

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
MARCH 1, 2023**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on March 1, 2023 was called to order by Chairperson Nelson at 3:32 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Nelson, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Nelson, Member McKesson, Member Brazier (*via teleconference*), Member Marnett, Member Johnson (*via video conference*).

Also Present: Executive Assistant Washburn, Engineering and CIP Manager Williams, Operations Manager Gutierrez, Information Systems Specialist Espino.

Absent: Member Gasca, General Manager Kennedy.

Also Present Via Teleconference or Video Conference:

Alternate Largent, Senior Project Manager Tamimi, Senior Project Manager Parra, Administrative Analyst Barrow, Construction Crew Leader Nunez.

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

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

Mr. Nelson read aloud the instructions for those attending the meeting via teleconference or video conference.

5. **SEATING OF ALTERNATES**

No alternates were seated.

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

Mr. Williams pointed out updated minutes for the November 2022 meeting were provided as handouts for the committee to consider reapproving after a correction needed to be made to the roll call and votes.

7. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

There were no public comments.

***8. APPROVAL OF MINUTES**

A. February 1, 2023

Motion:

To approve the amended November 2, 2022 minutes as well as the February 1, 2023 minutes as written.

Action: Approve, Moved by Member Brazier, Seconded by Member Johnson.

Vote: Motion passed by roll call vote (summary: Ayes = 3, Noes = 0, Abstain = 2).

Ayes: Member Brazier, Member Johnson, Member Nelson.

Abstain: Member Marnett, Member McKesson.

9. GENERAL MANAGER COMMENTS

There were no comments.

10. ENGINEERING AND CIP PROGRAM MANAGER COMMENTS

Mr. Williams stated staff wanted to make the committee aware the tank maintenance contractor, Veolia, had reported the Morro Tank may have moved a little more as part of their annual inspection. He noted when staff conducted an evaluation, it was hard to make a visual determination; however, the cracks did appear to be getting larger. He reported staff had placed a task order on the as-needed geotechnical services to install some devices to be monitored over time and that the contract has been issued to Atlas in the amount of \$60,000 for 6-9 months of monitoring and determine whether the tank is moving and by how much. He mentioned the tank was currently operating at 50% capacity which was safe; however, should movement be confirmed, the tank may be taken back off line and do something else.

Mr. McKesson inquired as to whether the tank or whole pad was moving. Mr. Williams stated it appears it is the foundation. Discussion ensued.

Mr. Nelson asked if this would significantly affect operations. Mr. Gutierrez said it would not and how it was not until RMWD started inflowing Morro with Metropolitan Water District water; however, to be able to continue to do so, this tank must be in service and operating.

Mr. Williams concluded with noting staff will keep the committee updated.

11. OPERATIONS MANAGER COMMENTS

Mr. Gutierrez updated the committee on reports of hail and snow conditions in the Rainbow Glen area, a power outage on Circuit 521 which includes upper and lower lookout tanks, Northside Reservoir, and Rainbow Hills Reservoir. He mentioned wastewater crews were out overnight moving sewage from Lift Station 2 to Stallion and North River Road to assist in preventing another spill similar to the small spill that occurred during the heavy rains over the past weekend. Discussion ensued regarding the completion of Thoroughbred Lift Station providing more flexibility.

Mr. Gutierrez talked about the crews working overnight to place a new cross at the intersection of Fifth Street and Rainbow Valley Boulevard as part of the Rainbow Water Quality Improvement Project so that proper shutdowns can be scheduled per the request of the project contractor. It was noted the crews should be thanked for working overnight to complete this job, especially in the cold and wet weather conditions.

Mr. McKesson inquired about the small sewer spill mentioned previously. Mr. Gutierrez provided more details noting although it was small, a protocol of notifications was required.

Mr. Nelson asked how much cost is involved in having to move sewage from one place to another. Mr. Gutierrez stated staff was in the process of conducting a cost comparison between hauling the sewage using tanker trucks and dropping tanks next to the lift stations for temporary storage. Discussion followed.

12. COMMITTEE MEMBER COMMENTS

Mr. Marnett mentioned there were six kids seen by his wife playing on top of Hutton Tank. He said by the time he was told and drove over to the tank, the kids were down from the tank, waved to him and drove away. He confirmed they had hopped the perimeter fence using the top of one of their cars and then accessed the unsecured steps to the tank. He suggested placing a door and small fence up to make it difficult to access the tanks.

Mr. Gutierrez explained when staff went through the process of determining where stairs and security should be installed, this was one tank that did not normally face any issues. He said now that there is an issue, staff was working with Vista Fence to get a quote for an enclosure installed to prevent public access. He noted there is barbed wire to prevent access. Mr. Marnett stated the barbed wire was compressed as well as how easy it is to get over when a car is parked next to the fence. Mr. Gutierrez thanked Mr. Marnett for notifying staff of the situations.

Mr. Brazier asked whether razor wire would be less expensive than some of the other solutions. Mr. Marnett said razor wire to prevent climbers. Mr. Gutierrez agreed to look into razor wire in addition to installing a gate.

Mr. Nelson mentioned discussion with Mr. Tamimi related to language in RMWD's construction contracts around delays pertaining to the recent unusual weather patterns. He asked Mr. Williams what the language contains. Mr. Williams explained the contracts do have language related to unseasonable weather where the contractors are allowed a day when rain occurs as well as events caused by rain such as pooled water. Mr. Nelson suggested staff give more tactical and strategic thought to language related to weather delays to lessen the amount of money spent on extended overhead in the event unusual weather continues.

13. BOARD ACTION UPDATES

Mr. Williams reported the Board approved the Notice of Completion for the Malabar Ranch Development as well as the Rainbow Valley Cathodic Protection Project, the Bonsall Oaks Development Assumption Agreement, and a Change Order to Ortiz Construction.

14. METER UPDATE (OPERATIONS)

Mr. Nelson asked if staff had any updates to provide. Mr. Gutierrez explained during the meter replacement project, it was found there were some unique situations where customers were using meters pass their design capacity which has resulted in the meters not registering correctly creating an increased water loss percentage. He noted parts have been ordered and steps are being taken to remedy this situation within the next five months. Discussion ensued.

***15. CHANGE ORDER FOR ARDURRA TO PROVIDE ENGINEERING DEVELOPMENT PLAN CHECK SERVICES (ENGINEERING)**

Mr. Williams explained when the Associate Engineer position was vacated, staff determined hiring a consultant to perform these tasks would be better than hiring a full-time employee to fill the vacancy, especially with the uncertainty of the economy. He noted this was very common within the water and wastewater industry and how Ardurra performs these types of services for other agencies. He pointed out as opposed to having to pay for the employee regardless of receiving plans or not, Ardurra would only be paid when they receive developer plans. He mentioned the first professional services agreement within the General Manager's signing authority and were looking to extend this contract through December 31, 2024 during which time the appropriate staff will work together on the recruitment process to backfill the vacant position.

Mr. Marnett asked whether this consultant would also work on the housing development plans. Mr. Williams stated the consultant would work on anything not CIP related with all the labor being capitalized back to those developer projects.

Mr. Nelson stated he was uncomfortable with this item in that when he reads the draft report, it says RMWD initially authorized \$50,000, then another \$25,000, and now \$200,000 which makes it seem as though RMWD was basically paying a consultant \$275,000 for work theoretically supposed to be declining enough to not warrant enough to hiring a person. Mr. Williams clarified the authorization would be for up to \$275,000 but may or may not be all of it.

Mr. Nelson pointed out RMWD has already spent \$36,500 of the first \$75,000 in a very short period of time; therefore, it seems to him that plan checking is an institutional capacity that it pays RMWD to have in place and not something to be outsourced into perpetuity with staff wanting to hire someone before the end of 2024. He said in the past, it appears as though RMWD is able to hire people a little quicker than this when desired. He stated although he is uncomfortable with making this recommendation, he was open to being further convinced as to there not being a need to possess this in-house. He added if this was going to be a junior engineer, associate engineer position, etc. there is enough work to occupy the peaks and valleys of this position's time much of which would be billable to capital projects.

Ms. Brazier pointed out RMWD's internal labor salary will be much less than \$275,000. Mr. Nelson agreed and how he has always believed there are certain things RMWD does that allows for development and maintenance of internal institutional capability and this seems to be one of them.

Mr. Williams explained utilizing this consultant over the past six months, he has received nothing but positive feedback from developers and other departments on communication, timeliness, and accuracy; therefore, staff has noticed an increase in efficiency and communication by utilizing this consultant. He noted the reason staff did not want to immediately recruit for this position and bring in a full-time employee for which extended overhead would have to be paid was due to everything slowing down; thus this proposed resolution makes more sense for right now. He pointed out the \$200,000 derived from assuming the same work that has been done over the past

six months without experiencing a slowdown. He said if the building does come to a halt, the consultant would not be sent plans but rather work every so often. He pointed out this contract would be to assume a full workload while staff decides what is taking place and beginning the recruitment process. He concluded with noting RMWD was not ready to recruit and backfill this position right now.

Mr. Gutierrez said he understands the committee member's concerns to be that what is being paid to a consultant could be paid for having internal staff with the incumbent at the District. He stated although he tends to agree with this concept; however, the relationship with the consultant is very good with a very interactive process. He noted in this uncertain time of capital improvement projects and building, hiring a consultant may be a better move as opposed to hiring someone full-time and not having any work.

Mr. Nelson asks how can \$200,000 be justified. Mr. Gutierrez said maybe this was something that needed to be changed until it can be certain work is available for a full-time employee. Mr. Nelson inquired as to the necessity for a \$25,000 change order when the first \$50,000 had not been spent. Mr. Williams stated to get to the March Board meeting without running out of money assuming the same workflow.

Mr. Gutierrez added there is a tiny component associated with hiring a new employee as to whether this position is in the current year budget. Mr. Nelson said it appeared the \$200,000 was in the current budget. Ms. Largent pointed out the position is still in the current year budget and how the plan is to delete it from the budget next year so that staff can decide whether to bring the position back in-house or not. Mr. Williams clarified this consultant was not hitting the engineering budget, but rather the project numbers associated with developers. Mr. Nelson asked if an employee was hired, would RMWD suddenly lose all these deposits. Mr. Williams explained some of the employee's time would be charged to this; however, it would not be 8-9 hours per day at which time he would be aiding into his operating budget.

Mr. Marnett asked what time of skill level would this person possess. Mr. Williams confirmed it would be a professional engineer. Mr. Marnett inquired as to if the right level of person is hired, was there other work they could do. Mr. Williams said staff can always come up with "busy work". Mr. McKesson pointed out "busy work" cannot be charged to a project in capital. Mr. Williams noted this was correct and how this contract would be for services utilized only.

Ms. Johnson inquired as to whether this position was unique. Ms. Largent explained it was somewhat unique in that it is driven by development activity and how the reason this option was being brought forward was due to having a possible pause in developments and allow staff the opportunity to wait a bit before backfilling the position.

Mr. Nelson reiterated he can accept staff's position; however, the action item does not talk about make versus buy at all. He said it could be something that would go by the Board without very much study or interaction, but he felt as though he needed to raise a concern because this is something that has traditionally been done in-house and may continue to be done in-house which is the reason he did not understand why RMWD could not move forward with hiring in-house to save money as well as take advantage of the slow time to develop the expertise of the new hire.

Ms. Brazier stated with all the complaining she hears about how far behind engineering is because they do not have the time to complete do everything, the down time for an in-house staff member would not be "busy work". Mr. Nelson acknowledged Ms. Brazier's comments. Mr. Marnett added this would certainly be true of the position is for a professional engineer because this employee should be able to do every kind of engineering RMWD encounters.

Mr. Gutierrez explained if staff started the recruitment process which takes approximately two months, what would happen before the position is filled. Mr. Nelson stated there would be \$36,000 that has not been expended against the already approved \$75,000. Mr. Gutierrez said if this was the direction the Board would like to take, then a plan would need to be developed to cover the transition process. Mr. Williams agreed the course would need to change should this be the path taken; however, between engineering, finance, human resources, and the general manager it was thoroughly vetted to utilize a third party to do this work.

Mr. McKesson pointed out the proposed \$200,000 was for a period of almost 24 months. Mr. Williams confirmed this was true and how the goal was to have a nice training and transition process 6-8 month prior to the expiration of this contract.

Mr. Williams addressed the concerns related to how to keep this person busy in the event development work comes to a halt, RMWD does not already perform its own AutoCAD design. He said districts who do this work have departments made up of 10-15 people. Ms. Largent pointed out if the work is not there, RMWD does not want to be paying someone at the Professional Engineer level to perform busy work, especially when trying to be very conservative with the budget.

Mr. McKesson stated the contract gives the highest level of flexibility to follow the unknown market direction and does not cost anything except that actually used which is then capitalized as opposed to having a committed expense. Mr. Williams confirmed this was correct. Mr. McKesson said from a business side of things, it said staff's proposal makes sense for a period of time while figuring out what is happening. Mr. Williams stated this was exactly what staff was trying to do.

Motion:

To recommend the Board adopt Option 1 - Authorize the General Manager to execute Change Order #2 to the Professional Services Agreement with Ardurra to provide Engineering and Development Plan Check Services in the amount of \$200,000, extend the contract term from October 31, 2023 to December 31, 2024, and make a determination that the action identified herein does not constitute a "project" as defined by CEQA.

Action: Approve, Moved by Member McKesson, Seconded by Member Johnson.

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

Ayes: Member McKesson.

Noes: Member Brazier, Member Marnett, Member Nelson.

Abstain: Member Johnson.

Mr. Marnett asked the committee if they were willing to consider a reduction in the proposed amount to provided enough monies to get through 2023. Mr. Nelson stated perhaps; however, he was as much concerned with the economics and principals of this item and although he fully understands staff's concerns, he said and issue with the trigger point of two years. He said to feel comfortable he would need to know more about it such as what will trigger the plan to restore the in-house capability that was abandoned. He said he was just not convinced that the most efficient way is in the long-term interest both financially and professionally for the organization. He pointed out this was a concern he has expressed many times over the years that RMWD was relying so much on consultants that it was not developing the in-house institutional capacity to do more work in-house at a lower cost. Ms. Brazier said she agreed with Mr. Nelson on this point.

Mr. Nelson pointed out this matter could still be brought to the Board with or without a recommendation from the committee. Mr. McKesson recommended adding some type of trigger point as to the decision criteria to turn on the hiring process or continuing with the consultant.

***16. NOTICE OF COMPLETION FOR MONSERATE WINERY (ENGINEERING)**

Mr. Williams explained the Monserate Winery has completed all of its infrastructure with everything being developed per plans and specifications with acceptance by the inspector; therefore, staff was recommending the Board accept these facilities into the District's system.

Motion:

To recommend the Board adopt Option 1 - Accept the Monserate Winery improvements as complete and as shown on the approved plans, approve Filing the Notice of Completion, add installation costs of \$173,813 to the District's valuation, and make a finding that the action herein does not constitute a "project" as defined by CEQA.

Action: Approve, Moved by Member Johnson, Seconded by Member Nelson.

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

Ayes: Member Brazier, Member Johnson, Member Marnett, Member McKesson, Member Nelson.

Discussion ensued regarding the assigned 29 EDU's being sufficient for this winery.

***17. AS-NEEDED SERVICES EXPENDITURES SUMMARY**

Mr. Williams reviewed the updates to the summary.

18. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING

It was noted a meter update should be on the committee agenda.

19. ADJOURNMENT

The meeting was adjourned by Chairperson Nelson.

The meeting adjourned at 4:48 p.m.

Flint Nelson, Committee Chairperson

Dawn M. Washburn, Board Secretary