

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
OCTOBER 23, 2018**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on October 23, 2018 was called to order by President Brazier at 12:04 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

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

Also Present: General Manager Kennedy, Legal Counsel Smith, Interim Project Manager Gerdes, District Engineer Strapac, Human Resources Manager Harp, Administrative Analyst Gray.

Absent: Director Stewart.

No members of the public were present before Open Session. There were six members of the public present for Open Session.

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

There were no changes 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 comments.

The meeting adjourned to Closed Session at 12:05 p.m.

5. **CLOSED SESSION**

- A. Conference with Legal Counsel–Anticipated Litigation (Government Code §54956.9(d)(2))
 - Two Items
- B. Consider Personnel Matter-General Manager Performance Evaluation (Government Code §54957)

6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

The meeting reconvened at 1:05 p.m.

(*) - Asterisk indicates a report is attached.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss three items. He noted there was no reportable action on the litigation item and that the Board reached a tentative settlement with Temecula Valley Backflow Inc. regarding their contract for backflow services. He said once that agreement is finalized, it will be available for review by anyone at the District office. He concluded noting there was no reportable action on the third Closed Session matter.

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

President Brazier stated Item #14 would be discussed after Item #10.

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).

Laura Finn addressed the Board regarding her claim submitted to the District regarding a mainline break on her property that impacted a large part of her driveway and things built along the same area including a part of her house. She referenced pictures of an easement extending from one corner to another corner of the property. She stated it was not disclosed how limiting the easement was at the time she purchased the home. She said she would be presenting a claim to the District once all the estimates have been gathered; however, at this time she would like to request the District retire the pipe causing the easement since it is 55 years old and move it to another part of the property that would not be impacted. Mr. Kennedy pointed out to the Board, RMWD has over 2,000 easements currently under review and how this one may be included in the relocation process. Ms. Finn stated it appears she has approximately \$100,000 worth of damage she would like to eliminate by putting in a new pipe.

Joe Beyer commended the manner in which Director Mack led the Pledge of Allegiance. He stated he found the newsletter to be fantastic and encouraged the District to keep it going. He mentioned how The Village News article on RMWD's Ordinance 95-1 was a great way to keep the public informed. He concluded by noting his preference for the old billing format with six line items breaking down the charges as opposed to the new format with only four. He suggested adding line items to the bills in the future as a means of communicating to the customers the maintenance backlog RMWD faces.

Jack Griffiths recommended the compensation for Board Members be increased to \$300 per diem which is warranted by their competence and responsibility. He encouraged the Board to consider keeping Beck Reservoir as a viable asset and work to keep it in the system. He also mentioned a steel plate RMWD placed on a tight curve on Lago Grande that may pose a danger to drivers not familiar with the street.

Discussion went to Item #14.

***11. APPROVAL OF MINUTES**

A. September 18, 2018 - Regular Board Meeting

Motion:

To accept the minutes of September 18, 2018.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Discussion went to Item #12.

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)

President Brazier commented on her statement made regarding committees at the last Board meeting. She pointed out there are costs associated with the committees including staff time to prepare for the meetings, presentations, recording the meetings as well as transcribing minutes. She noted there has not been much Board oversight; therefore, her prior comments are the result of not enough communication between the Board and committees. She requested Administrative Code Section 2.09 be provided to each committee member at all their upcoming respective meetings for discussion. She provided examples where the committee members were not following the Administrative Code. She supported Mr. Kennedy's interjecting during committee meetings when necessary.

President Brazier stated she would be requesting a budget item for the Communications Committee during the next budget process for community outreach programs so there is money allocated in the interest of public transparency.

President Brazier recalled requesting information regarding what properties RMWD has and what was being done with those properties prior to becoming a member of the Board and again after being elected to the Board. She said approximately one year ago she received a spreadsheet containing a list of District properties which she was in the process of reviewing; however, the acreage was not provided, and some were listed not in use. She requested additional information including the acreage for each property, what was being done with the properties not in District use, the terms and conditions for those properties under lease, as well as whether the amount RMWD was charging for use of its property was at fair market value is and the current fair market value. She asked for this information to be provided prior to the start of the budget process as a means of avoiding any future implications.

(*) - Asterisk indicates a report is attached.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting September 27, 2018

Mr. Kennedy reported the main topic of focus was the pivoted change to the opposition to the California Water Fix. He said he was unsure of why this change was taking place.

2. CSDA

Director Mack asked for an update on his request to serve on the legislation committee noting he has submitted the required request form to President Brazier. He pointed out his application was accepted and in turn he was invited to a meeting in Sacramento on November 2, 2018. President Brazier acknowledged the request form noting it would be addressed under the appropriate agenda item later in this meeting.

Mr. Kennedy pointed out the Board's written reports from the annual conference were included in the agenda packet for this meeting.

3. LAFCO

Mr. Kennedy said he spoke with the executive officer regarding some matters he was not yet prepared to bring to the Board. He added elections were coming up mentioned elections are coming up and anyone on the Board if they would like.

4. San Luis Rey Watershed Council

Director Gasca stated there was nothing to report.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton reported the conjunctive use project was moving forward pending State Water Board approvals. He pointed out Camp Pendleton pointed out they had an interested situation in that the pipeline they are laying cannot be dry, but rather have water in it all the time. He noted the pumping station was under construction. He mentioned there was interesting discussion regarding the Watermaster's duties and responsibilities that stemmed out of a discussion from a previous council meeting. He added there was another discussion regarding the Anza Group regarding watershed usage and rights.

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

1. Board Seminar/Conference/Workshop Training Attending Requests and Reports

Director Gasca mentioned after the last Board meeting, an opportunity came up to attend the American Academy of Environmental Engineers and Scientists (AAEES) conference held at UCLA on Climate Uncertainty. He summarized the topics discussed. Mr. Kennedy explained the MWD's Local Resource Programs. Director Gasca mentioned the other topics of discussion and how it would be good to take a look at RMWD's strategic plan and determine if the same features are included or possibly lacking.

President Brazier explained the September 18th Board meeting, Director Gasca had contacted her regarding his interest in attending this meeting and since she found the conference to be timely and relevant, she suggested he go and submit his request upon his return which he submitted today. She asked Director Gasca to provide a written report.

D. Directors Comments

Director Mack thanked RMWD staff for the quick response to repairing a leak in Division 5.

E. Legal Counsel Comments

1. Attorney Report – New Rules for Discontinuance of Water Service (501668-0002)

Mr. Smith reviewed new requirements regarding discontinuing water service effective in February 1, 2020. Discussion followed.

Discussion went to Item #13.

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

A. Budget and Finance Committee

1. September 11, 2018 Minutes

Mr. Stitle reported the committee discussed RMWD's allocation of surplus revenue and where it is placed in the reserve funds, as well as the audit.

B. Communications and Customer Service Committee

1. September 6, 2018 Minutes

Director Hamilton reported the committee was moving forward on the video presentation activity. He mentioned discussion took place regarding communication activities including street signage for planned activities as well as preparing a survey for those who participated in the Flume pilot program.

Director Hamilton suggested the Board to start considering how the District wants to proceed with providing Flume devices as well as limiting the District's exposure to liability should a device be hacked. He also mentioned the committee provided input on a draft leak policy to be finalized and added to the Administrative Code. He stated the committee has not yet discussed having a community outreach line item in the budget.

C. Engineering and Operations Committee

1. September 5, 2018 Minutes

Mr. Strapac reported the committee reviewed a draft right-of-way policy, discussed tank fall protection, received proposals for the corrosion protection program, as well as went over the Code of Ethics and Climate Change policies.

Discussion went to Items #15 and #16.

Time Certain: 1:00 p.m.

PUBLIC HEARINGS

***14. DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED ORDINANCE NO. 18-23 TO REPEAL EXISTING ORDINANCE NO. 95-1, WHICH CURRENTLY REQUIRES A TWO-THIRDS VOTE OF THE ELECTORATE BEFORE THE DISTRICT CAN INCUR ADDITIONAL PUBLIC DEBT**

President Brazier opened the public hearing at 1:18 p.m.

President Brazier solicited for comments on the Ordinance No. 95-1 matter to please remit a speaker's slip. She noted everyone will be provided an opportunity to speak on the matter. She reviewed the procedures for making comments.

President Brazier asked if there were any Directors with a financial interest to which the response was there was not. She asked if RMWD has received any written materials on this matter. Mr. Kennedy replied no written materials have been received.

Mr. Griffiths stated his opinion that RMWD should keep Ordinance No. 95-1 in place. He said it was not for the condition of the District as present, but rather very important for the future to protect any adverse changes in the administration of the District. He said RMWD was currently under control; however, when Ordinance No. 95-1 was put in, it was due to activities and decisions made by the general manger, engineering contractor, and legal counsel that heavily impacted the District's finances. He urged that the ordinance be kept in place because it was a very good system for both the District and public.

Mr. Beyer stated he was not refuting or debating this matter, but rather wanted to show his support of Mr. Kennedy per the recent article published in The Village News. He said if Mr. Kennedy believes repealing the ordinance is the best way to go, then he agrees with supporting that decision and giving Mr. Kennedy a vote of confidence.

Mr. Kennedy pointed out he works for the Board of Directors and supports their direction.

President Brazier asked for any further public comments. There were none.

President Brazier solicited the Board Members for comments.

President Brazier said the proof of this entire matter is in how the Board behaves. She stated the misuses and misspending that went on the past could not have done so without the approval of the Board who has the final responsibility to control such. She notes as long as the Board is responsible with their new borrowing power, that is very important.

President Brazier asked if there were any public comments to clarify any item raised by the Board, questions, etc. There were no comments.

President Brazier closed the public testimony portion of the hearing at 1:26 p.m. and opened the discussion on this matter to the Board and take action.

Director Gasca stated from what he has experienced, staff has been trying to find vehicles for financing projects before RMWD. He noted when looking at the aging infrastructure, he does not believe much more can be done except to pursue grants. He explained why he thought it was appropriate to take the action being considered and how the Board needs to be vigilant and judicious in how these projects are approached. There were no other Director comments.

Motion:

The Board adopt Ordinance No. 18-23.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

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

President Brazier pointed out the pay as you go system of the past would not cut it with the replacement needs of the infrastructure. She said she found this to be a good move and congratulated the Board and staff on this decision.

Discussion went to Item #11.

CONSENT CALENDAR

15. ACCEPTANCE OF THE BACKBONE INFRASTRUCTURE FOR THE HORSE CREEK RIDGE DEVELOPMENT BY D.R. HORTON
16. ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR THE PALOMAR NORTH EDUCATION CENTER

Motion:

To approve the consent calendar.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Discussion went to Item #17.

BOARD ACTION ITEMS

- *17. CONSIDER ADOPTION OF RESOLUTION NO. 18-17 OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING THE FORM OF A CONVEYANCE AGREEMENT AND AN INSTALLMENT PURCHASE CONTRACT WITH ZMFU II, INC. AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF AND APPROVAING THE FORM OF THE FIRST AMENDMENT TO THE DISTRICTWIDE METER REPLACEMENT PROJECT AGREEMENT WITH ABM BUILDING SERVICES LLC AND AUTHORIZING THE GENERAL MANAGER TO SIGN ON THE DISTRICT'S BEHALF**

Mr. Kennedy stated approval of a Conveyance Agreement was before the Board for consideration now that Ordinance No. 95-1 has been repealed. He clarified how the agreement works, the way debt would be issued, the approval processes and requirements, as well as how Legal Counsel will be overseeing this entire matter. He mentioned some of the language may require minor changes; however, he would ask the Board to consider approving the agreement as to form at this time including permitting Legal Counsel to make those minor revisions if necessary. He noted should the rates, terms, or financial aspects change, it will be brought back to the Board for separate review prior to moving forward.

Mr. Kennedy explained the First Amendment to the Meter Replacement Project included as part of this agenda item included upgrade portions to the contract approved in September.

Motion:

Adopt Option 1 - Approve Resolution No. 18-17 and the First Amendment to the District-wide Meter Replacement Project Agreement which would authorize the General Manager to execute the financing and contractual agreements necessary to implement the Service Upgrade portions of the project. In addition, approval of this option would direct staff to use District capital reserves to fund the Debt Service Reserve requirement from the bank.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

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

Discussion went to Item #18.

- *18. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 17-07 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT**

Mr. Strapac explained a RMWD resident who intends using low water consumption that would like to request a variance from Ordinance No. 17-07. He stated the customer will have an 1,800 square foot home and does not believe he would be using enough water to qualify for the Class B category; therefore, he wants a 3/4" meter with the associated lower fees. He noted the customer was willing to sign an agreement to be recorded with the County that would be attached to the property that states should the water consumption go over in usage the customer will be required to pay RMWD back including the capacity fees for the higher water meter. He summarized noting the customer would like a smaller water meter than RMWD's policy would allow a lot of that size to have.

(*) - Asterisk indicates a report is attached.

President Brazier inquired as to what the implications be should this type of variance be widespread. Mr. Strapac stated RMWD would lose revenue based on small meter charges. Director Hamilton asked if there was a way to determine the District's exposure. Mr. Kennedy offered to have staff compile the data from which to make determinations.

Director Mack inquired about the monthly fee being protected. Mr. Powers stated the agreement does state should the customer exceed 50 units per month on a rolling 12-month average, first RMWD would send out a notice to which they would have three months to correct by bringing their usage down. He added if the correction was not made, the customer would be subject to an increase in monthly fixed charges corresponding with the capacity class that matches the parcel's use. Mr. Powers pointed out the agreement also makes it possible to obligate the customer to pay additional capacity fees. It was clarified the fixed fees would only be retroactive back to the point of notification. Discussion ensued.

Director Gasca asked what was involved with changing the meter and rate. Mr. Strapac responded since RMWD was in the middle of a meter replacement program, the initial change will be administrative.

Director Mack said he would like to see a report on how the District would be impacted if other customers were to request such a variance.

President Brazier invited the applicant, Carter Moe with Zebu Construction, to speak on his variance request. Mr. Moe stated after reviewing the details involved with the opportunity to seek a variance, they found making the request made sense for this property. He stated the request was made in good faith and with good intentions; however, now that it has taken a few months to get to this point and the home almost being complete, time was of the essence.

Motion:

To Approve Option 1 - Approve the variance to Ordinance 17-07 to allow a property larger than 0.5 acres to qualify for capacity class B and approve the New Water Service Agreement.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Discussion went to Item #19.

***19. DISCUSSION AND POSSIBLE ACTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH UTILITY SERVICE CO. (SUEZ) FOR THE INSTALLATION OF TANK FALL PROTECTION IMPROVEMENTS**

Mr. Strapac reported after soliciting for qualified contractors to provide services for fall protection improvements. He noted after reviewing the proposals received, the Engineering Committee recommended moving forward with the contract with Suez to provide service including spiral staircases to the outside of tanks in conjunction with their current programs. He introduced Shai Nicholas from Suez. Mr. Kennedy clarified the financial terms and conditions included in the agreement.

(*) - Asterisk indicates a report is attached.

Director Hamilton asked if RMWD was implementing these safety features, would the District be able to get a reduction in Workers Comp or liability insurance rates. Mrs. Harp explained RMWD's Workers Comp insurance rates are based on the District's experience and previous claims; however, she could inquire as to whether there any rate reduction programs available for which RMWD would qualify.

Motion:

To approve Option 1 as amended - The Board can accept the Suez proposal for the construction of stairways on District water tanks. This option will cost \$1,329,155 spread out over seven (7) years. Funds for this project are available in the Capital Replacement Fund.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Discussion went to Item #20.

***20. DISCUSSION AND ACTION TO APPROVE ORDINANCE NO. 18-24 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 6 – ENGINEERING ADDING CHAPTER 6.10 – RIGHTS-OF-WAY**

Mr. Kennedy pointed out this policy has been presented to the Engineering Committee for a couple iterations; however, the committee was unable to reach a consensus to make a motion in any particular direction mainly based on some of the concerns President Brazier outlined. He said it was unusual to bring something to the Board that a committee could not reach consensus on, but it was his opinion after the steps taken and the basis upon which the committee members appeared reluctant to take any action it did not warrant additional review. He mentioned he consulted President Brazier on the situation, it was decided to bring this policy to the Board for consideration rather than go through the process again. He explained this was an important policy for the District in that it deals with right-of-way matters continuously; therefore, staff would like the Board's support and input. President Brazier agreed with Mr. Kennedy's comments.

Ms. Brown provided additional background as to the reason the District was moving forward with this policy. She stated the District has approximately 700 miles of easements, not including real property assets, that are very valuable. She said going forward the District needs to the easements in order to get to pipelines and infrastructure for maintenance purposes without encountering encroachments. She noted RMWD does not currently have a set of procedures and guidelines in its Administrative Code to manage the encroachments giving specific detail as to how the general public and District staff can move forward with managing the removal of the encroachments or administering to them. She noted staff conducted research to include neighboring district right-of-way policies as well as input from a consultant to come up with a guideline for the policy template which is being presented to the Board today. She pointed out the draft policy was reviewed internally by the Engineering Department and Mr. Kennedy as well as by Legal Counsel and the Engineering Committee. She pointed out the Board's options are to adopt the policy as presented, request revisions, provide staff with direction, or reject the policy.

Mr. Kennedy said to remedy the encroachment issues staff would be required to review several aspects. He noted there may be a need to revise the policy going forward.

Ms. Brown talked about the prioritizing process. Discussion ensued regarding how many encroachments would be addressed.

Motion:

To approve Option 1 – Approve Ordinance No. 18-24 amending and updating Administrative Code Title 6 adding Chapter 6.10 Rights-Of-Way.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

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

Discussion went to Item #21.

***21. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE MISCELLANEOUS PIPE RELOCATION DESIGN PROJECT**

Mr. Strapac summarized the Miscellaneous Pipe Relocation Design project. He explained this project would include Disney Lane, Eagles Perch, Via Vera North of West Lilac Road. He stated the estimate is \$258,000 to provide design services. He pointed out since this item was prepared for the Board's consideration, RMWD received a development permit request from the County notifying the District someone was building a home just north of West Lilac that would be in the area where he requested an ultimate loop to be designed as part of the Via Vera project. He said this provides an opportunity for RMWD to get one whole easement as a condition of their development for this loop that would go from West Lilac North to a 24" line back as well as require the homeowner to install a fire hydrant to satisfy fire requirements. He added RMWD will also be able to obtain an Encroachment Agreement for the area in which the homebuilder proposes to place a small paved area.

Mr. Kennedy explained some of the project selected were identified to be high priority in that the 4" mains are way under sized running behind houses, including one that broke in the fires and flooded out a home. He added this was the first of the pipeline replacement projects selected since there will not be a great deal of environmental work required. He also mentioned this project will improve service by moving a pipeline into an actual right-of-way.

Director Hamilton asked if an abandoned is disconnected. Mr. Kennedy said they are disconnected and sealed at each end.

Mr. Strapac explained the steps that will be taken to remove a pipeline currently crossing right through one homeowner's property.

(*) - Asterisk indicates a report is attached.

Motion:

To approve Option 1 – Award a Professional Services Agreement to OMNIS to provide design services for the Miscellaneous Pipe Relocation Design Project not to exceed \$258,130.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Discussion went to Item #22.

***22. CONSIDER APPROVAL OF RAINBOW MUNICIPAL WATER DISTRICT UPDATED STRATEGIC PLAN OBJECTIVES**

Mr. Kennedy stated everything discussed over the last several months has been encapsulated into the plan being presented for Board consideration. He solicited the Board for any final comments and input.

Mrs. Gray said should the Board approve the objectives, she will go ahead and provide the Board with a copy of the full objectives with the measurements of access and who will be responsible for each. She thanked the Board for their time and participating in a successful workshop. President Brazier agreed the offsite workshop was helpful.

Motion:

To approve Option 1 – Approve the Strategic Plan objectives as presented.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Discussion went to Item #23.

***23. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-16 — 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 OCTOBER 23, 2018 THROUGH JUNE 30, 2019**

Mrs. Harp pointed out upon receiving the labor analysis from the compensation consultant, it was found the Senior Inspector position fell between two RMWD pay grades; however, due to the extraordinarily low unemployment rate, if this position was put out for recruitment the trend has been the District needs to hire into the pay grades than if there were a different labor market. She mentioned research conducted with other cities and districts who have tried to hire inspectors have discovered this job classification in particular has been very difficult to recruit for. She stated after reassessing, she has modified her recommendation to place this position in the N6 grade as

(*) - Asterisk indicates a report is attached.

opposed to N5 to eliminate a competitive disadvantage. She confirmed the only change in the resolution was for this position.

Director Hamilton recommended future changes be highlighted in the document. Mrs. Harp agreed to highlight these changes in the future to assist the Board with recognizing the changes being proposed.

Motion:

Approve Resolution No. 18-16 as presented.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

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

Discussion went to Item #24.

***24. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

A. Waiver for Prior Application Process (Director Gasca)

President Brazier noted she received requests including Director Gasca's for a conference he attended on October 18, 2018 for which he already provided a report.

Motion:

To approve to approve Director Gasca's request.

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

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Abstain = 1).

Ayes: Director Brazier, Director Hamilton, Director Mack.

Abstain: Director Gasca.

President Brazier noted she had a request from Director Mack to attend the CSDA Legislation Committee conference on November 2, 2018. Director Mack reiterated he was invited to attend this committee meeting as an applicant for next year's committee. He said this was the first step in trying to be appointed to a committee.

Motion:

To approve Director Mack's request.

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

Vote: Motion passed (summary: Ayes = 3, Noes = 1, Abstain = 0).

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Abstain: Director Mack.

(*) - Asterisk indicates a report is attached.

Discussion went to Item #25.

BOARD INFORMATION ITEMS

25. MISSED OPPORTUNITIES FOR GRANTS (DIRECTOR HAMILTON)

Director Hamilton stated a Fox News report prompted his interest in bringing this matter to the Board for discussion. He referenced the handouts provided to the Board as he reviewed some of the programs available and steps involved for applying for grants. He spoke on the importance of writing an award-winning grant proposal as well as applying within the windows of opportunity provided. He acknowledged current staff is limited in terms of having the time to write and apply for grants; therefore, the Board may want to consider possibly hiring a consultant to do this work as a means of reducing the District's cost to the ratepayers. He recommended the District up its priority in seeking grants.

Mr. Kennedy noted there are resources out there for writing grants; however, he was unsure if there were any limitations or legal restrictions. Discussion ensued.

Mr. Kennedy agreed to start exploring these suggestions on an administrative level. Mr. Strapac explained the scoring process involved with seeking grants. Discussion continued.

Discussion went to Item #26.

***26. ADMINISTRATIVE CODE SECTION 5.05.050.01 - RECORD RETENTION POLICY AND RELATED SUB-SECTIONS REVIEW AND UPDATE**

Mr. Kennedy explained this was the first official review of the proposed record retention policy. He stated it was not put through one of the committees since it was not really committee based, but rather has to do with the Board and Legal Counsel relating to managing District records. He noted there has been a ton of work completed relating to records including 36 bins of paper recorded and shredded on top of the documents disposed of not requiring recording and shredding. He said staff will be finalizing a draft for Board consideration at the December 4, 2018 meeting. He mentioned going forward the District will be transitioning most records to electronic format. He encouraged the Board to review the draft policy provided and bring back any proposed revisions to the December meeting.

Discussion ensued regarding digitizing old films, slides and photographs.

Discussion went to Item #27.

***27. 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. Customer Service and Meters Comments**

(*) - Asterisk indicates a report is attached.

1. Customer Service and Meters Report
- F. Human Resource & Safety Comments**
 1. Human Resources Report
- G. Finance Comments**
 1. Interim Financial Statement
 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

Mrs. Harp updated the Board on the recruitments and benefit renewal plans for next year. She announced an Human Resources Assistant was projected to start soon, the Project Manager would start in November, and the Finance Manager has accepted the District's offer of employment. She also highlighted the total average increase in renewal rates for health benefits was 1.62% totaling \$7,000 for the entire year. She explained this was in large due to the new insurance plans added two years ago as well as the Consumer Driven Health plans combined with the Health Savings Accounts.

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 = 4).

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

Discussion went to Item #28.

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

It was noted that there would be two Closed Session matters, public notice for rate hearing in January, the corrosion protection contract, and flume survey results need to be on the next meeting agenda.

Discussion went to Item #29.

29. ADJOURNMENT - To Tuesday, December 4, 2018 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a regular meeting on December 4, 2018 at 1:00 p.m.

The meeting was adjourned at 3:53 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.