

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 25, 2015**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on August 25, 2015 was called to order by President Sanford at 12:07 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **ROLL CALL**

Present: Director Walker
Director Sanford
Director Brazier
Director Griffiths (*Arrived at 12:11 p.m.*)
Director Lucy

Absent: None

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Legal Counsel Ochoa
Finance Manager Thomas
Operations Manager Atilano
Engineering Manager Kirkpatrick
Superintendent Maccarrone
Superintendent Zuniga

No members of the public were present before for Open Session. Seven members of the public were present for Open Session.

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

Legal Counsel suggested the conservation order be discussed at a Special Board meeting.

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 12:08 p.m.

5. CLOSED SESSION

- A. Appointment; Employment; Evaluation of Performance – General Manager (Government Code §54957)

The meeting reconvened at 1:04 p.m.

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #8.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

President Sanford said there was nothing official to report from Closed Session, he wanted to mention the Board is very pleased with the work Mr. Kennedy has done over the past year and will continue discussion his performance at the next meeting.

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

There were no additions, deletions, amendments 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).

Catherine Dickerson expressed her passion for gardening and concerns she has with the absolute graying of the RMWD neighborhoods. She talked about how acres of trees die even though in the fourth year of the drought it is written everywhere that San Diego has no shortage of water supply. She acknowledged this took a great deal of vision and independence to keep people independent of the weather; however, everyone is proposing deprivation when in fact it is technology that has made San Diego's water independence possible. She stressed concern with not seeing any agency talking about this, but rather to expecting to take extreme measures to get reclaimed water when they should be able to just turn on the tap. She encouraged the Board to continue with the courage, independence, and vision to proclaim San Diego as an example to the whole country of how to be independent of the weather and tell the Governor to get off RMWD's back.

Ms. Dickerson stressed there was no amount of cutback that would be sufficient for this Governor and his advisors; therefore, if the districts do not stand up and tell him no he will continue to steam roll over everything and force everyone to live in a desert which is what he wants.

President Sanford confirmed for Mrs. Meadows the State reported water savings percentages would be discussed later in this meeting.

(*) - Asterisk indicates a report is attached.

***11. APPROVAL OF MINUTES**

A. July 28, 2015 - Regular Board Meeting

Director Walker referenced Page #11A-9 as he pointed out “Mrs. Kirkpatrick” should replace “she” and in the third paragraph “what” should be replaced with “how”.

Action:

Moved by Director Lucy to approve the July 28, 2015 minutes as revised. Seconded by Director Walker.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

12. 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)

President Sanford mentioned the Board will be discussing many topics of interest throughout this meeting.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy reported SDCWA would be meeting later this week at which time discussions will take place regarding the drought situation. He confirmed RMWD’s water rates from SDCWA will go up 6% effective in January to cover RMWD’s cost of the desalination plant which will provide water resources to RMWD in the event of an emergency.

2. CSDA

Mr. Kennedy reported Chief Metcalf from North County Fire spoke about the upcoming fire season.

Mr. Kennedy reminded everyone the RMWD September Board meeting has been moved up to September 16th to allow for his and President Sanford’s attendance at the CSDA conference. President Sanford mentioned RMWD had submitted a nomination for Mr. Kennedy’s for the state wide competition for General Manager of the Year award; however Mr. Kennedy was not selected.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy announced RMWD was one of the three agencies statewide to take advantage of a new web hosting service he and President Sanford met when they were in Sacramento for a CSDA meeting. He stated the new website was up and running. Public members expressed concern the new website was not user friendly on the mobile device and links do not work on mobile or desktop devices. It was suggested this may be a browser issue.

3. LAFCO

This item was addressed under Items #21.

4. San Luis Rey Watershed Council

Director Walker reported the August meeting was cancelled.

Mr. Kennedy mentioned the Chairman of the Board for San Luis Rey Watershed Council was at the San Luis Rey River Watershed Groundwater Sustainability Agency meeting earlier today. Discussion followed.

5. Santa Margarita Watershed Council

President Sanford reported there was no meeting.

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

There were no reports given.

D. Directors Comments

Director Lucy acknowledged the various projects engineering was currently working on as well as the positions referenced in the June 3, 2015 minutes. He expressed his appreciation of the maps being provided in the agenda packet.

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

A. Budget and Finance Committee

1. July 14, 2015 Minutes

Mr. Kennedy reported the committee participated in the strategic planning process.

B. Communications Committee

1. June 1, 2015 Minutes

Mr. Kennedy reported the committee participated in the strategic planning process. He also added the Board will be considering appointing a new member to this committee later in this meeting.

C. Engineering Committee

1. June 3, 2015 Minutes
2. July 1, 2015 Minutes

Mrs. Kirkpatrick reported the committee participated in the strategic planning process. She also noted the committee will also be looking into revising RMWD's sewer policy.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy added this committee will also be considering some basic information related to the outcome of master plan. He explained once the committee reviews this information, their recommendations and possible resolutions would be brought to the Board to take action.

BOARD ACTION ITEMS

***14. RESOLUTION NO. 15-14 – RESOLUTION OF OBJECTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT TO THE FALLBROOK PUBLIC UTILITY DISTRICT’S RESOLUTION AND APPLICATION FOR REORGANIZATION TO THE SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**

President Sanford explained the Board would review this new Resolution today to make sure everyone understands it before approving or rejecting it prior to it being submitted to LAFCO.

Director Brazier clarified Resolution No. 15-14 would not replace RMWD’s first Resolution of Objection, but rather be in addition to it.

Mr. Kennedy noted how at the July 6, 2015 LAFCO hearing, Supervisor Diane Jacob asked that LAFCO staff review the financial information provided in FPUD’s application. He mentioned this was something RMWD had been arguing to have happen for some time and was pleased see it come about. He said over the next series of weeks there were some very short term deadline requests for information from LAFCO to which both RMWD and FPUD replied, reviewed, and resubmitted comments over a three-stage process between July 6, 2015-July 21, 2015. He stated as part of this request, RMWD had a third party independent review of the financial information presented in FPUD’s application by Raftelis Financial Consultants who took a look at to see if the financial data could be substantiated. He pointed out the basic claim was that a great deal of money could be saved without any service impacts; however, the reality is that if it is decided to fire a numerous people there will be service impacts.

Mr. Kennedy continued to explain the purpose of the resolution which is to tell the commissioners there are certain legal requirements for the commission to make and the information provided to them needs to have credible substantial information to back up the claims made. He noted RMWD was finding the reports provided to LAFCO do not provide substantial evidence to support the claims for both savings or no serve related impacts. He pointed out there were some very specific language in the resolution by Legal Counsel to ensure it was appropriate and correct to send a message to the LAFCO commissioners. He referenced the very specific findings addressed in this document.

Legal Counsel said the important thing to take from this resolution is this is similar to RMWD’s first Resolution of Objection, but much more specific with analyses conducted which enhance the original to assist the commissioners when making their decision. She reiterated there are going to be impacts to service if this merge moves forward and financial benefits are not as grand as FPUD claims. She noted there was a great deal of legal language included in this document; however, there will be an easier version given at the LAFCO hearing on September 14th.

Mrs. Meadows pointed out some of the last responses provided to LAFCO from both RMWD and FPUD (drop box or attachments) were not accessible to the public on LAFCO's website.

Discussion ensued regarding the letters ratepayers sent to LAFCO on this matter.

Mr. Kennedy confirmed once the Board approves a final resolution, it will be prepared for signature and immediate submittal to LAFCO.

Director Lucy suggested the key points be put into a press release to the public.

Director Griffiths reiterated he wanted to see the numbers provided to LAFCO by FPUD. It was noted this information was provided on LAFCO's website.

Action:

Moved by Director Lucy to adopt supplementary Resolution of Objection - Resolution No. 15-14. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***15. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A JOINT USE AGREEMENT (JUA) WITH THE COUNTY OF SAN DIEGO FOR PALA MESA HIGHLANDS TM 5187-1**

Mrs. Kirkpatrick pointed out vicinity maps would be included in all future agenda packets for items related to engineering projects.

Mrs. Kirkpatrick confirmed any changes will be paid for by the entity requesting such changes.

Action:

Moved by Director Brazier the Board authorize the General Manager to execute the Joint Use Agreement with the County for TM5187-1. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following roll call vote:

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

(*) - Asterisk indicates a report is attached.

***16. DISCUSSION AND POSSIBLE ACTION ON A REQUEST TO QUITCLAIM AN EASEMENT FOR PALA MESA HIGHLANDS DEVELOPMENT TM 5187-1**

Mrs. Kirkpatrick referenced the map provided on Page #16-4. She explained because the existing water line goes through parcels that will be created with the final map, the development is requesting assurances that it will be quit claimed once they meet all the terms specified. She noted this item to consider vacating an easement once all RMWD's terms are met.

Director Walker asked where the water lines would be placed. Mrs. Kirkpatrick pointed out the location on the map provided.

Director Walker noted his concern regarding storm water systems and geotechnical failures from these systems. He urged RMWD's engineers keep this in mind when reviewing plans.

Action:

Moved by Director Griffiths to approve Option 1 - Authorize the General Manager to execute the Quitclaim Deed once facilities are relocated out of the easement and a new waterline and easement is dedicated to the District and accepted. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***17. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A FIRST AMENDMENT TO JOINT AGREEMENT TO IMPROVE SUBDIVISION, JOINT LIEN CONTRACT AND HOLDING AGREEMENT FOR SAN DIEGO TRACT NO. 4750-1**

Mrs. Kirkpatrick noted this development was new to her due to the fact the last time it was going through the District process was in 2002. She referenced the vicinity map as she talked about the location of the project.

Director Lucy found it surprising this subdivision would not be connected to sewer.

Mrs. Kirkpatrick pointed out the only engineering involved with this project was verifying the amounts for their bonds. She confirmed the completion date was two years once the documents are fully executed by all parties; however, before the development even starts anything close to construction, they have to go through the plan checking process with RMWD.

Legal Counsel said their firm looked at this pretty closely and conferred with Mrs. Kirkpatrick. She noted they found this to be fine.

