

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 26, 2019**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 26, 2019 was called to order by President Brazier at 12:31 p.m. 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, Director Mack, Director Rindfleisch.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Associate Engineer Powers, Administrative Analyst Gray.

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).**

Mr. Kennedy noted there was an email received by RMWD requesting the rate public hearing be changed to a later date so those member of the public that work could attend.

The meeting adjourned to Closed Session at 12:34 p.m.

5. **CLOSED SESSION**

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

- One Item

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

This item was discussed under Item #8.

The meeting reconvened at 1:12 p.m.

Time Certain: 1:00 p.m.

7. **PLEDGE OF ALLEGIANCE**

(*) - Asterisk indicates a report is attached.

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session conference with Legal Counsel regarding anticipated litigation pursuant to Government Code Section 54956.9(d)(2) for one item. He noted the item was discussed and there was no reportable action.

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

President Brazier noted there were no 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).

There were no comments.

***11. APPROVAL OF MINUTES**

A. January 22, 2019 - 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 vote (summary: Ayes = 5).

Ayes: Director Brazier, Director Gasca, Director Hamilton, 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 noted the upcoming year will be extremely busy for the District including, but not limited to, the proposed Drinking Water Tax, possible changes in SDCWA's leadership, etc.

(*) - Asterisk indicates a report is attached.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting January 24, 2019

Mr. Kennedy reported the SDCWA Board will meet on Thursday. He noted General Manager Stapleton has announced her retirement; however, a date was not specified. He mentioned he hoped the SDCWA Board will be select a new general manager in a transparent and open manner.

2. CSDA

Director Rindfleisch reported the meeting was very interesting to hear from the potential LAFCO candidates and how they all appear to be well versed in some of the challenges faced in RMWD. Mr. Kennedy briefed the Board on each of the candidates noting the ballot will be brought before the RMWD Board at their March meeting.

Director Hamilton suggested the Board support AB510 related to records retention. Mr. Kennedy asked Ms. Gray to prepare the letter of support on behalf of RMWD.

3. LAFCO

Mr. Kennedy commented on the upcoming election candidates.

4. San Luis Rey Watershed Council

Director Gasca said there was nothing to report. President Brazier offered to forward any meeting notifications she receives to Director Gasca.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton noted the next meeting will be April 16, 2019.

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

1. Board Seminar/Conference/Workshop Training Attendance Requests and Reports

Director Rindfleisch referenced his report on the Board Member Best Practices Workshop held on February 14, 2019 that was provided as handout. He recommended this course to any newly elected or re-elected RMWD Board Member.

D. Directors Comments

There were no comments.

E. Legal Counsel Comments

1. Attorney Report - Public Records Act (501668-0002)

Legal Counsel referenced his written report provided in the agenda packet with an update on a recent appellate court decision under the Public Records Act request in which the court ruled in favor of the agency in that the agency would not have to produce consultant or vendor records not in the agency's possession. Director Hamilton stressed the importance of the last sentence in the Legal Counsel report.

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

- A. Budget and Finance Committee**
1. January 8, 2019 Minutes

Mr. Stitle reported the accounting conversion was moving forward for full implementation to take place on July 1, 2019.

- B. Communications and Customer Service Committee**
1. January 9, 2019 Minutes

Director Hamilton noted the committee received an update on Flume device upgrades, reviewed the Water Service Upgrade Program proposed materials, discussed updating the language on RMWD's door hangers, and were briefed on the District videos .

- C. Engineering and Operations Committee**
1. January 2, 2019 Minutes

Mr. Nelson reported the committee met in February at which time a review of the current projects was discussed including the variance before the Board today for consideration.

CONSENT CALENDAR ITEMS

***14. DISCUSSION AND POSSIBLE ACTION TO APPOINT WILLIAM "BILL" STEWART AS A MEMBER OF THE COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE**

Motion:

To approve the Consent Calendar.

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

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

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

BOARD ACTION ITEMS

***15. ADOPT RESOLUTION NO. 19-02 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1**

Mr. Kennedy explained Roxanne Shepherd would be retiring; therefore, Wildan representatives were present to answer any questions. It was noted the Board could change the meeting date if necessary; however, it would need to be prior to August 1, 2019. Discussion ensued regarding the process for changing the availability charges in the future.

Motion:

To approve the adoption of Resolution No. 19-02.

(*) - Asterisk indicates a report is attached.

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

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

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

16. DISCUSSION AND POSSIBLE ACTION FOR CUSTOMERS WHO CLAIM CONTINUED IMPACT FROM THE 2018 LILAC FIRE

Ms. Largent explained RMWD received a letter from a customer claiming further hardship due to the 2017 Lilac Fire noting they were unable to rebuild their home and were therefore requesting further waiver of fees. Mr. Kennedy pointed out last year RMWD extended the waiver through the end of 2018.

Director Hamilton inquired as to if there was a legitimate reason for not being able to rebuild. Ms. Largent noted the property was a rental when the fire occurred, and it was the owners attempting to rebuild the home. Mr. Kennedy solicited the Board for input in terms of creating a policy, authorize staff to address these particular matters, or bring the matters to the Board for consideration.

Discussion ensued regarding the location of the property.

Director Mack asked if shutting off sewer service were an option. Mr. Kennedy explained there was a court case in which if services are readily available, used or not, the cost for services must be paid such as in this case.

Ms. Largent referenced the letter from the customer noting the location of the property as well as the timeframe in which the rebuilding could begin.

Motion:

To approve Option 1.

Action: Approve, Moved by Director Hamilton.

Director Hamilton amended his original motion.

Motion:

To approve Option 1- Extend Ordinance No. 18-03 for twelve months (one calendar year).

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

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

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

***17. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 18-15 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT**

Mr. Powers referenced the presentation noting the location of the parcel. He mentioned there has not been more than seven units of water used per month on this parcel since July 2016. He explained the restrictions and stipulations to be attached to the parcel. He concluded with mentioning this matter has been presented to the Engineering and Operations Committee members who in turn approved making a recommendation to the Board that the variance be approved.

Mr. Strapac added a great deal of the parcel was vertical and unable to be developed. President Brazier noted three acres were usable according to the information provided.

Mr. Prince appreciated the Board and their consideration on his request. He confirmed a dwelling does not exist on the property now. He explained the current low water usage was for landscaping only. He added when he first requested the installation of a 1" meter 10-12 years ago, it was due to the fire department requiring 1" meters at the time. He explained since the requirement has been changed to 3/4" meters for sprinkler systems, this was another reason for his request to downsize.

President Brazier asked when it was anticipated to have a dwelling on the property. Mr. Prince stated within the next five years; however, he would not be using more water than the requirement allows.

President Brazier stated based on the title of Ordinance No. 18-15, she needed to know how it applies to this variance request. Mr. Kennedy stated each time there is a change to RMWD's rates, the previous ordinance is updated to reflect the changes with the previous ordinance being repealed which has been the same practice for many years. He explained each time the rate structure is replaced a new appendix is created. Discussion ensued.

Mr. Kennedy explained any changes to the rates and charges have historically been carried in an Ordinance as opposed to be included in the Administrative Code. He noted the title for Ordinance No. 18-15 was specific to only the changes being made to the rates and charges at the time it was presented to the Board for consideration. He agreed to improve the titling of future ordinances related the changes in water and wastewater rates and charges contained in the appendix going forward to assist with avoiding further confusion. He clarified the appendix attached to Ordinance No. 18-15 does apply to this variance request.

President Brazier inquired as to why do RMWD's requirements state .5 acres if the District were going to allow fifteen times as much. Director Hamilton suggested rephrasing the requirement to be in terms of water usage.

President Brazier stated she would most likely vote in opposition of the variance request; however, it was only due to the Ordinance title.

Director Hamilton pointed out there was some personal information not redacted in the backup documentation in the variance request. Mr. Kennedy agreed the email address and telephone number should have been redacted, but the property address was a matter of public record.

Director Mack inquired as to when ordinance and Administrative Code changes would be brought to the Board for consideration. Mr. Kennedy explained these would come to the Board the next time rates are adopted. Director Hamilton added any Administrative Code changes would be independent of the ordinance. President Brazier stated the only reference for downsizing meters was under Section 8.11.030.03. Mr. Kennedy agreed to investigate this further.

Motion:

To approve Option 1 - Approve the variance to Ordinance 18-15 to allow a property larger than 0.5 acres to qualify for capacity class B and approve the New Water Service Agreement.

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

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

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

Noes: Director Brazier

***18. FISCAL YEAR 2018-19 MID-YEAR BUDGET REVIEW AND BUDGET ADJUSTMENTS**

Ms. Largent gave a presentation on the mid-year budget adjustments noting the three main areas that would be impacted totaling \$200,000 in operating budget reductions.

Director Hamilton asked if RMWD was anticipating a shortfall in revenues; therefore, cost adjustments in terms of reducing expenses to compensate for such. Mr. Kennedy clarified the entire budget would be decreased due to the impact of the recent weather conditions.

Director Rindfleisch asked for a rough estimate for annual total expenses in water purchases, pumping operations, and maintenance fees. Ms. Largent stated the total expenses would be \$40 Million for the operating budget. Discussion followed.

Director Hamilton inquired about the adjustment information contained in the first line in Fund 3. Ms. Largent explained RMWD received unanticipated additional revenue. Mr. Kennedy noted this was for development activity. Discussion ensued.

Motion:

To approve Option 1 - Approve Amended Budget FY 2018-19 as provided in Exhibit A with a Net Budget Decrease of \$200,133

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

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

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

***19. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 19-02 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 3.01.020 – SPECIAL, ADJOURNED AND EMERGENCY MEETINGS**

Mr. Kennedy recalled the Board asked Legal Counsel to provide updates to the language contained in this section of the Administrative Code for clarification purposes.

Director Hamilton asked for clarification related to calling an emergency meeting without violating The Brown Act. It was explained should there be cause for an emergency meeting, the Board President could contact the other Board Members to check availability for an emergency meeting without violation; however, it would be best to have District staff check Board Member availability if possible.

President Brazier asked for clarification regarding the sentence provided in the updated language related to the committees calling an additional meeting since they serve only to offer recommendation to the Board. Mr. Kennedy explained the main idea would be to notify the committee in the event it would like to hold an additional meeting, Brown Act requirements must be followed. Discussion ensued.

Motion:

To table this item to the March Board meeting for further discussion. Action: Approve, Moved by Director Hamilton, Seconded by Director Gasca.

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

Noes: Director Mack.

20. DISCUSSION AND POSSIBLE ACTION TO CHANGE THE REGULAR BOARD MEETING SCHEDULED FOR JUNE 25, 2019

Director Rindfleisch stated he would not be available to attend the June 25, 2019 Board meeting. Director Mack announced he would be absent for the June 25, 2019 meeting as well. President Brazier noted she would only date she would be available in June is the 25th. Discussion ensued.

No action taken.

***21. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 19-03 — 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 DECEMBER 4, 2018 THROUGH JUNE 30, 2019**

Mr. Kennedy mentioned in working with the Engineering and Operations Committee, a need to hire a senior inspector was identified; however, after soliciting twice for candidates, it has been realized it will be difficult to fill this position at the rate RMWD was offering considering the job market. Ms. Harp explained RMWD's Senior Inspector position was unique in the marketplace and how the proposed revision to the classification and salary range could assist with the recruitment process. Discussion ensued.

Motion:

To approve Option 1 - Approve Resolution No. 19-03 as presented.

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

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

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

President Brazier called for a break at 2:50 a.m.

The meeting reconvened at 3:00 p.m.

22. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

President Brazier reported she made an executive decision to approve Director Rindfleisch's attendance at a training workshop on February 14, 2019 for which he was submitting a request today.

Motion:

To retroactively approve Director Rindfleisch's attendance at the workshop on February 14, 2019.

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

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

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

President Brazier noted Director Mack has remitted a request to attend the 2019 ACWA Spring Conference on May 6-9, 2019. Director Mack mentioned he would be learning a great deal about the water industry, especially with networking with the other agencies. President Brazier pointed out Director Mack was RMWD's appointed representative at ACWA.

Motion:

To approve Director Mack's attendance at the 2019 ACWA Spring Conference.

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

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

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

President Brazier noted Director Rindfleisch has remitted a request to attend the upcoming Special Districts Leadership Academy in April 2019 in San Diego. Director Rindfleisch stated several individuals including the RMWD Board have recommended he attend this academy as a means of continually train himself on how to operate as a Board Member. Mr. Kennedy pointed out Director Rindfleisch's attendance would assist RMWD in receiving the District of Distinction award.

Discussion ensued regarding the District of Distinction training and audit requirements.

Motion:

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

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

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

INFORMATION ITEMS

23. DISCUSSION REGARDING RAINBOW MUNICIPAL BRANDING AND LOGO CHANGES

President Brazier inquired as to the reason for utilizing the Excellence Coin as a branding tool in addition to RMWD's logo. Mr. Kennedy noted there was no specific direction provided regarding the use of the Excellence Coin; however, this matter could be reviewed by the Communications and Customer Service Committee for input.

Director Rindfleisch mentioned the Excellence Coin branding has also become a talking point showing the community that although the rates may be high, the staff was working committed to providing excellent service.

Ms. Gray suggested determining how and when the Excellence Coin branding should be utilized so that it is not perceived to be a logo or replacement of the RMWD logo including understanding what the actual coin represents so the customers know what the program means to the District as a whole.

***24. 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

(*) - Asterisk indicates a report is attached.

3. Credit Card Breakdown
4. Directors' Expense
5. Check Register
6. Water Sales Summary
7. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Gutierrez provided an oral report on staff's responses to the recent heavy rains. He noted there were no sewer spill occurrences during this time. He mentioned there were a few main line breaks that took place. He also mentioned the assistance staff provided to other agencies working within the District boundaries. Director Mack recommended there be a write-up in the RMWD newsletter related to staff working in conjunction with other agencies during the Atmospheric River rains.

Mr. Strapac mentioned RMWD was currently pursuing an easement currently at the entrance to the lift station on Old River Road.

President Brazier stated she appreciated the attention given to adding the ratepayers and Board Members back to the top of the organizational chart. She recommended some minor revisions to simplify the information provided that could reduce the chart to two pages.

Ms. Largent mentioned the Finance Department had a very productive kick-off week to the finance software implementation over the past week.

Motion:

To receive and file information and financial items.

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

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

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

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

It was noted the rate hearing, sewer service agreement with Valley Center Municipal Water District, amending Administrative Code Section 3.01.020, Inundation Map for Beck Reservoir contract, and a Flume update need to be on the March meeting agenda.

26. ADJOURNMENT - To Tuesday, March 26, 2019 at 1:00 p.m.

The meeting was adjourned by Director Brazier to a regular meeting on March 26, 2019 at 1:00 p.m.

The meeting was adjourned at 3:37 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.