

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MARCH 22, 2022**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on March 22, 2022, was called to order by President Hamilton at 11:34 a.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.

2. **ROLL CALL**

Present: Director Gasca *(arrived at 11:40 a.m.)*, Director Hamilton, Director Mack, Director Moss, Director Stewart.

Also Present: Legal Counsel Smith, Executive Assistant Washburn, Information Technology Manager Khattab.

Also Present Via Teleconference or Video Conference:

General Manager Kennedy, Legal Counsel Duran-Brown, Engineering and CIP Program Manager Williams.

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

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

There were no amendments to the agenda.

4. **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.

5. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**

There were no comments.

The meeting adjourned to Closed Session at 11:35 a.m.

(*) - Asterisk indicates a report is attached.

6. CLOSED SESSION

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

* Two Items

B. Consider Information Report on Cyber Security (Government Code §54957(a))

C. Conference with Legal Counsel - Anticipated Initiation of Litigation (Government Code §54956.9(d)(4))

* Three Items

The meeting reconvened at 1:15 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #12.

Time Certain: 1:00 p.m.

8. REPEAT CALL TO ORDER

The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on March 22, 2022, was called to order by President Hamilton at 1:15 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.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

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

Also Present: Legal Counsel Smith, Executive Assistant Washburn, Finance Manager Largent, Information Technology Manager Khattab, Operations Manager Gutierrez, Customer Service and Communications Supervisor Gray.

Also Present Via Teleconference or Video Conference:

General Manager Kennedy, Legal Counsel Duran-Brown, Engineering and CIP Program Manager Williams, Human Resources Manager Harp, Superintendent Zuniga, Construction and Meters Supervisor Lagunas, Project Manager Tamimi, Project Manager Parra, Associate Engineer Powers, Engineering Technician Rubio.

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

(*) - Asterisk indicates a report is attached.

***11. BOARD OF DIRECTORS CONSIDER ADOPTING RESOLUTION NO. 22-10 RENEWING STATE OF EMERGENCY FINDINGS FOR ASSEMBLY BILL 361 (AB 361)**

Motion:

To adopt the attached Resolution No. 22-10 renewing virtual meetings in accordance with Assembly Bill 361.

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

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

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

12. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss six items noting the Board approved payment of two claims subject to reimbursement by the developer regarding damages from a main line leak. He noted the agreements are in the process of being finalized and will be available upon request.

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

Mr. Kennedy noted Item #16A will be continued to the April Board meeting due to the employee in question is not available to attend the today's meeting.

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

President Hamilton read aloud the instructions for those attending the meeting via teleconference or video conference.

15. 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.

16. EMPLOYEE RECOGNITIONS

- A. Excellence Coin Awards**
 - 1. Renee Rubio

This item was deferred per Item #13.

(*) - Asterisk indicates a report is attached.

***17. APPROVAL OF MINUTES**

A. February 22, 2022 - Regular Board Meeting

Motion:

To approve the February 22, 2022 minutes.

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

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

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

***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 it was nice to see the faces of those attending in person.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting February 24, 2022

Mr. Kennedy reported the SDCWA Board Members attended a Board Retreat to do some team building noting it was refreshing to see everyone in person. He mentioned one of the highlights from a breakout session he participated included acknowledgement that everyone is entitled to their opinion. He pointed out there was discussion regarding the way Board officers are appointed and how it was agreed upon many believe the process for selecting leadership needs to be more open and transparent and should be addressed.

2. CSDA

Director Mack announced CSDA's Legislative Days and annual conference are coming up and that anyone interested in attending should notify Ms. Washburn.

3. LAFCO

Mr. Kennedy stated he was not able to attend the recent Special District Advisory Committee meeting; however, it was his understanding the detachment matter was discussed in terms of whether the Executive Officer was going to bring it through the committee for review as well as the special ad-hoc committee. He stated although it would be great to receive input of those serving on the committee, but anything that continues to delay the process going forward to LAFCO only costs our ratepayers more. He concluded with noting he will report back to the Board once he has more clarity as to how this is proceeding.

(*) - Asterisk indicates a report is attached.

4. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton reported the committee will meet in April.

5. ACWA

Director Gasca reported the new board members met in early February to explore the possibilities of establishing a non-profit foundation affiliated with the association which would expand ACWA's ability to fund research, advance education and training, support scholarships, and increase advancement opportunities within the California water industry. He noted ACWA approved the two-year statewide public education campaign for which \$500,000 has been allocated. He mentioned according to the Department of Water Resources, California has reduced water by 16.2% statewide compared to the previous year; the first time the state has exceeded the 15% goal set by Governor Newsom.

Director Gasca pointed out ACWA has a link to a Water Shortage Contingency Plan and asked if RMWD had something similar. Mr. Kennedy stated RMWD has this part of its Urban Water Management Plan which was adopted by the Board in 2021.

Director Gasca mentioned Eastern Municipal Water District had received \$4.5 million through one of the Corp of Engineers funds which was being utilized to upgrade and improve their desalter. He encouraged staff to look for these types of opportunities when District priorities need to be funded. Mr. Kennedy noted RMWD's new grant specialist will be starting on March 28, 2022, which will be helpful in finding these types of opportunities.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

There were no reports.

D. Directors Comments

Director Moss talked about the requests she receives from her constituents related to assistance with downsizing meters and/or other issues. She stated she appreciates everything staff was doing, but she would like to receive feedback on what was transpiring throughout the process so that she can better answer any follow questions for the constituents.

President Hamilton concurred it would be very helpful to have status updates to help relay information to constituents when issues arise. Ms. Largent agreed to have feedback provided to directors.

E. Legal Counsel Comments

1. Attorney Report: Government Immunity

Legal Counsel summarized the information contained in the written report.

19. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported on both the Budget and Finance Committee and Engineering and Operations Committee simultaneously due the bulk of activities on both agendas were very

(*) - Asterisk indicates a report is attached.

similar. He pointed out the Board has a series of proposed amendments to the Administrative Code Titles 8 and 9 on the calendar today noting both committees have reviewed the relevant portions of the Administrative Code changes that are contained therein and unanimously recommended the Board move forward with these amendments in line with the staff recommendations.

He also reported the Budget and Finance Committee looked at agenda Item #20 and how both committees strongly recommend the Board move forward as promptly as possible with the approval of the project list as well as the financing to obtain the lowest possible interest rate as possible.

B. Communications and Customer Service Committee

President Hamilton reported the committee discussed RMWD's participation in the Avocado Festival and Vintage Car Show. Mr. Kennedy mentioned following many discussions, it has been determined it would be best that RMWD not participate in the Vintage Car Show since it was being held in Valley Center.

President Hamilton noted the committee received an update on the Water Service Upgrade Project program, backflow notification processes, as well as the shutoff and lock off procedures.

C. Engineering and Operations Committee

Mr. Nelson reported the committee received an advanced look at the drone presentation the Board will receive later in this meeting. He noted the general take from this committee was that the staff and Board should analyze the cost effectiveness; however, there was clearly a view that drones may be very helpful in looking at remote easements or other issues that occur in remote areas that are harder to reach. He said whether the District should purchase a drone and putting someone under training and certification is more of a matter for staff and the Board decide.

BOARD ACTION ITEMS

***20. CONSIDER APPROVAL OF THE FORM OF A FINANCING AGREEMENT WITH WESTERN ALLIANCE BUSINESS TRUST FOR \$9,750,000 AT 3.55% INTEREST FOR 20 YEARS AND APPROVING THE BUDGET FOR THE WHOLESALE WATER EFFICIENCY CAPITAL PROJECTS**

Mr. Kennedy shared a presentation titled "Wholesale Water Efficiency Project Consumption Trends" as he reviewed the information provided. He pointed out staff was able to take RMWD's system and break it down to look at the specific hydraulic zones that would be covered by the pump stations. He talked about the general trend line for consumption for each of the five divisions. He pointed out the area affected by the new pump station is a good chunk of the usage of Division 1 noting the general trend is that this area has strong demand.

Director Moss asked with Division 1 being a combination of agricultural and high-density users is the causing a major effect. Mr. Kennedy stated Division 1 is primarily driven by agricultural use on the aggregate. Mr. Khattab agreed most of RMWD's usage is from agricultural customers.

