

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 28, 2012**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 28, 2012 was called to order by Vice President Sanford at 12:05 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Sanford presiding.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL:

Present: Director Griffiths
Director Lucy
Director McManigle
Director Sanford

Absent: None

Also Present: Finance Manager Buckley
Human Resources Manager Bush
District Engineer Lee
General Manager Seymour
Operations and Maintenance Manager Sneed
Board Secretary Washburn
Legal Counsel Osugi
Customer Service Manager Atilano
Superintendent Maccarrone
Superintendent Miller
Associate Engineer Plonka
Superintendent Walker

There were no members of the public present before Open Session. Sixteen members of the public were present for Open Session.

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

Director Griffiths said he would like to delete Item #21 from the agenda. Vice President Sanford stated it has already been decided to remove this item and that an explanation would be provided during Open Session.

**5. ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**

There were no comments.

Time: 12:08 p.m.

(*) - Asterisk indicates a report is attached.

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6. CLOSED SESSION

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

The meeting reconvened at 12:59 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was covered under Item #8 herein.

Time Certain: 1:00 p.m.

Vice President Sanford announced the recent passing of Gerald Walson. He said regardless of the personal opinions in relation to Mr. Walson's leadership, he felt everyone had a great deal of appreciation towards him for devoting his life to RMWD and how he fought on the District's behalf in numerous places. He asked that everyone present take a moment of silence in honoring Mr. Walson for what he has done for everyone. There was a moment of silence.

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Vice President Sanford stated there was no reportable action.

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

Vice President Sanford noted the Board has decided to delay any action on Item #21.

10. ANNIVERSARY ACKNOWLEDGEMENTS

A. Wayne Nault (5 Years)

Mr. Seymour mentioned Mr. Nault has been with RMWD for five years and how he currently works as one of RMWD's foremen on the construction crew after starting out as a Utility Worker I. He noted Mr. Nault's experience prior to coming to the district. He said RMWD really appreciates having Mr. Nault around and thanked him for his five years of service as he presented him with a plaque and check.

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 public comments.

***12. APPROVAL OF MINUTES**

A. January 24, 2012 - Regular Board Meeting

Director McManigle referenced Page #12-7, second paragraph, third line, as he pointed out the word "timing" should be "timely".

Action:

Moved by Director McManigle to approve the minutes with the noted revision. Seconded by Director Griffiths.

After consideration, the motion CARRIED by the following vote:

AYES: Director Griffiths, Director McManigle and Director Sanford.

NOES: None.

ABSTAINED: Director Lucy.

ABSENT: None.

13. 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

1. SDCWA

Mr. Seymour briefed the Board on what was taking place at SDCWA including the approval of the Finance Committee's recommendation on how they would allocate the money that may be received if successful in the lawsuit against Metropolitan Water District. He mentioned the letter sent by SDCWA to the Delta Stewardship Council regarding the draft EIR. He talked about the MWD rate hearings being held in March 2012 at which time the rates will be implemented immediately. He spoke of the MWD budget and the changes they are considering making.

Mr. Seymour announced the SDCWA Finance Manager was leaving to take a job with another agency.

Mr. Seymour mentioned SDCWA was putting together a shuttle bus for their representatives to attend a meeting at MWD; however, the shuttle may be full at this time. He also pointed out that due to Mr. Walson's passing, the RMWD proxy at this time was Mr. Gary Arant until such seat is filled.

Mr. Seymour mentioned the current situation in relation to water storage. Director Lucy noted this was important to track in order to ensure good water quality.

Discussion ensued regarding retirement benefits.

B. Representative Report (Appointed Representative)

1. CSDA

There was nothing to report.

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

There were no reports.

D. Directors Comments

Director McManigle mentioned a ratepayer's concern regarding the reservoir being above their house and how they were concerned about their house getting flooded. He stated in order to address these types of concerns he and Mr. Seymour took that ratepayer's Home Owners' Association members to visit the reservoir as well as Beck to assure them their properties were safe. He read aloud a letter received from that ratepayer thanking them and RMWD for taking their time to explain the work being done by RMWD and how pleased they were with what they learned. Director McManigle suggested organizing such a tour with the remaining HOA's in the District to provide them with the same tour and information. Mr. Seymour stated he would obtain a list of the HOA's and start working on putting something together.

Director Griffiths mentioned the passing of Mr. Walson. He said with knowing Mr. Walson for twenty years, nobody has even given more of his life, energy, and money to the benefits of the District, people within the District, and the economy of the District. He stated Mr. Walson was quite a unique man who he personally believed wore himself out from working seven days a week working on papers, studying, and investigating District matters. Director Griffiths claimed some RMWD employees were rude to Mr. Walson as well as a member of the public who personally attacked him. He said these two things really, really affected Mr. Walson, causing him to be depressed and how his widow thinks may not have helped him survive whatever took his life. He requested that in the future the employees and public will respect the new Board President as it will be a great help to everyone.

Director Lucy stated although he did not agree with Mr. Walson on everything, he never doubted his passion for his love of Bonsall and the Fallbrook area. He said Mr. Walson will be missed. He continued by thanking those people concerned about his eye surgery and what was happening over the last month. He also mentioned he was not present when the announcement regarding Mr. Sneed's retirement. He wanted to personally tell Mr. Sneed how he has really enjoyed working with him and that he will be missed.

Director Griffiths shared photos of him and Mr. Sneed out at different RMWD facilities.

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

A. Budget and Finance Committee

1. January 12, 2012 Minutes

Mr. Carlstrom provided a handout to the Board of Directors and reported on the February 2, 2012 committee meeting at which time most of the discussion was focused on the matters regarding area development. He noted Mr. Lee was very helpful with providing updates and assisting the committee understanding all the development projects. He talked about discussions held regarding the District's water and sewer supply in relation to the Meadowood

project. He noted the new calculations have been incorporated into both the five-year and ten-year forecasts with which the District was currently working.

Mr. Carlstrom mentioned the quorum of four committee members present at the meeting voted unanimously in favor of three recommendations to make to the Board of Directors. He stated the first one was that the Board authorizes the sale of 5/8" and/or 3/4" meters where appropriate in the developments. He mentioned the second recommendation was that RMWD annex Campus Park West and the third was to authorize RMWD staff aggressively pursue discussions aimed at serving the water and sewer needs of the Meadowood area.

Director Griffiths pointed out the vote was to address the developers within RMWD's quadrant as well as Campus Park West. Mr. Carlstrom confirmed this was correct; however, since the Meadowood project has been approved and will need water and sewer services, the committee was coming back to the Board asking the project be positively investigated especially due to the fact that if RMWD provides service there could no longer be a need for a sewer treatment plant.

B. Communications Committee
1. November 8, 2011 Minutes

Mr. Seymour reported the committee met and discussed and formatted the quarterly communicator.

C. Engineering Committee
1. January 3, 2012 Minutes

Mr. Lee reported the committee met at the beginning of February at which time the discussion focused on the potential downsizing the required size of the meters while still providing fire protection.

Action:

Moved by Director McManigle to accept the reports as given. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

***15 CONSENT CALENDAR**

(The consent calendar items are matters voted on together by a single motion unless separate action is requested by a Board member, staff or member of the audience.)

A. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 12-02, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT SUPPORTING THE SAN DIEGO COUNTY WATER AUTHORITY'S LAWSUIT AGAINST THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Action:

Moved by Director McManigle to approve the consent calendar. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

BOARD ACTION ITEMS

***16. DISCUSSION AND POSSIBLE SELECTION OF DIVISION ONE DIRECTOR AND APPROVAL OF RESOLUTION 12-05, A RESOLUTION APPOINTING _____ AS THE DIRECTOR OF DIVISION ONE OF THE RAINBOW MUNICIPAL WATER DISTRICT**

Vice President Sanford explained Division 1 was the position held by Gerald Walson. He explained the Notice of Vacancy was posted according to the legal requirements and there were four individuals interested in filling this vacancy. He noted there was some concern regarding filling this vacancy; therefore, he solicited Board input.

Legal Counsel mentioned there was a sixty-day time limit for filling this vacancy.

Director Lucy stated due to the fullness of the agenda it was important to have five individuals serving on the Board. He said in light of this and the fact there were four good candidates he was ready to make a recommendation.

Director Griffiths expressed concern there was not enough notification regarding the vacancy and there may be others interested in seeking appointment. He suggested delaying this item to allow more time for public interest.

Legal Counsel stated the requirement was to post the vacancy in three places, notify the County of San Diego, and advertise in the local newspaper. It was confirmed these requirements were met by RMWD.

Ms. Rhyne recommended Ms. Helene Brazier be appointed to the Board of Directors of Division 1. She stated Ms. Brazier does not only deserves this honor, but has earned it by attending Board and Committee meetings for years with an unfailing interest in RMWD. She mentioned Ms. Brazier has a great deal of historical background of the District and has seen a parade of general managers and an exodus of employees. She pointed out Ms. Brazier was present during the MIOX problem, quick to grasp the situation, fair and unbiased, and has a great deal of common sense. She said she does not stand alone as a number of Ms. Brazier's neighbors and friends have urged her to run for the vacancy in Division 1. She concluded by stating Ms. Brazier was an excellent parliamentarian who would help to keep the Board focused on agenda items and possibly cut the meeting time down to three hours.

Mr. Sanford invited the four candidates to address the Board with an introduction and brief background on themselves. Mr. Seymour pointed out two of those individuals were not present.

Mr. Strapac introduced himself to the Board. He mentioned he has lived in the District for approximately twelve years after purchasing his grandfather's avocado grove. He noted he has an engineering and land surveying firm. He pointed out he was familiar with the District as he has worked with Mr. Lee on the Engineering Committee for more than four years. He said he looked forward to being on the Board and helping out with the issues currently facing RMWD as he has been keeping abreast of them all with great interest. He talked about his being active in the engineering community working part time with the Board of Registration for Professional Engineers and being a member of the North County Civil Engineers Land Surveys Association.

Ms. Brazier introduced herself to the Board as a twenty-three year RMWD resident. She mentioned she had started attending meetings sporadically in the mid-to-late 90's and over the last 10-12 years she has barely missed a meeting. She pointed out she attends meeting of the Budget and Finance Committee on a regular basis, the Communications Committee occasionally, and was currently a member of the Engineering Committee. She said she feels she has demonstrated her interest and concern for matters of the District and should the Board selects her to serve on the Board of Directors she was hopeful it would not be on the basis of the fact she has been around for a while and they want to get her out of the back row but rather on the basis the Board thinks she could serve and work for the ratepayers of Division 1 and be a positive addition to the Board in developing policies that would keep Rainbow a fully working environment.

Mr. Seymour stated the other two candidates both serve on the RMWD Budget and Finance Committee and have played a vital role in helping to determine any significant issues brought forward to the Board from the Budget and Finance Committee. He noted both were advised the meeting was today; however, they were not present.

Action:

Moved by Director McManigle the Board appoints Helene Brazier to the Board of Directors of the Rainbow Municipal Water District.. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

Director Griffiths said after reviewing the resumes, he would have nominated Mr. Stitle for appointment. He stated the last person he would want to see on the RMWD Board was seated in the back row. He claimed Ms. Brazier would make things disruptive, unpleasant, and terrible for the District. He suggested the Board read the letters written in the minutes of the past meetings. Vice President Sanford said Director Griffiths' comment was duly noted.

Director Lucy stated his concern with Ms. Brazier was that she was the Board's good counsel and so objective on items that she would keep the old boys club in line. He said he was thrilled Ms. Brazier would even consider being on the RMWD Board of Directors. He pointed out any of the other candidates seeking this appointment would also serve this Board very well.

Russ Hatfield stated since he first started attending the Board meetings, Ms. Brazier was already active at RMWD. He said even though there were times when he served on the Board where she would take him on over things and would be right. He said Ms. Brazier has the skill and ability to work with the Board and bring things together; therefore, he would certainly endorse her.

Ms. Brazier was publicly sworn in by Ms. Washburn.

Vice President Sanford encouraged Director Griffiths to work together for the benefit of the District.

17. DISCUSSION AND POSSIBLE APPOINTMENT OF BOARD OFFICERS AND REPRESENTATIVES

Action:

Moved by Director Griffiths to appoint Dennis Sanford to serve as Board President. Seconded by Director Brazier.

After consideration, the motion FAILED by the following vote:

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

Action:

Moved by Director Lucy to appoint George McManigle to serve as Board President. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

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

Action:

Moved by Director Lucy to appoint Dennis Sanford to serve as Vice President of the Board. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

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

Action:

Moved by Director Lucy to appoint Helene Brazier to serve as Board Secretary. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

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

Action:

Moved by Director Lucy that Mr. Buckley continue to serve as Treasurer. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

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

Action:

Moved by Director Brazier the George McManigle continues as the CSDA representative. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

Discussion ensued regarding the LAFCO representative position. Mr. Seymour stated there may be some benefit for staff members to attend the LAFCO meetings. He mentioned this would provide a more unbiased position. He suggested it be someone from the high-level position from the engineering department. It was decided this position be left open to allow Mr. Seymour to speak with staff and report back to the Board with a recommendation.

Director Griffiths suggested Vice President Sanford continues to serve as the LAFCO representative.

Action:

Moved by Director Griffiths that Dennis Sanford continue as the RMWD representative at LAFCO. Seconded by None.

The motion died for lack of a second.

Vice President Sanford said he would continue to serve until a new recommendation comes to the Board in the future regarding possibly having a staff member serve as the LAFCO representative.

- *18. **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 12-04 OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPOINTING A REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY**

Action:

Moved by Director McManigle that Dennis Sanford serve as the representative of Rainbow Municipal Water District to the San Diego County Water Authority. Seconded by Director Lucy.

After consideration, the motion CARRIED by the following vote:

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

Director Griffiths requested the appointment of representatives at both the San Luis Rey Water Shed and Santa Margarita Watershed Councils be placed on the next agenda.

***19. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 12-03 – CHECK SIGNING AUTHORITY**

Mr. Seymour explained this item was an administrative function to change check signers.

Action:

Moved by Director Lucy to approve Resolution 12-03. Seconded by Director McManigle.

After consideration, the motion CARRIED by the following vote:

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

NOES: None.

ABSTAINED: None.

ABSENT: None.

***20. DISCUSSION AND POSSIBLE ACTION TO CONSIDER REINSTATING THE SALE OF 5/8" AND ¾" METERS**

Patrick Miller introduced himself to the Board. He stated he and his parents have been involved for approximately 60-70 years in real estate in this community. He said he was here to support Item #20. He pointed out if the Board Members have a win-win situation where RMWD would enhance revenues as well as assist developers enhance their property it would only benefit the community. He stressed, as a former resident of Fallbrook, how important it was for this motion to pass to give the town an economic “shot in the arm” due to the current recession.

Director Lucy asked Mr. Lee to explain this information clearly in order to ensure the Board understands exactly what would be taking place as far as the meter sizes are concerned.

Mr. Lee explained the proposal staff has been working on with the Engineering Committee on was that the District would physically install a 1" service to the parcel which would support the fire sprinkler requirement of new development and new houses. Director Sanford asked for clarification. Mr. Lee drew a diagram in order to provide a better understanding of how the proposed meters will continue to provide fire service, an adequate water supply, and backflow protection. He explained the District will be installing a 1" lateral and a 1" meter for fire protection services, but would charge the parcel a capacity charge based on anticipated domestic use based on usable parcel space.

President McManigle asked how much a meter physically cost. Mr. Lee said approximately \$500 for a meter and installation; therefore, it would not be much of an impact to install a 5/8", ¾" or 1" meter. President McManigle inquired as to why there should not be a separate fire-fighting system meter. Mr. Lee stated due to the fact RMWD would be doubling the facilities it has to serve. Discussion followed.

Director Lucy asked if a restrictor would be used on the home side of the lateral to keep it from water being stolen or over used. Mr. Lee explained every drop of water that goes through the parcel will be going through the water meter; therefore, if they are using more water than what a

5/8" meter would provide for the District would have the ability to come back to the customer and charge them the additional capacity fees for a 3/4" or 1" meter.

Director Sanford asked if the fire department dictates on meter size or pressure. Mr. Lee stated they dictate on flow which is typically required to be 50 gpm which is only achievable with a 1" meter unless it is a high pressure system which would only need a 3/4" meter.

Mr. Lee pointed out RMWD did provide 5/8" and 3/4" meters at one time in the past and staff was asking the Board to consider reinstating it and kick this back down to the Engineering Committee to develop the details and the Budget and Finance Committee to actually develop the capacity charges.

Director Griffiths stated this was a great concept that he believes protects RMWD completely.

Director Lucy talked about there being some type of benefit for both the homeowner as well as the insurance company insuring the home for having a 1" meter.

President McManigle inquired as to what will happen with the ratepayers who previously had 1" meters. Mr. Lee explained these customers would be allowed to downsize their meter if their lot supported RMWD's future policy. He noted from the point where the meter is downsized, they would be charged the monthly fee based on what capacity meter they would have installed. He said he would not support any retroactive payback for anything. He mentioned there were roughly 1,000 customers who probably could qualify for a meter downsizing; a majority of which are in Lake Rancho Viejo. It was noted the revenue loss for the District would be offset by the increased sales.

Director Sanford asked if Mr. Lee was talking about actual meters or billing charges. Mr. Lee stated capacity charges based on the theoretical meter that would be installed.

Mr. Carlstrom talked about the financial aspect of the proposed meter sizes. Discussion ensued regarding putting in two separate meters and all the aspects involved with doing such.

Discussion ensued regarding the amount of bedrooms in a home. Mr. Lee explained the County does not take this into consideration and although RMWD could incorporate this into the policy, it tends to overcomplicate the process.

Mr. Lee confirmed staff would like the Board to approve the concept presented and then kick it back to the Budget and Finance Committee for capacity charges and the Engineering Committee to establish the structure in which RMWD would provide service.

President McManigle asked what happens with the 1" lines that already exist. Mr. Lee stated the homes in Lake Rancho Viejo only have a lateral similar to this right now and he was unsure exactly how the fire protection for those homes is provided.

Director Griffiths noted once RMWD installs the 1" meter, it was the responsibility of the fire department to determine whether or not it is sufficient. He said his concern had to do with opening up a "can of worms" when it comes to an obligation that retrofits the existing system.

Action:

Moved by Director Brazier to approve Staff Recommendation Option 1-The Board support reinstating the 5/8" and 3/4" capacity charges for appropriate sized lots. If the local fire

department requires a larger service for fire sprinklers than the District will install the service lateral and meter to support said fire requirements while only charging the capacity charge based on lot size. The Board directs the Engineering Committee to develop appropriate lot size requirements for the appropriate meter size. The Board directs the Budget and Finance Committee to develop appropriate capacity fees for 5/8" and 3/4" meters. Seconded by Director McManigle.

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.

The Board directed staff to check with Legal Counsel to see if these meters can only be offered to new homes.

Mr. Lee explained conceptually the intent of having capacity and monthly charges based on lot sizes is to protect RMWD by putting in minimum lot sizes for certain sized meters regardless of the customer's intended use.

***21. DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 12-01 SUPPORTING DISCUSSIONS WITH THE OWNERS OF MEADOWOOD DEVELOPMENT REGARDING ANNEXATION INTO RMWD**

This item was removed from the agenda under Item #4 herein.

Mr. Seymour mentioned a call received from the Pardee Homes attorney asking RMWD to withdraw this item today due to the fact it may interfere with their progress with Valley Center Municipal Water District which was part of the agreement RMWD signed when exiting the Preannexation Agreement. He said Legal Counsel will need to review this and that Pardee's attorney did agree to try to set up a face-to-face meeting with District staff and Pardee.

***22. DISCUSSION AND POSSIBLE ACTION REGARDING PREANNEXATION AGREEMENT BETWEEN RMWD AND THE DEVELOPERS OF CAMPUS PARK WEST**

Mr. Lee explained staff has worked with the developers of Campus Park West to draft the Preannexation Agreement being presented to the Board for their input. He noted there were still two areas which needed further research and that it was still pending review by Legal Counsel.

Director Griffiths stated he agreed with filling the "doughnut hole". He suggested that since this piece of land was pulled out of the District in order not to have to pay fees to RMWD Campus Park should pay those fees in full in order to get back in.

