

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 12:30 p.m. and Open Session at 1:00 p.m. Tuesday, March 27, 2012, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. 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.

AGENDA

1. **CALL TO ORDER**
2. **ROLL CALL: McManigle_____ Sanford_____ Griffiths_____ Lucy_____ Brazier_____**
3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
4. **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).**
Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should indicate their desire to speak by filling out and submitting a blue "Speaker's Slip" to the Board Secretary before the meeting begins. *Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
5. **CLOSED SESSION**
 - A. Conference with Legal Counsel–Existing Litigation (Government Code §54956.9(a))
 - Case No. 37-2011-00053015-CU-PO-NC
6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
Time Certain: 1:00 p.m.
7. **PLEDGE OF ALLEGIANCE**
8. **REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
9. **REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
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).**
Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a blue "Speaker's Slip" to the Board Secretary before the meeting begins. *No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
- *11. **APPROVAL OF MINUTES**
 - A. February 28, 2012 - Regular Board Meeting

(*) - 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 McManigle)
 - 1. CSDA
- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - 2. LAFCO
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
- D. Directors Comments

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

- A. Budget and Finance Committee
 - 1. February 2, 2012 Minutes
- B. Communications Committee
 - 1. February 6, 2012 Minutes
- C. Engineering Committee
 - 1. February 7, 2012 Minutes

***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. **ADOPT RESOLUTION 12-08 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1**
(As part of the annual process for setting the water availability charges for Improvement District No. 1, it is necessary to hold a public hearing on proposed charges. Proposed date is June 26, 2012 at the RMWD regular Board meeting.)
(Staff Recommendation: Board approves Resolution 12-08, Fixing the Time and Place of Hearing and Meeting on Proposed Water Availability Charges for Improvement District 1.)

BOARD ACTION ITEMS

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE ADDENDUM NO. 4 TO EMPLOYMENT AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND DAVID D. SEYMOUR**

(The agreement between Rainbow Municipal Water District and David D. Seymour entered into on August 10, 2007, expires on September 24, 2012. Addendum No. 4 extends the term of the agreement through December 14, 2014.)

(Staff supports Board direction.)

***16. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 12-07 – CHECK SIGNING AUTHORITY**

(The purpose of this Resolution is to establish check signing responsibilities and designate authorized signers of checks due to changes in personnel.)

(Staff Recommendation: Approve Resolution 12-07.)

(*) - Asterisk indicates a report is attached.

- *17. SELECTION OF AUDIT FIRM FOR FY 6/30/12, 6/30/13, AND 6/30/14**
(Hosaka, Nagel & Co. has performed the audit of the District for the past six fiscal years. RMWD mailed a Request for Proposal to eleven qualified audit firms. A summary of the nine responding firms and their respective fee proposals is attached. The Budget and Finance Committee and staff are recommending that the RMWD Board select the lowest qualified bid which is Hosaka, Rotherham & Co.)
(Staff Recommendation: Take Board action to approve Hosaka, Rotherham for Fiscal Years 2012, 2013, 2014 engagements.)
- *18. DISCUSSION AND POSSIBLE ACTION TO CONSIDER REINSTATING 5/8" AND 3/4" WATER METER CAPACITY CHARGES**
(Current County law requires the installation of fire sprinklers in all new construction. State law establishes conditions that must be met by new fire sprinklers. To meet fire sprinkler requirements each lot must have a 1" service lateral. Working with the Engineering Committee, staff has prepared conceptual plans that would install a 1" lateral and meter on smaller residential parcels but only charge capacity fees based on estimated domestic demands. At its February 2012 regular meeting the Board supported reinstating the smaller meter capacity charges, directed the Engineering Committee to develop appropriate lot size requirements and directed the Budget and Finance Committee to develop appropriate capacity fees for 5/8" and 3/4" meters.)
(Staff Recommendation: Beginning with the 2012/13 budget the Board reinstates the 5/8" and 3/4" capacity charges as recommended by the Budget and Finance Committee for appropriate sized residential lots as recommended by the Engineering Committee. The Board direct staff to prepare modifications to the District's Water Policy detailing the requirements concerning reduced capacity charges versus fire sprinkler requirements and lot sizes. The proposed water policy shall be brought back to this Board prior to adoption of the 2012/13 budget.)
- *19. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO REVIEW ALTERNATIVE WATER SOURCES**
(In close coordination with the Engineering Committee, staff has prepared a Request for Proposal to research alternative water sources for the District. JC Heden and Associates has submitted a proposed fee of \$92,868 for the study. This contract would be a time and material and funds from one task may not be used on another task unless approved by the District.)
(Staff Recommendation: Authorize staff to enter into negotiations with JC Heden and Associates and execute a professional services contract for a price not-to-exceed \$92,868.)
- *20. DISCUSSION AND POSSIBLE ACTION TO RATIFY CONTRACTS WITH CALTRANS FOR WATER AND SEWER FACILITY WORK ASSOCIATED WITH HIGHWAY 76/INTERSTATE 15 INTERCHANGE**
(Caltrans will shortly begin work on improvements to the interchange at Highway 76 and Interstate 15. District facilities are in conflict with Caltrans proposed work. Per existing utility assessments the District is fully responsible for the relocation of our facilities when Caltrans modifies their roadway. These agreements reduce the uncertainty and cost associated with having two contracts working for two separate entities working within the same construction zone. Additionally, the District saves money associated with managing the construction projects. Inspection oversight will remain with the District.)
(Staff Recommendation: Ratify staff's execution of Caltrans Utility Agreements Numbered 33499, 33500, 33532. Fiscal impact is estimated to be \$630,000.)

(*) - Asterisk indicates a report is attached.

- *21. DISCUSSION AND POSSIBLE ACTION TO EXECUTE HOLDING AGREEMENT 1082-0310-00, JOINT LIEN AND AMENDMENT TO JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 4763-1 (FINAL MAP 13856)**
(The Polo Club is a proposed development along Dentre De Lomas which consists of 156 homes on 430 acres. It is intended that both water and sewer will be provided by the District. On or about September 22, 1999, the San Diego County Board of Supervisors approved the Final Map and authorized the County to enter into a "Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 4736-1. Vista Villas Development Limited ("Developer") furnished a faithful performance bond and a labor and material bond to secure the completion of the improvements as required by the Joint Agreement. The Developer would now like to postpone the construction of those improvements and substitute a Joint Lien Contract placing a lien on the property and Holding Agreement, which will transfer the title to the property for limited purposes to First American Trust, FSB ("Holder"), in place of the Developer's original security. Because the project includes water and sewer facilities that will eventually be conveyed to the District, the Developer is required to secure the District's approval of the attached Amendment to Joint Agreement, Joint Lien and Holding Agreement.)
(Staff Recommendation: (A) Determine that it would not be in the public interest to require the installation of the required improvements at this time, (B) approve the attached Amendment to Joint Agreement, Joint Lien, and Holding Agreement including First American Trust, FSB, as the Holder under such agreement and (C) authorize the General Manager or his designee to execute such agreements.)
- *22. DISCUSSION AND POSSIBLE ACTION TO CONSIDER ADOPTION OF RESOLUTION 12-06, ADJUSTMENT OF DIVISION BOUNDARIES TO BALANCE POPULATION TOTALS BASED ON THE FEDERAL 2010 CENSUS**
(In accordance with the California Water Code and Election Code, after each Federal Census, Rainbow MWD will adjust internal boundaries to equalize the population among the divisions. For the Director's review and recommendation, maps have been prepared with proposed adjustments of division boundaries. A summary of adjustments and Exhibits are provided. The process must be completed by July 2012 to be in place for the November 2012 election.)
(Staff Recommendation: Staff respectfully recommends that the Board of Directors adopt Resolution 12-06 approving the proposed adjustments to division boundaries and direct staff to submit said resolution and maps to the County Registrar of Voters.)
- *23. DISCUSSION AND POSSIBLE ACTION REGARDING BOARD ASSIGNMENT OF REPRESENTATIVES TO THE LOCAL AGENCY FORMATION COMMISSION (REQUESTED BY: DIRECTOR GRIFIFTHS)**
(Staff Recommendation: Since the District is involved with the Pappas annexation and may be involved in others in the near future, staff recommends the District Engineer, Brian Lee, attend LAFCO meetings on a regular basis, and that the Board Representative, Dennis Sanford, attend as-needed.)
- *24. DISCUSSION AND POSSIBLE ACTION REGARDING BOARD ASSIGNMENTS TO THE SAN LUIS REY WATERSHED AND SANTA MARGARITA WATERSHED COUNCILS (REQUESTED BY: DIRECTOR GRIFFITHS)**
(Staff Recommendation: The General Manager is already a member of the Santa Margarita River Stakeholders' Group, and is active in the San Luis Rey working group. Staff recommends the general manager attend the Watershed Councils on an as-needed basis.)
- *25. RECEIVE AND FILE INFORMATION ITEMS FOR FEBRUARY 2012**
- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
 - B. Operations & Maintenance Manager Comments**
 - 1. Construction and Maintenance Report
 - 2. Valve Maintenance Report
 - 3. Garage/Shop Repair
 - 4. Water Operations Report
 - 5. Electrical/Telemetry Report
 - 6. Project Management Report

(*) - Asterisk indicates a report is attached.

- 7. Wastewater Report
- 8. Safety Report
- C. District Engineer Comments**
 - 1. Engineering Report
- D. Customer Service Manager Comments**
 - 1. Field Customer Service Report
 - 2. Meters Report
 - 3. Water Quality Report
 - 4. Cross Connection Control Program Report

***26. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR FEBRUARY 2012**

- A. Finance Manager Comments**
 - 1. Interim Financial Statement
 - 2. Monthly Investment Report
 - 3. Visa Breakdown
 - 4. Directors' Expense
 - 5. Check Register
 - 6. Office Petty Cash
 - 7. Water Purchases & Sales Summary
 - 8. Statistical Summary
 - 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

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

28. ADJOURNMENT - To Tuesday, MAY 22, 2012 at 1:00 P.m.

ATTEST TO POSTING:

 Helene Brazier
 Secretary of the Board

 Date and Time of Posting
 Outside Display Cases

(*) - Asterisk indicates a report is attached.