

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 24, 2018**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 24, 2018 was called to order by President Brazier at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Director Brazier, Director Hamilton, Director Mack, Director Gasca

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Administrative Analyst Gray, Associate Engineer Powers, Finance Manager Martinez, Human Resources Manager Harp, Operations Manager Milner, Superintendent Maccarrone, Superintendent Walker, Superintendent Zuniga, Interim Engineering Manager Gerdes.

Absent: Director Stewart.

Eight members of the public were present.

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

President Brazier noted the Rainbow Public Facilities Corporation meeting will be conducted between Items #20 and #21.

5. **ORAL/Written COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**

Paige Bruyn read aloud a statement on behalf of her mother, Mrs. Pearce, a 29-year customer of RMWD, who was evacuated due to the Lilac Fire. She addressed the Board regarding her concerns about a billing issue Mrs. Pearce experienced and how it was addressed by customer service. She provided a copy of her statement and copy of Mrs. Pearce's usage to the Board.

President Brazier said she was distressed to hear about this situation and asked whether it has been escalated beyond customer service.

Mr. Kennedy explained the matter in particular has been resolved. He stated as a result, one of the items the Communications Committee will be talking about is expanding the Board's oversight of customer service by having a customer service component added to the committee's charter. He pointed out staff was constrained by the Administrative Code in what they are allowed to do based on the policies in place to be followed. He said there was some certain rigidity he and Director Hamilton have decided should be looked at with the Communications Committee to

(*) - Asterisk indicates a report is attached.

determine the right balance between fiduciary duty to all the ratepayers as well as try to be resolution oriented as opposed to process oriented.

President Brazier asked what a customer should do if they are dissatisfied with the results provided by customer service to pursue the matter. Mr. Kennedy explained the proper protocol would be to contact the department manager followed by the General Manager; however, all RMWD staff is bound by the same Administrative Code. He reiterated a review of the Administrative Code would be the appropriate mechanism with input from a committee of ratepayers.

President Brazier suggested there be additional staff retraining on how to deal appropriately with customers. Mr. Kennedy noted there are laws against employees revealing customer information and protecting RMWD's customer's privacy. He agreed the balance needs to be found in these situations; however, in this particular case there is no indication a direct policy was not followed by staff.

Mr. Kennedy apologized to Mrs. Pearce for what took place. He confirmed something will be published in the District's newsletter notifying customers there was a means for granting authorizing for others to get account information and assistance.

Mrs. Pierce noted she was contacted by RMWD staff that her lost check has been found and will be mailed back to her. Mrs. Martinez agreed to follow up on this matter as well as review the variance report on this account to verify if the spike in usage was caused by Lilac Fire activity.

6. ACKNOWLEDGEMENTS

A. District Recognition from Employer Support of the Guard and Reserve (ESGR) for Supporting Military Service

Mr. Kennedy introduced Frank Gardner, Area Chair for the Employer Support of the Guard and Reserve (ESGR).

Mr. Gardner announced he would be giving a presentation of several awards. He thanked the Board of Directors for supporting the Guard and Reserve in allowing their members to go in deployment when called upon.

Mr. Gardner presented Mr. Kennedy with the Seven Seals Award. He educated the Board on the ESGR organization that was established in 1972 as a means of employers recognizing and understanding the importance of supporting reservists while on deployment. He thanked Mr. Kennedy for his support of Reservist Darren Milner.

Mr. Gardner asked Mr. Kennedy to sign a Statement of Support for the Guard and Reserve on behalf of RMWD. He noted by signing the statement, Mr. Kennedy will be recognizing the Guard and Reserve to the strength of our nation and the well-being of our communities. He read aloud the statement and pledge being signed.

Mr. Milner presented staff members with plaques in recognition of his appreciation of their efforts in continuing the work while he is in military training and deployment. Mr. Gardner stated these staff members were being recognized for the sacrifices they make when combining workforces during Mr. Milner's absence.

(*) - Asterisk indicates a report is attached.

Mr. Gardner presented President Brazier with the Above and Beyond Award on behalf of the Board of Directors. President Brazier stated as a widow of a career soldier and member of the military family, she thanked Mr. Gardner for his service and volunteering in this program.

Mr. Milner presented Mr. Gardner with a Military Tradition Coin on behalf of the his Unit's Engineers and Civil Engineers.

Mr. Gardner encouraged anyone interested in volunteering for the ESGR to contact Mr. Milner.

B. Commendation Presentation

Mr. Kennedy presented Harry Stittle with a plaque of the commendation Resolution the Board of Directors approved at their February 27, 2018 meeting.

C. Anniversary Awards

1. Chris Hand (10 Years)

Mr. Kennedy noted Chris Hand has been a member of the Wastewater Department for ten years making sure things running smoothly. He presented Mr. Hand with a plaque and check in recognition of his tenure.

2. Cynthia Steward (10 Years)

Mr. Kennedy noted Cynthia Steward has worked at RMWD as a Customer Service Representative for ten years who does her best to assist customers while meeting their expectations. He presented Mrs. Steward with a plaque and check in recognition of her tenure.

3. Gloria Dechert (15 Years)

Mr. Kennedy noted Gloria Dechert has provided administrative support in the many positions she has held during her fifteen years at RMWD. He presented Mrs. Dechert with a plaque and check in recognition of her tenure.

President Brazier stated she is appreciative in the work and the difficulties in the job everyone does.

***7. APPROVAL OF MINUTES**

A. March 27, 2018 - Regular Board Meeting

Motion:

To approve the minutes as presented.

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

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

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

(*) - Asterisk indicates a report is attached.

***8. 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 Brazier)

President Brazier requested the charting of the valve work be restored to the Operations Report included in the agenda packet.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting March 22, 2018

Mr. Kennedy gave a presentation on the Waterfix situation. He summarized the information provided in the handouts related to this topic.

2. CSDA

Mr. Kennedy noted the Quarterly Dinner meeting will be held on May 17, 2018 with a few speakers as well as awards being given to the winners of the video contest.

3. LAFCO

Mr. Kennedy mentioned there was some activity taking place related to the San Luis Rey Water District.

4. San Luis Rey Watershed Council

Director Gasca reported the Executive Director was called to other duties; therefore, the April 6, 2018 meeting is to be rescheduled.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton reported a scheduling issue prevented him from attending the meeting. He noted the minutes and agenda were provided to the Board for their reference.

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

Director Gasca reported on the Council of Water Utilities meeting at which discussion took place regarding providing vision care to employees. Mrs. Harp noted RMWD utilizes VSP for District employee vision coverage.

D. Directors Comments

Director Hamilton talked about the water loss use for fire protection services or water main break going undetected. He explained insurance does not cover these types of water loss costs; therefore, he would like to suggest the Board discuss exploring third party insurance coverage for these abnormal types of situations at a future Board meeting. Mrs. Martinez agreed to look into this type of insurance and see what was available.

(*) - Asterisk indicates a report is attached.

Director Mack announced he would not be attending the July Board meeting.

Director Hamilton announced he would not be attending the July Board meeting either; however, he will arrange to attend by teleconference if necessary.

Director Gasca talked about information he received regarding aqueduct work and maintenance scheduled to be conducted by SDCWA within RMWD's boundaries without notifying the District. Mr. Kennedy noted he will attend the next meeting regarding this project to express the District's concerns. Mrs. Gray stated at the most recent meeting, SDCWA acknowledged there was an oversight and they will present information to the Board as well as to the impacted customers going forward. Discussion followed.

E. Legal Counsel Comments

1. Attorney Report: Bid Protests and Cost Recovery (501668-0002)

Legal Counsel summarized the information provided in his report related to bid protests and cost recovery. He noted Mr. Kennedy has been informed as to how RMWD can minimize its risk with bidding contractors.

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

A. Budget and Finance Committee

1. March 13, 2018 Minutes

Mr. Stitle reported the new accounting system implementation is expected to be completed in approximately one year. It was noted the Budget and Finance Committee will meet jointly with the Board of Directors at the May 22, 2018 Board meeting.

B. Communications Committee

1. March 1, 2018 Minutes

Mrs. Gray reported the committee discussed incorporating customer service into the committee name. She also noted there was great input from the committee regarding the 2018 Avocado Festival with excellent support from staff and Board Members. It was noted several customers stopped by to speak with those present at the booth.

Director Gasca pointed out it would be helpful to remind staff and Directors to bring their business cards as well as a FAQ sheet to capture any overflow of those visiting the booth.

Director Hamilton mentioned the committee also discussed changing the community tour to a video tour as opposed to a driving tour.

Director Hamilton announced the Vintage Car Show will be held on May 27, 2018 at Pala Mesa.

C. Engineering Services Committee

1. March 7, 2018 Minutes

Mr. Powers reported the committee discussed sewer service agreements, development updates, variance processes, as well as proposed changes to the committee charter.

(*) - Asterisk indicates a report is attached.

CONSENT CALENDAR

- *10. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-07 - AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 8.11 – CONNECTION AND METER CHARGES, SECTION 8.11.030 – WATER CAPACITY CHARGE**
- *11. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-08 - AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 4.01 – PERSONNEL RULES AND REGULATIONS**
- *12. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-09 - AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 8.02 – DEFINITIONS AND CHAPTER 9.02 - DEFINITIONS**
- *13. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-10 - AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.09 – COMMITTEES**

Motion:

To Approve the Consent Calendar.

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

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

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

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

The meeting reconvened at 3:02 p.m.

BOARD ACTION ITEMS

- *14. DISCUSSION AND POSSIBLE ACTION TO APPROVE A SEWER SERVICE AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND BEAZER HOMES HOLDINGS, LLC. PALA MESA HIGHLANDS, TM 5187-1 (MAP 16124)**

Mr. Gerdes explained this was a 124-lot development with multiple contracts related to sewer capacity dating back to 1989. He stated the purpose for this item was to consolidate all the old agreements as well as address the costs involved into one sewer service agreement. He pointed out this agreement ensures the developer pays the appropriate amount to buy into the existing facilities that may be used by future homeowners in the development. He noted the total additional connection fee amounts to approximately \$1.3 million.

Director Hamilton asked with this reaching the 20-year agreement with extensions granted, does the agreement into which RMWD may enter guarantee the developer will pay the then going rates for sewer connections. He explained why he would not want to grant additional extensions. Mr. Kennedy stated the agreement includes a condition any extension would require mutual agreement between all parties including the Board.

(*) - Asterisk indicates a report is attached.

Motion:

Action: Approve the Sewer Service Agreement.

Moved by Director Hamilton, Seconded by Director Mack.

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

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

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE SEWER SERVICE AGREEMENT FOR THE PALOMAR NORTH EDUCATION CENTER**

Mr. Gerdes reported the Palomar College campus was scheduled to open June 2018. He explained this agreement was a little different in that it memorializes the number of EDU's as well as includes conditions which must be met by Palomar prior to RMWD providing sewer service to the campus. He noted the sewer line has been extended; however, it cannot be completed until the construction on the lift station located on Pankey has been completed. He pointed out RMWD requires there be two additional RMWD manholes with an easement for possible future flow monitoring be put in place. He pointed out the agreement also cites past agreements for reimbursement costs totaling approximately \$130,000 that Palomar will pay RMWD and RMWD will in turn pay D.R. Horton.

Director Mack inquired about the lift station construction being complete by the opening date in June. Mr. Kennedy explained construction would not be complete; however, other alternatives were in place until the lift station was built.

Discussion ensued regarding the implemented spill prevention plan.

Motion:

Approve Staff Recommendation Option 1 - Approve the Sewer Service Agreement which allows discharge of 100 EDUs to the District sewer system once the Horse Creek Lift Station is completed, accepted and operational. The Agreement also includes reimbursement from Palomar for the sewer stub constructed for the campus by D.R. Horton.

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

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

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

***16. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-11 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 1 – GENERAL PROVISIONS**

Mr. Kennedy recalled the Board gave staff direction to draft policies related to variances. He reviewed the proposed variance procedures and policy.

President Brazier asked about variances when property is sold. Mr. Powers explained there were specified qualifications in terms of what types of agreements can be recorded to a title. He noted

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this policy was drafted to include any variance to the Administrative Code with allowances for agreements to be written and possibly recorded to property title when applicable.

Discussion ensued regarding allocations and the categorizing meter system.

Mr. Kennedy pointed out there would be two open public published meetings per variance.

Motion:

Approve Ordinance No. 18-11.

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

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

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

***17. SAN DIEGO COUNTY CONSOLIDATED REDEVELOPMENT OVERSIGHT BOARD CALL FOR BALLOTS**

Mr. Kennedy explained LAFCO was tasked with dealing with the windup of the redevelopment agencies and are required by statute to develop an oversight board. He stated only those agencies who have money at stake are going to be on the Board which would not include RMWD.

Motion:

To nominate Julie Nygaard.

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

Vote: Motion passed (summary: Ayes = 3, Noes = 1, Abstain = 0).

Ayes: Director Brazier, Director Mack, Director Gasca.

Noes: Director Hamilton.

18. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Mr. Kennedy mentioned Director Stewart requested the Board consider changing the May 22nd Board meeting date to May 29th. It was noted there would be a quorum present on both days and should the Board not make a motion, the meeting will remain on schedule for May 22nd.

Mr. Kennedy pointed out the budget would be reviewed, but not approved at the May meeting.

No action taken.

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BOARD INFORMATION ITEMS

19. STRATEGIC PLAN OBJECTIVES UPDATES

Mr. Kennedy recalled at the last meeting the Board was presented with updates on the strategic planning objectives and were asked to provide staff with input regarding any changes they would like to have made to the plan.

Director Gasca suggested the well water project.

Discussion ensued regarding researching opening voting rights for property owners as opposed to residents only.

Director Gasca suggested infrastructure security be added to the strategic plan. It was noted this would be under asset management.

Director Mack requested a cost analysis be conducted for leasing versus purchasing fleet vehicles. Discussion followed.

Mr. Kennedy noted the next time this item is reviewed the completed items will be moved down the list and new ones added with an anticipated meeting with the consultant to take place in August. He encouraged the Board to review the strategic plan items and provide any input and feedback to the District.

20. STAFFING ANALYSIS PRESENTATION

Mrs. Harp presented an updated staffing analysis with a comparison of 2017 and current data. She noted there will be a 2018-2019 forecast provided with recommendations at the next Board meeting.

Discussion ensued regarding the trend changes in overtime as well as possible temporary or long-term part-time positions that may be considered.

Mrs. Harp noted this was the first RMWD has a full year of EAM data to look at which will provide a good benchmark for use in future year comparisons. She also mentioned there may be some organizational changes in the Finance Department. Mr. Kennedy offered to have this presentation emailed to the Board for their reference.

It was noted the safety hour component was missed in this analysis report.

The meeting adjourned to the Rainbow Public Facilities Corporation meeting at 4:58 p.m.

The meeting reconvened at 5:06 p.m.

***21. 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

(*) - Asterisk indicates a report is attached.

- D. Engineering Comments**
 - 1. Engineering Report
- E. Customer Service and Meters Comments**
 - 1. Customer Service and Meters Report
- F. Human Resource & Safety Comments**
 - 1. Human Resources Report
- G. Finance Comments**
 - 1. Interim Financial Statement
 - 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 presented information on a recent theft at one of RMWD's facilities. He pointed out the addition of security at facilities to the strategic plan would be beneficial. Discussion ensued.

Director Hamilton asked if there was an official cause reported for the Lilac Fire. It was confirmed no official cause has been reported.

Mrs. Harp announced an offer was made and accepted for the Safety position. She also extended an invitation to the Board to attend RMWD's 2018 Health Fair and Bring Your Kids to Work Day as well as participate in the CPR classes taking place in May.

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 = 4).

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

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

It was noted this will be a joint meeting with the Budget and Finance Committee to include review of the preliminary budget, strategic plan, and staffing analysis.

23. ADJOURNMENT - To Tuesday, May 22, 2018 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a joint Budget and Finance and Board meeting on May 22, 2018 at 1:00 p.m.

The meeting was adjourned at 5:23 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.