

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JULY 27, 2010**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on July 27, 2010 was called to order by President Petty at 12:03 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: Director Griffiths
Director Lucy
Director McManigle
President Petty
Director Walson

Absent: None

Also Present: Finance Manager Buckley
Human Resources Manager Bush
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. Two members of the public were present for Open Session.

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

Director Walson announced he needed to leave the meeting at 1:30 p.m.; therefore, if the Board wanted him to participate in particular items, they may want to adjust the agenda items accordingly.

Mr. Seymour requested the Vista Irrigation District Resolution for the nomination of Howard Williams to the ACWA Health Benefits Authority be added to the agenda due to the stipulated deadline.

Action:

Moved by Director McManigle to add Resolution 10-12 to the Consent Calendar as Item #14C. 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.

**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.

Time: 12:07 p.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
- B.** Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9)
 - 30465 & 30516 Old River Road, Bonsall, CA

Agency Negotiators: Dave Seymour and Brian Lee
Under Negotiation: Price and Terms

- C.** Conference with Legal Counsel-Consideration of Claim (Government Code §54956.9(b))
- D.** 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

The meeting reconvened at 1:09 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

There was no reportable action.

(*) - Asterisk indicates a report is attached.

Time Certain: 1:00 p.m.

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

There was no reportable action.

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

President Petty announced Director Walson's request to postpone Items #12 and #13 until after the action items are addressed due to the fact he needed to leave the meeting early. There were no objections.

Legal Counsel pointed out Item #14C was added to the agenda under the Consent Calendar.

10. ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).

There were no public comments.

Discussion went to Item #14.

Mr. Phil Bulfinch addressed the Board regarding him speaking with his attorney about getting involved with or willing to address the matter of absence of water in the lines to his property under Proposition 218.

President Petty explained the Board would not be able to respond at this meeting due to the fact it was not on the agenda for consideration. He provided Legal Counsel and Mr. Seymour with letters regarding this matter. President Petty stated it would put on the next agenda

Discussion went to Item #16.

***11. APPROVAL OF MINUTES**

A. June 22, 2010 - Regular Board Meeting

Action:

Moved by Director Lucy to approve the minutes as written. 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: None.
ABSENT: Director Walson.

Discussion went to Item #12.

(*) - Asterisk indicates a report is attached.

12. BOARD OF DIRECTORS' COMMENTS/REPORTS

Directors' comments are comments by Directors concerning District business, which may be of interest to the Board. This is placed on the agenda to enable individual Board members to convey information to the Board and to the public. There is to be no discussion or action taken by the Board of Directors unless the item is noticed as part of the meeting agenda.

A. President's Report (Director Petty)

1. SDCWA

President Petty explained the SDCWA budget presented did not benefit RMWD; therefore, he voted against its approval. He pointed out a meeting was to be held to discuss the budget; however, it did not happen.

President Petty reported he voted against the Labor Negotiations Contract.

President Petty reported the Poseidon Desalination project negotiations were still moving forward; however, the final outcome was still unknown.

2. CSDA

There was no report.

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

There were no reports.

C. Directors Comments

Director Griffiths commented on the smoothing process mentioned in the RMWD July newsletter.

Director McManigle inquired as to why the newsletter stipulated the District would be putting in a certain type of tank. It was confirmed the Board decided to go with concrete for longevity purposes.

President Petty stated that after reviewing at the gross sales of his avocados, he has decided to cut down his grove. He explained how he has been financially impacted and how others may be faced with making the same decisions.

Discussion went to Item #13.

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

A. Budget and Finance Committee

1. May 6, 2010 Minutes

Mr. Fagan stated he had nothing to report due to the fact the committee did not meet in July.

(*) - Asterisk indicates a report is attached.

- B. Communications Committee
 - 1. May 3, 2010 Minutes

Ms. Washburn reported the Communications Committee did not meet in July due to the lack of a quorum.

