


11. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING COMMITTEE MEETING

12. ADJOURNMENT

ATTEST TO POSTING:



Helene Brazier
Secretary of the Board

6-30-16 @ 4:00 P.M.

Date and Time of Posting
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**MINUTES OF THE ENGINEERING COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JUNE 1, 2016**

1. **CALL TO ORDER** – The Engineering Committee Meeting of the Rainbow Municipal Water District on June 1, 2016 was called to order by Chairperson Prince at 3:01p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Prince, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Prince, Member Stitle, Member Taufer, Member Brazier, Member Kirby, Member Ratican, Alternate Robertson and Alternate Marnett

Absent: Member Murray

Also Present: Engineering Manager Kirkpatrick, Associate Engineer Powers, Operations Manager Milner, Water Ops Superintendent Walker, Water Quality/CCC Tech Perriera, Engineering Tech Rubio

There were two members of the public present: Ms. Hollis and Mr. Patel (Willdan Consultants)

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

Mrs. Kirkpatrick requested to move Agenda Item #9 before Agenda Item #7.

5. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA**

Mr. Marnett pointed out a possible liability issue near the Hutton Tank that is on District property. Mrs. Kirkpatrick would discuss the issue with Mr. Kennedy and respond back to Mr. Marnett.

COMMITTEE ACTION ITEMS

*6. **APPROVAL OF MINUTES**

A. May 4, 2016

Motion: Accept the minutes as drafted.

Action: Approve, Moved by Member Brazier, Seconded by Member Kirby.

Vote: Motion carried by unanimous vote (summary: Ayes = 7).

Ayes: Member Prince, Member Stitle, Member Brazier, Member Taufer, Member Kirby, Member Ratican, Alternate Member Robertson

Discussion went to Item #9.

DRAFT***DRAFT******DRAFT*****7. DISCUSSION AND POSSIBLE ACTION REGARDING URBAN WATER MANAGEMENT PLAN**

Mrs. Kirkpatrick announced that the Urban Water Management Plan (UWMP) was presented at the public hearing last month and no comments were received. She asked the Committee for a recommendation to the Board to approve the UWMP at the next Board meeting.

Motion: Recommend the Board Approve the UWMP.

Action: Approve, Moved by Alternate Robertson, Seconded by Member Stitle.

Vote: Motion carried by unanimous vote (summary: Ayes = 7).

Ayes: Member Prince, Member Stitle, Member Brazier, Member Taufer, Member Kirby, Member Ratican, Alternate Member Robertson.

***8. DISCUSSION AND POSSIBLE ACTION REGARDING ADMINISTRATIVE CODE SECTION 8.20 – CROSS-CONNECTION CONTROL**

Mrs. Kirkpatrick said a copy of the draft Cross Connection Control (CCC) Policy was provided with the agenda for review and comment. She asked the Committee to bring any comments to the next meeting to possibly move forward with a recommendation for Board approval.

Mr. Ratican suggested removing all references to regulations that were within the definitions. Discussion ensued.

Mrs. Kirkpatrick said about 10 years ago everyone was required to install a backflow, although currently only if there was a degree of hazard on the property would a backflow device be required. Mr. Walker said part of the intent of updating the policy was to allow customers to opt out of the program if there was no degree of hazard. Discussion ensued.

Based on the discussions and recommended revisions it was decided to go forward with a motion.

Motion: Recommend to the Board to approve the Administrative Code Section 8.20 with revisions.

Action: Approve, Moved by Member Ratican, Seconded by Alternate Robertson.

Vote: Motion carried by unanimous vote (summary: Ayes = 7).

Ayes: Member Prince, Member Stitle, Member Taufer, Member Brazier, Member Kirby, Member Ratican, Alternate Robertson.

9. DISCUSSION REGARDING METHODOLOGY FOR CAPACITY FEES

Mrs. Kirkpatrick introduced Ms. Hollis and Mr. Patel Consultants from Willdan Financial Services contracted to perform an asset valuation study and to review alternative capacity fee methodologies. Ms. Hollis pointed out there were two parts to the project a System Valuation Report and a Capacity Fee Analysis Report. She provided a brief presentation regarding the project overview as follows:

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- Project Management
- Data and Information Collection and Review
- Develop Alternative Capacity Fee Methodologies
- System Market Analysis
- Determine Draft Capacity Fees for Water and Wastewater
- Meeting with Engineering Committee and BIA
- Prepare Draft and Final Study Reports and Board Presentation

Project Status:

- Data Collection and Review - Data request was sent and data was received.
- Site Inspection - Completed on the week of May 16, 2016.
- Capacity Fee Methodology Discussion - Completed on June 1, 2016.
- Draft System Valuation Report - Early July 2016.
- Draft Capacity Fee Analysis Report - Late July 2016.
- Final System Valuation Report and Capacity Fee Analysis - Presentations in August / September 2016. Finalize the reports.

Capacity Fee Overview:

Capacity fees are one time charges paid by new development. They finance construction to build facilities to serve new development. The philosophy being that growth pays for growth.

Capacity fees are used as follows:

- Utilities are required to make large investments in capacity related facilities in advance of new development.
- Customers connect to system over many years.
- Given the timing of improvements and the customer connection projects are often funded with debt.
- Capacity fees are used to fund the major “backbone” system.

Approaches to Developing Capacity Fees:

- Buy-in or Excess Capacity - Approach based on the value of existing system capacity.
- Incremental Cost - Approach based on value to expand existing system capacity during a 5 to 20 year period.
- Combined or hybrid approach blends value of existing and proposed system.

Key Steps in Capacity Fee Analysis:

- Determine the system planning criteria.
- Determine the associated cost or value of system and available capacity for systems.
- Determine new customer demands for each functional area of the system.
- Calculation of the capacity fee components.
- Determine any credits.

RMWD Capacity Fee:

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- Combined or hybrid approach.
- Existing system: Develop value of system by each component in addition to developing overall and remaining system capacity by component.
- Proposed improvements and upgrades – new water supply component.

Mr. Stitle asked at what point would the District not issue water availability. Mrs. Kirkpatrick said she does not foresee reaching that point based on the District's Urban Water Management Plan and the Water Master Plan current and future water supplies are enough to support new development and annexation demands until 2030. Discussion ensued.

Discussion returned to Item #7.

10. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING COMMITTEE MEETING

Mrs. Kirkpatrick suggested the parliamentary procedures for discussion and the Wastewater Reclamation Plant PDR for the next committee meeting.

11. ADJOURNMENT

Motion: Adjourn the Engineering Committee Meeting.

Action: Approve, Member Brazier, Seconded by Member Stitle.

Vote: Motion carried by unanimous vote (summary: Ayes = 7).

Ayes: Member Prince, Member Stitle, Member Taufer, Member Brazier, Member Kirby, Member Ratican, Alternate Robertson.

Timothy Prince, Committee Chairperson

Dawn M. Washburn, Board Secretary