

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 6, 2022**

1. TERM EXTENSIONS FOR THE FOLLOWING BOARD OF DIRECTORS (Election Code §10507):

Director Miguel Gasca
Director William Stewart

Mr. Kennedy noted the election results have not been certified as of yet; therefore, in accordance with Election Code Section 10507, the terms of incumbents are automatically extended. He stated for this reason both Directors Gasca and Stewart will be seated for this meeting.

Discussion went to Item #3.

2. CALL TO ORDER - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on December 6, 2022, was called to order by President Hamilton at 12:04 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(All meetings are being held with in-person attendance following County and State COVID guidelines as well as virtually.)* President Hamilton presiding.

Discussion went to Item #1.

3. ROLL CALL

Present: Director Gasca, Director Hamilton, Director Mack, Director Moss, Director Stewart.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Information Technology Manager Khattab, Human Resources Manager Harp, Engineering and CIP Program Manager Williams, Alliance Resources Consulting Representative Krebs.

Also Present Via Teleconference or Video Conference:

Legal Counsel Duran-Brown.

No members of the public were present in person, via teleconference or video conference before Closed Session.

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

There were no amendments to the agenda.

(*) - Asterisk indicates a report is attached.

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

There were no members of the public in attendance; therefore, the instructions were not read aloud.

6. 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 12:05 p.m.

7. CLOSED SESSION

- A. Appointment of Public Employee – General Manager (Government Code §54957)
- B. Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)

* TC Construction Company, Inc. v. Rainbow Municipal Water District, et al.

The meeting reconvened at 1:15 p.m.

8. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Time Certain: 1:00 p.m.

- 9. REPEAT CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on December 6, 2022, was called to order by President Hamilton at 1:19 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(All meetings are being held with in-person attendance following County and State COVID guidelines as well as virtually.)* President Hamilton presiding.

10. PLEDGE OF ALLEGIANCE

11. REPEAT ROLL CALL

Present: Director Gasca, Director Hamilton, Director Mack, Director Moss, Director Stewart.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Operations Manager Gutierrez, Human Resources Manager Harp, Information Technology Manager Khattab, Finance Manager Largent, Engineering and CIP Program Manager Williams.

Also Present Via Teleconference or Video Conference:

Wastewater Superintendent Zuniga, Grant Specialist Kim, Construction and Meters Supervisor Lagunas, Administrative Analyst Rubio, Administrative Analyst Barrow, Project Manager Parra.

(*) - Asterisk indicates a report is attached.

Seven members of the public were present for Open Session in person, via teleconference or video conference.

***12. BOARD OF DIRECTORS CONSIDER ADOPTING RESOLUTION NO. 22-29 RENEWING STATE OF EMERGENCY FINDINGS FOR ASSEMBLY BILL 361 (AB 361)**

Motion:

To adopt Resolution No. 22-29.

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

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

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

13. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

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

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

There were no amendments to the agenda.

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

President Hamilton did not read the instructions for those attending the meeting via teleconference or video conference aloud.

16. 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.

***17. APPROVAL OF MINUTES**

A. October 25, 2022 - Regular Board Meeting

Motion:

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

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

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

(*) - Asterisk indicates a report is attached.

***18. 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 stated there are SDCWA tours scheduled on a regular basis. He noted there are no costs associated with attending these tours; therefore, only those RMWD Board Members who would like to claim per diems for attending would require Board approval. He encouraged those who are interested in learning more about water to sign up via SDCWA's website.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting October 27, 2022

B. Summary of Board Meeting November 17, 2022

Mr. Kennedy reported there have been two board meetings since the RMWD Board of Directors last met at which the main topics were the PSWAR calculations as well as approving getting into an agreement with the San Diego Building Trades Council to establish project labor agreements on all projects over \$1 million. He concluded with noting a Special Board meeting will be held in the upcoming week to discuss the desalination plant.

2. CSDA

Director Mack reported there was a November 17, 2022, at which the guest speaker provided an update on the homeless situation in San Diego County. He noted she shared statistics indicating elderly are now becoming homeless due to their inability to afford housing.

3. LAFCO

Mr. Kennedy reported although LAFCO met on Monday with no particular items discussed, Mr. Simonds did report to the Commission he expects to hear the detachment matter in March 2023. He mentioned there's a matter related to out of service agency agreements between Tri-City's and Palomar's hospital districts that was addressed by the heads of each district during the public comment period as well as some anticipated changes at LAFCO following certification of the election.

4. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton announced the committee will not meet until January.

5. ACWA

Director Gasca reported there were some interesting seminars at the recent 2022 ACWA Fall Conference. He noted ACWA's annual Washington D.C. Conference is scheduled for February 28-March 2, 2023, ACWA's Sacramento Legislative Symposium will be held March 23rd, and the ACWA 2023 Spring Conference will be held May 9-11, 2023, in Monterey.

(*) - Asterisk indicates a report is attached.

C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Mack reported on the JPIA voting process that took place at the 2022 ACWA Fall Conference and how there was an issue related to the process discussed at length. He mentioned there was a session he attended related to water problems at which extremes from both having too much or too little water were discussed. He concluded with noting the DWR provided an update on groundwater grants.

Director Gasca stated he sat in on a session titled “Unpacking California’s Water Supply Strategy” and how a final report will be coming soon. He noted there are 142 actions the state should take to diversify and be prepared for drought activities. He mentioned some of the discussion was related to direct potable reuse, other types of methods for trying to recycle water and identify groundwater recharge and streamlining process. He concluded with noting there was another session related to collaboration of water agencies trying to capture flood runoff and getting it to settle into the basin.

D. Directors Comments

Director Mack stated he was very impressed with both Mr. Gutierrez and Ms. Largent during their attendance at the 2022 ACWA Fall Conference.

E. Legal Counsel Comments

1. Attorney Report: SB1439 Update

Legal Counsel summarized the information contained in the written report noting there is a new Campaign Contribution Law that will be extended to elected water agencies directors effective January 1, 2023. He noted this law essentially provides that elected directors are prohibited from accepting or soliciting campaign contributions exceeding \$250.00 from pending contractors. He mentioned the prohibition applies twelve months before a vote for that particular contractor or twelve months after any vote. He reviewed the steps that must be taken in the event contributions are received that may be in violation of this law.

19. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported the Budget and Finance Committee met on November 15, 2022, at which time the members considered two items and made recommendations to the Board (Items #24 and #26). He noted there was some debate among the committee members related to variance requests resulting in recommending the Board consider making a few options available within the Administrative Code from which other alternatives as to how to address variance requests similar to the one presented in Item #26 that may provide some sense of fairness or equity to ratepayers. He announced the committee will not meet again until 2023.

B. Engineering and Operations Committee

Mr. Nelson reported the committee met on November 2, 2022, at which time the members approved recommending the Board approve Items #21, #22, and #23. He announced the committee will not meet again until 2023.

(*) - Asterisk indicates a report is attached.

C. Communications and Customer Service Committee

President Hamilton reported the committee met on December 1, 2022, at which time discussion took place regarding following up on the field trip programs presented in November to see if there was any feedback from the local schools. He noted the committee also reviewed the newsletter content plan, talked about considering a potential e-newsletter that would be distributed via email as opposed to mailed with the bills and distribution mechanisms, briefly discussed the submetering outreach program, as well as recommended the Board appoint Bill Stewart and Jenene Milakovich as members of the committee which will be taken under consideration per Item #31 today.

CONSENT CALENDAR ITEMS

- *20. CONSIDER APPROVAL OF LETTER OF CONSENT FOR TRANSFER OF CELL SITE LEASE AT 3707 OLD HWY 395, FALLBROOK, CA 92028 FROM SPRINT PCS/T-MOBILE TO DISH NETWORK (DIVISION 1)**
- *21. DISCUSSION AND POSSIBLE ACTION TO APPROVE A CHANGE ORDER WITH HAZARD CONSTRUCTION FOR THE LIVE OAK PARK ROAD BRIDGE WATER MAIN IMPROVEMENT PROJECT (600037) IN THE AMOUNT OF \$36,653.55 (DIVISION 5)**
- *22. DISCUSSION AND POSSIBLE ACTION TO AWARD THREE PROFESSIONAL SERVICES AGREEMENTS TO PROVIDE ON-CALL GEOTECHNICAL SERVICES (DISTRICT WIDE)**
- *23. DISCUSSION AND POSSIBLE ACTION TO AWARD THREE PROFESSIONAL SERVICES AGREEMENTS TO PROVIDE ON-CALL LAND SURVEYING SERVICES (DISTRICT WIDE)**

Motion:

To approve the Consent Calendar items #20-23.

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

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

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

BOARD ACTION ITEMS

- *24. PRESENTATION AND ACCEPTANCE OF THE AUDIT REPORT AND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2022**

Ms. Largent noted this item was to provide an opportunity for the auditors to present the report to the Board of Directors how the actual process occurred. She mentioned Ryan Domino a partner at LSL was here to share a presentation.

Mr. Domino gave a presentation titled "Rainbow Municipal Water District Fiscal Year 2021/2022 Financial Audit Presentation to the Board of Directors". He noted this was the third year he has had the privilege of working with RMWD. He spoke on the overview of the audit as well as the audit report itself. He noted an unmodified opinion was rendered on November 4, 2022, and the basis for opinion.

(*) - Asterisk indicates a report is attached.

Mr. Domino pointed out the responsibilities of both management and the auditor, respectively, other reporting responsibilities, as well as other relative information. He reviewed the report on internal control and compliance noting there were no findings reported for FY2021/22.

Director Gasca inquired as to how frequently it is found a district is successful in having a clean slate two years in a row. Mr. Domino stated most of their clients are very consistent with no findings as well as others who have findings one year and new findings another. He stated RMWD's findings were a very big accomplishment; therefore, he would like to commend Ms. Largent and her team.

Mr. Domino summarized the audit results noting an unmodified ("clean") audit opinion was rendered, there were no significant deficiencies or material weaknesses in internal controls were identified, there were no findings of non-compliance, no audit adjustments were required, as well as no difficulties conducting the audit or disagreements with management about accounting policies. He concluded with noting overall the audit and processes involved were very good.

Director Mack inquired as to what happens with the letter issued. Ms. Largent stated it is filed with the State Controller, published on the district website, as well is made part of the CSDA District of Distinction certification and the GFOA for the presentation award.

Director Gasca asked for clarification about the letter stating management consultation with other independent consultants and when this would apply. Ms. Largent clarified this would take place in the event something happens during the course of the year and staff would like to seek the opinion of a different audit or accounting firm. Mr. Domino added this was standard form letter language notifying the client if they would like to reach out to a different auditor, they would be able to do so.

Motion:

To accept the audit.

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

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

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

25. PRELIMINARY MID-YEAR BUDGET ADJUSTMENTS PRESENTATION

Ms. Largent shared a presentation titled "Rainbow MWD Operating Budget vs. Actual YD as of October 31, 2022, and Initial Mid-Year Capital Budget Changes" noting this presentation was shared with the Budget and Finance Committee in November.

Ms. Largent reviewed the changes made to budget oversight and reporting improvements. She stated with the improvements required within the finance department as well as the software, this was the first year RMWD was able to have real time financial statements. She mentioned there will now be monthly meetings held with the engineering and operations department, respectively, and that any project budget overages for operating and capital are being balanced with cuts in other areas when possible.

(*) - Asterisk indicates a report is attached.

Ms. Largent reviewed the Water Operating Budget versus actual through October 31, 2022, Wastewater Operating Budget, General Fund Operating Budget, as well as a summary of all three of these operating funds. She noted there was a positive change in net position in that RMWD is over \$1M over budget so far, even with adjusting for seasonal sales and cost of water.

Ms. Largent talked about the information provided for Capital Fund Mid-Year Analysis. She explained why current funding is more challenging than anticipated and how inflationary pressures reduced the planned transfer from the operating fund to the capital fund by over \$2M. She also noted some of the transfers and changes that have taken place.

Ms. Largent summarized the information provided related to Wholesale Water Efficiency Capital Spending, Wholesale Water Efficiency Capital Fund Forecast, Water Capital Spending, Water Capital Fund Forecast, Wastewater Capital Spending, and Wastewater Capital Fund Forecast.

Mr. Kennedy stated one of the challenges is with the basic stopping of work on ongoing development which is a big contributor in the short term in RMWD's capital plans. He noted unless the detachment happens, RMWD will have to dial back a bit to do projects that will produce a positive economic return on investment first. Discussion followed.

Ms. Largent noted staff was planning for the worst-case scenario and although the compounding effects of the rate increases implemented over the last few years will have a positive effect on revenue, the District still wants to be extra conservative. She referenced the water capital fund forecast noting only capacity fees received or contractually obligated to receive will be listed. She pointed out only the connection fees RMWD has received and is contractually obligated to receive has been included in the Wastewater Capital Fund Forecast. She noted staff was currently working on a wastewater cost of service study which will be presented to the Board in early 2023.

Ms. Largent stated this item was an information item and no action is required.

***26. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 21-03 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B 3/4" METER AND APPROVE THE NEW WATER SERVICE APPLICATION (Division 3)**

Mr. Kennedy mentioned there was a great deal of discussion at the November Budget and Finance Committee meeting in terms of RMWD's Administrative Code not having a mechanism provided for which RMWD can go back and collect larger capacity fees from customers who are granted a smaller meter than would be appropriate for their eventual use. He stated since structure does not exist as to what RMWD can be do in the event a customer overuses their capacity, it may require direction from Legal Counsel before being presented to the Board for consideration.

President Hamilton stated if something has been created for downsizing, why would there not be anything included in RMWD's policies related to upsizing. Mr. Kennedy explained why RMWD was hesitant to give small meters to large lots and how the ultimate solution would be to find a way to control the customer's consumption by ordinance that would allow the District to place something on the meter; however, this would be difficult to implement for existing customers without incurring any challenges.

Director Gasca asked whether it would be possible to escrow the money. Director Stewart recommended requiring a deposit that provides for a balance to be pending one-year or eighteen-month evaluation period. Mr. Kennedy pointed out this would result in RMWD holding \$10,000 of the customer's money for the entire evaluation period which may not be the best scenario.

(*) - Asterisk indicates a report is attached.

Ms. Largent mentioned RMWD has a Capacity Class Study which provides direction as to what amount to charge; therefore, it would be important to update the study to ensure the costs are being distributed equitably. She pointed out if the amounts are reduced for some, it will increase for others. Discussion ensued.

Director Moss asked if it was possible to delay this variance request. Ms. Largent provided additional details related to this specific request noting the customer was requesting a 3/4" meter for a parcel larger than two acres. She mentioned the customer has stated they are not planting a grove or landscape and will only have oak trees that do not require watering. She pointed out past precedence by RMWD's Board has been not to allow a customer to choose to purchase a smaller size meter without usage history and that this variance would be a departure from the recommendations the Board has given staff, the Capacity Class Study, as well as adopted fees dictate. She clarified approving this variance would be a violation of Ordinance No. 21-03 and water and sewer rates that were adopted; therefore, staff was not recommending approval of this variance. She noted there has been past action from the Board denying requests such as this; thus, staff was recommending this be the same in this case with the caveat that the Board be open to looking at options to make it more equitable for those who may fall under the smaller usage.

Mr. Williams confirmed RMWD has not received grading, a building plan or permit from the County of San Diego.

Director Moss said if the customer is building a 4,000 square foot home, they will need a 1" meter; therefore, she was uncertain how the Board could allow for any variance while being kept in the dark. President Hamilton recommended the Board stick to what is currently in place within the Administrative Code to remain consistent with their rulings throughout; however, it would like staff to work on proposed updates to the Administrative Code that would aid in addressing these types of scenarios. Director Moss agreed that the Board needs to remain consistent in how they address these types of matters.

Ms. Largent stated the Budget and Finance Committee did support Option #2, with Mr. Nelson dissenting, but they also added that the Capacity Class Study be updated within 2023 to be more inclusive of these situations or at least see if there is anything additional that can be included for future purposes. She said she was unsure if there is a great deal that can be done in this case, but it is something that can be looked at going forward in terms of improving the process.

Motion:

To adopt Staff Recommendation Option 2 - Deny the variance request with a proviso that the customer can bring this matter back to the Board for consideration after they provide additional information.

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

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

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

President Hamilton agreed an inequity exists as well as RMWD needs to have the ability to address legacy situations where the land uses change and the customer exceeds their capacity. Discussion followed.

(*) - Asterisk indicates a report is attached.

