

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 23, 2013**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 23, 2013 was called to order by President McManigle at 12:02 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: General Manager Brady
Assistant General Manager/Finance Manager Buckley
Human Resources & Safety Manager Bush
Executive Assistant/Board Secretary Washburn
Legal Counsel Lemmo
Water Operations & Customer Service Manager Atilano
Superintendent Maccarrone
Superintendent Miller
District Engineer Plonka
Superintendent Walker

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

Discussion went to Item #9.

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

There were no changes.

4. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**

There were no public comments.

The meeting adjourned to Closed Session at 12:02 p.m.

(*) - Asterisk indicates a report is attached.

Time: 12:02 p.m.

5. CLOSED SESSION

- A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9)
 - 1 Potential Case
- B. Conference with Real Property Negotiators (Government Code §54956.8)
 - 4230 White Lilac Road, Fallbrook, CA

Agency Negotiators: Brian Brady
Under Negotiation: Price and Terms

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

The meeting reconvened at 1:02 p.m.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

Discussion went to Item #2.

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board considered a claim from RSH Construction under the Government Claims Act and the claim was denied. He noted instruction was given to Legal Counsel to send a denial letter.

President McManigle announced there will be a Rainbow Public Facilities Corporation meeting immediately following this meeting.

Discussion went to Item #10.

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

President McManigle noted there were no modifications to the agenda.

Discussion went to Item #8.

**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).**

There were no public comments.

Discussion went to Item #11.

(*) - Asterisk indicates a report is attached.

***11. APPROVAL OF MINUTES**

A. March 26, 2013 - Regular Board Meeting

Action:

Moved by Director Sanford to approve the minutes as published. 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 went to Item #12.

12. BOARD OF DIRECTORS' COMMENTS/REPORTS

A. President's Report (Director McManigle)

President McManigle reported how at the recent Mission Resource Conservation meeting he attended last week discussion took place regarding another conservation district wanting information. He said according to the response, the California Judicial System has established a policy that every copied page will cost \$10.00 and a \$5,000 deposit would be required up front to cover the costs for a researcher to go into the files and find the items requested. He stated if this becomes precedence it will certainly impact any freedom of information attempts.

B. Representative Report (Appointed Representative)

1. SDCWA

Director Sanford reported now that the desalination plant was under construction, the focus was shifting toward the operational mentality as far as how to maintain and operate all of the things now built. He also reported on the exercises that took place at the SDCWA board retreat as a means of evaluating where the agencies think they will be in 10, 15, 20, and 30 years in terms of supply, development, etc. He said one alarming matter was SDCWA was already alerted that by the year 2020, 20% less water will be received from the Colorado River than currently provided. He encouraged the Board and Engineering Committee to really start looking for more alternatives.

2. CSDA

President McManigle reported the CSDA did not meet.

3. LAFCO

Director Sanford stated there was nothing to report.

(*) - Asterisk indicates a report is attached.

4. San Luis Rey Watershed Council

Director Brazier reported the San Luis Rey Watershed Council met yesterday and that the Council will be participating in the Green Fair in Oceanside where a water barrel decorated by elementary school students will be raffled off. She mentioned the Council will be doing clean up on September 21, 2013 and was soliciting for a site to hold the event. She provided fliers from the Mission Resource Conservation District advertising their willingness to visit individual properties to assist with any difficulties in terms of erosion, weed control, and the like.

5. Santa Margarita Watershed Council

Director Sanford mentioned the Santa Margarita Watershed Council has installed a series of wells in the Temecula area to monitor the quality of water going through the Santa Margarita watershed area with the fifth well anticipated to become operational around June 1st.

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

No reports were given.

D. Directors Comments

Director Lucy commented on a statement made by a member of the audience about Board Members only representing divisions and how he disagrees in that Board Members represent the entire district.

Discussion went to Item #13.

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

A. Budget and Finance Committee

1. March 7, 2013 Minutes

Mr. Stitle reported everything was going well with respect to the budget for the upcoming year and the committee would like to recommend a joint meeting be held with the committee and Board on May 2, 2013 at 1:00 p.m. to review and possibly approve the budget. It was determined a quorum of Board Members were available to attend on May 2, 2013.

B. Communications Committee

1. March 4, 2013 Minutes

Mr. O'Leary reported the main topic discussed at the last committee meeting was regarding how to coordinate some water outreach programs FPUD typically facilitates with local schools in RMWD. He said the committee will provide a more formal proposal for Board consideration. Mr. Brady explained this was addressed in one of the working groups involving Ms. Denke and Ms. Washburn and he would have a cost estimate for additional school programs shortly.

C. Engineering Committee
1. February 5, 2013 Minutes

Mrs. Plonka reported on the April 2nd committee meeting where updates were provided on current projects, discussions took place regarding potential for recycled water in the south zone, and the CIP list was reviewed. She noted the committee decided not to go through the ranking process this year but rather take a handful of projects that have been identified by operations and engineering and put them where staff deems appropriate. She concluded by noting the committee talked about different options for Beck Reservoir in anticipation it would be on the next Board agenda.

President McManigle requested an Alternative Water Supply update.

It was confirmed Beck Reservoir options will be on the May agenda for discussion.

Discussion went to Item #14.

BOARD ACTION ITEMS

***14. DISCUSSION AND POSSIBLE ACTION TO AMEND AND UPDATE ADMINISTRATIVE CODE SECTION 1.02.020-CONFLICT OF INTEREST CODE AND ADOPT ORDINANCE 13-04**

Action:

Moved by Director Sanford to approve Ordinance 13-04. 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.

***15. DISCUSSION AND POSSIBLE ACTION TO DESIGNATE NOMINEE FOR LOCAL AGENCY FORMATION COMMISSION INDEPENDENT SPECIAL DISTRICT MEMBER**

No action taken.

***16. DISCUSSION OF CLIFFS NOTES VERSION OF NORTH COUNTY JOINT POWERS AUTHORITY AGREEMENT PREPARED BY LEGAL COUNSEL (REQUESTED BY: DIRECTOR BRAZIER)**

Legal Counsel stated the version provided was self-explanatory.

Director Brazier referred to Page #16-3, second paragraph, when she inquired as to when the billing started and when the Board will be able to see the reports of mutual billings. Mr. Buckley provided a copy of a report he had already prepared showing all monies paid to date as part of the North County Joint Powers Authority preliminary studies and actual formation. Director Brazier asked if the same type of tracking would be done for the employee cost charges. Mr. Buckley confirmed the report will continue and include employee costs.

(*) - Asterisk indicates a report is attached.

Discussion went to Item #17.

***17. RECEIVE AND FILE INFORMATION ITEMS FOR MARCH 2013**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar
2. North County Joint Powers Authority Report (NCJPA)
3. Update and Status Report on Emergency Response Plan and Hiring of Prior Employee

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:

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

NOES: None.

ABSTAINED: None.

ABSENT: None.

Mr. Brady personally thanked the Board for putting him forward for the LAFCO Advisory Committee. He also reported he will be at ACWA May 8-10, 2013 presenting a case study on district consolidations including forming JPA's as a means of "shaking out" the important issues. He offered to provide a copy of his presentation to the Board.

Mr. Brady announced Charley Wolk was chosen out of seven very qualified candidates by the NCJPA Board to serve as the seventh member of its Board of Directors. Director Brazier pointed out every Board Member involved in the interview process was delighted with the quality of all the candidates.

Mr. Brady provided an update and status report on the Emergency Response Plan. He stated Chuck Sneed was currently working with Mrs. Bush and Mr. Atilano to develop an updated plan at an hourly rate of \$71.05 which was within the reasonable rate range stipulations provided by CalPers for this type of situation. He reported there have been 350 hours expended on this project as of April with another 100 hours anticipated for its completion. He pointed out the entire effort to bring the 2004 plan up to date will cost approximately \$35,000. He stated once the Engineering Committee has reviewed the plan, it will be brought to the Board for ratification. He concluded by noting eventually there will need to be a review of both FPUD's and RMWD's plan to make sure there is coverage for both agencies in the event of an emergency.

Director Lucy asked Mr. Brady now that he has been in his new position for a couple of weeks, what responsibilities he was finding most challenging. Mr. Brady answered remembering to look at both of his email accounts as well as asking Ms. Washburn or Ms. Boultinghouse where he is supposed to be and when; however, this was mostly settling down. He said he was having fun and watching people work very hard, especially with the 14 work groups. He mentioned the first of two joint agency luncheons with half RMWD and half FPUD staff members in attendance was held at RMWD on April 17th with the second one scheduled at FPUD on May 1st for the remaining staff members. He said he was very excited by the progress made so far.

Mrs. Plonka stated that in addition to what was included in the Engineering Report, staff also has warranty work planned at Lift Station 2 with anticipated completion of such work. She also noted staff has Morro being tested for water going to the outflow, wrapping up payments on Pala Mesa with all State Revolving Fund paperwork going well, and progress was being made on the outfall sewer pipeline.

Director Griffiths inquired as to what sort of results were being received from the divers. Mr. Atilano stated the report provides information in relation to anything that can be damaged within the scope or parameter of the reservoir or tank so that staff can follow up with proper repairs.

Director Griffiths asked to see the wastewater outfall replacement. Mrs. Plonka said she would need to check on exactly what stage the design was in.

Mr. Atilano reported customers were showing appreciation that customer service staff was taking extra steps to provide assistance, especially out in the field. He noted staff was continuing with the installation of ITRON meters which was almost 72% complete.

President McManigle stated he had heard that office customer service staff members were telling ratepayers the merger has happened. Mr. Atilano explained ratepayers calling in were wanting an explanation as to why this was taking place and how he told the office customer service staff the only thing that was in place right now was the JPA.

Mr. Atilano clarified Morro Reservoir was not going to the outflow as of yet, but rather a testing with California Public Department of Health Services (CPDHS) was being conducted to check the actual function of the chlorination system. He noted if everything met the CPDHS' requirements RMWD will then be going to the outflow.

Discussion went to Item #18.

(*) - Asterisk indicates a report is attached.

***18. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR MARCH 2013**

A. Finance Manager Comments

1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
6. Water Purchases & Sales Summary
7. Statistical Summary
8. Projected CIP Cash Flow Report
9. 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.

Mr. Buckley pointed out March was a relatively good sales month putting RMWD ahead of budget. Director Sanford asked for clarification as to whether or not it was anticipated Mr. Seymour's salary would be reflected throughout the current budget period when the budget was initially prepared. Mr. Buckley stated yes; however, the next report under General Administration will reflect the change.

Director Griffiths made several check inquiries under Item #18A5.

Director Brazier inquired about the less than \$10.00 check made payable to SDG&E.

Mr. Buckley confirmed money for vehicles had been allocated in the budget.

Discussion went to Item #19.

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

It was noted Beck Reservoir options, the Alternative Water Supply Study report, and a report on the possibility of 20% less water in the future should be on the next agenda.

(*) - Asterisk indicates a report is attached.

20. **ADJOURNMENT - To Tuesday, May 28, 2013 at 1:00 p.m.**

Action:

***Moved by Director Lucy to adjourn to the Rainbow Public Facilities annual meeting.
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.

The meeting was adjourned at 2:08 p.m.

George McManigle, Board President

Dawn M. Washburn, Board Secretary