

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
AND SPECIAL ENGINEERING COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 23, 2016**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors and Special Engineering Committee Meeting of the Rainbow Municipal Water District on August 23, 2016 was called to order by President Sanford at 12:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **ROLL CALL**

Board of Directors Roll Call:

Present: Director Sanford, Director Brazier, Director Stewart.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Legal Counsel Moser, Legal Counsel Ochoa.

Absent: Director Walker, Director Bigley.

Engineering Committee Roll Call:

No committee members were not present for Closed Session.

No members of the public were present before Open Session. Two members of the public were present for Open Session.

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

Mr. Kennedy suggested Item #19 be discussed in both Closed Session and Open Session. Legal Counsel noted this could be done under Government Code Section 54957.

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

There were no comments.

The meeting adjourned to Closed Session at 12:05 p.m.

5. **CLOSED SESSION**

- A. Appointment, Employment; Evaluation of Performance – General Manager (Government Code §54957)

(*) - Asterisk indicates a report is attached.

- B. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
- Two potential matters

The meeting reconvened at 1:05 p.m.

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This was addressed under Item #8.

Roll call was taken again to include the Engineering Committee Members.

Board of Directors Roll Call:

Present: Director Sanford, Director Brazier, Director Stewart.

Absent: Director Walker, Director Bigley.

Engineering Committee Roll Call:

Present: Member Prince, Member Stitle, Member Murray, Member Brazier, Alternate Robertson, Alternate Marnett.

Absent: Member Taufer, Member Kirby, Member Ratican.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Legal Counsel Moser, Legal Counsel Ochoa, Operations Manager Milner, Finance Manager Martinez, Superintendent Zuniga, Superintendent Walker, Administrative Analyst Gray, Associate Engineer Powers, Human Resources Manager Harp, System Operator Coffey, Crew Leader Diaz.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

President Sanford reported there was no action to report.

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

It was confirmed the only amendment to the agenda would be at the end of the meeting, Item #19 will be discussed in Closed Session.

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

There were no comments.

(*) - Asterisk indicates a report is attached.

***11. APPROVAL OF MINUTES**

A. July 26, 2016 - Regular Board Meeting

Motion:

To approve the July 26, 2016 minutes.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Sanford, Director Brazier, Director Stewart.

Absent: Director Walker, Director Bigley.

12. BOARD OF DIRECTORS' COMMENTS/REPORTS

Directors' comments are comments by Directors concerning District business, which may be of interest to the Board. This is placed on the agenda to enable individual Board members to convey information to the Board and to the public. There is to be no discussion or action taken by the Board of Directors unless the item is noticed as part of the meeting agenda.

A. President's Report (Director Sanford)

There was no report given.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Formal Board of Directors' Meeting July 28, 2016

Mr. Kennedy reported on the SDCWA July meeting, noting the most important topic was the SDCWA pipeline power. He also provided an update on the MWD lawsuit including how the judge agreed to move the case to San Francisco.

2. CSDA

Mr. Kennedy mentioned he may be selected to serve as Chapter President.

3. LAFCO

There was no report given due to meeting cancellation.

4. San Luis Rey Watershed Council

Mr. Kennedy mentioned a meeting held at Rincon Tribal Hall regarding the groundwater issue.

5. Santa Margarita Watershed Council

There was no report given.

(*) - Asterisk indicates a report is attached.

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

There were no reports given.

D. Directors Comments

There were no comments.

E. Engineering Committee Member Comments

Mr. Kennedy asked those present from the Engineering Committee to introduce themselves.

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

A. Budget and Finance Committee

1. July 12, 2016 Minutes

Mr. Stitle reported Mrs. Martinez has done an excellent job getting Accela up and running. He noted the committee has requested cash flow reports for future meetings.

B. Communications Committee

1. July 11, 2016 Minutes

There was no report given.

C. Engineering Committee

1. July 6, 2016 Minutes

There was no report given.

PRESENTATION

***14. WATER RECLAMATION PLANT PRE-DESIGN REPORT**

Mike Metts of Dudek gave a presentation on the Pre-Design report. He provided details on the three alternatives available to RMWD including the probable capital cost, probable annual cost, potential funding concepts, environmental requirements, as well as the conclusions and next steps.

Mr. Kennedy solicited the Board and Committee for input as to why they believe would be most feasible.

President Sanford asked if there was a particular urgency related to this matter. Mr. Kennedy explained although there was no particular urgency, it would be good to have a decision-making matrix in place should it be determined to move forward.

Mr. Murray asked if RMWD has looked at whether the District's current management administration structure was adequate to take on this project without expanding itself significantly. Mr. Kennedy explained there were delivery models that would need to be reviewed in order to make determinations. He clarified the cost of labor and things like that have all been factored into the costs being calculated by Dudek.

(*) - Asterisk indicates a report is attached.

President Sanford noted there was further analysis that needed to be done before the Board makes a decision.

Mr. Stitle pointed out the long term cost needed to be taken into account.

Mr. Kennedy stated he would take anything further on this project to the Engineering Committee.

No action taken.

BOARD ACTION ITEMS

15. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE PUMP STATION #1 NATURAL GAS MOTOR REPLACEMENTS PROJECT

Mr. Powers pointed out how right now there were natural gas motors at the pump station which have a cost to service. He noted there was potential for violation notices from the Air Quality Control Board; therefore, staff would like to change the natural gas motors to electric motors in order to save the District from penalties. It was confirmed this project was in the budget.

Mr. Powers mentioned RMWD sent out Requests for Proposal from which two responses were received. He said although both firms were capable of doing the work to replace the motors, there were some other portions of the contract for which IEC proposed at a lower cost. He recommended the contract be awarded to IEC. He noted the Board has been presented with a copy of the Professional Services Agreement and IEC proposal which will be attached to these minutes (see Exhibit "A")

Mr. Murray asked if this would be an ideal location for solar. It was noted there was not enough land for the amount of solar required.

Mr. Powers pointed out this project does include an emergency backup generator.

Mr. Marnett asked if there were modern natural gas pumps that do meet the pollution controls. Mr. Kennedy pointed out there may be; however, every other pump on the system is electric which would make it more efficient for staff to maintain.

Discussion ensued regarding installing solar at the reservoirs.

Motion:

To approve Option 1 - Authorize staff to award a Professional services contract to IEC to provide design services for the Pump Station #1 Natural Gas Motor Replacements Project. The project is included in the District's CIP budget, with \$800,000 total in expenditures expected in years 2016-2018.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Sanford, Director Brazier, Director Stewart.

(*) - Asterisk indicates a report is attached.

Absent: Director Walker, Director Bigley.

***16. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 16-18, APPROVING A LETTER OF UNDERSTANDING BETWEEN THE RAINBOW MUNICIPAL WATER DISTRICT AND THE RAINBOW EMPLOYEES ASSOCIATION**

Mr. Kennedy explained this was related to the matter discussed with the Board and how this was to formalize the ratification to the MOU.

Motion:

Adoption of Resolution No. 16-18.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Sanford, Director Brazier, Director Stewart.

Absent: Director Walker, Director Bigley

***17. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 16-12, UPDATING AND AMENDING ADMINISTRATIVE CODE SECTION 8.04.030 – APPLICATION FOR A REMOTE METER**

Mr. Kennedy explained how the sequence did not read well; therefore, this was a grammatical upgrade.

Motion:

Adopt the changes in the Administrative Code.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Director Sanford, Director Brazier, Director Stewart.

Absent: Director Walker, Director Bigley.

18. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPOINTMENT; EMPLOYMENT; EVALUATION OF PERFORMANCE: GENERAL MANAGER

President Sanford stated although there was no action necessary at this time, he wanted to let everyone know Mr. Kennedy's performance was discussed by the Board who in turn gave a very favorable evaluation.

Director Brazier stated now that the really tough part was behind RMWD, the District can now look ahead and move forward.

BOARD INFORMATION ITEMS

19. REVIEW OF LEGAL COUNSEL RESPONSES TO REQUEST FOR PROPOSALS

Discussion went to Item #20.

***20. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR JULY 2016**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Communications**
 - 1. Staff Training Reports
- C. Operations Comments**
 - 1. Operations Report
- D. Engineering Comments**
 - 1. Engineering Report
- E. Customer Service Comments**
 - 1. Customer Service Report
- F. Finance Manager Comments**
 - 1. Interim Financial Statement
 - 2. Directors' Expense
 - 3. Check Register
 - 4. Water Purchases & Sales Summary
 - 5. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Motion:

To receive and file information and financial for July 2016.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Director Sanford, Director Brazier, Director Stewart.

Absent: Director Walker, Director Bigley.

Mr. Kennedy reminded the Board about the CSDA conference coming to San Diego in October.

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

It was noted there would be a claim to discuss in Closed Session, CSDA nominations for committee members, and the General Manager evaluation will be on the next agenda.

Adjourned to Closed Session at 2:53 p.m.

(*) - Asterisk indicates a report is attached.

22. ADJOURNMENT - To Tuesday, September 27, 2016 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier and seconded by Director Stewart to a regular meeting on September 27, 2016 at 1:00 p.m.

The meeting adjourned at 4:45 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary