

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MAY 27, 2025**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on May 27, 2025, was called to order by President Hamilton at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

2. **ROLL CALL:**

Present: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Manager Khattab, District Secretary Quintanar, Administrative Analyst Weber, Chief Operations Manager Gutierrez, Finance Manager Shilkov, Member Nelson

**Also Present in Person,
Via Teleconference or**

Video Conference: Sr. Project Manager Tamimi, Administrative Assistant Montano, Administrative Analyst Barrow, Safety and Risk Management Officer Johnson, Rodney Smith, Duane Urquhart, Carol Wilson, Robert Jackson, Mr. Beyer, and public

3. **PLEDGE OF ALLEGIANCE**

4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA**

There were none.

5. **APPROVAL OF THE AGENDA**

Motion: To approve the Agenda as presented.

Action: Approve, Moved by Director Mack, Seconded by Director Irvine

Vote: Motion carried by unanimous vote (summary: Ayes = 5)

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

6. **PUBLIC COMMENT**

Robert Jackson addressed the Board to explain that he owns 350 acres of agricultural land, is on the board of the California Avocado Commission, and urged the District to make a program like PSWAR available to the agricultural customers in this area. He relayed that the agricultural community needs relief.

Commander Beyer addressed the Board to relay appreciation for our value statement flags, he relayed appreciation and encouraged Board Members to continue attending events of local organizations, such as the Bonsall rotary. He continued that the District's Newsletter is fantastic and the relationship with the Village News is valuable. He thanked President Hamilton for

supporting local farmers and stated that he would support paying more for water to help the agricultural customers because agriculture is key in this area.

7. EMPLOYEE RECOGNITIONS

A. Rene Del Rio – ACWA JPIA Operations Certification Program

General Manager Wiley announced that Rene Del Rio recently completed the Operations Section of the ACWA JPIA professional development program that provides supervisory and technical skills. Rene is the one-man shop that maintains all of the District's vehicles and has done so for 22 years. Mr. Wiley presented a plaque, congratulated Rene, and relayed appreciation for his dedication.

8. COMMITTEE MEETING SUMMARIES

Member Nelson reported on items discussed at the May 6, 2025, Joint Board and Committee meeting, where the budget was reviewed and discussed. Prior to that, the Engineering and Operations Committee addressed Item No. 10.B on today's agenda, and gave its unanimous support. They also considered Item 10.D, which is also listed on today's agenda, appointment of Rodney Smith to the Committee, which was also unanimously supported. The next meeting will provide the opportunity to discuss funds budgeted for civil engineering firms and how those funds will be used. The Committee will also review information about the Manual Switch Project.

Ms. Weber provided highlights of the Communications and Customer Service Committee meeting, where information on customer metrics, customer rebate programs, local events, and newsletter planning was provided.

9. CONSENT CALENDAR

- A. Approval of the April 29, 2025, Adjourned Regular Board Meeting Minutes
- B. Approval of the May 6, 2025, Joint Board of Directors, Engineering and Operations Committee, & Budget and Finance Committee Special Meeting Minutes

Motion: To approve the Consent Calendar as presented: April 29, 2025, and May 6, 2025 Joint/Special Board Meeting minutes, as presented.

Action: Approve, Moved by Director Hoffman, Seconded by Director Townsend-Smith

Vote: Motion carried by unanimous vote (summary: Ayes = 5)

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

10. ACTION ITEMS

A. Consider Adoption of a Resolution Adopting the Fiscal Year (FY) 2025-2026 Budget

General Manager Wiley provided a recap of the planning meetings and coordination of review of the details of the inner workings of the proposed budget.

Finance Manager Shilkov provided highlights of the budget, including the projection of 11,000 acre feet (AF) of water sales. Staff estimated that treated water purchases from EMWD will be \$18.3M, and costs will decrease from \$19.7M due to the detachment from the SDCWA. The key driver for the proposed water increase on January 1, 2026, is MWD's treated water rate increase of 9.5%. Utility costs continue to increase, and staff projects an increase in electricity by 9% and

an increase in labor costs of 5.6%. The water rate impact will be a 4% increase to be implemented on January 1, 2026. Costs per acre-foot were reviewed, and a high-level summary of revenues and expenses was presented. Total net revenue and expenses for the next fiscal year are anticipated to be \$50,536,203.

Regarding the Wastewater Budget, he reported that there will be no change from the 2025 cost for wastewater treatment provided by the City of Oceanside. Catch-up billings for the City of Oceanside in the amount of \$4.1M will be paid this year. The District has debt service payments for the Thoroughbred Lift Station in the amount of \$663K, and additional costs associated with environmental compliance are estimated at \$ 200 K. Revenues and expenses were broken down and total \$7,092,688. He recommended adoption of the resolution adopting the FY 2025/26 Budget, which includes a Water Rate increase of 4% on January 1, 2026, and a Wastewater Rate increase of 13% on July 1, 2025.

Mr. Wiley added that the previous Cost of Service Study established the need for up to a 9% rate increase each July 1, plus the pass-through. However, the District has held rates steady for 18 months and most of the 4% water rate increase we have to impose is to cover a portion of the MWD pass through. The July 1, 2025 Wastewater Rate increase of 13% is to catch up with rate increases that weren't implemented in years past, and will equate to approximately \$8 per customer.

Motion: To adopt Resolution No. 2025-05 Adopting the Fiscal Year 2025-2026 Budget.

Action: Approve, Moved by Director Irvine, Seconded by Director Hamilton

Vote: Motion carried by unanimous vote (summary: Ayes = 5)

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- B. Consider Approval of a Change Order with Ardurra for Development Plan Check Services (Districtwide)

Mr. Williams reported that the District entered into a contract with Ardurra when the decision was made not to fill the Associate Engineer position in 2024 in an effort to avoid a rate increase. In addition, recruitment for this position has been challenging in the past. He shared that the District has received exemplary service from Ardurra. The contract is funded chiefly through developer deposits. Mr. Williams recommended approval of Change Order No. 5, to continue services through December 31, 2026, and increase the contract amount by \$200,000.

Director Irvine relayed his pleasure with the level of service provided by Ardurra.

Motion: To approve Change Order No.5 (CCO#5) with Ardurra, in the amount \$200,000, extending the agreement to December 31, 2026, and authorizing the General Manager to execute CCO#5 with Ardurra.

Action: Approve, Moved by Director Irvine, Seconded by Director Townsend-Smith

Vote: Motion carried by unanimous vote (summary: Ayes = 5)

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- C. Consider Adoption of an Ordinance Authorizing Amendment to Section 3.01.030 of the Administrative Code

Mr. Wiley explained that Director Hoffman had requested amendment to the policy. The draft language was provided in the meeting packet.

Motion: To adopt Ordinance No. 25-02, amending Section 3.01.030 of the Administrative Code
Action: Approve, Moved by Director Irvine, Seconded by Director Townsend-Smith
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- D. Consider Appointment of Rodney Smith to Serve as a Public Member of the Engineering and Operations Committee

Motion: To appoint Rodney Smith to the Engineering and Operations Committee.
Action: Approve, Moved by Director Hamilton, Seconded by Director Irvine
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- E. Consider Appointment of an Ad Hoc Committee for Implementing the Mutual Services Agreement Between Rainbow MWD, Fallbrook Public Utility District, Valley Center MWD, and Yuima MWD

Mr. Wiley explained that the general managers of the respective agencies have discussed the benefits of periodic meetings between the agencies to discuss potential ways to explore ways for all of the agencies to save money. For example, staff is working on a proposal for state and federal lobbying services, which will be more cost-effective, and there are other opportunities for joining efforts. The Mutual Services Agreement is intended to explore common services for cost efficiency, and is not intended to be a merger of any of the parties to the agreement.

Directors Hamilton and Mack expressed interest in participating in these discussions.

Motion: To appoint a Mutual Services Agreement Ad Hoc Committee, consisting of Directors Hamilton and Mack
Action: Approve, Moved by Director Townsend-Smith, Seconded by Director Irvine
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- F. Consider Appointment of an Ad Hoc Committee Pursuant To Administrative Code Section 3.06.020

This item was tabled.

11. INFORMATION ITEMS

Monthly departmental updates were included in the meeting packet.

12. REPORTS & COMMENTS

Mr. Wiley reported that the SDCWA Pipeline 4 maintenance shutdown will take place on June 1. Many of the efforts staff has made to prepare for this, such as construction of pump stations, the FPUd intertie, and water quality measures, have made the management of this 21-day shut down more dependable. The intertie with FPUd, provided for in the Mutual Services Agreement is also

a great benefit, as is the great relationship the District has with its neighboring agencies. Staff has done a fantastic job of developing plans for moving water from one side of the District to the other. All the preparations are in place, including contingency plans. Mr. Wiley relayed kudos to Chief Operating Officer Gutierrez, who is an expert in his field, and the entire team is to be commended.

Regarding the Delta Conveyance Tunnel, the Governor is fast-tracking this project and securing water supplies from the State Water Project.

Internally, the SWRCB has additional requirements on backflow program management. There will be additional services and equipment required, specifically for single family residences, and the District has drafted a Plan. The Plan may have some financial impacts. However, the required elements will be implemented in phases.

Legal Counsel Smith expanded on the details of the memorandum presented in the meeting packet regarding the Endangered Species Act.

Director Mack commended Mr. Gutierrez and his team for the recent main line break repairs completed by staff. Mr. Wiley relayed to the Board that the potential for damage of Highway 76 was a concern. There is a new bump in that area which our paving contractor will be attending to this week. He estimated that the paving repairs will cost approximately \$200,000.

Director Irvine commended staff for the management of the MWD pass through rate from MWD. To manage that down to only a 4% increase is indicative of staff's efforts to minimize impacts to our customers. He wished everyone a happy belated Memorial Day.

Director Hoffman reported on her attendance of the Bonsall High School Awards event.

Director Mack reported on his attendance of the CSDA quarterly meeting last week. The topic was the Foster Care System. Sadly, 80% of children in foster care will turn to drugs and a large number will not graduate from high school.

Mr. Wiley also reported on his attendance of the CDSA Legislative Days in Sacramento. He was able to meet several representatives of our state offices and discussed exemptions or modifications to the Clean Fleet Rule, which are widely supported.

In regard to LAFCO, Mr. Wiley attended the Sustainable Ag Lands and Conservation Program grant. This includes a series of studies looking at the status and struggles of ag in the County. This is a joint effort with the County and LAFCO and a lot of market analysis has been done and they are also receiving stakeholder feedback. Mr. Wiley will remain engaged and provide updates.

Director Mack reported on his attendance of the ACWA-JPIA Meetings and ACWA Conference. He relayed about the top priorities of the Great Valley Farm and Water Partnership, and changes in ACWA executive members. Director Hoffman commented that she learned a lot at the conference.

Director Hoffman commented regarding the CSDA Annual Conference, and suggested that the District limit the number of attendees. Mr. Wiley answered that the District has historically budgeted for two conferences per year for Board Members.

Conferences during the year include ACWA's Spring and Fall Conferences, the CSDA Annual Conference, and two additional associations the District sees value in are the Southern California Water Coalition (SCWC) and the Urban Water Institute (UWI).

13. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

None were requested.

14. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

Director Townsend-Smith asked about the condition of headquarter buildings. Mr. Wiley responded that an architect is reviewing options. She also requested discussions about the use of solar generation. Mr. Wiley responded that this is already being reviewed as well, and Engie and the CCA are looking into opportunities for Rainbow Water. He added that in the past, the issue was the ability to utilize existing District-owned property. The CCA may offer a Power Purchase Agreement, wherein the District may a fixed price for facilities built by the CCA. The REZVCT solar program allows agencies to install solar on their land and there may be room in that program also. The majority of our costs through SDG&E are the fixed charge which is based on peak demand. Staff is looking at strategies to manage peak demand charges and the three new pump stations have VFD's. Director Townsend-Smith also requested improvements to the signage at the entrance of the District's headquarters. Staff is working to install a new monument that is more visible from both directions off of Highway 395, with our new logo.

President Hamilton called for a 15 minute break at 2:15 p.m.

15. CLOSED SESSION

The Board adjourned to closed session at 2:30 p.m., to discuss the following items:

- A. CONFERENCE WITH LABOR NEGOTIATORS - Government Code §54957.6 and §54957 Agency Designated Representatives Jake Wiley and Karleen Harp; labor negotiations for: Rainbow Employee Association, Rainbow Association of Supervisor and Confidential Employees, Rainbow Exempt Employees
- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Government Code Section 54957, Title: General Manager
- C. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code section 54956.9(d)(4) (1 case)

The Board reconvened to open session at 4:23 p.m., and General Counsel Smith reported that there was no reportable action.

16. ADJOURNMENT - To June 24, 2025, at 1:00 p.m.

The meeting was adjourned at 4:24 p.m.



Hayden Hamilton, Board President

Attest:


Terese Quintanar, District Secretary