

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 24, 2007**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 24, 2007 was called to order by President Petty at 12:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Petty presiding.
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL:** Present were President Petty; Directors Griffiths, McManigle, Lucy, and Walson. Also present were: Gene Buckley, Interim General Manager and Finance Manager; Brian Lee, District Engineer; Chuck Sneed, Operations Manager; Greg Moser, General Counsel; and Dawn Washburn, Board Secretary. Forty-four members of the public were present.
4. **ADDITIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

President Petty proposed moving Item #'s 15, 12, and 13 to immediately follow Item #6 in that order. He also asked for Item #14 to follow Item #9. He added Legal Counsel wanted to add a discussion item to Closed Session in order to potentially take action on the Ruth Swensen matter which arose after the agenda had already been posted.

President Petty alerted the Directors that the informational items were time sensitive.

Director Walson restated his request to have all action items addressed first in the meetings.

It was noted the Rainbow Public Facilities Meeting would be held immediately following the regular meeting.

Action:

Moved by Director Lucy to approve the agenda changes. Seconded by Director McManigle. Motion carried unanimously (5/0).

5. **APPROVAL OF MINUTES**
 - 1) March 27, 2007 - Regular Board Meeting
 - 2) April 9, 2007 - GM Selection Committee Meeting
 - 3) April 13, 2007 - GM Selection Committee Meeting

Director Griffiths referenced Page 5(1)-11 where Mr. Lee stated for the record that the Board was informed in December, 2005 that Dudek would be providing civil services to the Morro Reservoir contract. He said he was sure he could not remember that happening nor did the Board see the actual contract with Hilts Consulting; therefore, he asked for Mr. Lee's statement to be stricken from the Minutes.

Director Walson pointed out that the statement on Page 5(1)-2 should read "ten Presidents in forty years".

(*) - Asterisk indicates a report is attached.

Director Lucy noted the vote on Page 5(1)-13, Item #17A had a vote of 4/1, not 4/0. Director Walson said he was unaware he was volunteering to be on a committee for the San Luis Rey Municipal Water District Environmental Impact Report as noted on Page 5(1)-19. Director Griffiths stated it did not matter since he had already made the written comments.

Helene Brazier protested to having a comment made at a public meeting being removed from the minutes because someone questions its veracity. She explained a statement does not mean it is an attestation to the fact that it is true. Director Griffiths noted this was a good point.

Director McManigle stated the top line on Page 5-(1)-19 should read "reducing the generator" and the in the middle of the page it should read "he had spoken to". He also pointed out on Page 5(1)-16 the top motion made by Director Walson should read "to initiate a redesign".

Action:

Moved by Director Walson to accept the Minutes as revised. Seconded by Director Lucy. Motion carried unanimously (5/0).

**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).**

Jerri Arganda, representing Rainbow Against the Quarry, stated her group supports RMWD's decision not to provide water source to the quarry. She pointed out the area does not need the traffic problems, health issues, or reduced property values. She also noted they do not want the gateway between San Diego and Riverside counties to be a huge open-pit strip mine.

Nita Delnay, a Rainbow resident, stated despite the recent rain, the southwest has been in the midst of a massive drought. She talked about potential significant water shortages and enhanced conservation in the future. She requested that the Board be very careful about signing any long term contracts with any corporate entities at this time and to make sure in the event of a shortage, the local farmers and residents receive the highest priorities and the big corporations receive the lowest.

Cliff Hewlett, a member of Save Our Southwest Fields, expressed his group's concern of the proposed Liberty Quarry in the planned location. He noted they fully support the Rainbow Against the Quarry group. He said to make it publicly clear, there is a need for the product to be mined from that location; however, product is available at other locations throughout San Diego County.

Dawne Goodwin McCullough stated she is very extremely involved in the community with various organizations. She expressed her great concern regarding the quarry and noted how it would change the community's quality of life as well as destroy the wildlife corridor.

Jackie Heyneman addressed the Board by stating she has been working very diligently to help maintain a rural atmosphere in the area. She stated she envisions the proposed quarry in a very critical area could destroy the community forever. She urged the Board to support the rest of the Fallbrook community who see the quarry as a tremendous threat to the resident's way of life by not granting Liberty their request.

Gary Nolan, an employee of Granite Construction, explained he came to the meeting to make everyone aware that although his company would be building the quarry, they are not proposing to

(*) - Asterisk indicates a report is attached.

purchase water from RMWD. He said they already have a contract with Western Municipal Water District for water service. He noted their proposition to RMWD was to see if the District would like to utilize their storage facility as a benefit for putting water pressure into RMWD's system. He reiterated Western Municipal Water District would be providing their water.

Scotty MacAulay, a 22-year resident, spoke about how he researched Rainbow's traffic situation. He noted January, 2004 reports showed 20,000 trucks went through the checkpoint per month.

Joseph Hudson, Jr., Esquire, talked about predicted very prolonged litigation over this entire project that would be commencing sometime during the first two weeks of June. He mentioned the City Attorney for the City of Temecula had published in the press the fact that the City of Temecula had their City Council vote 5/0 in favor of moving to annex 4,600 acres of land within which the entire project would be located. He said if they are successful in their annexation efforts that would basically be the end of this entire project. He noted the City of Temecula has earmarked \$500,000 already for legal costs which would be completely insufficient; therefore, a political action committee has been formed called "No Open Pit Mine in Temecula" which will commence with fundraising efforts and community forums over the course of the next two years with hopes of raising \$500,000 specifically to allow the City of Temecula to take this fight forward. He said told the Board there was nothing vague about what is going to happen in six weeks. He concluded by noting the communities of Deluz, Fallbrook, Rainbow, and Bonsall are all coming together cohesively to form one united group to help support Temecula in this effort that will be seen underway in the next few weeks to oppose the quarry project.

It was noted the adjournment was to a Special Meeting on May 16th.

Discussion went to Item 15.

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 Labor Negotiators (Government Code §54957.6 and §54957)

Agency Designated Representatives

Gene Buckley
René Bush

All positions to be discussed

B. Conference with Legal Counsel—Anticipated Litigation (Government Code §54956.9(b)(1))

- Pardee Homes Pre-Annexation Agreement

8. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

President Petty reported the Board gave Legal Counsel directions regarding the Ruth Swensen and Pardee Home Annexation matters.

Discussion went to Item #9.

(*) - Asterisk indicates a report is attached.

**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).**

No comments were made.

Discussion went to Item #14.

BOARD INFORMATIONAL ITEMS (Time Sensitive Items - Please Attempt to Adhere to Set Limits)

***10. A. General Manager Comments (6 Mins.)**

1. EDU Update
2. Meetings, Conferences and Seminar Calendar
3. District-Owned Property Leases Report

Director Griffiths noted a number of the questions asked are for the public's benefit.

Mr. Buckley talked about the list of the District's properties. He noted the possibility of sales would definitely require analysis. He also provided information on the Bonsall Reservoir under separate cover. President Petty asked for the matter of the Bonsall Reservoir to be on the next agenda.

B. Finance Manager Comments (10 Mins.)

1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
6. Current Infrastructure Projects
7. Water Purchases & Sales Summary – July through March 2007
8. Transfer of Revenue into Water Replacement Fund
9. March 2007 Statistical Summary
10. Customer Service Complaints Program Report March 2007
11. Cost Recovery of Repairs to District Property Caused by the General Public

Director Lucy inquired about the correlation of the information provided on Page 10B1-3. Mr. Buckley provided a brief explanation. Discussion ensued regarding the electrical costs associated with operating RMWD.

Director Griffiths inquired about the credit card charges for hotel and seminar reservations. Mr. Lee explained these were for Henry Monroe to attend the AWWA Conference.

It was noted the \$2,600 was for copies 18-21 of each of the Master Plans.

Mr. Lee explained the Group Mobile cost was for three laptops that allow individuals to effectively dial into the SCADA system.

It was noted RMWD has two remaining items being handled through Foley & Lardner.

(*) - Asterisk indicates a report is attached.

Steve Brannon referenced Page 10B7-2 and inquired about the water loss. Mr. Buckley said he would verify the numbers.

C. Operations & Maintenance Manager Comments (10 Mins.)

1. Water Services Report for December, 2006
2. Water Operations Report for December, 2006
3. Valve Maintenance Report for December, 2006
4. Wastewater Report for December, 2006
5. Safety Report for December, 2006
6. Sewer Spill Report

Mr. Sneed stated approximately 60% of RMWD's valves are 2" or smaller. Discussion ensued.

Director Lucy asked what happens when customers complain of having no water. Mr. Sneed stated these are standby calls that are generally quickly resolved.

Discussion ensued regarding "hot spots".

Mr. Sneed briefly spoke of the three spots that generate odor complaints.

Director Griffiths said he was unhappy with the report under Item 10C-6; however, he would wait to hear back from his own consultant first before making a statement. Mr. Sneed said he tried to provide as much information as possible. Director Griffiths said it was completely inadequate.

Director McManigle inquired about the controllers installed to prevent spills. Mr. Sneed provided a brief explanation. Director Griffiths stated before asking for controllers, he wanted to speak with his consultant to be sure whether or not they would be the best solution. Discussion continued.

D. District Engineer Comments (5 Mins.)

1. Reservoir Cover Update
2. Project Facility Availability Letters
3. Tank Maintenance Update
4. Soils Test Update
5. UV Technology Information (May 16, 2007 Special Board Meeting)

Discussion ensued regarding the soils tests. Mr. Lee said he would be getting information prepared for the next meeting.

Mr. Lee talked briefly about the tank maintenance update as well as the problem with the overflow at Morro reservoir.

Mr. Lee said he would be gathering more information on the UV technology prior to the Special meeting set for May 16th. Director Griffiths mentioned his conversation with Michael Page at FPUD and how they were close to receiving UV approval for water. Discussion followed. Mr. Lee noted he would also be looking into micro filtration and other options. Discussion continued.

Steve Brannon asked Mr. Lee to include newly installed meters in his report. Director Walson added he would like a report on the meter replacement program.

(*) - Asterisk indicates a report is attached.

Mr. Lee announced the archiving system was now up and running. He also noted one of the engineering firms has provided RMWD with one of their staff members to assist in archiving the District's engineering records at no charge.

Mr. Lee announced a Request for Proposal has been issued for Pump Station #3 as well as the U1 Pump Station which should be ready to bring back to the Board in June. He said he would provide copies of the RFP's to the Board.

Mr. Lee mentioned clarification has been requested from both Passerelle and Palomar College in terms of their EDU and water demands.

Discussion ensued regarding an inquiry made on Page 10D-6. Discussion followed.

E. Human Resource Administrator Comments (5 Mins.)

1. Organizational Chart
2. Personnel Rules and Regulations Update
3. Plans for Summer Employee Picnic

Mr. Buckley explained the Personnel Rules and Regulations was provided in draft form and would be brought back at the next regular meeting in Ordinance form.

F. Subcommittee Reports

1. General Manager Selection Subcommittee (5 Mins.)

President Petty noted he opened a confidential communications today from Bob Murray & Associates in which they resigned from their contract with RMWD. He said another committee meeting will be scheduled. President Petty stated he did not like hiring consultants and not being satisfied with their work; therefore, it would be important for the committee to talk about how to proceed. Mr. Buckley recommended utilizing in-house staff to complete the task. President Petty noted he requested a breakdown of the final invoice prior to having payment remitted. Discussion ensued.

Action:

Moved by Director Griffiths to add consideration of the General Manager hiring process to this agenda. Seconded by Director Lucy. Motion carried unanimously (5/0).

Director Lucy recommended the Board notify the strong candidates and check their availability and possibly continue the search. Director McManigle stressed the need to be very specific when speaking with the candidates.

Action:

Moved by Director Griffiths that Staff notify the semi-finalists that they are still under consideration and send "thanks, but no thanks" letters to those that have been eliminated. Seconded by Director Lucy. Motion carried unanimously (5/0).

2. Master Plan Review Subcommittee (5 Mins.)

Director Griffiths said he would like a professional to type up the revisions made to the Water Master Plans. He estimated this would take one full day to complete. He noted the committee

(*) - Asterisk indicates a report is attached.

had agreed to the markups made to the Plans. He added the committee has started working on the Wastewater Master Plans. He concluded by saying they wanted the software and disk from Dudek to review the wastewater facilities.

Discussion went to Item #21.

11. 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

A. City of San Diego 10 Visit from SDCWA

President Petty reported that SDCWA approved the new CIP at their Special Board meeting. He said will receive a rate increase from SDCWA and another from MWD this year with chances of more increases over the next three years. He recommended this information be mentioned in a future District newsletter.

2. CSDA

President Petty stated he did not have a report on CSDA.

B. Representative Report (Director Griffiths)

1. LAFCO

Director Griffiths briefly reported on the recent LAFCO meeting.

2. San Luis Rey Watershed Council

Director Griffiths reported a meeting has been scheduled at Pala on May 18, 2007 from 9:00 a.m. to 12:00 p.m. He noted there would be no charge for the meeting room. He mentioned this meeting will be to request the making of a non-profit organization in order to start taking advantage of grants.

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

No reports were given.

D. Directors Comments

No comments were made.

Discussion went to Item #24.

BOARD ACTION ITEMS

(*) - Asterisk indicates a report is attached.

***12. EXEMPT CERTIFIED AGRICULTURE CUSTOMERS FROM THE EMERGENCY STORAGE PROGRAM CHARGE (SDCWA PASS THROUGH) AND THE CAPACITY RESERVATION CHARGE (MWD PASS THROUGH) (REQUESTED BY: GENERAL MANAGER)**

Mr. Ken Roth, Chair of the Southern California Water Team and Rainbow ratepayer, introduced himself. He also had several of the District's larger ratepayers present introduce themselves. He read aloud a speech about the Emergency Storage Program charges which RMWD is currently charging their Interim Agricultural Water Program customers for which they have been inappropriately paying in their water bills. (A copy of the draft speech is attached hereto.)

Director Lucy inquired as to what other districts were doing. Mr. Roth explained they separate out the charges and do not incorporate them into the Interim Agricultural Water rate. He continued by stating Valley Center very clearly separates these charges and the Interim Agricultural Water Program and how Vallecitos has a slightly different process due to the fact they are more suburbanized.

Mr. Roth stated the group does not feel it is of significance to separate the agricultural domestic and certified agricultural customers due to the fact there are only 26 units delegated to domestic use on a dual used meter.

Director Griffiths pointed out Mr. Roth had very conveniently forgotten how it would be when a disaster arrives and the strong benefit of having the extra resources.

A Public Member stated that agricultural users are putting themselves at risk by signing up for this program and thereby put themselves at risk before an "emergency" is declared. Discussion followed regarding the SDCWA shutdown and the problems incurred. Director Griffiths said the problems were due to poor management decisions, not water problems.

Charlie Wolk, past Chairman on the California Avocado Commission and current Chairman of the Hass Avocado Board for the record asked the Board to consider a few items regarding this issue. He said the Board needs to understand the California avocado growers spend a great deal of money getting these exemptions on these two charges. He stated the exemptions were not given by MWD or SDCWA under some generosity. He noted the Directors need to be aware of the fact that all the other water districts serving growers do not charge their agricultural customers. He told the Board the growers are not stupid and they realize the money has been collected and spent to operate the District; however, he expressed it was his view the Board needs to come to grips and stop charging RMWD growers immediately as quickly as possible. He said he felt quite confident that the agricultural community would be satisfied with RMWD not charging the fees any longer.

Director Griffiths said the District has tremendous requirements from the Department of Health Services and there were certain charges RMWD could not get out of paying. He also stated the growers receive benefits from the program.

Mr. Wolk pointed out that the fact that other agencies are not charging their customers these fees should be significant to this Board. He stated that if the Board concurred with Director Griffiths' position that the District can charge the growers anyways, the District could end up being in a fight. He concluded by stating if there was a problem with the computers, he felt confident the avocado side's staff being more than willing to help RMWD sort it out.

Director Lucy asked whether or not Mr. Roth and Mr. Buckley had determined how much money was actually involved. Mr. Buckley said he had made estimations; however, he was waiting for

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Board direction to get more specific numbers. Mr. Wolk stated it was not about the money, but rather a matter of RMWD doing what is right.

Russ Hatfield stated there was an overcharge of approximately \$300,000 over six or seven years.

Director McManigle confirmed with Mr. Wolk that should RMWD stop charging, everyone would be satisfied. Mr. Wolk stated that was his personal position and reiterated it was more important to get the message out there that RMWD wants to do the right thing.

Helene Brazier stated if fairness is the goal, then why exempt agricultural-domestic customers who are one-third of RMWD's customers from paying on their domestic portions. She explained if RMWD allows agricultural-domestic customers to escape, a great deal of people would start claiming agricultural which would cause huge amounts of difficulty. She stressed if the Board wants to be fair, they need to be fair right down the line.

Director Walson expressed concern there was a great lack in information provided on this subject. He suggested this matter be deferred until additional information is gathered.

Mr. Buckley noted FPU and Valley Center both calculate the Emergency Storage Program and do not put it into the agricultural rate. He added other agencies take what RMWD calls "fixed charges" and put them into the water rate; however, if RMWD were to do this, it may cost the users more overall.

President Petty pointed out the Board does have the legal right to set their rates and the decision made by a past Board to have it done in this manner is very defensible. He said when a MWD program comes to RMWD, it should be carried out as it is intended. He said he would be in favor of rolling back the Ordinance that originally set this up.

Legal Counsel explained RMWD's water rates are a composite of the number of different components the District has developed. He stated the fact that because RMWD's wholesaler has a variety of programs that the wholesalers are carrying out with various objectives does not mean that because they spend money that RMWD has to allocate the costs that are identifiable in any particular way. He pointed out the District has discretion even in declaration of emergency and that as a retailer, the District could make its decision on its discretion. He suggested the Board have some options compiled and brought back to the Board for informative consideration.

Director Lucy stressed he would like to know the real dollar amount prior to making a decision.

Mr. Roth told Director Griffiths he needed Staff's help to assist him in understanding the issue.

Action:

Moved by Director Walson to call a Special Meeting at which the Board could figure out if something different could be done and what options would be available. They would make a decision based on the information gathered. Seconded by President Petty.

Director McManigle stated he would rather this discussion take place at a regular meeting once the necessary information has been provided and recommended this be on the next agenda.

Director Walson amended his original motion.

(*) - Asterisk indicates a report is attached.

Action:

Moved by Director Walson that this matter be deferred to the May 22, 2008 regular Board meeting at which time the Board would figure out what options would be available. They would make a decision based on the information gathered. Seconded by President Petty. Motion carried unanimously (5/0).

A Public Member stressed that should growers go out of business, RMWD could be in trouble.

President Petty called for a break at 1:55 p.m.

The meeting was adjourned to Closed Session at 2:00 p.m.

The meeting reconvened from Closed Session at 3:00 p.m.

Discussion went to Item #8.

13. SAN LUIS REY MUNICIPAL WATER DISTRICT (REQUESTED BY: DIRECTOR PETTY)

Mr. Jack Hoagland gave a presentation updating the Board on the San Luis Rey Municipal Water District (SLRMWD). He mentioned the draft Programmatic Environmental Impact Report public comment period will end on April 30, 2007.

Director Griffiths told Mr. Hoagland that his presentation was heartening to the Directors due to the fact it covered most of the things they have said they would like. He talked about how they may have had to fight over this matter, but now that will not be necessary. He reiterated the Board was pleased with the whole presentation made, especially the use of the other site. Discussion ensued regarding the mitigation process.

It was verified that what was being presented was one of SLRMWD's alternatives. Mr. Hoagland also confirmed that when Lake Rancho Viejo and HP are removed, SLRMWD's demand would be lessened by 40% (water and sewer).

Discussion ensued regarding SLRMWD's total water and wastewater EDU forecast.

Director Griffiths asked Mr. Hoagland to confirm SLRMWD would be utilizing recycled water in their area. Mr. Hoagland stated they would confirm that they would be utilizing recycled water.

Discussion continued.

Discussion went to Item #12.

***14. FORMATION OF SUBCOMMITTEES (REQUESTED BY: DIRECTOR PETTY)**

Mr. Buckley noted the deadline for volunteers to sign up was set for April 30, 2007. He also mentioned the individuals who signed up to date.

(*) - Asterisk indicates a report is attached.

President Petty stated Mr. Buckley was directed to keep running this in the monthly newsletter.

Director Griffiths explained why some members were absent from the Master Plan Review Committee. President Petty said if someone cannot serve at a committee based on legal entanglements, they should be removed from that committee. Director Griffiths said Mr. Thompson has already resigned from the committee. Ms. Brazier stated as a member of the committee that none of the committee members being mentioned have attended any committee meetings at which any work was done; therefore, she questions how anyone would know if the members were valuable. Discussion continued.

President Petty told Mr. Buckley to announce the names of the volunteers at the next regular Board meeting.

Discussion went to Item #10.

***15. CONSIDERATION OF DISCUSSIONS WITH GRANITE CONSTRUCTION COMPANY'S LIBERTY QUARRY PROJECT (REQUESTED BY: GENERAL MANAGER)**

Comments were also made under Item #6 herein.

Mr. Buckley explained due to the recent changes on the Board, Granite Construction wanted to come back to the Board to see if there was any change to the original thought regarding the project and if RMWD would like to enter into discussions with Granite.

Legal Counsel recalled the discussions held approximately two years ago when the owner of the area came to RMWD to find out whether or not RMWD wanted to extend a pipeline to their project. He stated at the time the Board decided since the project was outside of the County as well as the District, RMWD was not interested in going through LAFCO to annex that piece of property. He noted the only way for RMWD to provide any assistance would be through an arrangement with Western Municipal Water District; however, the information requested pertaining to a draft agreement was never provided which led to RMWD not making a final decision.

Action:

Moved by President Petty that RMWD deny the Granite Construction's request as stated in the March 29th letter and that RMWD is not interested in pursuing any joint venture per said letter. This motion is to reaffirm the District's prior decision. Seconded by Director McManigle. Motion carried unanimously (5/0).

Joseph Hudson requested that the Board vote upon sending a letter to Western Municipal Water District reaffirming the action taken today stating the District's position and encouraging RMWD's sister water district to give the most careful consideration that may come in respect to this proposed project. He added the letter should include that if they have taken any positive affirmative action in support of the project, that they properly revisit that decision. It was noted the sister district would be Western Municipal Water District.

Director Griffiths stated he supported Mr. Hudson personally, but the Board does not want to obligate the Board or customers to any actions which would cost the District money for the

(*) - Asterisk indicates a report is attached.

action taken. Mr. Hudson requested that a copy of today's minutes be sent to Western Municipal Water District in order to inform them of this decision. Director Griffiths agreed.

Directors McManigle and Griffiths noted the decision made was not arbitrary or capricious since the project is not within the District. Discussion followed.

Legal Counsel noted since there was no action on this matter two years ago, a letter was not sent. President Petty requested that Mr. Buckley write a formal letter of denial reaffirming the action taken today.

Discussion went to Item 13.

16. RESPONSE TO SAN LUIS REY MUNICIPAL WATER DISTRICT'S MASTER PLAN DRAFT PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT

Director Griffiths stated he went through the draft report and marked it up. He read aloud his suggested revisions.

Steve Brannon questioned whether the comments made were those of the District or personal. Director Griffiths said he did this for the District with the District in mind and did not appreciate the comment made. Mr. Brannon told Director Griffiths he thought he was wrong.

President Petty requested an additional comment to be added to the EIR that "the scope of influence proposed by San Luis Rey could potentially be very financially damaging to the Rainbow Municipal Water District and we would go on record against that scope of influence". Discussion ensued regarding the support for this comment.

Legal Counsel pointed out the comments made were not about the adequacy of the EIR as an informational document, but comments about the project and what is appropriate or inappropriate that RMWD supports or opposes. He cautioned the Directors that should these become comments to the EIR, they are more about the actual project being proposed by the EIR and do not meet the standards of an environmental document other than perhaps the list of projects that should have been addressed. Director Griffiths stated the comments would be submitted regardless.

Action:

Moved by President Petty that Director Griffiths work with Mr. Buckley on a response to the Draft Programmatic Environmental Impact Report for the Board to review and approve prior to submitting it to SLRMWD. Seconded by Director McManigle. Motion carried unanimously (5/0).

Discussion went to Item #11.

17. RMWD POLICY FOR ALLOCATION OF WASTEWATER EQUIVALENT DWELLING UNITS (REQUESTED BY: DIRECTOR WALSON)

Director Walson talked about his concern that there were 60 EDU's available and a possible problem in the future should requests come in. He stated his preference for Option 4. Discussion ensued.

(*) - Asterisk indicates a report is attached.

Director Walson requested that Engineering look into the EDU projections.

Action:

Moved by Director McManigle to adopt Option 2-to suspend policy (no EDUs allocated) and eventually adopt new ordinance. This policy would act as a de facto moratorium on sewer connections. There must be a reasonable basis to restrict or control allocation of EDUs. (See, e.g., Swanson, supra., 56 Cal.App.3d at 524.) Because of the very limited capacity within the District at this time (only 60 of 4,000 EDUs are not spoken for), a temporary suspension is likely permissible. The District could conduct public workshops to assist in formulating a new policy. Seconded by Director Walson. Ayes: Griffiths, Walson, Petty, McManigle. Noes: Lucy. Motion carried (4/1).

Director Walson stated he preferred Option 4.

President Petty specifically noted this matter was only addressing sewer EDU's, not water.

Director Lucy expressed why he favored Option 1. Discussion continued.

Steve Brannon told the Board this would be an opportune time to plan for the future.

Discussion continued.

Discussion went to Item #16.

***18. ORDINANCE 03-04 AND THE DISTRICT'S SEWER CAPITAL IMPROVEMENT PROGRAM (REQUESTED BY: DIRECTOR WALSON)**

This item was not addressed at this meeting.

***19. SOLICIT REQUEST FOR PROPOSALS FOR LEGAL REPRESENTATION (REQUESTED BY: DIRECTOR MCMANIGLE)**

This item was not addressed at this meeting.

20. DEPARTMENT OF HEALTH SERVICE COMPLIANCE (REQUESTED BY: DIRECTOR PETTY)

This item was not addressed at this meeting.

21. REQUEST TO PURCHASE SOFTWARE (REQUESTED BY: DIRECTOR GRIFFITHS)

Director Walson inquired as to what would be accomplished should the software and disks be obtained. Director Griffiths explained after taking a few days to get it up and running, the materials would assist in compiling RMWD's Master Plans. He noted the estimated amount for

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the program water would be \$8,000 and the wastewater system program would be approximately \$4,000.

Director Walson asked again how having the software would help with the master plans. Director Griffiths stated it would prove the assumptions were incorrect.

Steve Brannon pointed out getting the software would lead to rewriting the master plans. He also mentioned the committee had not reviewed or approved the comments on the Water Master Plan. He expressed concern that requests will come in that will take the District over the 60 EDU's and the District would not have a plan in place.

Director Griffiths stated utilizing the data already collected with the software would be very efficient. Director Walson inquired about why RMWD would want to perform reruns. He stressed it would not be necessary to purchase the program at this point.

Action:

Moved by President Petty to table this item and include it in the budgetary discussions at which time it can be determined whether or not there is a need to purchase the software. Seconded by Director McManigle. Ayes: Petty, Walson, Lucy, McManigle. Noes: Griffiths. Motion carried (4/1).

Mr. Lee stated he supported the purchase of the modeling programs; however, it needed to be at the right time. He explained the software would take away from other engineering issues; therefore, he felt it was premature. Director Walson questioned the need for the software when the Master Plans were already in existence. Mr. Lee stated the modeling programs could assist the District with future projects. Director Griffiths stressed with things changing all the time, it would be beneficial.

Ms. Brazier stated that if engineering could actually utilize the materials, it should be addressed during the budget process.

President Petty called for a break at 4:23 p.m.

The meeting reconvened at 4:27 p.m.

Discussion went to Item 17.

22. CONFINED SPACE TRAINING FOR BOARD MEMBERS (REQUESTED BY: DISTRICT ENGINEER)

This item was not addressed at this meeting.

23. DISCUSSION OF AGENDA ITEMS FOR THE NEXT SCHEDULED REGULAR BOARD MEETING

24. ADJOURNMENT (Time Sensitive for 3:30 p.m.) to Wednesday, May 16, 2007 at 10:00 a.m.

(*) - Asterisk indicates a report is attached.

The meeting was adjourned with a motion made by President Petty to a Special meeting on May 16, 2007 at 10:00 a.m.

The meeting was adjourned at 5:00 p.m.

Rua Petty, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.