

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 23, 2021**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 23, 2021 was called to order by President Hamilton at 12:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(Due to COVID restrictions the meetings are being held virtually.)* President Hamilton presiding.

2. **ROLL CALL**

Present: Director Gasca *(via video conference)*, Director Hamilton *(via video conference)*, Director Mack *(via video conference)*, Director Rindfleisch *(arrived at 12:12 p.m. via video conference)*, Director Moss *(via video conference)*.

Also Present Via Teleconference or Video Conference:

General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Human Resources Manager Harp, Finance Manager Largent, Information and Technology Manager Khattab, Information and Technology Specialist Espino.

No members of the public were present via teleconference or video teleconference before Closed Session.

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

There were no changes to the agenda.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

President Hamilton read aloud the instructions for those attending the meeting via teleconference or video conference.

5. **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.

6. **CLOSED SESSION**

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

* Three Items

(*) - Asterisk indicates a report is attached.

B. Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)

* Kessner et al., v. Rainbow Municipal Water District, et al.

C. Conference with Labor Negotiators (Government Code §54957.6 and §54957)

Agency Designated Representatives

Tom Kennedy
Karleen Harp

Discussions regarding labor negotiations for:

Rainbow Employees Association
Rainbow Association of Supervisors and Confidential Employees
Rainbow Exempt Employees Association

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This was addressed under Item #11.

The meeting reconvened at 1:00 p.m.

Time Certain: 1:00 p.m.

8. REPEAT CALL TO ORDER

The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 23, 2021 was called to order by President Hamilton at 1:04 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(Due to COVID restrictions the meetings are being held virtually.)* President Hamilton presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

Present: Director Gasca *(via video conference)*, Director Hamilton *(via video conference)*, Director Mack *(via video conference)*, Director Rindfleisch *(via video conference)*, Director Moss *(via video conference)*.

Also Present Via Teleconference or Video Conference:

General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Engineering and CIP Program Manager Williams, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Associate Engineer Powers, Meter Services Supervisor Wilson, Project Manager Tamimi, Construction and Maintenance Supervisor Lagunas, Utility Worker Ramos, Human Resources Assistant

(*) - Asterisk indicates a report is attached.

Six members of the public were present for Open Session via teleconference or video teleconference.

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss five items. He stated there was one reportable action related to a claim received by the Board from David Raymond Strata alleging claims for personal injuries allegedly sustained over forty years ago. He reported the Board rejected this claim in its entirety.

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

There were no changes to the agenda.

13. REPEAT INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE

President Hamilton read aloud the instructions for those attending the meeting via teleconference or video conference.

14. 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).

Director Moss mentioned she had received an inquiry from one of her constituents requesting an update on one of the roads currently under repair. Mr. Kennedy asked her to share this with him following this meeting and he will get an update for the customer.

***15. APPROVAL OF MINUTES**

A. January 26, 2021 - Regular Board Meeting

Motion:

To approve the minutes.

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

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

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch, Director Moss.

(*) - Asterisk indicates a report is attached.

***16. 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 Hamilton)

President Hamilton reported on February 13, 2021 he and Mr. Kennedy attended the San Luis Rey Indian Water Authority meeting at Pala where they gave a presentation on RMWD's Imported Return Flow Groundwater Project. He stated during this presentation the project was explained as well as sure RMWD's tribal neighbors know that the District understands and respect their federally reserved water rights. He noted the presentation was well-received and Chairman Smith from Pala requested RMWD meet with him team to discuss this item further.

President Hamilton also reported the District had reached a milestone in its Challenge Coin Program. He stated since the program began in 2017, RMWD employees have submitted hundreds of nominations and dozens of challenge coins have been awarded in the area of teamwork, responsibility, innovation, integrity, and professionalism. He stated today the District would like to recognize the first employee to achieve all five RMWD Challenge Coins, Carlos Ramos.

President Hamilton stated on behalf of the Board of Directors, he wanted to thank Mr. Ramos for his commitment to excellence as well as congratulated him for being the very first employee to receive all five excellence coins.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting – January 28, 2021

Mr. Kennedy reported the next meeting will be on February 25, 2021 and how one of the main topics will be the discussing the first draft of SDCWA's Urban Water Management Plan which did not accurately describe the forecasts and demands everyone believes did not happen as well as omitted the San Diego Pure Water Program which within the next fifteen years will produce about 90,000 acre feet of water feet per year. He noted the plan showed the City of San Diego's demand increasing over time as opposed to decreasing. He mentioned how the City, after receiving a great deal of feedback, convinced SDCWA to make adjustments and in turn produce a revised version of the plan recognizing the City's demand for water; however, it still reflects an increase in demand regionally. He stated there will be discussions with SDCWA in hopes they will think through making reasonable demand forecasts the agencies can utilize in their financial forecasting.

2. CSDA

Director Mack reported he received another email inviting him to attend an upcoming Legislation Committee meeting. He said his name was listed as a member of this committee although he had not received official notification he had been selected to serve. He stated the meeting is scheduled for March 5th and inquired as to whether he should notify the Board in advance of these meetings.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy pointed out the RMWD Board has already approved his participation on this committee, so there was not need to notify the Board; however, he would be required to report to the Board during the monthly board meetings.

President Hamilton asked Director Mack to confirm his appointment and explain to CSDA he was not officially notified.

Mr. Kennedy mentioned the San Diego Chapter held their quarterly meeting on February 18, 2021.

3. LAFCO

Mr. Kennedy reported he attended a meeting at the beginning of the month at which he spoke on the municipal service reviews on their Resource Conservation Districts in San Diego County. He stated there are two main disputes related to this matter which are being sorted out by LAFCO.

4. San Luis Rey Watershed Council

Director Gasca reported Mr. Kennedy was able to contact Paul Dorey, one of the founding members of the Council, who shares the same experience as RMWD in terms of not receiving a reply from Heidi with the Pala Tribal Government. He stated he reached out to Mr. Dorey directly to get a better idea and understanding as to what needs to be done to keep the Council active. He said after he speaks with Mr. Dorey, he will report back to the Board.

Mr. Kennedy stated if RMWD is a member of an organization that is unsuccessful in getting in contact with such, RMWD may want to send a letter to address the matter to avoid being a member of an organization not functioning appropriately according to state law. He noted RMWD does provide funding to the Council; however, it was not a large amount.

5. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton reported the next meeting will be held in April.

6. ACWA

Director Mack mentioned he has been registered for the 2021 ACWA Spring Conference.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

There were no reports.

D. Directors Comments

Director Mack inquired about the status of the Bonsall Reservoir matter. Mr. Kennedy stated staff was still working on the process to find out if it would be available to install solar at the site. Mr. Williams added staff will be proceeding with issuing Requests for Proposals for companies to look at any site the District owns for potential viable solar solutions. He noted staff was in touch with the property owner leasing the Bonsall Reservoir from RMWD and currently reviewing the study which provides the formula for RMWD in terms of how to charge the landowners.

(*) - Asterisk indicates a report is attached.

- E. Legal Counsel Comments
 - 1. Attorney Report - New COVID-19 Regulations 501668-0002

Legal Counsel summarized the information contained in the written report. He congratulated the District staff for staying ahead of the evolving regulations.

Director Mack asked if there was any additional information related to mandating vaccinations for all RMWD employees. Legal Counsel stated the District can make vaccinations mandatory; however, there is a big caveat due to having to be a number of exemptions to comply with Title VII and American Disabilities Act which in turn means the employer would need to research what could be done to make reasonable accommodations to accommodate any reasonable objections. He pointed out the employer would only be required to make accommodations to the extent it creates an undue hardship such as significant alternations to the workforce requirements.

Director Mack asked if there was any type of regulations coming from the government. Legal Counsel stated the EOC made it guidance; however, this only provides some coverage at this point. Director Mack noted his concern was to protect the employees from being vulnerable to the virus when the District reopens its offices to the public.

17. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported the committee mainly focused on the mid-year budget review and how the committee was in concurrence. He noted the committee will start to focus on the 2021-2022 budget review process at its next meeting.

B. Communications and Customer Service Committee

President Hamilton reported the committee received updates on reopening the headquarters, discussed the Water Service Upgrade Project as well as the PSWAR program communications outreach, and received an update on the online payment processor change.

Ms. Largent reported approximately 3,100 customers sign up for autopay and how 750 of the 1,300 customers previously signed up for autopay have signed up again. She mentioned a reverse 911 calls and direct calling has been placed.

C. Engineering and Operations Committee

Mr. Nelson reported the committee reviewed the CIP Strategic Plan, and how the committee appointed him to continue to serve as Chairperson and Mick Ratican as Vice Chairperson.

CONSENT CALENDAR ITEMS

- 18. NOTICE OF COMPLETION AND ACCEPTANCE OF NELLA LANE WATER MAIN REPLACEMENT PROJECT**
- 19. NOTICE OF COMPLETION AND ACCEPTANCE OF THE SAGEWOOD ROAD WATER PIPELINE IMPROVEMENTS PROJECT**

(*) - Asterisk indicates a report is attached.

***20. NOTICE OF COMPLETION AND ACCEPTANCE OF THE VISTA VALLEY VILLAS PRESSURE REDUCING STATION PROJECT**

21. CONSENT TO THE OMISSION OF SIGNATURES FROM THE FINAL MAP FOR THE FAIRVIEW DEVELOPMENT, COUNTY OF SAN DIEGO TRACT NO. 5427-1, AND MAKE A FINDING THAT THE FINAL MAP WILL NOT UNREASONABLY INTERFERE WITH THE FREE AND COMPLETE EXERCISE OF THE DISTRICT'S EASEMENTS

Motion:

To approve the Consent Calendar.

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

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

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch, Director Moss.

BOARD ACTION ITEMS

***22. ADOPT RESOLUTION NO. 21-07 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1**

Mr. Kennedy explained this was a standard item the Board considers each year to set the date for the public hearing and that this year's meeting would be in June.

Motion:

To adopt Resolution No. 21-07.

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

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

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch, Director Moss.

Director Rindfleisch inquired as to whether there would be an expiration date for this charge. Mr. Kennedy stated there was no expiration date, but rather it was a continuous assessment.

23. FISCAL YEAR 2020-21 MID-YEAR BUDGET REVIEW AND BUDGET ADJUSTMENTS

Ms. Largent shared a presentation on an overview of the operating budget adjustment summary. She mentioned staff was not currently requesting an increase in the revenue budget but wanted to notify the Board the District was projecting to come in at approximately \$850,000 above in net revenue. She pointed out noted staff was proposing an increase in operating expenses in the amount of \$85,490.

President Hamilton asked if RMWD was actually above its forecast projections. Ms. Largent clarified the forecast is above what has been budgeted by 5,000 acre feet.

(*) - Asterisk indicates a report is attached.

Ms. Largent pointed out although the COVID-19 expenses came in higher than expected for safety supplies, there were some projects were postponed. She noted the adjustments for each department were overall minimal.

Ms. Largent referenced the water capital budget adjustments as she reviewed overall adjustments made to capital. She noted the water capital fund balances are very low due to a delay in increasing water rates in lieu of RMWD detaching from the SDCWA; however, this year this will need serious consideration.

Ms. Largent concluded with noting there was an operating budget increase of \$85,490 and a capital expense budget decrease of \$891,034 for which staff was seeking Board approval.

Motion:

To approve the recommended mid-year budget adjustments.

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

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

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch, Director Moss.

***24. CONSIDER ADOPTION OF 2021 REVISION TO THE RAINBOW MUNICIPAL WATER DISTRICT STRATEGIC PLAN**

Mr. Kennedy pointed out this was brought to the Board last month and how input from Director Moss has been incorporated into the agenda packet item. He noted he did not receive any additional input or revisions; therefore, staff was seeking Board approval of the 2021 updates.

Motion:

To accept the 2021 revisions as stated.

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

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

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch, Director Moss.

***25. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS: SEAT A**

Mr. Kennedy explained this was an annual request from CSDA for individuals who wish to be nominated to serve.

President Hamilton asked if there was an incumbent running for this position. Ms. Washburn stated the information provided from CSDA shows the representative for the southern network was Jo MacKenzie and her term would one of those expiring.

(*) - Asterisk indicates a report is attached.

No action taken.

26. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Director Mack noted he was currently registered for the 2021 ACWA Spring Conference.

Ms. Washburn offered to send the 2021 ACWA Spring Conference information to Directors Moss, Rindfleisch, Gasca, and Hamilton who in turn could notify the Board of their desire to attend at the March meeting.

BOARD INFORMATION ITEMS

27. UPDATE ON WATER SERVICE UPGRADE PROJECT (WSUP) AND IMPACTS ON WATER LOSS

Mr. Kennedy reported the project was rapidly approaching 50% completion. He also commented on the work being conducted as part of the water audit noting the results show overall water losses decreasing and net savings estimated through this process was approximately 225 acre feet created with less water lost through meters. He explained this could be due to customers purchasing the water for which RMWD received the increased revenue or if customers did not purchase the water, RMWD was saving money by not having to buy wholesale; however, this was not able to be determined until later in the year. He stated if all the 225 acre feet went through the meters, it would equate to approximately \$500,000 in additional revenue; however, to the contrary if RMWD sold 225 acre feet less in water and yet billed the same amount as before, RMWD would save approximately \$420,000 in wholesale costs. He reiterated because this was a short period of time when meters were being exchanged and with weather conditions fluctuating water demands, it is difficult to determine actual numbers at this time. He stated either way the goal was to see a reduction in apparent losses, which are right now at 800-900 acre feet per year, and get that number as close to zero as possible which would be the basis for revenue recovery or savings recovery. He pointed out RMWD's rates were set with an assumed 7% water loss and as the water loss decreases, that revenue is extra revenue that first pays off the debt on the WSUP project and then be able to use on capital projects, reduce rates or hold the line on future rate increases per the Board's discretion.

Director Mack asked if the 7% was industry standard. Mr. Kennedy explained nationally 10% was the standard; however, under 5% is preferred for Southern California and the AWWA standard for meter accuracy is 2%.

Mr. Kennedy concluded with noting RMWD expects to see a significant decrease in non-revenue water related to meter accuracy which will have a corresponding financial benefit depending on the reaction of the ratepayer.

28. DISCUSSION REGARDING POSSIBLY AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 2.03.010 – REMUNERATION AND REIMBURSEMENT POLICY

Mr. Kennedy mentioned this was brought to the Board in January for consideration and how Ms. Washburn had conducted research related to what other agencies to assist the Board in determining how they would like to modify the policy in terms of compensable meetings. He encouraged the Board to review the list of meetings provided to arrive at a consensus as to which meeting types should be compensable.

(*) - Asterisk indicates a report is attached.

Director Mack pointed out most agencies pay for ad hoc committee participation which was one of the meeting this Board wanted to consider being compensable.

Director Rindfleisch proposed adding Board Members may submit for compensation for participation in standing committees.

Mr. Kennedy asked the Board Members to review the list of meetings provided in the action letter and provide Ms. Washburn with their input no later than Tuesday, March 9, 2021.

PRESENTATIONS

29. CIP STRATEGIC PLAN PRESENTATION

Mr. Kennedy commended staff efforts in preparing the strategic plan. Mr. Williams also thanked all the departments who assisted with this process.

Mr. Williams presented the CIP Plan noting the goal was when RMWD has its five-year CIP Plan, the project names and dollar amounts should not change much, but rather only show changes in terms of when projects come into play. He mentioned the plan was a living document that will be updated at minimum of twice per year. He explained the rating system which now has a seventh key focus area and how for a project to be considered a capital project, it must meet one of these seven.

Director Gasca asked if all of the projects are within the same category. Mr. Williams stated they are not; however, there were many rows and columns hidden that could be sorted using various categories.

Mr. Williams reviewed the project scheduling noting RMWD has one main GANTT chart. He provided details regarding some of the projects as well as some discrepancies discovered in the numbers which have since been reconfirmed. He pointed out educated guesses were utilized to calibrate the information provided.

President Hamilton asked if any of the information provided in the spreadsheet could be transferred into the EAM system. Mr. Kennedy explained EAM does have a Microsoft Project API; however, staff was in the process of determining the marginal benefit versus the administrative costs associated with setting it up. President Hamilton suggested as RMWD goes through this project, staff will become more sophisticated in making the estimates. Mr. Kennedy agreed and stated once the main goal of determining the resources to execute a project is more refined better estimates can be made. Mr. Williams added all staff time is recorded and invoices are currently being tracked.

Mr. Williams reviewed the process for prioritizing projects as well as incorporating them into the five-year CIP plan. He mentioned staff meets regarding this plan on a regular basis to ensure everyone agrees.

Director Gasca referenced the GANTT chart inquiring as to whether the chart for each project is parallel with no linkage between them or "critical path" amongst the different projects. Mr. Kennedy explained although there were no specific dependencies between most of the projects; however, the ranking system would determine project prioritizing to meet the timeframes associated with another project.

(*) - Asterisk indicates a report is attached.

Director Mack left the meeting at 2:26 p.m.

Director Mack rejoined the meeting at 2:28 p.m.

President Hamilton expressed gratitude to the entire team for the work put into developing this plan. Director Moss also commended staff for a great job noting this plan will assist operations, engineering, and financial budgeting.

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

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Communications**
 - 1. Staff Training Report-D. Rubio
- C. Operations Comments**
 - 1. Operations Report
- D. Engineering Comments**
 - 1. Engineering Report
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
- E. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
- F. Finance Comments**
 - 1. Board Information Report
 - 2. Budget vs. Actual Fund 1, 2, and 3
 - 3. Fund Balance Projections
 - 4. Treasury Report
 - 5. Five Year Demand
 - 6. Water Sales Summary
 - 7. Check Register
 - 8. Directors' Expenses
 - 9. Credit Card Breakdown
 - 10. Developer Projections
 - 11. RMWD Properties

Mr. Gutierrez presented an update on the Morro Reservoir Mixing Project/Component of the Wholesale Water Efficiency Project. President Hamilton asked how many mixers will be installed. Mr. Gutierrez stated there will be nine initially. Mr. Kennedy pointed out there was capacity for additional mixers to be installed if deemed necessary in the future.

The information and financial items were received and filed.

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

It was noted the Administrative Code update for remuneration and reimbursement should be on the next agenda.

(*) - Asterisk indicates a report is attached.

32. ADJOURNMENT

The meeting was adjourned by President Hamilton.

The meeting was adjourned at 2:49 p.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary