

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JUNE 26, 2012**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 26, 2012 was called to order by President McManigle at 12:46 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President McManigle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Director Griffiths
Director Lucy
Director McManigle
Director Sanford
Director Brazier

Absent: None

Also Present: Finance Manager Buckley
Human Resources & Safety Manager Bush
Assistant General Manager/District Engineer Lee
Executive Assistant/Board Secretary Washburn
Legal Counsel Lemmo
Water Operations & Customer Service Manager Atilano
Superintendent Maccarrone
Superintendent Miller
Associate Engineer Plonka
Superintendent Walker

There were five members of the public present for Open Session.

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

Director Griffiths asked for Closed Session and Item #17A be postponed until Mr. Seymour can be present.

Mr. Lee pointed out the Resolution under Item #17B does not need to be sent to CalPers, but will be posted on the website.

It was verified both Items #17A and #17B were time sensitive and that Item #17A would be moved from consent, but not postponed.

(*) - Asterisk indicates a report is attached.

5. CLOSED SESSION

- A. Appointment; Employment; Evaluation of Performance – General Manager (Government Code §54957)

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

There was no Closed Session per Item #4 herein.

The meeting recessed until the 1:00 p.m. start time per Legal Counsel.

The meeting reconvened at 1:00 p.m.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

Discussion went to Item #9.

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

There was no report per Item #4 herein.

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

President McManigle noted there was no need for closed session and the item would be on the next agenda when Dave will be present at the meeting and all other items would remain the same.

Discussion went to Item #10.

10. ANNIVERSARY ACKNOWLEDGEMENT

- A. Ramon Zuniga

Mr. Lee acknowledged Mr. Zuniga's twenty years of service at RMWD. He mentioned Mr. Zuniga started out as a RMWD temporary employee and since 2003 has been serving as the Wastewater Supervisor. Mr. Lee stated on a personal note he has worked with Mr. Zuniga on a number of projects and found his professionalism and knowledge has been wonderfully refreshing to deal with as they have had to work through issues. He congratulated Mr. Zuniga as he presented him with a check and plaque.

Discussion went to Item #11.

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).

There were no comments.

Discussion went to Item #12.

(*) - Asterisk indicates a report is attached.

Time Certain: 1:00 p.m. Public Hearing

***12. PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 12-01, 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 McManigle explained Item #12 is the public hearing and potential action to establish the readiness to serve water service standby assessment or availability charges for all of Improvement District No. 1. He announced they would hold a public hearing to receive public input, and then the Board will deliberate and discuss the item, taking into consideration any public testimony, prior to taking any action.

President McManigle opened the Public Hearing at 1:04 p.m.

There were no public comments. Ms. Washburn confirmed she had not received any written communications from the public.

President McManigle closed the Public Hearing at 1:05 p.m.

Director Griffiths asked whether or not this had changed since last year and for what the money was used. Mr. Buckley provided an answer. Discussion ensued.

Action:

Moved by Director Sanford to Ordinance No. 12-01. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES:	Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES:	None.
ABSTAINED:	None.
ABSENT:	None.

Discussion went to Item #13.

***13. APPROVAL OF MINUTES**

A. May 7, 2012 – Special Board & Budget and Finance Committee Meeting

Action:

Moved by Director Lucy to approve the minutes as written. Seconded by Director Brazier.

(*) - Asterisk indicates a report is attached.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Director Lucy elaborated on his comment made on Page 13A-3 in that he meant to imply if there is stabilization in the water rates and RMWD has availability, it was very encouraging.

B. May 22, 2012 - Regular Board Meeting

Action:

Moved by Director Brazier to approve the minutes as written. Seconded by Director Lucy.

Director Lucy commented on the water rights mentioned on Page #13B-7. Discussion ensued.

Director Griffiths referenced Page #13B-6 when he noted the word “on” should be “one”.

Director Brazier pointed out on Page #13B-2 it should state RMWD was Legal Counsel’s client, not the reverse.

Director McManigle referenced Page #13B-2 when he pointed out the word “starting” should be “started” at the top of the page.

Director Brazier amended her original motion.

Action:

Moved by Director Brazier to approve as revised. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Discussion went to Item #14.

14. PRESENTATION FROM THE NORTH COUNTY FIRE DEPARTMENT (REQUESTED BY: DIRECTOR LUCY)

Mr. Maccarrone mentioned the presenter had notified him he was unable to make the meeting for 1:00 p.m., but may be able to make the presentation later during today’s meeting.

(*) - Asterisk indicates a report is attached.

Director McManigle postponed the item.

Discussion went to Item #15.

Director Lucy mentioned his concerns to the North County Fire Department representative, Sid, regarding whether or not RMWD was notifying the fire department adequately on planned shutdowns. Sid stated RMWD staff was great about notifying the fire department. He explained the fire department receives the information typically via email and then they send it out to their operations people so they have it on their radar. He said everyday they start their shift, the on duty battalion chief sends out a reminder. He added if the shutdown was significant enough that the fire department is affected operationally, they will discuss whether or not they need to change their plan. Sid complimented RMWD in that its staff is great to work with and notifies them plenty ahead of time.

Director Griffiths inquired as to whether or not there was anything RWMD could improve on the information the District provides to the North County Fire Department. Sid stated there was not.

Director Griffiths asked for an update on the standard minimum requirements for fire protection for new developments. Sid mentioned he brought a copy of their current code. Discussion ensued. Mr. Lee pointed out the recent changes to the water code that will address some of these questions.

Discussion went to Item #16.

15. 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 McManigle)

President McManigle stated he had nothing to report.

B. Representative Report (Appointed Representative)

1. SDCWA

Director Sanford reported on the recent SDCWA meeting where discussion took place on the Carlsbad Desalination project as well as the lawsuits with MWD. Discussion ensued regarding the Desalination Plant.

2. CSDA

There was no report given.

3. LAFCO

There was no report given.

(*) - Asterisk indicates a report is attached.

4. San Luis Rey Watershed Council

Ms. Washburn reported it was confirmed today the San Luis Rey Watershed Council did receive the payment from RMWD and Director Brazier was now an official Board Member with voting privileges.

Director Brazier reported the council was applying for a grant amounting to approximately \$50,000 to sustain a full or part time person to coordinate activities and also do some fundraising for the organization. She announced the Council voted to accept the EIR which means the quarry can reapply for permits. She also noted the meeting time has been changed to 12:30 p.m.

Discussion went to Item #15B.

Director Griffiths inquired as to whether or not the \$500 donation made to SLRWC had been utilized.

Discussion returned to Item #15D.

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

D. Directors Comments

Director Brazier commented on the June 25, 2012 FPUD Board Meeting where their Engineering Department said they had an agenda documenting revised District construction savings for construction of domestic water and sanitary sewer infrastructure and that they had used a great deal of stuff from RMWD. She also pointed out at that meeting the FPUD general manager mentioned a potential Board meeting in July.

Discussion returned to Item #15B4.

Mr. Lee stated he would verify with Mr. Brady whether or not a meeting was scheduled. Director Brazier stated July 19th was the date proposed.

Discussion returned to Item #14.

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

A. Budget and Finance Committee

1. May 7, 2012 Minutes (Approved by Committee)

Mr. Buckley reported on the June committee meeting where the committee listened to updates on water and wastewater rates, potential for annexation, State Revolving Fund loans, and consolidation. He noted there was no action taken.

(*) - Asterisk indicates a report is attached.

- B. Communications Committee
 - 1. May 7, 2012 Minutes

Ms. Washburn reported the Chairperson was meeting at the June committee meeting; therefore, discussion was held regarding how to better prepare articles for "The Communicator".

- C. Engineering Committee
 - 1. May 1, 2012 Minutes

Mr. Lee reported the June committee discussed the CIP budget being presented to the Board today.

Discussion went to Item #17.

***17. CONSENT CALENDAR**

- A. **DISCUSSION AND POSSIBLE ACTION TO AMEND AND UPDATE ADMINISTRATIVE CODE SECTION 1.02.020 - CONFLICT OF INTEREST CODE AND ADOPT ORDINANCE NO. 12-02**

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

- B. **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 12-11-A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JULY 1, 2012, IN COMPLIANCE WITH CALPERS REGULATIONS**

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

BOARD ACTION ITEMS

***17. CONSENT CALENDAR**

- A. **DISCUSSION AND POSSIBLE ACTION TO AMEND AND UPDATE ADMINISTRATIVE CODE SECTION 1.02.020 - CONFLICT OF INTEREST CODE AND ADOPT ORDINANCE NO. 12-02**

Action:

Moved by Director Brazier to approve Ordinance 12-02. Seconded by Director Lucy.

After consideration, the motion carried by the following vote:

AYES: Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: Director Griffiths.
ABSTAINED: None.
ABSENT: None.

(*) - Asterisk indicates a report is attached.

Director Griffiths stated he proposed this item be delayed; however, he would be out voted.

B. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 12-11-A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JULY 1, 2012, IN COMPLIANCE WITH CALPERS REGULATIONS

Action:

Moved by Director Brazier to approve Resolution No. 12-11. Seconded by Director Lucy.

After consideration, the motion carried by the following vote:

AYES: Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: Director Griffiths.
ABSTAINED: None.
ABSENT: None.

Director Griffiths stated he had a concern with the position of Assistant General Manager that he did not want.

Discussion went to Item #18.

***18. 2012-2013 CAPITAL IMPROVEMENT PLAN (CIP) ADOPTION**

Action:

Moved by Director Brazier to approve. Seconded by Director Lucy.

After consideration, the motion carried by the following vote:

AYES: Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: Director Griffiths.
ABSTAINED: None.
ABSENT: None.

Mr. Lee explained the 2012/2013 Capital Improvement Plan was being presented to the Board with the primary focus being addressing two of the major sewer projects that have been on the list for a numbers of years. He noted this was discussed with both the Budget and Finance and Engineering committees, respectively. He noted the two projects were the replacement of Lift Station 1 and the Lift Station 2 outfall pipeline (approximately four miles of gravity main that lies in Old River Road) which will provide RMWD with the 1.5 million gallons per day capacity that the District is contracted for with the City of Oceanside as well as resolve a significant inflow and infiltration problem recognized during the 2006 Master Plan and dry weather flow study.

(*) - Asterisk indicates a report is attached.

Mr. Lee stated in addition to these two projects, staff will attend to a few small water projects, potential developments, preparing for a master plan as well as the capital improvement program.

Director Griffiths inquired as to whether or not the maximum capacity in the existing line from Lift Station #2 to Stallion Station had been exceeded. Mr. Lee explained this would be part of the pre-design report; however, the preliminary reports show the District needs to upsize and have at least an 18" gravity line in the area. Director Griffiths asked whether or not the computer model was available for review. Mr. Lee stated it was available for review, but the data behind it may be a little obtuse unless he was familiar with modeling.

Director Griffiths pointed out he had made a suggestion to the general manager concerning Lift Station 1 that he believes will save RMWD from spending money unnecessarily on what he considers to be an "airy fairy plan". He recommended RMWD utilize the existing line and have an overflow line that goes over the golf course. He said he wants staff reconsider the CIP.

Mr. Lee pointed out all the reasons assessed for Lift Station 1 are potential mirrors of the Lift Station 2 discussion that have been gone through on numerous occasions over the past couple of years. He stated Lift Station 1 has reached its end of life and needs to be replaced and during the replacement, he said it would be appropriate RMWD consider relocating it considering its current location is extremely constrained and right next to a residential neighborhood. He noted if RMWD can make improvements to the location through the replacement, he believes it would be warranted to at least consider. He explained it will be through the preliminary design report RMWD would get a better feel for what options are available.

Director Griffiths inquired about the Board's involvement in the preliminary design report before it goes out to bid. Mr. Lee stated it was at the Board's discretion whether or not they would like to become involved in the design process. Director Griffiths stated he wanted to be involved in it.

Director Lucy reiterated both the Engineering and Budget and Finance Committee approved the CIP.

Discussion went to Item #19.

19. DISCUSSION AND POSSIBLE ACTION TO APPOINT AN RMWD DIRECTOR TO ATTEND BOARD MEETINGS OF THE SAN LUIS REY MUNICIPAL WATER DISTRICT (REQUESTED BY: DIRECTOR GRIFFITHS)

Action:

Moved by Director Griffiths to authorize the Director of Division 1 to attend the meetings of the San Luis Rey Municipal Water District as the RMWD representative. Seconded by None.

President McManigle noted the motion died for lack of a second.

Discussion went to Item #20.

(*) - Asterisk indicates a report is attached.

***20. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF CHANGE ORDER FOR PALA MESA TANK SITE**

Mr. Lee explained the reason behind the change order was due it being in the District's best interest to wipe out the old and put new connections and pipeline at the site. He noted Staff went to the contractor for the Pala Mesa Tank and requested a change order which was being presented to the Board for consideration. He concluded by stating Staff feels this would be money well spent for the District because this is a primary delivery point for water from both Beck Reservoir and Canonita Tank. He said water from these two sources travel through this particular area and by cleaning it up will improve water flow delivery in the system including making shutdowns easier by impacting fewer customers.

Action:

Moved by Director Brazier to Approve the Change Order for Pala Mesa Tank site. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.

NOES: None.

ABSTAINED: None.

ABSENT: None.

Director Griffiths asked how RMWD holds a person to a long term contract when the scope of the job is unclear. Mr. Lee explained the scope of the job was clearly defined and by knowing the connection points they have to make and what happens in the middle. He noted what exists is no longer relevant due to the fact everything in the middle will be replaced. Director Griffiths said although he agrees with what was being done; however, he wanted to confirm this change would give RMWD the capability of bypassing the tank and send the water straight to Connection 7. Mr. Atilano confirmed the proposed change would enable RMWD to do both. Discussion followed.

Director Lucy encouraged staff to keep up the good work cleaning up RMWD's facilities. He suggested Staff continue to look at other issues like this as well as take photographs of everything to assist with remembering what has taken place for future reference.

Discussion went to Item #20A.

***20A. DISCUSSION AND POSSIBLE ACTION ON AWARD OF CONTRACT FOR INSTALLATION AND PROGRAMMING OF THE MORRO RESERVOIR FLOATING COVER AND CHLORAMINATION SCADA SYSTEM**

Action:

Moved by Director Brazier to approve. Seconded by Director Lucy.

(*) - Asterisk indicates a report is attached.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Director Griffiths stated he said he thoroughly agreed utilizing a sole contractor for a project; however, he was against getting another contract as opposed to extending an existing contract. Mr. Lee said he strongly agreed with Director Griffiths' comments, but this was a specialized process that he felt it would be to the District's benefit to utilize it. He also pointed out the problem with having an extended existing contract and how it could complicate RMWD qualifying for State Revolving Fund monies for the Morro project.

Director Griffiths withdrew his comment.

Discussion went to Item #21.

BOARD INFORMATIONAL ITEMS

- *21. DISCUSSION REGARDING THE PROCESS FOLLOWED BY THE AD HOC COMMITTEE THAT WAS FORMED TO REVIEW POTENTIAL CONSOLIDATION WITH THE FALLBOOK PUBLIC UTILITY DISTRICT, INCLUDING WHO THE COMMITTEE MET WITH, WHAT WAS DISCUSSED, AND ANY RECOMMENDATIONS WHICH CAME OUT OF THE MEETINGS, INCLUDING THE PROCESS THE STUDY WILL FOLLOW (REQUESTED BY: DIRECTOR BRAZIER)**

President McManigle noted it was Director Sanford who appointed the Consolidation Ad Hoc Committee members.

Director Brazier said she had asked for this to be on the agenda to ensure the process taken place was done out in the open. She said she would also like to know what plans were set for the future.

President McManigle stated the committee had met twice at Pala Mesa with the two general managers, Milt Davies, Don McDougal, Bob Lucy and himself. He stated everything that came out of those meetings have been presented to both agencies in the form of a public meeting. He noted the studies were continuing without the ad hoc committee's involvement.

Director Sanford agreed with Director Brazier that the ad hoc committee should continue with the process in order to be able to provide information back to the other Board Members. Director Lucy said it was his understanding the general manager would update the Board as a whole from this point. Director Sanford said he thought it may be wise to have somebody present at all times during the process due to the fact two heads are better than one.

(*) - Asterisk indicates a report is attached.

Director Brazier noted since the committee was tasked to be the eyes and ears of RMWD in this process, it seemed to her it would be in the best interest of the District to continue that practice. Director Sanford agreed and said if Director McManigle and Director Lucy are willing to continue, he would like their involvement in the studying of possibly consolidating when there is a whole lot more to be done.

Director Sanford suggested the Board provide direction to the ad hoc committee. It was noted it would have to be an agenda item.

Director Lucy explained he and Director McManigle can provide input to the general managers for their consideration and feedback. He stressed everything the committee talked about has not been hidden.

Director Brazier expressed her concern that before even thinking about doing anything at this level, there needed to be a lot more information gathered.

Mr. Lee said he would connect with Mr. Brady to get confirmation as to how he and Mr. Seymour intended to update their respective Board Members and report back to the Board. He also stated he would coordinate having something on the next agenda to either continue the ad hoc committee or provide an update on the thought process as to what the ad hoc committee accomplished.

Ms. Rhyne said she had a lot of questions, especially how much FPUD owes on their solar panels, Red Mountain Reservoir, etc. She questioned the need to utilize the FPUD meeting room. She stressed she really does not understand the need to consolidate and feels as though RMWD was being sacrificed for the sake of FPUD.

Director Griffiths assured Ms. Rhyne that FPUD has a darn good system that will be paid off in seventeen years and the accounting would be separate. He said he was theoretically for the consolidation; however, as Steve Strapac pointed out they must see a way of really making a savings. He expressed concern RMWD did not know what FPUD was planning to spend in the future.

Director Brazier pointed out the agenda item pertains only to the ad hoc committee process.

Mr. Lee noted he would have an agenda item addressing the potential continuation of the ad hoc committee. He pointed out all of this discussion was good for the entire process, especially since the decision making process does not even begin until October at the earliest.

Director Lucy pointed out to Ms. Rhyne there was a very thorough financial presentation given at the June 20th Budget and Finance and Special Board meeting. Ms. Washburn stated she would provide Ms. Rhyne with a hard copy of the presentation given.

Ms. Rhyne expressed serious concern Mr. Lewinger had discussed this merger six months before he retired and now Mr. Brady comes in from Rancho to replace Mr. Lewinger who stays on as a consultant on this project. She said she believes this matter was so driven by FPUD, she feels they are desperate. Director Brazier pointed out this was for another discussion.

Director Sanford reminded everyone a merger was still being studied and there was nobody driving anyone as far as he was concerned.

Director Brazier pointed out how in his email, Mr. Strapac specifically requested that his comments be read to the Board and General Manager at this Board meeting. Director Griffiths talked about the committee member comments and the concerns of the public. He said although he was not in favor of having small districts; however, RMWD needs to be sure it does it right.

Ms. Washburn clarified Mr. Strapac's comments, although not read out loud at the last meeting, she will make them a part of the June 20, 2012 meeting minutes.

It was confirmed an item would be on the next agenda meeting regarding the ad hoc committee.

Discussion went to Item #22.

***22. RECEIVE AND FILE INFORMATION ITEMS FOR MAY 2012**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Construction & Maintenance Comments**
 - 1. Construction and Maintenance Report
 - 2. Valve Maintenance Report
 - 3. Garage/Shop Repair
- C. Engineering & Wastewater Comments**
 - 1. Engineering Report
 - 2. Wastewater Report
- D. Customer Service & Water Operations Comments**
 - 1. Water Operations Report
 - 2. Electrical/Telemetry Report
 - 3. Water Quality Report
 - 4. Field Customer Service Report
 - 5. Meters Report
 - 6. Cross Connection Control Program Report
- E. Human Resource & Safety Comments**
 - 1. Safety Report

Action:

Moved by Director Brazier to receive and file information items. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.

NOES: None.

ABSTAINED: None.

ABSENT: None.

(*) - Asterisk indicates a report is attached.

Director Griffiths referenced Item #22B1 and asked for an update. Mr. Maccarrone explained it was still in progress and the leak was isolated. Director Griffiths congratulated staff for their work on valves. Discussion ensued.

Director Griffiths made inquiries on Item #22C and #22D.

Ms. Bush reviewed the training that has taken place as well as that planned for the future. Discussion followed.

Discussion went to Item #23.

***23. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR MAY 2012**

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. San Diego County Water Authority SAWR Reduction Program
11. RMWD Domestic Reduction Program
12. Projected CIP Cash Flow Report
13. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Action:

***Moved by Director Brazier to receive and file financial statements and information.
Seconded by Director Sanford.***

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director McManigle, Director Sanford and Director Brazier.
NOES: None.
ABSTAINED: None.
ABSENT: None.

Mr. Buckley reported monies had to be borrowed from the sewer fund as noted under Item #23A12.

Director Griffiths asked whether or not RMWD was paying off the ARRA loans. Mr. Buckley explained RMWD was only paying the interest as invoiced.

(*) - Asterisk indicates a report is attached.

Mr. Buckley pointed out on Page 23A5-6, \$1,550 of the payment made to FPUD relating to the consolidation was for Phil Forbes who made the presentation to the Board and Budget and Finance Committee on June 20, 2012.

Discussion went to Item #24.

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

Director Brazier requested an item be on the agenda for an anonymous place for employees to make suggestions or comments in regards to the consolidation.

It was also decided an item for the potential joint Board meeting with the FPUD Board of Directors, direction for the consolidation ad hoc committee, and the redistricted boundary map should be on the next agenda.

Discussion went to Item #25.

25. ADJOURNMENT - To Tuesday, July 24, 2012 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier and seconded by Director Sanford to a regular meeting on July 24, 2012 at 1:00 p.m.

The meeting was adjourned at 2:30 p.m.

George McManigle, Board President

Dawn M. Washburn, Board Secretary