

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
JULY 24, 2012**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on July 24, 2012 was called to order by President McManigle at 1:01p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President McManigle presiding.

1A. **PLEDGE OF ALLEGIANCE**

2. **ROLL CALL:**

**Insert Roll Call here**

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

**Absent:** None

**Also Present:** Finance Manager Buckley  
Human Resources & Safety Manager Bush  
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  
Associate Engineer Plonka  
Superintendent Walker

Five members of the public were present.

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

There were no changes to the agenda.

4. **ANNIVERSARY ACKNOWLEDGEMENTS**

A. Clemmon Taylor (5 Years)

Mr. Lee noted Mr. Taylor started at RMWD in the meter reading department and how he has his D-2 and T-2 Certificates. He thanked Mr. Taylor for his five years of service as he presented him with a plaque and check.

**B. Gerardo Cancino (5 Years)**

Mr. Lee presented Mr. Cancino with a check and plaque as he mentioned Gerardo has his D-2 Certificate. Mr. Lee thanked Mr. Cancino for his five years of service.

**C. Jerry Kraft (5 Years)**

Mr. Lee mentioned Mr. Kraft was hired on at RMWD in 2007 and currently works as an Operator II. He also noted he has his D-3 Certificate and will soon have his D-4. Mr. Lee presented Mr. Kraft with a check and plaque as he thanked him for his service.

**5. 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).**

There were no public comments.

**\*6. APPROVAL OF MINUTES**

**A. June 20, 2012 – Special Board Meeting**

**Action:**

***Moved by Director Sanford to approve minutes as revised. Seconded by Director Brazier.***

***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 pointed out the word “was” should be “were” on Page #6A6.

Director Brazier noted the word “eminent” should be “imminent” on Page 6A8.

**B. June 26, 2012 - Regular Board Meeting**

**Action:**

***Moved by Director Sanford to approve the June 26, 2012 minutes as revised. 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.

President McManigle noted on Page 6B-11 “Bert Hayden” should be “Milt Davies” and “Don McDougal” instead of “Doug McDougal”.

**7. 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 noted the Mission Resources Conservation District talked about what could be causing the great deal of silt build up in Rainbow Creek. It was noted the build-up was at the valley floor near the Rainbow Oaks Restaurant.

**B. Representative Report (Appointed Representative)**

**1. SDCWA**

Director Sanford mentioned the primary topic at the last two SDCWA Board meetings has been regarding the desalination plant in Carlsbad. He noted at the last SDCWA more of the money aspect of the plant. Discussion followed.

**2. CSDA**

There was no report given.

**3. LAFCO**

There was no report given.

**4. San Luis Rey Watershed Council**

Ms. Brazier reported on the July 23, 2012 Council meeting where discussion took place regarding working on getting a grant to assist them in hiring a staff person. She mentioned there was to be a trash pickup event scheduled for September 15th for which the Council was looking at various sites. She said if anyone has any suggestions to please let her know. She also noted there was discussion regarding hunting wild pigs.

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

There were no reports given.

(\*) - Asterisk indicates a report is attached.

**D. Directors Comments**

Director Griffiths said he would like to see a map showing the new district boundaries. Mr. Lee stated staff was working to complete the maps and he will get copies to the Board as soon as they are ready.

Director Griffiths expressed concern agencies were continually spending money on lawyers to research water rights.

Director Griffiths said he has been asking for the "as built" drawings for Lift Station 2 and wondered if they were available yet. He also noted he would also like to look at the Lift Station 1 design conditions.

**\*8. COMMITTEE REPORTS (Approved Minutes have been attached for reference only.)**

**A. Budget and Finance Committee**

Mr. Buckley noted the July meeting was not held due to the lack of the quorum.

**B. Communications Committee**

**1. June 11, 2012 Minutes**

Mr. O'Leary reported the committee had no discussions of great importance; however, they were able to put out a newsletter for July.

Director Griffiths questioned where it stated in the newsletter that LAFCO would hold one or more public meetings. Director Sanford explained these would be part of the process.

**C. Engineering Committee**

- 1. April 3, 2012 Minutes**
- 2. June 5, 2012 Minutes**

Mr. Lee reported at their July 3<sup>rd</sup> meeting, the committee primarily discussed the potential consolidation. He noted the Engineering Committee basically formed an ad hoc committee of three Engineering Committee members to draft up a letter of concerns/issues to be voted on at the next committee meeting for approval after which will be forwarded to the Board for consideration. He noted the other discussion and topic the committee discussed was concerning the alternative water supply study. Discussion followed regarding the alternative water supply study

**BOARD ACTION ITEMS**

**\*9. DISCUSSION AND POSSIBLE ACTION REGARDING THE GREGORY CANYON LANDFILL REQUEST FOR INFORMATION**

Mr. Lee explained RMWD received a request to provide information to the company guiding the Gregory Canyon Landfill through the preliminary process. He noted staff reviewed the letter and prepared a draft response which was provided on Page 9-15. He said prior to sending the response back to the requestor, staff wanted the Board to be aware communication relating to Gregory Canyon Landfill was in progress. He asked the Board to support the response letter prepared by staff.

(\*) - Asterisk indicates a report is attached.

Director Griffiths questioned why the original request letter was dated January 19<sup>th</sup>. Mr. Lee explained staff did not receive the original letter, but rather found out about it after a follow up call regarding why RMWD had not yet responded to their letter.

No action taken.

**\*10. DISCUSSION AND POSSIBLE ACTION TO APPOINT A REPRESENTATIVE TO ATTEND THE SANTA MARGARITA WATERSHED STEERING COMMITTEE MEETINGS**

Mr. Lee explained it was requested RMWD have an appointed representative attend the Santa Margarita Watershed Steering Committee meetings due to the fact there was a great deal of activity going on in that particular area.

Director Griffiths recommended Director Sanford attend these meetings.

Mr. Seymour pointed out the Steering Committee was court appointed; therefore, RMWD could not appoint someone as a member of the Steering Committee. He noted; however, the Board could authorize someone to attend the meetings.

**Action:**

***Moved by Director Brazier to appoint Director Sanford to attend the Santa Margarita Watershed Steering Committee meetings. Seconded by Director Griffiths.***

***After consideration, the motion CARRIED by the following vote:***

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

Director Sanford said although he was not opposed to attending these meetings, he wanted to know if the Board thought it was necessary for RMWD to be represented and whether or not it should be a Board, staff, or public member. Director Griffiths said he thought it should be a Board Member.

Director Brazier stated she thought having a Board Member attend would give RMWD more control.

President McManigle asked what it would take to have RMWD seated on the Steering Committee Board of Directors. Legal Counsel stated if it is a court appointed committee, RMWD would need to ask the court.

(\*) - Asterisk indicates a report is attached.

## 11. DISCUSSION AND POSSIBLE ACTION REGARDING JPA/CONSOLIDATION BOARD AD HOC COMMITTEE

Mr. Lee noted the page marked "Page 12" in the agenda packet actually belonged with this item and apologized for the confusion.

President McManigle stated as a member of the ad hoc committee, he could not think of anything that had not be discussed at either of two ad hoc committee meetings that was not already public, reported on by either the general manager of RMWD or FPUD, and brought back to each of the Boards.

Director Brazier clarified the question was whether or not the ad hoc committee had any point in continuing forward now that studies are being conducted. President McManigle said he did not think so due to the fact it was now in the hands of staff and the general managers. He said the committee would not be able to do any analysis and from this point on this what would determine whether or not a merger happens or not and if it makes sense. He stressed nothing goes anywhere without the involvement of both Boards.

Mr. Seymour explained the ad hoc committee was for the purpose of taking the functional consolidation information and determine if there was a better way to focus the consolidation efforts between the two districts and then bring that back to both Boards for action. He noted this purpose has been accomplished; therefore, technically for the ad hoc committee to continue it would need to have a specific purpose designed for it. He said it was his understanding that once the committee brought the information forward, the Board had enough interest at that point to have the general managers bring everything back to the full Boards which was what they have been doing. He stated if the Board had questions or wants additional information, now would be the time to get it to the general managers so that they can address the matter appropriately. He said the general managers need the Boards' full input rather than there being any surprises.

Director Lucy referenced the questions received in the employee suggestion box. He asked Mr. Seymour whether or not he thought an adequate job was being done with providing enough information to employees as well as the public. Mr. Seymour stressed all of the information derived from the completed studies has been provided; however, there were more studies to be completed and until more information has been gathered it may be wise to wait until conclusions are developed. He said he believes everyone has been adequately informed to the best of their ability.

Director Griffiths questioned the study presented by Mr. Forbes and Mr. Armstrong on June 20, 2012 in that he felt it was not a study at all, but a mere background of what the two individuals have done before. He said the Board had no idea what frame of reference was utilized. He stressed he thought the presentation lacked information such as organization charts. He argued a real study was not conducted on a RMWD/FPUD merger at all.

Director Sanford asked Director Griffiths to keep in mind the information presented (from his perspective) just shows what can be and has been done, but it does not mean RMWD's merger would be exactly as that presented. Director Griffiths agreed; however, he expressed concern it did not specifically study RMWD's position. He also inquired as to why Valley Center pulled out of the consolidation consideration. Mr. Seymour stated they pulled out because the general manager did not want to lose his job.

Mr. Lee asked for clarification the Board was in concurrence the ad hoc committee's assignment is completed and all discussions from this point forward will be at the Board level. It was confirmed this was correct.

Director Griffiths said it was not wise to "marry" when one party has a considerable amount of debt.

No action taken.

**12. DISCUSSION AND POSSIBLE ACTION REGARDING A POSSIBLE JOINT MEETING/WORKSHOP BETWEEN RMWD AND FPUD BOARDS TO DISCUSS JPA/CONSOLIDATION TOPICS**

Mr. Lee pointed out this item was labeled "Page 11" in the agenda packet. He explained the reason this exists is because at the last Board meeting, it was brought up due to a discussion that occurred at FPUD's July Board meeting about a joint Board meeting. He said he confirmed with Mr. Brady of FPUD a joint Board meeting was to occur within the next few weeks. He noted he and Mr. Brady worked diligently in putting together a list of dates as well as potential discussion topics which was being presented to the Board at this time for their input.

**Action:**

***Moved by Director Sanford to hold a joint meeting between FPUD and RMWD to discuss JPA/Consolidation topics. Seconded by Director Lucy.***

Director Griffiths expressed concern RMWD was currently being "bulldozed" into a meeting when there did not seem to be enough information. Mr. Lee stated although he respects Director Griffiths concerns; however, he felt potential discussions should be directed at both Boards which would provide an opportunity to have those discussions and address concerns.

Director Lucy said it was his impression the idea of a joint meeting would be another presentation. Mr. Seymour explained this meeting was to be more of a "meet and greet" type of event as well as an opportunity for Board Members to get answers to their questions.

Director Sanford declared he would not be ready to make any decisions at this first joint meeting; therefore, if the purpose was for anything more than a "meet and greet" he would not attend. It was noted questions may be asked at the joint meeting, but answers would more than likely not be provided.

Director Griffiths stated he was for consolidation; however, he will be making sure that when it does happen it was being done in a smart way. He said if it was not being done in a smart way, he wanted to be told how it could be done in a smart way and if that could not be done then it would be time to drop the issue and "go home". He asked that the joint meeting be a "free style" meeting where any item can be discussed at any time and anyone may bring up anything they like. Mr. Seymour pointed out this could not be done as it would need have an agenda to follow.

Legal Counsel suggested calling the meeting a "forum" as opposed to a "workshop" in order to lower the expectation of the public.

Discussion continued.

Mr. Lee noted it was proposed the meeting be held at the FPUD main office. Director Sanford expressed concern it may send the wrong message to hold the meeting at FPUD as opposed to RMWD. Mr. Lee said this was concern was raised as well as whether or not a community venue may be more appropriate as well as who would facilitate. Director Sanford stated it may be better perceived to have the meeting at a community venue with a hired outside consultant not associated with any previous FPUD or RMWD business to facilitate the meeting.

Director Sanford amended his original motion.

**Action:**

***Moved by Director Sanford RMWD pursue a joint meeting between FPUD and RMWD at a location that is mutually agreeable between the two general managers of the organizations at a place that is convenient to be run by a neutral third party not connected with either district. 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. Seymour expressed concern the Board may be going overboard and possibly spending money unnecessarily. Director Brazier said the Board was setting a tone which she felt was important. Mr. Seymour said he thought it may be the wrong tone.

President McManigle said he did not believe it was so much where the meeting was held, but the perception was critical and with enough people opposed to the location it should be held in a mutual zone.

Director Sanford pointed out the employee comment submitted today expressed a concern the employees feel that FPUD's general manager will not be looking out for RMWD employees only his own people. He said by meeting at FPUD, it does send an unspoken message.

Mr. Lee solicited the Board Members for meeting dates and times. Director Griffiths suggested the joint meeting occur after both agencies hold their respective September Board meetings. Director Brazier stated the only reason she would agree with a September meeting was due to summer vacations and activities that may make it difficult to coordinate. Director Lucy agreed. Mr. Lee confirmed at least three members of the RMWD Board would not be available to meet until September.

**\*13. RECEIVE AND FILE INFORMATION ITEMS FOR JUNE 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**

(\*) - Asterisk indicates a report is attached.



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:***

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

**NOES:** None.

**ABSTAINED:** None.

**ABSENT:** None.

Mr. Lee reported the Morro Reservoir was back in service.

Director Brazier asked Legal Counsel about the State's decision to stop enforcing The Brown Act and whether or not that would have any implications on RMWD. Legal Counsel explained the budget adopted by the legislature did not provide funding for portions of The Brown Act considered to be State mandates. He noted a vast majority of The Brown Act is not considered in the State mandates because it was adopted before the State mandate rules went into effect. He said the practical effect was probably not very significant. He pointed out he has not heard of one single agency state they are no longer going to post agendas. He stated RMWD could choose to stop posting agendas with any consequences if the Board wanted.

Director Griffiths made inquiries on Item #13B.

Director Griffiths inquired about information provided under Item #13D.

Discussion ensued regarding contractor and/or contract issues noted under Item #13C1.

Mr. Lee pointed out how at the last Board meeting it was discussed whether or not a suggestion box should be provided for employee to pose questions in regards to the potential consolidation. He noted he spoke with President McManigle regarding this and he agreed staff could go forward with this without bringing it back to the Board. He explained staff did in fact implement a suggestion box for employee use. He encouraged the Board to take the comments for what they are which is truly employee concerns which in turn could assist the Board in answering those questions. Director Sanford added these questions were coming from employees and it can give the impression there was a great deal of misunderstanding. He said amplifying the number of

(\*) - Asterisk indicates a report is attached.

misunderstandings by the number of ratepayers; it clearly shows there was a great deal of misunderstanding out there.

Director Griffiths talked about the employee comment provided to the Board. He noted the consolidation process was going to be uncomfortable for staff just knowing staff could be reduced. Director Brazier stated uncertainty is bound to be disturbing no matter what.

President McManigle inquired as to reason for the large amount of letters sent out by RMWD as noted under Item #13D6.

**\*14. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR JUNE 2012**

**A. Finance Manager Comments**

1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
6. Office Petty Cash
7. Water Purchases & Sales Summary
8. Statistical Summary
9. Cost Recovery of Repairs to District Property Caused by the General Public
10. Metropolitan IAWP Reduction Programs
11. San Diego County Water Authority SAWR Reduction Program
12. RMWD Domestic Reduction Program
13. Projected CIP Cash Flow Report
14. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

**Action:**

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

***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. Buckley talked briefly about the budget

Director Griffiths made inquiries on Item #14A5.

Director Sanford asked whether or not RMWD conducted health insurance cost comparisons on a regular basis. Mr. Buckley explained Human Resources conducts comparisons annually.

Director Sanford made several inquiries on Item #14A5.

President McManigle made an inquiry on Item #14A1. Discussion followed.

(\*) - Asterisk indicates a report is attached.

Director Sanford asked whether or not RMWD was on the hook to CalPers for money due to their poor financial performance. Mr. Buckley stated the District could possibly owe some monies once the numbers are finalized. Director Sanford stated it would be worthwhile for the Budget and Finance Committee to make note of any potential impact this may have on RMWD's financially.

Discussion ensued regarding the employee retirement process including any financial obligations for which RMWD may be responsible.

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

It was decided a discussion on the consolidation study, the General Manager Performance Evaluation, and divisional boundary map should all be on the next meeting agenda.

**16. ADJOURNMENT - To Tuesday, August 28, 2012 at 1:00 p.m.**

***The meeting was adjourned with a motion made by Director Brazier and seconded by Director Sanford to a regular meeting on August 28, 2012 at 1:00 p.m.***

The meeting was adjourned at 2:58 p.m.

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**George McManigle, Board President**

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**Dawn M. Washburn, Board Secretary**