

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MAY 26, 2015**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on May 26, 2015 was called to order by President Sanford at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Director Walker
Director Sanford
Director Brazier
Director Griffiths (*Arrived at 1:02 p.m.*)

Absent: Director Lucy

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Legal Counsel Ochoa
Finance Manager Thomas
Operations Manager Atilano
Acting District Engineer Kirkpatrick
Human Resources/Safety Manager Bush
Superintendent Maccarrone
Superintendent Zuniga
Superintendent Walker

Eight members of the public were present.

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

There were no changes to the agenda.

Director Griffiths joined the meeting at 1:02 p.m.

**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).**

James Price stated they have a lot where the sewer fee was paid back in 2006-2007; however, that fee has increased since that time. He noted the house was never built, but they have been paying fees for a number of months and were now being told they would have to pay another \$3,515 due to the fees increasing. He asked the Board as to whether they can get some type of credit for what they have been paying RMWD for the last several months toward the extra \$3,515.

Legal Counsel explained the Board was not permitted to respond to Mr. Price's comment due to the fact this matter was not on the agenda. She recommended Mr. Price submit his request in writing to the District staff as a Government Code claim.

Mr. Price stated he has already spoke with Mr. Kennedy. Mr. Kennedy explained submitting this request as a claim would be treated differently than him giving an interpretation of the Administrative Code.

Legal Counsel noted Mr. Price can submit a claim to the District offices in writing and then the Board has a process that is laid out in the Administrative Code as to how they will respond to it. She added Mr. Price was welcomed to continue coming to Board meetings and giving public comments to request the Board do something about the claim if necessary. She noted it was not a Board policy that the Board Members cannot reply at this time, it was law.

Mr. Price agreed to submit the claim in hopes the Board will take his request into consideration.

Time Certain: 1:00 p.m. Public Hearing

***6. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 15-07, ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE RAINBOW MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1**

The public hearing was opened at 1:05 p.m.

Ms. Shepherd pointed out Improvement District No. 1 (ID1) covers all parcels within the District. She mentioned ID1 was established in 1995 to pay off debt and ready to serve charges to Metropolitan Water District (MWD). She noted the debt was paid off in 2009; however, now the MWD charges are higher than the standby charge being collected which means there are no extra funds available for other purposes. She clarified the amount projected for MWD this year was \$527,000 for the readiness to serve charge of which RMWD was collecting \$476,000.

President Sanford reiterated RMWD was paying more out of pocket than the amount being collected. Director Griffiths suggested the Board may want to change the assessment charge. Legal Counsel pointed out in order to increase the amount of the assessments, RMWD would need to comply with Proposition 218 and the processes involved with such.

Director Sanford closed the public hearing at 1:10 p.m.

(*) - Asterisk indicates a report is attached.

Action:

Moved by Director Walker to approve Ordinance No. 15-07. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Directors Brazier, Sanford, and Walker
NOES: None
ABSTAINED: Director Griffiths
ABSENT: Director Lucy

***7. APPROVAL OF MINUTES**

A. April 28, 2015 - Regular Board Meeting

Director Griffiths noted on Page #17=8 the word “sent” should be “cent” and on Page #17-10 the word “do” needs to be inserted before “to” and “anything”.

Action:

Moved by Director Brazier to approve the minutes of April 28, 2015 as revised. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: Director Lucy

8. 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 Sanford)

President Sanford talked about the CSDA Legislative Days Conference he and Mr. Kennedy attended in Sacramento the week prior and how his perception of their activities and impact was worthwhile. He noted they spoke with several legislators or their staff and the feedback was very positive. He said although they had opportunities to talk about the LAFCO situation, there were no promises but the ability to get some additional ideas as to how to approach some of the interpretation of the LAFCO laws. He suggested this conference be looked at as a regular event for at least one member of the RMWD Board of Directors to attend.

Mr. Kennedy stated it was great to work with other special districts present at the conference. He added they were also successful in obtaining information about Government Code Section 56877.

(*) - Asterisk indicates a report is attached.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy reported SDCWA held a special meeting at which the drought was the main topic of discussion. He said he would update the Board under the agenda item herein.

2. CSDA

Mr. Kennedy reported the CSDA meeting consisted mostly of scholarships being awarded.

3. LAFCO

Mr. Kennedy stated although there was no action taken pertaining to RMWD at the meeting, he did speak with Mr. Ott who indicated he believes he may put the RMWD/FPUD issue on LAFCO's July agenda for consideration.

4. San Luis Rey Watershed Council

Director Walker noted there was not a meeting due to Memorial Day and the Council will meet again in June.

5. Santa Margarita Watershed Council

President Sanford stated there was no meeting.

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

There were no reports given.

D. Directors Comments

Director Griffiths expressed concern that the information provided for the budget review and lower yard lease were not presented in a timely manner for appropriate review. It was noted the budget was presented for review only at this meeting without action to be taken. Director Griffiths suggested the Board have a Special Meeting with the Budget and Finance Committee to review the budget. Discussion ensued. Director Griffiths agreed to meet with Harry Stitle, Chairperson of the Budget and Finance Committee, to review the budget.

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

A. Budget and Finance Committee

1. April 14, 2015 Minutes

Mr. Stitle reported the committee was working on both the Raftelis and Springbrook projects in addition to the drought situation.

B. Communications Committee

It was noted the committee did not meet in May.

(*) - Asterisk indicates a report is attached.

C. Engineering Committee
1. April 1, 2015 Minutes

Mrs. Kirkpatrick reported the committee met in May at which time Tim Prince was named the Committee Chairperson and Helene Brazier as Vice Chairperson. She also noted there were three members of the public with engineering backgrounds showing interest in serving on the committee.

BOARD ACTION ITEMS

10. APPOINTMENT OF NEW MEMBER TO THE ENGINEERING COMMITTEE

Mrs. Kirkpatrick stated the committee had recommended appointing Lee Kirby to the Engineering Committee at their May meeting. She noted Mr. Kirby was a supervising inspector at the Vallecitos Water District; therefore, the committee believes he will be an asset.

Action:

Moved by Director Brazier to appoint Lee Kirby to be a member of the Engineering Committee. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: Director Lucy

***11. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE GENERAL MANAGER TO EXECUTE GROUND LEASE AGREEMENT**

Mr. Kennedy noted as the Board had directed him when he first hired, he took a look at the \$1.00 per month lease RMWD had for the dirt pile located in the lower yard. He explained Mrs. Kirkpatrick spoke with the different parties involved and how the new lease prospect would like to take occupancy prior to the next RMWD Board meeting. He pointed out the new lease amount would be for \$7,000 per month.

Mr. Kennedy clarified the lease with West Tech has terminated; therefore, they will be vacating the property so the new lessee can take occupancy.

Director Griffiths referenced "Extraordinary Assumptions" as he talked about accessing the property to conduct an appraisal. Mr. Kennedy pointed out there were many means of conducting an appraisal without accessibility. Legal Counsel explained this was raw land.

Director Griffiths stressed he wanted RMWD to make sure that whoever got this land had a Performance Bond to clean it up at the end of use. Legal Counsel asked for clarification as to whether he wanted an insurer to come in and bond the property or did he want the lessee to have an obligation to restore the site to its original condition. Director Griffiths said he wanted them to pay the money for a bond. Mr. Kennedy explained making this requirement may reduce some of RMWD's revenue in order for them to pay for such a bond. Director Griffiths stated he wanted one of the lessees to be legally financially obligated to clean up. Mr. Kennedy agreed to include this in the agreement.

President Sanford asked if Paragraph 8 would suffice Director Griffiths' concerns.

Director Walker referenced Section 5.4c would include dumping of hazardous materials. Director Griffiths expressed concern there was not a dollar amount attached to this section. Director Walker pointed out Section D also talks about waste.

President Sanford asked Legal Counsel whether she thought RMWD was adequately covered in the area of Director Griffiths' concern. Legal Counsel stated yes in respect to the maintenance and condition of the site; however, she was confused in that a Performance Bond is typically for performance of work or some project and this was a lease for raw land. Discussion ensued.

President Sanford asked if there was any type of bond that could be put into force that will take of Director Griffiths' concerns. Legal Counsel noted the Board could explore a Payment Bond; however, this would take place once there was a complete understanding of who the parties are exactly what type of processing they will be doing on site. She pointed out everyone was very aware of the provisions for the maintenance obligations and restoration of the site obligations which will require the lessee to restore the site to the condition it was in at the time that the lease began as part of the contracting obligations. She explained this was contractual.

Mr. Kennedy pointed out this was an opportunity to get some money for the ratepayers for a piece of land that would otherwise just sit there. He noted there was a small risk involved that was very manageable and mitigated through the terms of the contract. He noted the Board was giving authority to the general manager and Legal Counsel to take what was described and create the best lease agreement possible.

Director Griffiths stressed Mr. Kennedy received authority to demand a cash value for the cleanup of the property. Discussion followed.

President Sanford called for the question.

Action:

Moved by Director Walker to authorize the general manager to execute the ground lease agreement. Seconded by Director Brazier.

Director Walker amended his original motion.

Action:

Moved by Director Walker to authorize the general manager and Legal Counsel to execute the ground lease agreement. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Sanford, and Walker
NOES: None
ABSTAINED: Director Griffiths
ABSENT: Director Lucy

Action:

Moved by Director Griffiths that the general manager has the authority to demand a cash value for the site clean-up and the cash value must be guaranteed by a bond company. There was no second.

The motion died for lack of a second.

Director Walker stated he was trusting the general manager will do his due diligence in choosing the lessee in that there will be a level of trust that the lessee will not be dumping hazardous materials. Director Brazier pointed out RMWD has nothing similar as a financial bond for the cleanup of the leased reservoirs at a much less rental rate.

12. DISCUSSION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER TO CONTRACT WITH CALTRANS FOR CASING UNDERCROSSING WORK ASSOCIATED WITH HIGHWAY 76 EAST SEGMENT

Mrs. Kirkpatrick talked about the benefits to RMWD by adding four casings perpendicular to Highway 76 during the Caltrans construction project. She explained the change order was for four additional 36" casings and how not only would this be much less expensive to have them installed at this time but also help with future permitting. She stated there would be two casings at Gird Road, one at Monserate Hill, and one closer to Sage Road.

Director Griffiths inquired as to whether staff had a specific future use for these casings. Mr. Kennedy explained these casings could be used for multiple purposes in places where RMWD has major north/south crossings. He added that although staff does not have a specific use for the casings right now; however, if they are not installed now it will be very expensive for RMWD to add them later. Director Griffiths asked if the casings could be bigger.

Director Walker asked if there was some thought put into going with 36" versus 42". Mrs. Kirkpatrick noted there was already a line item for the 36". Mr. Kennedy noted the contractor has already given Caltrans a price for 36" casings on which RMWD was piggybacking. He noted if RMWD wants something different the contractor could rebid at a higher cost.

Director Griffiths suggested staff request 42" casings or larger if possible.

(*) - Asterisk indicates a report is attached.

Action:

Moved by Director Brazier to approve staff's negotiation and execution of Caltrans change order. Fiscal impact is estimated to be \$200,000 for four casings. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: Director Lucy

President Sanford clarified the Board was in agreement with putting in the casings with staff checking to see if it was cost effective to go with 42" versus 36" casings.

It was confirmed the casings could be used by other utilities.

***13. DISCUSSION AND POSSIBLE ACTION REGARDING ACCEPTANCE OF TERMS FOR QUITCLAIM OF EASEMENTS IN EXCHANGE FOR WIDER EASEMENTS IN THE PROPOSED MOOSA MITIGATION BANK PHASE I PORTION**

Mrs. Kirkpatrick mentioned this item has been considered by the Engineering Committee a few times in the past as well as by the Board in conjunction to other projects. She provided background on project noting the reason behind the request to RMWD to quitclaim the easement. She pointed out in exchange for quitclaiming the easement, the existing RMWD easements will be widened which the Engineering Committee believes will be beneficial especially since the widening will provide enough space for the District to maintain its pipelines.

Mr. Kennedy pointed out the recommendation at this time was to quitclaim these easements in exchange for them widening easements.

Action:

Moved by Director Brazier to authorize the general manager to execute the quitclaim of the two easements. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: Director Lucy

Discussion continued.

14. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS RELATED TO THE FPUD REORGANIZATION AND DISSOLUTION APPLICATION TO LAFCO

A. Ad Hoc Committee Update

Mr. Kennedy reported LAFCO may be bringing this matter to the full commission on July 6, 2015. He mentioned MALDEF sent a copy of a letter they had sent to FPUD asking them to address the polarized voting matter. He noted the most recent correspondence was a letter President Sanford sent LAFCO asking them to address the application matter indicating there was hardship being caused by having this matter lingering.

Discussion ensued.

BOARD INFORMATION ITEMS

***15. DROUGHT UPDATE**

Mr. Kennedy noted part of his presentation today will include a report of what took place at the recent SDCWA special board meeting. He explained there was no action required, but rather discussion from which staff can get input on how RMWD should be set up in a new Ordinance to be drafted for Board consideration in June.

Mr. Stitle inquired about reestablishing baseline in accordance with RMWD's new definitions. Mr. Kennedy confirmed this to be true and explained the steps taken.

Mr. Kennedy talked about the penalties for RMWD not complying with Governor Brown's drought proclamation which was a \$500 per day penalty for submitting materially false information such as knowingly inaccurate reports. He noted the other part was conservation standard was that if RMWD does not meet the set cutback percentage, the Executive Director may issue a Conservation Order and require additional actions from RMWD; however, such actions are still unknown. He mentioned staff would be provided with door hangers as a means of notifying those customers who are not complying with the drought requirements.

Mr. Kenney pointed out agricultural customers have been exempted from having to cut back 36%; however, TSAWR customers will be required to cut back their water use.

Mr. Kennedy reported SDCWA declared a water shortage and issued a Water Allocation Plan at their May 14th board meeting. He noted the Water Allocation Plan had been set up for a long time and how SDCWA allocated 99.5% of non-agricultural or municipal industrial demands. He added SDCWA established a mandatory 15% reduction to TSAWR customers as well as penalties for exceeding either M&I or TSAWR allocations.

Mr. Kennedy pointed out the RMWD Board will need to adopt regulations to be implemented, establish details, and identify the use of the funds collected at the June 23, 2015 Board meeting due to the fact these will all go into effect July 1, 2015. He mentioned staff has already begun outreach with letters to TSAWR customers to let them know this was coming; however, until formally adopted on June 23, 2015, it was not actual law here at RMWD.

Mr. Kennedy talked about the options for base-to-base comparisons. He said although month-to-month comparisons can be implemented, a great deal of people have expressed how difficult it is to do this every month because of weather changes. He explained some of the other methods that could possibly work. He solicited the Board Members for input.

Director Brazier suggested building in as much flexibility as possible while still staying underneath the District's allocations. President Sanford and Director Walker agreed.

Mr. Kennedy talked about the disposition of penalty fees. He recommended placing the funds into new water development CIP fund to manage to try to find new water supply and such. He pointed out it would not be a large sum of money; however, staff wants to be sure that if penalty fees are collected through this unusual fee system are earmarked for something that would be beneficial to all the ratepayers. Mr. Stitle asked if this could be done with Proposition 218. Legal Counsel explained due to the fact RMWD was not collecting a property tax on everyone and this was specific to the customers who are not complying with the ordinance it would not be a Proposition 218 issue. Discussion ensued.

Director Brazier noted her opposition to returning any of the funds for overuse of TSAWR water. She stated she thought it would send the wrong message and indicate that their contract was invalid.

Mr. Kennedy said a revised letter would be sent to the SWRCB. He noted RMWD's drought ordinance would be revised and there will be an increase in outreach efforts to residential customers. He talked about implementing SWRCB cutbacks as well as the SDCWA two day watering rule. He mentioned staff would be recommending adopting a drought ordinance that requires watering only two days per week, but allow for variances based on local conditions as long as they are meeting an equivalent cutback percentage.

Director Griffiths inquired as to how a RMWD customer would be able to figure out what would be the correct water allocation for them to utilize. Mr. Kennedy explained right now the RMWD bills have an allocation for all customers; however, staff was looking to provide allocations for TSAWR customers only to lessen the confusion. He continued to explain that according to the Water Code there needs to be a water supply shortage in order to enforce some of the restrictions having to do with allocations. He pointed out RMWD would be willing to show each customer how much water they are using. Discussion ensued.

Director Walker stated why he thought watering longer two days per week would cause run off whereas by watering for less time over three days would be less wasteful. Mr. Kennedy agreed. Director Walker suggested considering the same twenty minutes per week with watering for less time. Mr. Kennedy explained this was brought up to the SDCWA Board of Directors; however, there was not support for such. Mr. Kennedy stated many agencies were against any type of restrictions but SDCWA wanted to push through them. Director Walker expressed concern about perception being a concern. Mr. Kennedy pointed out RMWD would show significant reduction in total water sales next year compared to this year, mainly due to TSAWR customers making cutbacks.

Mr. Kennedy reiterated staff was looking for guidance from the Board of Directors regarding whether they would like to have a strict policy or write something that gives flexibility to the customers to achieve. Director Walker said he wanted flexibility. Director Brazier pointed out RMWD's customers would be more willing to conserve water if they felt involved with the conservation effort if they can decide for themselves. Mr. Kennedy confirmed he would have a draft drought ordinance for Board consideration at the June 23, 2015 Board meeting.

Mr. Clyde talked about addressing expectations and whether RMWD could provide recommended percentages of water conservation on the customer billing statements. Mr. Kennedy stated with the new Springbrook software something like this would be much easier to provide this information.

Discussion ensued regarding rate adjustments. Mr. Kennedy noted water rate modeling would be address through the study conducted by Raftelis.

Ms. Meadow asked about the District's actual TSAWR customers versus what will be reported to the state. Mr. Kennedy noted agricultural makes up approximately 80% of RMWD's total according to the State's criteria versus 60% TSAWR customers.

Ms. Meadow inquired as to whether the 25% cutback from the farmers up north will run any risk on the delta. Mr. Kennedy stated he did not think so due to the fact San Diego County was getting approximately 3% of its water from the delta this year.

A public member asked for RMWD's definition between agricultural customers and TSWAR customers. Mr. Kennedy referenced the definition of "Agricultural Purposes" in the RMWD Administrative Code.

16. INITIAL REVIEW OF FISCAL YEAR 2015-2016 BUDGET

Mr. Kennedy pointed out the Board has been provided with a draft of the 2015-2016 budget; however, no action was being sought at today's meeting. He noted the budget can be reviewed at the June 9th Budget and Finance Committee meeting and then again at the June 23rd Board meeting.

Mr. Kennedy gave a presentation of the 2015-2016 overview. He talked about water sales reductions as well as anticipated weather predictions.

Mr. Kennedy noted there is an increase in the salaries and benefits which will be partially offset by decreased NCJPA costs. He referenced the handouts of the current organization chart as well as the organization chart noting everyone currently eligible for retirement as part of the succession planning process. He also provided a breakdown of proposed staffing changes and where those positions have been allocated for in the budget.

Mr. Kennedy continued presenting some of the considerations for this budget period including LAFCO expenditures, vehicle expenses, budget variables and risks, CIP expenses, and labor expenses. He pointed out that due to the extraordinary circumstances deriving from the drought situation, staff will implement a six month budget review in order to ensure the District remains on target. President Sanford agreed this made good sense given the fact RMWD would be going through a strategic planning process.

Mr. Kennedy reported there will be a comprehensive review of the CIP expenditures later in 2015 as part of the master planning process. He mentioned the Engineering Committee, the Budget and Finance Committee, and full Board will be reviewing the master plan in great detail.

Mr. Kennedy solicited the Board for input. He stated after any proposed changes are made, it will be brought to the Board with highlighted significant changes for final approval on June 23, 2015.

Director Griffiths asked whether CalPERS was fully funded. It was confirmed CalPERS was paid in full other than monthly invoices based on salaries.

Director Walker asked if the Cal State San Marcos Extended Learning Program was earmarked in the budget as part of bringing staff up to leadership positions. Mr. Kennedy explained although there are not specific programs earmarked RMWD does have fund allocated for tuition reimbursement. Director Walker suggested promoting this particular program due to the fact it was a good investment for staff being raised up internally. Director Brazier inquired as to whether cross training was being made available to help show aptitude. Mr. Kennedy stated this will become more and more of a focus including starting to develop the best in-house process possible to promote from within. He stated although there was not a formal program currently in place; however, this was something that could be formalized.

President Sanford asked for the status of the strategic planning process. Mr. Kennedy noted the kick off meeting took place this morning with the team being made up of him, Dawn, Sherry, Ed, Rene Bush, and Juan and how the Board Members will be contacted to schedule an appointment to meet with Ms. Tamayo before the June 23rd Board meeting. He mentioned these meetings will follow with meetings with all the employees, and committee members. He stated the anticipated completion date was set for the August 25th Board meeting; however, this depends on the scheduling as well as how expansive the Board would like to get.

A public member expressed concern that the presentation stated there would be an increase in the budget for legal and public relations expenses related to the LAFCO matter. He asked why this would be an increase when a decisions is anticipated to be made this year by LAFCO. Mr. Kennedy explained there was no budget for these expenditures in the current budget; therefore, there was an increase that needed to be included in the FY 2015-2016 budget. He pointed out these expenses could be increased or decreased depending on the outcome of the LAFCO matter. President Sanford explained if LAFCO decides RMWD will merge with RMWD over RMWD's objections, the next step would be for RMWD to protest and hopefully take this matter to a vote of the ratepayers which will in turn ultimately determine the final outcome; therefore, this matter would not be an ongoing forever.

***17. RECEIVE AND FILE INFORMATION ITEMS FOR APRIL 2015**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Communications**
 - 1. Ratepayer Letters
- C. Construction & Maintenance Comments**
 - 1. Construction and Maintenance Report
 - 2. Valve Maintenance Report
 - 3. Garage/Shop Repair
- D. Water Operations Comments**
 - 1. Water Operations Report
 - 2. Electrical/Telemetry Report
- E. Wastewater Comments**
 - 1. Wastewater Report
- F. Operations Comments**
 - 1. Water Quality Report
 - 2. Cross Connection Control Program Report
- G. Engineering Comments**
 - 1. Engineering Report

(*) - Asterisk indicates a report is attached.

H. Customer Service

1. Field Customer Service Report
2. Meters Report

I. Human Resource & Safety Comments

1. Safety Report

Action:

Moved by Director Brazier to receive and file information items for April 2015. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Sanford, and Walker

NOES: None

ABSTAINED: None

ABSENT: Director Lucy

***18. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR APRIL 2015**

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 Usage Report
8. Projected CIP Cash Flow Report
9. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Director Griffiths expressed concern with RMWD utilizing credit cards for large items noting it was his belief there would be a loss of controls. It was noted a breakdown of everything paid by credit card are reported in the agenda packet. Mr. Kennedy pointed out the credit card payments bring significant benefits to the ratepayers. Ms. Thomas explained employees are not taking the credit card and making purchases, but rather invoices are being paid by credit cards once she reviews and approves those invoices. She agreed to report more details.

Action:

Moved by Director Brazier to receive and file financial statements and information for April 2015. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Sanford, and Walker

NOES: Director Griffiths

ABSTAINED: None

ABSENT: Director Lucy

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

(*) - Asterisk indicates a report is attached.

It was noted the drought ordinance, budget, and cost benefit analysis for paperless agendas would be on the next agenda.

20. ADJOURNMENT - To Tuesday, June 23, 2015 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier and seconded by Director Walker to a regular meeting on June 23, 2015 at 1:00 p.m.

The meeting was adjourned at 3:36 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary