

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 12:00 p.m. and Open Session at 1:00 p.m. Tuesday, October 23, 2012, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
 2. **ROLL CALL: Sanford_____ Griffiths_____ Lucy_____ McManigle_____ Brazier_____**
 3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
 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).**
Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should indicate their desire to speak by filling out and submitting a blue "Speaker's Slip" to the Board Secretary before the meeting begins. *Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
 5. **CLOSED SESSION**
 - A. Appointment; Employment; Evaluation of Performance – General Manager (Government Code §54957)
 6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
- Time Certain: 1:00 p.m.
7. **PLEDGE OF ALLEGIANCE**
 8. **REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
 9. **REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
 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).**
Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a blue "Speaker's Slip" to the Board Secretary before the meeting begins. *No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
 11. **ANNIVERSARY ACKNOWLEDGEMENT**
 - A. Armando Lopez (15 Years)

(*) - Asterisk indicates a report is attached.

***12. APPROVAL OF MINUTES**

- A. September 11, 2012 – Joint Special Board Meeting/Public Forum
- B. September 25, 2012 - Regular Board Meeting

13. 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)
- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - 2. CSDA
 - 3. LAFCO
 - 4. San Luis Rey Watershed Council
 - 5. ACWA/JPIA
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
- D. Directors Comments

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

- A. Budget and Finance Committee
 - 1. June 7, 2012 Minutes
- B. Communications Committee
- C. Engineering Committee

BOARD ACTION ITEMS

15. DISCUSSION AND POSSIBLE ACTION ON ACCEPTING THE AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2012

(The District contracts with an independent Certified Public Accountant (CPA) to have its financial statements audited. For fiscal year ending June 30, 2012 the audit was conducted by the CPA firm of Hosaka, Rotherham & Co. Hosaka, Rotherham & Co. completed the field work on 8/22/12. The CPA's issued a clean, unqualified opinion with no significant issues reported.

(Staff Recommendation: That the Board of Directors accept the June 30, 2012 audit of the District by the CPA firm of Hosaka, Rotherham & Co.)

16. DISCUSSION AND POSSIBLE ACTION TO CHANGE THE DATE OF THE DECEMBER BOARD MEETING

(Our December meeting is scheduled for December 4th. That date coincides with the Fall ACWA conference in San Diego, and Director McManigle is scheduled to attend an ACWA/JPIA Board and Committee meeting regarding employee benefits. Additionally, two other Directors will be unable to attend our regular meeting on the 4th. This Action Item gives the Board the opportunity to discuss and decide whether or not they want to reschedule the December 4th meeting.)

17. APPOINTMENT; EMPLOYMENT; EVALUATION OF PERFORMANCE-GENERAL MANAGER

(The Board may wish to act on the naming of a successor general manager or interim general manager necessitated by the upcoming retirement of the current general manager.)

(Staff supports board direction.)

(*) - Asterisk indicates a report is attached.

- *18. APPROVAL OF ORDINANCE 12-04 TO PASS THROUGH MWD/SDCWA WATER RATE ADJUSTMENTS**
(At their June 28, 2012 regular meeting the San Diego County Water Authority adopted increases to the water commodity rates and annual fixed fees that it charges to their water customers. RMWD passes this water cost increase to its customers. RMWD recovers the commodity cost through the variable water rate and the fixed costs through a monthly meter charge. The proposed rates are being provided in Ordinance 12-04 and Exhibit A and were included in the 2012-2013 budget as adopted. Proposition 218 requires that RMWD provide all customers with a 30-day advance written notice of the adjustments.)
(Staff Recommendation: Adopt Ordinance 12-04 and direct General Manager to implement the new fee schedule beginning with meter readings on or after January 1, 2013.)
- *19. DISCUSSION AND POSSIBLE ACTION TO AWARD PROFESSIONAL SERVICES CONTRACT TO DESIGN THE WASTEWATER OUTFALL REPLACEMENT PROJECT**
(The 2006 Wastewater Master Plan identifies the pipelines on North River Road as undersized for existing peak wet weather flow and ultimate peak dry weather flow. This project costs of upsizing approximately 3 miles of the District's outfall sewer line on North River Road to the Stallion meter. The District issued a Request for Proposals to the general engineering community. Based on the content of the proposals staff finds that Tetra Tech is the most qualified firm to assist the District with this project and they have submitted a proposed fee of \$198,300 for the design project.)
(Staff Recommendation: Authorize staff to enter into negotiations with Tetra Tech and execute a professional services contract for a price not-to-exceed \$198,300.)
- *20. DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF SRF FUNDING AGREEMENTS FOR THE MORRO RESERVOIR AND THE BECK RESERVOIR/PALA MESA TANK PROJECTS**
(On September 27, 2012 the District received funding agreements for both the Beck/Pala Mesa Reservoir and Morro Reservoir projects. The District has 60 days from notification (November 5, 2012) to return a completed application package to the State for each project. State approval of loans for both projects could provide the District with \$18,227,880 to be repaid over a period of 20 years at 2.0933% interest rate. The State's offering of low cost long-term interest rate loans will help stabilize District finances and mitigate future rate increases. Executing these available agreements will allow the District to return the money spent on Morro and Beck/Pala Acceptance allows the District Board to authorize a single instance of public debt, thus giving the District controlled financial flexibility. Staff has prepared Resolution 12-12, authorizing a public debt of \$18,227,880, borrowed from the State Revolving Loan Fund to pay for the Beck/Pala Mesa Tank and Morro Reservoir projects. Resolution 12-12 meets the single public debt exception in Ordinance 95-1. The cost to pay back this funding is approximately \$1.1M per year for 20 years.)
(Staff Recommendation: Approve Resolution 12-12, authorizing staff to pay down the existing loan for North/Northside Reservoir to below \$1M and execute the Funding Agreements for the Beck/Pala Mesa Tank Project (\$7,924,076) and Morro Reservoir Project (\$10,303,804), for a total public debt of \$18,227,880.)
- *21. DISCUSSION AND POSSIBLE ACTION REGARDING RMWD AND FPUD JPA/CONSOLIDATION**
(RMWD and FPUD are currently reviewing a potential consolidation between the two agencies. This Action Item is to provide an opportunity to discuss any issues, concerns or comments regarding the process.)
- *22. DISCUSSION AND POSSIBLE ACTION REGARDING MODIFICATIONS TO ORDINANCE 95-1, AN ORDINANCE OF THE RAINBOW MUNICIPAL WATER DISTRICT ENACTING THE INITIATIVE ENTITLED "TWO-THIRDS" VOTE REQUIRED FOR PUBLIC DEBT INITIATIVE**
(During the September meeting the Board directed staff and legal counsel to prepare a timeline for mail ballot elections necessary to revise Ordinance 95-1, and to prepare draft Ordinance for such a change. Provided are the requested timeline as well as two draft Ordinances. Note that the timeline to hold an election does not allow adequate time to accept the currently offered SRF loans, so if the Board chooses any path that triggers an election, the offer on the SRF loans will expire.)

(*) - Asterisk indicates a report is attached.

***23. RECEIVE AND FILE INFORMATION ITEMS FOR SEPTEMBER 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. Human Resources Report
 - 2. Safety Report

***24. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR SEPTEMBER 2012**

- A. Finance Manager Comments**
 - 1. Interim Financial Statement
 - 2. Monthly Investment Report
 - 3. Visa Breakdown (August and September)
 - 4. Directors' Expense
 - 5. Check Register
 - 6. Office Petty Cash
 - 7. Water Purchases & Sales Summary
 - 8. Statistical Summary
 - 9. Metropolitan IAWP Reduction Programs
 - 10. San Diego County Water Authority SAWR Reduction Program
 - 11. RMWD Domestic Reduction Program
 - 12. Projected CIP Cash Flow Report
 - 13. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

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

26. ADJOURNMENT - To Tuesday, December 4, 2012 at 1:00 p.m.

ATTEST TO POSTING:

Helene Brazier
Secretary of the Board

Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.