***27. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-30 AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR BEVERAGE CONTAINER RECYCLING GRANT FOR WHICH RAINBOW MUNICIPAL WATER DISTRICT IS ELIGIBLE**

Ms. Largent explained this original resolution approved by the Board recently was kicked back by CalRecycle due to them wanting some collaborative language to be added to the application and ordinance. She noted this is the grant to put water distribution stations at the schools so that students can refill their water bottles.

Motion:

To adopt Staff Recommendation Option 1 - Adopt the attached Resolution No. 22-30 authorizing submittal of applications for Beverage Container Recycling grants for which Rainbow Municipal Water District is eligible.

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

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

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

***28. DISCUSSION AND POSSIBLE ACTION TO APPROVE A GROUND LEASE AND WATER SALES AGREEMENT WITH THE CITY OF OCEANSIDE FOR THE ROBERT A. WEESE FILTRATION PLANT INTERCONNECT PROJECT (DIVISION 1)**

Mr. Kennedy stated due to the ongoing need for setting up pump stations to accommodate shutdowns, conversations with the City of Oceanside started in 2014. He pointed out there will need to be concurrent actions by both Vista Irrigation District as well as the City of Oceanside which will take place at their respective January meetings.

Mr. Kennedy explained this agreement will provide for raw water coming through the Weese Plant to be treated at lower costs than SDCWA's treatment costs. He noted if RMWD purchases more water from the plant, it pushes out more units per year for which the fixed costs are charged across more units which in turn helps all parties involved. He mentioned SDCWA's treatment costs are currently \$310 per acre foot and the City of Oceanside's is approximately \$180 per acre foot.

Mr. Kennedy pointed out the deal negotiated with the City of Oceanside is that RMWD will pay half the midpoint between their treatment costs and SDCWA and save half the midpoint which is fair to all involved. He said this agreement will allow RMWD to easier access to treated water when SDCWA shuts off RMWD's treated water. He noted this will definitely be a great resource in the area to eliminate the fire drill of the temporary pump stations.

Motion:

To approve Option 1 – Authorize the General Manager and District's Legal Counsel to continue negotiating with the City of Oceanside and make revisions as necessary to both agreements, authorize the General Manager to execute the final Ground Lease Agreement and Water Sales Agreement with the City of Oceanside and make a determination that the action identified herein does not constitute a "project" as defined by CEQA.

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

(*) - Asterisk indicates a report is attached.

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

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

***29. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES AGREEMENT FOR JANITORIAL SERVICES AT THE DISTRICT HEADQUARTERS (DIVISION 1)**

Mr. Williams recalled back in October 2021, the cleaning crew at that time started subcontracting their work to other individuals not authorized by the District; thus, that contract was terminated. He said following that contract being terminated, an interim contractor was hired to assist during COVID; however, this contractor was no longer able to provide adequate staffing to meet RMWD's needs, so the Professional Services Agreement ("PSA") with the interim contractor also ended with the remaining funds being transferred to Eurosource Janitorial Company, which is the same company before the Board today for consideration.

Mr. Williams mentioned Request for Proposals were put out by staff to which two responses were received. He said it was staff's recommendation that the contract be awarded to Eurosource Janitorial Company for a three-year contract with two one-year optional extensions upon mutual agreement of both parties. Mr. Kennedy added there are also provisions within the PSA that RMWD can also end the contract sooner should the District be dissatisfied with the services provided or the outcome of the analysis shows it would be better to in-source these services.

Motion:

To adopt Staff Recommendation Option 1 - Authorize the General Manager to execute a Professional Services Agreement with Eurosource Janitorial Company for a three (3) year agreement plus two one-year options and determine that the action defined herein does not constitute a "project" as specified by CEQA.

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

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

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

***30. CONSIDER ESTABLISHING THE 2023 REGULAR BOARD MEETING SCHEDULE**

Mr. Kennedy noted the proposal 2023 calendar has been provided as well as a chart of events occurring throughout the upcoming year noting which may conflict with the proposed Board meeting schedule.

Director Gasca asked for the ACWA Legislative Forum added to the chart of events which will occur on March 23, 2023. Ms. Washburn agreed to add this to the list.

Motion:

To establish the 2023 Regular Board meeting schedule as proposed.

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

(*) - Asterisk indicates a report is attached.

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

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

***31. DISCUSSION AND POSSIBLE APPOINTMENT OF MEMBER OR MEMBERS OF THE COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE**

President Hamilton noted this item is to provide the Board with an opportunity to consider appointing Jenene Milakovich and Bill Stewart to serve on the Communications and Customer Service Committee.

Motion:

To appoint Jenene Milakovich and Bill Stewart to serve as members of the Communications and Customer Service Committee.

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

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

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

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

Mr. Kennedy explained there was a recent resignation on the ACWA Board of Directors Region 10 creating a vacancy for which ACWA was seeking nominations.

No action was taken.

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

President Hamilton reiterated anyone interested in the tours he mentioned earlier to submit their names as soon as possible due to space being extremely limited. Discussion ensued.

BOARD INFORMATION ITEMS

34. DISCUSSION REGARDING MWD SURPLUS PALA PARCEL (REQUESTED BY DIRECTOR GASCA)

Director Gasca mentioned there was a recent announcement in the Village News that Metropolitan Water District was getting rid of surplus properties that he wanted to bring to the attention of the District to see if these were something staff has evaluated. Mr. Kennedy stated although there is nothing listed on the MWD website, he cannot imagine RMWD having a need for land out in the area in which these properties are located. Discussion ensued regarding heli-hydrant and heli-pod locations that have been identified.

Mr. Kennedy reiterated he heard about this surplus property and as of now, RMWD does not have an operational need for this parcel. Director Moss offered to look up the parcel and email it to the Board Members.

(*) - Asterisk indicates a report is attached.

35. DISCUSSION REGARDING COLLABORATION WITH NORTH COUNTY FIRE PROTECTION DISTRICT CONCERNING PROVIDING SUPPORT IN DEALING WITH COMMUNITY ISO RATINGS, AGENCY EASEMENT AND PROPERTY CLEARING AS A FIRE PROTECTION, AND STRATEGIC INCREASE OF FIRE HYDRANTS (REQUESTED BY DIRECTOR GASCA)

Director Gasca recalled how the agency with whom he was previous employed was able to lower the community's ISO rating two levels which in turn assisted the community with lower fire insurance rates. He recommended RMWD take the initiative to at least start engaging with North County Fire Protection District as to what can be done to assist with lowering the ISO rating in the local community. Discussion followed.

Mr. Kennedy suggested have some members of the RMWD Board and North County Fire Protection District's Board meet to discuss this matter in greater detail to see what can be done. He offered to reach out to Marie Waldron's office as well as have Ms. Washburn coordinate a small luncheon with a few board members from both RMWD and North County Fire Protection District.

***36. 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
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
 - A. Budget vs. Actuals
 - B. Fund Balance & Developer Projections
 - C. Treasury Report (Sept/Oct FY22-23)
 - D. Five Year Water Purchases Demand Chart
 - E. Water Sales Summary (September and October FY22-23)
 - F. Check Register
 - G. Directors' Expenses Report
 - H. Credit Card Breakdown
 - I. RMWD Properties

Ms. Harp shared a presentation titled "Executive Summary Culture & Engagement Insights" as she reviewed the results of the RMWD August 22 employee survey conducted by Energage. She confirmed these survey results are submitted to their newspaper partners across the country for consideration for the Top Workplace Award. She concluded with noting RMWD received useful feedback that can be continued to use as the objective of continuous improvement.

Mr. Kennedy and the Board thanked Ms. Harp for her hard work.

(*) - Asterisk indicates a report is attached.

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

Director Stewart stated it has been a great pleasure to serve with all the Board Members over the last 13-14 months. He said he has found his fellow directors as well as the staff to be amazing. He mentioned the reporting each department provides the Board are concise, provide a great narrative, full of information, and extremely helpful in learning what is transpiring at RMWD very easily with recommendations that are very well-drawn. He thanked RMWD's leadership team as well as the staff members. He concluded with noting he will continue to remain engaged and support the Board and staff any way he can.

Ms. Washburn pointed out the bi-annual organization, check signing authority, and similar items will be brought to the Board in January.

38. ADJOURNMENT - To Tuesday, January 24, 2023, at 1:00 p.m.

The meeting was adjourned by President Hamilton to a regular meeting on January 24, 2023, at 1:00 p.m.

The meeting was adjourned at 3:33 p.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary