

**MINUTES OF THE SPECIAL BOARD MEETING  
OF THE BOARD OF DIRECTORS/BUDGET AND FINANCE COMMITTEE  
OF THE RAINBOW MUNICIPAL WATER DISTRICT  
APRIL 8, 2010**

1. **CALL TO ORDER** - The Special Meeting of the Board of Directors/Budget and Finance Committee of the Rainbow Municipal Water District on April 8, 2009 was called to order by Vice President Walson at 1:03 p.m. the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Walson and Chairperson Fagan presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **BOARD OF DIRECTORS ROLL CALL:**

**Present:** Director Griffiths  
Director Lucy  
Director McManigle  
Director Walson  
President Petty (Joined meeting later)

**Absent:** President Petty

**Also Present:** Finance Manager Buckley  
Human Resources Manager Bush  
District Engineer Lee  
Operations and Maintenance Manager Sneed  
General Manager Seymour  
Board Secretary Washburn  
Superintendent Maccarrone  
Superintendent Atilano

**BUDGET AND FINANCE COMMITTEE ROLL CALL:**

**Present:** Member Fagan  
Member Lucy  
Member Carlstrom  
Member Duganski  
Alternate S. Walson  
Alternate Thomas

**Absent:** Member Willyard  
Member Barker

**Also Present:** Finance Manager Buckley  
Human Resources Manager Bush  
District Engineer Lee  
Operations and Maintenance Manager Sneed  
General Manager Seymour  
Board Secretary Washburn

(\*) - Asterisk indicates a report is attached.

Superintendent Maccarrone  
Superintendent Atilano

Two members of the public were present.

#### 4. PUBLIC COMMENT RELATING TO ITEMS ON THE AGENDA

There were no public comments.

Director Walson turned the meeting over to Chairperson Fagan.

### **COMMITTEE ACTION ITEMS**

#### 5. COMMITTEE MEMBER COMMENTS

Mr. Fagan mentioned Mr. Willyard will no longer be serving on the committee.

Mr. Fagan also mentioned how at the last Board meeting the possibility of budget requiring a rate increase as well as how the initially proposed rates may no longer be valid were discussed. He mentioned it was decided to wait until the budget review was finished and then the Committee will go back and review the number and then advise the Board on what possible rate increases may be necessary.

Director Walson proposed holding off on Item #7 until after Item #8.

#### Discussion returned after Item #6.

Discussion ensued regarding including realistic number for the Beck Reservoir project in the capital budget. Mr. Lee stated he would prefer to have \$2.5M as a budgetary number on the Q-3 line.

Mr. Lee confirmed there was no new update on the Line NN project.

#### Discussion went to Item #8

#### \*6. APPROVAL OF MINUTES

A. March 4, 2010

#### **Action:**

**Moved by Member Carlstrom to approve the minutes as written. Seconded by Member Duganski.**

1:09 PM

**After consideration, the motion CARRIED by the following vote:**

**AYES:** Member Fagan, Member Walson, Member Carlstrom, Member Duganski, Member Lucy, Alternate Thomas, Alternate S. Walson.

**NOES:** None.

**ABSTAINED:** None.

**ABSENT:** Member Barker and Member Willyard

#### Discussion returned to Item #5.

(\*) - Asterisk indicates a report is attached.

**7. DISCUSSION AND POSSIBLE ACTION FOR METHODOLOGY TO CALCULATE THE EVAPORATION OFFSET CAPACITY FEE FOR THE PURCHASE OF WATER METERS DURING THE LEVEL 2 DROUGHT CONDITION. (REQUESTED BY BOARD, PROPOSED BY ENGINEERING)**

Mr. Fagan provided background on this item. He noted the Board approved a charge of approximately \$13,000 for the first and second set of meters; however, the third time the developer requested meters, the Board decided to not sell them the meters until the Engineering Committee as well as the Budget and Finance Committee discussed this issue further to determine on what the amount should be.

Director Walson explained the information he prepared in regards to the calculations for water meters and evaporation offset capacity fees. He said in his mind this was a two-part project involving what the real offset costs are for the reservoirs and what RMWD determines the charges should be. He noted the Board adopted Ordinance 08-01 and then declared a mandatory 10% M&I water reduction in 2009. He pointed out conditions under the mandates where meters could be provided; including establishing evaporation offset accounts and subsequent fees.

Director Walson explained how K. Hovnanian arrived at their calculations which resulted in an evaporation offset fee of \$13,265. He stated his personal calculations did not agree with the developer's. He said the developer's calculations did not include all the reservoir costs which he did and how his final calculations were substantially different, his being much higher. He claimed staff opposed his numbers based on the fact RMWD was required by CDPHS to cover the reservoirs and thereby invented a hypothetical rate of covering the reservoirs to be cheap in order to support the Lake Rancho Viejo numbers. He said this was an inadequate means of calculating the offset fees.

Mr. Fagan stated he attended the Engineering Committee meeting where this matter was discussed for several hours. He said the bottom line was there was a basic difference in the manner in which the numbers were calculated by Director Walson and staff, respectively. He mentioned how staff has done another calculation as directed by the Board and now the number was no longer \$13,000, but rather \$9,800. He stressed this committee should be looking at this matter from the standpoint as what would be a rational and fair charge that is over and above the normal meter charge. He pointed out whatever the charge may be goes into the cost for the covers and not anything else.

Director Griffiths said it was very clear the goal would be to offset the entire cost of the reservoir projects and how he found Director Walson's assumptions to be absolutely correct.

Mr. Fagan stated the bottom line was an agreement would never be reached between Staff, the Engineering Department, and Director Walson on how much to charge.

Mr. Lee pointed out the Engineering Committee's recommendation to the Board was to charge \$10,187 per four-tenths acre foot. Mr. Fagan said he thought the \$13,265 was a fair number as agreed upon by the Board at one time; however, the new recommendation came in considerably less.

(\*) - Asterisk indicates a report is attached.

Director Griffiths recommended telling the developer RMWD cannot come up with an honest, reasonable figure; however, since they were helping towards the cost of the reservoir projects, RMWD will accept \$13,265 as the evaporation offset fee. He reiterated how he agreed 100% with Director Walson that this amount was grossly under what should be charged, but he would be willing to stay with this amount as good gesture. Mr. Fagan said he did not necessarily agree with this recommendation.

Mr. Fagan pointed out the Budget and Finance Committee was in a position where it has to support the Engineering Committee's, Director Walson's, or staff's calculations.

Ms. Rhyne stressed the importance of the basic thing being what can RWMD support should someone decide take RMWD to court over the charges. Director Walson reiterated the manner in which he could support his calculations.

Mr. Seymour reminded everyone the first time K. Hovnanian approached the Board, the Board agreed to charge a rate of \$13,265 per meter which K. Hovnanian was willing to pay based on their calculations. He stressed now that the costs for the last two projects are less, the charges should be reflect those lower costs which came out to be \$10,187.

Mr. Fagan talked about how the Engineering Committee beat this issue around and there was a basic disagreement as to how staff arrived at their calculations as opposed to Director Walson's calculations and nothing will be resolved by arguing. Mr. Carlstrom said all the numbers used by both staff and Director Walson does not mean anything unless the difference in how the calculations were made is accepted.

Director Walson claimed staff only included a fictitious cover, not a particular cover in their calculations. Mr. Seymour clarified based on the line item cost of the cover was utilized.

Mr. Fagan reiterated the Board originally accepted the calculations for the first set of meters and the Board decided not to change the fees for the second set even after Director Walson disagreed with the numbers. He said it was when the developer approached the Board for a third set, the Board decided to have staff reevaluate the fees and hold discussions regarding what rate to charge.

Director Walson asked Mr. Seymour to explain how staff calculated their new numbers. Mr. Seymour provided an explanation. Director Walson charged staff was using fictitious budget numbers. Mr. Seymour stressed staff said as other projects come along or costs to RMWD are provided through the bidding process, the offset fees would be adjusted accordingly for the remaining meters. Discussion followed regarding the number of remaining number of meters and the individuals making meter requests.

Director Griffiths suggested telling the individuals who want meters that RMWD was not sure of the evaporation offset figures, but have them agree to the calculated amount as set forth even though it does not necessarily cover all the reservoir project costs. Mr. Fagan noted the Engineering Committee was going to recommend to the Board offset charge of \$10,187. Director Griffiths said this would be an excuse to accommodate the customers, but note the charges cannot be justified one way or the other.

Mr. Carlstrom said the only thing RMWD has is precedence. Mr. Seymour said if asked why the customers bought meters at the \$13,000 price the answer would be because that is what RMWD knew the costs to be. He clarified the developer offered RMWD \$5,000 per meter and the District came back with a calculated figure of \$13,000.

Mr. Fagan pointed out how all sides have presented their case to the Engineering Committee and the committee in return has said they will recommend to the Board staff's proposal of \$10,187. He said it was then up to the Board to make a final decision.

Mr. Carlstrom said as far as the Budget and Finance Committee was concerned, he would support a recommendation to the Board using the old rationale of precedent and charge exactly what has been charged before given the fact the cost is much higher in order to show RMWD has an interest in supporting the customers as well as its infrastructure. Discussion continued.

Director Walson stressed all the numbers can be defended if necessary. Ms. Duganski asked why this was a problem if the customer's were not disputing the charges. Director Walson explained it was due to the fact he disagreed with staff's calculations. Mr. Fagan added at the Board meeting the Board said they would not honor meter sales until the Engineering Committee had the opportunity to review the matter at the Board's direction.

Discussion ensued.

Ms. Brazier asked if this committee was asked by the Board to make a recommendation. Mr. Fagan said it was not. Director Walson stressed this committee has every right to make a recommendation on anything financial. Mr. Fagan said the committee can make a recommendation if it so desires; however, the direction from the Board was to the Engineering Committee.

Director Griffiths claimed the problem with the Engineering Committee gets its information from one source.

Mrs. Walson recommended the emotions be removed from this issue. She said these people are developers making money off this whole issue unlike the little ratepayers. She stated if water is being saved, it should be given back to the ratepayers. She mentioned she has a Supervisor's office that has been on RMWD's side on some matters that have suggested developers pay for the entire reservoir projects in order to keep the current customers in place. She claimed there was a Ponzi scheme. Mr. Fagan made it clear that whatever RMWD charges the developers for meters would also be charged to the individual ratepayer.

Mr. Carlstrom reiterated the best means of defense would be to set the evaporation offset fees based on precedence.

Mr. Lee agreed with Mrs. Walson in that if RMWD was saving water, maybe it should be made available to the existing ratepayers; however, that has not been discussed as of yet. He said prior to Mrs. Walson's comments he wanted to point out this committee was making a decision that goes against professional opinions and in should it proceed in that manner, it may be setting itself up. Mr. Carlstrom, Director Walson, and Director Griffiths each stated they disagreed. Mr. Carlstrom said setting a price has nothing to do with professional staff good or bad.

Director McManigle asked Director Walson what he thought a realistic number should be since his calculations come out to be too high at \$50,000. Director Walson said when he initially discussed this matter with Mr. Seymour he presented a recommendation to Mr. Seymour to cap the charge at approximately \$20,000 which would be his motion.

Mr. Seymour pointed out that should Director Walson make a motion, it would be a Board action, not one of the committee due to the nature of how this meeting agenda was posted.

Director Walson claimed the Board did not charge the Engineering Committee to come up with a recommendation for Board consideration, but rather to look at the two sides of the issue and come up with a recommendation if they so desired. He said this committee has a right to come with their own recommendation.

Mrs. Walson inquired how Legal Counsel could get involved in this matter. It was noted it should be in open forum. Mr. Fagan stated he would be happy to report the opinions expressed and discussed in this meeting at the next Board meeting.

Director Griffiths said supporting the concept of a precedent makes sense and gets RMWD off the hook. Mr. Fagan stated the Board will do what they want and make a decision based on all the input presented to them.

***President Petty joined the meeting at 3:48 p.m.***

***Action:***

***Moved by Member Carlstrom the Chairperson of the Budget and Finance Committee report to the Board at the next Board meeting results of the discussion that occurred at this meeting including the disagreement that exists over the way to calculate the offset fee for the meters as well as the two options available to the Board (the Engineering Committee recommendation of \$10,187 or the \$13,265 based on precedent). Seconded by Chairperson Fagan.***

***After consideration, the motion FAILED by the following vote:***

**AYES:** Member Fagan and Member Carlstrom.  
**NOES:** Alternate S. Walson, Member Duganski, and Alternate Thomas.  
**ABSTAINED:** None.  
**ABSENT:** Member Barker and Member Willyard

***Action:***

***Moved by Member Duganski the Chairperson of the Budget and Finance Committee report back to the Board discussions and request clarification as to whether they were requesting a recommendation from this committee to either accept or reject the precedent amount or the Engineering Committee's new calculated figures. Motion failed due to lack of a second.***

Ms. Brazier pointed out if the Board's decision was to simply reject or accept the Engineering Committee's recommendation, then everyone involved just wasted hours and hours of discussion time and would not have had an opportunity to hear Director Walson's presentation.

(\*) - Asterisk indicates a report is attached.

Mr. Carlstrom reiterated how at the last Board meeting the Board heard Director Walson's claim the calculation method may have been flawed and in turn directed the Engineering Committee to settle the difference as to how the figure should be calculated. Director Griffiths stated the Board's direction was for the Engineering Committee to produce a side-by-side comparison item-by-item for the Board to discuss, but not to give a yes, no, or another figure. Ms. Washburn read aloud the exact motion in question from the March 23, 2010 Board meeting.

Mr. Fagan pointed out after spending almost 5 hours discussing this matter, there was no progress made and it was unlikely an agreement will ever be reached.

***Member Duganski excused herself from the meeting at 4:03 p.m.***

Mr. Fagan pointed out the it was not staff's but rather the professional's calculations that came up with the amount of \$13,265 the developer agreed to pay. He added it was due to the Board's direction that Mr. Lee and Mr. Seymour conducted their own study separate of that of the Board and in turn came up with another number. It was confirmed although the professional's number was \$13,265 the developer offered RMWD \$5,000 per meter which the Board declined. Discussion continued.

Mr. Fagan read aloud Dexter Williams' estimated evaporation offset fee calculation method.

Director McManigle said he would like to see the numbers in a matrix in order to determine what items should or should not be included in order to make a more informed decision.

President Petty explained the purpose of this fee is to offset water consumption or to save water and just so happens to revolve around the reservoirs being covered. He said if RMWD was doing nothing but putting a cover on the reservoir, the difference would be in the water savings due to the cover. He stressed the only thing he could legitimately charge his customers as an offset would be the difference in water savings. He pointed out adding additional assessments to the customers due to the other things being done on the reservoirs would be a completely different issue.

It was reconfirmed the Board would be making the ultimate decision.

Mr. Seymour pointed out K. Hovnanian was willing to pay the initial \$13,265; however, now that the Engineering Committee has reviewed the numbers again, the amount came out to be less than the initial fee. He noted this could be problematic for the Board to charge more than the new amount. Director Walson charged the numbers did not come out less, staff made them come out to be less. Mr. Seymour pointed out although the entire Engineering Committee disagreed with Director Walson's calculations, it was the Board creating a problem by having staff come back with some numbers that they now believe are too low and thus want to charge the initial \$13,265. He questioned whether or not this would be fair to everyone. He pointed out it will only take one person to file a legal suit and RMWD will ultimately pay far more in legal fees than the District will gain from the offset fees alone.

Mrs. Brazier said in spite of all the disagreement about figures, the basic disagreement at the Engineering Committee was philosophical as to whether to charge for the entire project or a portion of the project that stops evaporation. Discussions continued.

(\*) - Asterisk indicates a report is attached.

Mr. Seymour pointed out the District was doing numerous things at the reservoir to improve water quality. He said the cover was part of the project, but the only part that stops evaporation was the cover itself, not the new piping, disinfection facilities, etc. He explained this was why staff decided the cover line items should be the only items charged. Discussion ensued.

Director Walson claimed Mr. Seymour was misrepresenting Director Walson's calculations. Mr. Seymour stated he was not and there was a clear philosophical difference of opinion. Mr. Seymour inquired as to why Director Walson was allowed to present his calculations but when it comes to staff's logical conclusions Director Walson accuses staff of fabricating numbers. Director Walson said it was due to the fact staff could not substantiate the level of evaporation numbers. Staff said yes they did, Director Walson just did not agree with them.

***Mr. Seymour excused himself from the meeting at 4:16 p.m.***

President Petty clarified how staff came up with their calculations. Mr. Lee explained staff developed their costs on what RMWD would have done to prevent evaporation only, not the other items done to comply with CDPH violations that are not directly related to preventing evaporation. Discussion continued.

Ms. Thomas said the Budget and Finance Committee cannot recommend or disagree with the other recommendations due to the fact they are looking at this from a financial standpoint only.

Mr. Lee pointed out based on the motion made by the Board at their March 23, 2010 meeting, the Engineering Committee did exactly what the Board directed which was to review Director Walson's calculations and come back with a recommendation for Board consideration.

Discussion went to Item #10.

**8. 2010-2011 BUDGET DISCUSSION AND REVIEW**

**A. OPERATING**

Mr. Buckley talked about some of the expectations on the approval of this budget. He noted Staff was not looking for Board or Committee approval today, but wanted to let them know RMWD was on the right track and then decide if they how they want to proceed with future budgetary meetings.

Director Walson suggested the next meeting be a joined meeting the Board and Committee. Mr. Fagan agreed. It was determined the next meeting would be on May 6, 2010 at 1:00 p.m.

Mr. Buckley mentioned the upcoming rate increase from SDCWA and MWD; however, they would not directly affect RMWD's budget, but will affect the customers.

Mr. Buckley pointed out the benefits and salaries was one of the largest expense items in the budget and how some reductions have been made to demonstrate that RMWD was holding the line as far as increasing these costs.

Discussion continued regarding the upcoming SDCWA and MWD increases including possible additional surcharges to fix the delta.

(\*) - Asterisk indicates a report is attached.

Director Griffiths asked if there was any way to indicate in RMWD's budget costs that are out of the District's control such as pass through fees. Mr. Fagan explained no amount of publicity changes the public's opinion the District can cut more costs to save them money. Mr. Seymour confirmed this information has been and will continue to be published in the newsletter. Director Walson suggested it also be addressed in greater detail in the proposed quarterly newsletter. Director Lucy reiterated salaries and benefits make up only 8% of RMWD's total cost of its budget and how the .8% increase in this department clearly demonstrates the District was doing a good job at trying to keep expenses under control. Discussion continued.

It was confirmed the Highway 76 project was not factored into the budget. Discussion followed.

Mr. Buckley mentioned the overall operating expenses other than water were decreased 3.5% which means reducing over the prior year budget. He noted there was no Rainbow rate increase included in this budget and that although borrowing or the cost thereof has been considered, it has not been input into the budget as of yet. Discussion followed.

Discussions ensued regarding supplies and services.

Mr. Buckley talked about RMWD's water sales history.

Mr. Buckley explained the information provided on Page 3 of the handout he prepared.

### **Board of Directors**

Mr. Seymour noted Staff was budgeting less due to the fact the initial budget allotted for the maximum amount of meetings Directors could claim, but since the Directors are not claiming that many meetings, the amount was reduced. It was clarified that Director Griffiths' amount was more than the other Directors due to the fact the other Directors do not necessarily claim all Special Meetings for which they are entitled.

Ms. Thomas referenced Page 20-6 and noted a correction that the budget amount should be \$300 as opposed to \$100 which would ultimately change the summary as well. She explained this was due to a particular membership.

### **Pumping**

Mr. Seymour pointed out the budget was decreased. Mr. Sneed explained the reductions.

Discussion ensued regarding future pumping capabilities and thermal imaging.

### **Operations**

Mr. Seymour pointed out the cuts made to this section. He noted this demonstrated the District was holding the line to get the work done that has to be done and deferring other work that can hopefully get done in the future once the economy conditions change.

(\*) - Asterisk indicates a report is attached.

Mr. Sneed added that he and his superintendent would be working on a plan to cut down reexamine the number of valves that are not critical to the system. Discussion followed.

Mr. Seymour reiterated some of the deferred projects will have to be paid for by the District at some point in the future.

### **Distribution**

Mr. Seymour noted there was slight change to this section due to the transfer of an employee from one department to Distribution.

### **Meter Services**

Mr. Sneed explained the meter service department tasks undertaken on a regular basis.

Mr. Sneed mentioned the meter reading program was currently on hold due to the fact he was currently working with ITRON on problems with the non-transmittal of some reads. He noted this has cost RMWD some money; however, he was tracking those costs in order to seek recovery once the issues are resolved. Discussion followed.

### **Garage**

Mr. Seymour noted since fleet vehicles are not being replaced at this time, there was a significant decrease in this section. He pointed out, however, there will come a time when this will need to be addressed and this section will reflect an increase in future budgets.

### **Administration**

Mr. Seymour explained outside of MIOX costs (which are reflected in another portion of the budget) legal expenses have been running less than usual.

Director Griffiths inquired as to whether or not it has been considered to not have legal counsel present at all the regular Board meetings. Mr. Seymour stated once the legal cases are resolved, it may be something for the Board to consider.

### **Safety/Security**

Mr. Sneed explained the security upgrades being considered and implemented for the front customer service area and administrative offices of the District. It was noted the Sherriff's Department Crime Preventive representative met with staff regarding the necessary upgrades.

### **Finance**

Mr. Buckley explained the increases found in this section are reflective of the District's banking services that have not had to be tracked in the past. He pointed out the reductions in float rates are not offsetting these costs at this time.

Discussions ensued regarding the various payment programs in place at RMWD.

Mr. Buckley noted the bank charges were \$3,000-\$5,000 per month and the float amount would have to be very significant in order to offset these charges. Discussion followed.

### **Customer Service**

Director Griffiths commented that every time he calls, he receives very good service.

### **Wastewater**

Mr. Seymour noted some of the decrease in this section was due to the City of Oceanside. Mr. Buckley explained the City of Oceanside based the reduction on their overall operating costs.

Director Griffiths suggested this be clearly communicated to the public that RMWD has no control over this cost.

Director Lucy referenced Pages 61-22 and 9 and inquired as whether or not there may be a typo in the page numbering.

### **Engineering**

Mr. Seymour pointed out there was a transfer of one position from engineering to pumping as reflected on the salary sheet.

Director Griffiths expressed concern there was no money allotted for books or resources. Mr. Lee explained RMWD has a subscription to the American Water Association through which staff receives numerous articles as well as updates to the AWWA standards. He stated in the current economic times this more than efficient to cover RMWD's projects and information staff needs to accomplish the District's goals. Discussion followed regarding funding.

Director Lucy mentioned how most of the larger users are going to remain strong for the next year. He said he was pleasantly surprised to hear that news and found it encouraging for budget purposes.

Mr. Seymour encouraged everyone to take a more thorough look at the draft budget and provide staff with feedback as far as the direction being taken so that they can work the capital numbers into it and come up with the appropriate rate increases necessary to fund the reservoir projects.

Mr. Griffiths asked Mr. Buckley to confirm RMWD was not expecting to increase permanent personnel at all. Mr. Buckley confirmed. Director Griffiths inquired about temporary employees as well. Mr. Seymour mentioned a small amount was budgeted for temporary employees. Director Griffiths stated although this was understood, he wanted it clearly understood. Mr. Seymour pointed out the two largest two labor groups would be up for negotiations this year; however, there were no increases yielded into the budget for this as of yet. He noted these two employee contracts expire December 31, 2010.

Mr. Fagan expressed concern there may have been too many budget cuts. Mr. Seymour said staff would rather not make those cuts, but given the economic situation and water crisis, ratepayers are suffering and still facing water rate increases and staff wanted to do what they could to assist. Mr. Seymour noted some of the cuts were deferred costs and others were permanent. He mentioned some of the deferred items include vehicle and valve replacements and permanent cutbacks include annual employee Christmas parties, employee appreciation activities. He noted staff's goal was to not purposely cut back on customer services.

Discussion ensued regarding developments possibly increasing RMWD's revenue.

Mr. Carlstrom stated he was pleased with what staff has been done up to this point with controlling expenses. He said although he was comfortable with the Operating Budget, he was uncomfortable with how the District is going to be able to fund the CIP budget.

It was noted the collections at RMWD were not as problematic as they have been over the last eight months. Discussion ensued.

***Director Lucy excused himself from the meeting at 2:40 p.m.***

## **B. CAPITAL PROJECTS**

### **9. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED BUDGET AND FINANCE COMMITTEE MEETING**

Mr. Buckley recommended at the May 6<sup>th</sup> committee meeting further discussion be held regarding potential increases to be included in the budget and then make a recommendation to the Board in regards to the 2010/2011 Budget. Mr. Seymour mentioned the recent Compliance Order RMWD just received from CDPH regarding the reservoirs that provided timeframes must also be taken into consideration. Mr. Fagan said he would meet with Mr. Buckley and Mr. Seymour to come up with a rate recommendation for Board consideration.

*Discussion went to Item #7.*

### **10. ADJOURNMENT**

***The Budget and Finance Committee meeting was adjourned with a motion made by Alternate Thomas and seconded by Member Carlstrom to a regular Budget and Finance Committee meeting on May 6, 2010 at 1:00 p.m.***

(\*) - Asterisk indicates a report is attached.

***The Board of Directors meeting was adjourned with a motion made by Director McManigle and seconded by President Petty to a regular meeting on April 27, 2010, at 1:00 p.m.***

The meeting was adjourned at 4:26 p.m.

---

**Don Fagan, Committee Chairperson**

---

**Dawn M. Washburn, Board Secretary**

---

**Gerald Walson, Board Vice President**

---

**Dawn M. Washburn, Board Secretary**

(\*) - Asterisk indicates a report is attached.