

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MAY 28, 2019**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on May 28, 2019 was called to order by President Brazier at 11:36 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

BOARD ROLL CALL:

Present: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

BUDGET AND FINANCE COMMITTEE ROLL CALL:

Present: Member Gasca, Member Ross, Member Stitle.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Administrative Analyst Gray.

No members of the public were present before Open Session.

Discussion returned from Item #7.

BOARD ROLL CALL:

Present: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

BUDGET AND FINANCE COMMITTEE ROLL CALL:

Present: Member Gasca, Member Ross, Member Stitle, Member Hensley, Alternate Nelson.

Absent: Member Moss.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Administrative Analyst Gray, Finance Manager Largent, Human Resources Manager Harp, Operations Manager Gutierrez, District Engineer Strapac, Associate Engineer Powers.

One member of the public was present for Open Session.

Discussion went to Item #8.

(*) - Asterisk indicates a report is attached.

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

There were no amendments to 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 communications.

The meeting adjourned to Closed Session at 11:38 a.m.

5. CLOSED SESSION

- A. Conference with Legal Counsel–Anticipated Litigation (Government Code §54956.9(d)(2))
 - Three Items
- B. Conference with Legal Counsel - Performance Evaluation of the General Manager (Government Code section 54957(b) (1))

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #8.

The meeting reconvened at 1:12 p.m.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

Discussion returned to Item #2.

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the four items listed on the agenda were discussed in Closed Session and how there was no reportable action.

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

President Brazier reported there were no amendments to the agenda.

**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).**

Mr. Barry Willis thanked the Board of Directors for their vote and support in the LAFCO elections. He encouraged the Directors to reach out to him should they need anything. He noted his position has not changed in that he believes in local control and does not like heavy-handed government.

(*) - Asterisk indicates a report is attached.

***11. APPROVAL OF MINUTES**

A. April 23, 2019 - Regular Board Meeting

Motion:

The approval of minutes of April 23, 2019.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***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 (President Brazier)

There was no report given.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting April 25, 2019

Mr. Kennedy reported the main discussion was the budget which has increased from the previous year. He noted the increase includes studies for the proposed new pipeline to the east which multiple member agencies disapproved and requested it be presented separate of the budget.

2. CSDA

A. District of Transparency Certificate of Excellence Approval

B. CSDA Elections

Mr. Kennedy reported RMWD has been granted the District of Transparency Certificate of Excellence again which will be presented to the District at the CSDA Annual Conference in September. He also reviewed the election results provided in the agenda packet.

3. LAFCO

A. Independent Special Districts Election Results

Mr. Kennedy reviewed the election results presented in the agenda packet noting Barry Willis and Erin Lump won the elections. He mentioned he was working on the mechanics for the LAFCO election processes with Mr. Simonds.

4. San Luis Rey Watershed Council

Director Gasca stated he has not heard back from the Council since notifying them of his appointment as the RMWD representative.

(*) - Asterisk indicates a report is attached.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton noted the next meeting will be July 16, 2019.

6. ACWA

- A. AB 217 (E.Garcia): Safe Drinking Water Funding/Water Tax - Position: Oppose Unless Amended

There was no report given.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Mack provided a report on the CSDA Legislative Days conference at which discussion took place regarding proposed assembly and senate bills. He mentioned some of the legislative attendees in attendance.

Director Mack reported on the ACWA Conference he attended in May 2019 noting how cyber security was a matter of interest. He also talked about the discussions held during the committee meetings he attended at the conference including water taxes.

Director Gasca highlighted some of the matters discussed at the CSDA Legislative Days Conference he attended. He noted some of the issues related to the registration and group assignments experienced with ACWA.

Director Rindfleisch reported on the Special District Leadership Academy conference he attended as he referenced the written report provided in the agenda packet. He referenced the copy of the handbook provided at the academy as well as the certificate he was awarded for completing the courses.

D. Directors Comments

There were no comments.

E. Legal Counsel Comments

1. Attorney Report – Easement Encroachments (501668-0002)

Legal Counsel reviewed the information provided in the report provided.

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

A. Budget and Finance Committee

1. April 9, 2019 Minutes

Mr. Stitle reported Infor CloudSuite were on schedule to be implemented the beginning of July 2019 and how Raffelis will be present for the June committee meeting to discuss the first step in implementing a different type of rate structure.

(*) - Asterisk indicates a report is attached.

B. Communications and Customer Service Committee

1. April 4, 2019 Minutes

Director Hamilton reported the WSUP program remains on hold until it is resolved as to when the kick off will take place. He mentioned the announcements made for the Flume project. He stated the committee reviewed the successes and shortcomings of the Avocado Festival which were implemented at the recent Vintage Car Show.

Ms. Gray noted RMWD had two spaces at the Vintage Car Show with Flume having a representative present to share information with the customers who visited the District's booth. She reported there were 51 visitors with whom conversations were held.

C. Engineering and Operations Committee

1. April 3, 2019 Minutes

Mr. Nelson reported the committee continued to stay abreast of a number of projects being managed by the Engineering Department and how Mr. Gutierrez gave another presentation on aspects of his department in Operations with another presentation set for the next committee meeting. He added the committee expressed its support for Item #15 on the today's agenda.

BOARD INFORMATION ITEMS

14. REVIEW OF FISCAL YEAR 2019-2020 BUDGET

Ms. Largent provided a presentation on the Fiscal Year 2019-2020 Rainbow MWD Operating Budget and Capital Improvement Plan. Discussion ensued regarding water sales and recent weather conditions. Ms. Largent reviewed information provided in the presentation related to budget assumptions, Water and Wastewater Budget Fund Operating Budget Summary, respectively, as well as the breakout of the variable consumption revenue.

Mr. Nelson inquired about what was done for RMWD to well financially in a relatively rough year. Ms. Largent explained SDCWA's cost for calendar year 2019 were significantly lower than those for calendar year 2020. She pointed out with the reduction in sales, the District was very cognizant with its spending. Mr. Nelson stressed how important it was for the ratepayers to understand that even in a tough year, the District can do well. Discussion ensued.

Ms. Largent continued with the presentation noting she will continue to update the operating and debt service funds throughout the budget process. She explained the information presented for both the Wastewater Capital Fund and Water Capital Fund Projected Balance. Discussion ensued regarding funding capital improvements.

Mr. Kennedy pointed out the upcoming challenges with fine tuning the capital improvement program engineering and operations departments will be working through collectively.

BOARD ACTION ITEMS

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE A CHANGE ORDER FOR THE MISCELLANEOUS PIPE RELOCATION DESIGN PROJECT IN THE AMOUNT OF \$47,480.00**

Mr. Strapac explained the District has been working on a miscellaneous pipeline relocation project with a Professional Services Agreement awarded by the Board to Omis Consulting to design and relocate several pipe segments throughout the District. He stated in the early stages of the

(*) - Asterisk indicates a report is attached.

design, it was realized the areas in which pipe was being relocated had some very obvious segments missing. He referenced the staff report provided noting it would be a good time to include an additional segment when relocating pipe located along Gopher Canyon Road. He pointed out another area along Integrity Court. He stated doing both pipe segments at this time would be beneficial since there is a design consultant already on board and working on design and construction in the area which would save on costs such as traffic control and mobilization. He mentioned the intent was to install 12" diameter pipe. He explained staff requested a cost estimate from the consultant to add this scope to the current work order which came back at \$47,480. He noted this matter was taken to the Engineering and Operations Committee members who in turn made a recommendation for Board approval.

Director Rindfleisch inquired as to the downside to not approve this proposed change order. Mr. Strapac explained there would be a lack of connectivity in the system which could result in putting customers out of water; whereas, by adding these segments it will allow for water to move in multiple directions in the event of a shutdown due to repairs. Mr. Kennedy noted the other benefit would be to add these segments while work was being conducted in this area as opposed to having to return later.

Director Gasca asked if there were a number of structures impacted have fire hydrants been taken into consideration. Mr. Strapac stated he was adding a hydrant approximately every 300 feet.

Motion:

To approve Option 1 - Approve the change order for the Miscellaneous Pipe Relocation Design Project in the amount of \$47,480.00.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

16. DISCUSSION AND POSSIBLE ACTION TO AWARD THREE PROFESSIONAL SERVICES AGREEMENTS TO PROVIDE AS-NEEDED CIVIL ENGINEERING SERVICES

Mr. Kennedy explained why this item was not brought to the committee prior to coming the Board noting it could be deferred to the June 2019 Board meeting if the Board would like.

Mr. Strapac pointed out it was difficult for an engineering firm to prepare a proposal for every small project; therefore, this was a means to have an engineering firm on hand to give smaller tasks to and in return save the District time and money. He reported on the results to the Request for Proposal for these services as he referenced the handout provided.

President Brazier asked Mr. Strapac to describe the process for utilizing these as-needed services. Mr. Strapac explained RMWD would have Professional Services Agreements set up with three separate surveys with each engineering firm and once a smaller task arises, staff will solicit for three one-page proposals with timelines, scope and cost per project for the smaller projects and present larger tasks to the Engineering and Operations Committee for recommendations for the Board to consider.

(*) - Asterisk indicates a report is attached.

Mr. Nelson stated as representative of the Engineering and Operations Committee and based on his experience, he fully supports this concept, especially given the benefits it brings to the organization.

Director Gasca asked if it was the intent to have some options should one engineer be unresponsive to District requests. Mr. Strapac said this was his intent; however, RMWD did not receive too many responses from smaller entities but rather a mix of different size firms. Discussion ensued.

Director Hamilton inquired as to how many projects of this type are anticipated over the course of the next twelve months. Mr. Strapac stated currently there are 3-4 are anticipated; however, having these as needed services available is good to have for unanticipated projects. Director Hamilton asked for confirmation the contracts were for \$150,000 each. Mr. Kennedy pointed out the Board has the option to reduce the amount allotted for these services.

Director Gasca inquired as to the length of these contracts. Mr. Strapac answered they were for three years.

President Brazier asked how the costs for these services would be listed in the budget over the three years. Mr. Strapac explained the amounts would be split among the three years in equal parts. Mr. Kennedy added the projects were included in the capital budget. President Brazier pointed out this type of contract lacks transparency in the customer's view. She noted a great deal of concern with money being spent without approval. Mr. Stitle recommended reducing the Board's limit to zero in order to provide 100% transparency; however, the work will be delayed. Mr. Kennedy offered to have Mr. Strapac provide a project report for the Engineering and Operations Committee meeting. Director Brazier agreed if there is some type of recurring reporting item on the Committee agenda, it would be helpful for addressing customer concerns. Mr. Nelson explained the benefits of a recurring reporting system. Director Gasca noted it would be helpful to have the division in which the work is being conducted be indicated.

Motion:

To approve Option 1 - Authorize staff to award three Professional Services Agreements in the amount of \$150,000 each to Omnis, Hydro-Science Inc. and Dudek.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

17. DISCUSSION AND POSSIBLE ACTION TO AWARD TWO PROFESSIONAL SERVICES AGREEMENTS TO PROVIDE AS-NEEDED REAL ESTATE APPRAISAL SERVICES

Mr. Strapac clarified there were only two proposals received in response to the RFP for as-needed real estate appraisal services to handle estimates for easements or surplus property RMWD currently owns. Mr. Kennedy pointed out gathering information on District properties would also be made a part of the services provided under these agreements to include lease values.

(*) - Asterisk indicates a report is attached.

Director Rindfleisch asked for confirmation the appraisal service would allow for fair market value of the acquisition or the piece of property to provide the easement. Mr. Strapac confirmed the District may have to seek legal advice if the easement is in a private roadway. Director Rindfleisch inquired as to the average cost for each appraisal and how often these services would be needed. Mr. Strapac answered each appraisal costs approximately \$2,000 and RMWD may receive ten appraisals per year. Director Rindfleisch noted commercial appraisals take approximately two months to complete and inquired as to the anticipated turn-around time for the appraisals. Mr. Strapac stated he anticipated the appraisals for RMWD would take approximately one month for some. Director Rindfleisch asked how these as needed services would help improve those turn times of the appraisals. Mr. Strapac explained some of the timely steps that would be eliminated by having these as needed services available, including receiving appraisals much quicker. Director Rindfleisch asked for confirmation there would be potential decrease in general operating expense and an improvement in service time. Mr. Kennedy added there would also be less staff time and paperwork.

President Brazier requested there be a recurring report for these services much like those for the civil engineering services.

Motion:

To approve Option 1 – Authorize staff to award two Professional Services Agreements in the amount of \$20,000 each to Arens Group, Inc. and Anderson & Brabant, Inc.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***18. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 19-07 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE MAY 28, 2019 THROUGH JUNE 30, 2019**

Ms. Harp reported since the last Board meeting Ms. Johnson resigned from the position as RMWD's Project Manager. She noted a compensation analysis was conducted for this position which was provided as an attachment for this agenda item. She recommended an increase of one pay grade to the E9 level for recruitment purposes.

Director Mack pointed out there was a discussion at the ACWA Conference regarding the anticipated difficulties in future recruitment.

President Brazier inquired to the 40% wide range between the salary range. Ms. Harp explained this was intentionally a wide range because this is what represents the labor market to allow maximum flexibility for recruitment. President Brazier noted there was a request made at the last Budget and Finance Committee meeting for a \$365,000 budget increase for salaries at which time this position was already funded; therefore, she would like to know to what salaries would the remaining funds be applied. Ms. Harp explained it was for the cost of living increases anticipated for the next fiscal year as well as the other reclassifications that took place for multiple positions.

Mr. Kennedy suggested during the next negotiations process to encapsulate both cost of living and merit increases to assist with labor costs.

Motion:

To approve Option 1 - Approve Resolution No. 19-07 as presented.

Action: Approve, Moved by Director Mack, Seconded by Member Gasca.

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***19. DISCUSSION AND POSSIBLE ACTION SUPPORTING A NOMINATION TO ACWA BOARD OF DIRECTORS REGION 10**

Mr. Kennedy pointed out this was an opportunity for the Board to nominate someone to the ACWA Board of Directors Region 10.

This item was delayed until the June Board meeting.

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

There were no requests.

***21. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

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. Human Resource & Safety Comments

1. Human Resources Report
2. Organizational Chart

F. Finance Comments

1. Monthly Financial Statements
2. Treasurer Report
3. Credit Card Breakdown
4. Directors' Expense
5. Check Register
6. Water Sales Summary
7. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Kennedy announced Senior Information Technology and Applications Analyst, Ahmed Khattab, was recognized by the San Diego Business Journal's Top Tech Executive Awards.

Motion:

To receive and file information and financial items.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

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

It was noted the budget, ACWA nomination, programmatic EIR, ID1 public hearing, and salary grade table need to be on the next agenda.

Mr. Kennedy announced he will not be at the July Board meeting. Directors Mack and Rindfleisch offered to teleconference into the June Board meeting. Director Mack provided the contact information from which he will attend the meeting.

23. ADJOURNMENT - To Tuesday, June 25, 2019 at 1:00 p.m.

The meeting was adjourned by President Brazier to a regular meeting on June 25, 2019 at 1:00 p.m.

The meeting was adjourned at 3:20 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary