

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 26, 2016**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on January 26, 2016 was called to order by President Sanford at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Director Walker
Director Sanford
Director Brazier
Director Griffiths (*Arrived at 1:03 p.m.*)

Absent: None

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Legal Counsel Stender
Finance Manager Martinez
Acting Operations Manager Maccarrone
Engineering Manager Kirkpatrick
Superintendent Zuniga
Superintendent Walker
Administrative Analyst Gray

Two members of the public were present.

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

There were no changes to the agenda.

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

There were no public comments.

6. ANNIVERSARY ACKNOWLEDGEMENT

A. Delia Rubio (10 Years)

Mr. Kennedy noted Delia Rubio was celebrating her ten years with RMWD and how she started out as an Administrative Assistant I, promoted to Administrative Assistant II, and recently filled a newly created position in the Engineering Department as the Engineering Technician I/II. He presented Mrs. Rubio with a plaque and check in recognition of her tenure at RMWD.

B. Jesus Hernandez (10 Years)

Mr. Kennedy noted Jesus Hernandez was also celebrating ten years at RMWD and how he started as a Utility Worker I and eventually worked up to System Operator I, II, and III. He mentioned Mr. Hernandez was in the process of getting his different required certifications. He presented Mr. Hernandez with a plaque and check in recognition of his tenure at RMWD.

Director Griffiths arrived at 1:03 p.m.

***7. APPROVAL OF MINUTES**

A. December 15, 2015 - Special Board Meeting

Action:

Moved by Director Brazier to approve the minutes. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker

NOES: None

ABSTAINED: None

ABSENT: None

***8. BOARD OF DIRECTORS' COMMENTS/REPORTS**

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

A. President's Report (Director Sanford)

1. Director Lucy Letter of Resignation

Mr. Kennedy announced effective today Director Lucy has resigned from the Board of Directors. He noted notifications have been posted on the website and included in the newsletter soliciting for applications for the Board to consider for a replacement. He explained the an appointment to the Board must be completed within sixty days of today and that appointee will serve out through November 2016 at which time according to state law they would need to run in the elections in order to continue the remaining two year term. He pointed out the notice stated any applications needed to be submitted before February 19th in order to get these before the Board for prior to the February 22, 2016 Board meeting.

Mr. Kennedy stated both Mr. Curtis Permito and Ms. Pam Moss have expressed in interest in filling the Division 4 Board vacancy.

(*) - Asterisk indicates a report is attached.

President Sanford talked about the RMWD Employee Recognition Banquet he and Director Brazier attended and how he really enjoyed himself. He noted the importance of having the event and entertainment held within the District boundaries. Director Brazier stated it was a very worthwhile event and she encouraged the Board to approve the same type of event for next year as well as subsequent years.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy noted as part of the Governor's most recent changes to the drought regulations, SDCWA sent a notification out yesterday related to the credits RMWD will be able to get from the desalination plant. He explained after it has all been added all up, the desalination plant is about 9% of the water supply for which RMWD will receive a credit and how the state "might" reduce the District's total cutback by 8% taking it from 36% to 28%.

2. CSDA

Mr. Kennedy mentioned he was actively working with CSDA on RMWD's legislative efforts to get Government Code Section 56878 added which has to do with modification to the Cortese-Knox-Hertzberg to try to ensure the right of the ratepayers to vote should another hostile takeover situation occur. He stated one of CSDA's requests was that he run this by FPUD and he was waiting for a response from Mr. Brady. President Sanford pointed out Senator Joel Anderson sent a letter to RMWD in support of this effort.

3. LAFCO

Mr. Kennedy stated Mr. Ott contacted him today regarding the nominations made for RMWD staff and Board Members to serve on LAFCO Board and the Special Advisory Committee due to Mr. Brady at FPUD challenging Mr. Kennedy's authority to sign the nomination forms. He explained after RMWD staff sent Mr. Ott the minutes verifying the RMWD Board direction for the nominations satisfied his inquiry.

4. San Luis Rey Watershed Council

Director Walker reported he attended the meeting on January 25th at which there was an El Nino update. He said he also mentioned at the meeting RMWD had just completed a groundwater study and how the District will be exploring a GSA in the middle part. He stated apparently all the neighboring entities need to be involved somehow which would include RMWD.

5. Santa Margarita Watershed Council

President Sanford stated 2016 would be an interesting year for this group due to the resignation of the Watermaster as well as some dissention about how fees are being charged.

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

Director Walker reported on the Council of Water Utilities meeting where there was a speaker talking about water conservation as it pertains to vegetation and changes in behavior.

C. Directors Comments

(*) - Asterisk indicates a report is attached.

Director Griffiths thanked Mrs. Kirkpatrick for the flow information she gave him.

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

- A. Budget and Finance Committee**
1. October 13, 2015 Minutes
 2. November 10, 2015 Minutes
 3. December 8, 2015 Minutes

Mr. Stitle stated there was nothing to report.

- B. Communications Committee**
1. November 2, 2015 Minutes
 2. December 7, 2015 Minutes

There was no report given.

- C. Engineering Committee**
1. November 4, 2015 Minutes
 2. December 2, 2015 Minutes

Mrs. Kirkpatrick stated there was nothing to report.

BOARD ACTION ITEMS

10. DISCUSSION AND POSSIBLE ACTION TO APPOINT BOARD OFFICERS AND REPRESENTATIVES

Action:

Moved by Director Brazier to leave the slate as is with the exception of replacing the departed Bob Lucy with Tory Walker to serve as Board Vice President. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***11. LOCAL AGENCY FORMATION COMMISSION (LAFCO) 2015 SPECIAL DISTRICTS ELECTION BALLOT AND VOTE CERTIFICATION**

Discussion ensued regarding the nominations provided in the ballot.

Director Griffiths stated Mr. McManigle has been involved with RMWD for a long time and has the District's best interest at heart. Director Walker said although he has not met Mr. McManigle, after hearing good things he would prefer to vote for him than Mr. Sprague.

Action:

(*) - Asterisk indicates a report is attached.

Moved by Director Griffiths to support for George McManigle as the regular Special District Member on LAFCO. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker.
NOES: None
ABSTAINED: None
ABSENT: None

Action:

Moved by Director Walker to nominate Dennis Sanford to serve as the alternate LAFCO Special District Member. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker.
NOES: None
ABSTAINED: None
ABSENT: None

Action:

Moved by Director Griffiths to support the time extension for Jo MacKenzie until 2020. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker.
NOES: None
ABSTAINED: None
ABSENT: None

Action:

Moved by Director Brazier to support the list of committee members with the exception of Thomas Pocklington. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker.
NOES: None
ABSTAINED: None
ABSENT: None

***12. CONSIDER APPROVAL OF RAINBOW MUNICIPAL WATER DISTRICT STRATEGIC PLAN**

Mr. Kennedy stated this was the final format drafted after several reviews for the Board to consider officially adopting. He explained how the strategic focus areas will have specific goals attached to each that will come before the Board for input and consideration. He clarified the Strategic Plan establishes a real solid core vision for the District.

President Sanford stressed this was a major step for the District in that it sets the general direction of what RMWD is going to try to accomplish. He suggested the Board consider adopting the plan at this time and then refine it as the District moves along.

Action:

Moved by Director Walker to accept the Strategic Plan as submitted. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Sanford, and Walker
NOES: None
ABSTAINED: Director Griffiths
ABSENT: None

Mr. Kennedy solicited feedback from the Board on the graphics prior to incorporating it on other similar District written materials. There was no opposition to using the graphics.

***13. DISCUSSION AND POSSIBLE ACTION TO AWARD CONSTRUCTION CONTRACT FOR THE PARKING LOT EXPANSION**

Mr. Kennedy explained this was budgeted project; however, since the cost exceeded the \$35,000 public works contracting bid limit it was put out to bid. He stated the bid came in at \$37,400 by Peter's Paving with one bid protest that Legal Counsel reviewed and found there was not a problem with the bid.

Discussion ensued regarding the condition of Peter's Paving's work at 30545 Via Maria Elena. Mr. Maccarrone stated Peter's Paving has done many jobs on RMWD's behalf and he was unaware of any complaints or negative feedback.

Mr. Kennedy said due to the fact Peter's Paving was the responsive bidder as well as the good work completed for RMWD by this company in the past, there would be no reason not to declare this contractor not responsive. He assured the Board the inspection team would be watching over this project.

Director Walker stated Peter's Paving has been around for a very long time and if for whatever reason they did a substandard job, they would find it in their own interest to come back and make it right.

It was noted there would be approximately 20 parking spaces added and improvement to the lighting in the parking lot will also be looked into.

(*) - Asterisk indicates a report is attached.

Action:

Moved by Director Brazier to award the contract to Peter's Paving and reject the bid protest from Joe's Paving. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Sanford, and Walker
NOES: Director Griffiths
ABSTAINED: None
ABSENT: None

***14. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A JOINT USE AGREEMENT (JUA) WITH THE COUNTY OF SAN DIEGO FOR TM 5498-1**

Mrs. Kirkpatrick explained this was an update from a Board item approved at the July meeting. She noted they revised their general joint use agreement language; therefore, she was bringing it back to the Board as an update. She stated it was pretty much the standard language where depending on whoever needs to do an improvement it would be at their cost.

Action:

Moved by Director Griffiths to accept the Joint Use Agreement. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-03-A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JULY 3, 2015 THROUGH JUNE 30, 2016 AND THE GENERAL MANAGER'S SALARY EFFECTIVE AUGUST 28, 2015 THROUGH AUGUST 28, 2016**

Mr. Kennedy noted this is an update to the previously adopted Resolution due to personnel changes as well as to include reporting the General Manager's salary.

Action:

Moved by Director Brazier to approve Resolution No. 16-03. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***16. APPROVAL OF RESOLUTION NO. 16-01 ESTABLISHING CHECK SIGNING AUTHORITY**

Mr. Kennedy noted due to personnel changes, the check signing authority needed to be updated. It was pointed out Director Brazier's title needed to be added to the list.

Action:

Moved by Director Brazier to approve the amended Resolution No. 16-01. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***17. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 16-01 AMENDING AND UPDATING RMWD ADMINISTRATIVE CODE SECTIONS 5.02.040, 5.02.130, 5.02.180, 5.02.210, 5.10.030.02.02, 8.03.030, AND 8.14.080**

Mr. Kennedy reviewed the various revisions being recommended.

It was noted the word "faxed" should be "sent" in Section 5.02.040.1.1.

Mr. Kennedy explained the proposed changes to the Character of Service section of the Administrative Code. Discussion followed. It was confirmed "Domestic with Agriculture" should be changed to "Agriculture with Residence" and "Agricultural" should be changed to "Agricultural without Residence" in Section 8.03.030 of the Administrative Code.

Mr. Kennedy pointed out case law does not allow for RMWD to legally discount operations and maintenance charges for locked off meters; therefore, this must be changed in the Administrative Code. He explained when someone buy and own a meter, they are part owners of the whole system and as such they must help pay the maintenance costs to keep the system operational.

Action:

Moved by Director Brazier to adopt Ordinance No. 16-01 with the noted changes. Seconded by Director Walker.

(*) - Asterisk indicates a report is attached.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***18. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 16-02 AMENDING AND UPDATING RMWD ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST CODE**

Director Brazier referenced Page #18-18 inquiring if safety should be removed from the Human Resources Manager description due to the title change. It was confirmed employee safety should be removed from the Human Resources description and included in the Operations Manager description.

It was noted the Purchasing/Warehouse title was misspelled.

Action:

Moved by Director Walker to adopt Ordinance No. 16-02 with the noted revisions. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

19. CONSIDER PRESENTATION AND POSSIBLE ACTION ON ENTERPRISE ASSET MANAGEMENT SYSTEM PROCUREMENT

Mr. Kennedy gave a presentation on the Enterprise Asset Management System (EAM).

Director Griffiths expressed concern with the cost involved and the system not being continually maintained. Mr. Kennedy stressed how this system will assist RMWD in tracking both physical and labor resource assets.

Mr. Kennedy talked about the costs involved as well as the benefits EAM provides. He gave examples of both.

Mr. Kennedy explained he was seeking approval from the Board for the procurement of EAM.

Director Griffiths stressed his opinion regarding the importance of having senior management staff member dedicated to overseeing this system full-time to ensure it does not fail and that RMWD does not lose money.

President Sanford asked if the \$49,000 being requested was in the current budget. Mr. Kennedy stated it was in the current budget and be divided out over each department. He noted this was for a three-year contract. It was confirmed it would cost approximately \$1,000 per year per employee. Discussion followed regarding how this system would assist RMWD in efficiencies.

Director Walker talked about another agency being concerned with the quality of the GIS system when recently considering asset management. Mr. Kennedy noted he and Mrs. Kirkpatrick have been working diligently at getting the GIS database fixed before loading up the asset management system. Discussion ensued regarding the types of safeguards in place. Mrs. Gray listed the various user levels offered by Infor.

Director Brazier said she supports this due to the benefits it would provide RMWD.

Action:

Moved by Director Brazier to support the procurement of EAM. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

***20. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR NOVEMBER AND DECEMBER 2015**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Communications**
 - 1. Ratepayer Letters
 - 2. Senator Joel Anderson Letter
- C. Construction & Maintenance Comments**
 - 1. Construction and Maintenance Report
 - 2. Valve Maintenance Report
 - 3. Garage/Shop Repair
- D. Water Operations Comments**
 - 1. Water Operations Report
 - 2. Electrical/Telemetry Report
- E. Wastewater Comments**
 - 1. Wastewater Report
- F. Operations Comments**
 - 1. Water Quality Report
 - 2. Cross Connection Control Program Report
- G. Engineering Comments**
 - 1. Engineering Report
- H. Customer Service Comments**
 - 1. Field Customer Service Report
 - 2. Meters Report
- I. Safety Comments**

(*) - Asterisk indicates a report is attached.

- 1. Safety Report
- J. Human Resources Comments**
 - 1. Personnel Changes
 - 2. Organizational Chart
- K. Finance Manager Comments**
 - 1. Interim Financial Statement
 - 2. Monthly Investment Report
 - 3. Visa Breakdown
 - 4. Directors' Expense
 - 5. Check Register
 - 6. Office Petty Cash
 - 7. Water Usage Report
 - 8. Projected CIP Cash Flow Report
 - 9. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Discussion ensued regarding how the valve maintenance program would fit in with the asset management program.

Action:

Moved by Director Brazier to receive and file information and financial items. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

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

It was noted the appointment for a replacement in Division 4 should be on the next agenda.

22. ADJOURNMENT - To Tuesday, February 23, 2016 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a regular meeting on February 23, 2016 at 1:00 p.m.

The meeting was adjourned at 3:23 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.