**MINUTES OF THE REGULAR BOARD MEETING**

**OF THE BOARD OF DIRECTORS OF THE**

# RAINBOW MUNICIPAL WATER DISTRICT

**JULY 24, 2018**

### CALL TO ORDER - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on July 24, 2018 was called to order by President Brazier at 12:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

### ROLL CALL

**Present:** Director Brazier, Director Hamilton, Director Stewart, Director Gasca.

**Also Present:** General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Administrative Analyst Gray, Finance Manager Martinez, Human Resources Manager Harp, Interim Operations Manager Gerdes, Superintendent Maccarrone, District Engineer Strapac.

**Absent:** Director Mack.

No members of the public were present before for Open Session. Five 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 12:03 p.m.***

1. **CLOSED SESSION**
2. Appointment, Employment; Evaluation of Performance – General Manager (Government Code §54957)
3. Conference with Legal Counsel regarding anticipated litigation pursuant to Government Code section 54956.9(d)(2) - one case

***The meeting reconvened at 1:00 p.m.***

**6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

###  President Brazier reported there was nothing to report from Closed Session.

***President Brazier called for a break at 1:03 p.m.***

***The meeting reconvened at 1:08 p.m.***

Time Certain: 1:00 p.m.

**7. PLEDGE OF ALLEGIANCE**

**8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

###  President Brazier reiterated there was nothing to report.

### 9. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)

###  President Brazier reported there were 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).

Paul Waters from Senator Joel Anderson’s office extended an invitation to everyone to attend a free grant writing workshop on Wednesday, August 1, 2018 in Poway. He provided flyers for the event with additional details for those interested.

**11. EMPLOYEE RECOGNITIONS**

1. Chris Hoelscher (10 Years)

###  Mr. Kennedy noted Chris Hoelscher’s tenure has been in the meters department. He presented Mr. Hoelscher with a plaque and check in recognition of his service.

**\*12. APPROVAL OF MINUTES**

1. June 26, 2018 - Regular Board Meeting

###  *Motion:*

###  *To approve the minutes as written.*

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

###

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

###

###  *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

###

### 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)

 There was no report given.

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

 **1.** SDCWA

 **A.** Summary of Board Meeting June 28, 2018

Mr. Kennedy announced the next meeting will be on July 26, 2018.

 **2.** CSDA

 Mr. Kennedy noted the next Quarterly Dinner Meeting will be in August.

 **3.** LAFCO

 Mr. Kennedy mentioned he and Ms. Washburn attended the San Luis Rey Municipal Water District meeting to assist with ballot counting and how there was an agenda item for possible dissolution that was tabled.

 **4.** San Luis Rey Watershed Council

 Director Stewart announced the next meeting will be in August. He mentioned it was suggested RMWD offer the use of its Board Room for holding the Council meetings. He stated if the Board does not object, he would like to extend the invitation to use the Board Room for Council meetings on the fourth Wednesday of each quarter.

 **5.** Santa Margarita River Watershed Watermaster Steering Committee

 Director Hamilton referred to the handwritten report provided as a handout. He also noted there was discussion regarding a landfill that closed many years ago and getting the water tested at that site. He noted the next meeting with be in October.

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

 **1.** Board Seminar/Conference/Workshop Training Attending Requests and Reports

 There were no reports given.

 **D.** Directors Comments

 There were no comments.

 **E.** Legal Counsel Comments

1. Water Quality, Nuisance and Inverse Condemnation Nuisance Claims (501668-0002)

Mr. Smith summarized the information contained in his report.

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

1. Budget and Finance Committee
	1. June 12, 2018 Minutes

Mrs. Martinez reported ABM gave a presentation to the committee on the meter replacement program.

1. Communications and Customer Service Committee
	1. June 7, 2018 Minutes

Mrs. Gray reported the committee approved the release of the extended newsletter, approved recommending the appointment of Julie Johnson to serve on the committee, received an ABM update, as well as reviewed the claims processing policy.

1. Engineering and Operations Committee

Mr. Strapac reported the committee had a presentation from Suez on tank stairways as a means of reducing safety risks. He mentioned the other topics discussed including pipe relocations.

Director Stewart asked if the committees had any recommendations related to the ABM project. Mr. Kennedy stated all the committees were on board with moving forward with certain considerations.

**BOARD INFORMATION ITEMS**

**15. CONSIDER STAFF PRESENTATION ON FLUME WATER METER MONITORING SYSTEM**

Mr. Kennedy gave a verbal update on the pilot program being conducted to test a device from Flume Inc. He pointed out there has been challenges with the AMI project; however, the District’s Strategic Plan tasks including finding a means of communicating with the public regarding water leaks. He mentioned the many options remaining to be explored by the Board relating to the devices once the test pilot program results are received and processed.

Director Hamilton pointed out the District may have an opportunity to negotiate good terms and discounts with Flume should the devices found to be beneficial.

Mr. Kennedy confirmed the testing process will take approximately 2-3 months. He talked about other options being explored. He apologized to the Board regarding the time spent on the Itron pilot program which is ultimately in the middle of tanking.

Director Hamilton stated one of the biggest benefits was putting the responsibility on the customers in terms of managing their own water consumption as opposed to leaving it to District staff. Discussion ensued.

**BOARD ACTION ITEMS**

**\*16. CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH ABM BUILDING SOLUTIONS, LLC FOR A DISTRICTWIDE METER REPLACEMENT AND WATER SERVICE UPGRADE PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT ON THE DISTRICT’S BEHALF**

###

### Mr. Kennedy introduced Harvey Katzen from ABM who will give a presentation on the Investment Grade Audit Report as well as provide the District with some guidance for moving forward so the numbers and scope of work can be finalized.

Mr. Katzen thanked the Board for allowing ABM the opportunity to present the information again. He introduced his team that was present to assist with sharing the summary overview of the work conducted over the past couple of years.

Mr. Kennedy explained the steps taken, the progress made, as well as the next steps going forward. He mentioned some of the feedback received as well as the philosophical questions that will need to be answered. Discussion ensued.

Mr. Katzen continued with the presentation including review of the Project Financial Analysis for both the full and reduced scope. Mr. Kennedy noted where there would be savings in terms of labor resources.

Mr. Katzen reviewed the Preliminary Project Schedule. Discussion followed.

Mr. Kennedy solicited the Board for their input regarding as to whether to place the pressure regulator on the customer’s or District’s side of the meters. Discussion ensued with the consensus being that the regulator should be the responsibility of the District and be placed on the District side of the meter in areas where system pressure is excessive.

Mr. Kennedy discussed a component of the project that would to install a ball valve on the customer’s side, which would give customers an easy way to shut off their water and also prevent draining the entire customer’s system into the District’s meter box when performing meter maintenance.

Director Stewart mentioned this project would serve as a big part of transitioning the area from rural and urban. He said if the return on investment was a little slower, it makes eminent sense and ultimately free up District monies to be used on other pertinent projects.

Director Hamilton stated he agrees with most everything said; however, he reiterated his opposition to putting the pressure regulator on the customer’s side of the meter.

Director Gasca inquired as to the basis for the seven-year lease term. Mr. Kennedy provided an explanation and the purpose for utilizing a conservative approach. Discussion followed.

Mr. Kennedy and Mr. Strapac talked about some of the options the Board will need to consider.

No action taken.

**17. CONSIDER EXTENSION OF PARTIAL SEWER FEE WAIVER FOR 2017 LILAC FIRE VICTIMS**

###  Mr. Kennedy explained the previous waiver expired in June; therefore, this item was for the Board to consider whether to grant an extension.

***Motion:***

***To approve Option 1 - Extend the wastewater service fee waiver program for an additional six months.***

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

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

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

**18. DISCUSSION AND POSSIBLE ACTION REGARDING STUDIES TO ADVANCE BONSALL BASIN DESALTER IMPLEMENTATION**

###  Mr. Strapac mentioned Dudek has conducted a study of the Bonsall Basin and found the amount of water RMWD would receive did not offset the $68 Million desalter implementation; therefore, it was staff’s recommendation this item be put on hold until water rights are secured.

***Motion:***

***To approve Option 1 - Advise staff to discontinue the feasibility study until other water rights have been established.***

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

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

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

### 18A. DISCUSSION AND POSSIBLE APPOINTMENT OF TREASURER

Mr. Kennedy pointed out it was found the Administrative Code requires the appointment of Treasurer each year under the investment section.

 ***Motion:***

***To appoint Finance Manager, Vanessa Martinez, as Treasurer of the District.***

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

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

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

**\*19. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 18-12, ADOPTING PART-TIME EMPLOYEE BENEFITS POLICY**

Mrs. Harp recalled the Board approved a permanent part-time employee; however, there were benefit policies to be addressed. She mentioned the District has met and conferred with the two bargaining units at which time it was determined the bargaining units would not include part-time employees. She explained based on this decision, part-time employees would not be covered under an MOU which in turn made it necessary to modify benefits for these positions. She pointed out RMWD currently has one part-time employee in Customer Service and was seeking another for the Human Resources department.

***Motion:***

***To approve Resolution 18-12.***

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

###

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

### *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

###

**\*20. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 18-16 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 2.01.010**

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###  President Brazier noted this item was carried over from next month.

Director Hamilton expressed concern the policy seemed lighter with utilizing the word “shall” as opposed to “should”. Mr. Kennedy explained there may be challenges to enforcing the policy that affects elected officials. Legal Counsel explained there would need to be something in the policy where the majority of the Board could take action including censorship.

Director Gasca pointed out utilizing the word “shall” would assist future Board Members with enforcing the policy as well. Mr. Kennedy noted all the words “should” will be changed to “shall”.

President Brazier suggested the words “emphasizing the positive” be removed from the first sentence in Paragraph 4 on Page 1 and “and given deference” be removed from Paragraph 4 on Page 2. Mr. Kennedy offered to have these revisions made.

Director Stewart said he could not find anything relative to climate change being a part of ethics. Mr. Kennedy explained this derived from discussions that have taken place at the committee level when there have been matters of water being presented. Director Stewart stated he was all about having a policy related to climate changes; however, it should not be bundled in with ethics. Director Hamilton agreed it would be easier to uphold if in a separate policy.

Director Gasca expressed concern with the use of the term “climate change”. President Brazier suggested the policy address change in climate. Discussion ensued.

President Brazier suggested there be a policy to hold committee members responsible for not bringing forth matters of personal interest but rather for the betterment of the District as a whole. Mr. Kennedy recommended this policy include procedures for recusal from discussions on matters of personal interest. Discussion ensued regarding how this would differ from Board discussions on matters affecting their constituents.

President Brazier read aloud some suggested policy language provided by a ratepayer. Director Hamilton suggested there be provisions for upholding the policy including any consequences committee members may face. Legal Counsel agreed to provide proposed language for Board consideration.

This item was deferred to the next meeting.

**21. DISCUSSION AND POSSIBLE ACTION TO APPOINT JULIE JOHNSON AS A MEMBER OF THE COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE**

***Motion:***

***To appoint Julie Johnson as a member of the Communications and Customer Service Committee.***

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

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

###  *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

###

**\*22. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS SEAT A ELECTION**

Mr. Kennedy pointed out the Board weighed in on the nominations; therefore, this was an opportunity to place vote.

***Motion:***

***To support Jo MacKenzie for Directors Seat A in the CSDA election.***

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

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

### *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

###

**23. DATE CONFIRMATION FOR strategic plan workshop**

###  Mrs. Gray talked about the venues available for an offsite workshop. She pointed out the room rental fee for Pala Mesa would be $250.00; however, the rental rate would be waived with the purchase of lunch.

It was confirmed the date for the workshop would be Wednesday, August 15, 2018 starting at 11:00 a.m.

**24. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

### President Brazier presented the request forms received from three Board Members for Board approval individually.

***Motion:***

***To grant Director Gasca authorization to attend the 2018 CSDA Annual Conference.***

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

### *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

***Motion:***

***To grant Director Stewart authorization to attend the 2018 CSDA Annual Conference.***

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

### *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

***Motion:***

***To grant Director Hamilton authorization to attend the 2018 CSDA Annual Conference.***

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

### *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

###  President Brazier noted three Board Members have been granted approval to attend the 2018 Annual Conference in Indian Wells; therefore, the September 25, 2018 Regular Board meeting date needed to be changed.

**25. DISCUSSION AND POSSIBLE ACTION TO CHANGE SEPTEMBER 25, 2018 MEETING OF THE BOARD OF DIRECTORS**

### *Motion:*

### *To move the September Board meeting to Tuesday, September 18, 2018 at 1:00 p.m.*

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

###

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

### *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

###

###  Director Stewart announced he will not be present at the October Board meeting.

**\*26. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

 **A**. **General Manager Comments**

 **1.** Meetings, Conferences and Seminar Calendar

**B. Communications**

 **1.** Staff Training Reports

**C. Operations Comments**

 **1.** Operations Report

**D. Engineering Comments**

 **1.** Engineering Report

**E.** **Human Resource & Safety Comments**

 **1.** Human Resources Report

 **2.** Organizational Chart

**F. Finance Comments**

**1.** Interim Financial Statement

**2.** Treasurer Report

**3.** Credit Card Breakdown

**4.** Directors’ Expense

**5.** Check Register

**6.** Water Sales Summary

**7.** RMWD Sewer Equivalent Dwelling Units (EDU’s) Status

### *Motion:*

### *To receive and file information and financial items.*

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

###

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

### *Ayes: Director Brazier, Director Hamilton, Director Stewart, Director Gasca.*

###

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

###  It was noted Item #20, ABM, and Conflict of Interest Code biennial review needed to be on the next meeting agenda.

**28. ADJOURNMENT - To Tuesday, August 28, 2018 at 1:00 p.m.**

***The meeting was adjourned with a motion made by Director Brazier to a special meeting/workshop on August 15, 2018 at 11:00 a.m.***

The meeting was adjourned at 3:48 p.m.

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Helene Brazier, Board President

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Dawn M. Washburn, Board Secretary