- C. Engineering Committee
 - 1. June 1, 2010 Minutes

Ms. Brazier reported on the July 13th Engineering Committee meeting where discussions took place regarding committee membership. She mentioned the positions of Erik Irvine and Timothy Prince were switched with Mr. Irvine becoming an alternate and Mr. Prince a member. She also noted discussion took place regarding properties of various materials. She reported there were questions and comments regarding Request for Proposals. She concluded by mentioning the CIP update provided as well as topics for the next committee meeting in August.

Discussion went to Item #19.

***14 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. **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 10-10; A RESOLUTION CONSENTING TO APPROVE THE AMENDED AND RESTATED JPA AGREEMENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES HEALTH BENEFITS AUTHORITY (REQUESTED BY: GENERAL MANAGER)**

This item was pulled from the consent calendar for discussion purposes.

- B. **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 10-11; A RESOLUTION DESIGNATING AGENCY MEMBERSHIP REGULAR REPRESENTATIVE, ALTERNATE REPRESENTATIVE AND HEALTH BENEFITS PROGRAM COMMITTEE MEMBER TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES HEALTH BENEFITS AUTHORITY (REQUESTED BY: GENERAL MANAGER)**

This item was pulled from the consent calendar for discussion purposes.

- C. **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 10-12 CONCURRING THE NOMINATION OF HOWARD WILLIAMS TO THE BOARD OF DIRECTORS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES HEALTH BENEFITS AUTHORITY.**

Action:

Moved by Director Lucy to approve Item #14 C. Seconded by Director McManigle.

(*) - Asterisk indicates a report is attached.

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 #14A.

BOARD ACTION ITEMS

***14A. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 10-10; A RESOLUTION CONSENTING TO APPROVE THE AMENDED AND RESTATED JPA AGREEMENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES HEALTH BENEFITS AUTHORITY (REQUESTED BY: GENERAL MANAGER)**

Mr. Seymour explained how the ACWA Health Benefits Authority became a self-funded insurance program and as part of that change, some revisions needed to be made to their bylaws. He noted the changes were basically administrative and do not impact RMWD significantly.

Director Griffiths expressed concern the support and reasons behind the changes were not provided. President Petty said the reason was to save money. Director Griffiths suggested this item be delayed until numbers could be presented. Mr. Seymour explained ACWA already approved their agreement a year ago.

***14B. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 10-11; A RESOLUTION DESIGNATING AGENCY MEMBERSHIP REGULAR REPRESENTATIVE, ALTERNATE REPRESENTATIVE AND HEALTH BENEFITS PROGRAM COMMITTEE MEMBER TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES HEALTH BENEFITS AUTHORITY (REQUESTED BY: GENERAL MANAGER)**

Discussion on this item was covered under Item #14A herein.

Action:

Moved by Director Walson to approve both Resolutions 10-10 and 10-11 (Items #14A and #14B). 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.

Discussion went to Item #15.

15. DISCUSSION AND POSSIBLE ACTION REGARDING A PUBLIC MEETING TO DISCUSS THE PALA MESA TANK PROJECT

Mr. Lee explained the reason why he would like to hold a public meeting. Director Walson recommended holding a Saturday meeting at Pala Mesa Resort. Director Lucy suggested the meeting be held at a site or at least follow up the meeting with a tour.

Action:

Moved by Director McManigle that RMWD hold a workshop and use Mr. Lee's suggestions as guidelines. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

Mr. Lee explained he would work with the Directors of Divisions 3 and 4 since they would be the most impacted. Discussion ensued regarding the time of day the meeting would be held.

Mr. Lee pointed out each property owner would receive a personal letter from the District.

Discussion returned to Item #10.

16. SEWER SYSTEM MANAGEMENT PLAN

Mr. Sneed explained this plan was ordered by the State Water Resources Control Board. He noted the purpose for the plan was to assure all wastewater agencies have proper operation maintenance of their system and that the overall goal is to prevent sewer spills.

Mr. Sneed pointed out the plan was completed by him in conjunction with RWMD's wastewater staff; therefore, not only did it save the RMWD money, but staff knows the staff intimately due to the fact it was created by them. He mentioned this plan would be used to operate the system.

Mr. Sneed announced he was going to change the acronym "FROG" (Fats, Roots, Oils and Grease) to just "FOG" (Fats, Oils, and Grease) due to the fact roots be addressed in Operations and Maintenance Program. He also mentioned he removed the map of the system included in the Board's documents and should be kept confidential for security purposes.

It was suggested a glossary be added to plan.

It was noted this plan was derived from the State of California and not a RMWD management plan.

(*) - Asterisk indicates a report is attached.

Action:

Moved by Director Walson to approve the Sewer System Management Plan with the minor revisions. 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.

President Petty pointed out Legal Counsel should not be between the Board of Directors and General Manager on the organizational chart.

Director Walson excused himself from the meeting at 1:32 p.m.

Discussion went to Item #17.

17. DISCUSSION AND POSSIBLE ACTION TO APPOINT NEW COMMUNICATIONS COMMITTEE MEMBERS

Action:

Moved by Director McManigle to appoint Dave Seymour and Dawn Washburn as Alternates to the Communications Committee. Seconded by President Petty.

After consideration, the motion CARRIED by the following vote:

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

Discussion went to Item #18.

***18. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2010 BOARD ELECTIONS FOR REGION 6, SEAT B**

This item was discussed. No action taken.

Discussion went to Item #11.

***19. RECEIVE AND FILE INFORMATION ITEMS FOR JUNE 2010**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Operations & Maintenance Manager Comments

1. Construction & Maintenance Report
2. Water Operations Report
3. Valve Maintenance Report

(*) - Asterisk indicates a report is attached.

- 4. Wastewater Services Report
- 5. Safety and Emergency Planning Report
- 6. Meter Services Report
- 7. Cross Connection Report
- 8. Project Management Report
- C. District Engineer Comments**
 - 1. Engineering Report
- D. Human Resource Manager Comments**
 - 1. Changes in Personnel
 - 2. Organizational Chart

Action:

Moved by Director McManigle to receive and file information items for June 2010. 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.

Mr. Seymour announced IAWP customers may be allowed to roll their balance over; however, this would not affect the SAWR customers due to the fact that was a stand along SDCWA program. He also mentioned the main purpose of the meeting was to discuss the high salt levels in the water and its impacts.

Mr. Lee mentioned the first check received from the ARRA funds for \$2.6M.

Mr. Sneed provided an update on the Itron situation. Director McManigle thanked Mr. Sneed for all his efforts on this matter.

Director Griffiths made inquiries on Items #19B1 and #19B3.

Discussion ensued regarding the poor condition at Rainbow Glen.

Discussion ensued regarding Item #19C after Mr. Lee updated the Board on the status of projects.

Mrs. Bush mentioned there was a resignation of a customer service representative which resulted in a position being open. She noted recruitment for the position closed the previous Friday with 50 applications received. Director Lucy expressed his great experiences every time he had interacted with Mrs. Metrision.

Director Griffiths inquired as to whether or not the department could function without filling the position. Mr. Buckley answered he thought through this possibility; however, there was none. Mr. Seymour explained the one thing staff was trying to avoid was impacting the customers with cutbacks.

***20. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR JUNE 2010**

(*) - Asterisk indicates a report is attached.

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
10. Metropolitan SAWR Reduction Program
11. RMWD Domestic Reduction Program
12. Projected CIP Cash Flow Report

Action:

Moved by Director McManigle to receive and file financial statements and information for June 2010. Seconded by President Petty.

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. Buckley pointed out the end of the fiscal year was very disappointing due to the reductions in water sales.

Directors McManigle and Griffiths made inquiries on Item #20A1. Mr. Buckley acknowledged the numbers may not be calculating correctly and he would correct the error.

Director Griffiths made inquiries on Item #20A5.

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

There were no items mentioned.

22. ADJOURNMENT - To Tuesday, August 24, 2010 at 1:00 p.m.

The meeting was adjourned with a motion made by President Petty to a regular meeting on August 24, 2010 at 1:00 p.m.

The meeting was adjourned at 2:25 p.m.

Rua Petty, Board President

Dawn M. Washburn, Board Secretary