

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JUNE 24, 2008**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 24, 2008 was called to order by President Petty at 5:14 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: Dave Seymour, General Manager; Gene Buckley, Finance Manager; Chuck Sneed, Operations Manager; Greg Moser, General Counsel; and Dawn Washburn, Board Secretary. Seventeen members of the public were present.

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

Action:

Moved by President Petty to pull Item #11 from the agenda since it was addressed at the June 16, 2008 Special Board meeting. No second. Motion carried unanimously (5/0).

5. **ANNIVERSARY ACKNOWLEDGEMENT – HENRY MONROE (30 YEARS)**

Mr. Seymour stated Mr. Monroe would be present at the July Board meeting.

*6. **APPROVAL OF MINUTES**

- A. May 27, 2008 - Regular Board Meeting
- B. June 11, 2008 – Special Board Meeting

Mr. Brannon pointed out that the word “utilized” should be changed to “pursued” under Item #12.

Mr. Pearce noted the vote on Page 6A11 should be 3/1/1.

Director McManigle pointed out the word “if” needed to be added to Page #6A6 in the 3rd Paragraph after “Director Griffiths inquired as to...”

Action:

Moved by Director McManigle to approve the May 27, 2008 Minutes as revised. Seconded by Director Lucy. Motion carried unanimously (5/0).

Action:

Moved by Director McManigle to approve the June 11, 2008 Minutes. Seconded Director Lucy. Motion carried unanimously (5/0).

(*) - Asterisk indicates a report is attached.

**7. 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).**

Helene Brazier thanked those that arranged for the field trip to Orange County Water Authority which she found both very interesting and informative. She mentioned that she had received comments from neighbors on the Water Quality Report. She asked which staff member she contacts to ask a public information question regarding director expenses. Mr. Seymour answered she can start with the Board Secretary who will in turn ensure it gets to the right person. She concluded by mentioning that according to the Administrative Code, RMWD follows Robert Rules of Order; however, it has gotten out of hand with meetings lasting longer than necessary. She noted there are numerous questions that can be addressed outside the Board meeting.

Maureen Rhyne pointed out that during the previous year's budget process, she noticed the sewer section of RMWD did not pay pumping charges to pump sewer to the outfall line, but rather distributed throughout the entire sewer district to lessen the costs to ratepayers. She talked about Morro Hills area pumping charge situation. She talked about her extensive map research and how she came to realize that Dudek, who initiated the pumping charges for Morro Hills, did not do their due diligence to determine who would actually be in the pumping zone, but rather used the special Road District's border. She pointed out that when she mapped it out, there were 144 acres on the pumping zone that have not paid a dime in pumping charges and approximately 30 houses within the Road District that are not within the pumping zone that have been paying these charges for years. She stressed her opinion that this process was not done fairly or correctly and that it should be done like the sewer charges where it is spread out to everyone.

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

A. Budget and Finance Committee

1. May 8, 2008
2. May 22, 2008

Mr. Pearce reported that the Budget for the fiscal year starting July 1, 2008 has been fully approved for the entire Fiscal Year 2008/2009.

B. Communications Committee

There was no report.

C. Engineering Committee

2. May 7, 2008 Minutes

Mr. Brannon reported they added alternate members to their committee. He also noted they discussed the staff vacancies in the engineering department and how to proceed in filling the positions. He mentioned the CIP budget that was included in the budget approval process. He mentioned that other topics covered by the Committee were solar energy, Beck Reservoir, and the steps necessary for the conversion of Pala Mesa Reservoir.

(*) - Asterisk indicates a report is attached.

Time Certain: 5:00 p.m. Public Hearing

- *9. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 08-06, 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)**

President Petty called the public hearing for Item #9 to order at 5:27 p.m.

Mr. Seymour noted the charges have not changed. He explained the intent of the charge is to offset the high cost of imported water and to fund construction and rehabilitation of infrastructure.

Roxanne Shepherd from Shepherd and Staats, Inc. pointed out the improvement districts were formed in 1995 and the charges have been the same since that time. She noted that in addition to the published notice, her firm has mailed notice of this public hearing to 867 new owners of property in Improvement District 1. She said the revenue which will go towards debt service and readiness to serve charges from Improvement District 1 is \$495,250.

