

**MINUTES OF THE REGULAR BOARD MEETING
BOARD OF DIRECTORS
RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 19, 2025**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on August 19, 2025, was called to order by Vice President Mack at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Mack presided.

2. **ROLL CALL:**

Present: Directors Mack, Townsend-Smith, Irvine, Hoffman (Joined at 1:09)

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Manager Khattab, District Secretary Quintanar, Chief Operations Manager Gutierrez, Deputy Operations Manager Coffey, Finance Manager Shilkov, Engineering & CIP Manager, Member Nelson, Utility Worker Gonzalez, Construction Supervisor Nunez, Meter & Customer Service Supervisor Cruz, Utility Worker Vasquez, Sr. Fleet Mechanic Del Rio, Andrea Boehling-IB Consulting

Absent: Director Hamilton

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

Videoconference: Sr. Project Manager Tamimi, Administrative Analyst Barrow, Administrative Assistant Montano, Safety and Risk Management Officer Johnson

Carol Hansen and other members of the public and staff were present in person, via teleconference, or videoconference.

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 presented.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3)

Ayes: Directors Mack, Townsend-Smith, and Irvine

6. **PUBLIC COMMENT**

There were no requests to speak.

7. EMPLOYEE RECOGNITIONS

- A. Michael Gonzalez – 5 Years
- B. Rene Del Rio- Excellence Coin Award

General Manager Wiley announced and congratulated Michael Gonzalez, who has reached his five-year milestone with the District. Michael holds a Utility Worker III position on our construction team. Over the past five years, he's achieved certifications and an incredible skill level.

Mr. Wiley recognized Mr. Del Rio for earning all five of the District's Core Values Coins, an accomplishment shared by only a few employees.

8. COMMITTEE MEETING SUMMARIES

Mr. Nelson reported on the Budget and Finance Committee meeting of August 12, 2025, where the rate study efforts were reviewed and discussed in detail. On August 5, 2025, the Engineering and Operations Committee met and recommended Board approval of the NOCs and the award of a contract for the Water and Wastewater Master Plans Project. These Committees will not meet in September. The August Communications and Customer Service Committee meeting was canceled.

9. CONSENT CALENDAR

- A. Approval of July 22, 2025 - Regular Board Meeting Minutes
- B. Approve Notice Of Completion and Acceptance of Minor Facilities Constructed By Customers (Districtwide)
- C. Approval of the Fifth Amendment to the Unrecorded Joint Agreement to Improve Major Subdivision, Partial Release of Joint Lien Contract, and Partial Termination of Original Holding Agreement for San Diego Tract No. 4736-1 (Division 1)

Motion: To approve the Consent Calendar, consisting of the July 22, 2025, minutes, the Notice of Completion for minor facilities constructed by customers and the Fifth Amendment to the Unrecorded Joint Agreement to Improve Major Subdivision, Partial Release of Joint Lien Contract, and Partial Termination of Original Holding Agreement for San Diego Tract No. 4736-1

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

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

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

10. PRESENTATION

- A. Rate Study Update

General Manager Wiley introduced Andrea Boehling, Principal and Managing Partner of IB Consulting. Ms. Boehling presented an overview of the key factors involved in the financial planning process, the existing plan, current financial status, challenges, and cost considerations. Factors impacting the Financial Plan include expense projections, reserve funding, water

demands, capital spending, and revenue projections. She presented various financial scenarios for consideration in preparation for the District's next five-year Financial Plan. The District has noticed rates through 2028 that would generate \$4.3M in revenues each year, if implemented. By doing so, the District would see a net positive cash flow each year, sufficiently fund capital needs, and reinforce healthy reserves.

She also explained the requirements for setting rates in compliance with Proposition 218 and referenced several changes to methodology that have resulted from recent court decisions.

Mr. Wiley explained that there are things to consider, such as standby charges and ag rates, and given the recent decisions, suggested the development of a rate card for January 1, 2026, as a conservative approach at this time. The current Cost For Service Study utilizes uniform rates and takes a conservative approach. Alternatives for future rates within our legal limitations should be reviewed through a rate study in a year or two. Ms. Boehling concluded by stating that she would proceed with planning for 11,000 acre feet in sales, and the financial planning effort is well underway.

11. ACTION ITEMS

A. Consider Approval of an Agreement with Hoch Consulting for the Water and Wastewater Master Plans Project and a Project Budget Increase (Districtwide)

Mr. Williams explained that the last update was in 2016. Since that time, the District has changed its wholesale water supplier, has had several large residential housing developments complete construction, and has multiple large mixed-use and residential developments in varying planning and design phases. With development growth anticipated, infrastructure planning is crucial to ensure the District continues to meet the water and wastewater service demands. A primary component of both master plans is a comprehensive update to the hydraulic models. The existing potable water hydraulic model is outdated, and no model currently exists for the wastewater collection system. These models will provide clarity on the impact of any proposed development and the priority of CIPs.

Four proposals were received, and staff interviewed three of the proposing firms and concluded that Hoch Consulting was the most responsive and qualified. In addition, the Urban Water Management Plan (including the Water Shortage Contingency Plan) and Fire Flow Analysis are options that can be added to the contract. Mr. Wiley added that this project has been in the works for about a year, and that it is critical for us to have the tools we need to evaluate growth and prioritize capital projects. The water and sewer hydraulic models will guide us for the next ten years. He also reported that he participated in the proposal review process and relayed his confidence in Hoch and Kennedy Jenks Consultants' qualifications and teams. Their approach will provide added value to the District and provide optional efforts that it also needs.

In response to Director Hoffman, Mr. Williams explained that the proposal submitted by the firm not chosen for interview, Engineering Resources of Southern California (ERSC), was found to be more general in nature and did not demonstrate a clear understanding of Rainbow's specific operations and needs. Mr. Wiley added that it's not the firm, but the experience and expertise of the individuals working on the project that are most important. The two top-rated firms have teams that stood out as having the ability to provide the caliber of work desired.

In response to Director Irvine's inquiry, staff reported that references for ERSC were not contacted, as the initial review determined that the proposal lacked sufficient quality and detail to advance further in the evaluation process. Director Irvine acknowledged that the lowest bid is not

the sole criterion for selection. While recognizing the advantages of working with teams already familiar with the District, he also opined that it is important to provide opportunities to other firms and achieve cost savings.

Mr. Wiley reiterated that he ranked the proposals based on the experienced team and anticipated quality of the product. Director Townsend-Smith expressed her preference for cost savings, and Mr. Wiley responded that staff would have concerns about entering into a contract with ERSC for the work and would have a very low level of confidence in a valuable project result.

Director Irvine reported that he checked ERSC's references and received a glowing recommendation. He also has a history with that group, and dialogue with them about their qualifications may have been helpful.

Mr. Williams reported that the master plan project work is anticipated to take 12-18 months, that staff will be involved throughout the process, and that the goal is to develop a tool and resource that all departments can use. He assured the Board that the proposals were thoroughly vetted.

Discussion followed, including input from Member Nelson about Engineering and Operations Committee discussions, financial resources, previous work done by Hoch Consulting, interviewing the ERSC team, and potential cost savings.

Motion: To approve an Agreement with Engineering Resources of Southern California (ERSC) for the Water and Wastewater Master Plans Project, for \$635,140

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

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

Ayes: Directors Townsend-Smith, Hoffman, and Irvine

- B. Consider a Variance Request From Resolution 2024-08 to Allow a Lot, Larger Than 0.49 Acres, to Qualify for Capacity Class B ¾" Meter and Approve the New Water Service Application (Division 5)

Referencing the discussion of the Rate Study, property owner Carol Hansen shared an observation about how some utility companies structure their rates.

She then referenced Resolution No. 2024-08, in which meter size requirements are determined by parcel size. Per the Resolution, a .5 acre parcel would require a 1" meter, and the County Records of 1973 indicate the parcel size is .5 acres. However, she explained that, due to easements and access roads that have been paved by neighbors, a portion of their parcel cannot be utilized. Hence, the Hansens hired a licensed surveyor to remeasure the parcel, and the square footage was determined to be 21,541 sqft. The exhibit to Resolution No. 2024-08 reflects that lot sizes of less than 21,780 sqft may qualify for a ¾" meter, and the initial and long-term cost savings are considerable. She described the intended use for the parcel and requested approval to purchase a ¾" meter at this time, with the understanding that adjustments may be required later to meet fire flow requirements.

General Manager Wiley responded that the District relies on the County of San Diego's records to confirm parcel sizes. In this case, County records show that the subject parcel is .75 acre gross, .5 net, which requires a 1" meter, per our code. In addition, the fire sprinkler requirement for single-family homes needs to be considered, as the meter needs to accommodate the flow required. Ms. Hansen explained that she had spoken with a general who can utilize regulators

and work with a ¾" meter. General discussion followed in regard to fire department requirements and the need for more information.

Motion: To table this item until such time that fire department guidelines or requirements for the subject parcel are available.

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

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

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

- C. Consider Adoption of an Ordinance Amending and Updating Administrative Code Section 1.02.020 – Conflict of Interest

Motion: To adopt Ordinance No. 25-08, amending Administrative Code Section 1.02.020 – Conflict Of Interest

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

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

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

12. INFORMATION ITEMS

Information was included in the meeting packet. There were no questions.

13. REPORTS & COMMENTS

Finance Manager Shilkov confirmed for Director Townsend-Smith that revenues saved through the detachment have been added to the reserve account.

General Manager Wiley reported that LAFCO appointed an alternate public member, Ilene Delaney. EMWD provides RMWD with regular updates regarding MWD, which is recruiting for a general manager and considering adjustments to its rate structure that may benefit RMWD.

Director Townsend-Smith also inquired about the District's use of solar power generation. General Manager Wiley responded by citing some challenges within the solar industry, such as the loss of the tax credit, and that staff have made efforts to pursue all options that may still be available and will provide more information to the Board shortly.

14. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Director Hoffman requested staff's assistance with an update on the status of her request to attend the Delta tour offered by EMWD and MWD.

15. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

There were none.

16. CLOSED SESSION

Legal Counsel Smith announced that the Closed Session item posted pursuant to Government Code §54957.6 and §54957 for labor negotiations was adjourned and continued to August 20, 2025, during the posted Special Meeting.

17. ADJOURNMENT - The meeting was adjourned at 2:57 p.m.

Attest:



Terese Quintanar, District Secretary



Michael Mack, Board Vice President