

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
OCTOBER 25, 2016**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on October 25, 2016 was called to order by President Sanford at 1:03 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:**

Board Roll Call:

Present: Director Bigley, Director Brazier, Director Sanford, Director Walker, Director Stewart

Communications Committee Roll Call:

Present: Member Brazier, Member Daily, and Member Kurnik

Absent: Member Kirby.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Legal Counsel Ochoa, Administrative Analyst Gray, Engineering Manager Kirkpatrick, Finance Manager Martinez, Human Resources Manager Harp, Operations Manager Milner, Superintendent Maccarrone, Superintendent Walker, Superintendent Zuniga, Water Quality Technician Perreira, Crew Leader Diaz, Accounting Specialist Rubio

Five members of the public were present.

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

There were no changes to the agenda.

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).**

Josaline Cuesta from Senator Anderson's office invited the Board to the Holiday Legislative Open House on December 7, 2016 from 6:00-8:00 p.m.

***6. APPROVAL OF MINUTES**

A. September 27, 2016 - Regular Board Meeting

Motion:

To approve the minutes as written.

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

Vote: Motion passed (summary: Ayes = 4, Noes = 0, Abstain = 1).

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

Abstain: Director Bigley.

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)

No report given.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Formal Board of Directors Meeting September 22, 2016

Mr. Kennedy provided an update on the MWD versus SDCWA lawsuit. Discussion ensued.

2. CSDA

Director Stewart reported on the 2016 CSDA Annual Conference noting many topics that were discussed.

3. LAFCO

Mr. Kennedy reported he will be meeting with Mr. Ott after the LAFCO meeting on November 7, 2016.

4. San Luis Rey Watershed Council

Director Walker reported the meeting was cancelled.

5. Santa Margarita Watershed Council

President Sanford reported Brian Brady will most likely be appointed as the WaterMaster of the Santa Margarita Watershed Council at which time he will resign from Fallbrook Public Utility District.

(*) - Asterisk indicates a report is attached.

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

Director Walker reported on the recent Council of Water Utilities meeting.

D. Directors Comments

Director Brazier read a statement for the record (see Exhibit "A").

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

A. Budget and Finance Committee

1. September 13, 2016 Minutes

Mr. Stitle stated there was nothing to report at this time.

B. Communications Committee

1. September 12, 2016

Mr. Daily reported the committee discussed what the messaging may look like going forward in terms of water efficiency as well as staying within the guidelines of the strategic plan.

Director Brazier mentioned in the past new customers received a welcome packet from RMWD when they first signed on for service that new customers today do not receive. It was noted customer service would research this matter and report on their findings.

C. Engineering Committee

1. September 7, 2016

Mrs. Kirkpatrick reported the committee talked about the recent concept space study report, how the capacity fee study was not yet complete, and an update on the negotiations with the City of Oceanside.

BOARD INFORMATION ITEMS

9. COMMUNICATIONS COMMITTEE UPDATE

Mr. Daily thanked the Board for inviting the committee to join the meeting today. Both Mr. Daily and Mrs. Kurnik introduced themselves to the Board as well as gave a brief description of their respective backgrounds.

Mr. Daily gave a presentation on the origin, history, strategic plan goals and objectives, and future of the communications committee.

Discussion ensued regarding upcoming community events in which RMWD may want to partake.

Mrs. Kurnik mentioned scheduling tours was on the committee's agenda in order to assist with providing information to the public. Mrs. Gray added some type of open house with staff may be implemented in the future.

(*) - Asterisk indicates a report is attached.

President Sanford thanked the committee for their dedication and great work on behalf of the Board of Directors.

10. WATER RATES PRESENTATION

Mr. Kennedy pointed out this item was informational only at this time.

Mrs. Martinez gave presentation on the Proposed Water Rate Increase (Preliminary Figures).

Discussion ensued regarding solar being utilized at RMWD facilities.

Mrs. Martinez stated she was currently looking at the mid-year audit as well as updated the Board on the transition from DataStream to SpringBrook software.

BOARD ACTION ITEMS

*11. CONSIDER AWARDING PROFESSIONAL SERVICES AGREEMENT FOR ANNUAL BACKFLOW TESTING & REPAIR SERVICES AS PART OF RAINBOW MUNICIPAL WATER DISTRICT (RMWD) CROSS-CONNECTION CONTROL PROGRAM

Mr. Kennedy pointed out there were some minor revisions to the Professional Services Agreement provided in the agenda packet; therefore, an update version has been provided to the Board under separate cover at today's meeting. He noted the reason for changing to another service provider was get competitive bids from various firms from which an internal team reviewed to select the most responsive bidder from a technical and capability standpoint first followed by a look at the monetary factor. He said based on these factors, Temecula Valley Backflow was found to be the best selection for the District.

Director Brazier stated she hopes this consultant will be diligent in turning the customer's water back on after the completion of the tests.

Director Walker inquired about the professional liability insurance. Legal Counsel explained why the insurance amount would not need to be as high as in other cases.

Motion:

To approve the agreement.

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

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

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

***12. DISCUSSION AND POSSIBLE ACTION TO ACCEPT A SERVICE LEVEL AGREEMENT WITH NEOGOV FOR PERFORMANCE MANAGEMENT, ONBOARDING, AND APPLICANT TRACKING SOFTWARE**

Mrs. Harp gave a presentation consisting of a bird's eye view of some workforce challenges and issues in performance management, onboarding, and applicant tracking software. She provided information on the NEOGOV software which she believes assist in making the District's workforce development processes more efficient and effective. She mentioned there have been discussions between RMWD and FPUD to share in some of the costs associated with the software due to the fact both agencies are considering implementing this same software program. She pointed out these savings would be mostly in licensing costs as well as dual attendance at training and other future NEOGOV workshops. It was stressed RMWD would not be able to access FPUD's information nor would FPUD be able to access RMWD's.

Mr. Kennedy explained the many more positive aspects associated with this software and how by saving staff time in this area there would be other areas that could be focused on by the employees involved in these processes.

It was clarified interviews for candidates would still take place.

Motion:

Authorize the General Manager to execute the Service Level Agreement with NEOGOV as presented, with all three modules and the negotiated discounted implementation fees.

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

Vote: Motion passed (summary: Ayes = 4, Noes = 0, Abstain = 1).

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

Abstain: Director Brazier.

***13. CONSIDER APPROVAL OF CONTRACT WITH NOSSAMAN LLP FOR GENERAL AND SPECIAL COUNSEL SERVICES**

Director Brazier excused herself from the meeting at 2:29 p.m.

Director Stewart pointed out a Request for Proposal was sent out to legal counsel firms that works in the area of sewer and water in this area of Southern California. He noted there were four proposals received that did not have a conflict of interest with representing other agencies. He explained the four detailed proposals received were presented to the Board for their review after which the Board interviewed the top two of those four firms. He stressed there was no favoritism involved and how the Board did its due diligence in making sure to review the proposals presented prior to taking appropriate action.

Mr. Kennedy pointed out the Board directed him and President Sanford to negotiate certain terms of the contract with Nossman LLP which did take place per Board direction. He confirmed the contract was month-to-month with a fixed thirty (30) day termination notice.

Director Walker added this matter was not taken lightly and how he was comfortable with the entire process that took place.

Motion:

To retain Nossaman LLP for general and special counsel services.

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

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

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

Abstained: Director Brazier.

Director Brazier rejoined the meeting at 2:37 p.m.

14. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPOINTMENT; EMPLOYMENT; EVALUATION OF PERFORMANCE: GENERAL MANAGER

Mr. Kennedy pointed out due to miscommunications on staff's part, the contract was not included in the agenda packet; therefore, the updated version was being presented to the Board under separate cover at this meeting.

Legal Counsel mentioned that after the September 27th Closed Session, the changes requested by the Board were incorporated into the contract which in turn was presented to President Sanford and Mr. Kennedy for review and approval.

Discussion ensued regarding the minor revisions incorporated in the final version of the contract.

Motion:

To accept the contract.

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

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

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

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 16-14 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTIONS 3.02.010-BOARD MEETING AGENDA, 3.05.010 – MINUTES POLICY, 5.05.050 – RECORDS RETENTION POLICY, AND 5.05.050.02.04 – AUDIO RECORDINGS OF BOARD MEETINGS RETENTION POLICY**

Mr. Kennedy noted this item was based on the discussions that took place at the September Board meeting regarding the retention of audio recordings. He mentioned the Board had decided they would prefer retaining audio recordings for the purpose of transcription and

(*) - Asterisk indicates a report is attached.

approval of minutes for all board and committee meetings as opposed to retaining the audio recordings permanently or for two years as currently stated in the Administrative Code.

Mr. Kennedy also explained Administrative Code Section 3.02.010 was related to adding items to the agenda.

Mr. Meadow inquired as to the cost savings related to not saving the recordings, what type of information would be provided in the minutes, how long the minutes would be on record, and the main reason for not saving the recordings indefinitely. Mrs. Washburn explained discussions would be included in the minutes and that the minutes are a permanent record of the District kept indefinitely.

Director Walker pointed out the purpose for not keeping the recordings was not to protect the Board, but to protect the District and its ratepayers.

Director Stewart explained the amount of risk and liability associated with audio recordings could be very costly and that it would be best for the District to stand behind the decisions it makes as opposed to what discussions took place when making those decisions.

Motion:

To approve Ordinance No. 16-14 amending and updating the Administrative Code.

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

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

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

Member Kurnik excused herself from the meeting at 2:54 p.m.

16. DISCUSSION AND POSSIBLE ACTION TO REFUND SEWER PERMIT AND INSPECTION FEES TO CLAUDIA BRAVO AND JOSE T. BRAVO

Mr. Kennedy explained subsequent to Mrs. Bravo addressing the Board at their September 27, 2016 meeting, this item provides an opportunity for the Board to decide how they would like to respond to her situation. He noted the Bravo's paid sewer fees in August 2016 to build a house on Gird Road, but found the length of distance required to get to the street would be too much. He stated since her house will perk, she has decided to go with septic instead; therefore, she is requesting a refund of the sewer fees paid in the amount of \$21,608. He pointed out should Mr. and Mrs. Bravo ever decide to connect to sewer, they would need to pay RMWD the necessary fees.

Motion:

To approve the request for a refund of \$21,608.00.

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

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

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

17. DISCUSSION AND POSSIBLE ACTION TO APPOINT HAYDEN HAMILTON TO THE COMMUNICATIONS COMMITTEE

Director Brazier mentioned Mr. Hamilton has been a frequent visitor to the Communications Committee and participating in discussions.

Motion:

To approve the appointment.

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

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

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

18. DISCUSSION AND POSSIBLE ACTION TO CHANGE THE DATE OF THE NOVEMBER 2016 RAINBOW MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING

Mr. Kennedy noted the request was due to a scheduling conflict for one of the Board Members.

Discussion ensued regarding moving the meeting another date.

Motion:

To change the November 15, 2016 meeting date to December 6, 2016 at 1:00 p.m.

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

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

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

***19. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR AUGUST/SEPTEMBER 2016**

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

(*) - Asterisk indicates a report is attached.

- E. Customer Service Comments**
 - 1. Customer Service Report
- F. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
- G. Finance Manager Comments**
 - 1. Interim Financial Statement
 - 2. Directors' Expense
 - 3. Check Register
 - 4. Water Sales Summary
 - 5. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Motion:

To receive and file information and financial items.

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

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

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

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

There were no suggested items.

21. ADJOURNMENT - To Tuesday, December 6, 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 December 6, 2016 at 1:00 p.m.

The meeting was adjourned at 3:04 p.m.



Dawn M. Washburn, Board Secretary



Dennis Sanford, Board President

EXHIBIT A

STATEMENT FOR THE RECORD OCTOBER 25, 2016

At RMWD's September 27 board meeting, during closed session, I told the board members present that I was disgusted by the process of selection of district counsel,-only I used stronger language.

I found the process inadequate and inappropriate and the unseemly haste to conclude matters troubling. There was an unwillingness to consider waiting until after an election that might reconfigure the board, or even waiting until a full board could discuss the matter face to face. I could not participate in a process I did not respect and left the board room. I did not participate in the interview sessions. When item #13 comes up today, I will leave the room.

I make this statement now to minimize disruption of the meeting at that time.

Helene Brazier