

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, May 25, 2010, 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. **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.*
 6. **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
 - B. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9)
 - 30465 & 30516 Old River Road, Bonsall, CA
 - C. Conference with Real Property Negotiators (Government Code §54956.8)
 - 4355 Citrus Drive, Fallbrook, CA

Agency Negotiators: Dave Seymour and Brian Lee
Under Negotiation: Price and Terms
 7. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
- Time Certain: 1:00 p.m.
8. **REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

(*) - Asterisk indicates a report is attached.

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. **APPROVAL OF MINUTES**

- A. April 8, 2010 – Special Board Meeting/Budget and Finance Committee Meeting
- B. April 27, 2010 – Regular Board Meeting

12. **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. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
- C. Directors Comments

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

- A. Budget and Finance Committee
- B. Communications Committee
 - 1. April 5, 2010 Minutes
- C. Engineering Committee

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

*14. **PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 10-01, ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE RAINBOW MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1 (REQUESTED BY: GENERAL MANAGER)**

(This Ordinance establishes water availability charges for all of the Rainbow Municipal Water District Improvement District – Improvement District No. 1.)

(Staff Recommendation: Board of Directors approve Ordinance 10-01.)

(*) - Asterisk indicates a report is attached.

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

***15. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 6 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 10-02, ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE RAINBOW MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 6 (REQUESTED BY: GENERAL MANAGER)**

(This Ordinance establishes water availability charges for all of the Rainbow Municipal Water District Improvement District – Improvement District No. 6.)

(Staff Recommendation: Board of Directors approve Ordinance 10-02.)

BOARD ACTION ITEMS

16. DISCUSSION AND POSSIBLE ACTION REGARDING BOARD MEMBER ATTENDANCE AND PARTICIPATION AT COMMITTEE MEETINGS (REQUESTED BY: PRESIDENT PETTY)

(Unless properly noticed as a Board meeting the presence of a quorum of the Board at a Committee Meeting violates the Ralph M. Brown Act.)

(Staff supports Board direction.)

***17. DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 10-09 ADOPTING THE MITIGATED NEGATIVE DECLARATION FOR LIFT STATION 2 REPLACEMENT PROJECT**

(The District prepared documents in accordance with the California Environmental Quality Act (CEQA) and advertised the Mitigated Negative Declaration (MND) for 30-day public review. No comment letters were received. A copy of the MND is available in the District office for review.)

(Approve attached Resolution 10-09.)

***18. DISCUSSION AND POSSIBLE ACTION ON NOTICE OF NECESSITY FOR LIFT STATION 2**

(The District is coordinating with the Singh Trust to secure property for construction of Lift Station 2. The preferred course of action for both parties is to acquire the property through eminent domain procedure. Resolution 10-07 is required to secure the property through eminent domain procedures. Adoption of Resolution 10-07 requires a 4/5 vote of the Board.)

(Staff Recommendation: Adopt Resolution 10-07.)

***19. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE RELEASE OF CONSTRUCTION METERS FOR THE HORSE RANCH CREEK ROAD PROJECT**

(Palomar Community College will soon be starting construction on improvements to Horse Ranch Creek Road, east of 15 and north of Pala Highway. Per Ordinance 08-01 Drought Response Level 2, no new temporary meters or permanent meters shall be provided unless in the opinion of the RMWD Board of Directors the project is necessary to protect the public's health, safety and welfare.)

(Staff Recommendation: Determine that the Horse Ranch Creek Road Project is necessary to protect the public's health, safety and welfare. Authorize the release of a construction meter.)

***20. FISCAL YEAR 2010-2011 BUDGET ADOPTION**

(The Operating and Capital Budget for 2010-2011 has been reviewed in public session by a combined meeting of the Board of Directors, Budget and Finance Committee and staff. This proposed Operating and Capital Budget is now presented to the Board for discussion and possible adoption. The Operating Budget reflects the effect of Metropolitan Water District and San Diego County Water Authority's decision to increase water rates which would be passed through to Rainbow MWD customers effective 01/01/11. The Budget also reflects a reduction from the prior budget year of over \$600,000 in operating expenses.)

(Staff and Budget Committee recommend the Board adopt the 2010-2011 Operating and CIP Budget as proposed.)

(*) - Asterisk indicates a report is attached.

- *21. DISCUSSION AND POSSIBLE ACTION TO ESTABLISH AND IMPLEMENT A MONTHLY METER SURCHARGE FOR THE PURPOSE OF FUNDING TWO YEARS OF RESERVOIR MODIFICATION PROJECTS NECESSARY TO BRING RMWD FACILITIES INTO COMPLIANCE WITH REGULATIONS REGARDING UNCOVERED DRINKING WATER RESERVOIRS, AND TO PURSUE VOTER APPROVAL FOR LONG-TERM FINANCING FOR THE BALANCE OF THE RESERVOIR PROJECTS AND LINE Q-3 REPAIRS**
(The attached memorandum from Budget and Finance Committee Chair, Don Fagan, recommends a five-point process to fund modifications to our uncovered reservoirs and the repair/replacement of Line Q-3. That process includes the assessment of a new monthly fixed meter surcharge that will result in additional revenues of approximately \$2.5 million annually, sufficient to meet cash-flow requirements for the next two years.)
(Staff recommends the Board approve the process outlined by the Budget and Finance Committee including the meter surcharge-and direct staff to prepare the necessary action items required to implement that process for consideration and action at the June meeting of the Board of Directors.)
- 22. DISCUSSION AND POSSIBLE ACTION TO SET THE DATE FOR A PUBLIC HEARING FOR THE PURPOSE OF ADJUSTING WATER RATES AND CHARGES**
(RMWD will need to consider adjusting water rates in order to fully fund the construction projects needed to attain compliance with the Department of Health Long Term 2 Enhanced Surface Water Treatment Rule for the four open reservoirs. In order to meet the requirements of proposition 218, RMWD would need to hold a public hearing which requires notification to all ratepayers at least 45 days prior to the hearing. Rate Adjustments would potentially affect all ratepayers of the District and may include commodity rates and fixed meter charges to fund the reservoir rehabilitation projects.)
(Staff recommends a Public Hearing date be set for July 27, 2010.)
- 23. DISCUSSION AND POSSIBLE ACTION TO APPOINT NEW ENGINEERING COMMITTEE MEMBERS**
(The Engineering Committee recommends that the Board appoint Mr. Timothy Prince and Ms. Maureen Rhyne as alternate members of the Engineering Committee.)
(Staff Recommendation: The Board appoint Mr. Timothy Prince and Ms. Maureen Rhyne to the Engineering Committee as alternate members.)
- 24. DISCUSSION AND POSSIBLE ACTION TO APPOINT NEW BUDGET & FINANCE COMMITTEE MEMBERS**
(The Budget and Finance Committee recommends that the Board appoint Ms. Sheila Walson as a full member of the Budget & Finance Committee. Ms. Walson had previously served as an alternate member.)
(Staff Recommendation: The Board appoint Ms. Sheila Walson as a full member of the Budget and Finance Committee.)
- *25. RECEIVE AND FILE INFORMATION ITEMS FOR APRIL 2010**
- 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
 - D. Human Resource Manager Comments**

(*) - Asterisk indicates a report is attached.

1. Changes in Personnel
2. Organizational Chart

***26. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR APRIL 2010**

A. Finance Manager Comments

1. Interim Financial Statement
2. Monthly Investment Report
3. Directors' Expense
4. Check Register
5. Water Purchases & Sales Summary
6. Statistical Summary
7. Metropolitan IAWP Reduction Programs
8. Metropolitan SAWR Reduction Program
9. RMWD Domestic Reduction Program
10. Projected CIP Cash Flow Report

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

28. ADJOURNMENT - To Tuesday, June 22, 2010 at 1:00 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.