

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 26, 2016**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 26, 2016 was called to order by President Sanford at 1:05 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, and Director Stewart

Also Present: General Manager Kennedy, Executive Assistant Washburn, Legal Counsel Moser, Operations Manager Milner, Engineering Manager Kirkpatrick, Finance Manager Martinez, Acting Human Resources Manager Keetin, Superintendent Zuniga, Superintendent Walker, and Administrative Analyst Gray

Six members of the public were present.

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

There were no changes.

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. March 10, 2016 – Special Board Meeting

B. March 22, 2016 - Regular Board Meeting

Motion:

Approve both the minutes for March 10, 2016 and March 22, 2016.

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

(*) - Asterisk indicates a report is attached.

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Abstain = 2).

Ayes: Director Walker, Director Brazier, Director Bigley.

Abstain: Director Sanford, 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 March 24, 2016

Mr. Kennedy mentioned the main topic of discussion at the March 24, 2016 meeting was the impending MWD action that occurred earlier in the month. He said although he and others that went to MWD to testify were successful in rebuffing their efforts to really increase the treatment surcharge by somewhere between 6%-77%, MWD did pass through the same rate structure SDCWA prevailed against in their court case. He noted SDCWA plans to file suit against MWD again for their most recent rate structure adoption that projections show will amount to approximately \$550 million in excess charges over eight years. He explained MWD was projecting a 12% rate increase; however, we will not know exactly how this will impact RMWD's rates quite yet. Discussion ensued.

Director Walker asked if the 12% increase would be a pass through charge to the ratepayers. Mr. Kennedy explained it really depends on how SDCWA allocates the increase to their member agencies; however, whatever the amount is would be passed through to RMWD's customers.

2. CSDA

Mr. Kennedy announced he would not be available to attend the May 19th CSDA meeting due to a schedule conflict. He also mentioned the Board Members need to decide if they would like to attend the training conference in July to assist RMWD in achieving the District of Distinction.

President Sanford pointed out how it helped to have a presence at both the state and local level has been and continues to be beneficial to RMWD in establishing relationships.

3. LAFCO

Mr. Kennedy mentioned the runoff election will be discussed later in the meeting.

4. San Luis Rey Watershed Council

Director Walker reported the Council was in the midst of reestablishing its priorities. He solicited the Board for their input regarding those priorities. He confirmed the Council still lacked an agricultural representative.

5. Santa Margarita Watershed Council

President Sanford reported the main topic at the last meeting was the Watermaster has submitted his resignation and they were now going through the process of publishing the vacancy. He also mentioned a matter of interest to the Council was some of the actions being taken by the various local Native American tribes regarding water rights.

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

Director Walker reported on the recent Council of Water Utilities meeting where the main topic of discussion was the San Diego river conservancy.

D. Directors Comments

Director Stewart said he was looking forward to attending the ACWA Conference with Mr. Kennedy.

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

A. Budget and Finance Committee

1. March 8, 2016 Minutes

Mr. Kennedy noted discussion took place regarding locked out meters. Mrs. Martinez mentioned there was a utility billing issue Springbrook is working to resolve.

B. Communications Committee

1. March 7, 2016 Minutes

Mr. Kennedy reported there was an opening on the committee which has been announced in the recent newsletter as well as the committee was working toward finding a new nomenclature to replace the term "ratepayer" to give the essence of ownership. He pointed out the newsletter now has a new layout.

C. Engineering Committee

1. March 2, 2016 Minutes

Mrs. Kirkpatrick reported at the last meeting the Engineering Committee reviewed some alternative construction alternatives for the Gird to Monserate Hill waterline. She mentioned the committee recommended Bob Marnett be appointed as an alternate member, bringing the committee membership to capacity with seven members and two alternates made up of RMWD customers.

***9 CONSENT CALENDAR**

(The consent calendar items are matters voted on together by a single motion unless separate action is requested by a Board member, staff or member of the audience.)

- A. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 16-09 DESIGNATING VANESSA MARTINEZ AS CONTRACT SIGNER FOR ALL UNION BANK TRANSACTIONS**

- B. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-10 – A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JULY 3, 2015 THROUGH JUNE 30, 2016 AND THE GENERAL MANAGER’S SALARY EFFECTIVE AUGUST 28, 2105 THROUGH AUGUST 28, 2016**

- C. DISCUSSION AND POSSIBLE ACTION TO APPOINT ROBERT MARNETT AS AN ALTERNATE MEMBER TO THE ENGINEERING COMMITTEE**

Motion:

To approve the Consent Calendar.

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

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

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

It was noted on Item #9B agenda title, “2105” should be “2015”; however, the Resolution was correct.

Mrs. Kirkpatrick introduced Michael Powers, RMWD’s new Associate Engineer. Mr. Powers briefed the Board on his background, education, and experience.

BOARD ACTION ITEMS

***10. DISCUSSION AND POSSIBLE ACTION REGARDING VACATION OF EXISTING EASEMENTS FOR THE GOLF GREEN ESTATES, TM 5498-1**

Mrs. Kirkpatrick noted the Golf Green Estates is a 94-lot home development surrounding the Bonsall Elementary School. She explained this was a request to vacate the existing easements for the development and which specific easements RMWD was being asked to quitclaim.

Mr. Kennedy pointed out RMWD will take ownership of one lot at the development site for the replacement of Lift Station 1.

It was confirmed all of this work would be done at the developer’s expense.

(*) - Asterisk indicates a report is attached.

Motion:

To approve Staff Recommendation 1 - Authorize the General Manager to execute quitclaim of easements once facilities are relocated out and accepted by the District.

Action: To approve, Moved by Director Brazier, Seconded by Director Stewart.

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

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

***11. DISCUSSION AND POSSIBLE ACTION REGARDING REVISION OF ACCEPTANCE OF TERMS FOR QUITCLAIM OF EASEMENTS IN EXCHANGE FOR WIDER EASEMENT AND NEW EASEMENT IN THE PROPOSED MOOSA MITIGATION BANK PHASE 1 PORTION**

Mrs. Kirkpatrick pointed out the Golf Green Estates was adjacent to the Moosa Mitigation Bank. She recalled the Board approved some terms for the mitigation bank in their easements which included widening RMWD's existing easement for a water line by ten feet, quitclaiming easements for old facilities that were to an old treatment RMWD, and widening RMWD's sewer line by five feet. Discussion ensued.

Motion:

Authorize the General Manager to executive to execute quitclaim for easement once the District receives the additional easements.

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

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

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

***12. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A SECOND AMENDMENT TO JOINT AGREEMENT TO IMPROVE SUBDIVISION, JOINT LIEN CONTRACT AND HOLDING AGREEMENT FOR SAN DIEGO TRACT NO. 5012-1**

Mrs. Kirkpatrick explained this item was tabled from the last Board meeting and how Legal Counsel have provided the County some revisions to the Joint Lien Contract; therefore, she recommended the Board approve authorizing the General Manager to execute Joint Agreement to Improve Subdivision, Joint Lien Contract and Holding Agreement for San Diego Tract No. 4750-1 with Legal Counsel's revisions.

Motion:

To approve Staff Recommendation No. 1 - Authorize the General Manager to execute Joint Agreement to Improve Subdivision, Joint Lien Contract and Holding Agreement for San Diego Tract No. 4750-1 with Legal Counsel's approval.

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

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

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

***13. DISCUSSION AND POSSIBLE ACTION TO ADOPT THE 2016 WATER AND WASTEWATER MASTER PLAN UPDATE**

Mrs. Kirkpatrick gave a presentation on the completed Water and Wastewater Master Plan Update dated April 26, 2016 for Board consideration after introducing the team responsible for updating RMWD's 2006 Master Plan. She noted the adoption of this update plan will formally end the Beck Reservoir UV project. She pointed out problem associated with the wastewater Siphon and how part of this plan includes exploring possibly eliminating the Siphon entirely.

Discussion ensued regarding reclaimed water.

It was noted the recommendation to the Board was to accept the updated Master Plan with projects to be brought to the Board for consideration.

Motion:

Adopt the Master plan update.

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

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

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

***14. DISCUSSION AND POSSIBLE ACTION RELATED TO NORTH COUNTY IRRIGATED LANDS GROUP**

Mr. Kennedy gave a presentation on the North County Irrigated Lands Group (NCILG) including regulatory delays and financial viability. He concluded by noting unless the regulations are eliminated entirely, the economic viability of NCILG is unlikely; therefore, staff recommends the careful winding up of the group in a manner that supports members in the transition to either the Farm Bureau or other options.

Director Stewart inquired as to how RMWD utilizes any monies collected from the NCILG. Mr. Kennedy explained it mostly goes to staff time to start and oversee the program. He noted in general, the monitoring group would need to run self-sufficiently. Director Stewart asked if NCILG were to return monies to the members would it significantly affect the new fees they would have to pay.

Legal Counsel explained the NCILG was set up as a separate limited liability corporation organization; therefore, if its funds are empty, the District would have to capitalize the LLC and then distribute funds from there. He restated this was the reason for setting up the NCILG as a separate LLC. He stated it would be hard to see what the benefit to the District would for recapitalizing the LLC. He pointed out reimbursement could be done; however, there would need to be a public benefit for doing so.

Discussion ensued.

Mr. Kennedy pointed out since this meeting's agenda packet was prepared, the Farm Bureau said it was not interested in taking over the NCILG; therefore, Staff Recommendation No. 3 was no longer an option. Discussion continued regarding possibly transferring the NCILG LLC to someone else.

Motion:

To approve Staff Recommendation No. 1 - Dissolve the NCILG – in this process, the group would simply be dissolved. Staff would notify both the members of the NCILG and the RWQCB of the dissolution. Members would be on their own to determine how to comply with upcoming regulations.

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

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

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

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 16-07 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 8.12 – RENDERING AND PAYMENT OF BILLS**

Mrs. Martinez explained RMWD's Customer Service staff have been receiving several requests from customers to have their late fees waived. She noted due to the current Administrative Code policy in place, these requests have been denied; therefore, staff was requesting a change to the Administrative Code where late fees can be waived once every two years as long as the stipulated specific requirements are met.

Motion:

To approve Ordinance No. 16-07 to allow for a one-time waiver in a two year period.

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

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

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

***16. DISCUSSION AND POSSIBLE ACTION RELATED TO CONVERSION TO PAPERLESS BOARD PACKETS**

Mr. Kennedy referred to the handout showing the breakdown of costs associated with manually preparing and distributing hard copies of the agenda packets compared to using electronic copies. He explained it was up to the Board of Directors as to how they would like to proceed as well as receive the agenda packets.

Director Brazier recommended staff supply some version of an index with every agenda packet to assist with finding items within the packet.

Director Stewart commented on his experiences with other boards changing to electronic packets. He noted one of the biggest concerns was after a short period of time those board members stopped reading their agenda packets in advance of the meetings which resulted in taking triple the amount of time to address each item. He stated in some cases, Board Members started surfing the internet as opposed to following along during the meetings. He suggested the Board give consideration to displaying agenda items on a screen for everyone to view at the same time.

President Sanford said he was in favor of the cost savings and convenience of moving forward with electronic agenda packets.

Director Brazier said although she was in support of moving to electronic packets, she would need assistance with learning how to use an Ipad. She also mentioned her data plan would not support moving in this direction without high costs being incurred. Mr. Kennedy explained this could be tailored to fit the needs of all the Board Members.

It was confirmed there will be hard copies available at the front desk for the public as stated in the Administrative Code.

Mr. Meadows asked if Board Members would be able to make comments on the electronic packets. It was confirmed this was available with the PDF documents as well as the option of printing only those pages of interest. Discussion followed.

Mr. Kennedy confirmed RMWD would provide the Ipad's for the Board Members who do not already have or want to use their own personal device. Discussion ensued regarding utilizing Dropbox as a means of accessing the packets.

Legal Counsel recommended those that decide to use District devices for conducting public business do not use those devices for personal business. He also pointed out any Closed Session materials will not be provided or posted on the website as part of the agenda packets.

Motion:

To approve Staff Recommendation No. 2 – Develop a paperless agenda system using devices owned by Directors or some combination of the two.

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

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

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

***17. DISCUSSION AND POSSIBLE ACTION RELATED TO LAFCO RUNOFF ELECTION**

President Sanford pointed out the Board needs to vote for someone in this election.

Motion:

To vote for Dennis Sanford.

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

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

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

BOARD INFORMATION ITEMS

18. DISCUSSION REGARDING ROBERT'S RULES OF ORDER

Director Brazier suggested the Board standardize RMWD's procedural manner in which to conduct the meetings. She recommended the Board President repeat who makes and seconds a motion as well as the motion itself.

Mr. Kennedy talked about how staff was looking at making it simpler for the audience to follow along with the agenda items. He noted the Board may also choose to have interaction with the constituents be more formalized in order establish the same boundaries for every interaction.

Director Brazier suggested the Board have discussion prior to taking public comment. Legal Counsel noted the Brown Act does require public comment be allowed prior to the Board making a final decision. President Sanford said he would prefer to hear public comment before Board discussion and leaving it up to the Board President to control the public discussion period.

Director Walker pointed out the importance of having consistency at both the Board and committee levels.

Director Stewart suggested this item be tabled to a future meeting in order to allow the full Board to observe the various means of conducting the meetings at RMWD would be best.

Ms. Rhyne agreed with Director Brazier's suggestion in that she prefers to hold her comments until after Board discussion in case the Board answers her questions before she asks them.

It was confirmed this item would come back to the Board for further consideration.

19. DISCUSSION REGARDING ADMINISTRATIVE CODE CHAPTER 2.03 REMUNERATION AND REIMBURSEMENT AND CHAPTER 4.10 EMPLOYEE BUSINESS EXPENSE

Mrs. Martinez explained this was for discussion regarding the Administrative Code as it relates to business expense reimbursement for both the Board and employees.

Mr. Kennedy solicited the Board for their input as to whether they want to follow the FGSA guidelines or some other form of reimbursement policy.

President Sanford stated he would be more comfortable to have a set amount as opposed to following the FGSA guidelines.

Legal Counsel pointed out according to AB1234 there are reasonable rates and policies to be in place. He suggested RMWD solicit other agencies for their policies on this matter to determine what guidelines may be best for RMWD as well as offered to provide Mr. Kennedy with guidelines from other agencies.

It was noted this would be brought back to the Board for consideration.

***20. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR FEBRUARY AND MARCH 2016**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Ratepayer Letters
2. Comment Letter – Urban Water Conservation Workshop 4/20/16

C. Construction & Maintenance Comments

1. Construction and Maintenance Report
2. Valve Maintenance Report
3. Garage/Shop Repair

D. Water Operations Comments

1. Water Operations Report
2. Electrical/Telemetry Report

E. Wastewater Comments

1. Wastewater Report

F. Operations Comments

1. Water Quality Report
2. Cross Connection Control Program Report

G. Engineering Comments

1. Engineering Report

H. Customer Service Comments

1. Field Customer Service Report
2. Meters Report

I. Safety Comments

1. Safety Report

J. Human Resources Comments

1. Personnel Changes
2. Organizational Chart

K. Finance Manager Comments

1. Interim Financial Statement

(*) - Asterisk indicates a report is attached.

2. Visa Breakdown (February and March)
3. Directors' Expense
4. Check Register
5. Office Petty Cash (February)
6. Water Usage Report
8. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Motion:

To receive and file information and financial items for February and March 2016.

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

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

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

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

Mrs. Kirkpatrick noted the next meeting will have a public hearing for the adoption of the Urban Water Management Plan.

Mr. Stewart announced he would not be present at the June regular Board meeting. It was noted should he wish to attend telephonically, all votes will require a roll call vote.

22. ADJOURNMENT - To Tuesday, May 24, 2016 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier and seconded by Director Stewart to a regular meeting on May 24, 2016 at 1:00 p.m.

The meeting was adjourned at 3:52 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary