

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
JUNE 23, 2015**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 23, 2015 was called to order by President Sanford at 12:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **ROLL CALL**

**Present:** Director Walker  
Director Sanford  
Director Brazier  
Director Griffiths  
Director Lucy

**Absent:** None

**Also Present:** General Manager Kennedy  
Executive Assistant/Board Secretary Washburn  
Legal Counsel Ochoa  
Finance Manager Thomas  
Operations Manager Atilano  
Acting District Engineer Kirkpatrick  
Human Resources/Safety Manager Bush  
Superintendent Zuniga  
Superintendent Walker  
Consultant Warren  
Consultant Brown  
FPUD Engineering Technician Develle

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

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

There were no changes to the agenda.

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).**

There were none.

***The meeting adjourned to Closed Session at 12:02 p.m.***

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

**5. CLOSED SESSION**

- A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(4))
- 2 Potential Cases

**6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

This was addressed under Item #8.

*The meeting reconvened at 1:02 p.m.*

Time Certain: 1:00 p.m.

**7. PLEDGE OF ALLEGIANCE**

**8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

Legal Counsel announced Director Walker was participating via telephone.

Legal Counsel stated there was nothing to report out from the Closed Session.

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

There were no changes to the agenda.

**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.

**\*11. APPROVAL OF MINUTES**

- A. May 26, 2015 - Regular Board Meeting

**Action:**

*Moved by Director Brazier to approve the May 26, 2015 minutes. Seconded by Director Griffiths.*

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

**AYES:** Directors Brazier, Griffiths, Sanford, and Walker  
**NOES:** None  
**ABSTAINED:** Director Lucy  
**ABSENT:** None

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

**B. June 15, 2015 – Special Board Meeting**

**Action:**

***Moved by Director Brazier to approve the June 15, 2015 minutes. Seconded by Director Lucy.***

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

**AYES:** Directors Brazier, Griffiths, Lucy, Sanford, and Walker  
**NOES:** None  
**ABSTAINED:** None  
**ABSENT:** None

**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 Sanford)**

President Sanford noted there was no specific report or comments.

**B. Representative Report (Appointed Representative)**

**1. SDCWA**

**A. Summary of Formal Board of Directors' Meeting May 28, 2015**

Mr. Kennedy pointed out a written summary of what took place at the SDCWA May 28<sup>th</sup> meeting was included in the agenda packet.

**2. CSDA**

Mr. Kennedy reported the recent CSDA meeting consisted of an award presentation for some scholarships.

**3. LAFCO**

Mr. Kennedy noted this would be discussed later in this meeting.

**4. San Luis Rey Watershed Council**

Director Walker reported the June 22, 2015 meeting was rescheduled for June 29, 2015.

**5. Santa Margarita Watershed Council**

There was no meeting.

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

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

There were no reports.

**D. Directors Comments**

There were no comments.

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

**A. Budget and Finance Committee**

**1. May 12, 2015 Minutes**

Mr. Stitle reported the committee reviewed the budget and any questions were answered by either Ms. Thomas or Mr. Buckley. President Sanford explained Mr. Buckley was RMWD's previous Finance Manager who was brought back to assist Ms. Thomas.

**B. Communications Committee**

**1. April 6, 2015 Minutes**

Mr. Kennedy reported the committee discussed the strategic planning process as well as the termination on the North River Road pipeline project. Ms. Washburn announced the Communications Committee meeting scheduled for July 6, 2015 has been cancelled.

**C. Engineering Committee**

**1. May 6, 2015 Minutes**

Mrs. Kirkpatrick mentioned the items discussed included committee membership as well as participation in a master plan workshop. She also noted there was discussion regarding recycled water.

President Sanford talked about the strategic planning process currently taking place at RMWD.

**BOARD ACTION ITEMS**

**\*14. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 15-08, UPDATING AND AMENDING THE RAINBOW MUNICIPAL WATER DISTRICT DROUGHT ORDINANCE**

Mr. Kennedy gave a presentation on the Drought Response – Drought Ordinance Revisions and TSAWR Implementation.

Mr. Kennedy noted Ordinance No. 15-08 was very similar to Ordinance 14-05; however, there were a few notable changes to comply with changes to both state law as well as SDCWA's rules.

Mr. Kennedy talked about the SWRCB regulations consisting of two primary concerns; water use restrictions for retail customers and water reduction targets for water utilities. He also spoke on the SDCWA actions regarding certain drought related actions. He noted fines proposed by the City of San Diego were rejected.

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

Mr. Kennedy pointed out the few notable changes to include two day per week watering restrictions which does not apply to commercial growers or nurseries as well as prohibits irrigating during or within 48 hours of rainfall.

Mr. Kennedy stressed Resolution No- 1420 is still in effect and RMWD was not changing its drought level at this time. He elaborated on the two day per week watering restrictions. He noted the goal is to reduce waste through runoff.

Mr. Kennedy noted the Drought Ordinance and the TSAWR were two different programs in that the Drought Ordinance was to adjust the regulations related to water use restrictions for non-TSAWR customers. He confirmed the year to which this referred was fiscal year.

Mr. Kennedy proceeded by explaining the TSAWR Implementation. He noted should TSAWR use water exactly as they did in the base year, RMWD would see an extra charge from SDCWA of approximately \$2.5 Million. He explained this was a real risk to the District which was why the TSAWR program includes penalty rates for customers who go over their allocation. He pointed out agricultural users are preparing for cutbacks, but need flexibility. He stated RMWD's goal is to provide maximum flexibility while protecting non-TSAWR customers from penalties. He talked about four proposed TSAWR policies which could assist RMWD in accomplishing both goals. These four proposed policy including: 1) rollover of allocations, 2) allocation smoothing, 3) grouping of accounts, and 4) delayed penalties.

President Sanford asked if the monthly allocations would be on the customer bills. Mr. Kennedy confirmed they would be on the bills month-by-month and are set by RMWD.

Director Lucy said he liked there being much more flexibility in asking growers to cutback less in July and August and then increasing more in November and December.

Mr. Kennedy expressed concern there may be more legal review required with the proposed policy that allows for grouping multiple accounts under separate ownership together. Director Lucy expressed concern this policy may be too risky.

Director Lucy suggested RMWD give those growers that have young trees some type of consideration. Mr. Kennedy explained as long as RMWD stays under its full allocation, there would be no risk as far as having fines; however, if RMWD hands out extra acre feet over those allocations fines could be incurred.

Mr. Kennedy talked about the fourth proposed policy regarding delaying charging penalty rates. He explained what could happen if El Nino does happen later this year; however, if it does not happen the drought will be much worse next year.

Mr. Kennedy noted customers on the TSAWR program under the TSAWR application are allowed to opt out of the program at the first of the calendar year. He explained those that do opt out will have to pay a higher rate for the water; however, they will no longer be subject to these cutbacks. Director Lucy asked how someone over their allocation opting out of the program would be addressed. Mr. Kennedy stated once someone gets off the program, that customer's consumption is no longer reported as TSAWR consumption and full price will be paid for that water.

Mr. Kennedy pointed out staff was proposing accrue penalties through the end of 2015 and at the end of the November billing period staff will take a look at the whole picture including the weather conditions, and then come back to the Board for possible revisions to the policies. President Sanford asked if the penalties would be reported to the ratepayer on a monthly basis. Mr. Kennedy stated the District will let the ratepayer know this as well as their water use as a means of offering customers the opportunity to adjust their water use accordingly.

Peter Sidoruk stated he has a two-acre property and that he wanted to read aloud a letter he prepared for the Board of Directors regarding 15% water allocation restrictions. He asked how he can accommodate for the water cutbacks. Mr. Kennedy said as of right now, reading the meter every day or every other day to see how much water he is using would be the best method. He also offered to have a meter reader meet him at the house and show him how to read the meter.

Mr. Kennedy noted Mr. Sidoruk was not the only customer expressing his same concerns. He suggested those customers with 2-3 acres to go through the smoothing program and roll their allocations forward as much as possible and then opt out of the program on December 2015. He pointed out those with more acreage definitely have a cost benefit participating in the TSAWR program. It was reiterated the purpose of the TSAWR program was to save the ratepayers money unless there was a drought declared at which time they agreed to implement greater water use reductions.

Director Lucy mentioned how five years ago there were 3,600 acre feet of water on the table due to the cutback efforts of the District's farmers; however, at the end of the year they were almost penalized too much. He suggested if there is any extra water, RMWD needs to make sure it's shared. Mr. Kennedy recommended not fining anybody anything right now and wait to see where the allocations are at the end of the year. He stated if it turns out in November that RMWD was way ahead of the game, the Board could agree to reallocate some of that water to other people. Discussion followed.

Mr. Kennedy stated although the Board empathizes with Mr. Sidoruk and other customers in his same predicament, SDCWA has tied the District's hands.

Pauline Ferris thanked the Board for giving her the opportunity to present the case of her husband and herself. She said she truly appreciates President Sanford asking for a background so that she could share her special circumstances as well as the Board and General Manager's comments about flexibility. She provided the Board with her and her husband's situation. She expressed concern that after taking great care to reduce their water use as much as possible to remain under their allocations, they are now being asked to cutback an additional 15%. She said although this new reduction was like being penalized three times, she was willing to do whatever it takes to keep what exists and to continue to live in this wonderful community. She asked the Board to consider flexibility for the customers in her particular situation and encouraged them to implement a roll over allocation program.

Director Lucy suggested Mrs. Ferris makes sure her grove manager knows what she and her husband are doing so that one of the four proposed policies can help her situation.

President Sanford asked if this was something that needed to be discussed in greater detail. Mr. Kennedy explained the one thing the Board needs to do is adopt the drought ordinance.

Director Walker talked about the hardship variance. Mr. Kennedy explained although the hardship variance was included in the drought ordinance which specifically states the hardship variance is not related to the TSAWR program. He said RMWD needs to stay under its allocation and figure out how to get there. Director Walker commented on conservation efforts made by those speaking today. Mr. Kennedy agreed to review the accounts of those addressing the Board today and see what solution may be best for them.

Bob Huber stated he was a relatively new RMWD landowner who purchased a home from an elderly women whose husband had passed. He explained after investigating the property as much as possible prior to buying it, he failed to realize the previous owner had already reduced her water use to the point where the trees did not appear to be in distress, but by the end of 2014 it became noticeable to trees had not gotten enough water for a couple of years. He talked about the steps he had immediately taken in order to get the trees back to where they are able to harvest their own fruit at maximum size with a reduction in water. He expressed concern that because the previous owner did not water the grove in 2013-2014, his allocations are too low. Discussion ensued regarding the well water being blended with water purchased from RMWD and the solidity being too high.

Mr. Kennedy pointed out Mr. Huber's situation was not unique; there are a number of customers in this same circumstance. He recommended Mr. Huber take some of the smoothing options and see how it works out for this year. Director Lucy suggested Mr. Huber contact Del Rey Avocado and he will put him in contact with someone that could offer expertise advice about blending water.

President Sanford said he saw this as a two-step process which was to adopt the proposed Drought Ordinance and then provide staff with direction regarding under which policy to proceed.

Director Griffiths referenced Section 11.0 as he expressed concern regarding some of the penalties stipulated including potential misdemeanor charges or jail time. Legal Counsel pointed out this was a statute and law; however, the word "may" allows for some flexibility. Mr. Kennedy pointed out this language was part of RMWD's drought ordinance for a very long time.

**Action:**

***Moved by Director Griffiths to approve Ordinance No. 15-08. Seconded by Director Brazier.***

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

<b>AYES:</b>	Directors Brazier, Lucy, Sanford, and Walker
<b>NOES:</b>	Director Griffiths
<b>ABSTAINED:</b>	None
<b>ABSENT:</b>	None

Director Lucy asked how other local agencies were addressing the TSAWR program situation. Mr. Kennedy talked about Valley Center Municipal Water District's stand on this matter and that Yuima only uses a small fraction of water from SDCWA.

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

Mrs. Ferris pointed out she did not hear anything about an amendment being introduced to rollover the annual allocations. Mr. Kennedy explained SDCWA program does not allow for RMWD to take from one fiscal to the next. He made a suggestion as to how Mrs. Ferris may want to move her 2016 allocations into 2015 and see what happens with the water supply at the end of 2015.

Don MacNamara talked about his grove being destroyed by the Rice Canyon Fire. He said much like the other speakers today, he did not enter the arena of having a new grove until recently due to the fire. He told the Board he respects the way the Board Members respect each other as well as the public. He said none of this was easy, but he was curious as to whether there were any state or local ramifications to the Rice Canyon Fire acknowledging it as a disaster and if so could added as an additional policy giving special consideration to the special group of people directly impacted by the fire. He stressed how important agricultural is to RMWD and how the trees cannot take another 15% water reduction at no fault of the growers. He said although they are willing to work within the policy selected by the Board of Directors, he wanted to know if this could be explored. Mr. Kennedy stated he would check with SDCWA to see what they have in place. He noted the Board could also consider allowing certain customers to opt out of the TSAWR program immediately and start paying the full cost of water.

Mr. MacNamara asked if someone were to opt out of the program where they precluded from rejoining the program at a later date. Mr. Kennedy stated it was his understanding that once someone leaves the program, they would not be allowed to join again at a later date.

Legal Counsel said the Rice Canyon Fire disaster area was a different angle that should be presented to SDCWA for consideration.

Mr. MacNamara thanked Ms. Washburn for years of good service she has brought to the District.

**Action:**

***Moved by Director Brazier to direct the general manager to further authorize the four policies presented and to continue exploring any others. Seconded by Director Lucy.***

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

<b>YES:</b>	Directors Brazier, Griffiths, Lucy, Sanford, and Walker
<b>NOES:</b>	None
<b>ABSTAINED:</b>	None
<b>ABSENT:</b>	None

**15. DISCUSSION AND POSSIBLE ACTION REGARDING BUDGET BILLING (REQUESTED BY: DIRECTOR SANFORD)**

President Sanford explained he wanted to know if RMWD could consider customers paying a flat rate each month without the risk of being disconnected or incurring a late fee so long as their bill is paid in full by the end of the twelve-month period. He noted the intention would to bring relief to the customer by allowing them to better budget.

Mr. Stitle asked how this would impact cash flow. President Sanford stated it may be impacted on a monthly basis, but not annually.

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

Discussion ensued.

Director Lucy stated this was a very interesting idea.

Director Brazier asked if there were other agencies that have used this type of program. President Sanford stated only a few utilities.

Legal Counsel noted RMWD has encountered billing situations where a customer that has a late bill sells their property or forecloses. She said this makes it very hard to pursue debt collection. She explained in terms of risk assessment, putting billing out for a full year would not be beneficial to the District. Discussion ensued.

Mr. Kennedy stated that through their participation, some customers would be exposing other customers to risk. He stressed there would have to be a means of mitigating the risk and having the customers covering their own costs.

Director Walker suggested this be explored more with the Budget and Finance Committee. He said he believes this idea has enough merit to research this further.

No action taken.

## **16. FISCAL YEAR 2015-2016 BUDGET ADOPTION**

President Sanford mentioned comments have already been heard from the Budget and Finance Committee and Board Members. Mr. Stille stated it was his hopes that future budgets would be able to be done in a much more simplistic fashion.

Director Griffiths agreed the budget needed to be simplified. He also suggested the capital budget be included. Mr. Kennedy clarified the capital budget will be adjusted through the master planning process; therefore, it was not worth getting deep into right now when a thorough review will take place later this year with both the Engineering Committee and the full Board of Directors.

Mr. Kennedy stated he would like to start working on a budget preparation to start putting in some of the Governmental Finance Officers Association criteria in hopes of RMWD receiving a certificate. He noted this was a process RMWD would go through next year. He pointed out Mr. Buckley was brought in to assist Ms. Thomas with this year's budget review.

President Sanford solicited for specific questions about the budget.

Ms. Meadow suggested it be clarified as to where RMWD purchases water on both the audited financial statements and on the water bills. Ms. Thomas and Mr. Kennedy pointed out SDCWA's bills RMWD; however, on the invoice received from SDCWA, there is a breakdown of what portion of the total RMWD pays goes to MWD.

**Action:**

***Moved by Director Brazier the Board adopt the 2015-2016 budget. Seconded by Director Lucy.***

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

**AYES:** Directors Brazier, Griffiths, Lucy, Sanford, and Walker  
**NOES:** None  
**ABSTAINED:** None  
**ABSENT:** None

**\*17. SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) 2015 BOARD OF DIRECTORS ELECTION – RESOLUTION NO. 15-11**

President Sanford noted there were some candidates seeking the Board's support in their campaign. Mr. Kennedy pointed out the candidates were not familiar to anyone at RMWD; however, the Board could choose to vote for three of the four, some, or none of the candidates.

Director Lucy stated he was not comfortable with the Board voting for people they did not know.

No action taken.

**\*18. CSDA BOARD OF DIRECTORS ELECTION**

President Sanford noted RMWD was considered a special district and does have an interest in this organization. He stated RMWD has been solicited for support from Jo MacKenzie who is highly recognized by this District.

**Action:**

***Moved by Director Walker to support Jo MacKenzie. Seconded by Director Brazier.***

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

**AYES:** Directors Brazier, Griffiths, Lucy, Sanford, and Walker  
**NOES:** None  
**ABSTAINED:** None  
**ABSENT:** None

**19. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS RELATED TO THE FPUD REORGANIZATION AND DISSOLUTION APPLICATION TO LAFCO**

**A. Ad Hoc Committee Update**

President Sanford announced the LAFCO staff report was out for the public to review and how the commission was presented with two options which are to approve or reject the proposed merger. He explained he asked staff to prepare to one resolution in support of approving the merger and another separate resolution to support the rejection of the application.

Legal Counsel stated once adopted, this will be communicated to LAFCO.

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

It was confirmed RMWD would be giving a presentation at the LAFCO July 6, 2015 meeting.

President Sanford pointed out the Board's impression was that the LAFCO staff report was very biased toward a forced merger. He noted the Board was being very vocal about this as well as about RMWD not supporting the merger in any way, shape, or form.

Discussion ensued regarding the June 22<sup>nd</sup> Union Tribune article covering a combination of several issues regarding forced mergers; however, it was not well-written or very accurate.

Mr. Kennedy stated the main issue here was the overwhelming opposition of the RMWD ratepayers by a 20-1 margin as noted by LAFCO. He noted the Board has considered this opposition and they need to listen to the people who have elected them to serve on their behalves. President Sanford added LAFCO received over 600 letters opposing this merger; however, some of those letters could have come from a household where 2-3 voters reside which would make the total easily more than 1,000.

Director Brazier pointed out one of the most frequently asked questions from ratepayers has been about when they will get to vote. Mr. Kennedy stated if LAFCO had chosen to put this matter to a condition of allowing people vote, the Board may have said if the people want it then maybe that would be the way to go; however, if LAFCO was going to try to block the people out of voting as demonstrated in the staff report it makes it very difficult for the Board to say yes at the overwhelming opposition of the ratepayers.

President Sanford stress the importance to note that RMWD's Board was opposed to having a merger forced upon them. He stated it was like a shotgun wedding without a say in who the District gets to marry.

Director Griffiths noted how he has expressed concern all along about this matter being considered without a vote of the people; however, Mr. Brady has responded to his concern by stating this can be done within the rules without a vote. He reiterated how he wanted the people to be allowed to vote on this matter in order to have solid result.

Mr. Stitle mentioned he was at a meeting recently where the majority of the people present were highly opposed to this merger.

Mrs. Meadow inquired as to what the other issues were in addition to the matter of at-large elections. President Sanford explained LAFCO gave RMWD the voting power they wanted perhaps; however, at one point LAFCO said they did not have the authority to do that and are now saying they do have the authority, but subject to interpretation. He said RMWD wanted something definite.

Director Brazier stated she was a part of the ad hoc committee (along with President Sanford) who wrote RMWD's resolution of objection which contained a number of objections to which RMWD objected.

Legal Counsel echoed Director Brazier's comment in that there were a number of items listed in the resolution of objection really setting forth numerous issues not related to the method of the election of the directors including, most importantly, the bad public policy that is set forth by encouraging one agency to unilaterally take over another agency. She pointed out this has really had a tremendous effect on the RMWD employees as well as on the relationships between the RMWD and FPUD employees. She agreed RMWD got what they wanted in terms of the election in Option 1; however, LAFCO did communicate that this comes with a risk due to

the fact it was subject to interpretation. She applauded LAFCO for encouraging the divisional election system in Option 1 because RMWD believes that is the right way to go, but based on the ad hoc discussion RMWD does not think it would be appropriate to subject its or FPUD's ratepayers to any risk especially when the reward was really nonexistent.

Mr. Kennedy reiterated the ratepayer opposition was loud and clear; therefore, it was something the Board really cannot ignore irrespective of some of the technical details. He explained the communities of Bonsall and Rainbow are distinct from Fallbrook and they have made it very clear they wish to remain that way.

Director Lucy stated consolidating these agencies was not in the best interest of the RMWD employees or ratepayers. He recalled the Board has always said it has to be right for both the ratepayers and the employees and based on LAFCO's biased report and not in the best interest for either.

Mr. Stitle pointed out how over the last eighteen months, RMWD's actual financial position was much better than what is stated in the LAFCO report. He stressed RMWD was in a much better position than FPUD, especially when they appear to be going in the other direction.

Legal Counsel noted this Resolution would be published on the website and available to the public once signed.

**Action:**

***Moved by Director Griffiths to adopt Resolution No. 15-12 to support Option 2 – a Resolution of support of the Board of Directors of the Rainbow Municipal Water District of Option 2 set forth in the San Diego County Local Agency Formation Commission's July 6, 2015 staff report regarding the proposed "Fallbrook Public Utility District and Rainbow Municipal Water District Reorganization". Seconded by Director Brazier.***

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

**AYES:** Directors Brazier, Griffiths, Lucy, Sanford and Walker  
**NOES:** None  
**ABSTAINED:** None  
**ABSENT:** None

**\*20. RECEIVE AND FILE INFORMATION ITEMS FOR MAY 2015**

- A. General Manager Comments**
  - 1. Meetings, Conferences and Seminar Calendar
  - 2. ACWA/JPIA Refund
  - 3. Strategic Planning Update
  - 4. District Transparency Certificate of Excellence
- B. Communications**
  - 1. Ratepayer Letters
- C. Construction & Maintenance Comments**
  - 1. Construction and Maintenance Report
  - 2. Valve Maintenance Report
  - 3. Garage/Shop Repair
- D. Water Operations Comments**
  - 1. Water Operations Report

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

- 2. Electrical/Telemetry Report
- E. Wastewater Comments**
  - 1. Wastewater Report
- F. Operations Comments**
  - 1. Water Quality Report
  - 2. Cross Connection Control Program Report
- G. Engineering Comments**
  - 1. Engineering Report
- H. Customer Service**
  - 1. Field Customer Service Report
  - 2. Meters Report
- I. Human Resource & Safety Comments**
  - 1. Safety Report

Mr. Kennedy noted the refund RMWD received in the amount of \$81,000 from JPIA for Worker's Compensation. He explained JPIA keeps a fund in place in case RMWD has claims; however, since there were no claims, the money was refunded. He pointed out there was still another \$120,000 remaining in the fund which could be refunded in the future as long as everyone remains safe.

Mr. Kennedy announced RMWD has been awarded the District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF). He explained part of the SDLF has a program for special districts throughout the state who can demonstrate best practices in their policies and procedures including transparency which specifically relates to how the District communicates to the public via various methods. He mentioned RMWD had to send a large packet of information to Sacramento for review as well as have two other community transparency reviews from Rincon Water and the Bonsall Chamber of Commerce. He stated by taking all the necessary steps, RMWD was awarded the Certificate of Excellence which will be formally presented to RMWD at the CSDA conference in September. He noted this was a significant accomplishment for RMWD that has always prided itself on transparency to be recognized for those efforts. He added SDLF sent letters to both the State Senator and State Assemblyperson notifying them of RMWD's award. He mentioned the Board may want to strive for the Districts of Distinction award which would require Board Member participation.

Discussion ensued regarding the letter received from Mr. Kelly.

**Action:**

***Moved by Director Brazier to receive and file the information items. Seconded by Director Griffiths.***

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

**AYES:** Directors Brazier, Griffiths, Lucy, Sanford, and Walker  
**NOES:** None  
**ABSTAINED:** None  
**ABSENT:** None

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

**\*21. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR MAY 2015**

**A. Finance Manager Comments**

1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
6. Monthly Water Usage Report
7. Projected CIP Cash Flow Report
8. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Discussion ensued regarding a crack in the sewer pipe discovered in the video taping of an internal pipe cleaning. It was confirmed the crack has been repaired.

**Action:**

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

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

**AYES:** Directors Brazier, Griffiths, Lucy, Sanford, and Walker  
**NOES:** None  
**ABSTAINED:** None  
**ABSENT:** None

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

It was noted Item #19 would be a continuous agenda item and there would be an update on the Highway 76 project given at the next meeting.

**23. ADJOURNMENT - To Tuesday, July 28, 2015 at 1:00 p.m.**

***The meeting was adjourned with a motion made by Director Brazier to a regular meeting on July 28, 2015 at 1:00 p.m.***

The meeting was adjourned at 3:27 p.m.

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**Dennis Sanford, Board President**

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**Dawn M. Washburn, Board Secretary**