(*) - Asterisk indicates a report is attached.

Ms. Largent recapped the presentation from the February Board and committee meetings before reviewing some of the changes with the financial options. She recalled the Wholesale Water Efficiency Projects consist of three key pump stations and two major water pipeline upgrades. She pointed out the chief goal of the project package is elimination of the transportation costs charged by SDCWA set to increase from \$173.00 per acre foot this calendar year to \$195.00 next calendar year. She stated the elimination of this cost can be done by installation of these pump stations to move water more efficiently from the northern to the southern zones as well as into the Morro Tank zone. She noted other benefits of this project package include increased redundancy during shutdowns, elimination of rental costs for temporary pumps, lessen the risk of temporary pumps situated at the side of roadways as well as complaints from customers due to noise, and reduce the occurrence of customers being out of water and/or experiencing low pressure during shutdowns.

Ms. Largent mentioned staff received quotes from four different financial institutions with Pacific Western being the most cost effective. She pointed out Pacific Western has had experience with both RMWD with financing the Water Service Upgrade Project program as well as with other local water districts. She stated their proposed lending parameters received on March 7, 2022 had an indicative interest rate of 3.55%; however, the rate on that loan is not locked until they receive the official credit approval which staff expected to receive on March 24, 2022.

Ms. Largent stated based on today's rate, it would be 3.98%; however, this could increase or decrease this week, thus language was included in the ordinance that the rate shall not exceed 4.25% or \$10 million so that it can be locked in this month. She noted the rate can be valid for up to thirty days, which is one week before the RMWD's April Board meeting. She reviewed the market increase trends and how staff anticipates the rate will increase another two points by the end of 2023 which was why they are looking to get the rate locked in as soon as possible.

Ms. Largent talked about the cost savings assumptions which include savings on 37% of the water purchases due to the remaining percent RMWD has been purchasing already coming from RMWD's northern connections as well as savings on pump rentals, and costs to operate and maintain these new assets. She pointed out water purchases are estimated at 10,000-13,000 acre feet per year which is very conservative based on both historical and SDCWA stated transportation cost escalations. She mentioned staff also added a net present value of future cost savings at a discount rate of 2.5% to look at what those cost savings are in today's dollars.

Ms. Largent presented three scenarios noting the first is at 13,000 acre feet of water purchases for which the cost savings are estimated to be significantly more over the life of the loan than last month due to looking at a 20-year note as opposed to a 15-year. She stated in this scenario, the transportation rate escalation set equal to the historical trend resulting in an estimated \$11.1 million over the 20-year term of the loan. She reported once the loan is paid in full, the savings will be \$1.3 million per year. She pointed out when discounting this to today's net present value, it reduces to \$7.8 million for the 20-year term of the loan and approximately \$800,000 per year after the loan is paid off.

Ms. Largent presented the second scenario noting it has the same parameters, but only 10,000 acre feet of water purchases. She stated the cost savings would be \$3.1 million or \$1.7 million over the term of the loan when discounted to the net present value.

Ms. Largent stated the third scenario includes 13,000 acre feet of water purchases using the transportation rate escalation proved by SDCWA. She noted this scenario has RMWD breaking even over the course of the loan and then having cost savings of approximately \$400,000 per year when the loan is paid off.

Ms. Largent referred to the presentation slide showing RMWD's outstanding proposed debt as she explained where the District is currently as well as the new proposed debt. She pointed out RMWD would basically be at the same place after FY2026 starts. She also reviewed the District's current payments noting how the District would be at the same level just after the start of FY2028.

Ms. Largent reiterated the plan benefits and goals to include increase the redundancy during shutdowns, eliminate the need to pay rental costs as well as the risk of having the equipment on the side of the road, eliminating noise complaints from customers, as well as the scrambling crew members must endure when there is an unplanned shutdown.

Ms. Largent talked about the slight change to the interest rate noting staff was asking the Board to authorize Mr. Kennedy to execute the financial agreement up to \$10 million at a rate up to 4.25% which is adoption of Resolution 22-11 and approve the Wholesale Water Efficiency Capital Budgets for \$9,750,000 for the five projects. She pointed out staff plans to negotiate this rate during the next week once the credit approval is locked. She noted the interest rate was set to a specific amount so it could be locked in for the thirty days.

Mr. Kennedy added when looking at the payback, it is based strictly on the dollars; however, there other qualitative type of benefits to this as far as risk management, noise to the customers, as well as other items. Director Moss mentioned another benefit is that the temporary pump stations have not been stolen or vandalized.

Legal Counsel pointed out the lender just advised RMWD that the District needs to have a Debt Management Policy under their guidelines which could be similar to what other water agencies have in place. Ms. Largent stated she has already prepared a preliminary draft policy which includes language that debt cannot be used for operating expenses as well as other specific parameters to protect from future action.

Mr. Kennedy stated it was unclear as to whether this policy can be adopted at the April 26th Board meeting to comply with the requirement; therefore, he recommended it be passed through the Budget and Finance Committee meeting in a few weeks in preparation for full Board approval in April. Director Stewart asked if this process would delay the implementation of the agreement and thus locking in the interest rate. Legal Counsel said this was a possibility. Director Stewart suggested even if the Board needs to convene at a Special Board meeting in the next week or two to deal with this one issue, it would be in the best interest of the District to do so based on escalating interest rates. Director Moss agreed it would be best to get the interest rate locked in as soon as possible. Director Gasca agreed not locking in a lower interest rate would outweigh the cost associated with holding a special board meeting.

Motion:

Option 1 – Authorize the General Manager to execute the financing agreement for up to \$10,000,000, at a rate up to 4.25%, adopt resolution 22-11, and approve the Wholesale Water Capital Project budgets for \$9,700,000 for the five projects and make a determination that the action defined herein does not constitute a “project” as defined by CEQA contingent upon addressing the Debt Management Policy before the next Board meeting.

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

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

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

***21. DISCUSSION AND POSSIBLE ACTION TO APPROVE A SEWER SERVICE AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND GIRD VALLEY INC. FOR THE MONSERATE WINERY IN DIVISION 3**

Director Moss asked for clarification regarding the customer's request. Mr. Williams provided background noting this was the former golf course located on Gird Road now known as the Monserate Winery. He noted RMWD entered into a Construction Agreement with the developer approximately one year prior due to the major use permit being modified by the County of San Diego turning it into a winery. He pointed out in doing so, the golf course already had a certain amount of sewer EDU's held by the District in the amount of 22.6. He explained although the developer had thought there would be less EDU's utilized, the District believed it would either the same or possibly more; therefore, the developer hired a Civil Engineering firm to conduct a sewer analysis study which considers all aspects including the number of venues, how many days of the week the venues will be in use, total amount of people, food, beverages, toilet flushing, wine making processes, etc. He stated the developer has put in writing and included in this agreement that any wine making process will not be discharged into the District's sanitary sewer system and should this change at the later date, this Sewer Service Agreement will need to be reopened and reevaluated by the Board.

Mr. Williams stated after the Engineer of Record completed their analysis, it was determined with all of these events and number of patrons, the recalculation of sewer EDU's is 29.4 which is an increase to what was already on file. He noted with this, there was an addition of 6.8 sewer EDU's which totals approximately \$96,000. He mentioned staff has already been in communications with the developer and that the developer has been provided a copy of this draft Sewer Service Agreement; therefore, if the Board authorizes this agreement, it will be signed by both the developer as well as Mr. Kennedy pending Board approval.

Mr. Williams concluded with noting the winery is currently well within their 22.6 EDU's; however, time was of the essence.

Director Moss confirmed her concern was addressed.

Mr. Williams noted RMWD went with the Fire Marshall's total maximum occupancy as opposed to the number of tables. Director Moss inquired as to whether this included outdoor tables as well. Mr. Williams confirmed it takes everything into account including outdoor seating.

Mr. Kennedy added the venue has displays of the winery becoming an even grander venue in the future; however, the developer was able to complete the current job and produced a report with which RMWD can agree.

Director Stewart asked if staff was satisfied as to how the wine making waste will be handled. Mr. Kennedy explained the winery has a permit from the Regional Board where wine making waste will go into an evaporation pond.

Motion:

Option 1 – Approve the Sewer Service Agreement (Exhibit A) by and between Rainbow Municipal Water District and Gird Valley, Inc., authorize the General Manager to execute the agreement, and make a determination that the action defined herein does not constitute a “project” as defined by CEQA.

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

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

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

***22. POSSIBLE ACTION TO ADOPT RESOLUTION OF NECESSITY NO. 22-09, AUTHORIZING THE ACQUISITION OF EASEMENTS BY EMINENT DOMAIN FROM A PORTION OF THE “COUNTY FEE OWNED UNUSED ROAD” LOCATED NORTH OF HWY 76 AND WEST OF S. MISSION RD, BONSALL, CA 92003 (DIV 2)**

Mr. Williams explained this item requires a public hearing and inquired as to whether background should be provided before that takes place. Discussion followed regarding this item should have been noticed as a public hearing on the agenda.

Mr. Williams deferred to Legal Counsel. Legal Counsel Duran-Brown clarified notification was sent to the property owners as required under the Government Code. Legal Counsel Smith pointed out since this was not noticed as a public hearing, public comment can be received now from anyone who wishes to speak and then it could be added as a public hearing on the Special Board meeting agenda.

President Hamilton solicited for public comments on this topic. Mr. Khattab confirmed there was no public comment.

This item was deferred to the Special Board meeting.

Discussion went to Item #23.

Discussion returned from Item #28.

Legal Counsel explained he has received confirmation that the proper notices were all sent out timely; therefore, the Board was able to proceed with this matter.

President Hamilton opened the public hearing at 2:56 p.m.

There were no public comments.

President Hamilton closed the public hearing at 2:57 p.m.

President Hamilton solicited for discussion from the Board to which there was no response.

Motion:

To adopt Option 1 – Receive public testimony, make a determination that the action identified herein was sufficiently analyzed in the Initial Study Mitigated Negative Declaration adopted by the Board in Resolution No. 21-02 on January 26, 2021 and does not require additional analysis, adopt a Resolution of Necessity No. 22-09, by a two-thirds vote, for the acquisition of the necessary easements by eminent domain on the property located at North of Highway 76 and West of S. Mission Road in Bonsall, CA 92003 (County Fee Owned Unused Road), and authorize the General Manager to proceed with all condemnation filings and proceedings necessary to acquire the interests in the subject parcel.

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

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

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

Discussion returned to Item #29.

***23. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 22-07 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.06 – COMMITTEES AND SECTION 2.06.010 – COMMITTEES POLICY**

President Hamilton inquired as to whether Items No. 23-25 could be taken into consideration as a single item since they are to amend and update the Administrative Code. Legal Counsel stated since these are all different ordinances, they should be kept separate.

Ms. Washburn explained a reference to the Code of Ethics Policy provided in Administrative Code Section 2.01.010 has been included in this chapter and section for committees.

Motion:

To accept Option 1 – Adopt Ordinance No. 22-07 amending and updated Administrative Code Chapter 2.06 and Section 2.06.010 as presented and make a determination that the action defined herein does not constitute a “project” as defined by CEQA.

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

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

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

Discussion went to Item #24.

***24. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 22-08 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTERS 9.04, 9.05, AND 9.07**

Mr. Williams noted the proposed revisions were to the sewer policy that were presented to both the Budget and Finance Committee and Engineering and Operations Committee and how, if adopted by the Board, there will be some ordinance updates that will be brought back to the Board in April for consideration based on these proposed changes. He noted these policies

(*) - Asterisk indicates a report is attached.

include some ambiguity for which staff needs some clarification as to what to do when dealing with customers. He pointed out included in the agenda packet are redline changes, clean versions, as well as a table of the proposed revisions. He added both committees recommended approval of these revisions.

Motion:

To approve Option 1 – Adopt Ordinance No. 22-08 Amending and Updating Administrative Code Chapters 9.04, 9.05, and 9.07 and make a determination that the action defined herein does not constitute a “project” as defined by CEQA.

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

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

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

Discussion went to Item #25.

***25. DISCUSSION AND POSSIBLE ADOPTING ORDINANCE NO. 22-09 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTERS 8.01, 8.03, 8.04, 8.11, & 8.14**

Ms. Largent explained the proposed revisions were related to water service and how the intent is to address some ambiguity when staff refers to the Administrative Code for direction. She pointed out some of the verbiage was changed from TSWAR to PSWAR as well as that the major revision was to provide options related to meter downsizing. She mentioned there was also clarification for changing service when a property is about to go into escrow as well as on the tax roll process.

Motion:

To approve Option 1 – Adopt Ordinance No. 22-09 Amending and Updating Administrative Code Chapters 8.01, 8.03, 8.04, 8.11, and 8.14 and make a determination that the action defined herein does not constitute a “project” as defined by CEQA.

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

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

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

Discussion went to Item #26.

***26. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 22-10 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 8.20 AND SECTION 8.20.010.01**

Mr. Kennedy pointed out one of the main policy revisions to these policies was codifying the District’s backflow program to include specific requirements outlined with enough clarity.

Mr. Gutierrez explained RMWD’s backflow code was due for an update to include a document to refer to when assisting the ratepayers in their decision-making process as well as noting the responsibilities of both the District and the customer. He mentioned in conjunction with this

(*) - Asterisk indicates a report is attached.

Administrative Code update, initial letters as well as second notifications are being sent to customers when their backflow devices do not pass the required tests.

Director Mack inquired as to whether RMWD was repairing the failing backflow devices. Mr. Gutierrez clarified RMWD does not repair the devices so they would pass the test, but rather conduct preventative maintenance to get it back in working order. He added anytime a device is repaired, it must be retested.

Mr. Gutierrez pointed out should a customer not follow through with the proposed Administrative Code update, it requires the District to discontinue the customer's water service per state law. He confirmed the homeowner is responsible for repairing their devices and retesting by a third party with the test results being remitted to the District via a dedicated email address which are then entered into the District's computer system.

Mr. Gutierrez explained it has been taken from a struggling program to one that is operating in the way it should.

Director Mack asked if there was a way RMWD could develop a program in which the ratepayer can agree to pay the retesting as well as any necessary parts to repair a device. Mr. Kennedy explained this would be challenging with having only one person at the District dedicated to overseeing the backflow program. Mr. Gutierrez agreed it would be challenging and the policy would need to be revised accordingly. Mr. Kennedy pointed out the costs to the ratepayer may need to be increased to the point where very few customers that would actually use this would be worthwhile.

Director Mack asked if RMWD could have an agreement with the ratepayer that the moment a device fails and is repaired by a plumber that there is no downtime but includes an administration fee. Director Gasca recommended Director Mack bring this important idea to the Engineering and Operations Committee to be worked through before bringing it forward to the Board for consideration.

Motion:

To approve Option 1 – Adopt Ordinance No. 22-10 amending and updated Administrative Code Section 8.20.010.01 as presented and make a determination that the action defined herein does not constitute a “project” as defined by CEQA.

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

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

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

Discussion went to Item #27.

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

Director Mack stated he would like to attend the CSDA Legislative Days in May as well as the CSDA Fall Conference in August.

Director Moss stated she was also interested in the CSDA Annual Conference.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy asked how many were attending the 2022 ACWA Spring Conference. Ms. Washburn stated Directors Stewart, Gasca, and Mack, as well as Ms. Largent. Mr. Kennedy announced RMWD received an email that RMWD has been selected as a finalist for the 2022 Excellence in Innovation Award at ACWA for the Rapid Aerial Water Supply (RAWS) project. He noted on May 5, 2022, between 9:30-11:00 a.m., there will be panel on which they would like someone from RMWD to speak on the RAWS project.

Director Moss stated she would notify Ms. Washburn if she was able to attend the ACWA Spring Conference.

BOARD INFORMATION ITEMS

28. PRESENTATION ON DRONE USE AT RAINBOW MUNICIPAL WATER DISTRICT (REQUESTED BY DIRECTOR GASCA)

Mr. Gutierrez shared a presentation related to utilizing drones at RMWD. He shared various photographs taken while utilizing drones as examples to how these may be beneficial to the District. He explained the pricing, limitations and liabilities associated with drones as well as pointed out there must be two staff members certified to operate drones.

Ms. Harp explained anything over people or vehicles requires a waiver from the FAA; therefore, if RMWD has a jobsite in the middle of a road, the drone cannot be operated at that location without a waiver.

Mr. Gutierrez mentioned some of the many local agencies who utilize drones. He stated although RMWD could contract with private drone services, the costs are very expensive. He concluded with noting there are some good uses for which RMWD could utilize drones due to its rural environment.

Director Moss inquired as to the funding involved with RMWD utilizing drones. Mr. Gutierrez explained staff would need to analyze the costs based on all aspects. Director Moss requested staff complete a full analysis to present the information to the Engineering and Operations Committee for input and then bring it to the Board for consideration. Mr. Gutierrez agreed to conduct some cost comparisons and report back to a Board at a future meeting.

Discussions ensued.

President Hamilton called for a break at 2:45 p.m.

The meeting reconvened at 2:57 p.m.

Discussion returned to Item #22.

Discussion returned from Item #22.

29. PIPELINE 4 REPAIR UPDATE

Mr. Gutierrez provided an update noting Pipeline 4 was back in service as of two weeks ago. He reported all the repairs went well and that there were no residual complaints from the homeowners after the fact.

(*) - Asterisk indicates a report is attached.

30. DEVELOPMENT PRESENTATION

Mr. Williams shared a presentation on developments throughout the District as he reviewed each of the development projects and provided updates as to current development progress. He pointed out the Fallbrook Oaks project was added to the presentation since it was first shared with the committees and that this development as well as the Pala Mesa Market development have been marked inactive.

Director Stewart inquired as to how many of these developments were considered when the new sewer line was sized. Mr. Kennedy explained why it is always risky to get too far ahead of development with facilities as opposed to a phased approach.

Discussions ensued.

Director Stewart requested a copy of the presentation be sent to the Board Members.

Mr. Kennedy made it clear for those projects outside RMWD's service area are years from potentially becoming a reality and may not develop for another fifteen years or more. Discussion followed.

*31. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Operations Comments

1. Operations Report

C. Engineering Comments

1. Engineering Report
2. As-Needed Services Expenditures Summary
3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

D. Human Resource & Safety Comments

1. Human Resources Report

E. Finance Comments

1. Board Information Report
 - A. Budget vs. Actuals
 - B. Fund Balance & Developer Projections
 - C. Treasury Report
 - D. Five Year Water Purchases Demand Chart
 - E. Water Sales Summary
 - F. Check Register
 - G. Directors' Expenses Report
 - H. Credit Card Breakdown
 - I. RMWD Properties

Ms. Washburn mentioned the Board had moved their August 23, 2022, meeting to August 30, 2022, in the event a majority of the Board wanted to attend the 2022 Annual Conference.

Mr. Gutierrez shared photos of the Thoroughbred Lift Station project as he talked about the progress being made at the construction site. Discussions followed.

Ms. Harp thanked everyone who attended the March 5th employee recognition Banquet. She also reported the new grant specialist will start on March 28, 2022, the line locator will be retiring

(*) - Asterisk indicates a report is attached.

effective April 1st for which an internal candidate has been selected to fill, and two temporary staff members who have worked on the WSUP project applying to fill a position in the construction crew. She noted these transitions will be seamless with no lapse in headcount.

Director Mack inquired as to when the full staffing analysis will be conducted. Mr. Kennedy explained this would be part of the budgetary process. Ms. Harp added this will be presented to the Board next month.

The information and financial items were received and filed.

Discussion returned from Item #32.

Ms. Harp announced RMWD was planning a staff barbeque for March 31, 2022, to celebrate the completion of the Water Services Upgrade Project (WSUP) and invited the Board Members to attend.

Discussion went to Item #33.

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

It was noted the debt management policy will be discussed at a Special Board meeting. Director Stewart recommended the Special Board meeting be held on March 29, 2022, at 1:30 p.m.

It was also noted the Rainbow Public Facilities Corporation annual meeting will take place on April 26, 2022.

Discussion returned to Item #31.

33. ADJOURNMENT

The meeting was adjourned by President Hamilton to a special meeting on March 29, 2022, at 1:30 p.m.

The meeting was adjourned at 3:44 p.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.