

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 27, 2015**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on January 27, 2015 was called to order by President Sanford at 12:02 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **ROLL CALL:**

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

Absent: None

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Legal Counsel Ochoa
Finance Manager Thomas
Operations Manager Atillano
Acting District Engineer Kirkpatrick
Superintendent Maccarrone
Superintendent Walker
Superintendent Zuniga

No members of the public were present for Closed Session. Four members of the public were present for Open Session.

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

Mr. Kennedy stated a modification to Item #20 was provided in a handout.

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 no comments.

Meeting adjourned to Closed Session at 12:03 p.m.

(*) - Asterisk indicates a report is attached.

5. CLOSED SESSION

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

The meeting reconvened at 1:07 p.m.

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #8 herein.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Discussion went to Item #9.

Legal Counsel reported there was no reportable actions taken during Closed Session.

Discussion went to Item #10.

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

Mr. Kennedy said as mentioned earlier there was one additional handout relating to Item #20.

Discussion went to Item #8.

10. ORAL/WITTEN 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.

***11. APPROVAL OF MINUTES**

- A. November 18, 2014 - Regular Board Meeting

Director Griffiths referred to Page #11A-2 noting “feasibility study” should be changed to “fiscal sustainability study”. He also pointed out on Page #11A-3, Item #C, should read “been around”.

Action:

Moved by Director Brazier to approve the minutes. Seconded by Director Sanford.

Director Brazier modified her original motion.

(*) - Asterisk indicates a report is attached.

Moved by Director Brazier to approve the minutes as revised. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

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

B. January 6, 2015 – Special Board Meeting

Action:

Moved by Director Brazier to approve the minutes. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director Lucy, Director Walker, Director Sanford and Director Brazier
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 has been a great deal of activity on various topics and how most of his time has been focused primarily on the LAFCO situation with RMWD and FPUD.

B. Representative Report (Appointed Representative)

1. SDCWA

President Sanford recalled Mr. Kennedy being appointed by the Board as the new SDCWA representative and will take his oath in early February. He noted his last meeting would be this month. Director Brazier thanked him for his service at SDCWA.

Mr. Kennedy reported the Campus Park West annexation was approved.

2. CSDA

No report given.

(*) - Asterisk indicates a report is attached.

3. LAFCO

President Sanford stated there has not been an official meeting held by the LAFCO; however, there will be one on Monday with the Campus Park West annexation on the agenda for consideration.

4. San Luis Rey Watershed Council

Director Brazier reported she attended the SLRWC meeting in Director Walker's absence. She mentioned two directors who ran unopposed were reelected; however, there was an environmental spot still open for which three contenders are running. She pointed out that due to the recent change in representation from RMWD, a delegate letter must be sent to SLRWC in order for Director Walker to vote at the next council meeting. She noted the Council also suggested RMWD have a designated alternate in order to preserve the District's vote. Mr. Kennedy agreed to have appointment of an alternate on the next agenda for consideration.

5. Santa Margarita Watershed Council

President Sanford reported there was nothing pressing that would impact RWMD.

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

There were no reports given.

D. Directors Comments

Director Brazier suggested that all votes be stated verbally for the purpose of the audio recordings. Mr. Kennedy pointed out roll call votes will be taken for Ordinances. It was noted any vote taken from this point forward will be done with roll call.

Director Lucy requested there be another means of accessing the Administrative Code as opposed to providing hard copies. Mr. Kennedy noted staff was currently looking at a different means of streamlining the process of duplicating and delivering agenda packets as well as other documents.

Director Griffiths suggested more time be allowed for Directors to prepare for the meeting topics.

Discussion returned from Item #27.

Director Brazier announced Sharon Armstrong, a past RMWD Board Secretary had passed away on January 18, 2015 in Temecula Valley Hospital.

Discussion returned to Item #28.

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

- A. Budget and Finance Committee
 - 1. November 6, 2014 Minutes

Mr. Stitle stated there was nothing to report.

- B. Communications Committee

(*) - Asterisk indicates a report is attached.

1. November 3, 2014 Minutes

Mr. O'Leary reported the committee met and focused mostly on the North River Road sewer project.

Mr. Kennedy provided an update on the email database status.

C. Engineering Committee

Mrs. Kirkpatrick reported the committee did not meet last month due to a lack of a quorum. She also announced the committee's longest member, Karl Fekete, passed away on January 1, 2015 noting he will be missed as a valuable asset to the Engineering Committee.

BOARD ACTION ITEMS

***14. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 15-01, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING GEORGE MCMANIGLE FOR HIS OUTSTANDING SERVICE AS A DIRECTOR AND BOARD PRESIDENT**

Action:

Moved by Director Griffiths to approve Resolution No. 15-01. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

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

Director Griffiths said it was quite obvious that Mr. McManigle really worked for the District. President Sanford agreed and thanked Mr. McManigle on his and RMWD's behalf for all he did for the District.

***15. DISCUSSION AND POSSIBLE ACTION REGARDING APPOINTMENT OF AN RMWD REPRESENTATIVE AND AN ALTERNATE TO ACWA JPIA BOARD OF DIRECTORS**

Mr. Kennedy explained Mr. McManigle had served as RMWD's representative and due to the Board Member changes, the Board may want to consider appointing a replacement.

Action:

Moved by Director Brazier to appoint Dennis Sanford as the representative and Tory Walker as the alternate. 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 Walker, Director Sanford and Director Brazier
NOES: None
ABSTAINED: None
ABSENT: None

16. DISCUSSION AND POSSIBLE ACTION ON A REQUEST TO QUITCLAIM AN EASEMENT

Mrs. Kirkpatrick explained the Horse Ridge Creek development went through plan checking and the approval process through RMWD. She noted one of the steps involved is they would submit improvement plans for water and sewer facilities if any facilities were located outside the County right-of-way, they would grant RMWD an easement. She stated the plans were approved and now to get approval with the Army Corps. and the tribes, they slated an area considered sensitive that they have been told must now be avoided. She explained because of this change, the developer had to redesign their plans and quitclaim those easements since there would be no facilities in this avoided area.

It was noted this area was now considered Native American culturally sensitive and that this request was made by the developer in order to assist in their approval process.

Action:

Moved by Director Lucy to authorize the General Manager to execute the Quitclaim Deed. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

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

***17. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF JOINT AGREEMENTS TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5338-2 MULTIFAMILY LOT 148 AND 149**

Mrs. Kirkpatrick explained this was the final Joint Agreement for the whole subdivision. She noted this was for the multi-family lot site which more condensed than the normal single family residence. She stated this Joint Agreement with the County that covers the bonds for the development to be built.

Mr. Kennedy confirmed there was no obligation for staff to provide treatment.

It was confirmed Legal Counsel have reviewed these agreements.

Mrs. Kirkpatrick pointed out this multi-family lot has one master meter.

Director Brazier pointed out “matting” should be “mating” on Page 17-4.

(*) - Asterisk indicates a report is attached.

Director Walker asked Legal Counsel that since he provided services to D.R. Horton via his engineering firm within the past year if he needed to recuse himself from voting on this matter due to a potential conflict. Legal Counsel asked if Director Walker if he had any current contracts with D.R. Horton. Director Walker confirmed he did not have any current contracts. Legal Counsel inquired as to whether he was in business with D.R. Horton at this time as well as if this joint agreement would affect any of his economics. Director Walker said it would not. Legal Counsel stated based on this information she did not believe there was a conflict due to the fact there was no economic interest or benefit.

Action:

Moved by Director Brazier to authorize the General Manager to execute the Joint Agreements with the County of San Diego. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

18. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO UPDATE THE WATER AND WASTEWATER MASTER PLANS

Mr. Kennedy noted RMWD hired a third party consultant to assist Mrs. Kirkpatrick with the development of the Request for Proposal, go out for bids, and gather proposals to update the Water and Wastewater Master Plans. He stated two different firms decided to propose on the projects and both were well-qualified; however, everyone that reviewed it found Atkins to be the best choice including the third party consultant.

Mr. Kennedy stressed the importance of this project, especially in determining the RMWD capacity fees are set correctly. He noted the main goal of this process is to develop the CIP background in order to understand the revenue requirements that need to be levied on all the new development coming into the District.

Mr. Kennedy mentioned staff was still waiting on an answer to questions regarding some options for the wastewater side.

Director Griffiths expressed concern that this may be a means of bypassing the Board of Directors, especially on the Beck Reservoir project and water storage. Mr. Kennedy pointed out no decisions will bypass the Board. President Sanford noted this has nothing to do with water storage. Mr. Kennedy clarified the master plan was to review all of the best options.

Director Lucy inquired as to whether the Engineering Committee was involved in this process. Mr. Kennedy stated they would be to the extent staff can get the members together. He also suggested the two engineers on the Board have an opportunity to weigh in on these master plans as well.

Director Brazier addressed the Director Griffiths' concerns about the amount of money being put forth for professional services. She stated RMWD's engineering department has been

(*) - Asterisk indicates a report is attached.

diminished from three to one; therefore, the money was well worth spending so that RMWD can proceed.

Director Griffiths suggested the Engineering Committee be tasked with updating the master plans. Mr. Kennedy stressed this was a complex process.

Director Walker explained why it may be inappropriate for him to speak on this topic as well as probably abstain from the vote. He said he has asked the firm Atkins to join a team he was putting together for a proposal right now. He asked Legal Counsel for an opinion. Legal Counsel agreed that especially to the extent that the Political Reform Act disallows participation in the decision making or advising of a contract which provides a foreseeable economic interest, she discouraged Director Walker from participating in any type of advisement with respect to this contract.

Director Lucy clarified should the contract be awarded, would Director Walker be able to provide input. Legal Counsel stated once the Atkins report on the master plans is provided to the District and Atkins' contract is fulfilled, it would be completely appropriate for Director Walker to comment as well as provide feedback.

Legal Counsel advised the remaining Directors proceed with the vote today; however, Legal Counsel should take a second look to make sure as to whether or not the contract would be considered void under Government Code 1090 prior to it being executed. She explained this situation raises both a Political Reform Act and Government Code 1090 flag; however, she encouraged the Board to vote on this matter with Legal Counsel taking a second look before actually entering into the contract.

Action:

Moved by Director Brazier to authorize staff to negotiate and execute the contract. Seconded by Director Lucy.

Director Brazier modified her original motion.

Director Walker excused himself from the Board Room at 1:59 p.m.

Action:

Moved by Director Brazier to authorize staff to negotiate a contract with Atkins and execute a Professional Services Contract not to exceed \$268,879 subject to Legal Counsel's evaluation of the contract. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

Director Walker rejoined the meeting at 2:01 p.m.

(*) - Asterisk indicates a report is attached.

***19. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 15-01, UPDATING AND AMENDING ADMINISTRATIVE CODE SECTION 5.02.210 – PURCHASING AND CHANGE ORDER APPROVE REQUIREMENTS – APPENDIX**

Mr. Kennedy stated after looking into the Administrative Code, it did not provide the general manager authority to approve any change orders without going before the Board; therefore, this revision will provide the general manager with some authority for approving such.

Discussion ensued regarding the approval requirements provided in the chart in the Appendix. Mr. Kennedy offered to revise the chart to make it easier to understand for Board consideration at a future Board meeting.

Action:

Moved by Director Brazier to adopt Ordinance No. 15-01. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

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

***20. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 15-02 INCORPORATING SECTION 5.04.030 – DISPOSITION OF SURPLUS ASSETS - INTO THE RMWD ADMINISTRATIVE CODE**

Mr. Kennedy mentioned when talking about disposing of surplus assets, a policy did not exist as to how this should be addressed. He reminded the Board there was an updated revision provided to the Board under separate cover.

Mr. Kennedy pointed out the policy does state that employees and their family members are prohibited from participating in any of these auctions. He explained although this could be something the Board may want to allow; however, in the spirit of transparency and making sure even apparent Conflict of Interests exist it may not be best to allow these individuals to participate in order to avoid any misperceptions of wrongdoing in the process.

Legal Counsel stated the Board could leave the prohibition against employees or their family members for participating in the auctions, it was not illegal to allow the employees or their family members to bid or purchase some of the surplus assets as long as the auctions are noticed making sure the public has an opportunity to competitively bid on the items.

President Sanford expressed concern that if the District makes it so restrictive that employees cannot bid whatsoever, there may be occasion when the item will not sell at auction and an employee who really wants the item would be prohibited from making the purchase and the District would lose a sale. He said as long as the public had every opportunity to bid on the item and if there were not any bids, then it could be opened up to employees. He clarified he did not want to disadvantage the public, but he did not want RMWD to wind up not being able to sell these items.

Mr. Kennedy asked Legal Counsel whether the policy could state a surplus asset would be put up for public auction and should it fail to receive any bids then it could be open up to

(*) - Asterisk indicates a report is attached.

employees. Legal Counsel agreed this would be a great compromise. She also recommended “direct relatives” be defined.

This item was tabled until the next Board meeting.

***21. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 15-03, UPDATING AND AMENDING ADMINISTRATIVE CODE SECTION 8.14 – DISCONTINUANCE AND RESTRICTION OF SERVICES, SUBSECTION 8.14.100 – TERMINATION FOR NONPAYMENT**

Mr. Kennedy explained this was another change to the Administrative Code in order to make it more consistent. He confirmed this policy would apply to all users.

Action:

Moved by Director Brazier to Approve Administrative Code Changes as presented and adopt Ordinance No. 15-03. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Director Brazier, Director Griffiths, Director Lucy, Director Sanford, and Director Walker

NOES: None

ABSTAINED: None

ABSENT: None

22. DISCUSSION ON RAINBOW MUNICIPAL WATER DISTRICT COMMITTEE STRUCTURE

Director Brazier explained this came up in discussion among a number of people by the fact that the committees are having a very difficult time getting a quorum and operating. She solicited the Board, staff, and audience for ideas as to what steps could be taken to keep the committees in place.

Director Lucy recommended there be an ad hoc committee for specific engineering goals and objectives that involve a couple Board Members and staff. Mr. Kennedy pointed out ad hoc committee meetings would not be publicly noticed.

Director Griffiths expressed his opinion regarding each of the committees prior to suggesting RMWD put together committees independent of Directors.

Director Lucy liked the idea of tapping into the talent pool of the Rainbow, Bonsall, and Fallbrook areas and recommended working harder to make these committees work.

Director Walker noted his plans to attend the engineering committee meetings due to the fact he sees its value.

Director Sanford asked Mr. Kennedy to take the information provided during this discussion and come back to the Board with some input at the next meeting.

***23. DISCUSSION REGARDING BOARD MEMBER ATTENDANCE AT THE MONTHLY NORTH COUNTY WATER GROUP MEETINGS**

(*) - Asterisk indicates a report is attached.

Mr. Kennedy stated traditionally the SDCWA representative would attend all of the North County Water Group meetings; however, with the recent changes in representation and Board Members, the Board may want to consider how they would like attendance at this meeting be addressed.

Discussion ensued.

Action:

Moved by Director Brazier that Tom Kennedy and Dennis Sanford attend the NCWG meetings and should additional Directors wish to attend, they will notify Mr. Kennedy, Director Sanford or Ms. Washburn in advance. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

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

- A. Ad Hoc Committee**
- B. Public Relations Consultant Update**
- C. LAFCO Consultant Update**

President Sanford noted the committee has had two meetings this month, one was a conference call and the other here at the District offices. He pointed out there have been various topics discussed with the most recent primary focus being the proposal from LAFCO asking if RMWD would consider a nine member Board to deal with the governance issue. Director Brazier suggested the Board discuss whether or not they support this proposal before considering other options.

Action:

Moved by Director Brazier to reject the nine member board proposal on the basis that it goes against RMWD's belief that the effective way to represent its people is divisionally and not with at large membership. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

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

President Sanford mentioned per the Board's direction, Mr. Kennedy has contracted with Special Counsel to assist RMWD on the LAFCO matter.

(*) - Asterisk indicates a report is attached.

Director Brazier said FPUD seems to view RMWD as a group of naysayers with which she does not agree. She noted RMWD was put in a position of having to withdraw from the JPA when the Board came to an impasse on governance. She pointed out even at that moment Director Sanford had made a motion that she and Director McManigle voted in favor of to continue the JPA while details were being worked out. She explained at that point all of FPUD's directors and the public member director opposed RMWD's proposal to continue the JPA as an alternative.

Director Brazier said she would like to offer an alternative to the nine member board proposal which would be to reorganize as a municipal water district (MWD) with Rainbow MWD as the successor agency. She explained as an MWD, the agency would have all the powers needed to allow the District to provide water and wastewater service to its ratepayers; whereas, a public utility district (PUD) has superfluous powers that are not needed.

Action:

Moved by Director Brazier to propose either reorganization under a Municipal Water District with Rainbow MWD as the successor agency or reconsideration of another Joint Powers Authority. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

Director Griffiths cautioned the Board on seeking something that may cause RMWD to take on FPUD's financial burdens or obligations.

Director Walker stated his research has convinced him that if there is any consolidation it would be best for this region that it be as a municipal water district. He noted the highest priority in this region regarding water is to have the power to look at new sources of water and reusable sources, it makes the most sense to organize as a municipal water district.

It was noted the matter of how a new JPA would be established and formed could be discussed under this action item.

President Sanford talked about recent meetings he had with Brian Brady and FPUD Director Charlie Wolk respectively. He noted he and Mr. Wolk agreed it would be more beneficial to have cordial meetings and see if some type of resolution can be made including possibly reconstituting the JPA on terms mutually agreeable to both agencies. He mentioned Mr. Wolk agreed that should a takeover be forced, it will be difficult administratively to nullify some of the hard and negative feelings at both Board and staff levels. He reported Mr. Wolk agreed in retrospect that not only should have the JPA continued, but sharing one staff member between the districts and serve as the Executive Director was not a good idea on the part of both districts.

President Sanford stated he pointed out that all the monies saved in the JPA no longer exist due to the expenses involved in the two agencies fighting over this matter. He also suggested the projected savings may need to be validated due to the fact they were a 2-3 years old.

(*) - Asterisk indicates a report is attached.

Director Brazier noted before this fiasco started, the North County water agencies worked together pretty cooperatively voluntarily. She stated this seemed to be ideal and that she was hopeful the fight would not destroy any capital gained by mutual cooperation in the past. Discussion ensued.

Mr. Kennedy suggested further discussions be held at the ad hoc committee level.

***25. RECEIVE AND FILE INFORMATION ITEMS FOR NOVEMBER/DECEMBER 2014 AND JANUARY/FEBRUARY 2015**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar (February 2015)

B. Construction & Maintenance Comments

1. Construction and Maintenance Report
2. Valve Maintenance Report
3. Garage/Shop Repair

C. Water Operations Comments

1. Water Operations Report
2. Electrical/Telemetry Report

D. Wastewater Comments

1. Wastewater Report

E. Operations Comments

1. Water Quality Report
2. Cross Connection Control Program Report

F. Engineering Comments

1. Engineering Report

G. Customer Service

1. Field Customer Service Report
2. Meters Report

H. Human Resource & Safety Comments

1. Safety Report

Mr. Kennedy reported RMWD received a letter from LAFCO regarding the elections for Special Districts Board Members. He announced Jo McKenzie was elected as a regular member and Ed Sprague as an Alternate Member. He also mentioned Greg Thomas from Rincon would be seated to the Special District Advisory Committee and Kim Thorner would replace Bud Pocklington as the Advisory Committee Chair.

Mr. Kennedy solicited the Board to see which members would be interested in receiving information/materials electronically from RMWD. He said he would continue to work with Ms. Washburn on these and each Board Member would be contacted individually to figure out how each can be best accommodated.

Discussion ensued regarding current engineering projects.

Discussion ensued regarding saving the San Luis Rey Downs and how RMWD could possibly participate but not at any cost to the ratepayers.

Ms. Thomas announced there was a new hire in the customer service department.

Action:

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

After consideration, the motion CARRIED by the following vote:

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

***26. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR NOVEMBER AND DECEMBER 2014**

A. Finance Manager Comments

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

Discussion ensued regarding the engineering modular being almost completed.

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 vote:

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

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

It was suggested there be an item appointing an alternate to the San Luis Rey Watershed Council, disposition of surplus items, committee structure, and strategic planning Board Member workshop be on the next agenda.

Discussion ensued regarding having a Board Member present at the employee all hands meetings following Board meetings as a means of employee outreach.

Discussion returned to Item #12.

28. ADJOURNMENT - To Tuesday, February 24, 2015 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier and seconded by Director Griffiths to a regular meeting on February 24, 2015, at 1:00 p.m.

The meeting was adjourned at 3:49 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary