

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
NOVEMBER 20, 2012**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on November 20, 2012 was called to order by President McManigle at 12:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President McManigle presiding.

2. **ROLL CALL:**

Present: Director Griffiths
Director Lucy
Director McManigle
Director Sanford
Director Brazier

Absent: None

Also Present: Finance Manager Buckley
Assistant General Manager/District Engineer Lee
General Manager Seymour
Executive Assistant/Board Secretary Washburn
Legal Counsel Moser
Water Operations & Customer Service Manager Atilano
Superintendent Maccarrone
Superintendent Miller
Superintendent Walker
Associate Engineer Rebueno
Wastewater Supervisor Zuniga
Human Resources & Safety Manager Bush
Utility Worker II Demary
Senior Accountant Thomas

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

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

Mr. Seymour reminded the Board the revised agenda was mailed out Friday with the only change being a last minute item that needed to be added to the Closed Session.

(*) - Asterisk indicates a report is attached.

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).**

Sherry Rebueno introduced herself as a Rainbow employee who has worked with Mr. Lee for over six years. She stated not only has Mr. Lee been a valuable mentor for her, he was considered a good manager by her as well as other employees. She said with some help with some fellow employees, they were able to draft up a letter which has been presented to the RMWD staff that she would like to read to the Board of Directors at this time. She read aloud the following:

“Dear RMWD Board of Directors:

We understand that you are currently in the position of choosing a path forward for the District. In light of Dave Seymour retiring in March 2013, we know that you have a decision to make regarding the General Manager position. We appreciate the opportunity provided for staff input. Therefore, we would like to show our support for Brian Lee as Dave’s successor.

Since Dave’s operation, Brian has successfully taken over as an Assistant General Manager and during the past month has taken over all day to day General Manager duties. His open door policy has allowed for employees to voice their concerns, which has helped to smooth the way during this time of transition. He has the knowledge and experience of the District’s daily operations and the leadership skills to manage difficult issues with ease. He has also been instrumental in leading the effort to bring in new services by working diligently with new developers, which will greatly increase revenue for the District. The District has reached major milestones under Dave Seymour, but it could not have been without his support staff, especially with Brian Lee. Because of Brian Lee we are only weeks away from being fully compliant with CDPH and have received three low interest loans, saving the District from the financial burden of the reservoir improvements. We believe Brian Lee is very qualified to be Dave’s successor and keep Rainbow moving in the right direction.

Thank you for allowing us to voice in the decisions that will ultimately affect us.

Sincerely,

Rainbow Municipal Water District Staff”

Ms. Rebueno pointed out she received approximately two-thirds of the Rainbow employee signatures with this letter. She thanked the Board for their time.

President McManigle thanked Ms. Rebueno and asked if she would provide a copy of the letter to Ms. Washburn. Ms. Rebueno explained due to the politics, she only wanted to present this as public comment.

The meeting adjourned to Closed Session at 12:07 p.m.

Time: 12:07 p.m.

5. CLOSED SESSION

- A. Appointment; Employment; Evaluation of Performance – General Manager (Government Code §54957)
- B. Conference with Legal Counsel–Existing Litigation (Government Code §54956.9(a))
 - Geissow Matter

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #8 herein.

The meeting reconvened at 1:03 p.m.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board voted unanimously to deny the claim presented by the City of Oceanside relating to the Geissow lawsuit.

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

President McManigle reported there were no changes 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).

Dean Gordon stated he was present on behalf of the Fallbrook Citrus Properties as it relates to the fence of the project off Wilt Road. He said it was his and his fellow residents understanding that the fence was going to stop at the Parcel Numbers 28 and 29. He stated he saw documents on this approximately ninety days ago and now the fence was proceeding right to the top of the hill. He said it came to his attention last Thursday. He noted he asked to see the plans; however, they were not available. He explained how he spoke with Mr. Seymour as well as sent him a letter as well as how six or seven months ago he spoke with Mr. Lee who represented to him there would be nothing higher close to the top of the hill other than the existing equipment already in place.

Mr. Gordon stated Fallbrook Citrus Properties request a hearing on this matter which was the reason for him coming before the Board today.

(*) - Asterisk indicates a report is attached.

Mr. Sanford asked Mr. Gordon what he would like accomplished. Mr. Gordon said he could not speak for anyone else involved in this matter. He noted the residents in the area are sympathetic with something happening to the water supply, but they believe to have a fence on the very top of the hill was unnecessary and other ways to route the fence and protect the District's equipment. He stated it was the residents understanding the fence would be going in at a different direction; however, that obviously was not the case. He pointed out they asked for a stay last Thursday when the fence was being put up and it was just not right.

Mr. Gordon said he and other have different opinions; therefore, they would like to request a hearing on this matter with the Board so that the impacted residents could be present.

Mr. Seymour noted the fence was always in the plan and it was staff's intent to place it on RMWD's property line to protect the District's assets. He pointed out the view shed was sky and there was no infringement on mountain views. He stated it was RMWD's right to protect its property especially if there was attracting nuisance. He mentioned he and Mr. Lee have talked about this and there may be a change made in the future if a good compromise could be found; however, changes to the plans would cost RMWD money. He also noted any change would cause some obstruction of view regardless and should the fence be moved off the District's property line it could lead to liabilities for RMWD.

Mr. Lee pointed out it was known that building a tank and its construction would be extremely difficult; however, all the neighbors including Mr. Gordon have been fantastic during the process. He said it was disappointing to have this come before the Board when he and Mr. Seymour were already looking into what could be done to address this matter. He said if necessary, the Board may want to have this on the next agenda for discussion and at the very least to provide an opportunity to present to the Board the matter has been resolved.

Director Griffiths asked if the fence could be moved as a good neighbor if possible. Mr. Lee stated he would if he could; however, there was a liability issue concerning District property should someone hurt themselves on the property and it was discovered the fence was moved for this reason, RMWD could be in trouble.

***11. APPROVAL OF MINUTES**

A. October 23, 2012 - Regular Board Meeting

Action:

Moved by Director Sanford to approve the minutes. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.

NOES: None.

ABSTAINED: None.

ABSENT: None.

(*) - Asterisk indicates a report is attached.

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 (Director McManigle)

President McManigle reported on a meeting he attended with Mr. Seymour, Mr. Davies, Mr. McDougal, and Dr. Brady where discussion was focused on the JPA presentation being given at this meeting.

B. Representative Report (Appointed Representative)

1. SDCWA

Director Sanford reported the SDCWA meetings have been primarily focused on the desalination project and the Water Purchase Agreement that basically says SDCWA will purchase water from the Poseidon Desal unit in Carlsbad. He noted a vote was anticipated to be taken next week; however, he did not have an idea of how the vote was going to go. He also commented on the SDCWA finally signing a deal with Mexico to get stored water out of Lake Mead. Discussion followed.

2. CSDA

There was no report given.

3. LAFCO

There was no report given.

4. San Luis Rey Watershed Council

Ms. Brazier told the Board she was unable to meet the time commitment associated with being the representative at San Luis Rey Watershed Council due to a scheduling conflict. She suggested the Board select someone else now to be the representative or wait until the appointment of representatives comes up in January 2013.

5. Santa Margarita Watershed Council

There was no report given.

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

There were no additional reports given.

D. Directors Comments

Director Lucy reminded everyone this was Thanksgiving week and as everyone counts their blessings they may want to be reminded of those things that are sometimes taken for granted. He then thanked Mr. Seymour, Mr. Lee, and the entire RMWD staff for providing the Lucy family with good clean water. Directors Brazier and Griffiths agreed. President McManigle told the staff they were all doing a great job.

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

- A. Budget and Finance Committee**
1. October 4, 2012 Minutes

Mr. Buckley reported the Budget and Finance Committee met but no action was taken. He noted there were three ratepayers interested in potentially volunteering on the committee and how at least two will be up for consideration at the committee's December meeting. President McManigle inquired as to whether or not the sewer charges from the City of Oceanside have been looked into as far as being recognized as pass through. Mr. Buckley explained this was not something that can be done.

- B. Communications Committee**
1. August 6, 2012 Minutes
2. September 17, 2012 Minutes

Mr. O'Leary reported on the November 5, 2012 committee meeting where several committee members expressed appreciation for Mr. Seymour and his contribution to RMWD. He said the committee had offered to assist in any means possible as Mr. Lee transitions into the taking on the day-to-day activities.

- C. Engineering Committee**
1. September 11, 2012 Minutes

Mr. Lee reported the committee had a riveting discussion on water rights at their last meeting. He said the committee was moving forward with the study and hoped to have something to present to the Board accompanied with recommendations for consideration. Director Griffiths requested a copy of the study.

***14. 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. RESOLUTION 12-13 DESIGNATING GARY ARANT OF VALLEY CENTER MUNICIPAL WATER DISTRICT AS PROXY VOTE TO THE SAN DIEGO COUNTY WATER AUTHORITY IN THE ABSENCE OF THE RAINBOW MUNICIPAL WATER DISTRICT REPRESENTATIVE**

Action:

Moved by Director Brazier to adopt Resolution No. 12-13. Seconded by Director Lucy.

(*) - Asterisk indicates a report is attached.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

BOARD ACTION ITEMS

15. DISCUSSION AND POSSIBLE ACTION TO SET A DATE FOR PUBLIC HEARING REGARDING SETTING RATES AND CHARGES FOR COMMODITY RATES, O&M METER RATES, AND SEWER RATES

Mr. Buckley explained this item was to set the Public Hearing date.

Action:

Moved by Director Brazier to set the Public Hearing date for February 26, 2013. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Mr. McPhee said it was his understanding SDCWA has increased their water rates for 2013 and asked whether or not RMWD planned to increase their rates. President McManigle clarified this matter addressed pass through rates only.

***16. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF THE CAMPUS PARK WEST WATER SUPPLY ASSESSMENT (WSA)**

Mr. Lee explained this was a procedural document that provides the County assurances that water will be available for the project so they can continue processing it. He pointed out the document is essentially prepared by the developer who was available at this meeting to answer any questions. He noted RMWD staff has read, agrees with, and supports the document. He said to continue with the development at the County level the Board has to approve the document in order to lock in Campus Park West. He also mentioned he recently received notification LAFCO was going to be recommending the Campus Park West are be put into RMWD's Sphere of Influence.

Action:

Moved by Director Sanford to approve the Campus Park West Water Supply Assessment. Seconded by Director Brazier.

(*) - Asterisk indicates a report is attached.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Director Griffiths referenced Page #16, Item #14, when he why the numbers appeared to be going up as opposed to going down. Mr. Lee pointed out these were actual numbers provide to RMWD. It was noted this could be due to increased population.

Director Lucy referenced Page #16-8 as he inquired as to the formula utilized to arrive at the number of EDU's. Mr. Lee explained there were different gallons per day per EDU utilized based on the demand for residential/commercial use.

President McManigle asked for verification RMWD can save 70-80 acre feet per year by covering the reservoir as noted on Page #16-16. Mr. Lee explained at the time this started there was a certain of number of EDU's available. He pointed out RMWD still has a significant amount of evaporation out of the three reservoirs available for use in the event of another drought situation. President McManigle made an inquiry on Page #16-24 regarding increased marketing strategies. Mr. Lee stated he believed it was a good time to start marketing the District to the ratepayers and this was a good way to start.

Mr. Lee pointed out this was not a deep document nor was it supposed to be.

The developer representative stated he had no comments unless the Board Members had questions for him. He said they were very glad to be before this Board in another step in the process. He updated the Board by noting they are going to be submitting to the County the Monday after Thanksgiving and get the ball rolling with the County again in order to get one step further towards developing the property.

President McManigle stated he found the document to be well-written and it put RMWD in a positive light.

17. DISCUSSION AND POSSIBLE ACTION REGARDING STATE REVOLVING FUND LOANS

Mr. Seymour pointed out this was put on the agenda as place holder in the event something came up for Board approval which did not happen. He mentioned RMWD has paid off the existing loan. He explained staff was now waiting for the State's final paperwork at which time RMWD was ready to start submitting the invoices.

Director Griffiths referenced the last paragraph in the last month's minutes. He stated looking into the definition of loans and liability and how it states if one borrows money that has to be paid back it is a debt. He stated RMWD has debt in the amount of \$4M and cautioned RMWD may be facing a lawsuit for taking a loan when it had debt. He noted he was very uncomfortable about the situation. Mr. Seymour pointed out Director Griffiths voted in favor of the loan payoff. Director Griffiths stated he voted for the pay off, but he did not vote for where the money would be coming from to pay it off.

18. DISCUSSION AND POSSIBLE ACTION REGARDING RMWD AND FPUD JPA/CONSOLIDATION

(*) - Asterisk indicates a report is attached.

Mr. Seymour pointed out this was going to be a Power Point presentation; however, the projector was currently broken. He noted hard copies have been provided to everyone present. He continued to review the information offered in the handout.

Mr. Seymour explained how the JPA would be the managing/administrative entity for both FPUD and RMWD and how there would be no combined financing or Administrative Code, and most staff would be retained as RMWD and FPUD employees.

Mr. Seymour explained the options for establishing governance at the JPA. He pointed out when it comes to setting rates at the individual agencies, RMWD would be responsible for their own rates and FPUD for their customers with staff from the JPA working with the Boards to get this accomplished. He also mentioned how there may be a need for more Board meetings during the initial formation of the JPA with the number of meetings being reduced once the JPA is established.

Mr. Seymour pointed out although there was still a potential for savings; however, it would be quite a bit less than the savings associated with a complete consolidation due to the fact only one general manager position would be eliminated. He stated forming a JPA would provide an opportunity for the two districts to start working together to see if a consolidation would be beneficial as well as for the agencies to go back to being individual entities should a JPA not work out.

Mr. Seymour explained the proposed governance of a JPA the Board could take into consideration. He also talked about one way the hierarchy could be set up; however, this was not concrete. He said the one scenario presented was prepared solely for the purpose of today's presentation.

Mr. Seymour talked about combining areas such as Finance & Administration, Engineering, and Planning and how there are certain rule and regulations that must be followed by each of these departments. He mentioned how consolidating Human Resources may be more difficult due to the fact there each agency have several different Memorandum of Understandings, but noted that it could be done. He continued by talking about the potential labor savings over twenty-four months as well as the steps required to formally establish a JPA.

Mr. Seymour reiterated how 90% of the staff would remain unaffected as they would show up to the same place every day for work with the same Memorandum of Understandings, retirement programs, salaries, probably the same managers, no changes to wages and benefits, same rules and regulations, and no real changes. He pointed out the Board Members would work with the same staff with the exception of the general manager and that the SDCWA representatives would remain unchanged.

Mr. Seymour concluded by noting the steps involved with exiting a JPA should it be deemed necessary. He noted it was much easier getting out of than a consolidation. He also stated the possible schedule provided was aggressive; however, he thought it was doable should all the "ducks be in a row". He said the presentation was being given today and the next Board meeting would be in January 2013 prior to which there may be some workshops held to review the draft JPA documents and a draft resolution for establishing a JPA.

Legal Counsel stated one of the nice things about a JPA was the fact there was no involvement of LAFCO. He explained what has been described is JPA which actually sets up a separate

entity with its own characteristics. The essence of this Joint Powers Authority was employee sharing either by direct employment through leasing agreements.

Legal Counsel explained the scope of authority under this separate entity. He noted the agency powers would need to be chosen and be utilized due to the fact it cannot operate under two separate methods of power (i.e., construction contracts). He also noted the legislature states there are other powers that would become available to a JPA not available to independent agencies. He stated a separate Conflict of Interest Code and insurance policies must be prepared for the JPA due to the fact it will be a separate entity.

Legal Counsel talked about governance and how there is a provision the Board can be set up to oversee the JPA. He pointed out another model to consider was not having a governing Board sit on the JPA, but rather employees. He stressed it was just a contract. He noted the JPA must also designate a treasurer.

President McManigle asked Legal Counsel to provide an example of employee leasing. Legal Counsel explained when you are thinking about an employee, you are thinking about someone who has one boss; however, in a employee leasing arrangement, a second employer borrows that employee thereby giving the employee actually has two employers. He stated one of the employers would be responsible for all of the employee's compensation, benefits, administration, workers compensations, liability and health insurance, etc. and the second employer would be responsible for reimbursing the first employer for any time the employee worked for its organization.

Mr. McPhee asked for clarification as to whether or not there would be one general manager for the whole JPA. Legal Counsel stated this was a first draft; however, the one person serving as the general manager for the JPA would report to the Boards of the two member agencies.

Mrs. McPhee inquired as to whether or not forming a JPA or a complete consolidation would do away with Ordinance 95-1. President McManigle pointed out Ordinance 95-1 would not be affected at all due to the fact it will always be under RMWD's financing and there would be separate accounting for both divisions forever.

Mr. Demary asked Mr. Seymour what would transpire should FPUD have a leak and needed assistance from RMWD, would the RMWD employee be paid their RMWD wages and benefits. President McManigle explained RMWD would still be paying the employee. Director Sanford added RMWD would bill FPUD for RMWD employee assistance and vice-versa.

Director Lucy inquired as to how decision-making conflicts among the Boards would be resolved. Legal Counsel explained what Mr. Seymour has described in terms of the scope of what the JPA would do, it would be management who has an obligation to carry out the wishes of each of the two Boards. He noted a JPA Board for capital projects; however, each member agency controls half of the project being constructed for the JPA. Director Lucy asked about time management conflicts i.e., a project does by one agency takes so much time and energy of staff and administration. Legal Counsel stated this could be problematic; however, it can be worked out in the annual capital budget process. He pointed out the budget for the JPA must be approved by the separate agency Board of Directors and not the reverse.

Ms. Rhyne said she thinks this item was on such a fast track that it was kicking dust on the owners of the District, the property owners and the ratepayers. She stated this was going on without given them any heads up whatsoever and she kind of suspected it was being before March 2013 so that it was a done deal. President McManigle asked if having it completed by the proposed deadline was a bad thing. Ms. Rhyne expressed concern it may be for the ratepayers due to the fact they do not know what was going on, something she could verify by the number of people she has spoken with. President McManigle questioned Ms. Rhyne taking this position since doing something has been talked about for six months. Ms. Rhyne claimed it was nothing specific and eventually forming a JPA would lead to a consolidation and there would be no money saved for ratepayers based on the wages and salaries unless the agencies become a private organization.

Director Sanford stated after looking at things over the past six or eight months, he believes an interim step in the form of a JPA makes sense on the standpoint the agencies were moving along cautiously allowing for an opportunity to look into the individual agency finances as well as "test the waters" to see if a consolidation would work. He referred to forming a JPA as an engagement before getting married. He stressed he did not think it was smart for the District or ratepayers to stay in their current state due to the fact it was getting too expensive and no matter what the Board Members have an obligations to look into saving the ratepayers money. He pointed out several other surrounding agencies are watching RMWD and FPUD very closely right now because they too are considering taking the same types of actions and they are curious to see how it works out.

Mr. McPhee inquired as to what will happen with the employee contracts that do not expire for two years since the contracts cannot be broken. President McManigle agreed the contracts cannot be broken. Mr. McPhee expressed concern with the make-up of the JPA Board of Director. President McManigle agreed the JPA Board administers the general manager.

Mrs. McPhee asked if the general elections would be the same. Director Sanford stated they would be exactly the same. President McManigle pointed out if the agencies went to a full consolidation, the general elections would change. Discussion ensued.

Director Sanford explained the JPA would operate quite similarly to the SDCWA where the Board Members of each agency appoint representatives to the JPA Board of Directors.

Director Griffiths expressed concern the ratepayers know very little about any type of merger. Director Sanford said the Board has been working on this for the past eight months and if there was concern, any concerned members of the public should be present. Director Lucy pointed out it was the ratepayers that elected these Board Members to represent them.

Director Lucy said it was his feeling a full consolidation was the best for the ratepayers as well as the area; however, in the interim he would go along with forming the JPA. He stated although RMWD has made some very good decisions, got its house in order, and development coming into the district, he felt the Board Members still needed to be good stewards and one of those things would be to watch the District's expenses and one way to do so would be to form a JPA.

Mr. Seymour pointed out the JPA would be the interim step to a possible full consolidation. He said although it does not have to be, but this was how it has been envisioned.

Action:

Moved by Director Sanford the RMWD pursue and form a JPA in conjunction with the Fallbrook Public Utility District. Seconded by Director Lucy.

After consideration, the motion carried by the following vote:

AYES: Director Lucy, Director McManigle and Director Sanford.

NOES: Director Griffiths and Director Brazier.

ABSTAINED: None.

ABSENT: None.

Director Griffiths expressed concern there was not enough information to make this type of decision and suggested this matter be put out to the public. Director Brazier stated she would be more comfortable if she knew the parameters associated with forming a JPA. President McManigle stated these needed to be defined.

Director Sanford did not want to amend his original motion to include parameters. He confirmed his motion was based on the scheduled presented by Mr. Seymour in the presentation given today.

***19. RECEIVE AND FILE INFORMATION ITEMS FOR OCTOBER 2012**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Construction & Maintenance Comments

1. Construction and Maintenance Report
2. Valve Maintenance Report
3. Garage/Shop Repair

C. Engineering & Wastewater Comments

1. Engineering Report
2. Wastewater Report

D. Customer Service & Water Operations Comments

1. Water Operations Report
2. Electrical/Telemetry Report
3. Water Quality Report
4. Field Customer Service Report
5. Meters Report
6. Cross Connection Control Program Report

E. Human Resource & Safety Comments

1. Changes in Personnel
2. Organizational Chart
3. Safety Report

Action:

Moved by Director Brazier to receive and file information items. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

(*) - Asterisk indicates a report is attached.

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Director Griffiths agreed with the comments made earlier regarding many projects being completed.

Discussion ensued regarding Item #19B3.

Director Griffiths made inquiries on Item #19C2.

Director Lucy made an inquiry. Mr. Lee explained staff was currently negotiating with the Department of Public Health on the final paperwork. Director Lucy congratulated staff.

Director Griffiths asked a question about Item #19D2.

President McManigle and Director Griffiths made inquiries on Item #19D5, respectively.

Director Griffiths stated he wanted an item on the next agenda that all blank boxes on the organizational chart be defunded.

***20. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR OCTOBER 2012**

A. Finance Manager Comments

1. Interim Financial Report
2. Monthly Investment Report
3. Directors' Expense
4. Check Register
5. Water Purchases & Sales Summary
6. Statistical Summary
7. Metropolitan IAWP Reduction Programs
8. San Diego County Water Authority SAWR Reduction Program
9. RMWD Domestic Reduction Program
10. Projected CIP Cash Flow Report
11. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Action:

***Moved by Director Brazier to receive and file financial statements and information.
Seconded by Director Lucy.***

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Discussion ensued regarding water sales.

Director Griffiths asked a question about the information provided on Page #20A1-5.

Director Sanford inquired about RMWD's long term investments. Mr. Buckley provided a response.

Director Griffiths pointed out the totals on Page #20A3 were incorrect for Director Brazier.

President McManigle asked about computer issues. Mr. Lee stated it was standard IT maintenance.

Director Griffiths asked what would happen with the District's healthcare with Obama care coming into effect.

Director Griffiths referenced Page #20A-11 when he requested information about the outfall including capacity. Mr. Lee stated all this information will be spelled out in the upcoming report.

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

Director Griffiths requested an item to defund any positions not showing on the Organizational Chart.

Director Lucy asked whether or not a committee needed to be formed for the purposes of the JPA. Mr. Seymour said if FPUD's Board takes the same position as RMWD's something may need to be set up. President McManigle asked Directors Brazier and Griffiths if there was anything they specifically wanted looked into by Mr. Seymour. Director Brazier stated mostly the scope and limitations of the JPA. Mr. Seymour said as drafts are prepared, they can be sent out to the Board Members as a means of keeping them informed.

President McManigle suggested starting with initially leasing the general manager and then modifying the document as deemed necessary.

Director Sanford stated it was his thought Mr. Seymour and Dr. Brady will put together draft of the contract to present to their respective Boards in order to get the Directors' input to get it the way they want it.

Ms. Washburn pointed out there were changes made to the minutes provided to her prior to this meeting by Mr. Buckley and those changes have been made accordingly. She explained the minutes approved will include those changes and then signed by President McManigle

(*) - Asterisk indicates a report is attached.

22. ADJOURNMENT - To Tuesday, January 22, 2013 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier and seconded by Director Lucy to a regular meeting on Tuesday, January 22, 2013 at 1:00 p.m.

The meeting was adjourned at 2:48 p.m.

George McManigle, Board President

Dawn M. Washburn, Board Secretary