

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JUNE 25, 2019**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 25, 2019 was called to order by President Brazier at 1:10 pm in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

Present: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

Also Present: General Manager Kennedy, Legal Counsel Smith, Administrative Analyst Gray, Engineering Tech Rubio, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp.

No members of the public were present before for Open Session. Three 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 11:30 a.m.

5. **CLOSED SESSION**

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

B. Conference with Legal Counsel-Anticipated Initiation of Litigation (Government Code §54956.9(d)(4))
* One Item

The meeting reconvened at 1:10 p.m.

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

This item was addressed under Item #8.

(*) - Asterisk indicates a report is attached.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss three items noting there was no reportable action.

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

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).

Chris Waite addressed the Board noting he was present to request an agenda item related to his disagreement with Mr. Kennedy and Ms. Harp related to the Memorandum of Understanding (MOU) between the District and the RMWD employees. He stated he would like to get clarification from the Board regarding provided in Section 2, Article 7 of the MOU related to the retirement healthcare contribution. He said he has a different understanding of the MOU than Mr. Kennedy and Ms. Harp in that the MOU clearly states a rate of \$726.00 per month for employee and spouse coverage would be provided and how he has been informed he only eligible for reimbursement for what he pays into his retirement healthcare. He requested an agenda item for the July Board meeting for the matter to be discussed.

Mr. Kennedy deferred to Legal Counsel on if there was a disagreement on the interpretation of a MOU issue was a Board matter to discuss. Legal Counsel confirmed this would be a matter for Board consideration. Mr. Waite clarified he was not seeking a revision to the MOU, but rather an interpretation of the language contained in the MOU because he believes he should receive what the MOU states which equates to approximately \$8,000 per year.

President Brazier asked Mr. Waite to submit his request for an agenda item in writing to the Board Secretary two weeks prior to the Board meeting date at which time the District will seek Legal Counsel's advice to determine the best approach.

Discussion went to Item #12.

Discussion returned from Item #12.

***11. APPROVAL OF MINUTES**

A. May 28, 2019 - Regular Board Meeting

Motion:

Approve the minutes as written.

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

(*) - Asterisk indicates a report is attached.

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

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 (President Brazier)

President Brazier expressed concern regarding the lack of parking availability during the Take Your Kids to Work Day event which prevented her from attending. She requested this matter be investigated for future events when attendees other than employees are invited to participate and arrangements be made for parking accommodations. Mrs. Gray explained a ride share was put in place that should have included Board Members. She stated staff will definitely be encourage staff to utilize this program which will open up the parking at future events.

President Brazier mentioned there was a manner in which staff could be reached utilizing an after-hours telephone number for many years that was no longer available. She requested staff investigate how staff extensions can be reach after the District closes.

Discussion went to Item #11.

Discussion returned to Item #12B.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy noted the next meeting will be on June 27th at which the highlight will be approval of a two-year budget for \$1.7 Billion to include \$4M for the study of the pipeline to the east. He solicited the Board for input as to whether RMWD was in favor of approving the budget. It was determined Mr. Kennedy would vote against the budget approval in reflection of the RMWD Board of Directors and residents in their community's point of view.

2. CSDA

Mr. Kennedy noted the next quarterly meeting would be on August 15, 2019.

3. LAFCO

Mr. Kennedy reported he has attended meetings at LAFCO and how it has been seen in the newspaper RMWD's Board was contemplating a potential application to LAFCO. He noted he intends to have Jack Bebee give a presentation on this matter at the RMWD July Board meeting in his absence.

4. San Luis Rey Watershed Council

Director Gasca reported he has reached out to the Council and has again not received any response.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton stated the next meeting would be July 16, 2019.

6. ACWA

No report was given.

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

There was no report provided.

Mr. Kennedy noted the Council of Water Utilities Council now meets at The Butcher Shop in Kearny Mesa at 8:00 a.m.

D. Directors Comments

There were no comments.

E. Legal Counsel Comments

1. Attorney Report - Proposition 218 (501668-0002)

Legal Counsel summarized the information contained in the Proposition 218 report.

***13. COMMITTEE REPORTS**

A. Budget and Finance Committee

Mr. Stitle reported the rate study will proceed over the next several meetings, the committee discussed the budget and July 1st was the date for transferring over to the new accounting system.

B. Communications and Customer Service Committee

Director Hamilton reported the Committee Chairperson has resigned and a new Chairperson was selected. He noted the committee discussed the Flume program, legislative support, social media monitoring and generic responses, as well as previewed the History of Rainbow video.

Mr. Kennedy added the committee would be reviewing a draft of a potential policy consisting of legislative response guidelines to be finalized for Board consideration. President Brazier clarified RMWD would only weigh in on water and wastewater related issues.

C. Engineering and Operations Committee

Mr. Nelson reported the committee continued monitoring and updating on a variety of capital projects. He noted the committee did review and support Board Agenda Items 20 and 21 being presented at this meeting. He mentioned the committee has spent some time discussing the headquarters site development and how a presentation has been slated for the July Board meeting.

President Brazier noted it has been determined it was unnecessary to have past committee meeting minutes on the Board agenda since they are approved by the respective committees and accessible to anyone online or at the District offices.

President Brazier inquired as to whether a tracking report for as needed services would be included in the monthly Board meeting agenda packets.

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

***14. PUBLIC HEARINGS**

A. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 19-07, ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE RAINBOW MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1

President Brazier opened the Public Hearing at 1:40 p.m.

There were no public member comments, no interest (financial or property) disclosed by the Board of Directors present, nor any Speaker Slips received on the matter.

President Brazier opened the floor for public comment. There was no further testimony or written communications received prior to the meeting.

President Brazier closed the Public Hearing at 1:41 p.m.

Motion:

Adopt Ordinance No. 19-07.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

(*) - Asterisk indicates a report is attached.

CONSENT CALENDAR ITEMS

*15. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 19-09 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE JULY 1, 2019 THROUGH JUNE 30, 2020

*16. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 19-06 - AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST

Motion:

To approve the Consent Calendar.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

BOARD ACTION ITEMS

*17. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 19-08 APPROVING FISCAL YEAR 2019-2020 OPERATING & CAPITAL IMPROVEMENT BUDGET

Ms. Largent mentioned the presentation has been given a few times; therefore, she would only be highlighting the changes. She mentioned the District was budgeting very conservatively and remains mindful of spending due to reduced water sales.

Director Gasca recommended adding the percentage of pass-through costs from SDCWA.

Mr. Strapac provided clarification on the table presented on Page 20. It was noted a format change would need to be made to the table so it reads correctly.

Motion:

To approve Resolution 19-08,

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

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Absent = 2).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

(*) - Asterisk indicates a report is attached.

***18. DISCUSSION AND POSSIBLE ACTION TO AWARD CONSTRUCTION CONTRACT FOR THE 2019 SEWER PIPE LINING PROJECT**

Mr. Strapac referenced his presentation as he provided a brief explanation of project.

Director Hamilton how this project will prevent root intrusion. Mr. Kennedy stated roots would not be able to go through the pipes due to the material of which they are made.

Motion:

Approve Option 1 - Authorize General Manager to execute contract for the construction of the 2019 Sewer Pipe Lining Project to NU-LINE Technologies, LLC.

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

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Absent = 2).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

***19. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE CAMINO DEL REY WATERLINE RELOCATION DESIGN PROJECT**

Mr. Strapac noted the County of San Diego was in the process of designing a road project to raise the elevation of Camino Del Rey to prevent flooding along its length. He noted RMWD already owns a waterline already at a fairly deep level in the street that would be nearly impossible to service at its current location; therefore, staff was seeking approval to have the pipe relocated along with the road project as opposed to addressing the matter at a later date. He explained staff has asked the County's consultant to conduct the design work.

Director Hamilton asked if the pipe would be laid at the same time as the repaving project. Mr. Kennedy confirmed once all the elevation is raised and grading completed, RMWD will likely contract this alongside the County's contractor.

Director Gasca inquired as to the period of performance for the design itself. Mr. Strapac explained it would need to be completed before the road design is completed. The consultant noted a completed road design was due to the County by the end of July and approximately another year before the project goes to construction and bid.

Director Hamilton asked if realignment on the road was being conducted at the same time. The consultant confirmed this was correct adding the need to consult with property owners was due to bypassing as a means of reducing the impacts to the community during construction.

Motion:

To approve Option 1 - Award a Professional Services Agreement to Nasland Engineering to provide design services for the Camino Del Rey Waterline Relocation Design Project not to exceed \$92,870.

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

(*) - Asterisk indicates a report is attached.

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Absent = 2).

Ayes: Director Brazier, Director Gasca, Director Hamilton

Absent: Director Mack, Director Rindfleisch.

***20. DISCUSSION AND POSSIBLE ACTION TO AWARD CONSTRUCTION CONTRACT FOR THE VIA ARARAT ROAD PIPELINE IMPROVEMENT PROJECT**

Mr. Strapac provided a brief summary and presentation of the project. He pointed out this project will provide looping for the system as well as add three fire hydrants along the west side of the new pipeline offering additional fire safety for the residents in the area. He mentioned due to the resident's Home Owners Association recently paying to have the road repaved, the contract includes slurry sealing the entire street upon completion of the project.

Mr. Kennedy pointed out recent bids are showing the cost per foot on pipeline projects consistently increasing; therefore, staff will be researching possibly performing some of these projects in-house once a Project Manager has been hired for the purpose of cost savings.

Director Gasca asked for confirmation this project was identified in the budget. Mr. Kennedy stated it is on the Capital Improvement Program list noting its importance.

Motion:

To approve Option 1 - Authorize General Manager to execute contract for the construction of the Via Ararat Pipeline Improvement Waterline Improvement to O'Connell Engineering & Construction.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

***21. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES AGREEMENT FOR PREPARATION OF A PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT FOR OPERATIONS AND MAINTENANCE ACTIVITIES DISTRICT-WIDE**

Mr. Strapac explained most projects have environmental impacts to be addressed and how by preparing a Programmatic Environmental Impact Report (PEIR), the District will have advance knowledge of any those impacts for its projects.

Director Hamilton inquired if there was a cost benefit analysis associated with the PEIR. Mr. Kennedy explained the PEIR will allow RMWD to aggregate the environmental impacts of various projects in one step where mitigation can be addressed collectively which in turn will reduce the work and time involved with the environmental documentation necessary for each project by 90%.

(*) - Asterisk indicates a report is attached.

Motion:

Authorize staff to award a professional services agreement to Helix Environmental Planning, Inc. to provide services for preparation of a Programmatic Environmental Impact Report for \$199,965.

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

Vote: Motion carried by unanimous vote (Summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

***22. DISCUSSION AND POSSIBLE ACTION SUPPORTING A NOMINATION TO ACWA BOARD OF DIRECTORS REGION 10**

Director Hamilton stated he was interested in running and has completed the application form which has been provided to Ms. Gray. He pointed out there was a small fiscal impact to RMWD due to attending the two ACWA conferences. It was noted the candidate packet and resolution needed to be remitted to ACWA by June 28, 2019.

Motion:

Approve Resolution No. 19-06 supporting Director Hamilton's name be placed on the ballot.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

***23. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 19-08 ADOPTING ADMINISTRATIVE CODE CHAPTER 3.06 – CONFIDENTIALITY OF BOARD CLOSED SESSIONS**

Mr. Kennedy recalled the Board requested the materials provided for their consideration.

President Brazier suggested this item be as specific and all-inclusive as possible to avoid amending the Administrative Code. She requested stating the only publicly disclosable material is the report provided by Legal Counsel on Closed Session matters in the policy introduction. Director Hamilton agreed with the only permissible disclosable portion would be what Legal Counsel reveals in their report. It was determined Legal Counsel would provide an updated draft policy with proposed language for Board consideration at their next meeting.

President Brazier referenced Section 3.06.020 noting the word “agenda” was missing after “meeting”. She also inquired as to the standards for reporting violations. Mr. Kennedy recommended a protocol be established by the Board. President Brazier also suggested the investigation conducted with the Board or ad hoc committee be conducted in public be included

(*) - Asterisk indicates a report is attached.

in the paragraph below the penalties. Discussion ensued regarding challenges in the evidentiary process and how closed session information may be disclosed during such an investigation. President Brazier restated her request that a specific allegation be brought to the Board's attention during Open Session and the Board would hear the details in Closed Session followed with Legal Counsel noting any reportable action. Legal Counsel confirmed any imposed penalty for Board Members or General Manager would be a matter of public information. It was determined more research would need to be conducted in terms of employee disclosing employee discipline.

Motion:

To not approve Ordinance No. 19-08 and provide staff with direction.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

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

There were no requests received.

***25. 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. Monthly Financial Statements
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

Mr. Kennedy announced Ms. Brown resigned from RMWD on June 20, 2019 and the vacant position may be realigned.

Ms. Gray reported there were 105 subscribers to the Flume device program.

(*) - Asterisk indicates a report is attached.

Ms. Largent announced RMWD received a check from the Department of Transportation for \$268,557 for the Highway 76 widening project. She stated additional details were not provided.

Motion:

To receive and file information and financial items.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Mack, Director Rindfleisch.

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

It was noted a presentation by FPUD on the LAFCO matter, a summary of as-needed expenditures, a three-way Memorandum of Understanding with Eastern Municipal Water District, a committee policy review, a record of survey report, a demonstration of the new financial software, a History of the District Video preview, and close out of the sewer lining project should be on the next Board meeting agenda.

27. ADJOURNMENT - To Tuesday, July 23, 2019 at 1:00 p.m.

The meeting was adjourned by Director Brazier to a regular meeting on July 23, 2019 at 1:00 p.m.

The meeting was adjourned at 2:42 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary