

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
AND SPECIAL BUDGET AND FINANCE COMMITTEE MEETING OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MAY 24, 2016**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on May 24, 2016 was called to order by President Sanford at 1:01 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:**

Board of Directors Roll Call:

Present: Director Sanford, Director Walker, Director Brazier, Director Bigley, Director Stewart.

Budget and Finance Committee Roll Call:

Present: Member Stitle, Member Clyde, Member Moss.

Absent: Member Hensley, Member Ross.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Legal Counsel Stender, Operations Manager Milner, Engineering Manager Kirkpatrick, Finance Manager Martinez, Superintendent Maccarrone, Superintendent Zuniga, Superintendent Walker, Administrative Analyst Gray, Acting Human Resources Manager Keetin, Human Resources Manager Harp, Associate Engineer Powers, Crew Leader-Meter Services Diaz.

Three members of the public were present for Open Session.

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 comments.

6. ANNIVERSARY ACKNOWLEDGEMENT

A. Justin Demary (10 Years)

Mr. Kennedy announced Mr. Demary started at RMWD in 2006 in construction. He noted since then Mr. Demary has continued to work on achieving different certifications and has moved up from Utility Worker I, II, and III. He mentioned Mr. Demary's certifications as well as how Mr. Demary was one of the main construction staff members in the Construction and Maintenance department. He presented Mr. Demary with a check and plaque in recognition of his tenure at RMWD.

Time Certain: 1:00 p.m. Public Hearings

7. PUBLIC HEARINGS

A. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 16-08, ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE RAINBOW MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1

President Sanford opened the public hearing at 1:04 p.m.

There were no comments.

It was noted a there was not a direct conflict of interest for the Board of Directors on this matter.

Ms. Washburn reported there were no written materials submitted from anyone wishing to submit comments without speaking on this matter.

President Sanford closed the public hearing at 1:06 p.m.

Motion:

To approve Ordinance No. 16-08.

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

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

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

B. PUBLIC HEARING FOR THE PURPOSE OF SOLICITING PUBLIC INPUT REGARDING THE PROPOSED 2015 URBAN WATER MANAGEMENT PLAN

President Sanford opened the public hearing at 1:07 p.m.

Ms. Washburn reported there was no written material submitted on this item.

Doug Bellingham from Atkins gave a presentation on the 2015 Urban Water Management Plan for the purpose of the public hearing.

President Sanford closed the public hearing at 1:25 p.m.

(*) - Asterisk indicates a report is attached.

No action taken.

***8. APPROVAL OF MINUTES**

A. December 15, 2015 – REVISED Approved Regular Board Meeting Minutes

Motion:

To approve the revised minutes of the Board Meeting of December 15, 2015 to correct a misstated date.

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

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

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

B. April 26, 2016 - Regular Board Meeting

Motion:

To approve the minutes of the Regular Board Meeting of April 26, 2016.

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

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

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

9. 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)

President Sanford talked about his and Mr. Kennedy's visits with various legislators while attending the CSDA Legislative Days.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy reported SDCWA will meet later this week at which the main discussion will be rescinding the drought ordinances which will end the TSWAR allocations immediately. He stated RMWD will be sending a postcard to each of the TSWAR accounts informing them there are no more restrictions nor penalties.

Discussion ensued regarding the MWD/SDCWA lawsuit. Director Bigley suggested RMWD listen with an open mind through the process. Mr. Kennedy stated he would report back the Board on the workshop at the RMWD June Board meeting, possibly in Closed Session.

2. CSDA

Mr. Kennedy reported on the Legislative Days conference he and President Sanford attended the previous week.

3. LAFCO

Mr. Kennedy mentioned he made a request at last week's Special Districts Advisory Committee for an agenda item for their next meeting agenda.

It was noted the results of the LAFCO elections will be known over the next month.

Director Brazier mentioned FPUD has called for a Special meeting with LAFCO regarding exercising FPUD's latent powers. She said it would behoove the District to have a representative of RMWD attend this meeting.

4. San Luis Rey Watershed Council

Director Walker reported there was discussion on prioritizing different issues that should be looked at over the next five years. He noted these issues include water conservation and sustainability, flood plaining management, public education outreach on groundwater, working committees, and storm water quality. He expressed the importance of RMWD maintaining its relationship with the watershed council.

Director Walker announced the Council received a grant from the California Department of Fish and Wildlife of which the core will go toward hiring an Administration Grant Coordinator Project Manager part time. He noted this will provide for an opportunity for RMWD to act as an agency and partner with a non-profit to get grants. He explained the two priorities for the person upon being hired is to work on two pilot programs: (1) an agriculture pilot and (2) homeowner pilot program.

Director Walker expressed concern there was an opening for an agricultural representative on the Council. Mr. Kennedy offered to contact other agricultural customers to see if they would be interested in serving.

Director Walker announced the Council will have a booth at the upcoming Strawberry Festival.

5. Santa Margarita Watershed Council

President Sanford announced the next meeting will be in July.

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

Director Stewart reported on the 2016 ACWA Spring Conference at which he attended the required AB1234 Ethics Training. He pointed out many of the programs for promoting conservation are no longer available.

D. Directors Comments

There were no comments.

E. Budget and Finance Committee Member Comments

Mr. Stitle reported the committee has not had an opportunity to review the detailed budget due to the District not receiving numbers from SDCWA until recently.

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

A. Budget and Finance Committee

1. April 12, 2016 Minutes

No report given.

B. Communications Committee

1. April 4, 2016

No report given.

C. Engineering Committee

1. April 6, 2016

Mrs. Kirkpatrick reported the committee saw the same presentation given to the Board today as well as reviewed the CIP list that will be presented as part of the budget later in this meeting.

***11. CONSENT CALENDAR**

(The consent calendar items are matters voted on together by a single motion unless separate action is requested by a Board member, staff or member of the audience.)

A. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. TM 5498-1, GOLF GREEN ESTATES

(*) - Asterisk indicates a report is attached.

B. APPROVAL OF RESOLUTION NO. 16-11 ESTABLISHING CHECK SIGNING AUTHORITY

Motion:

To approve the Consent Calendar.

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

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

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

BOARD INFORMATION ITEMS

12. INITIAL REVIEW OF OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2016-2017

Mrs. Martinez presented the Annual Operating & Capital Improvement Budget FY 2017. She noted the purpose of this item was to have open discussion as well as solicit input.

Discussion ensued regarding the Rate Stabilization Reserve as well as options for addressing Ordinance 95-1.

Mr. Kennedy mentioned there would be another rate discussion with the Board in the Fall.

Discussion ensued regarding projected water sales, capital reserves, and proposed developments.

It was noted there was a problem in the calculations that needed to be corrected by Mrs. Kirkpatrick.

Mrs. Martinez proceeded with presenting information on the sewer budget. Mr. Kennedy pointed out sewer rates have not increased for many years; therefore, RMWD would have a sewer rate study conducted in the near future.

Discussion ensued regarding how RMWD would address wet weather conditions as well as drastic conservation efforts in terms of revenue changes.

Mr. Kennedy explained staff would review the budget further with the committee members in the next couple of weeks and bring it back to the Board in June.

13. DROUGHT ORDINANCE UPDATE

Mr. Kennedy reported State Board voted last week to end their conservation requirements and how SDCWA was going to vote to rescind their Drought Ordinance. He noted depending on what takes place, staff may bring RMWD's drought ordinance back to the Board in June with revisions for consideration.

Director Walker suggested RMWD tailor its messaging noting how long San Diego has been conserving quite aggressively for 20 years.

(*) - Asterisk indicates a report is attached.

***14. DISCUSSION ABOUT PARLIAMENTARY PROCEDURES FOR RMWD MEETINGS**

Director Brazier mentioned she was pleased with the repetition of the motions and votes. She asked whether there should be a mechanism in place for addressing filibusters to whom the Board President may be sympathetic. Discussion followed.

Director Brazier inquired as to how one seeks recognition from the Board President. It was noted those wishing to be recognized should raise their hands.

President Sanford suggested the Board use this as the presented parliamentary procedures as a guideline and working document. Mr. Kennedy stated it would be made a policy document as adopted and the Administrative Code would be revised to say rather than following Robert's Rules of Orders, RMWD will follow the District's modified parliamentary procedures. Legal Counsel explained RMWD does not necessarily need to change the Administrative Code due to the fact it says "general guideline".

Legal Counsel suggested the policy include the Board take a roll call vote on every Ordinance.

Mr. Kennedy stated this information would be provided to RMWD's three committees.

BOARD ACTION ITEMS

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 16-09 UPDATING ADMINISTRATIVE CODE SECTION 8.04 TO INCLUDE ALLOWING ESTABLISHMENT OF SERVICE ON A TEMPORARY BASIS WITHOUT PROPERTY OWNER ACKNOWLEDGEMENT**

Mr. Kennedy explained this item was to address situations related to pending real estate transactions involving transferring property ownership. Discussion ensued.

Motion:

To approve Option 1 approving Ordinance No. 16-09 as presented.

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

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

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

***16. DISCUSSION AND POSSIBLE ACTION TO VOTE ON PROPOSED CSDA BYLAWS UPDATES**

Motion:

Accept and approve the proposed bylaw changes for CSDA.

Action: Approve, Moved by Director Stitle, Seconded by Director Bigley.

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

(*) - Asterisk indicates a report is attached.

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

***17. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-12 RELATED TO NORTH COUNTY IRRIGATED LANDS GROUP**

Mr. Kennedy recalled the discussion at the last Board meeting regarding winding up the North County Irrigated Lands Group. He mentioned letters were sent out to all the affected members to which RMWD did not receive any response. He said in light of the last meeting, staff and Legal Counsel reviewed the draft Resolution which he felt should be made part of the record to show members had an opportunity to come and speak on the matter as well as to clarify that he would now be designated as the manager of the NCILG. He pointed out he has notified the Regional Board of RMWD's decision to which he did not receive a response.

Director Walker mentioned Dave Gibson spoke at the recent Council of Water Utilities meeting and noted how Mr. Gibson mentioned consideration would be given to new regulations for agricultural users.

Motion:

Approve Resolution No. 16-12.

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

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

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

***18. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR APRIL 2016**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Communications**
 - 1. Ratepayer Letters
 - 2. Staff Training Reports
- 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

(*) - Asterisk indicates a report is attached.

- H. Customer Service Comments**
 - 1. Field Customer Service Report
 - 2. Meters Report
- I. Safety Comments**
 - 1. Safety Report
- J. Human Resources Comments**
 - 1. Personnel Changes
 - 2. Organizational Chart
- K. Finance Manager Comments**
 - 1. Visa Breakdown
 - 2. Directors' Expense
 - 3. Check Register
 - 4. Office Petty Cash
 - 5. Water Usage Report
 - 6. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Kennedy solicited the Board for their input regarding whether they would like to continue receiving all of these informational reports or if there were some were more meaningful than others. He noted the financial reports would remain a part of every agenda packet.

Director Brazier stated she would prefer operations providing information to the Board that may be pertinent to bring to the Board's attention as opposed to information that may not be vital.

Mr. Kennedy offered to provide narrative reports from each of the departments in their functional areas as opposed to the information previously provided.

Director Sanford said it would be more important to him to see the financial information.

Director Stewart suggested the wastewater and water quality information be included in summarized reports.

It was noted the personnel changes should continue to be presented in every agenda packet.

Mr. Kennedy pointed out staff training reports would now be provided as part of the packet.

It was confirmed the employee suggestion box was still available.

Motion:

To receive and file information and financial information.

Action: Receive and file, Moved by Director Brazier, Seconded by Director Stewart.

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

Ayes: Director Brazier, Director Walker, Director Sanford, Director Stewart, and Director Bigley.

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

It was noted the budget, drought ordinance, Urban Water Management Plan, and review of all RMWD professional contracts for review and reconsideration.

(*) - Asterisk indicates a report is attached.

Director Stewart announced he would not be at the June meeting due to a prior commitment.

20. ADJOURNMENT - To Tuesday, June 28, 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 June 28, 2016, 2016 at 1:00 p.m.

The meeting was adjourned at 4:05 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary