

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 26, 2010**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on January 26, 2010 was called to order by President Petty at 11:36 a.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: Director Griffiths
Director Lucy
Director McManigle
President Petty
Director Walson

Absent: None

Also Present: Finance Manager Buckley
District Engineer Lee
General Manager Seymour
Operations and Maintenance Manager Sneed
Board Secretary Washburn
Legal Counsel Moser

No members of the public were present before Open Session. Sixteen members of the public were present for Open Session.

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

President Petty suggested moving Item #24 to after Item #16 and Item #25 after Item #19 so the discussions would flow better. There were no objections.

Director Walson stated he thought the Board organization elections should have been on this agenda; therefore, it may need to be on the February agenda.

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).**

There were no public comments

(*) - Asterisk indicates a report is attached.

Time: 11:38 a.m.

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
 - Agustin Angeles

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

Agency Designated Representatives

Dave Seymour

Discussions regarding labor negotiations for:

Rainbow Employee Association

Rainbow Association of Supervisor and Confidential Employees

- C. Conference with Legal Counsel-Potential Litigation Against Agency (Government Code §54956.9(b))**
- Damage Claim for APN 124-330-41

The meeting reconvened at 1:00 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported there were three items addressed in Closed Session. He noted the Board gave Legal Counsel direction on the Engineering Systems/MIOX case and the General Manager direction on the labor negotiations matter. He concluded by reporting the claim was denied unanimously by the Board.

Time Certain: 1:00 p.m.

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #7 herein.

9. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)

President Petty repeated the changes made under Item #4 herein.

10. MOMENT OF SILENCE FOR RECOGNITION OF SERVICE FOR TOM WARNER

President Petty mentioned Mr. Tom Warner recently passed away. He spoke of Tom and the valuable service and input he brought to RMWD.

Ms. Brazier mentioned Tom was not only very serious, capable, and competent man with a very good sense of humor. She said he was good friend and a great man and will be missed.

(*) - Asterisk indicates a report is attached.

There was a pause for a moment of silence for Tom Warner.

**11. 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 read aloud two issues which were part of the last Board meeting she wanted address to the Board. (Her comments have been attached hereto the minutes as Exhibit "A".)

***12. APPROVAL OF MINUTES**

A. December 1, 2009 - Regular Board Meeting

Director McManigle pointed out the word "to" needed to be changed to "two" on Page #4 on Page 12A-1, the language on page 12A-6 #13B needed to read "in which to locate", and the last paragraph on Page 12A-6 should read "those who lost their homes". He also noted the top line on Page 12A-8 should read "may not be the appropriate time to be hit with increases" and in the middle of the same page it should say "Mr. Seymour did NOT want RMWD to be collecting more money". He concluded by noting Mr. Lee's comment in the second paragraph on Page 12A-11 should read "from an engineering standpoint."

B. January 7, 2010 – Special Board Meeting

Action:

Moved by Director Walson to approve both the December 1, 2009 and January 7, 2010 minutes as amended. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, President Petty and Director Walson.

NOES: None.

ABSTAINED: None.

ABSENT: None.

13. 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 talked about the handouts he provided from the most recent SDCWA Board Packet. He noted the handouts were for information purposes.

2. CSDA

President Petty had nothing to report on CSDA.

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

(*) - Asterisk indicates a report is attached.

Director McManigle reported on the Mission Resource Conservation District meeting where there was support for getting RMWD into the runoff monitoring business.

Mr. Seymour provided an update on RMWD's monitoring group. He noted applications were available on the website as well as at the district offices. He explained the purpose of the program as well as how it will work at RMWD. Discussion followed.

Director Walson suggested staff look into the Bonsall Reservoir lease due to the fact the Lessee may be misusing the subject property.

Director Griffiths stated California Regional Water Quality Control Board would be implementing more regulations for any discharge of water on the surface.

C. Directors Comments

There were no public comments

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

A. Budget and Finance Committee

1. November 5, 2009 Minutes
2. December 3, 2009 Minutes

Mr. Buckley reported how at the last committee meeting discussions took place reaffirming their recommendation for the fixed meter charge the Board will be considering at this meeting. He also mentioned there were discussions of a variable sewer charge.

B. Communications Committee

1. November 2, 2009 Minutes
2. December 7, 2009 Minutes

Mr. O'Leary reported the Communications Committee decided to hold off on publishing a press release on the reservoir situation pending the Board's discussion today on Item #26. He also noted the committee voted in support of Item #19 on this agenda.

C. Engineering Committee

1. November 3, 2009 Minutes

Ms. Brazier reported the committee met on January 5, 2010 where members voted to recommend to the Board the inspection of Pipeline Q3. She also noted the committee was going to review the material provided at the meeting regarding Morro Reservoir Renovation Draft Change Order #4 and email questions or comments to Mr. Lee by the end of the week in order to receive responses in time to discuss the issues at the February meeting. She noted the Committee voted to recommend to the Board the awarding of Pump Station Switch Gear Contract to the apparent low bidder. She briefly mentioned some committee discussions relating to their goals for 2010.

15. 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. MAGEE AND GOMEZ TANK REPAINTING

This item was pulled from the Consent Calendar for discussion purposes.

BOARD ACTION ITEMS

15A. MAGEE AND GOMEZ TANK REPAINTING

(This item was pulled from Consent Calendar for discussion purposes.)

Director Walson inquired as to why the top of the tank should be painted white. Mr. Sneed explained the entire tank could be painted the Desert Sand color; however, the white top was a recommendation from Utility Services.

Director Griffiths said he looked into Utility Services and found them to have a very good reputation for handling tank painting. He also noted the paint was included in their contract with RMWD.

Action:

Moved by Director Walson to paint the entire tank Desert Sand. Seconded by Director McManigle.

After consideration, the motion carried by the following vote:

- AYES:** Director Lucy, Director McManigle, President Petty and Director Walson.
- NOES:** Director Griffiths.
- ABSTAINED:** None.
- ABSENT:** None.

Mrs. Walson pointed out there are some homes with CC&R’s prohibiting white roofs.

***16. DISCUSSION AND POSSIBLE ACTION ON LINE Q3 CROSSING SAN LUIS REY RIVER**

Mr. Lee introduced the item by briefly discussing the current situation caused by the failure. He explained what was found on the video taping of the line. Discussion followed.

Director Griffiths stated the one thing he wanted done one way or another was have the Q3 line repaired for \$700,000-\$1,000,000. He said he wanted to hear from RMWD’s Operations Department what the District truly needs rather than wants.

It was confirmed if RMWD were to be shut out 100% from the aqueduct, the only way to get water to Morro would be from Beck Reservoir. Mr. Sneed provided the zones served by this line.

Director Lucy asked if there was any way RMWD could reduce the pressure in the line. Mr. Sneed explained by reducing pressure, gravity will be taken out of play. Director Lucy asked if the District could live with two 8” lines as opposed to replacing the larger pipeline.

(*) - Asterisk indicates a report is attached.

Mr. Lee stressed the whole purpose of the conducting the study would be to determine the best solution to the problem.

Director Lucy asked if RMWD could benefit somehow from the realignment of Highway 76. Mr. Lee assured the Board staff was always looking for ways to reduce costs.

Action:

Moved by President Petty to approve Staff Recommendation #1-authorize staff to move forward with a field study of Line Q3 for a budget and cost not to exceed \$30,000 with the intent to combine the design and construction of both crossings once Line Q3 conditions have been examined. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, President Petty and Director Walson.

NOES: None.

ABSTAINED: None.

ABSENT: None.

Mr. Lee explained why Option 3 was not being recommended by the Staff.

Discussion went to Item #24.

***17. DISCUSSION AND POSSIBLE ACTION ON AWARD OF CONTRACT FOR PUMP STATION SWITCH GEAR CONSTRUCTION**

Mr. Lee mentioned RMWD has been working for the past year to get a design to install pump station switch gear at Pump Stations 1 and 6. He explained these switch gear projects will effectively allow the pump stations to run during an emergency. He noted the engineering committee has discussed this project a couple of times, including January at which time they agreed to support Staff's recommendation to award the contract to FALCON General Engineering for a cost not to exceed \$260,112.

Director Walson asked if any of the other pump stations needed to be modified. Both Mr. Lee and Mr. Sneed provided answers and explanations. Mr. Seymour added the two selected stations were in the SDG&E shutoff plan and would be most impacted should SDG&E decide to shut off the power. It was confirmed the other stations were critical, but these were most critical.

Director Griffiths asked how long RMWD could operate with a pump station down. Mr. Sneed said it depended on the time of year and demand. Discussion continued.

President Petty pointed out the Board was looking at efficiencies under an emergency situation.

Action:

Moved by President Petty to approve Staff Recommendation-award contract to FALCON General Engineering, Inc. for a not to exceed cost of \$216,112. Seconded by Director Walson.

After consideration, the motion carried by the following vote:

AYES: Director Lucy, Director McManigle, President Petty and Director Walson.
NOES: Director Griffiths.
ABSTAINED: None.
ABSENT: None.

Discussion went to Item #18.

***18. BACKFLOW TESTING PROGRAM REQUEST FOR PROPOSALS**

Mr. Sneed explained how several backflow RFP's were sent out, but only one reply was received from Palomar Specialties who has been under contract with RMWD for several years. He noted it was Staff's recommendation to enter into a contract with Palomar Specialties for backflow testing.

Discussion ensued regarding RMWD's backflow requirements.

Director Griffiths suggested these jobs may be elevated beyond what they actually involve.

President Petty asked for a better understanding of the C36 requirement and how it benefits RMWD.

Mike Sutherland introduced himself as a backflow tester working within the District for 22 years as part of their business. He explained the C36 requirement kept his company from submitting a proposal. He briefly talked about the licensing differences.

Mr. Seymour reminded the Board this was an optional services provided by RMWD with a licensed plumber capable of assisting RMWD when complications occur. He stated without such security, RMWD could be tasked with hiring outside plumbing contractors to fix any problems. He reiterated the customers were not under any obligation or requirement whatsoever, this was merely an optional service provided by RMWD for customer convenience.

Mr. Sneed mentioned the cost increases were due to the numerous repairs that have been made throughout the past contract that needed to be taken into account.

Director Lucy asked what happens when the contract expires in February 2010. Mr. Sneed stated Palomar Specialists would be willing to test another cycle of devices through March 2010 under their existing contract. Discussion ensued regarding the number of backflow repair calls RMWD receives.

President Petty said he would be more comfortable with a four year contract.

Mr. Buckley pointed out although the percent increase amounts to \$.75 per month.

Action:

(*) - Asterisk indicates a report is attached.

Moved by President Petty to approve Staff Recommendation Option 1 with direction to Staff to see if Palomar Specialists would be willing to lock into a four year contract. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle and President Petty.
NOES: None.
ABSTAINED: Director Walson.
ABSENT: None.

Discussion continued.

President Petty called for a break at 2: 37 p.m.

The meeting reconvened at 2:47 p.m.

Discussion went to Item #19.

- *19. DISCUSSION AND POSSIBLE ACTION TO TAKE STEPS NECESSARY TO PLACE A MEASURE ON THE JUNE 8, 2010 BALLOT TO BORROW UP TO \$1.2 MILLION FOR THE PURPOSE OF STUDYING ALTERNATIVES TO BRING BECK RESERVOIR INTO COMPLIANCE WITH LONG TERM 2 ENHANCED SURFACE WATER TREATMENT RULES, INCLUDING EVALUATING POTENTIAL GEOTECHNICAL ISSUES, AND TO DESIGN FINAL CONSTRUCTION PLANS AND SPECIFICATIONS FOR THE PROJECT AND ADOPT RESOLUTION 10-03 AUTHORIZING THE GENERAL MANAGER TO PREPARE APPLICATION FOR FEASIBILITY FUNDS**

Mr. Seymour explained this item was for the Board to decide whether or not RMWD should try to borrow money which would require a vote of the public. He stated if the Board does decide to borrow the money, then they would direct staff concurrently to prepare the necessary component of the ballot measure as well as submit the application to the State Health Department for State Revolving Fund Planning Funding for Beck Reservoir. He pointed out the State Health Department only allowed up to \$500,000 for planning funding; therefore, RMWD would have to still borrow the remaining money from conventional sources. He noted the deadline for the application was the first part of the next upcoming week.

Director Walson asked if submitting the application had anything to do with borrowing the \$1.2 million. Mr. Seymour explained if RMWD was selected for any or all of the \$500,000, it would be at the cheapest interest rate and get RMWD a long way down the road to studying the alternatives and getting ready for design.

President Petty stated the Board was at a crossroads with Beck Reservoir and needed to make a decision. He pointed out Beck was necessary during the summer months to supply water to the agricultural customers; however, there was still the question as to whether or not agriculture would still be in RMWD eight to ten years down the road. He stressed the need to have these discussions.

Director Walson expressed why he felt this may be premature, although he agreed RMWD should submit the loan application at this time. He said he would like to have the resolve for Beck Reservoir decided in order to determine the amount of money that may be involved. Mr.

Seymour agreed; however, RMWD does not know the ultimate solution and does not have the money to study the matter to figure it out. He pointed out all of RMWD's funding has been earmarked for other projects and that it will cost approximately \$86,000 just to find out what solution may work, but that money would not even start to address the Division of Safety of Dams issue that must be addressed.

Mr. Seymour briefed the Board on the extensive discussions held by all three RMWD committees regarding how to address the Beck Reservoir matter.

Director Walson suggested borrowing from the sewer fund for the studies. Mr. Seymour recalled the Board has been suggesting borrowing the sewer funds for several projects and there were still sewer projects that needed to be done as well.

Mr. Seymour explained the item would be put on the ballot to see if the public approves borrowing the money. He said he would hate to pass up an opportunity to borrow money, especially when it means keeping the individual customer costs down. He noted the \$1.2 million would cover the study as well as a design that may derive from the study.

Discussion continued regarding how the borrowed money would assist in keeping RMWD customer rates down.

Director McManigle noted the District may be passing up an opportunity to hear from the public by not putting this on the ballot. He also pointed out shuffling money from one account to another could be extremely problematic.

Director Walson stressed the District does not even know what problems is yet without the study. Mr. Seymour agreed but noted the District needs the money to tell what problems exist. Director Walson agreed, but not \$1.2 million. Mr. Seymour explained it would be up to \$1.2 million which would include the study; however, a great deal will depend on the geotechnical aspects and what has to be done.

Director Lucy reiterated his concern regarding the uncertainty of future water sales in regards to potential changes in the local agricultural community. Mr. Seymour agreed; however, he stressed his concerns with continually delaying the matter, especially no matter what happens, RMWD must have a reservoir for the Beck zone.

Discussions followed.

Mr. Voigt expressed concern that RMWD does not have a handle on all the elements involved with Beck Reservoir. He said he sees Beck as a necessity; however, the size may be questionable due to the changes in the demographics. Discussion followed.

Mr. Seymour assured the Board the six year study was still moving forward, but this was the first step in the process.

Mr. Rutter, a ratepayer, suggested kicking the design into the next bid for optimizing.

Legal Counsel pointed out part of this request involved drafting a resolution to be included in the ballot. He said based on what he was hearing it may make sense to present to the voters a road map that shows the different phases of clear decision points so that the people understand the steps along the way. He explained this would keep the matter transparent.

Director Walson recommended spending money on the assessment to find out where the District was at and then formulate a policy as to what should be done. Legal Counsel explained it was not necessarily linear, but rather something that would have to be done at the same time to have any chance of having the Boards' decisions be able to be made within the required timeframes being faced to receive the monies.

Mr. Seymour stated RMWD would more than likely not receive the grant. He said this would be a 100% short term (5 year) loan. Director Walson suggested RMWD put in for the loan and then determine whether or not the money would be needed. Mr. Seymour said regardless of the fast approaching deadline, RMWD had to go to the public vote due to the requirements of Ordinance 95-1 which was exactly why this matter was on this agenda to get something on the June ballot. Discussion followed.

Director Griffiths noted it has already been established everyone wants something at Beck Reservoir. He suggested forgetting about the studies since RMWD will most likely choose UV treatment for Beck which can be started in stages as needed. He objected to continually conducting studies.

Mr. Lee confirmed DSOD came out and told RMWD Beck Reservoir was not in compliance. President Petty suggested the Board try to focus its study on the cost to get the Reservoir into compliance and possibly the biggest piece in this puzzle the District may need in order to make a decision.

Mr. Lee explained Beck Reservoir was built under different DSOD requirements which have since changed. He said DSOD requires all new permits to be designed to today's standards. Director Griffiths asked why this was not said when discussions first began. Mr. Seymour explained this was why it was necessary to hire a geologist. He also assured Director Griffiths both of these points have been stated repeatedly since he was hired as General Manager.

President Petty said as painful as it may be, if its decided right now that putting Beck back into full compliance was necessary and the best path RMWD should take, then that would mean approving this item and putting the matter out to the vote of the people with as much information as possible.

Mr. Seymour stated if there was any doubt in any of the Board Members' minds and there may not be 100% support on the election from the full Board, he would recommend not putting the matter on the June ballot. He said he would rather have Mr. Lee work with someone on the geotechnical stuff first and bring it back in November. He stressed he thought it was a shame to see this matter delayed again as it has been since 1982; however, without 100% support of the Board there was no point in moving forwarding with it. He said staff will study the matter more if that was the Board's desire. He concluded by stating if the Board wanted Staff to hire the original designers or a geotechnical firm to tell RMWD what needed to be done, there would be no point in going forward with the ballot measure or the surcharge.

Director Lucy asked if a study could be conducted in time to provide more detailed information to the public on the November ballot. Discussion followed.

Director McManigle questioned how RMWD would pay for a study to come into compliance. Director Walson claimed the District had most of the money.

Mr. Seymour stated he and Mr. Lee have already met with the design engineers and will see what they can do to get a proposal from them on what it would take to study what it will take to bring Beck dam into compliance with DSOD and get it permitted and bring the information back to the Board. He pointed out should RMWD not be able to bring Beck into compliance the District may look at building steel tanks. It was noted steel tanks may not meet storage needs.

Director Griffiths asked if RMWD could ask DSOD what it would take to get Beck up to compliance. Mr. Seymour said the District did ask and the response was RMWD needs to get Beck approved to current standards. He stressed the need for an engineer of dams to come in and tell RMWD the required standards.

Legal Counsel pointed out the agenda item states the Resolution could be brought back at the next meeting; therefore, the Board could continue this item until then in hopes Staff can come up with more information. Discussion ensued.

President Petty suggested this matter be discussed further and considered for the November ballot.

Director Walson asked how long it would take to get some study done to determine and evaluation what it will take to bring Beck into compliance with DSOD. Mr. Seymour referenced what it took to do the same type of study at Pala Mesa.

It was confirmed there was no interest in putting this on the November ballot.

No action taken.

Discussion went to Item #25.

***20. CONSIDERATION AND ACTION TO APPROVE RESOLUTION NO. 10-02, REQUESTING SAN DIEGO COUNTY WATER AUTHORITY APPROVE THE LOCAL WATER SUPPLY DEVELOPMENT PROGRAM FUNDING FOR THE CARLSBAD SEAWATER DESALINATION PROJECT**

Mr. Seymour explained SDCWA has a local water supply development program that will in part help offset the high cost of desalinated water out of the plant. He stated the application being presented was on behalf of the Desal Partners prepared by Poseidon. He stated RMWD was being asked to provide a Resolution in support of the application.

Action:

Moved by President Petty to support the Desal Partner's application by approving Resolution No. 10-02. Seconded by Director Lucy.

After consideration, the motion carried by the following vote:

AYES: Director Lucy, Director McManigle, President Petty and Director Walson.
NOES: Director Griffiths.
ABSTAINED: None.
ABSENT: None.

Discussion ensued.

Director Griffiths asked to delay Items #20 and #21 so he could read the entire agreement.

Discussion went to Item #21.

21. DISCUSSION AND POSSIBLE ACTION MODIFYING THE DISTRICT'S ALLOCATION OF WATER RECEIVED FROM THE CARLSBAD DESALINATION PLANT

Action:

Moved by President Petty to delay this item and have Poseidon come to the next RMWD Board meeting for discussion purposes. Seconded by Director McManigle. No vote taken.

Mr. Seymour relayed information provided at the desalination meetings he attends regularly.

Discussion went to Item #22.

***22. DISCUSSION AND POSSIBLE ACTION ON FUNDING OPTIONS FOR CONSTRUCTION PROJECTS NECESSARY TO ATTAIN COMPLIANCE WITH LONG TERM 2 ENHANCED SURFACE WATER TREATMENT RULE (RESERVOIR PROJECTS)**

Mr. Seymour stated he felt this item needed to be reevaluated at this time in order to come up with a new recommendation after taking the developments from this meeting back to the RMWD committees.

Mr. Voigt gave a presentation on RMWD funding options for reservoir upgrades.

President Petty suggested removing the \$1.2 million and taking some type of action in order to start putting some money into the Beck Reservoir Project. Mr. Seymour expressed concerns.

Director Lucy expressed how agricultural users have suffered major increases homeowners may not have experienced. Mr. Voigt explained how the proposal took everything into account to come up with the most reasonable solution for all users.

This item was postponed.

Discussion went to Item #23.

23. DISCUSSION AND POSSIBLE ACTION TO SET THE DATE FOR A PUBLIC HEARING FOR THE PURPOSE OF ADJUSTING WATER RATES AND CHARGES

It was noted this item did not need to be discussed based on Item #19 discussions herein.

(*) - Asterisk indicates a report is attached.

Discussion went to Item #26.

***24. CONSIDERATION AND ACTION TO APPROVE RESOLUTION NO. 10-01, FINDING EXISTENCE OF A PUBLIC HEALTH AND SAFETY EMERGENCY AND APPROVING REPAIR AND/OR REPLACEMENT OF WATER LINE Q-3**

Mr. Seymour explained declaring an emergency would allow RMWD to seek loans to assist with funding the project. He confirmed that by the Board approving Resolution Number 10-01, it would allow staff to go out and do whatever it takes to get this line fixed. He stressed the desperation and urgency of this situation as well as the need to get these pipelines back in service, especially with dry weather conditions quickly approaching.

Mr. Seymour reiterated what authorization Staff would be provided with the approval of the proposed resolution. Director Walson said he preferred to have the Board more heavily involved. Mr. Seymour understood the concern, but hoped the Board would trust Staff to do the right thing, but understood there was a large sum of money involved. He said he would not have a problem with calling emergency Board meetings; however, there was only one pipeline in service at the time and calling emergency meetings may cause delays.

Director Griffiths said he would like to delay this matter until the Board knows more about what was happening in the event it turns out the District may more money may need to be borrowed.

President Petty reiterated that should the one pipeline left go out of service tomorrow, the District may not be able to provide service to several users. He stressed by having the Resolution in place, Staff could act more quickly than trying to call emergency Board meetings.

Mr. Seymour asked Director Walson if he would be more comfortable if the resolution included a capped dollar amount. Director Walson agreed and suggested a limit not to exceed \$500,000. Legal Counsel clarified that anything over \$500,000 would automatically have to come back to the Board for approval.

Legal Counsel pointed out the State statute regarding competitive bidding requires a 4/5 vote of RMWD Board of Directors; thus, if all the Directors are unable to attend it could be problematic.

Action:

Moved by Director Walson to approve Resolution 10-01 as amended to include in Paragraph 3 after “indebtedness” “not to exceed \$500,000”. Seconded by Director Lucy.

After consideration, the motion carried by the following vote:

AYES:	Director Lucy, Director McManigle, President Petty and Director Walson.
NOES:	Director Griffiths.
ABSTAINED:	None.
ABSENT:	None.

Director Griffiths inquired as to whether or not RMWD has enough money in the bank to do this job if needed. Mr. Seymour explained money was available; however, it was for being used for other projects. Director Griffiths stated those other projects were not emergencies. Mr. Seymour stressed the other projects were for the reservoirs which are emergency projects just as Director Griffiths has previously acknowledged; however, RMWD did not even have enough money to do those.

Director Griffiths stated as a director he had to think of what needed to be done to run RMWD in a safe manner including avoiding losing lines crossing the river which the RMWD Board Members knew had to be done several years ago but never did. He suggested if the District needed \$1.5 million tomorrow, it could be taken out of the "kitty" and exercise borrowing activities later.

President Petty pointed out the Resolution authorizes the General Manager to be able to get \$500,000. He stressed nothing in the Resolution places restrictions on where the money will come from whether it be borrowed or from existing funds. Director Griffiths recommended allocating RMWD's existing funds and then borrow the money at the District's convenience if needed. President Petty pointed out this would be reallocating funds. Director Griffiths stated that was precisely what he wanted to do.

Director Lucy pointed out how inconvenient it would be for up to hundreds of people to be out of service for several hours not to mention the health risks involved. He said this was a real emergency that must be taken care of by giving Mr. Seymour the authority to do this was appropriate and responsible.

Discussion went to Item #17.

***25. DISCUSSION AND POSSIBLE ACTION ON BECK RESERVOIR STUDY CONTRACT WITH MALCOLM PIRNIE ENGINEERING**

This item was deferred due to the discussions held under Item #19 herein.

Discussion went to Item #20.

***26. DISCUSSION AND POSSIBLE ACTION ON REQUEST OF DARIN PRINCE FOR METER FEE REDUCTION**

Mr. Seymour briefed the Board on this item. He noted Staff's recommendation was to deny the request for a meter fee reduction.

Action:

Moved by President Petty to deny request for reduced meter fee. Seconded by Director Walson.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, President Petty and Director Walson.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Discussion went to Item #27.

***27. DISCUSSION AND POSSIBLE ACTION ON WATER INNOVATIONS MEMORANDUM OR UNDERSTANDING (MOU)**

Mr. Lee explained District staff has been working with or communicating with a company regarding their effort to provide a floating platform for solar power collection and generation. He said they have now reached a point in discussions where both parties would like to verbalize and document a basic mutual agreement at this point in time. He mentioned this was a pilot project.

Legal Counsel mentioned the confidentiality requirements. He pointed out other agencies have similar MOU's for other pilot projects. He stressed the document does not bind RMWD in any way.

Action:

Moved by Director Walson to approve Staff Recommendation-authorize the General Manager to execute the Memorandum of Understanding with Water Innovations Power and Technology. Authorize staff to create a project tracking number and budget \$5,000 for staff time to determine the proposed technology's applicability to the District's uncovered reservoirs. This recommendation is with the intent to combine design and construction of both crossings once Line Q3 conditions have been examined. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, President Petty and Director Walson.
NOES: None.
ABSTAINED: None.
ABSENT: None.

***28. RECEIVE AND FILE INFORMATION ITEMS FOR NOVEMBER AND DECEMBER 2009**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar
2. Recap of 2009 Activities

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

(*) - Asterisk indicates a report is attached.

- 6. Meter Services Report
- 7. Cross Connection Report
- 8. Project Management Report
- C. District Engineer Comments**
- 1. Engineering Report

Action:

Moved by Director McManigle to receive and file information items for November and December 2009. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

- AYES:** Director Griffiths, Director Lucy, Director McManigle, President Petty and Director Walson.
- NOES:** None.
- ABSTAINED:** None.
- ABSENT:** None.

Discussion ensued regarding the lack in employee turnover and the benefits of such to the employees as well as RMWD.

Director Walson made several inquiries.

Director McManigle said he was pleased with the reports.

Director Griffiths made inquiries on Item #28B3, Item #28B8 and Item #28C1.

Director Walson inquired about the status of the Inflow and Infiltration study. Mr. Lee gave a brief update.

Mr. Lee noted there was a Palomar College representative present to comment on the campus project. Discussion ensued.

Mr. Lee pointed out K. Hov has submitted a letter to request thirty-two more meters and how the Board can anticipate this being on the February agenda for Board consideration. Discussion followed.

***29. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR NOVEMBER AND DECEMBER 2009**

A. Finance Manager Comments

- 1. Interim Financial Statement
- 2. Monthly Investment Report
- 3. Visa Breakdown
- 4. Directors' Expense
- 5. Check Register
- 6. Water Purchases & Sales Summary
- 7. Statistical Summary
- 8. Cost Recovery of Repairs to District Property Caused by the General Public
- 9. Metropolitan IAWP Reduction Programs

(*) - Asterisk indicates a report is attached.

10. Metropolitan SAWR Reduction Program
11. RMWD Domestic Reduction Program
12. Projected CIP Cash Flow Report
13. Operating and Capital Budgets Schedule

Action:

Moved by Director McManigle to receive and file financial statements and information for November and December 2009. Seconded by Director Walson.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, President Petty and Director Walson.

NOES: None.

ABSTAINED: None.

ABSENT: None.

Discussion ensued regarding meters being bought back by the District.

Director Griffiths made inquiries on Item #29A5.

Director Griffiths disclosed he was considering contacting the paver who recently completed a RMWD project to repave his personal residential driveway. Mr. Seymour suggested Director Griffiths contact someone that does not work with RMWD in order to protect himself from any potential conflicts of interest.

Director Griffiths commented on the budget schedule.

Director McManigle inquired about the bad debt. Mr. Buckley replied. Discussion ensued.

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

31. ADJOURNMENT - To Tuesday, February 23, 2010 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Walson and seconded by President Petty to a regular meeting on February 23, 2010 at 1:00 p.m.

The meeting was adjourned at 5:31 p.m.

Rua Petty, Board President

Dawn M. Washburn, Board Secretary