

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 25, 2025**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 25, 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, Hoffman, and Irvine

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

Absent: Townsend-Smith

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

Video Conference: Sr. Project Manager Tamimi, Administrative Assistant Montano, Administrative Analyst Barrow, Construction and Meters Supervisor Lagunas, Wastewater Superintendent Zuniga, Member Johnson, Duane Urquhart, Rick Carey, Jennifer Bantle, Chuck Leatherbury, Ann Lowell Leatherbury, Mark Lowell, Bernadette Duran-Brown (Nossaman), Fernando Fregoso, Rodney Smith, Natalie J. Frascchetti (Dexter Wilson Engineering), public

3. **PLEDGE OF ALLEGIANCE**

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

President Hamilton reordered the Action Items, moving 9.G as the first item addressed. General Manager Wiley requested the addition of a closed session item entitled:

B. **CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code section 54956.9(d)(2) (1 case)**

Motion: To amend the agenda, reordering action items and adding a closed session item.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

5. **APPROVAL OF THE AGENDA**

Motion: To approve the Agenda as amended.

Action: Approve, Moved by Director Irvine, Seconded by Director Hamilton
Vote: Motion carried by unanimous vote (summary: Ayes = 4)
Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

6. PUBLIC COMMENT

Chuck Leatherbury thanked the Board and General Manager Wiley for opportunities provided by the CropSWAP program. He also spoke of his 2" and 3" meters, urging the District to reduce the fixed meter charges in support of local growers, who contribute to the character of the community, property values, and views. He suggested capping the fixed meter charge at the 1" meter price and to eliminate fees for meters that are locked off. Mr. Wiley responded that the District is currently reviewing fees and charges.

Jennifer Bantle, owner of the Bantle Avocado Farm, farmer advocate and member of the Farm Service Agency, addressed the Board to discuss the challenges faced by local growers, largely due to water rates. She will be cutting down 200 trees to lower her water bill. She also mentioned that California retailers support cheap imports and urged everyone to support local growers. She also stated that retailers will be responsible for separating imported and local produce but are not doing so, and the Haas Avocado Board and California Avocado Commission are corrupt. She offered to assist the District with efforts to be heard by the Metropolitan Water District. She informed everyone that more information could be obtained at <https://americanavocados.org>.

Duane Urquhart spoke on behalf of the local agricultural and commercial farmers to share his perspective about why water sales have declined despite the residential growth. He urged the District to find ways to increase sales and change the policy so that local growers aren't negatively impacted by the reduced water sales. He referenced a previous rate study, which adjusted methods for cash flow, tripling his fixed meter charge. He urged for immediate relief and policy change.

Chuck Leatherbury added that avocado imports from Mexico are controlled by cartels and are corrupt. He relayed concern about droughts and his appreciation for crop insurance and government grants which helped keep them operating in tougher times.

Rick Carey spoke several times about rising costs, water quality, state mandates, avocado boards, and drought.

7. COMMITTEE MEETING SUMMARIES

- A. Budget and Finance Committee
- B. Engineering and Operations Committee
- C. Communications and Customer Service Committee

Member Nelson reported on items addressed by the Budget and Finance and Engineering and Operations Committees. The Budget and Finance Committee approved a recommendation for approval of today's item 9.B, and the Engineering and Operations Committee discussed and approved items 9.D, 9.E., and 9.F of today's agenda. He noted that Item 9.F., "Consider Approval of an Agreement with Dexter Wilson Engineering, Inc. for the Design of the Gopher Pump Station Project" was heavily discussed and not unanimously supported by the Committee. Mr. Nelson also invited our agricultural customers to provide input through participation on the District's standing committees.

Ms. Weber reported on the Communications and Customer Service Committee meeting, where the draft Strategic Communications Plan was reviewed. She shared about the CropSwap program's success, and Mr. Wiley contributed additional information regarding the allocation of funding to date. She also reported on water use efficiency devices and rebates, and recent articles published. Director Mack expressed his appreciation for the team's public relations efforts.

8. CONSENT CALENDAR

- A. Approval of January 28, 2025, Regular Board Meeting Minutes
- B. Adopt a Resolution Fixing the Time and Place of Hearing and Meeting on Proposed Water Availability Charges for Improvement District No. 1
- C. Adopt a Resolution Establishing Individuals with Check Signing Authority

Motion: To approve the Consent Calendar: January 28, 2025 meeting minutes, Resolution No. 2025-01, and Resolution No. 2025-02

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

9. ACTION ITEMS

- G. Consider the Appointment of Julie Johnson as a Public Designee to the California Special District's Association Finance Corporation Board (CSDAFC)

Mr. Wiley explained that the CDSA Finance Corporation Board appointed Ms. Julie Johnson when she was an elected Board Member of Rainbow MWD and that she would like to remain a member of the CSDAFC. He provided some of Ms. Johnson's background and experience, and explained that Board action would be needed to appoint her as a Rainbow MWD Public Designee. Director Hoffman relayed concern about a potential conflict of interest and also, being the CSDA Representative expressed interest in being the appointee. Director Irvine suggested we contact the CSDA to see if they would consider the nomination of another member of Rainbow's Board as a member of the CSDAFC.

Motion: To table this matter until it is known if the CSDA would consider the appointment of Lisa Hoffman to the CSDA Financing Corporation Board as RMWD's Representative

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

Vote: Motion carried by majority vote, with Directors Hamilton and Mack abstaining (summary: Ayes = 2)

Ayes: Hoffman, Irvine

- A. Consider Appointment of a Treasurer

Mr. Wiley introduced the District's new Finance Manager, Konstantin Shilkov, and provided information about his qualifications and expertise.

Motion: To Appoint Finance Manager Konstantin Shilkov as the Treasurer

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

B. Consider Fiscal Year 2024-25 Mid-Year Operating and Capital Budget Adjustments

Mr. Wiley explained the proposed mid-year operating budget adjustment. On the Operating side, the property and liability insurance increased by approximately \$50,000, and funding for the newly re-negotiated tank maintenance contract was added. However, due to savings of \$297,000 related to a settlement, decreased expenses related to the financing of the SDCWA Exit Fee, reduction of meter replacements, and avoiding utilization of anticipated outside services, the total net impact is zero. He also reported on adjustments requested for the Capital Improvement Project (CIP) budget, which resulted in a budget reduction of \$335,000.

Motion: To approve Fiscal Year 2024-25 Mid-Year Operating and Capital Budget Adjustments

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

C. Consider Authorizing the General Manager to Enter Into a Mutual Services Agreement Between Rainbow Municipal Water District, Fallbrook Public Utilities District, Valley Center Municipal Water District, and Yuima Municipal Water District

Mr. Wiley reported on the coordination between the agencies and the benefits of shared services, all with the direct intent of lowering operating costs. Complying with regulatory and reporting requirements in a collaborative way will also benefit the participating agencies. Director Irvine relayed his appreciation for Mr. Wiley's efforts in coordinating the proposed agreement.

Motion: To Authorize the General Manager to Enter Into a Mutual Services Agreement Between Rainbow Municipal Water District, Fallbrook Public Utilities District, Valley Center Municipal Water District, and Yuima Municipal Water District

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

D. Consider Approval of an Agreement with Specialty Mowing Services, Inc. for Weed Abatement and Brush Clearing Services at District Facilities (Districtwide)

Mr. Williams explained the need for the services and shared photos of the vegetation surrounding various facilities. He also explained that, at particular locations, the work will be funded by a grant.

Mr. Carey relayed disappointment in the proposed long-term solution. Mr. Wiley explained that this effort was to ensure the best, district-wide price with the resources available when needed. The agreement term is three years, plus two one-year optional extensions.

Motion: To Approve an Agreement with Specialty Mowing Services, Inc. for Weed Abatement and Brush Clearing Services at District Facilities (Districtwide)

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

- E. Consider Approval of an Agreement with The Perrault Corporation for Materials Processing Services at District Headquarters (Division 4)

Mr. Wiley explained the benefits to the District of having these services on site. The vendor will utilize and access the lower yard that fronts Highway 395. There is no cost to the District for this five-year contract. The contractor will provide all of the materials the District needs at no cost and will haul away and sell excess materials. In addition, the contractor will deliver material on a minimal basis and wash District vehicles. The District normally spends approximately \$80,000 per year on materials. ACWA JPIA and the District's legal counsel have reviewed the draft agreement.

Motion: To Approve an Agreement with The Perrault Corporation for Materials Processing Services at District Headquarters (Division 4)

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

- F. Consider Approval of an Agreement with Dexter Wilson Engineering, Inc. for the Design of the Gopher Pump Station Project (Division 1)

Mr. Wiley explained that this is a reliability project, enabling the District to move water from any tank to another tank during peak demand periods. The proposal presented was for the design work, in the amount of \$220,000. Dexter Wilson was the low bidder and was determined to be qualified. In addition to moving water as needed, there are scope changes that would enable remote operation. In light of the recent wildfires, there may also be grant fund opportunities in the future.

Flint Nelson addressed the Board as a ratepayer to relay his lack of support for this project. Originally, \$710,000 was budgeted for this project. The current estimate for construction is \$1.7M, and he opined that by approving the design of the project, the District is committing to construction. He urged for pipeline replacement projects to be prioritized. Mr. Wiley and Mr. Williams responded that some pipeline replacements have been completed and acknowledged that more are needed.

Mr. Williams explained that this is not a new project and that it would provide a backup supply when tanks are taken out of service for maintenance. He reminded the Board that in 2022, Rainbow MWD's Board approved a lease agreement with the City of Oceanside to build the Weese Filtration Plant. Subsequently, the other agreement parties did not receive approval from their boards to move the project forward. District staff then completed an extensive review of alternative solutions prior to recommending and budgeting for this project. Mr. Wiley added that the project would provide more efficient methods of moving water, which may also benefit residents in certain emergency conditions.

Mr. Carey made mention of the Weese Filtration Plant, and how it could be utilized to fill the Gopher tank. Mr. Wiley explained that the lines between the Hutton, Turner, and Gopher tanks are too small to move significant amounts of water. The alternative project would be to increase the size of the pipelines between the tanks. Discussion followed regarding having to commit to building the project should the design work be completed, and all of the efforts by staff to investigate all of the options. Mr. Carey also opined that the agreement with the City of Oceanside should be revisited and that LAFCO's role is to resolve these kinds of issues.

Motion: To Approve an Agreement with Dexter Wilson Engineering, Inc. for the Design of the Gopher Pump Station Project (Division 1)

Action: Approve, Moved by Director Irvine, failed due to lack of a second.

Motion: To table the item until next month's meeting, to re-evaluate options

Action: Director Mack moved, and Hamilton seconded

Vote: Motion carried by majority vote with Director Irvine opposed (summary: Ayes = 3)

Ayes: Directors Hamilton, Mack, Hoffman

Natalie J. Frascchetti, President of Dexter Wilson Engineering, suggested that a base alternative, additive alternative items, and preparation of the documents that the contractor will bid on be prepared during the course of design. Multiple contractor bids could be considered, and at the Board's discretion, the base bid and any additive alternative items could be presented to the Board for approval at a later date.

H. Consider Adoption of a Resolution Authorizing Staff to Obtain Federal Financial Assistance Provided by the Federal Department of Homeland Security and Subgranted Through the California Governor's Office Of Emergency Services (CalOES)

Mr. Khattab explained the history of CalOES grant application opportunities. Initial requirements to fulfill actions have been completed. CalOES requires the adoption of a resolution authorizing staff to execute the documentation necessary. The District was approved to receive the full amount requested, \$179,791.

Motion: To adopt Resolution No. 2025-03, Authorizing Staff to Obtain Federal Financial Assistance Provided by the Federal Department of Homeland Security and Subgranted Through the California Governor's Office Of Emergency Services (CalOES)

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

Vote: Motion carried by unanimous vote (summary: Ayes = 4)

Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

10. INFORMATION ITEMS

There were no questions in regard to the information included in the meeting packet.

11. REPORTS & COMMENTS

Mr. Wiley reported on MWD's healthy water supply. The State Water Project allocation is 35 percent. In anticipation of budget planning, he provided a draft CIP schedule with adjustments to review with the Engineering and Operations and Budget and Finance Committees. In April, staff will present the draft operating and non-operating budget, and a joint Committee and Board Meeting will be held on May 6, 2025.

In response to Director Mack, Mr. Wiley provided information about MWD's Reverse Cyclic Program, which offered the prepurchase of water. MWD would choose when to deliver the water to the agency at the purchased rate. RMWD reserve levels were not at a level to enable the District to take advantage of that program this year.

General Counsel Smith reported on information included in the meeting packet about a new employment law requiring a public hearing on recruitment, retention, and vacancy rates.

In response to a question by Director Irvine, Mr. Wiley explained that staff will provide additional information to the Board regarding Item 9.F., in the near future. Director Mack requested feedback from Finance Manager Shilkov, and Director Hoffman asked for a presentation prior to the Board Meeting. Director Irvine also expressed his appreciation for the facilities tour that was provided for him and Director Hoffman earlier this week.

President Hamilton reported that the Santa Margarita Watershed Steering Committee has proposed a new Watermaster. They will meet again on March 11, 2025, to make introductions.

12. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Director Mack requested to attend CSDA Legislative days, May 20-21, 2025.

13. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

The Agreement with Dexter Wilson Engineering, Inc. for the Design of the Gopher Pump Station Project will be discussed on a future agenda.

The Board observed a 15-minute break from 3:45-4:00 p.m.

14. CLOSED SESSION

The Board adjourned to closed session at 4:00 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. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code section 54956.9(d)(2) (1 case)

The Board reconvened to open session at 5:22 p.m., and General Counsel Smith reported that no reportable actions were taken.

- 15. ADJOURNMENT** - The meeting was adjourned at 5:23 p.m. by President Hamilton to March 25, 2025, at 1:00 p.m.



Terese Quintanar, District Secretary



Hayden Hamilton, Board President