

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 24, 2026**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 24, 2026, 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 presided.

2. **ROLL CALL:**

Present: Directors Hamilton, Mack, Townsend-Smith, Irvine, Hoffman (Director Irvine attended remotely pursuant to the Brown Act)

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, Engineering & CIP Manager Williams, Deputy Operations Manager Coffey, Customer Service & Meter Supervisor Cruz, Administrative Analyst Montano, Management Analyst Lan

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

Video Conference: Sr. Project Manager Tamimi, Administrative Analyst Barrow, Safety and Risk Management Officer Johnson, Sr. Engineering Inspector Stockton, Wastewater Superintendent Zuniga, Rick Carey, Mark Mervich, Adam Bauer (Fieldman), President of the Bonsall Unified School District Board of Trustees, Larissa Anderson, members of the public

3. **PLEDGE OF ALLEGIANCE**

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

There were none.

5. **APPROVAL OF THE AGENDA**

Motion: To approve the agenda as amended, pulling Item 7.A.7 for separate discussion.

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

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

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

6. **PUBLIC COMMENT**

There were no requests to speak.

7. CONSENT CALENDAR

A. APPROVAL OF:

1. November 4, 2025, Engineering & Operations Committee Meeting Minutes
2. November 10, 2025, Budget and Finance Committee Meeting Minutes
3. January 20, 2026, Communications & Customer Service Committee Meeting Minutes
4. January 27, 2026, Regular Board Meeting Minutes
5. February 3, 2026, Engineering and Operations Committee Meeting Minutes
6. February 4, 2026, Special Board Meeting Minutes
7. Adoption of a Resolution Fixing the Time and Place of Hearing and Meeting on Proposed Water Availability Charges for Improvement District No. 1

Item 7 was pulled for separate discussion.

Motion: To approve Consent Calendar as presented: Minutes of November 4, 2025, November 10, 2025, January 20, 2026, January 27, 2026, February 3, 2026, February 4, 2026

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

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

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

- 7.A.7 Adoption of a Resolution Fixing the Time and Place of Hearing and Meeting on Proposed Water Availability Charges for Improvement District No. 1

Mr. Wiley explained that the item sets the date and time for the annual public hearing to approve collection of property taxes. The charge remains unchanged.

Motion: Adopt Resolution No. 2026-01, setting the time & date for the public hearing for ID 1

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

8. ACTION ITEMS

- A. Consider Adoption of a Resolution Authorizing the Execution of the Joint Exercise of Powers Agreement for the Establishment of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority

Mr. Wiley explained that this item initiates formation of a Joint Powers Authority (JPA) with Bonsall Unified School District to facilitate bond issuance, including for the Havens Phase 2 Project. Each agency will appoint two representatives. The partnership reflects shared boundaries and facility needs and may support formation of a CFD later this year. Documents have been reviewed by Fieldman and Nossaman LLP.

Larissa Anderson, President of the Bonsall USD Board of Trustees, and Superintendent Dr. Heather Golly expressed appreciation for the partnership.

Motion: To adopt Resolution No. 2026-03 Authorizing the Execution of the Joint Exercise of Powers Agreement for the Establishment of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority

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

- B. Consider Authorizing the General Manager to Enter into a Mutual Aid Agreement Between Rainbow Municipal Water District and Rancho California Water District

Mr. Wiley explained that the District's Safety and Risk Management Officer Johnson has been working with Rancho Water on this effort, which is a great partnership. Rancho Water has similar facilities, materials, and equipment. The draft agreement is more narrow in scope than the multi-agency Mutual Services Agreement, as it is specific to emergency response.

Motion: To authorize the General Manager to Enter into a Mutual Aid Agreement Between Rainbow Municipal Water District and Rancho California Water District.
Action: Approve, Moved by Director Townsend-Smith, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- C. Consider Replacement of the District's Enterprise Resource Planning (ERP) Platform and Development of a Scope of Work for Procurement for Inclusion in the Fiscal Year 2026-27 Budget

Mr. Wiley reported that staff has evaluated replacing the District's ERP system with a more modern, integrated platform. Mr. Khattab noted rising software costs without enhancements and stated that the system has reached the end of its lifecycle.

Management Analyst Lan discussed customer service and reporting improvements. Finance Manager Shilkov outlined projected five-year savings, with implementation expected to take approximately one year. Staff responded to Board questions.

Motion: To approve Option 1- replacement of the District's Enterprise Resource Planning (ERP) Platform and Development of a Scope of Work for Procurement for Inclusion in the Fiscal Year 2026-27 Budget
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

- D. Consider Approval of Fiscal Year 2025-26 Mid-year Operating and Capital Budget Review and Adjustments

Finance Manager Shilkov reported that operations remain stable and proposed reclassifications per GASB standards. Mr. Wiley noted that EV charger installations are on hold and that Line NN repairs are the primary driver of adjustments. An additional \$75,000 is needed for Lift Station 1 improvements. Water sales are slightly below projections; operating expenses remain on target.

Motion: To approve the amended FY 2025-2026 Operating Budget as presented, reflecting a decrease in Operating Budget appropriations of \$270,647 and an increase to the Water and Wastewater Capital Improvement Program budget of \$2,992,714, resulting in a total net mid-year budget adjustment of \$2,797,067.

Action: Approve, Moved by Director Hamilton, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

E. Consider Approval of a New Engineering and IT Modular Building

Mr. Williams reported that the expense is within the approved budget. Tenant improvements to Building No. 2 are estimated at \$3.2 million. A modular building would provide eight offices, two restrooms, and a conference room, replacing three existing trailers. Staff recommended purchasing rather than leasing.

If approved, staff will coordinate installation and removal of existing trailers, with temporary relocation of affected staff.

Motion: To approve a new Engineering and IT Modular Building
Action: Approve, Moved by Director Hoffman, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

F. Consider Adoption of an Ordinance Amending Administrative Code Section 8.11.040, Water Capacity Charge and Reduction in Meter Size

Customer Service & Meters Supervisor Cruz and Mr. Wiley Mr. Cruz and Mr. Wiley reviewed proposed amendments to the District's meter downsizing policy and capacity charge provisions. The changes distinguish between agricultural and non-agricultural accounts and add engineering review, potential flow restrictors, and customer responsibility to remain within meter capacity. The amendments also modify back-charge calculations for customers who later upsize, limiting additional fixed charges to the period during which capacity was exceeded.

Mr. Rick Carey commented that the issue is influenced by rate structure and requested consideration of instantaneous flow measures. Mr. Wiley clarified that no penalty would apply if a meter must be upsized in the future.

Motion: To adopt Ordinance No. 26-03, authorizing amendment to Administrative Code Section 8.11.040.
Action: Approve, Moved by Director Hamilton, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

G. Consider Adoption of an Ordinance Amending Administrative Code Section 2.06.010.02 - Committees and Adoption of a Resolution Approving Authorized Committees to Utilize Teleconferencing Provisions as Eligible Subsidiary Bodies Under the Brown Act

Mr. Wiley and General Counsel Smith reviewed proposed amendments clarifying remote participation under SB 707 and the Brown Act. Standing committees qualify as eligible subsidiary bodies. Remote attendance requires a publicly accessible meeting location, and additional requirements apply to elected directors. A quorum is defined as a majority; two-member committees require both members present.

Motion: To Adopt Ordinance No. 26-04 and Resolution No. 2026-02 – Administrative Code Amendments to Section 2.06.010 and enabling Remote Meeting Attendance

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3, Townsend-Smith abstained, Hamilton opposed)

Ayes: Directors Mack, Hoffman, and Irvine

9. ALTERNATIVE ENERGY INVESTIGATION UPDATE

Mr. Wiley and Mr. Williams reported regarding efforts to offset expenses utilizing renewable energy opportunities. Mr. Williams provided details of communication with several vendors and introduced Nancy Rorabaugh, with Opterra Energy Services. The District has also contracted for the services of Dr. Lon House, founder of Water & Energy Consultant. Dr. Lon House recommended the RES-BCT program, allowing offsite solar to generate credits. Mr. Williams explained the conclusions drawn through interactions with several vendors, and invited Nancy Rorabaugh to explain the services provided and expertise and stability of Opterra Energy Services. She explained the level of services, grant opportunity, and various options for funding of installation. Opportunity to benefit from the Inflation Reduction Act is available for a short time. Additional information will be provided to the Board in the future for consideration.

10. INFORMATION ITEMS

There were no questions.

11. REPORTS & COMMENTS

Mr. Wiley reported on water supply conditions, noting recent Sierra snowpack, and announced an Agriculture Workshop on March 5, 2026. He also reported that MWD is reviewing its two-year budget and considering rate impacts.

MWD is reviewing their two-year budget and facing challenges that impact rates. They may allocate more costs on the fixed side and will be working through that in future workshops.

Staff is replacing 4,000 feet of 8-inch pipeline in La Cañada and addressing groundwater conditions and doing a fantastic job.

He announced an open CSDA Board Seat and asked the Board to relay interest to staff, and that staff would be presenting the draft operating and CIP budgets to the Board for review in April.

Director Irvine relayed compliments to Josh Cruz and the Customer Service team, as he was contacted by two customers who appreciated staff's level of service.

President Hamilton noted that Nicky Winslow is in the running for the CSDA Southern Network, and that CSDA Award nominations are now open, enabling us to submit for several awards until May 1, 2026.

He also reported on his attendance of the CSDA Chapter Dinner, last Thursday and that he will be completing AB827 training on March 4, 2026.

Director Mack announced the ACWA Spring Conference May 5-7, in Sacramento.

12. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

None were requested.

13. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

Additional discussion will be held regarding alternative energy options.

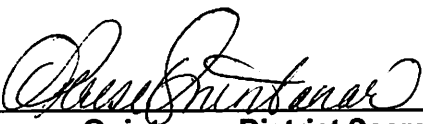
14. CLOSED SESSION

The Board and appropriate staff adjourned to closed session at 3:45 p.m. to discuss:

- A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2)) (One Item)
- B. 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
- C. THREAT TO PUBLIC SERVICES OR FACILITIES – Consultation with: Legal Counsel (Per Government Code §54957 (a))
- D. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Anticipated Initiation of Litigation Pursuant to Government Code section 54956.9(d)(4)

The Board reconvened to open session at 4:50 p.m. The Board discussed Closed Session Items A, B, and D. There was no action to report.

- 15. ADJOURNMENT** –The meeting was adjourned at 4:51 p.m. to a regular meeting on March 24, 2026, at 1:00 p.m.



Terese Quintanar, District Secretary



Hayden Hamilton, Board President