Mr. Buckley reiterated that the purpose of the funds is to retire debt and readiness to serve charges. He noted that August of 2008 will be the final retirement of the principal; therefore, there may be other opportunities for the monies collected.

President Petty closed the public hearing on Item #9 at 5:33 p.m.

Action:

Moved by Director Lucy to approve Ordinance 08-06 as suggested by staff. Seconded by Director Walson. Motion carried unanimously (5/0).

Time Certain: 5:00 p.m. Public Hearing

- *10. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 6 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 08-07, 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)**

President Petty called the public hearing for Item #10 to order at 5:35 p.m.

Mr. Seymour noted that Improvement District 6 rates also have not increased.

Ms. Shepherd reported her firm mailed out notices to 24 property owners and that the entire revenue equates to approximately \$29,670.

Discussion ensued.

Legal Counsel stated to change the rates it would take a 2/3 vote of the property owners since it falls under Proposition 218.

President Petty closed the public hearing on Item #10 at 5:41p.m.

(*) - Asterisk indicates a report is attached.

Action:

Moved by Director McManigle to approve Ordinance 08-07 according to staff recommendation. Seconded Director Lucy. Motion carried unanimously (5/0).

Discussion went to Item #18.

BOARD ACTION ITEMS

11. FISCAL YEAR 2008-2009 BUDGET ADOPTION

This item was pulled from the agenda under Item #4 herein.

12. DISCUSSION AND POSSIBLE ACTION REGARDING PLACEMENT OF CELLULAR SITES AT DISTRICT FACILITIES (REQUESTED BY: DIRECTOR WALSON)

Director Walson stated there are three ideal locations at RMWD where cell towers could be placed. He explained that this could be a good source of revenue for RMWD.

Chuck Davis, Vice Chair of the Bonsall Sponsor Group, said they would like to see RMWD have a policy stating where cell sites would be located. He encouraged the Board to place these sites at tank locations.

It was noted that Mr. Lee was currently working with Sprint on this type of matter.

Action:

Moved by Director Walson that the Board direct staff to actively pursue telecommunication contracts for cell towers at RMWD tank and reservoir locations. Seconded by Director Griffiths. Motion carried unanimously (5/0).

Helene Brazier urged the Board to take any residents near any of these sites into consideration and properly notified. Director Walson assured her that before sites are installed, proposals will be discussed at a Board meeting at which time residential issues will be taken into consideration.

Mr. Brannon encouraged the Board to come up with some guidelines for agreements. Director Walson suggested staff obtain from other local agencies.

Mr. Sneed pointed out that Sprint actually violated their agreement by entering RMWD's tank site without notification; therefore he suggested RMWD obtain some strong language for recourse purposes. Mr. Seymour added there is not a big demand for new cell site locations right now and may not be for quite some time.

(*) - Asterisk indicates a report is attached.

***13. CONSIDERATION AND POSSIBLE ACTION REGARDING APPROVAL OF ORDINANCE 08-01 ENTITLED, AN ORDINANCE OF RAINBOW MUNICIPAL WATER DISTRICT ADOPTING A DROUGHT RESPONSE CONSERVATION PROGRAM**

Mr. Seymour briefed the Board on Ordinance 08-01 which would replace RMWD's existing Ordinance 91-05. He mentioned that Ordinance 08-01 was very similar to the model Ordinance prepared by SDCWA with the exception of the moratorium on new meter connections and annexations from Stage 3 to Stage 2. He explained why he was apprehensive to have RMWD declare a drought in front of a major agency.

Director Walson asked if there was way to implement a moratorium on water connections. Legal Counsel explained this could be done with another Ordinance or with the creation of something that is between Level 1 and 2. Discussion ensued.

Action:

Moved by Director McManigle to approve Ordinance 08-01 as written. Seconded by President Petty.

Discussion ensued regarding several revisions which were duly noted by both Mr. Seymour and Legal Counsel and will be incorporated into Ordinance 08-01.

Legal Counsel noted the changes he captured as:

1. Item 3D will change to make it clearer and strengthened.
2. The words "or when a drip micro-irrigation system is used" will be deleted in B5.
3. A parenthetical stating "municipal and industrial users" after "demand reduction" in 5A.
4. On Page 13-9, an Item #6 will be added to stop the filling or refilling of swimming pools.
5. On Page 13-11, it will say "more than 205 to less than or equal to 40%" in the chart.
6. On Page 13-13, Section 11, the sequential administrative penalties will be modified so that the second and subsequent violations are all measured within one year of the first violation.

Discussion ensued regarding Page 13-8.

Director McManigle offered an amended motion.

Action:

Moved by Director McManigle to approve Ordinance 08-01 as modified and clarified by Legal Counsel. Seconded by Director Lucy. Motion carried unanimously (5/0).

President Petty called for a break at 7:40 pm.

The meeting reconvened at 7:45 p.m.

(*) - Asterisk indicates a report is attached.

14. CONSIDERATION AND POSSIBLE ACTION FOR THE BOARD OF DIRECTORS TO DECLARE A DROUGHT RESPONSE LEVEL 2 CONDITIONS AND IMPLEMENT THE MANDATORY LEVEL 2 CONSERVATION MEASURES

President Petty suggested forgoing this conversation at this time to allow Staff time to work on the framework and execution of approved Ordinance 08-01. There was no objection.

15. DISCUSSION AND POSSIBLE ACTION ON MORRO RESERVOIR REHABILITATION

Action:

Moved by Director McManigle to accept Staff's recommendation to move forward with the entire project including the covering of Morro Reservoir to satisfy the California Department of Public Health requirement. Seconded by Director Lucy. Motion carried unanimously (5/0).

***16. DISCUSSION AND POSSIBLE ACTION ON PHASE I PRELIMINARY DAM SAFETY EVALUATION OF PALA MESA DAM AND RESERVOIR**

Mr. Seymour explained why Pala Mesa Reservoir should be reactivated as part of whatever the ultimate solution is for Beck Reservoir. He noted one of the problems associated with the reactivation is that Pala Mesa will require a permit. He talked about the consultants available to assist RMWD with the permitting process.

Mr. Brannon talked about discussions held at the Engineering Committee meeting regarding this project.

Director Griffith said he wanted solid numbers and arguments and justifications as to why this project would be necessary from the operations standpoint as well as any operational workarounds that could be utilized. He noted he wanted this information to make sure that RMWD was not building another reservoir based on it would be nice to have and looks nice. He reiterated he wanted a real operational reason to spending the large sum of money up front on this project. He requested that Mr. Sneed provide the information he was requesting at the next Board meeting. Director Griffiths claimed this reservoir has been inoperable for approximately twenty years and now it was suddenly a necessity due to money being available. Mr. Seymour disagreed with this statement and pointed out that Director Griffiths has been in the Engineering Committee meetings where Dr. Yu stated that RMWD does not have adequate chlorine contact time for its disinfection; therefore, it needed to build a contact basin, an enlarged pipe, or restore Pala Mesa Reservoir. He stated there are no workarounds. Director Griffiths disagreed and reiterated he wanted justification for the project before the Board commits to spending a great deal of money reactivating the reservoir.

Director Walson clarified that Director Griffiths was asking for the rationale behind the project. Director Griffiths confirmed and stated he wanted solid operation rationale and how once that is received, operations will tell engineering which way to proceed. Mr. Seymour stressed this was not an operational problem, but rather an engineering issue with not having enough detention time to get the proper chlorine contact time necessary. Director Griffiths reiterated he wanted the numbers for the chlorine contact time. Mr. Seymour pointed out again that Director Griffiths has been presented the information in previous Engineering Committee meetings. It was noted that Director Griffiths has been presented the true chlorine contact times.

(*) - Asterisk indicates a report is attached.

President Petty pointed out that RMWD did without Pala for a long time due to the fact Beck Reservoir was in operation; however, with Beck Reservoir being taken out of service, Pala Mesa would be the alternative to help RMWD meet its obligations. Discussion followed.

Discussion ensued regarding the concerns being taking into consideration by the ad hoc committee addressing the Beck Reservoir situation as well as the necessity of the evaluation.

Director Lucy asked if the \$138,000 would give RMWD an answer regarding the safety of the dam. Mr. Seymour stated it would provide RMWD the confidence level that can be applied to the Division of Safety of Dams.

Discussion continued.

Director Griffiths claimed information from the Beck Reservoir ad hoc committee is not passed on to the Engineering Committee. Mr. Brannon assured Director Griffiths that the ad hoc committee purposely made an attempt to keep everyone informed which included a presentation made directly to the Board.

Mr. Winchester stated he anticipated the permitting process would take several months.

Director McManigle asked if Task 4 could be done at the same time as Subtask 3.1. Mr. Winchester stated he would find out why this would not be done on the same day.

Action:

Moved by Director Walson to approve Staff Recommendation subject to the concern regarding the boring being clarified as well as having the aerial survey include both Pala Mesa and Beck for a cost savings. Seconded by Director McManigle. Ayes: Lucy, McManigle, Petty, Walson. Noes: Griffiths. Motion carried (4/1).

Director Griffiths restated his concern that the Board was premature on making this decision due to the fact he wanted to know it was absolutely necessary.

Director McManigle said he would like to see the initial aerial survey to include both Pala Mesa and Beck Reservoirs for a cost savings. Discussion followed.

17. CONSENT CALENDAR

(The consent calendar items are matters voted on together by a single motion unless separate action is requested by a Board member, staff or member of the audience.)

A. SURPLUS VEHICLES

B. CONSIDERATION AND POSSIBLE ACTION TO APPOINT NEW COMMITTEE MEMBERS (WENDY MURRAY)

Action:

Moved by Director Lucy to approve both items on the Consent Calendar. Seconded by Director Walson. Motion carried unanimously (5/0).

Discussion went to Item #19.

(*) - Asterisk indicates a report is attached.

***18. DISCUSSION AND POSSIBLE ACTION ON EXECUTION OF A JOINT USE AGREEMENT WITH SDG&E**

Sean Farmer introduced himself as a representative of a developer that is working on a future development in the Bonsall area. He mentioned that there was also a future property owner, contractor, and SDG&E representative also present to answer any questions that may arise from the Joint Use Agreement discussion. He pointed out that they have been trying to get the Joint Use Agreement executed since January, 2008. He said in order to place electric and gas facilities to the project, they must have RMWD's consent to be allowed within the right-of-way since RMWD owns the rights to the road.

Jeff Johnson addressed the Board as a property owner that has been working on this development for a very long time and would like to understand why everyone cannot work together to get the project completed. He noted there are juveniles driving off road vehicles on the property causing damage to water pipes and sprinklers thereby creating a loss in water since they are absentee owners. He urged the Board to assist the property owners by getting the Joint Use Agreement executed so that they can move on with the project they have been waiting a long time to complete.

Dennis Flanagan, a lot owner within the development, expressed his frustration that they are not able to build a home on the property. He asked the Board to consider executing the document.

Pete Sara, the project's general contractor, explained the great deal of work that they have done to prepare the property for development as well as the repeated work they have done due to juveniles and weather conditions.

Ron Holloway, the project's civil engineer, said he was present to lend his support and answer any questions.

Tom Jacques stressed that the project has been well underway for more than three years at an unbelievable cost due to the Joint Use Agreement. He implored the Board to help the owners move ahead by approving the agreement and stop hemorrhaging the dollars and time that are a result of being unable to get together on this matter.

Steve Brook of Project Design Consultants noted that his firm does a great deal of land acquisition, right-of-way services, engineering, surveying, and right-of-way acquisitions for SDG&E. He explained that since precedence has not been set, they have been actively working to reach a mutually agreeable contract for both parties. He spoke of Items #6 and #7 in his final Joint Use Agreement he had being stickler points in the Joint Use Agreement. He said although they agree RMWD is first in rights; however, SDG&E cannot agree to the liability should RMWD need to make further improvements in the future which affect SDG&E's facilities that SDG&E pay to move and relocate their facilities. He pointed out it would be the exact reverse should RMWD be in SDG&E's position.

Mr. Seymour explained that he brought up the issue of the 50/50 part of the agreement to be removed since he would not like to give up rights that he knows for a fact SDG&E would never agree to give up and be willing to fund the cost of relocation of their facilities or anyone else's. He pointed out it was his recommendation to Mr. Lee (who was dealing with SDG&E) to get that part of the agreement removed. He noted that it was Mr. Lee's impression that an agreement of such had been negotiated where SDG&E agreed to pay half of the portion of the relocation

(*) - Asterisk indicates a report is attached.

costs so that it would be a 50/50 split on the 50/50 portion; however, when the final copy arrived at RMWD, this was missing without explanation. He stated RMWD has been really upfront in trying to bring a quick resolution to the problem. He concluded by stating although he would not like for RMWD to give up any prior rights and believe the District should stick to its guns on these points, the Board could override his recommendation.

Legal Counsel noted he has litigated utility relocation priorities in the past and that RMWD was looking to do what every utility practices. He explained that SDG&E was asking RMWD to give up their prior right in the presented Joint Use Agreement.

Discussion ensued.

Director McManigle asked Mr. Brook how SDG&E is addressing his customer's needs in relation to the matter of concern contained in the presented Joint Use Agreement. Mr. Brook answered they have been working diligently trying to get this through; however, they are unable to get each side's legal counsel to discuss this matter to work through a resolution. It was noted this was not a legal argument, but rather philosophical.

Discussion ensued regarding what happened to the original contract.

Mr. Johnson agreed with Mr. Seymour that SDG&E would not bend at all; however, they are looking to join the RMWD neighborhood and the standstill is costing him a fortune every day. He asked the Board to look at this matter and figure out what is reasonable since they cannot get in the door at SDG&E.

Director Griffiths said RMWD was not being difficult; however, it would be easier for SDG&E to move a cable than for RMWD to move a pipe.

Legal Counsel suggested substituting SDG&E's sole cost for RMWD's sole cost in Paragraph 6 and approving the agreement that way. He said this way the Board has taken action to approve an agreement that RMWD knows SDG&E will not accept, but is acceptable to RMWD and is consistent with the laws and historical practices in the area. He offered to have discussions with SDG&E on RMWD's behalf. Mr. Seymour noted this would put the burden on SDG&E to react to RMWD.

Discussion ensued regarding the location of the easement.

Mr. Brook pointed out that SDG&E facilities must be installed within public right-of-way and RMWD's easement covers the entire length of the private roadway; therefore, there are no other options for bringing electrical facilities into this project unless they can be within the public right-of-way. He also pointed out this was not a steel piping project. He explained his background of experience and knowledge of working on projects of this type for SDG&E.

Director Griffiths stated that RMWD does not want to give up its rights and that he felt it does not necessitate legal counsel involvement since it is practical policy.

Action:

Moved by Director McManigle to approve the Joint Use Agreement with a modification to Paragraph #6 Line 3 as it reads now "shall be required at District's sole cost" to be changed to "shall be required at SDG&E's sole cost". Seconded by Director Lucy. No vote taken.

(*) - Asterisk indicates a report is attached.

Director Griffiths suggested they review all the paragraphs. It was confirmed that the only issues were in Paragraphs #6 and #7.

Director Walson stated he preferred that Item #6 be eliminated altogether. Mr. Seymour pointed out that being silent on this matter could pose a problem in the future and with it being stated it would become SDG&E's sole responsibility.

Legal Counsel pointed out that Paragraph #7 may be fine if left alone.

Mr. Brook pointed out there were revisions made to the agreement that he assumed had not been provided to the Board of Directors. Mr. Seymour noted the agreement provided in the packet was what the Board was provided to consider; however, now it appears that the other side is stating they have a new version.

Director Lucy asked if it would be acceptable to get a new proposal within 24-48 hours to Mr. Seymour and delegate him to approve it as long as it meets his approval. Legal Counsel stated the Board could approve the agreement subject to Mr. Seymour's final approval of the language and delegate him the authority to sign an agreement that preserves RMWD's prior rights and making sure the economic burdens of relocation are not on RMWD. Directors Walson and Griffiths stated they wanted to see exactly what the Board would be approving. Discussion followed.

Director Walson reiterated that he wants to see the agreement. Director Griffiths stated he wanted a clearer map of the easement involved.

Director McManigle pointed out there was a grammatical error in Paragraph #5 Line 4. Mr. Brook stated he would review the final document to ensure this has been corrected.

This item was tabled until the next Board meeting on July 22, 2008. Mr. Seymour reminded everyone that everything for the packet was due July 8, 2008 and to work with him directly due to Mr. Lee being on vacation.

Discussion went to Item #12.

***19. CONSIDERATION AND POSSIBLE ACTION REGARDING PROPOSED ORDINANCE NO. 08-08 AMENDING AND UPDATING THE ADMINISTRATIVE CODE SECTION 1.02.040.06 TIMING FOR FILING CLAIMS**

Legal Counsel explained that this was a basic risk management item for RMWD that makes other public agencies subject to the same claim process as private citizens.

Action:

Moved by Director McManigle to approve Ordinance 08-08. Seconded by Director Walson. Motion carried unanimously (5/0).

(*) - Asterisk indicates a report is attached.

***20. DISCUSSION AND POSSIBLE ACTION ON POTENTIAL USE OF SOLAR POWER (WITH PRESENTATION BY STEVE BRANNON)**

Mr. Brannon gave a brief presentation on the RMWD Photovoltaic Preliminary Design Report which included all of the needs required to meet generated power for RMWD's thirty-five sites. He spoke of the payback system. Discussion ensued.

The Board thanked Mr. Brannon for his time and effort with researching this subject.

No action taken.

21. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR MAY 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. Non-Capital Improvement Projects
8. Water Purchases & Sales Summary
9. Statistical Summary
10. Cost Recovery of Repairs to District Property Caused by the General Public
11. Metropolitan IAWP Reduction Program

Action:

Moved by Director Walson to receive and file the financial statements and information for May 2008. Secoded by Director Lucy. Motion carried unanimously (5/0).

Mr. Buckley confirmed that RMWD received all of the EDU's back from Mr. Brouwer.

Discussion ensued regarding Item #21A11.

22. RECEIVE AND FILE INFORMATION ITEMS FOR MAY 2008

A. General Manager Comments

1. Regional Update
2. Meetings, Conferences and Seminar Calendar
3. CDPH Update

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

(*) - Asterisk indicates a report is attached.

C. District Engineer Comments

1. Engineering Report

Action:

Moved by Director McManigle to receive and file information items for May 2008. Seconded by Director Lucy. Motion carried unanimously (5/0).

Mr. Seymour announced the district generator had been fired up and ran fine. He stated the acceptance testing would be performed within the next week. He also reminded Directors Griffiths and Petty about the North County Water Group meeting on June 25th at Rincon Water District at 7:30 a.m.

Director Lucy complimented Mr. Sneed on the list of completed valves that have been maintained. It was recommended that once a valve has been completed, it should be removed from the list. Director Griffiths inquired about a master schedule for valve maintenance. Mr. Sneed said not as of yet; however, a crew member has been tasked with this project.

Director Walson requested a three month look ahead on the CIP projects in terms of what is transpiring and when certain steps are taking place. Mr. Seymour explained that although he was waiting for a new engineer to be hired; however, they will come up with something in the meantime.

23. 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

President Petty encouraged the Board to read the handout he provided relating to the last SDCWA meeting that he attended. He pointed out that although there was a concern regarding the debt service and issuance of the bonds, they actually saved \$9.5MM after the bond issuance.

2. CSDA

President Petty stated he did not attend the CSDA meeting.

Director Walson excused himself from the meeting at 8:58 p.m.

B. Representative Report (Director Griffiths)

1. LAFCO

Director Griffiths reported on the meeting he attended where fire protection was discussed. He noted there would not be a LAFCO meeting in July.

(*) - Asterisk indicates a report is attached.

2. San Luis Rey Watershed Council

Director Griffiths reported that they were a little closer to forming a nonprofit organization. He mentioned they would have a celebratory party on July 11, 2008 which will be considered their July meeting.

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

There were no reports.

D. Directors Comments

There were no comments.

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

25. ADJOURNMENT - To Tuesday, July 22, 2008 at 11:00 a.m.

The meeting was adjourned with a motion made by President Petty to a regular meeting on July 22, 2008 at 11:00 a.m.

The meeting was adjourned at 9:01 p.m.

Rua Petty, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.