It was noted all the cost of development would be paid for by the developer.

(*) - Asterisk indicates a report is attached.

Action:

Moved by Director Walker to approve staff recommendation Option 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. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***18. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF PURCHASE AGREEMENT FOR THE AFTON FARMS PIPELINE EASEMENTS**

Mrs. Kirkpatrick mentioned this project has been in the consideration process for approximately one year. She recalled the Afton Farms project involved moving a water line down in RMWD's south zone that will eliminate the need for the District to spend thousands of dollars during SDCWA shutdowns.

Mr. Kennedy confirms this purchase benefits RMWD and how important this was to the District's system.

Action:

Moved by Director Lucy to approve Option 1 – Authorize the General Manager to execute Purchase Agreement with John K. Haskett Living Trust. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

19. DISCUSSION AND POSSIBLE ACTION TO APPOINT NEW COMMUNICATIONS COMMITTEE MEMBER

Mr. Kennedy mentioned at their last meeting, the committee recommended the appointment of Elysian Kurnik to serve as one of their members. He briefed the Board of Ms. Kurnik's background and noted she would be a welcomed addition to the committee.

Action:

Moved by Director Brazier to approve the appointment of Elysian Kurnik as a member of the Communications Committee. Seconded by Director Lucy.

(*) - Asterisk indicates a report is attached.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***20 CONSIDER BALLOT FOR ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD OF DIRECTORS ELECTION**

Mr. Kennedy pointed out RMWD may choose to concur with the entire slate as presented, select individuals from the list, or decide not to participate in this election. Discussion ensued.

Action:

Moved by Director Lucy to vote for Cathy Green for Vice Chair and Hal J. Martin, Richard L. Vasquez, and DeAna Verbeke for Board Members. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***21 CONSIDER CALL FOR NOMINATIONS FOR POSITIONS ON THE SAN DIEGO LAFCO AGENCY FORMATION COMMISSION (LAFCO) AND ON THE LAFCO SPECIAL DISTRICT ADVISORY COMMITTEE**

Mr. Kennedy pointed out LAFCO was trying to fill the special district vacant position on their Commission. He pointed out the Board would be considering nominating someone for both the commission as well as the advisory committee.

President Sanford solicited for feedback regarding RMWD Board Members or staff serving at LAFCO in these capacities. Discussion ensued.

Action:

Moved by Director Brazier to submit the name of Dennis Sanford for LAFCO commissioner. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, and Walker
NOES: None
ABSTAINED: Director Sanford
ABSENT: None

Discussion ensued regarding the LAFCO Special District Advisory Committee seat.

Action:

Moved by Director Brazier to submit the name of Tom Kennedy to LAFCO's Special District Advisory Committee. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

22. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS RELATED TO THE FPUD REORGANIZATION AND DISSOLUTION APPLICATION TO LAFCO

A. Ad Hoc Committee Update

President Sanford encouraged everyone to notify others there will be bus leaving RMWD at 7:30 a.m. on Monday, September 14, 2015. He clarified this transportation was being provided by an independent third party and was not being paid for by RMWD.

President Sanford also announced there would be two informational meetings for the community to attend from 6:00-8:00 p.m. on both September 1, 2015 at the Rainbow Valley Grange and September 2, 2015 at the Bonsall Community Center.

***23. RECEIVE AND FILE INFORMATION ITEMS FOR JULY 2015**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Construction & Maintenance Comments

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

C. Water Operations Comments

1. Water Operations Report
2. Electrical/Telemetry Report

D. Wastewater Comments

1. Wastewater Report

E. Operations Comments

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

F. Engineering Comments

1. Engineering Report

G. Customer Service

1. Field Customer Service Report
2. Meters Report

H. Human Resource & Safety Comments

1. Human Resources Department
2. Safety Report

(*) - Asterisk indicates a report is attached.

Mr. Kennedy talked about the State Water Regional Control Board (SWRCB) issuing RMWD a Notice of Violation for June 2015 which may need to be discussed at a Special Board meeting. He reported out some of the requirements being made by the SWRCB and how they wanted responses by this coming Thursday. Discussion followed.

Mrs. Meadows mentioned how FPUD at their meeting yesterday they were being allowed to negotiate the amount of water usage and how it is calculated. She asked RMWD to look into this further due to the fact she pressed them hard but was not able to get specific answers.

Director Walker stated RMWD must deal with SWRCB very carefully.

Action:

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

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***24. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR JULY 2015**

A. Finance Manager Comments

1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
7. Water Usage Report
8. Projected CIP Cash Flow Report
9. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Discussion ensued regarding Item #24A8.

Action:

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

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

(*) - Asterisk indicates a report is attached.

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

Director Lucy requested an update on the Morro Tank project.

President Sanford noted there will be Closed Session for the General Manager Performance Evaluation.

26. ADJOURNMENT - To Tuesday, September 16, 2015 at 1:00 p.m.

The meeting was adjourned with a motion made by President Sanford to a regular meeting on September 16, 2015 at 1:00 p.m.

The meeting was adjourned at 2:37 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary