

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MAY 28, 2013**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on May 28, 2013 was called to order by President McManigle at 1:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President McManigle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Director Griffiths
Director Lucy
Director McManigle
Director Sanford
Director Brazier

Absent: None

Also Present: Assistant General Manager/Finance Manager Buckley
Human Resources & Safety Manager Bush
Executive Assistant/Board Secretary Washburn
Legal Counsel Lemmo
Water Operations & Customer Service Manager Atilano
Superintendent Maccarrone
Superintendent Miller
District Engineer Plonka
Superintendent Walker
General Manager Brady

Ten members of the public were present for Open Session.

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

There were none.

5. **ACKNOWLEDGEMENTS AND RECOGNITIONS**

A. ANNIVERSARY ACKNOWLEDGEMENTS

Justin Chandler (5 Years)
Kenny Diaz (5 Years)
Chris Hand (5 Years)
Cynthia Steward (5 Years)
Jeff Stacy (5 Years)
Ruben Lopez (5 Years)

(*) - Asterisk indicates a report is attached.

Brian Fonseca (10 Years)
Gloria Dechert (10 Years)
Bryan Rose (10 Years)
Rene Del Rio (10 Years)

Dr. Brady provided a brief history on each of the employees celebrating their five and ten year anniversaries. He congratulated each individual as he presented them with a plaque and check for their respective years of service. It was noted Mr. Diaz was not present.

***B. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK**

Ms. Denke acknowledged the three Bonsall Elementary fourth graders present in the audience as those whose artwork was selected as winners in the 2013 Water Conservation Calendar Contest. She explained the purpose of the contest as well as the importance of water. She pointed out this was the first year RMWD and FPUD schools were both eligible to participate in the contest. She showed each of the contest winner's artwork prior to presenting the three RMWD students with their prizes.

Miss Katie Teel and Miss Jenna Jedlicki were each presented with a certificate from President McManigle and their respective framed artwork from Dr. Brady.

Miss Ashlynn Miller was presented with a certificate from President McManigle, her framed artwork from Dr. Brady, as well as a T-shirt with her artwork on it in honor of her poster winning third place overall.

Each student was congratulated by the Board of Directors, staff members, as well as members of the public.

**6. 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.

Time Certain: 1:00 p.m. Public Hearing

***7. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 13-05, ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE RAINBOW MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1**

Dr. Brady noted this was an annual event. It was confirmed the rates have not been raised since 1995.

President McManigle opened the Public Hearing at 1:20 p.m.

Ms. Shepherd clarified Improvement District 1 included every parcel in the entire district.

Director Griffiths inquired as to whether or not this was a tax that was going to be eliminated at some time.

(*) - Asterisk indicates a report is attached.

Roxanne Shepherd of Shepherd & Staats introduced herself. She noted the District was originally formed with MWD started their Readiness to Serve Charge and that there were some bonds paid off a few years ago with the collected monies. She noted since that time the additional money have been set aside to be used at RMWD's discretion. She noted under statute RMWD was not required to specify for what the funds would be used. It was noted it was targeted for sourcing new supplies of water and capital improvements.

Directors Brazier and Lucy confirmed the fact the money was going to something other than debt service has been acknowledged in public meetings on several occasions over the past couple of years.

It was confirmed there was a Board discussion and vote taken at a public meeting to continue collecting these charges. Director Brazier pointed out this money was for a specific purpose. Dr. Brady clarified it was called out to be specifically for improvements related to water supply.

President McManigle closed the public hearing at 1:27 p.m.

Action:

Moved by Director Sanford to approve staff recommendation to approve Ordinance 13-05. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: Director Griffiths.
ABSENT: None.

***8. APPROVAL OF MINUTES**

A. April 23, 2013 - Regular Board Meeting

Action:

Moved by Director Sanford to approve the minutes. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Director Sanford referenced Page #8A-8 as he pointed out it should be clarified that Mr. Seymour's "salary would be reflected" throughout the current budget.

9. 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 McManigle)

President McManigle noted his attendance at the Sexual Harassment Training.

B. Representative Report (Appointed Representative)

1. SDCWA

Director Sanford mentioned SDCWA was in a transitional period with focus now being on operations. He noted the future of water will need to be addressed.

2. CSDA

President McManigle reported he was unable to attend the dinner meeting.

3. LAFCO

Director Sanford had nothing to report.

4. San Luis Rey Watershed Council

Director Brazier reported there was no meeting due to the holiday.

5. Santa Margarita Watershed Council

Director Sanford reporting the next meeting was taking place in June.

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

There were no reports.

D. Directors Comments

Director Griffiths stated he was looking for information on Lift Station 2 outfall. Mrs. Plonka pointed out the request was if there were plans available for review and there are not at this time.

Director Brazier made some comments. She stated when the JPA was signed off on by the majority of the RMWD Board, the promise was of saving money, encouraging cooperation, and finding efficiencies all in the best interest of both participating districts. She recalled her concerns about the concept of one person who had happened to be under contract at FPUD running three public entities and looking out for the best interest of each. She said under that plan there are no working checks and balances. She stated unless she is badly misinformed, RMWD was still a member agency having equal standing of FPUD under the umbrella of the NCJPA with having its own employees, MOU's, organizational chart, Administrative Code, infrastructure, and project with which RMWD serves the ratepayers of this district. She agreed

(*) - Asterisk indicates a report is attached.

the concept of sharing resources (human and material) where it does not negatively impact RMWD is very good; therefore, agreement has been reached to lease employees and equipment to one another as needed. She expressed her concern was in the dismembering RMWD does not fit that concept. She stated with the notice of the impending amputation of the engineering department and grafting it on to FPUD being posted on the front door demonstrates the “hollowing out” of RMWD has apparently begun. She claimed this in no way can be described as cooperation between the districts, but rather the plundering of one by the other.

Director Brazier continued with suggesting the cost of this move has been more than the money required to construct accommodations at FPUD and change communications and other supporting technology. She said it was the destruction of the integrity of a working water district and that in cutting off of a critical department from the other employees located at RMWD with whom they interact in doing the work of serving the ratepayers of RMWD. She reiterated the physical removal of engineering from the people that serve the ratepayers, contractors, and others who do business with RMWD on projects located within the district cannot be legitimately be presented as an improvement. She stressed the removal of an essential component renders this supposedly intact member agency a satellite of another member agency.

Director Brazier noted this may be represented as a personnel management issue; however, it goes far beyond that due to the fact it is the institution of a new policy allowing RMWD to be “chopped up” and relocated within another district. She exclaimed this should have been an open public proposal with RMWD’s Board making an informed, on-the-record decision about whether move was in RMWD’s best interest. She stated a crippled water district is in no position to rationally decide whether it continue in the JPA or pursuing consolidation is a great thing. She said the ability to choose to continue or withdraw has been erased from the JPA agreement. She suggested if RMWD decides to stay in the JPA or consolidate, it should be on the basis of the fact that it is beneficial to RMWD, not because a hollowed out district cannot stand alone.

Director Brazier strenuously objected to this arbitrary policy change and believes it should be delayed and placed on the next RMWD Board meeting agenda for open and public consideration due to its importance and impact. She referenced Director Lucy’s comments and the discussion about whether to appoint her to this position over a year ago named her the “conscience of the district”. She noted a conscience can be a troublesome thing in that it says what we don’t want to hear and doesn’t go away quietly in spite of fervent wishes for it to do so.

Director Griffiths said based on his familiarity with engineering he felt what was going on was better for both agencies.

Director Lucy asked whether or not Director Brazier would be requesting this be on the next agenda for open discussion. Director Brazier confirmed this would be her request.

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

A. Budget and Finance Committee

Mr. Stitle reported the committee has not met since the last Board meeting. He did note it would need to be determined how much of RMWD’s water comes from Colorado in order to prepare the district’s financial planning for the next several years.

(*) - Asterisk indicates a report is attached.

- B. Communications Committee
 - 1. April 8, 2013 Minutes

No report was given.

- C. Engineering Committee

Mrs. Plonka reported a meeting was not held in May.

***11. 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 APPROVE RESOLUTION NO. 13-04 – A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JANUARY 1, 2011 THROUGH JUNE 30, 2014 FOR THE RAINBOW MUNICIPAL WATER DISTRICT EMPLOYEE ASSOCIATION AND THE RAINBOW ASSOCIATION OF SUPERVISORS AND CONFIDENTIAL EMPLOYEES AND JUNE 13, 2011 THROUGH JUNE 30, 2014 FOR EXEMPT EMPLOYEES**

This item was moved from Consent Calendar for discussion purposes.

BOARD ACTION ITEMS

- *11A. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 13-04 – A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JANUARY 1, 2011 THROUGH JUNE 30, 2014 FOR THE RAINBOW MUNICIPAL WATER DISTRICT EMPLOYEE ASSOCIATION AND THE RAINBOW ASSOCIATION OF SUPERVISORS AND CONFIDENTIAL EMPLOYEES AND JUNE 13, 2011 THROUGH JUNE 30, 2014 FOR EXEMPT EMPLOYEES**

This item was moved from the Consent Calendar for discussion purposes.

Action:

Moved by Director Lucy to approve Resolution No. 13-04. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Director Brazier was pleased to see RMWD put this on the website.

(*) - Asterisk indicates a report is attached.

Dr. Brady clarified these are RMWD's numbers and CalPers requires every public agency to publicly post all salaries.

Director Griffiths said he would like to see a report with annual salary range plus benefits in order to see how valuable it is to reduce staff.

***12. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 13-05 TO ADD AUTHORITY POWER DURING AN EMERGENCY TO THE ASSISTANT GENERAL MANAGER AND/OR EMERGENCY OPERATION CENTER MANAGER (EOC MANAGER)**

Dr. Brady pointed out the Resolution 13-05 provided in the packet has been superseded by the revised Resolution No 13-05 provided at the meeting.

Director Brazier inquired as to who serves as RMWD's EOC Manager. Dr. Brady stated it was Mr. Atilano who was appointed by the general manager.

Director Griffiths recommended the sequence be Board President, Vice President, and then any of the other directors to provide authorization due to the fact they are elected officials. He noted this would prohibit staff from authorizing something they should not.

Dr. Brady pointed out elected officials on government Board set policy and all operations are handled by the general manager in accordance with how much authority the Board determines to give him/her. He said based on the directors' insurance policy, he would not recommend Board Members take on the operational responsibility of declaring an emergency.

Legal Counsel clarified the whole point of this resolution is so that the authority is given to the operations side of the district with the Board to ratify any contracts in a rather quick matter of time. He noted it was typical for water districts to have something like Resolution 13-05 in place.

Director Brazier noted an emergency would not a time for committees to make determinations.

It was verified the authorized amount of money was for emergency purposes only and the general manager would be held accountable.

Legal Counsel reiterated this was meeting the new Public Contract Code requirement.

Action:

Moved by Director Brazier to adopt Resolution 13-05. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.

NOES: None.

ABSTAINED: None.

ABSENT: None.

(*) - Asterisk indicates a report is attached.

***13. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 13-06 REGARDING BECK RESERVOIR ALTERNATIVES**

Action:

Moved by Director Griffiths to adopt Resolution 13-06 directing staff to move forward with Option 5, treated water storage with UV disinfection and the authority to push forward to get it done as quickly as possible including permitting. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.

NOES: None.

ABSTAINED: None.

ABSENT: None.

Director Lucy complimented staff for the really good work on the prepared report.

Director Griffiths suggested there be some type of consideration of keeping the noise level down.

Mr. Bebee, Assistant General Manager of FPUD, stated he and Mrs. Plonka worked on this report together as part of the look at engineering items between the two agencies. He noted the noisiest item at the facility would be the generator which only runs when power is out. He cautioned there would be some permitting via the Department of Public Health that will need to be worked through; therefore, it will not be as quick as anticipated.

Mr. Bebee explained there were a number of alternatives that were flushed out and a number of different reports prepared regarding what to do with Beck Reservoir. He noted he and Mrs. Plonka took all the alternatives and conducted some comparisons to figure out which option was best. He pointed out the dollar per gallon storage received by putting in UV treatment really shows the benefit of moving forward as opposed to building another tank.

It was noted treated water goes into the reservoir; however, a different level of treatment was required for the water coming out.

Director Sanford asked if potential law suits were taken into consideration during the studies. Mr. Bebee explained there was a low level of impact associated with a UV treatment plant. Mrs. Plonka offered to hold public meetings to provide the community with as much information as possible.

Discussion ensued regarding considering landscaping the facility during the feasibility study.

President McManigle confirmed the discussion was focused on treated water and the only advantage was the storage. He asked why RMWD would not receive untreated water for the district to treat. Mr. Bebee explained why full treatment would be more costly than a UV site. Mr. Bebee confirmed FPUD's Red Mountain Reservoir operated in the same manner as that being proposed for Beck Reservoir.

(*) - Asterisk indicates a report is attached.

President McManigle stated it has always been his understanding raw water would be put into the reservoir and fully treated with UV. Mr. Bebee pointed out this was explored as Option 3; however, it was not explored in detail due to additional costs involved. He offered to provide a breakdown for treating raw water including operation and maintenance costs as well as the lower price of raw water.

Mr. Carlstrom inquired as to whether the UV plant allows RMWD to keep higher levels of storage in Beck Reservoir continually for emergency purposes as opposed to covering it. Mr. Bebee confirmed this would be true.

Ms. Rhyne asked about the difference in cost to utilize Beck Reservoir for raw water for agricultural purposes as opposed to potable water. Mr. Bebee stated although this used to be done without cause; however, now a parallel distribution system and all sites would need to be retrofitted as though it was recycled water which was very costly. He stressed there must be filtration and disinfection systems in place for raw water whereas with treated water disinfection was the only requirement which was much simpler and more economical.

Mrs. Plonka noted staff did look at raw water and found it did not economically make sense, especially compared to other options available.

It was confirmed different crops require various types of raw water treatment.

Mrs. Plonka thanked the Board for supporting staff looking into all the options. She added staff strongly recommends the Board approve the Resolution unless they would like additional documentation on any of the other options brought back for consideration first.

Mr. Carlstrom suggested the Board defer taking action on this item until after the Special Board meeting with the Budget and Finance Committee where budget discussions will take place. Director Sanford asked if a sixty day hold would cause delay in moving forward. Mrs. Plonka stated a 60 day delay would impede current discussions with California Department of Public Health Services (CDPHS). Mr. Bebee suggested the Board at least approve staff pursue the permitting with the CDPHS due to the fact there is a chance that hurdle may not get passed anyway based on a difference of opinion regarding RMWD's intent to comply with the 1995 compliance plan requirement. He confirmed CDPHS could potentially force RMWD to abandon Beck.

Mr. Bebee asked the Board to at least approve the resolution and have staff come back for more direction on how to proceed based on the CDPHS' decision. Director Lucy stressed he would find it hard to believe CDPHS would deny RMWD water storage in light of the current water shortage conditions. Mr. Bebee agreed; however, decisions could be made that may cause impact.

Director Lucy suggested putting together a marketing campaign on this matter to show what RMWD acting as good neighbors by doing the responsible thing for the entire district.

Dr. Brady pointed out Mr. Bebee and Mrs. Plonka have talked to CDPHS and were basically told it was too late; therefore, it is known a somewhat political route may have to be taken. He reiterated CDPHS has a great deal of power and very reluctant to overturn a local engineer's decision. He said although staff understood the Board's desire, right now all they can do is approve the Resolution to document the RMWD Board has decided the most appropriate alternative would be to pursue installing a UV plant.

Director Griffiths amended his motion to include the permits.

Mrs. Plonka explained even if the proposed resolution is passed, the Board will need to take a series of votes throughout the project's processes. Mr. Bebee added if approved, staff would be writing a letter to CDPHS and providing them with documentation.

President McManigle suggested some changes to the report provided in the agenda packet.

BOARD INFORMATION ITEMS

***14. ALTERNATIVE WATER SOURCE FEASIBILITY STUDY UPDATE PRESENTATION**

Mrs. Plonka gave a brief PowerPoint presentation on the alternative water source feasibility study. She pointed out of all the alternatives they would like to move forward with are to evaluate ground water supply development as well as look as recycled water with adjacent water agencies and possibly come up with a regional plan. She explained the next step would be to look further into a specific project and then take the next steps.

Director Sanford congratulated both Mrs. Plonka and Mr. Bebee for taking a regional approach. He noted if working with Rincon, Escondido, etc. makes the water sources in Rainbow and Fallbrook more reliable he was all for it.

Director Lucy expressed concern return water may be a big challenge. It was confirmed it would not be a simple process. Discussion followed.

No action taken.

15. EFFECT OF WATER COSTS ON A TYPICAL, LOCAL GROWER

Mrs. Plonka introduced Steve Strapac as the Vice Chair of the RMWD Engineering Committee who in turn shared some of the personal impacts the effect of water costs have on him being a typical, local grower in correlation with the alternative water source supply study. He took this opportunity to express his hope and desire that the Board move forward swiftly on alternative water supply resources as well as direct staff to look into water rights available in the local area to lessen the impacts on the local growers.

Discussion ensued regarding water rights.

***16. RECEIVE AND FILE INFORMATION ITEMS FOR APRIL 2013**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar
2. North County Joint Powers Authority Report (NCJPA)

B. Construction & Maintenance Comments

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

C. Engineering & Wastewater Comments

1. Engineering Report
2. Wastewater Report

D. Customer Service & Water Operations Comments

(*) - Asterisk indicates a report is attached.

1. Water Operations Report
 2. Electrical/Telemetry Report
 3. Water Quality Report
 4. Field Customer Service Report
 5. Meters Report
 6. Cross Connection Control Program Report
- E. Human Resource & Safety Comments**
1. Safety Report

Action:

Moved by Director Brazier to receive and file information items. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

- AYES:** Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
- NOES:** None.
- ABSTAINED:** None.
- ABSENT:** None.

Dr. Brady noted the LAFCO advisory committee will meet on June 4th. He talked about the informal meeting scheduled with both RMWD and FPUD employee group representatives to review the employee leasing program as well as the Change Management presentation given to a combined forty RMWD and FPUD employees regarding how to handle change. He confirmed the next NCJPA meeting would be on June 5th at the RMWD offices.

Director Griffiths made inquires on Items #16B and #16C1.

Mrs. Plonka reported staff was having issues with Morro tank in that its movement has gotten progressively worse to the point where a structural specialist will need to be brought in to conduct a structural analysis to review options for stabilizing the tank. She also announced the Pala Mesa Tank received the Award of Merit for Design and Project Management.

Mr. Atilano reported Morro Reservoir has been operational with the chlorination system working.

It was noted the load tests reported under Item #16C2 were taken at Lift Station 2.

***17. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR APRIL 2013**

A. Finance Manager Comments

1. Interim Financial Statement
2. JPA Expenses
3. Monthly Investment Report
4. Visa Breakdown
5. Directors' Expense
6. Check Register
7. Office Petty Cash
8. Water Purchases & Sales Summary
9. Statistical Summary

(*) - Asterisk indicates a report is attached.

- 10. Projected CIP Cash Flow Report
- 11. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Action:

Moved by Director Sanford to receive and file financial statements and information. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Director Griffiths made an inquiry on Item #17A1. Mr. Buckley pointed out there was an error in the last report which has since been corrected.

Director Brazier asked when RMWD will see monthly statements of money transfers between RMWD and FPUD. Mr. Buckley said he will provide a separate summary on future agendas.

Director Griffiths made inquiries on Items #17A6 and #17A10.

Director Sanford inquired as to whether RMWD would want to look at an investment pool that may have a higher yield.

Director Griffiths commented on Item #17A11.

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

Director Brazier requested an item be on the next agenda regarding the Board's fiscal integrity to the entire RMWD organization including personnel and property.

It was suggested additional investment options be an information item.

19. ADJOURNMENT - To Tuesday, June 6, 2013 at 1:00 p.m.

Action:

Moved by Director Lucy to adjourn the meeting. Seconded by Director Brazier.

(*) - Asterisk indicates a report is attached.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

The meeting was adjourned at 3:43 p.m.

George McManigle, Board President

Dawn M. Washburn, Board Secretary