

**MINUTES OF THE COMMUNICATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 14, 2014**

1. **CALL TO ORDER** – The Communications Committee Meeting of the Rainbow Municipal Water District on April 14, 2014 was called to order by Chairperson Bednarski at 3:32 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Bednarski, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Romani
Member Vega
Alternate O'Leary
Member Bednarski
Member Daily (*Arrived at 3:39 p.m.*)

Absent: None

Also Present: General Manager Buckley
Executive Assistant/Board Secretary Washburn
District Engineer Plonka
Director Brazier

One member of the public was present.

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

There were no comments.

Discussion went to Item #8.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

Mr. Vega inquired to what the feeling of the Board was about the circumstances as they have played out and the view of what they would consider to be the appropriate next step particularly in the area of communication. He suggested someone come back to the next Communications Committee meeting and gives feedback as to how the Board is feeling about what they are hearing so that the Committee may be able to do something to help things along. Mrs. Bednarski suggested this matter be discussed further as part of agenda Item #7.

Discussion went to Item #6.

***6. APPROVAL OF MINUTES**

A. January 6, 2014

Action:

Moved by Alternate O'Leary to approve the minutes as submitted. Seconded by Member Vega.

After consideration, the motion CARRIED by the following vote:

AYES: Member Romani, Member Vega, Member Daily, Alternate O'Leary and Member Bednarski.

NOES: None.

ABSTAINED: None.

ABSENT: None.

Discussion went to Item #7.

7. UPDATE ON JPA STATUS

Mrs. Bednarski suggested Items #7 and #8 be discussed in the JPA status update.

Mr. Buckley briefed the committee on what has transpired with the JPA since the committee last met. He noted within the constraints of the JPA Agreement, the RMWD Board decided to end the JPA Agreement with the appropriate public notice period which ended the JPA officially on April 5, 2014. He pointed out within 2-3 days of RMWD giving FPUD proper notice, FPUD filed an application to LAFCO to reorganize the FPUD and dissolve the RMWD district as well as annex RMWD into the new reorganized FPUD. He said it was a pretty big shock at that time and set off a chain reaction of responses. He noted in the meantime all of the RMWD staff that was over at FPUD has moved back into the RMWD facility living happily together again. He stated where RMWD is at right now is that it has the ability (within the LAFCO guidelines, rules, and procedures) to submit their own application and/or then submit a rebuttal or objection to FPUD's application. He said because of ill feelings caused by FPUD taking the action they took, it is pretty certain at this point that the RMWD Board does not want to have anything to do with consolidation; however, they do wish to remain good neighbors which is why RMWD passed a Resolution stating such.

Mr. Buckley noted the RMWD Board appointed a two-person ad hoc committee to put together this resolution of objection to go to LAFCO to argue some of their points as being not totally accurate as well as spin it back in RMWD's direction that it can operate independently and continue to be a strong municipal water district without having to consolidate. He added it seems to surprise everyone that the action FPUD took would even be a legal thing to do; however, LAFCO's rules do allow one-sided or take-over type applications such as this. He noted this does not mean LAFCO will approve it, but they have to receive it, review it, do all of their testing to it, etc. and then their eight-person board would vote for or against on whether the reorganization would go through. He stated there was a flurry of activity between the ad hoc committee, RMWD's Board and legal department as they continue to look at all different legal means available to RMWD. He explained one of the other pieces is that if the LAFCO board votes to approve this application a time period comes into play whereas RMWD would be able to object but also the registered voters would be able to potentially file a petition that could either put it to a vote or completely stop it. He noted if 25% of the RMWD registered voters were to properly sign off on a petition that would place it into a public vote; however, if 50% plus

one voter were to sign this petition, it would completely end it. He talked about some of the laws and procedures LAFCO uses are a little bit unnerving because they have the ability to do it one way or the other such as chose whether the vote would be the vote of RMWD registered voters only or RMWD and FPUD registered voters which sounds undemocratic to some that the larger registered voter population of FPUD would be able to outweigh the smaller registered voter area of RMWD. He mentioned RMWD's Legal Counsel did go to the LAFCO's CEO and said that FPUD did not give the appropriate public notice to have their meeting to decide to do this; therefore, LAFCO agreed FPUD has to start all over again with a public hearing scheduled for April 28, 2014 at the FPUD offices to take that more proper action. He pointed out RMWD customers and anyone else interested could attend that meeting and voice their objections.

Mr. Buckley talked about the RMWD Update he had sent out because much of what was in the paper was not completely accurate and he wanted to present the facts as well as some of RMWD's reasons as to why RMWD took the action taken as well as what options are available at this point. He noted LAFCO said they would heavily weight the financial outcome for ratepayers; therefore, all along there was talk about how the JPA was saving a bunch a money for RMWD and little bit for FPUD. He said after studying what RMWD has saved so far, RMWD strongly feels it can continue these same savings in an independent state without consolidation and even tack on a little bit more savings that will be coming up in the next 3-6 months. He stated RMWD was hoping this would persuade LAFCO that RMWD does not need consolidation to save its ratepayers money. He pointed out historically RMWD has always been a very frugal water district compared to many other districts in terms of buildings, staff parties, and such with a different culture in terms of frugality factors.

Mrs. Bednarski asked if LAFCO sides in favor or RMWD, would everything just go back to status quo. Mr. Buckley stated it is status quo right now until FPUD resubmits their application as they correct the procedure by which they submitted it the first time. Mrs. Bednarski wanted to know what happens at that point. Mr. Buckley agreed there was potential for many forks in this road. He explained when LAFCO receive the resubmission they will begin a review of it, take a close look at the data submitted, have an outside auditor look at the numbers, finish their review and analysis, and decide whether or not to take it to the LAFCO Board for a final decision. He pointed out if the LAFCO Board does vote no, it would be done and FPUD could not come back with another effort for a whole year; however, if it passed, there was sort of a warm-in period before a full and legal consolidation which would take more than a year from now to complete. Discussion ensued regarding the participation of registered voters and the general election.

It was noted should it come down to getting the required 25% petition, this would be when more of RMWD's effort will be needed. Mr. Buckley pointed out information will have to be presented very carefully by putting out facts as opposed to campaigning.

Mr. Vega asked for clarification regarding the process and what steps could be taken. Mr. Buckley stated there could be more press releases published; however, they must be as factual as possible. He also pointed out Mr. Ott from LAFCO also stated that any customer or registered voter of RMWD is welcome to send in letters to LAFCO. Discussion followed.

Mr. Daily pointed out FPUD has a part-time employee who does nothing but public relations type of things as well as the ear of the local newspaper. He suggested RMWD needs to have someone from the committee to work closely with on public relations regarding this matter.

Mr. O'Leary said based on his past experience with Riverside LAFCO, it may be a good thing to have their expertise look closer into this matter. He stated he did not think he could really look at this and say it was a terrible thing to consolidate the two districts. He noted although he did not attend the board meetings, he was disappointed that although everybody at RMWD knew this governance thing was an issue, it got so far without that issue being resolved.

Mr. Vega said it now appears that this was no longer a merger but rather a hostile takeover.

Ms. Rhyne said all the letters to the editor that were in opposition to the JPA were not published. She stated she has written letters for 35 years to the Fallbrook Enterprise and The Village News and they now have her IP marked as spam and no longer print her letters.

Mr. Daily said when facing this type of issue, it will take some devoted communication effort. He stressed the importance of being organized.

Mrs. Bednarski suggested putting out some type of flow chart so that people will know what to expect. Mr. Vega asked if the Board was concerned that if they do not move quickly on this the events might take them over or are they feeling pretty good about where they are currently. Mr. Buckley answered the Board was putting a great deal of effort into the letter of objection.

Mrs. Rhyne asked if it were true that Mr. Brady was on the LAFCO committee. It was noted Mr. Brady was on the advisory committee. Discussion ensued.

Mr. Vega talked about most of the recent newspaper articles kept referencing the business of the savings that never attributed to one group or the other but a combined total of \$1M. He referenced the RWMD Update that states \$850,000 was achieved by RMWD and asked if this was a solid number. Mr. Buckley confirmed this was true. Mr. Vega pointed out part of RMWD's savings was achieved by not replacing Mr. Seymour. Mr. Buckley noted these savings totaled approximately \$150,000 from not replacing Mr. Seymour; however, RMWD was paying more than that for half of Mr. Brady's \$225,000 salary plus 60% benefits.

Ms. Rhyne pointed out RMWD saved almost \$700,000 a year the three years preceding the JPA. Mr. Vega stressed this was the kind of information that needs to get out to the public with solid numbers as well as what more can be done. He asked Mr. Buckley what things he would like the committee to start doing to assist.

Ms. Rhyne mentioned Mr. Ott was asked by RMWD's Board President when was the last time there was a takeover in LAFCO and how it was noted it was the last time FPUD took over the Fallbrook Sanitation District twenty years ago.

Mrs. Plonka brought up the fact there may be a feeling of mistrust of the FPUD Board. She mentioned how RMWD Board withdrew legally from the JPA according to the contract and then instantly got taken over by FPUD's application. She addressed Mr. O'Leary's comments earlier that it may be a good idea to go forward noting that from a staff perspective it may be pretty hard seeing these two boards working together when the issue of mistrust keeps arising at multiple meetings. Ms. Rhyne added when the FPUD Board voted to increase the general manager's salary of which RMWD was paying half without making any mention of it to any of RMWD's Board Members whatsoever could have been the start of this mistrust.

Mr. Vega asked about a quote made of how RMWD had the second highest water rates and how could this be logically explained to the ratepayers. Ms. Rhyne noted Ordinance 95-1 kept RMWD from borrowing money if it had debt over \$1M and kept the district on a pay-as-you-go program. Mr. Vega stressed how important it would be to get this information properly framed and out to the ratepayers in order to address those types of comments and concerns.

Mrs. Bednarski asked Mr. Buckley how he would like this committee to assist. Mr. Buckley answered RMWD would want to educate its ratepayers in time for the potential petition time period; therefore, he would like to have updates in the monthly newsletters. It was decided the RMWD Update may be worth publishing in The Village News as a paid advertisement to ensure it gets published as soon as possible. Discussion ensued. It was pointed out the recent article about RMWD's vote to withdraw a note below the title that said the article was submitted by FPUD and how it was definitely not pro Rainbow yet published as news.

Mrs. Bednarski suggested adding an announcement to the RMWD Update regarding the upcoming FPUD Public Hearing on April 28th and getting it published in The Village News as quickly as possible. Discussion continued.

Mr. Vega and Mr. Daily volunteered to meet with Mr. Buckley to discuss the RMWD Update. It was noted any paid advertisement needs to be to The Village News by the end of the week. Ms. Washburn agreed to contact The Village News for a deadline and cost estimate for a paid advertisement as well as schedule a meeting with Mr. Vega, Mr. Daily, and Mr. Buckley for some time between now and Wednesday.

Mr. O'Leary volunteered to attend the April 22, 2014 RMWD Board meeting on behalf of the committee.

Discussion returned to Item #8.

8. UPCOMING NEWSLETTER TOPICS

Mrs. Plonka announced RMWD won an engineering award for the Pala Mesa Tank at the State level for Outstanding Water Project of the Year. She noted she was asked by a Board Member to work with the Communications Committee to make this announcement in the newsletter and newspaper. Mr. O'Leary agreed to work with Mrs. Plonka on preparing an article.

Mrs. Washburn announced the Board of Directors appointed Mr. Buckley to serve as RMWD's General Manager. Mr. Vega suggested there be a short bio on Mr. Buckley included in the next newsletter.

Discussion went to Item #5.

It was noted the newsletter for April has already been completed. Mr. O'Leary suggested the Engineering award and a short bio on Mr. Buckley be included in the May newsletter.

Discussion went to Item #9.

9. UPDATES ON DISTRICT "COMMUNICATOR"

This item was not discussed.

Discussion went to Item #10.

10. REVIEW AND ANALYSIS OF RMWD RELATED MEDIA STORIES

Mrs. Bednarski agreed to mail newspaper articles to Ms. Washburn for record keeping.

Discussion went to Item #11.

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

It was decided the same agenda items be on the May 5, 2014 committee agenda.

Discussion went to Item #12.

12. ADJOURNMENT

Action:

Moved by Alternate O'Leary to adjourn. Seconded by Member Vega.

After consideration, the motion CARRIED by the following vote:

AYES: Member Romani, Member Vega, Member Daily, Alternate O'Leary and Member Bednarski.

NOES: None.

ABSTAINED: None.

ABSENT: None.

Meeting adjourned at 4:48 p.m.

Kelly Bednarski, Committee Chairperson

Dawn M. Washburn, Board Secretary