

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JUNE 24, 2025**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on June 24, 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, Irvine, Hoffman (Attended remotely in observer capacity)

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, Cross Connection & Backflow Technician Galloway, Construction Supervisor Nunez, Sr. Meter Services Technician Ramos, Member Nelson

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

Video Conference: Sr. Project Manager Tamimi, Administrative Analyst Barrow, Safety and Risk Management Officer Johnson, Customer Service Representative Snyder, Water Operations Supervisor Coffey, Wastewater Superintendent Zuniga, Philip Waterman, Bernadette Duran-Brown, 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 presented.

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

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

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

6. **PUBLIC COMMENT**

There were none.

7. **EMPLOYEE RECOGNITIONS**

Carlos Ramos – 10 Years

Ricardo Zaragoza – 10 Years

General Manager Wiley recognized Sr. Meter Services Technician Carlos Ramos, who reached his ten-year milestone with the District. He explained that Carlos has a wide variety of valuable skills, including his communication skills, which represent the District very professionally. Carlos was the first to obtain all five of the District's Excellence Coins, signifying his dedication to the District's core values. He also has a wonderful family and is a pleasure to work with. Mr. Ramos was congratulated and presented with a plaque.

Mr. Wiley was also pleased to recognize System Operator Ricardo Zaragoza, who has worked in various departments here at Rainbow. He has a great understanding of how our system works and how we move water, which brings tremendous value. He has his D4 and T2 certifications and is continually advancing. He has contributed to district-wide water quality improvements, specifically at Morro Reservoir. The efforts that he and the team have made make a big difference. He congratulated him and presented him with a plaque.

9. PRESENTATIONS

A. The American Public Works Association (APWA) Award

Engineering & CIP Manager Williams was pleased to present the Division 1 Pump Station Project Honor Award from the American Public Works Association (APWA). He explained that Sr. Project Manager Malik Tamimi was the lead on this project, which included efforts from all of Rainbow's departments. The APWA received numerous applications for awards, and only two awards were issued. He presented the plaque, and the Board of directors and staff were congratulated.

B. Wastewater and Water Capacity Fees

General Manager Wiley explained that Capacity Fees were updated last year, after an extensive evaluation. The changes approved in 2024 included an annual inflation-based increase. Capacity fees are related to new connections and are mostly funded by developers. The SDCWA capacity fees were dropped after detachment, and although Rainbow's fees increased by 26 percent last year, Rainbow's fee is more than 20 percent less than SDCWA's.

Finance Manager Shilkov reported that the fees were reviewed at the June 10, 2025, Budget and Finance Committee meeting. Effective July 1, 2025, the District's water and wastewater capacity fees will increase by 5.6 percent. This increase is based on the Engineering News-Record Construction California Cost Index (CCI). The updated fees ensure that new and expanding development continues to pay its proportional share of infrastructure costs, and are not considered to be fixed fees. He continued that a rate study is underway, reviewing water and wastewater rates. Once the Master Plans are completed, we will initiate another capacity fee study.

Mr. Wiley added that last year, the District reviewed the basis of the capacity fees and determined that it still sufficiently reflects the District's needs. Following the completion of the Master Plans, we can refine the fees to keep up with construction costs. A brief discussion followed regarding planning for anticipated development in our area and future infrastructure and wastewater services.

10. PUBLIC HEARING

- A. Consider Adoption of an Ordinance for Improvement District (ID) 1 Standby Charges

Mr. Wiley explained that this readiness-to-serve charge of \$10.54 per acre was established in the mid-90s. Having imported water available benefits the entire region and helps fund the fixed costs for the larger readiness-to-serve fees. The amount has never been increased.

President Hamilton called the public hearing open at 1:22 p.m.

President Hamilton commented that other tax roll charges have increased over time, and asked if we considered raising the per-acre fee. Mr. Wiley explained that an increase would require a vote and that he would pose the question to the District's Improvement District management firm.

No written materials or comments had been received, and there were no requests for public comment. With no additional questions, comments, or information from the Board or staff, the hearing was closed at 1:26 p.m.

Motion: To adopt Ordinance No. 25-03, establishing water availability charges for all of the Rainbow Municipal Water District Improvement District No. 1 for the fiscal year commencing July 1, 2025, and ending June 30, 2026.

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

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

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

11. COMMITTEE MEETING SUMMARIES

Flint Nelson reported on the June 10, 2025, Budget and Finance Committee Meeting, during which the water and wastewater capacity fees were reviewed. In July, the Committee will review proposed service fee adjustments, and staff will provide an update on the rate study currently underway. The Committee will also consider the appointment of a new Member.

Mr. Nelson also reported that the Engineering and Operations Committee met on June 3, 2025, and took two actions: one to approve an award of contract for the Installation of Manual Transfer Switches at Morro Hills, Vallecitos, and Rainbow Hills Pump Stations, and the second to approve the Cross Connection Control Plan. The Committee was also updated on the progress of seeking state and federal grants and reviewed various engineering services needed for projects in the planning stages.

12. CONSENT CALENDAR

- A. Approval of the May 27, 2025 - Special Board Meeting Minutes
B. Approval of the May 27, 2025 - Regular Board Meeting Minutes
C. Award of a Construction Contract with Southern Contracting Company for the Installation of Manual Transfer Switches at Morro Hills, Vallecitos, and Rainbow Hills Pump Stations (Divisions 2 & 5)

Motion: To approve the Consent Calendar as presented: May 27, 2025 - Special Board Meeting Minutes, May 27, 2025 - Regular Board Meeting Minutes, and award of a Construction Contract with Southern Contracting Company for the Installation of Manual

Transfer Switches at Morro Hills, Vallecitos, and Rainbow Hills Pump Stations (Divisions 2 & 5)

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

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

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

13. ACTION ITEMS

- A. Consider Adoption of a Resolution Establishing Classifications and Monthly Pay Ranges for District Employees and the General Manager, Effective July 1, 2025, Through June 30, 2026

Administrative Manager Harp explained that this is an annual item that is presented to the Board in order to comply with CALPERS regulations. In addition, the memorandas of understanding with Rainbow Employee Associations include a provision for pay grade adjustments on July 1 of each year based on the most recently published 12-month change in CPI-U for San Diego County, with a minimum adjustment of .5 percent. The most recent date for which CPI-U data was published in May was 3.8 percent. A compensation study has been completed through Gallagher Consulting, and adjustments proposed for the Exempt group are a result of that study. The proposed pay grade adjustment is 14 percent. Some restructuring of the grades was made to make them narrower, allowing us to place positions more in line with the median. The new placement of each position will be on average about 3.2 percent above the median market. Also, new classifications are proposed that will not add to the head count or budget.

Motion: To Adopt Resolution No. 2025-06, Establishing Classifications and Monthly Pay Ranges for District Employees and the General Manager, Effective July 1, 2025, Through June 30, 2026

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

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

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

- B. Consider Adoption of a Resolution Establishing and Adopting the Cross Connection Control Program and an Ordinance Authorizing Amendment to the Administrative Code Sections 8.20.010 and 8.02.010 - Cross Connection Control and Definitions

Chief Operations Officer Gutierrez explained the purpose of a Cross Connection Control Plan. The District has a very effective and robust program, which is administered in-house. The District meets the State's requirements for testing backflow devices and has a procedure in place for notifying customers whose devices are requiring repairs. Title 17 and the State's Cross Connection Control Program Handbook (CCCPH) require all districts to adopt a Plan. If approved, the plan will be submitted to the State Water Resources Control Board (SWRCB). Components included in the District's draft Plan include internal protocols already being followed.

Mr. Gutierrez answered questions and relayed that there are ongoing meetings to clarify certain aspects of the SWRCB guidelines. Also, Mr. Gutierrez recalled that the District evaluated the feasibility of performing backflow device repairs in-house and found that to be cost-prohibitive.

Motion: To Adopt Resolution No. 2025-07, Establishing and Adopting the Cross Connection Control Program, and Adoption of Ordinance No. 25-04, Authorizing

Amendment to the Administrative Code Sections 8.20.010 and 8.02.010 - Cross Connection Control and Definitions

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

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

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

- C. Consider Adoption of an Ordinance Authorizing Amendment to Administrative Code Section 2.03.010.02 – Compensation

Mr. Wiley explained the changes proposed to update the policy to match current memberships and would enable Board Members to attend conferences and meetings of organizations of which we are members. President Hamilton asked for the removal of the Santa Margarita Watershed Watermaster meetings, as those are now attended by staff. A brief discussion followed regarding opportunities to expand our involvement with agencies to the north of the District.

Motion: To Adopt Ordinance No. 2025-08, Authorizing Amendment to Administrative Code Section 2.03.010.02 – Compensation, as amended to remove the Santa Margarita Watershed Watermaster Meetings

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

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

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

- D. Consider Approval of Mutual Services Agreement-Related Proposals for State and Federal Representation

Mr. Wiley explained that the District entered into a Mutual Services Agreement to look at various areas for mutual cooperation and cost savings. He explained the shared costs breakdown, totalling \$90,000 per year for Rainbow MWD, half of the anticipated costs of these services if contracted independently. Staff requested approval for funding, with the intent to engage in the services on July 1, 2025. Director Irvine suggested that semi-annual feedback on the accomplishments related to the services be provided. Mr. Wiley also suggested requesting the consultants' report to the Board periodically.

Mr. Nelson inquired about the protocol in situations where one of the entities differs in priorities. Mr. Wiley answered that if something is of specific interest to an individual agency, that agency would fund the consultant's work for that particular effort. Key priorities are outlined in the scope, and infrastructure replacement is very important to all of the respective agencies. This is a one-year effort, so if there are large issues, adjustments or clarifying language can be sought later.

Motion: To Approve Proposals for State and Federal Representation, providing services for the agencies included in the Mutual Services Agreement

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

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

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

- E. Consider Approval of a Sewer Service Agreement with the County of San Diego

Mr. Williams provided an exhibit showing the location of a planned 63-acre park that includes multi-use fields, baseball/softball fields, basketball courts, tennis/pickleball courts, camp host

sites, and more. The proposed on-site sanitary sewer system will include gravity sewer mains, a lift station, and sewer force mains, and ten sewer Equivalent Dwelling Units (EDUs) will be purchased by the County of San Diego to serve the proposed park. All of the sewer facilities will be private and will be owned and maintained by the County. Connection to the District's sewer system will be made outside of the project at an existing sewer manhole within Camino del Rey.

If approved, the County will be obligated to pay 50 percent of the total Sewer Capacity Fees before expanding the use of the sewer connections. The remaining fees shall be paid before any sewer flows into the District's sewer system.

Motion: To approve the Sewer Service Agreement 25-01, authorize the General Manager to execute the agreement, and the determination that the action defined herein does not constitute a project as defined by CEQA.

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

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

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

F. Consider Ratification of the General Manager's Emergency Declaration for the NN Pipeline Replacement Project (Division 1)

Mr. Gutierrez reported that on June 11, 2025, staff were alerted via the SCADA System of a high flow of water discharging from the Morro Reservoir. Upon investigation, the catastrophic failure of the 16-inch Fusible PVC pipeline, located on both sides of Highway 76, and extending under the San Luis Rey River towards Old River Road. Through the use of a camera, staff determined that the crack in the pipe continued for at least 72 feet under Highway 76.

Mr. Wiley reported that the 16" pipe will need to be replaced, and a firm experienced in trenchless construction has been selected for the emergency repair. The work will involve work with CalTrans, the County of San Diego, the Department of Fish and Wildlife, engineering, environmental, and geotechnical support. A brief discussion followed regarding the cause of the break and what materials to use for the repair. Staff requested funding of up to \$500,000 for the repairs, under the emergency declaration, and will update the Board in July on the investigation and planning progress.

Motion: To ratify the General Manager's Declaration of Emergency for the NN Pipeline Replacement Project and authorize expenditures up to \$500,000 to facilitate planning, design, and environmental/regulatory clearances

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

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

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

G. Consider Adoption of a Resolution in Support of the Nomination of Carol Lee Gonzales-Brady as a Candidate for the Position of ACWA Vice President

Motion: To Adopt Resolution No. 2025-08, in Support of the Nomination of Carol Lee Gonzales-Brady as a Candidate for the Position of ACWA Vice President

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

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

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

14. INFORMATION ITEMS

There was no discussion.

15. REPORTS & COMMENTS

Mr. Wiley provided highlights and shared photos taken during the recent tour of Diamond Valley Lake, hosted by Greg Widman of MWD. The Lake holds 810,000 acre feet and is 96 percent full. If it only served RMWD, it would provide for our customer demands for 65 years. It provides water to many different areas. The group also toured the west portal of the San Jacinto Tunnel, which brings all the water into Southern California from the Colorado River Aqueduct. The transition structure diverts water to Lake Skinner, Lake Matthews, and other areas within the region. The tunnel was recently renamed to the "Randy Record Tunnel."

Regarding this month's Pipeline 4 Shutdown, Mr. Wiley reported that RMWD has sufficient storage remaining, and the District utilized the interconnection with FPU. He complimented staff for their planning, preparation, and excellent execution.

We are working with a rate consultant to examine RMWD's service costs. With the detachment process complete, some additional items are being reviewed, such as locking off meters, fixed and variable rates, alternatives to consider, and potential options for ag rates. Staff will present the study results for review and consideration over the next few months.

Mr. Wiley also attended the EMWD-hosted lunch with MWD's Jr. Chair Adán Ortega on June 19, 2025, where water supply projects and business models were discussed. He spoke of the settlement between the SDCWA and EMWD and the improved regional stability. In the future, there will be more flexibility in water supply transfers. He noted that MWD's previous Interruptible Agricultural Water Program may be invigorated.

Legal Counsel Smith summarized the memorandum that was included in the meeting packet.

Director Townsend-Smith requested information on options for the District to utilize solar generation. Director Hoffman inquired about the status of the EV Mandate. Mr. Wiley responded that the car regulation remains in place for public agencies in California.

16. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were none.

17. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

Staff will provide an update on the Highway 76 pipeline repair efforts.

President Hamilton called for a 10-minute break at 3:00 p.m.

18. CLOSED SESSION

The Board adjourned to closed session at 3:10 p.m., to discuss the following items:

- A. CONFERENCE WITH LABOR NEGOTIATORS - Government Code §54957.6 and

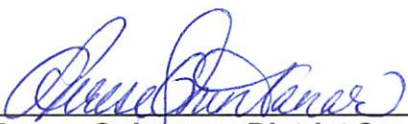
§54957 Agency Designated Representatives Jake Wiley and Karleen Harp; labor negotiations for: Rainbow Employee Association, Rainbow Association of Supervisor and Confidential Employees, Rainbow Exempt Employees

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

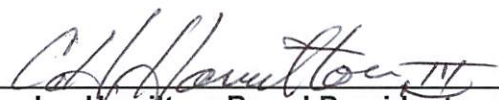
The Board reconvened in open session at 3:53 p.m., and General Counsel Smith reported that no reportable action was taken.

19. ADJOURNMENT - To July 22, 2025, at 1:00 p.m.

The meeting was adjourned at 3:53 p.m.



Terese Quintanar, District Secretary



Hayden Hamilton, Board President