

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, January 27, 2009, 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. **SWEARING IN CEREMONY FOR DIRECTORS JACK GRIFFITHS AND GERALD WALSON**
2. **CALL TO ORDER**
3. **PLEDGE OF ALLEGIANCE**
4. **ROLL CALL: Griffiths_____ Lucy_____ McManigle_____ Petty_____ Walson_____**
5. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
6. **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 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. **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
 - Cahuilla Band of Indians

- B. Conference with Labor Negotiators (Government Code §54957.6 and §54957)

Agency Designated Representatives

Dave Seymour

Discussions regarding labor negotiations for:

Rainbow Exempt Employees

- C. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(b))
 - James B. Adams, Jr.

(*) - Asterisk indicates a report is attached.

- D. General Manager's Performance Evaluation (Government Code §54957.6)
 - General Manager Annual Performance Review

8. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Time Certain: 1:00 p.m.

9. 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.*

10. ANNIVERSARY ACKNOWLEDGEMENTS

- A. Ed Bradley – 20 Years
- B. David Hill – 10 Years
- C. Mike Adams – 5 Years

***11. APPROVAL OF MINUTES**

- A. December 2, 2008 – Special Board Meeting
- B. December 2, 2008 - Regular Board Meeting

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

- A. Budget and Finance Committee
 - 1. November 6, 2008 Minutes
- B. Communications Committee
 - 1. November 10, 2008 Minutes
 - 2. December 8, 2008 Minutes
- C. Engineering Committee
 - 1. November 4, 2008 Minutes
 - 2. December 9, 2008 Minutes

12(i). RMWD 2008 OVERVIEW PRESENTATION (REQUESTED BY: PRESIDENT PETTY)

BOARD ACTION ITEMS

***13. APPOINTMENT OF BOARD OFFICERS AND REPRESENTATIVES FOR CALENDAR YEAR 2009**

(*) - Asterisk indicates a report is attached.

14. CLARIFICATION OF DUTIES FOR APPOINTED DIRECTORS (REQUESTED BY: DIRECTOR GRIFFITHS)

(Director Griffiths provided some clarifications of the duties of appointed directors to be considered in order to avoid misunderstandings.)

(Staff Recommendation: The Board defer action on this item to the January Biannual Organizational Meeting to be held at the January 2009 Board when the Board would typically make such designations. At the January 2007 Board Meeting the minutes specifically state that Director Petty was appointed as representative for CSDA and SDCWA; Director McManigle was appointed representative for the Economic Study Group; and Director Griffiths was appointed representative to LAFCO and the San Luis Rey Watershed Council. Staff has no objections to Director Griffiths' recommendation, but suggests clarification as to the references to MWD in section 1, since the RMWD appointee to the SDCWA is not an appointee to MWD. Also, if the intent in section 3 is to retroactively appoint Director Griffiths to represent the District at the Santa Margarita River Watershed Authority, Legal Counsel has previously indicated that would be problematic.)

15. DISCUSSION AND POSSIBLE ACTION ON ACCEPTING THE AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2008

(The District contracts with an independent Certified Public Accountant to have its financial statements audited. For fiscal year ending June 30, 2008 the audit was conducted by the CPA firm of Hosaka, Nagel & Co. who completed their field work on 8/22/08 and issued a final report on 9/29/08. The CPA's issued a clean, unqualified opinion with no significant issues reported. The RMWD Directors received a copy of the report in early October 2008. A representative from the CPA firm made a presentation to the Budget and Finance Committee at its regular meeting of 1/8/09.)

(Staff Recommendation: The Board of Directors accept the June 30, 2008 audit of the District by the CPA firm of Hosaka, Nagel & Co.)

***16. DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 09-04, AMENDMENTS TO THE DISTRICT'S ADMINISTRATIVE CODE SECTION 9050, SEWER PERMITS (DRAFT SEWER EDU POLICY)**

(At its April 24, 2007 meeting the Board suspended the District's sewer policy and directed staff to halt further sale of sewer EDUs until a new policy can be formulated. The District's Engineering Committee has reviewed the attached Draft Sewer EDU Policy and recommends that it be brought to the Board for consideration.)

(Staff Recommendation: By Ordinance 09-04, adopt the Draft Sewer EDU Policy as incorporated into the District's Administrative Code. If this amendment to the District's Administrative Code is adopted the District will be able to sell sewer EDUs. The fiscal impact is positive but unquantified due to the current development market. The District will be able to collect new sewer fees.)

17. REVIEW OF LEGAL SERVICES AND CONSIDER GOING OUT TO BID (REQUESTED BY: DIRECTOR GRIFFITHS)

(Director Griffiths is to provide details at Board meeting.)

(Staff Recommendation: As a result of past turmoil and turnover at the management level at RMWD the only institutional knowledge we have exists within our legal counsel. Legal counsel only performs work as directed by the Board of Directors and General Manager; if there is dissatisfaction with the performance or level of service of the existing counsel we would best be served by taking an introspective look at our own practices and by using legal counsel in a more proactive rather than reactive manner.)

