Control Board, then a transition into the encroachment permitting phase. She explained the steps involved with obtaining encroachment permits. She pointed out the environmental aspects associated with this project would take approximately 5-7 years to complete. Discussion followed.

Ms. Parra said although one of the positives is that RMWD's team of consultants and staff have worked with most of these different agencies and are familiar with the permitting processes, that does not necessarily mean it will be an expedited review time for the agencies. She displayed a different visual to show the various agencies with whom will be worked with in terms of the permitting timelines.

Ms. Parra continued with the presentation as she talked about the project options related to production wells and treatment facilities. She reiterated each scenario included five pump wells and a treatment facility. She explained Option A: Mid-Basin with Brine Line to FPUD (Highway 76 and Gird Road) would involve pump wells crossing the river, connecting to a treatment facility operated and owned by RMWD, potable water being connected to the existing distribution line via new pipelines, and all of the discharge from the actual treatment facility being piped up to the Oceanside brine line. She pointed out RMWD was looking at 9+ miles of pipe as well as approximately \$14.5M for this brine line disposal element alone. She noted although half of the brine line does run through FPUD's in this scenario, formal negotiations with FPUD have not begun. She reported the cost for implementing Option A would be approximately \$78M in today's dollars.

Ms. Parra explained Option B: Lower Basin with Brine Line to Oceanside Outfall would involve the pump wells crossing the river, connecting to a new treatment facility, and running the brine line west to Oceanside's existing brine line connection. She noted this scenario would involve ten miles of pipeline and would cost approximately \$85M. She stated negotiations with Oceanside have not taken place.

Ms. Parra provided a side-by-side cost comparison as she pointed out a part of the high sticker cost is a 50% construction contingency and 25% soft cost contingency. She explained the capital costs include the brine lines, other pipeline connections, new treatment facility, and wells range between approximately \$43M-\$50M which is a little lower than the construction costs but are in alignment with FPUD's expenditures for their recently installed treatment facility. She noted

although the 50% contingency may be concerning, she highlighted that this is a very preliminary study and as more investigative work takes place, it is anticipated the contingency number will be less. Mr. Williams clarified the total capital costs are in the right ballpark and as the contingency comes down, the total capital costs will adjust accordingly.

Mr. Marnett inquired about the footnote in terms of the \$53M. Ms. Parra clarified this footnote was referring to the numbers from the 2016 West Yost Report that contained a 30% construction contingency and 30% soft cost contingency. She pointed out the key takeaway is that the longer RMWD waits to construct a facility, the more expensive it will be to do so. Mr. Williams stated the costs presented are based on the information available today. Ms. Parra added there would be a deeper dive into all project considerations presented today when determining the final outcome. Discussion ensued.

Mr. Nelson inquired as to why it was so expensive to run this asset. Mr. Williams explained staff time, equipment maintenance, regulatory updates, electricity, pumping, rehabilitation, chemical costs, etc. Mr. Hoch added the data was benchmarked as well as confirmed Hoch Consulting was very comfortable with the \$11M costs for operating and maintaining this asset.

Mr. Gutierrez pointed out ideally, the treatment plant will be running 24/7. He shared his experience with operating and maintaining treatments plants. Mr. Williams pointed out the benefit would be RMWD having its own local supply of water.

Mr. Nelson asked for confirmation it would cost approximately \$6,000 per acre foot to have its own local water supply. Ms. Parra clarified both Option A and Option B would come in at approximately \$3,300 per acre foot. Mr. Hoch explained how the costs would escalate from \$3,300 per acre foot to \$6,000 per acre foot over the 30-year life cycle of the project. Mr. Williams pointed out although staff and the consultants have spent a great deal of time working on this study and were not comfortable with the numbers, they were continuously working on getting more comfortable with them including speaking with other agencies which has shown these numbers are close to what they should be today.

Mr. McKesson inquired as to whether this project requires additional infrastructure. Mr. Williams confirmed the additional infrastructure is included in the project costs provided. Mr. Hoch pointed out the costs presented do not include any type of grants or external financing that would help reduce these proposed project costs and how there are many opportunities currently available for local water projects to help reduce the overall costs.

Ms. Parra reviewed the highlights of the information provided in the chart noting at a minimum from the long-range pump testing down to the construction, RMWD would be looking at approximately ten years minimum for this project's completion. She noted the information provided only covers the environmental documentation and how five more years will need to be added to the timeframe. Mr. Nelson asked if the cost of environmental work was included in the overall project costs. Mr. Hoch confirmed these costs are included as part of the soft cost contingency.

Ms. Parra stated this item was intended to be informational only; however, she wanted to provide some insight as to the next steps including presenting this information to the Board at their August 22nd Board meeting. She mentioned there will be an additional economic feasibility study performed where a closer review of some of these construction numbers which staff plans to bring back to this committee as well as the Board during which time direction will be sought from the Board as to how to proceed.

Mr. McKesson asked at what point would RMWD start incurring costs. Ms. Parra stated this would be through already accounted for budget amounts. Mr. Williams pointed out \$1.2M was allocated in a Board-approved budget of which the Board authorized the use of \$600,000 for the identification of definable offramps that they could either decide to take or proceed with the next phase.

Mr. Williams reminded the committee that RMWD staff are stewards of the ratepayer's money and that when discussions regarding projects of this magnitude are taken very seriously. He stated he was looking forward to working with both the staff and consultants on breaking this down even further. He noted staff will be providing the Board with all of the information available at this time.

Mr. Marnett asked if it was possible for RMWD to receive a great deal of grant funding for this project. Mr. Hoch stated one of the things Hoch Consulting proposed as part of their feasibility study was to write it in Title 16 standards which would open RMWD up to Title 16 funding through the US Bureau. Ms. Dale stated the biggest opportunity for funding was the one Mr. Hoch just mentioned as well as noted some of the other funding mechanisms that could be explored since this was a long-term project. Discussion ensued.

Mr. Nelson said he was very excited about the prospect of this project when it first started, how appreciative he was to receive this information today, and that he looks forward to seeing the economics look like. He expressed concern that this was an awful lot of time and expense for what represents approximately 25% of RMWD's current consumption.

Mr. McKesson thanked staff for the simplicity of the information provided, which does not do justice as to what took place behind the scenes.

Discussion went to Item #18.

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONTRACT CHANGE ORDER WITH HOCH CONSULTING FOR DESIGN OF THE HUTTON (WEST LILAC), TURNER (RANCHO AMIGOS), AND DENTRO DE LOMAS PUMP STATIONS IN THE AMOUNT OF \$40,323.50 (DIVISION 1) (ENGINEERING)**

Mr. Williams noted there were Hoch representatives coincidentally present at the meeting today. He explained this was item was for Change Order #5 to Hoch Consulting due to design efforts changing significantly throughout the course of this endeavor, especially related to hydraulic modeling. He pointed out the current model is much better than the former. He stated in addition to the Dentro de Lomas Pump Station, the project has increased in its order of magnitude; therefore, Hoch has been asked to provide comments and review on the submittals from the pump station manufacturer which has impacted the project costs.

Mr. Hoch added the Weese Pump Station and its integration required full recalibration nearing 100% design on the project. Mr. Williams explained this was originally going to be a separate project; however, because it is on indefinite hold, it had to be removed from the model resulting in a complete recalibration of the entire hydraulic model.

Mr. Nelson recalled that when the large change order came up over a year ago, there was a bit of discussion regarding basically doubling or tripling the engagement. Mr. Williams stated this was Change Order #2 for just under \$300,000. Mr. Nelson said at that time, there was a conversation about the idea of conceptual engineering as a phase for the project which was addressed at that time. Mr. Williams pointed out there was a cost savings totaling approximately \$289,000 with the assistance of Hoch Consulting.

Mr. Williams pointed out the lead times for delivery of the pumps are sixty-two weeks from when the order is placed, which RMWD is a few months into already. Mr. Kennedy added the anticipated delivery would be Spring 2024. Mr. Nelson asked if there will be work taking place on this project while waiting for the delivery to occur. Mr. Williams confirmed there would be continuous work taking place preparing for delivery. Mr. Nelson inquired as to whether there would be a construction contract going out for bids for the facilities at the pump station location. Mr. Kennedy confirmed this was correct.

Mr. Tamimi stated if everything goes smoothly, staff would like to have the bid package out to bid by September looking at an award of contract in October.

Motion:

To recommend the Board accept staff recommendation to proceed with this amendment.

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

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

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

Absent: Member Brazier.

***16. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE FORM OF AN ACQUISITION AGREEMENT BETWEEN THE DISTRICT AND NEIGHBORHOOD 1 AT THE HAVENS, LLC/BONSALL OAKS LLC DEVELOPER UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) (DIVISION 1) (ENGINEERING)**

Mr. Kennedy explained both Items #16 and #17 are related to the SCIP program which is a type of Community Facilities District (CFD) where smaller projects are bundled together and then sell the bonds of bundled projects which is a common way for developers to fund the capacity fees and such as well as some of their infrastructure. He noted this was part of the facilitate development that helps the developers get the jobs done as well as RMWD its capacity fees as quickly as possible.

Mr. Williams pointed out Bonsall Oaks has been broken into phases and that this was for the first fifty-nine units and how Ocean Breeze wants to do their entire project which is currently for sale.

Mr. Nelson inquired as to whether this would result in RMWD receiving approximately \$2M in capacity fees. Discussions ensued.

Motion:

To recommend the Board adopt Staff Recommendation Option 1 - Make a determination that approval of the Acquisition Agreement does not constitute a project that is subject to CEQA guidelines and authorize the General Manager and General Counsel to continue negotiating with the Developer and execute the Acquisition Agreement on behalf of the District.

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

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

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

Absent: Member Brazier.

- *17. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE FORM OF AN ACQUISITION AGREEMENT BETWEEN THE DISTRICT AND OCEAN BREEZE RANCH, LLC. DEVELOPER UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) (DIVISION 1) (ENGINEERING)**

Member Gasca excused himself from the meeting at 4:05 p.m.

Mr. Williams pointed out this item was very similar to that presented under Item #16 with the details provided associated with this project. Mr. Kennedy added this one has some benchmarks which start a timeclock as to when RMWD will be paid.

Mr. Nelson asked if rough shape, on what would RMWD spend the \$12M. Mr. Kennedy explained all the wastewater debt would be retired and all other wastewater projects would be advanced. Mr. Nelson inquired as to the fees being paid under this resolution as well as the prior one are not providing funds for specifically targeted work that needs to be done to support that unique development. Mr. Kennedy explained the money must be spent within three years. Mr. Williams added staff will need to identify projects for which these funds are to be applied and how there is no shortage of projects. Discussion followed.

Motion:

To recommend the Board approve Staff Recommendation Option 1 - Make a determination that approval of the Acquisition Agreement does not constitute a project that is subject to CEQA guidelines and authorize the General Manager and General Counsel to continue negotiating with the Developer and execute the Acquisition Agreement on behalf of the District.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Member Marnett, Member McKesson, Member Nelson.

Absent: Member Brazier, Member Gasca.

Discussion went to Item #14.

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

Mr. Williams confirmed there were no changes for this month.

- 19. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING**

It was noted two Notice of Completions as well as an update on groundwater study should be on the next committee meeting agenda.

20. ADJOURNMENT

The meeting was adjourned by Chairperson Nelson.

The meeting adjourned at 5:20 p.m.

Flint Nelson, Committee Chairperson

Dawn M. Washburn, Board Secretary