President McManigle stated it was time to move forward with this matter.

Director Brazier said it seemed to her that the drafters of the draft have considered protecting the District.

Director Lucy agreed with Director Griffiths regarding the fees being paid back.

Director Sanford said he believed RMWD was heading in the right direction

No action taken.

***23. DISCUSSION AND POSSIBLE ACTION TO ALLOW DIRECTOR GRIFFITHS TO ENTER CONFINED SPACES AT LIFT STATION #2 (REQUESTED BY: DIRECTOR GRIFFITHS)**

Director Griffiths stated he wanted to go into the confined space at Lift Station #2. He stated his certificate for confined space training from 2004 was sufficient qualifications. He shared pictures of his previous entry into Lift Station #2 as well as oil refineries. He concluded by stating he did not want to go into the station for fun but to see for himself what was there to make sure everything in the drawings was put into place due to the fact he does not believe staff when they have told him there have been no changes.

Mr. Seymour said the Board was welcome to visit any facilities; however, there were specific qualifications that must be met to enter confined space which Director Griffiths has not met. He suggested if there are concerns Director Griffiths would like addressed he could let Mr. Seymour know and the next time staff enters confined space they can take pictures or video tape the facility while inside.

Action:

Moved by Director McManigle to deny Director Griffiths' request. 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.

Director Griffiths stated he agreed with the motion based on the fact staff would provide him with pictures and/or good as-built drawings.

***24. RECEIVE AND FILE INFORMATION ITEMS FOR JANUARY 2012**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
 - 2. Update on Functional Consolidation Issues
- 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
 - 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
- E. **Human Resource Manager Comments**
 1. Changes in Personnel
 2. Organizational Chart

Action:

Moved by Director McManigle 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.

Mr. Seymour provided an update on the functional consolidation progress. He said RMWD, Valley Center, Fallbrook, and Yuima are moving forward with the functional consolidation concept. He stated the current focus is on the technical groups working on some of the critical issues they believe need to be the next step. He explained he will be working with Brian Brady, General Manager of FPUD, to talk about a more focused consolidation due to both agencies being so close in geography. He noted the groups have reached a point where to start getting the Boards more involved; therefore, he would like the Board President to appoint an ad hoc committee of two Board Members to use as a sounding board to bounce his and Mr. Brady's ideas off. He pointed out the ad hoc committee would only be advisory and all the members can do is bring information back to the full Board. It was decided President McManigle and Director Lucy would serve on the ad hoc committee.

Discussion ensued regarding clarifying the information provided on the organizational chart under Item #24E2. Mr. Seymour reluctantly mentioned an employee decided to resign from RMWD to take an advancement opportunity at Rancho Water District.

President McManigle made an inquiry on Item #24B6. Mr. Sneed explained the term "mixing".

Mr. Miller explained the final steps to complete Hutton Tank.

***25. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR JANUARY 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 McManigle to receive and file financial statements and information.
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.

Mr. Buckley said it was encouraging RMWD was staying close to its budget.

President McManigle made an inquiry on Item #25A1.

Mr. Buckley talked about the handout provided to the Board regarding some of the primary assumptions and thoughts possibly being considered for the upcoming budget for Board input during the budget approval process.

Mr. Seymour reminded the growers that IAWP and SAWR programs would both be going away at the end of this year causing the water rates to go up for those in the programs. He noted the North County irrigation and agricultural districts are trying to get SDCWA to continue the SAWR; however, it is unknown whether or not they will be successful.

Director Griffiths asked a question regarding the Smart Covers. Mr. Sneed responded.

Director Griffiths made several check inquiries under Item #25A5.

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

It was noted representatives for both San Luis Rey and Margarita Watershed Councils as well as a recommendation for a staff member to represent RMWD at LAFCO be on the next agenda.

27. ADJOURNMENT - To Tuesday, March 27, 2012 at 1:00 p.m.

The meeting was adjourned with a motion made by Vice President Sanford to a regular meeting on March 27, 2012 at 1:00 p.m.

The meeting was adjourned at 3:11 p.m.

George McManigle, Board President

Dawn M. Washburn, Board Secretary