- *18. DISCUSSION AND POSSIBLE ACTION REGARDING \$.05 WATER RATE INCREASE**
(On October 28, 2008 the RMWD Board adopted Ordinance 08-12 which approved comprehensive water and sewer rate increases. The water commodity rate was increased \$.05 effective February 1, 2009 with the proviso that the Board reevaluate the need for the increase after the IAWP elections have been completed. 76% of IAWP participants elected to opt out of the Agricultural discount program. Scenario D in the attached analysis shows that the opting out of the IAWP plus \$.05 rate increase will produce an additional \$150,000 for water construction projects. Staff has determined that Scenario D (40% IAWP reduction, 15% SAWR reduction, 10% Domestic reduction) is the scenario most likely to occur in the near future. The Budget and Finance Committee has reviewed this analysis and is affirming their original recommendation of the \$.05 commodity rate increase.)
(Staff Recommendation: Staff joins the Budget and Finance Committee in recommending the Board retain the \$.05 rate increase for February 1, 2009.)
- *19. AUTHORIZATION TO RENT TEMPORARY PUMPING EQUIPMENT APPROVAL OF PURCHASE ORDER FOR RAIN FOR RENT**
(Next month the San Diego County Water Authority (CWA) will shut down a major water import facility for maintenance purposes. In order to provide service to portions of our district we must install portable pumps and piping to move water through our distribution system. Staff will make a presentation at the board meeting to discuss the equipment locations and operation.)
(Staff Recommendation: The Board ratify Purchase Orders numbers S21295 and S21288 issued by staff to Rain for Rent for a total not to exceed \$88,076.69.)
- *20. DISCUSSION AND POSSIBLE ACTION ON FORMING A RAINBOW MUNICIPAL WATER DISTRICT MONITORING GROUP FOR THE SAN DIEGO REGIONAL WATER QUALITY CONTROL BOARD CONDITIONAL WAIVER #4**
(District staff has reviewed the requirements of forming a monitoring group under Conditional Waiver #4. If authorized by the Board the Monitoring Group must submit documentation to the Regional Board by January 1, 2011. Staff will make a presentation at the January board meeting.)
(Staff supports direction.)
- *21. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE 09-01, UPDATING AND AMENDING ADMINISTRATIVE CODE SECTION 5.05.050.02.04 AUDIO RECORDINGS**
(Administrative Code Section 05.05.050.02.04 required the District to retain audio recordings of meetings of the Board of Directors for an indefinite period of time, and to make a copy of the recording accessible to the public for a period of one year. There is no legal requirement to keep audio recordings of meetings; the written minutes are the official record of the meetings.)
(Staff Recommendation: The Board adopt Ordinance 09-01 approving the proposed amendment to Administrative Code Section 05.05.050.02.04 Audio Recordings of Board Meetings Retention Policy.)
- *22. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE 09-02, UPDATING AND AMENDING ADMINISTRATIVE CODE SECTION 2.09 COMMITTEES**
(At present Section 2.09 of the Administrative Code, which establishes the rules by which District Committees are formed, is silent on how many board members may sit on a District committee. The proposed revisions would be to limit committee membership to one board member per committee and will foster attendance by non-committee board members at committee meetings without creating the potential for Brown Act violations.)
(Staff Recommendation: The Board approve Ordinance 09-02 to become effective with appointments made at the January 2009 Biannual Organizational Meeting.)

(*) - Asterisk indicates a report is attached.

***23. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE 09-03, UPDATING AND AMENDING ADMINISTRATIVE CODE SECTION 3.05.010 MINUTES POLICY**

(Section 3.05.010 of the District's Administrative Code required the District to retain audio recordings of regular and special meetings of the Board of Directors for an indefinite period of time. This has resulted in the need to store numerous boxes of recordings, and in the event of a public records request or subpoena, staff is required to listen to the tapes to determine if they contain the requested information. In some cases this can take many hours of staff time. In addition, at some point in time the existing tapes will need to be converted to digital format or they may eventually become unusable. There is no legal requirement to keep audio copies of meetings; the written minutes are the official record of the meetings.)

(Staff Recommendation: The Board adopt Ordinance 09-03 approving the proposed amendment to Administrative Code Section 3.05.010 Minutes Policy.)

24. CONSIDERATION AND POSSIBLE ACTION TO APPOINT NEW BUDGET AND FINANCE AND COMMUNICATION COMMITTEE MEMBERS, RESPECTIVELY

(The Budget and Finance Committee would like to recommend the appointment of Larry Carlstrom as an Alternate Committee Member. The Communications Committee would like to recommend Charlie Vega and Dorothy Romani as Alternate Committee Members. The appointments of Mr. Vega and Ms. Romani would replace Dawn Washburn and Dave Seymour as Communications Committee Alternates.)

(Staff Recommendation: The Board appoints Larry Carlstrom to the Budget and Finance Committee as well as Charlie Vega and Dorothy Romani to the Communications Committee (thereby replacing Ms. Washburn and Mr. Seymour) as Alternate Members.)

***25. LOCAL AGENCY FORMATION COMMISSION (LAFCO) CALL FOR NOMINATIONS**

(LAFCO is soliciting for nominations for one regular district member and one alternate member for the commission. The information provided from LAFCO has been attached.)

(Staff supports direction.)

26. 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

***27. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR NOVEMBER AND DECEMBER 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 Improvement Projects
7. Water Purchases & Sales Summary
8. Statistical Summary

(*) - Asterisk indicates a report is attached.

9. Cost Recovery of Repairs to District Property Caused by the General Public
10. Office Petty Cash
11. Metropolitan IAWP Reduction Program
12. Operating and Capital Budget Calendar 2009/2010 and Receive Board Input

***28. RECEIVE AND FILE INFORMATION ITEMS FOR NOVEMBER AND DECEMBER 2008**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar
2. Sewer Allocation Plan

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

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

30. ADJOURNMENT - To Tuesday, February 24, 2009 at 11:00 a.m.

ATTEST TO POSTING:

George McManigle
Secretary of the Board

Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.