

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold a regular meeting at 11:00 a.m. on Tuesday, August 26, 2008, 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. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL: Griffiths_____ Lucy_____ McManigle_____ Petty_____ Walson_____**
4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

***5. APPROVAL OF MINUTES**

- A. July 22, 2008 - Regular Board Meeting
- B. August 14, 2008 – Special Board Meeting (Off-Site Tour to Oceanside)

6. 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.*

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

- A. Budget and Finance Committee
 1. July 3, 2008 Minutes
- B. Communications Committee
 1. June 2, 2008 Minutes
 2. July 14, 2008 Minutes
- C. Engineering Committee
 1. June 3, 2008 Minutes

8. CLOSED SESSION

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.

- A. Conference with Legal Counsel–Existing Litigation (Government Code §54956.9(a))
 - Engineering Systems Inc./MIOX/Dudek & Associates
 - HazMat Trans, Inc. Claim
 - Desal Partnership Litigation
 - Update on San Luis Rey MWD and Pardee Annexation
 - Agustin Angeles

(*) - Asterisk indicates a report is attached.

- Cahuilla Band of Indians

B. General Manager's Performance Evaluation (Government Code §54957.6)

- General Manager Annual Performance Review

9. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

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).

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BOARD ACTION ITEMS

11. CONSIDERATION AND ACTION TO RATIFY STAFF DECISION TO TEMPORARILY CURTAIL SPENDING ON SPECIFIC CAPITAL IMPROVEMENT PROJECTS AND OTHER BUDGET ITEMS (REQUESTED BY: GENERAL MANAGER/DIRECTOR WALSON)

(During the July Board meeting Staff mentioned they were evaluating various options to cope with the potential reduced revenue should the current water rationing worsen. The Board requested to be kept informed of major budget revisions. After staff meeting held in July and August it was decided to put two major projects on hold to ensure adequate reserves to fund the reservoir projects; Vallecitos Pump Station and Main Office Reconfiguration.)

(Staff Recommendation: The Board ratify Staff's decision to stop work on the Vallecitos Pump Station and Main Office Reconfiguration until the impact of water rationing and/or other factors are considered, and direct staff to continue to evaluate revenues and expenditures in anticipation of additional water rationing.)

***12. CONSIDERATION AND POSSIBLE ACTION FOR BOARD APPROVAL TO SUBMIT APPLICATION FOR SAFE DRINKING WATER STATE REVOLVING FUND LOAN FOR BECK RESERVOIR IN THE AMOUNT OF \$15,500,000 (REQUESTED BY: GENERAL MANAGER)**

(The Federal Safe Drinking Water Act, as amended in 1996, created the Drinking Water State Revolving Fund Program to help pay for infrastructure needs and other drinking water-related activities. In California the program is known as the Safe Drinking Water State Revolving Fund (SDWSRF). In early April 2008 RMWD received four invitations to submit applications for funding under the SDWSRF for its open reservoir projects. A Statement of Intent was submitted for Beck Reservoir in the amount of \$15.5 million in May 2008. In response to the Statement of Intent RMWD received an application packet for Beck Reservoir; therefore, this matter is being brought to the Board in greater detail for consideration and possible action.)

(Staff Recommendation: 1) Make a determination that Ordinance 91-5 does not apply because RMWD has less than one million dollars of public debt; and, 2) Director the General Manager to a) submit a completed SDWSRF application, including necessary supporting documentation, prior to the October 31 deadline; b) Authorize the General Manager to retain the services of a qualified engineering consultant experienced in SDWSRF applications to assist in preparing the application and supporting documentation for a cost not to exceed \$20,000, and; c) authorize the General Manager to discontinue the application process if at any point during the preparation of the application the General Manager or engineering consultant determines that the project is not likely to receive funding from the SDWSRF.)

(*) - Asterisk indicates a report is attached.

- *13. DISCUSSION AND POSSIBLE ACTION REGARDING METER SALES RELATING TO ORDINANCE 08-01, DROUGHT RESPONSE CONSERVATION PROGRAM (REQUESTED BY: DIRECTOR WALSON)**
(This item was placed o the agenda by Director Walson for discussion and possible action at the Board meeting.)
(Staff supports direction.)
- 14. CONSIDERATION AND POSSIBLE ACTION FOR THE BOARD OF DIRECTORS TO APPROVE THE SALE OF AN EDU TO ARCADIO AND SILVIA ESTANISLAO (CARRIED OVER FROM THE JULY 22ND BOARD MEETING)**
(RMWD received a request from Arcadio and Silvia Estanislao regarding the purchase of an EDU for their property. At their request this item has been placed on the agenda for Board consideration.)
(Staff Recommendation: This item was carried over from the July Board meeting in order to allow the Estanislao's adequate time to gather necessary documentation showing they cannot be served by an on-site septic system. As of the deadline for agenda items the Estanislao's were still trying to obtain the reports. Accordingly, Staff recommends the Board deny the request at this time and direct Staff to continue to work with the Estanislao's and have the item come back to the Board for consideration at a future meeting.)
- *15. ACTION TO AMEND AND UPDATE CONFLICT OF INTEREST CODE AND ADOPT RESOLUTION 08-10 (RECOMMENDED BY: GENERAL MANAGER)**
(This Resolution rescinds 06-10 and brings the Board of Directors into compliance with the mandated biennial notice requirements. The updated Conflict of Interest Code reflects replacement with recommended language, the addition of Standing District Committee Members to the designated positions, updating disclosure categories and other minor changes. A copy of the proposed revised Code is attached for reference.)
(Staff Recommendation: Amending and updating the Conflict of Interest Code and the adoption of Resolution 08-10.)
- 16. CONSIDERATION AND POSSIBLE ACTION REGARDING REMOVAL OF DISCLAIMER ON REAL ESTATE TRANSACTIONS (REQUESTED BY: DIRECTOR MCMANIGLE)**
(In some circumstances when a property is sold in northern San Diego County the buyer(s) and seller(s) must complete a document titled "North County Addendum to Real Estate Purchase Contract". The document is a list of disclosures made by seller(s) to buyer(s). Staff is working to have the statement removed from the disclosure; a statement from the Board of Directors affirming that no such state of emergency exists and that our financial situation is stable may increase the likelihood of success.)
(Staff Recommendation: The Board of Directors affirm that our infrastructure is not deteriorating faster than can be repaired, our financial resources are stable, and no state of emergency exists within the Rainbow Municipal Water District.)
- 17. DISCUSSION AND POSSIBLE ACTION REGARDING THE BUDGET AND FINANCE COMMITTEE RATE STRUCTURE RECOMMENDATION AND SET A DATE FOR A PUBLIC HEARING**
(At the June 26 Board Meeting, SDCWA adopted increases in the commodity rate that they charge their sub agencies (SDCWA Ordinance 2008-03). The increase includes pass through charges from MWD. The Rainbow MWD will need to consider increasing our commodity rate in order to recover these increased costs. The Rainbow MWD Board may also consider an increase in Rainbow's portion of the water and sewer rates. Recommended changes have been presented in this Board packet. According to Proposition 218, the Board must take action to set a date for public hearing and notify all property owners 45 days prior to the hearing.)
(Staff Recommendation: A Public Hearing date be set for October 28, 2008.)

(*) - Asterisk indicates a report is attached.

- *18. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 08-11 SUPPORTING THE ELECTION OF A CANDIDATE IN THE 2008 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD ELECTIONS, REGION 6, SEAT C (REQUESTED BY: GENERAL MANAGER)**
(RMWD received mail ballot information for our use in voting to elect a representative to the CSDA Board of Directors in Region 6, Seat C. Candidate statements that have been submitted are attached for consideration. They are requesting that RMWD select ONLY ONE candidate to represent our region in Seat C. The ballot must be received at CSDA no later than September 18, 2008 at 5:00 p.m.)
(Staff supports the direction.)
- *19. DISCUSSION AND POSSIBLE ACTION TO APPROVE A LETTER TO THE CALIFORNIA ENERGY COMMISSION INDICATING CONCURRENCE WITH THE WATER SUPPLY ARRANGEMENT BETWEEN THE FALLBROOK PUBLIC UTILITY DISTRICT AND ORANGE GROVE ENERGY LLP FOR THE ORANGE GROVE POWER PLANT**
(For the last year RMWD staff worked with the engineers for the proposed power plant to try and select a suitable water source for the project. While continuing to pursue a permanent water source with RMWD, Orange Grove Energy began discussions with FPU to obtain an interim water supply that could meet their project schedule. On August 5th the California Energy Commission released a data request for the Orange Grove Project, among other issues, required Orange Grove Energy to provide confirmation that, "the proposed potable water agreement with FPU is consistent and/or complies with RMWD water supply authorities and boundaries". Orange Grove Energy has requested us to provide such confirmation; a draft response has been prepared for consideration.)
(Staff Recommendation: The Board authorize the General Manager to finalize and submit the attached letter subject to revision as recommended by the Board.)
- 20. 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 Petty)**
 - 1. SDCWA
 - 2. CSDA
 - B. Representative Report (Director Griffiths)**
 - 1. LAFCO
 - 2. San Luis Rey Watershed Council
 - C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)**
 - D. Directors Comments**
- *21. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR JULY 2008**
- A. Finance Manager Comments**
 - 1. Interim Financial Statement
 - 2. Monthly Investment Report
 - 3. Visa Breakdown
 - 4. Directors' Expense
 - 5. Check Register
 - 6. Current Capital and Non-Capital Improvement Projects
 - 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 Program

(*) - Asterisk indicates a report is attached.

***22. RECEIVE AND FILE INFORMATION ITEMS FOR JULY 2008**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Operations & Maintenance Manager Comments

1. Water Services Report
2. Water Operations Report
3. Valve Maintenance Report
4. Wastewater Services Report
5. Safety and Emergency Planning Report
6. Meter Services Report
7. Cross Connection Report
8. Project Management Report

C. District Engineer Comments

1. Engineering Report

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

24. ADJOURNMENT - To Tuesday, September 23, 2008 at 5:00 p.m.

ATTEST TO POSTING:

George McManigle
Secretary of the Board

Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.