

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 28, 2020**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 28, 2020 was called to order by Vice President Hamilton at 12:05 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Hamilton presiding.

2. **ROLL CALL**

Present: Director Gasca, Director Hamilton, Director Rindfleisch.

Also Present: General Manager Kennedy, Legal Counsel Smith (*via video teleconference*), Legal Counsel Duran-Brown (*via video conference*), Executive Assistant Washburn, Information and Technology Manager Khattab.

Absent: Director Brazier, Director Mack.

No members of the public were present for Closed Session.

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

Mr. Kennedy noted Item #22 has been resolved and can be removed from the agenda.

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 oral comments. A written comment was submitted to Legal Counsel from EWM Investments, LLC regarding one of the Closed Session matters.

The meeting adjourned to Closed Session at 12:07 p.m.

Mr. Kennedy informed the Board Director Brazier had notified the District she was unable to attend today's meeting and that Director Mack had an unavoidable medical procedure preventing him from attending.

5. **CLOSED SESSION**

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

* Four Items

(*) - Asterisk indicates a report is attached.

- B. Conference with Legal Counsel-Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
 - * Otay Water District v. Rainbow Municipal Water District
- C. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
 - * Kessner et al., v. Rainbow Municipal Water District, et al.
- D. Conference with Legal Counsel – Potential Initiation of Litigation (Government Code §54956.9 (d)(4))
 - * Two Cases

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #10.

The meeting reconvened at 1:01 p.m.

Time Certain: 1:00 p.m.

7. REPEAT CALL TO ORDER

The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 28, 2020 was called to order again by Vice President Hamilton at 1:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Hamilton presiding.

8. PLEDGE OF ALLEGIANCE

9. REPEAT ROLL CALL

Present: Director Gasca, Director Hamilton, Director Rindfleisch.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Information and Technology Manager Khattab.

Absent: Director Brazier, Director Mack

Present via video teleconference:

Legal Counsel Smith, Legal Counsel Duran-Brown, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Associate Engineer Powers, Customer Service and Communications Supervisor Gray, Engineering Technician Rubio, and Utility Worker Sjuneson.

Thirteen members of the public attended the Open Session via video teleconference.

(*) - Asterisk indicates a report is attached.

10. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss six items. He noted there was no action on two items discussed under Item #5A, the items discussed under Item #5D, as well as on items #5B and #5C.

The meeting adjourned to the Rainbow Public Facilities Corporation at 1:04 p.m.

The meeting reconvened at 1:09 p.m.

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

Vice President Hamilton announced Item #22 was no longer applicable as the matter has been resolved and Item #23 has been deferred.

12. 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).

Vice President Hamilton read aloud instructions for making comments while joining the meeting via teleconference.

There were no comments.

13. EMPLOYEE RECOGNITIONS

A. Thomas Sjuneson (20 Years)

Mr. Kennedy noted Thomas Sjuneson started working at RMWD in the meters department and had since moved into the construction department. He noted due to his experience in both metering and construction, Mr. Sjuneson was leading the vacuum excavation efforts associated with the WSUP project. He mentioned Mr. Sjuneson has also done a great deal of work representing one of the employee bargaining units, REA, serving as their President. Mr. Kennedy noted he will present Mr. Sjuneson with his plaque and check after the conclusion of this meeting.

Mr. Sjuneson said it has been a great twenty years with things are positive and how he looks forward to continued improvements. He looks forward to continued improvements. Mr. Kennedy thanked him for his twenty years of dedication and service.

***14. APPROVAL OF MINUTES**

A. March 24, 2020 - Regular Board Meeting

Motion:

To approve the minutes.

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

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

(*) - Asterisk indicates a report is attached.

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

*(*After the March 24, 2020 minutes were approved, it was found the titles provided in the first roll call recorded were incorrect. The titles were corrected in the final and executed version.)*

***15. 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)

Vice President Hamilton read President Brazier's comments submitted in writing into the record.

"I'd like to say a few words to Rainbow's employees:

There's no need to remind you of the global Covid19 pandemic or its current and possible future consequences. You and Rainbow and our mission to provide our ratepayers with safe drinking water and reliable sewer services are vital to fighting the spread of this deadly virus. There can be no debate about the importance of frequent and thorough hand washing in that endeavor. You make that possible.

Your work lives have been disrupted. Your work times and places may not be what you are accustomed to and may change out of necessity. Those of you working remotely may have less than ideal workspaces, some difficulty with convenient real time consultations with colleagues or access to some information. There may be the distraction of other people in your workspace because of the California stay at home order. I am complying with that order, and there are times when I am glad to be alone so that I can finish a task without interruption...and that I don't have the opportunity to annoy anyone to death. The board values what you do under these challenging circumstances. Keep up the good work.

I miss waving as our vehicles pass in the parking lot, smiling and saying hi in the hallway, or bantering about sports. You are all more than your job descriptions; you are members of a team. Part of the value of that team is its synergy, which helps us all do our best. All of us miss the feedback we get from each other. Until we can reassemble that team, please take care, stay safe, and be well."

Mr. Kennedy appreciated the comments noting they were very nice.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting March 26, 2020

Mr. Kennedy reported there have been two different SDCWA Board meetings via Microsoft Teams since the RMWD Board met in March and how roll call votes for all thirty-six members were taken on all action items. He said one of the most interesting topics was when the market started to crash at the beginning of the pandemic, SDCWA added a last-minute item to their agenda regarding working on refinancing \$350M in commercial paper of which \$100M which was secured by SDCWA's own books. He noted the action item requested approval for the General Manager

(*) - Asterisk indicates a report is attached.

and Finance Manager to issue up the \$350M in one-year notes at up to 12% interest. He said he asked questions a mutual agreement was reached not to approve this at any rate higher than the amount being paid now. Discussion ensued.

Mr. Kennedy pointed out at a meeting late last week, there was not too much on the SDCWA agenda, however, when the minutes were approved, they asked if anyone had an objection and took a voice vote. He asked Legal Counsel how this should have been addressed according to the spirit and intent of the Governor's Executive Order. Legal Counsel stated every vote is supposed to be done by roll call in light of the new Executive Order.

2. CSDA

Mr. Kennedy noted the Board met and cancelled the May 21, 2020 Quarterly Dinner Meeting and have replaced it with a short virtual happy hour with all SDCSDA members invited to attend.

3. LAFCO

Mr. Kennedy reported the next meeting will be on May 4, 2020 at which they will be considering the SDCWA request to be given exemption for Part 4 of CKH relating to their ability to conduct the reorganization pursuant to the Water Authority Act. He noted RMWD has sent a letter to LAFCO outlining the District's position related to this matter which has been shared with the RMWD Board and is posted on the LAFCO website. He added RMWD does object to any concept of a county-wide vote or a stay in the proceedings due to the COVID-19 situation.

4. San Luis Rey Watershed Council

There was no report given.

5. Santa Margarita River Watershed Watermaster Steering Committee

Delayed to July 2020.

6. ACWA

There was no report given.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

There were no reports provided.

D. Directors Comments

Director Gasca has been in contact with Jack Haggerty on Gird Road who has a meter that is reading high. He said although this has been resolved, he received another call from Mr. Haggerty requesting a meeting to discuss the possibility the meter may be reading higher than it should. Mr. Kennedy said staff would go to the property and assess the situation and conduct a test on the meter if necessary.

Ms. Gray noted she spoke with Mr. Haggerty today and will provide more detail to Director Gasca after the conclusion of this meeting.

(*) - Asterisk indicates a report is attached.

- E. Legal Counsel Comments
 - 1. Attorney Report: Dangerous Conditions of Public Property (501668-0002)

Vice President Hamilton inquired as to how this matter got to court. Legal Counsel explained it was due to an unfortunate fatality. He summarized the information provided in the report provided.

16. COMMITTEE REPORTS

Mr. Hamilton stated since committee meetings were no held in April, there was most likely nothing to report.

Ms. Washburn shared Mr. Flint's email stating he was unable to attend the Board meeting today and that since the Engineering and Operations and Budget and Finance committees have not met since early March, there was nothing to report except they were looking forward to getting back into operation in May.

- A. Budget and Finance Committee
- B. Communications and Customer Service Committee
- C. Engineering and Operations Committee

CONSENT CALENDAR ITEMS

- 17. NOTICE OF COMPLETION AND ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY DEVELOPERS
- *18. DISCUSSION AND POSSIBLE ACTION TO CONSENT TO THE EXTENSION OF THE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5498-1

Motion:

To approve the Consent Calendar items.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack

BOARD ACTION ITEMS

- 19. DISCUSSION AND POSSIBLE ACTION TO APPROVE WAIVING OF LATE FEES THROUGH JUNE 1, 2020

Ms. Largent said nothing has changed. She said a few customers have called every day inquiring if RMWD was offering any relief on accounts and how the messaging being put out by RMWD was that staff would be going to the Board and asking to be waiving of late fees through June 1st. She added staff was also letting customers know RMWD would not be to doing shutoffs per the Executive Order through the end of May.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy stated customers would not be relieved of responsibility to pay for water, but the Executive Order does state water should not be shut off. He said as was started before the last Board meeting late fees were not being charged at this time; however, staff wanted to offer the Board the alternative to waive late fees through June 1st for consideration. Ms. Largent clarified this waiver would extend through the balances at the end of May that are due in June.

Mr. Kennedy asked Ms. Largent if she saw a distinct change in remittances. Ms. Largent confirmed she has and how calls have been received from customers who have lost their jobs and are concerned with having their water turned off. She pointed out staff was making sure to tell the customers they will still be responsible for the bill, but obviously people are still concerned. She said waiving the late fees would go a long way.

Mr. Kennedy said when he was participating in a Fallbrook local community group Zoom webinar, RMWD may want to consider relieving those customers who cannot pay of the RMWD fixed charges and only passing through the SDCWA; however, there were challenges involved that could be subject the District to potential risk. He suggested it would be best to wait to see how the current situation plays out in terms of the pandemic.

Vice President Hamilton asked Ms. Largent if she had any indication as to what level of exposure RMWD has in this situation. Ms. Largent said staff was in the process of compiling this data with the Accounts Receivable agent right now; however, she would not have enough data until next month's Board meeting. She recommended exercising caution with starting a program involving property tax revenue due to its limits as well as excess costs associated with this situation and unfunded mandates from the federal government.

Vice President Hamilton asked for confirmation, the Board was only considering finance charges being waived at this time. Ms. Largent stated this was correct.

Motion:

To approve waive late fees through June 1, 2020.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

20. CONSIDER RATIFICATION OF THE GENERAL MANAGER'S EMERGENCY DECLARATION OF APRIL 18, 2020 RELATED TO THE IMMEDIATE REPAIR OF A DAMAGE SEWER LINE ON NORTH RIVER ROAD, REVIEW INFORMATION RELATED TO THE EXTENT OF REPAIRS NEEDED, AND APPROPRIATE FUNDS REQUIRED TO COMPLETE REPAIR WORK

Mr. Kennedy gave a presentation on the North River Road Emergency Repairs as he explained what transpired at the site as well as the next steps that need to be taken.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy stated, as required in the Administrative Code, the Board will need to ratify the declaration of emergency he made on April 17, 2020 at today's meeting. He mentioned the costs involved with the emergency may vary from the \$150,000 original estimate he provided at the time of the emergency declaration; therefore, he was asking the Board to appropriate \$200,000 to make the necessary repairs.

Vice President Hamilton asked the age of the system. Mr. Gutierrez said it was 1974.

Director Gasca inquired if this pipeline was identified on the CIP list. Mr. Kennedy explained it was on the list as part of the RMWD overall manhole and pipeline rehabilitation in a lining situation; however, after discovering it was this bad, it cannot be lined. He noted originally this would have been part of the North River Farms project approved by the City of Oceanside. He mentioned since that time, a recall election was scheduled to take place that was cancelled due to the COVID-19 situation. He pointed out if the project is approved during the Fall elections, this entire line will be replaced by the City; therefore, part of spending a great deal of money on this now would not be feasible. Discussion followed.

Motion:

To approve Option 1 – ratify the General Manager's Emergency Declaration of April 17, 2020.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

Mr. Kennedy pointed out the dollar amount to be appropriated should be included in the motion.

Director Rindfleisch offered an amended motion.

Motion:

To approve Option 1 - ratify the General Manager's Emergency Declaration of April 17, 2020 for costs not to exceed \$200,000.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

***21. CONSIDER APPROVAL OF CONTRACT WITH LANCE, SOLL & LUNGHART, LLP (LSL) FOR AUDITING SERVICES**

Ms. Largent noted a Request for Proposal (RFP) was put out in March for auditing services to which five different firms replied. She pointed out the results are provided in Appendix B. She

(*) - Asterisk indicates a report is attached.

explained normally this would be reviewed with the Budget and Finance Committee, but since the committee did not meet in April, she prepared a review of the proposals received noting all the firms would be similar in how the audits are performed with the only difference being which ones would be willing to provide additional assistance in specific areas with which the past auditor was reluctant to do. She said the best firm appears to be LSL and how the cost for the three-year contract was not a significant increase over the contract currently in place; therefore, she was asking the Board to consider approve the contract for three years with two option years.

Vice President Hamilton asked if the existing contract was coming to an end. Ms. Largent answered the contract was coming to an end and when she reached out to the current firm to notify them RMWD would be putting out an RFP and how they were welcome to rebid, they did not submit a proposal.

Director Rindfleisch asked if the firm selected agrees to provide guidance on importing capital assets into the financial records that were not imported in years past, would that suggest what he recalls being capital assets totaling approximately \$88M-\$89M were not included in the asset calculations. Mr. Kennedy said along these lines, several years ago there was an appraisal conducted on the entire RMWD system to determine if it was undervalued. He stated the appraisal came back at \$440M total; however, the auditor did not want to use this value as a net asset value and was reluctant to assist with translating the new value into book value. He said RMWD was clear in the recent RFP, RMWD was the next auditor who works for the Board to go through and look at the appraised value and come up with better results.

Discussion ensued.

Director Gasca inquired as to the difference in the fiscal impacts provided in the action letter. Vice President Hamilton clarified this contract was for three years with options to extend. Mr. Kennedy stated should staff wish to extend the contract any extension would need to be brought to the Board for consideration.

Director Rindfleisch asked if RMWD would be utilizing the valuation projected from the past auditor or will the new firm conduct a fresh valuation. Mr. Kennedy clarified the appraisal was conducted by another firm, not the auditors. Ms. Largent stated the District should be able to utilize the established study. Mr. Kennedy offered to provide a copy of the appraisal to any interested Board members.

Motion:

To accept Option 1 – Authorize the General Manager to execute the contract with Lance, Soll, Lunghart, LLP.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

***22. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-02, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 3730 FIRE ROAD, FALLBROOK, CA 92028**

This item was removed from the discussion per Item #3.

***23. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-05, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 7650 CAMINO DEL REY, BONSALE, CA 92003**

This item was deferred to the next Board meeting per Item #11.

***24. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE OLIVE HILL ESTATES TRANSMISSION LINE RECONNECTION PROJECT**

Mr. Strapac gave a presentation as he explained the project background, overview, and bid summary.

Director Gasca asked if there was a retention included in the contract. Mr. Strapac confirmed there was payment, performance, and warranty bonds for one year.

Vice President Hamilton recalled what had transpired back when he initially joined the Board of Directors where there was a line coming right through an easement. Mr. Kennedy said the easement did not serve any parcels; therefore, this time it will stay in the road.

Discussion ensued.

Director Gasca inquired as to whether this project was in the top five of the conditional assessment. Mr. Kennedy explained it was not in the condition assessment but rather part of the SDCWA detachment analysis and capacity expansion.

Vice President Hamilton asked if RMWD had to shut down one of the pressure stations, it will not be able to supply water from the other. Mr. Strapac stated this was not necessarily true and how water could be routed to other areas. Discussion ensued.

Director Gasca inquired about finding that the project is Statutorily and Categorically Exempt from CEQA was a separate action. Mr. Kennedy explained this can be made a part of the motion.

Motion:

To approve Option 1 - Allocate funding and award the construction contract for the Olive Hill Estates Transmission Line Reconnection Project to T.E Roberts, Inc. in accordance with the California Public Contracting Code for a not to exceed amount of \$1,128,075, make a finding that the project is Statutorily and Categorically Exempt from CEQA, and authorize General Manager to execute contract for the construction of the Olive Hill Estates Transmission Line Reconnection Project to T.E Roberts, Inc.

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

(*) - Asterisk indicates a report is attached.

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

***25. DISCUSSION AND POSSIBLE ACTION TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) AND BECOME A PARTICIPATING MEMBER AGENCY, AND ADOPT A RESOLUTION “FORM OF RESOLUTION OF INTENTION TO BE ADOPTED BY CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”)**

Mr. Kennedy explained the Board would not be taking any action on this item today; however, discussion would be permissible. He explained the benefits of joining the SCIP. He noted this program allows property owners to assess themselves to do a project. He said these property owners could be a small developer who wants to build infrastructure for a small development or someone who wants to build raw water infrastructure. He clarified joining the SCIP program puts it out there as an alternate funding method should these things come to pass.

Vice President Hamilton asked if RMWD had to be a participating agency for a group or developer to even apply. Mr. Kennedy confirmed this was true. He pointed out SCIP was another financing vehicle for publicly owned infrastructure to be paid for through assessments. Vice President Hamilton asked if there would be downside for RMWD. Mr. Kennedy said this was a direct assessment and should someone purchase a property with SCIP assessments attached may question RMWD’s involvement.

Mr. Kennedy said he would bring this item back to the Board in May.

There was no action taken.

***26. REVIEW AND CONSIDER RESOLUTION 20-07 WHICH RELATES TO THE ENVIRONMENTAL IMPACT REPORT (AND 2020 ADDENDUM) FOR THE PARDEE “MEADOWOOD” DEVELOPMENT AND AUTHORIZE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR OUT OF AGENCY SERVICE TO TRANSFER WATER AND WASTEWATER SERVICE FUNCTIONS FOR THE PARDEE “MEADOWOOD” DEVELOPMENT FROM THE VALLEY CENTER MUNICIPAL WATER DISTRICT TO THE RAINBOW MUNICIPAL WATER DISTRICT AND AN ANNEXATION AGREEMENT BETWEEN PARDEE HOMES AND RAINBOW MUNICIPAL WATER DISTRICT FOR THE ULTIMATE ANNEXATION OF THE DEVELOPMENT INTO RAINBOW MUNICIPAL WATER DISTRICT**

Mr. Kennedy briefly summarized this item noting the Pardee Meadowood Development go into a Preannexation agreement in 2004 and how after a change on the Board, that agreement ended in 2008 when the parties mutually agreed to exit the Preannexation Agreement. He stated Pardee then contacted Valley Center Municipal Water District (VCMWD) who in turn agreed to annexation; however, after discovering SDCWA would not be able to provide them with small metering, it did not work out. He mentioned it was also found providing wastewater services was not feasible. He explained RMWD and VCMWD then researched ways RMWD could serve the property utilizing RMWD’s water conveyance and water systems and how those discussions continued for quite some time with studies being conducted. He stated the discussions were hung up on the capacity fees and how the RMWD Board reviewed this matter in 2016 at which time Pardee was presented with the proposed fees. He noted after quite some time, Pardee received final approval from the County including permits and was ready to start grading when he,

(*) - Asterisk indicates a report is attached.

VCMWD's general manager, and Jimmy Aryala started having a series of discussions regarding how it would be logical to return to the original proposal in 2004 with Meadowood being annexed into RMWD. He pointed out this action item was a culmination of these discussions.

Mr. Kennedy noted there were two specific actions to be considered for this item; the Out of Agency Service Agreement with VCMWD that allows RMWD to service this project, and an Annexation Agreement where RMWD will agree to annex the development into the RMWD service area. He explained the processes will include RMWD approving an application to LAFCO for annexation, going through the LAFCO process, and eventual transition of those parcels to RMWD sometime in the next eight or so months.

Mr. Kennedy pointed out this document also establishes the sewer capacity fees and that RMWD will form a CFD through which proceeds will be paid. He mentioned there was one challenge was there are some CEQA matters in that the Pardee development includes the Rice Canyon Pipeline; however, Pardee modified and produced an addendum to their EIR over the past month which has been reviewed by both Mr. Strapac and Legal Counsel. He explained part of this process will be for the Board to take action to certify that addendum. He noted the entire EIR approved by the County previously with some amendments were provided to the County.

He said it believes the key benefits are the \$10.5M wastewater capacity fees are sorely needed by RMWD to really improve its wastewater system, it will provide approximately \$800,000 in new customer revenue every year, and will make better operations on the water side being able to move water north and south.

Vice President Hamilton stated according to Mr. Strapac, RMWD will also get better utilization out of the asset as opposed to having stale water in the tank caused by not moving it around enough.

Jimmy Ayala with Pardee Homes noted he was pleased with Mr. Kennedy's overview on the project. He thanked Mr. Kennedy, Mr. Strapac, and the entire RMWD team members for their diligence in preparing this item before the RMWD Board today. He said he believes this will be a benefit for both parties as well as it serves as a good example of the provision of municipal services. He said Pardee looks forward to the RMWD's Board approval today.

Vice President Hamilton inquired about the water and sewer capacity revenue reported in the action letter differing from that in the agenda item. Mr. Kennedy said this was a typographical error and the \$16M was the correct forecast.

Motion:

To approve Option 1A, 1B, and 1C - Adopt Resolution 20-07 which ratifies the CEQA findings included in the resolution as well as the 2020 Addendum to the Pardee Final Environmental Impact Report; a Notice of Determination will be filed within five days of the Board's actions; approve the Agreement for Out of Agency Service between the Rainbow Municipal Water District and the Valley Center Municipal Water District and authorize the General Manager to execute the agreement; approve the Annexation Agreement among Rainbow Municipal Water District, a California Municipal Water District, and Pardee Homes and authorize the General Manager to execute said agreement.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

Mr. Kennedy directed Mr. Strapac to get the Notice of Determination completed.

27. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE RICE CANYON TANK TRANSMISSION PL TO I-15 - SR76 CORRIDOR DESIGN PROJECT

Vice President Hamilton called for a break at 2:46 p.m.

The meeting reconvened at 3:02 p.m.

Mr. Kennedy pointed out this item was related to the Pardee item. He noted in talking to the design engineer, a proposal was provided at much lower costs by the contractor who will be working on the Pardee project simultaneously.

Mr. Strapac pointed out Dexter Wilson is very familiar with the project having studied it for the Pardee Annexation Agreement. Vice President Hamilton asked if RMWD would benefit from this pipeline serving the areas noted in the original plan. Mr. Strapac confirmed this would be the case.

Motion:

To approve Option 1: Award a Professional services contract to Dexter Wilson Engineering, Inc. to provide design services for the Rice Canyon Tank Transmission PI to I-15 - SR76 Corridor Design Project not to exceed \$190,880, rename the project to the "Rice Canyon Transmission Pipeline Project", authorize the General Manager to execute a Professional Services Agreement with Dexter Wilson Engineering Inc., of Carlsbad, California 92008, and make a determination that the action identified herein does not constitute a "project" as defined by CEQA.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

***28. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-06 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 1 – GENERAL PROVISIONS**

Vice President Hamilton asked if the staff was allowed to provide the Board with drafts of the Administrative Code policy changes in advance to allow for an opportunity to review the policies and provide their input which in turn could be incorporated into final drafts for Board consideration at a Board meeting.

(*) - Asterisk indicates a report is attached.

Legal Counsel confirmed the Board can be provided with drafts Administrative Code changes unilaterally via email for their input as long as the Board only responds directly to staff and do not discuss the items among each other.

It was noted once a final redline and clean draft are ready, they can be brought to the Board for consideration and possible approval.

This item was continued until the next Board meeting for continued review.

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

Director Gasca confirmed he would be attending the CSDA Legislative Days in May via teleconference and Ms. Washburn updated the Board that she will need to confirm Director Mack's flight arrangements to the ACWA conference rescheduled to July.

BOARD INFORMATION ITEMS

30. COVID-19 EMERGENCY UPDATE

Mr. Kennedy reported all operational things were still in working order. He noted field operation crew members were originally transitioned to an A/B shift to keep from overlapping; however, they have since been brought back into daily operations with staggered start times with reinforced physical distancing. He mentioned a daily contact tracing program has been implemented and all staff were utilizing masks and remaining 6' apart whenever possible as the District tries to continue business as usual as much as possible. He pointed out the WSUP project will start up again next week. He explained although some planned maintenance projects have been postponed to avoid have to perform shutdowns, some cannot be postponed for too long and may need to start in the near future.

Mr. Kennedy complimented Mr. Khattab for having RMWD up and ready to go during this situation. He mentioned Infor would be doing a webinar on RMWD's experience on June 11, 2020 after seeing a post on Twitter about how the District was ready to go fully remote within 48 hours of the decision to go remote.

Mr. Kennedy said the economic impact remains unknown. He stated the revenues were currently low; however, there have been a wet series of months. He mentioned SDCWA put out a newsletter saying this pandemic was reducing revenue; however, this situation was only in affect for six weeks and there has been six months of wet weather which has more impact on revenue than the pandemic. He stated there is a slight increase in the District's sewer flows with so many people at home and how it was undetermined how many customers will not be able to pay their bills.

Mr. Kennedy concluded with reiterating the District was doing the best it can under the current circumstances.

31. STRATEGIC PLAN WORKSHOP UPDATE

Mr. Kennedy asked if the Board would prefer to hold a Zoom type workshop or postpone the workshop until a later date. Discussion ensued.

(*) - Asterisk indicates a report is attached.

It was decided these types of strategy planning are better achieved in person as opposed to video conference; therefore, it should be postponed at this time.

32. SOCIAL MEDIA RESPONSE

Vice President Hamilton referenced the handout provided with a standard reply for social media response while engaging the RMWD ratepayers.

Ms. Gray noted she submitted RMWD's application with Nextdoor; however, there were questions about whether RMWD wanted to do more specific messaging. Mr. Kennedy deferred to Legal Counsel.

Vice President Hamilton asked if there was a way implement a neighborhood distribution. Ms. Gray confirmed RMWD has provided the District boundaries; however, in order to break it down into neighborhoods, RMWD would need to provide them with additional information. Discussion ensued.

Ms. Gray offered to schedule a conference call with Nextdoor to see if they can accommodate RMWD's needs. She noted they are emergency response only and not informational without an additional cost.

***33. 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
2. Organizational Chart

E. Finance Comments

1. Information Report
2. Budget vs. Actual Fund 1, 2, and 3
3. Fund Balance Projections
4. Treasury Report
5. Five Year Demand
6. Credit Card Breakdown
7. Directors' Expense
8. Check Register
9. Water Sales Summary
10. Developer Projections
11. RMWD Properties

Motion:

To receive and file information and financial items.

(*) - Asterisk indicates a report is attached.

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

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

Ayes: Director Gasca, Director Hamilton, Director Rindfleisch.

Absent: Director Brazier, Director Mack.

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

It was noted the easement by eminent domain for the property at 7650 Camino Del Rey, SCIP program, Administrative Code Title 1 updates, emergency declaration updates, WSUP update, and budget review should be on the next Board meeting agenda.

35. ADJOURNMENT

The meeting was adjourned by Vice President Hamilton to a regular meeting on May 26, 2020 at 1:00 p.m.

The meeting was adjourned at 3:36 p.m.

Hayden Hamilton, Board Vice President

Dawn M. Washburn, Board Secretary