



AGENDA

SPECIAL BOARD MEETING / STRATEGIC PLANNING WORKSHOP

**Meeting Room Adjacent to Z South
5256 S Mission Road, Suite 907,
Bonsall, CA 92003**

**Wednesday, March 18, 2026
1:00 P.M.**

- 1. CALL TO ORDER**
- 2. ROLL CALL: Hamilton, Mack, Townsend-Smith, Hoffman, Irvine**

3. PUBLIC COMMENT

Any person may address the Board at this time upon any subject not identified on this Agenda, but within the jurisdiction of Rainbow Municipal Water District; however, any matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. As to matters on the Agenda, if a request to make a public comment is received, an opportunity will be given to address the Board throughout the meeting.

Members of the public may make comments in person by submitting a Speaker Slip to the Board Secretary, virtually through virtual or teleconference options, or by submitting an email to tquintanar@rainbowmwd.ca.gov no later than midnight on the day before the meeting. Comments shall be made in an orderly manner, and profanity, slander, or abusive language which is disruptive to the meeting will not be tolerated. Individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the presiding officer.

- 4. DISCUSSION AND INFORMATION SHARING RELATED TO RAINBOW WATER'S STRATEGIC FRAMEWORK**
- 5. ADJOURNMENT**

ATTEST TO POSTING:

/s/Terese Quintanar
Terese Quintanar
Secretary of the Board

3/16/2026 1:19 PM
Date and Time of Posting
Outside Display Cases

Rainbow Municipal Water District (RMWD) provides remote attendance options solely as a matter of convenience to the public. RMWD will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the Zoom or call-in line listed on the agenda. We encourage

members of the public to attend meetings in person at 3707 Old Highway 395, Fallbrook, CA 92028, or remotely utilizing the options below:

For Online Participation:

Go to: <https://rainbowmwd.zoom.us/j/85664315900>

If members of the public attending virtually would like to ask a question or make a comment on any item listed on this agenda, please utilize the "Raise Hand" button, located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.

For Call-in Only:

Call: (669) 900-6833, or (669) 444-9171, or
(309) 205-3325, or (312) 626-6799, or
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Meeting ID: 856 6431 5900

*Those who have joined by dialing a number on their telephone can dial *9 to alert us of a request to speak and *6 to unmute, once called upon by the presiding officer.*

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the District's Administrative offices not less than 72 hours prior to the meeting date and time above. Meetings are regularly held at 1:00 p.m. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of all, of the members of the District's Board, are available for public inspection in the office of the District Secretary, 3707 Old Highway 395, Fallbrook, CA 92028

If you have special needs because of a disability that makes it difficult for you to participate in the meeting or you require assistance or auxiliary aids to participate in the meeting, please contact the District Secretary (760) 728-1178 by at least noon on the Friday preceding the meeting. The District will attempt to make arrangements to accommodate your disability.

MEMO

To: Board President Hamilton and Members of the Board
From: Catherine Carter, Vice President, Raftelis
Date: March 10, 2026
Re: Rainbow Municipal Water District Strategic Planning Workshop

My colleague Janae Janik and I look forward to being with you on March 18, 2026, to facilitate the Board's development of a draft Strategic Plan framework for the Rainbow Municipal Water District. This memorandum serves several purposes:

- Clarify the goals and purpose of the workshop
- Provide some background to prepare
- Share the agenda

Logistics

When: Wednesday, March 18, 2026
1:00 p.m. to 4:30 p.m.

Location: 5256 S Mission Road
Bonsall, CA 90023

Purpose

During our time together, we will share themes from interviews and focus groups, review the organizational assessment results, and develop a draft strategic plan framework.

Preparation

Please spend a few minutes reviewing the information contained in this memo.

Strategic Planning Framework

At its most basic level, a strategic plan exists to answer three questions:

- What do we know to be true today?
- What do we hope will be true in the future?
- What must go well in order to make it so?

During our time together, we will review the elements of a strategic framework for the District that will be used to guide the organization for the next several years. These elements of the strategic framework are defined in the table below. Our focus during the workshop will be on defining the vision and strategic focus areas and answering the question, “What will success look like?” for each area.

Framework Element	Definition
Vision	Aspirational statement intended to reflect what you hope will be true about the organization in the future
Strategic Focus Areas	The “big buckets of things that must go well” and provide focus for the organization to be successful and achieve the Vision
Objectives	Objectives are the projects, programs, or initiatives that the District will undertake in order to make progress in each Strategic Focus Area

This I Believe

Each member of the Board will be given 3-5 minutes to share "what they believe" about the future of the Rainbow Municipal Water District. This exercise is loosely based on the "This I Believe" essay format initiated by Edward R. Morrow on National Public Radio in the 1950s. You are invited to share what you personally believe to be true about the future of the District.

- **Tell a story:** Be specific. Take your belief from the events of your life that have shaped how you look at and experience the world.
- **Be positive:** This is what you DO believe, not what you DON'T believe. Avoid speaking in the editorial "we" and make sure this is about what you believe.
- **Be personal:** Write in words and phrases that are comfortable for you to speak.

Stakeholder Engagement Themes

Following the project kick-off meeting in December, the Raftelis team conducted individual interviews with members of the Board and leadership team and participated in employee focus groups to gather insights into the strengths, challenges, and opportunities facing the District. This information will provide context to help inform the discussion around vision and strategic focus areas. A high-level summary of key themes from these activities is provided below. We will discuss these themes in more detail during the workshop.

<i>Strengths</i>	<i>Challenges</i>	<i>Opportunities</i>
<ul style="list-style-type: none"> • Customer service and responsiveness • Teamwork and camaraderie • The District takes care of its employees • Quality product • Strong and trusted leadership 	<ul style="list-style-type: none"> • Infrastructure maintenance • Budget/financial stability • Internal communication and information sharing • High rates • Limited staff capacity/ small organization • Meetings and availability 	<ul style="list-style-type: none"> • Investment in infrastructure • Automated workflows • Staff training and development • Alternative revenue sources • Strengthening internal and external communication

Agenda

Wednesday, March 18 – 1:00 p.m. to 4:30 p.m.

Introductions

- Welcome and introductions
- Agenda review
- Norms and expectations for the session

Strategic Planning Process and Project Overview

The facilitator will provide a high-level overview of the strategic planning process and the goals for this project.

This I Believe

Each member of the Board will be given an opportunity to share their "beliefs" about the future of the Rainbow Municipal Water District.

Stakeholder Engagement Themes

The facilitator will provide an overview of the input received from stakeholders during the strategic planning process thus far, as well as a brief review of the organizational assessment results.

Vision for Rainbow Municipal Water District

We will develop themes that will help inform a Vision Statement by understanding what the group hopes will be true in the future.

Strategic Focus Areas

Beginning with a review of the priorities from the District's previous strategic plan, we will discuss and determine the "big buckets" of things that must go well to achieve the vision. Working in small groups, participants will draft directional statements about what success looks like for each area.

Closing and Next Steps

We will review next steps in the strategic planning process and end the day with each participant sharing a reflection on how they feel about the work done during the workshop.

DRAFT MEMO

To: Jake Wiley, General Manager, Rainbow Municipal Water District

From: Brian Kirsch, Manager, Raftelis

Date: March 13, 2026

Re: Rainbow MWD Benchmarking and Organizational Assessment

Introduction

Rainbow Municipal Water District (District) requested Raftelis review its operations through a benchmarking analysis and organizational assessment. Inputs to this review included document and data analysis, interviews with staff, and comparison to peer and industry best practices. On the whole, the District is found to be well-managed and appropriately staffed.

Benchmarking

Benchmarking is a tool used within the utility industry to evaluate how agencies compare to industry norms along a variety of metrics, most commonly involving staffing or operating costs. Care was taken to select individual peer organizations that are similar to the District for benchmarking, but every utility exists within its own unique geographic, demographic, and political operating environment. These various operating environments necessarily affect operating costs, staffing levels, and other characteristics. So while the presented benchmarks are quantitative in nature, it is important to only consider whether values are within industry or peer norms rather than as some sort of competition or ranking system. Importantly, benchmarking should not be used as the primary basis to justify changes

in staffing levels or investment in resources. In the case of the District, the results do not show the District to be significantly short- or over-staffed.

The peers included in these comparisons are Fallbrook Public Utility District, Valley Center Municipal Water District, Ramona Municipal Water District, Santa Fe Irrigation District, Rincon del Diablo Municipal Water District, and Trabuco Canyon Water District. All of the peers are special districts in California, purchase treated water, and are of a reasonably similar size. Most peers also provide wastewater conveyance services. Table 1 provides summary comparisons of the peer organizations.

Table 1: Summary of Peer Organizations

Utility	Services	Total FTEs	Water Accounts	Average Water Sales (MGD)	Total O&M Spending (Million \$'s, 2025)
Rainbow MWD	Water & wastewater conveyance	57.5	9,163	11.5	\$20.8
Fallbrook PUD	Water & wastewater conveyance	71.0	9,319	6.7	\$20.1
Valley Center MWD	Water & wastewater conveyance	73.0	9,816	13.1	\$20.4
Ramona MWD	Water & wastewater conveyance	53.5	9,743	3.8	\$16.5
Santa Fe ID	Water conveyance	36.7	7,692	8.9	\$18.4
Rincon del Diablo MWD	Water & wastewater conveyance	24.1	8,438	3.9	\$8.8
Trabuco Canyon WD	Water & wastewater conveyance	22.0	4,171	2.8	\$8.9

In addition to the individual peers, benchmarking comparisons are also made to national data obtained from the American Water Works Association's (AWWA) 2024 Utility Benchmarking survey. For the metrics included in this memo, the AWWA reports survey findings at the 25th percentile, median, and 75th percentile. In general, while the California utilities' operating costs appear to be high relative to national averages, the District's operating costs appear to be in line with its peers.

Figure 1 presents the operating and maintenance (O&M) costs for the District and its peers on a per account basis. Note that the national data from AWWA ranges from \$321 to \$667 per account, which means that 50% of surveyed utilities fall between those two amounts, 25% is higher than \$667 per account and 25% is lower than \$321 per account. The peer organizations are all well above the 25th percentile. Four peers are in the \$2,000 - \$2,400 per account range and Rainbow is the lowest of the remaining three, at \$3,907 per account. The difference between national survey data and local peers should not be concerning. Few of the respondents to the national AWWA survey have the costs of water purchases, topography, and lack of economies of scale that the peers have. The national data is included, however, to provide some level of baseline comparison and to illustrate the extent to which the peers function in a different operating context than the “typical” utility.

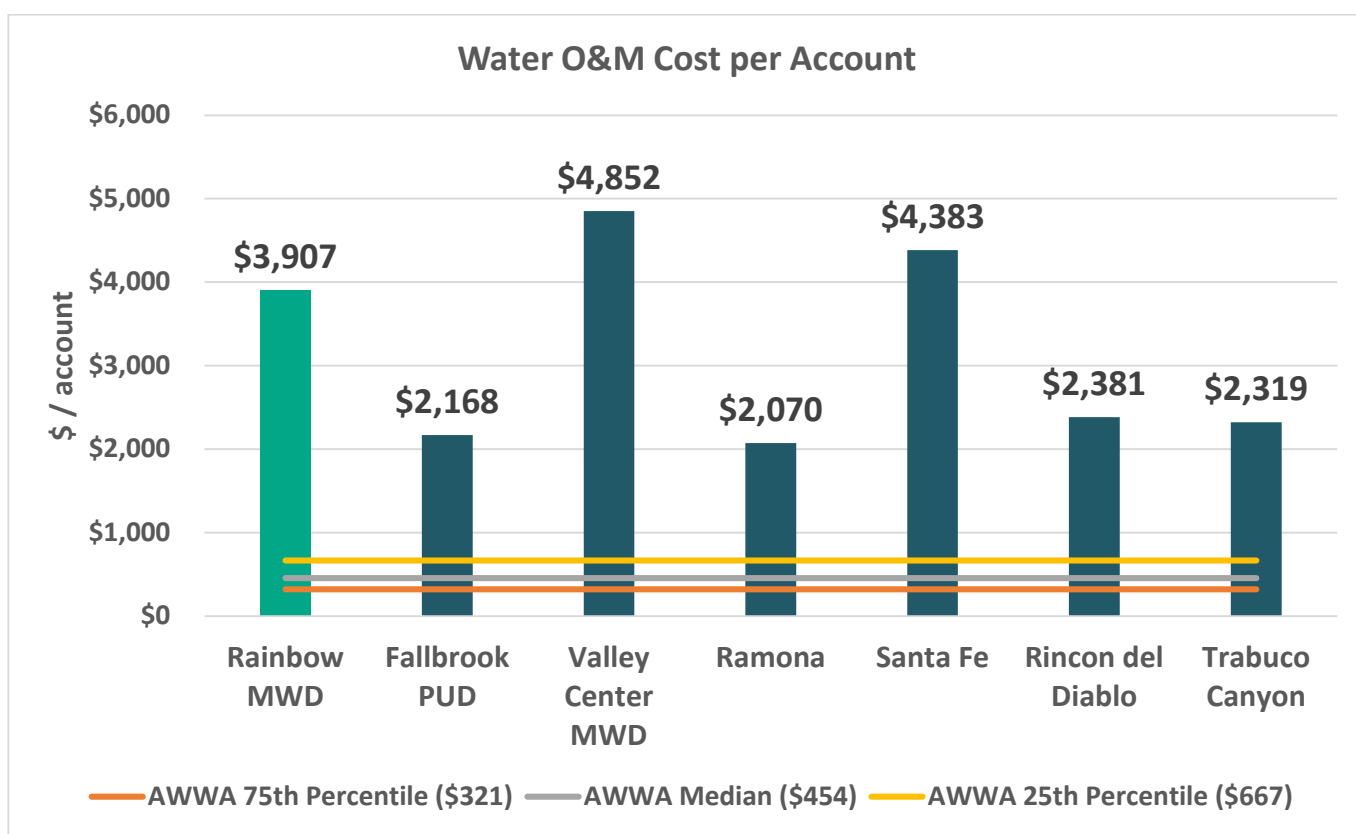


Figure 1: Water O&M Cost per Account

The cost of water purchases that the District and its peers make are more similar to a pass-through type of cost than a typical operating cost over which the utility can exercise some level of budgetary discretion. In other words, the cost of water purchases is a direct function of how much water their customers use in a year. To compare more directly the operating costs over which the peers have more control, Figure 2 presents the same O&M data from Figure 1 but excludes the cost of water purchases. Doing so reduces the District’s per account O&M costs by \$2,154, or 55% of its total OM cost. Peer utilities see similar reductions.

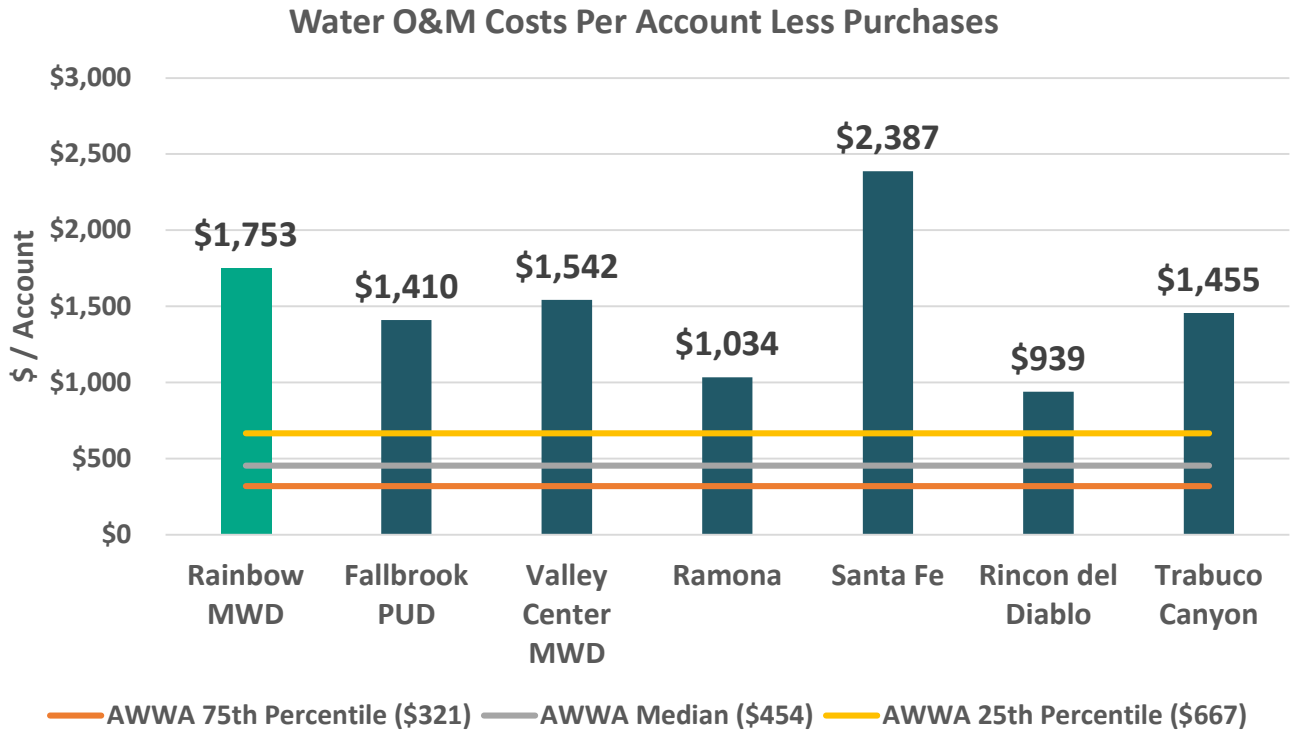


Figure 2: Water O&M Costs Per Account Less Purchases

When looking at cost comparisons metrics, note that the basis of cost metrics can change. O&M costs are commonly evaluated on a per account basis, a per volume basis, and/or a per pipe network length basis. Each way of looking at O&M costs can cast a utility in a different light. By one metric, such as on a per account basis, a utility may appear to be a high-cost utility, but by another metric, such as on a per million gallons (MG) basis, that same utility may rank as one of the lowest cost utilities among the peers. In such cases, it is the particular characteristics of a utility's customers and service area that can drive these differences. Some utilities may have a dense service area in which they need to maintain a small length of main per customer. Other utilities may have a more sparsely populated service area and thus must maintain longer lengths of main per customer, which inevitably affects costs. An example of such a fundamental difference is Figure 3, which shows the average water use per account, measured in 1,000 gallons (kgal) per year. The District has the second-highest water use per account, at 459 kgal/year. Only Valley Center uses more water per account, using 6% more per account than the District. Conversely, Ramona's customers use roughly one-third of the water that the District's do. The District's high water usage per account is a reflection of the agricultural community it serves.

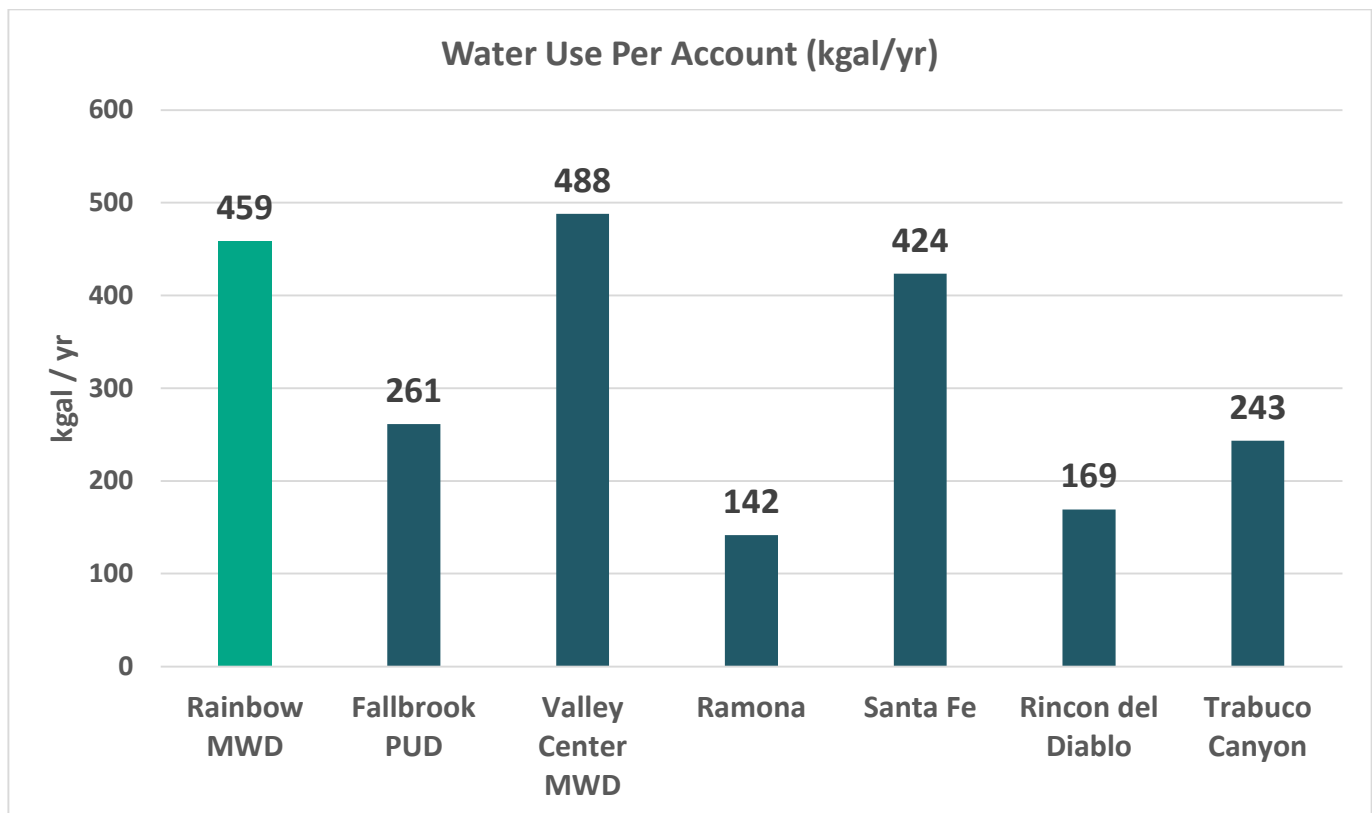


Figure 3: Water Use Per Account (kgal/yr)

Adding to the differentiation of how the District must provide service, Figure 4 shows how the sparse service area leads to the District servicing “more” pipe than its peers. Specifically, the figure shows the length of water pipe per water customer account. The District maintains more pipe per customer than any of its peers, and roughly twice as much pipe per customer than three of the six peers. The lack of density in the District inevitably lends itself toward higher costs, through higher maintenance costs per customer, pumping losses, and even the time it takes crews to drive from worksite to worksite.

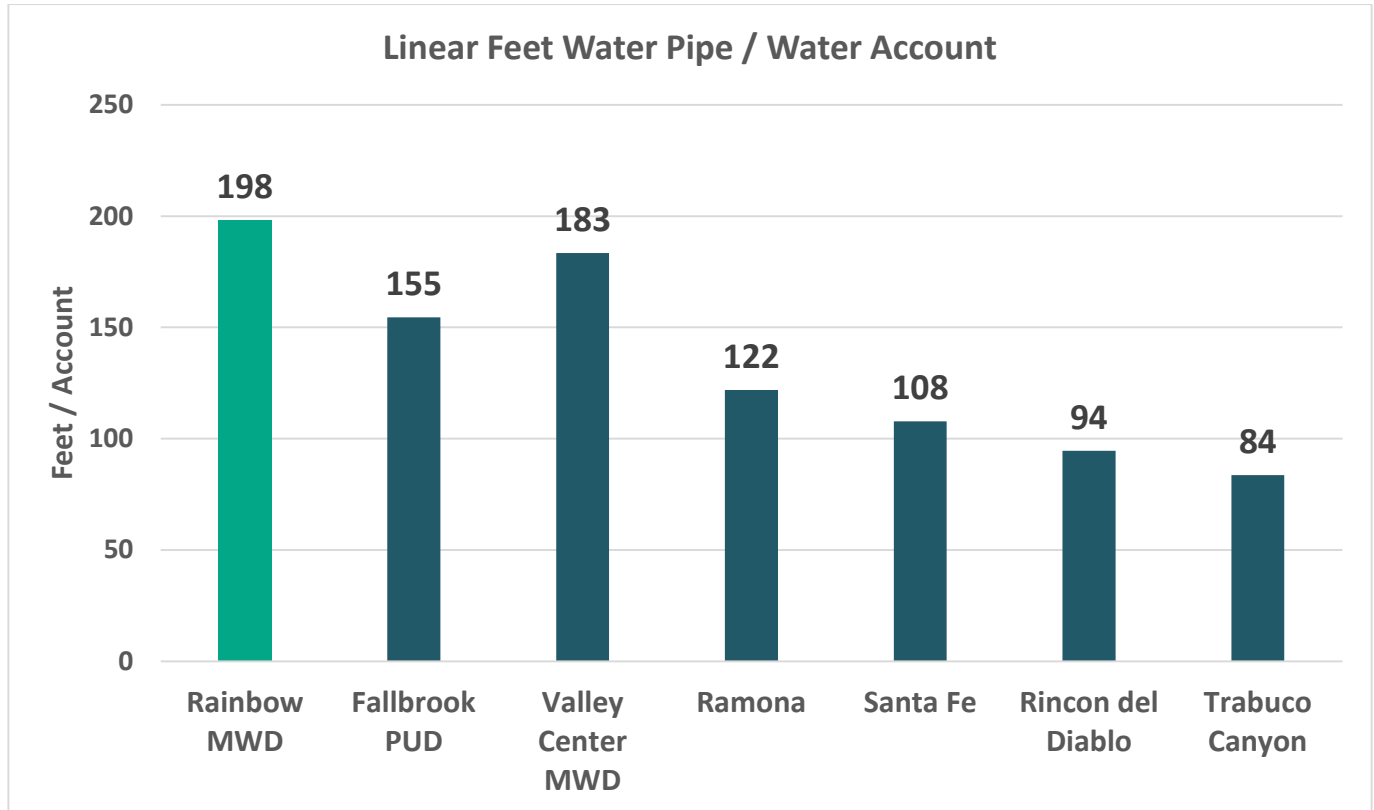


Figure 4: Linear Feet Water Pipe / Water Account

The lack of density is also exhibited in Figure 5, which calculates the total length of both water and wastewater pipe divided by the sum of water customer accounts and wastewater customer accounts. Again, the District maintains more pipe than any peer when considering the combined water and wastewater systems.

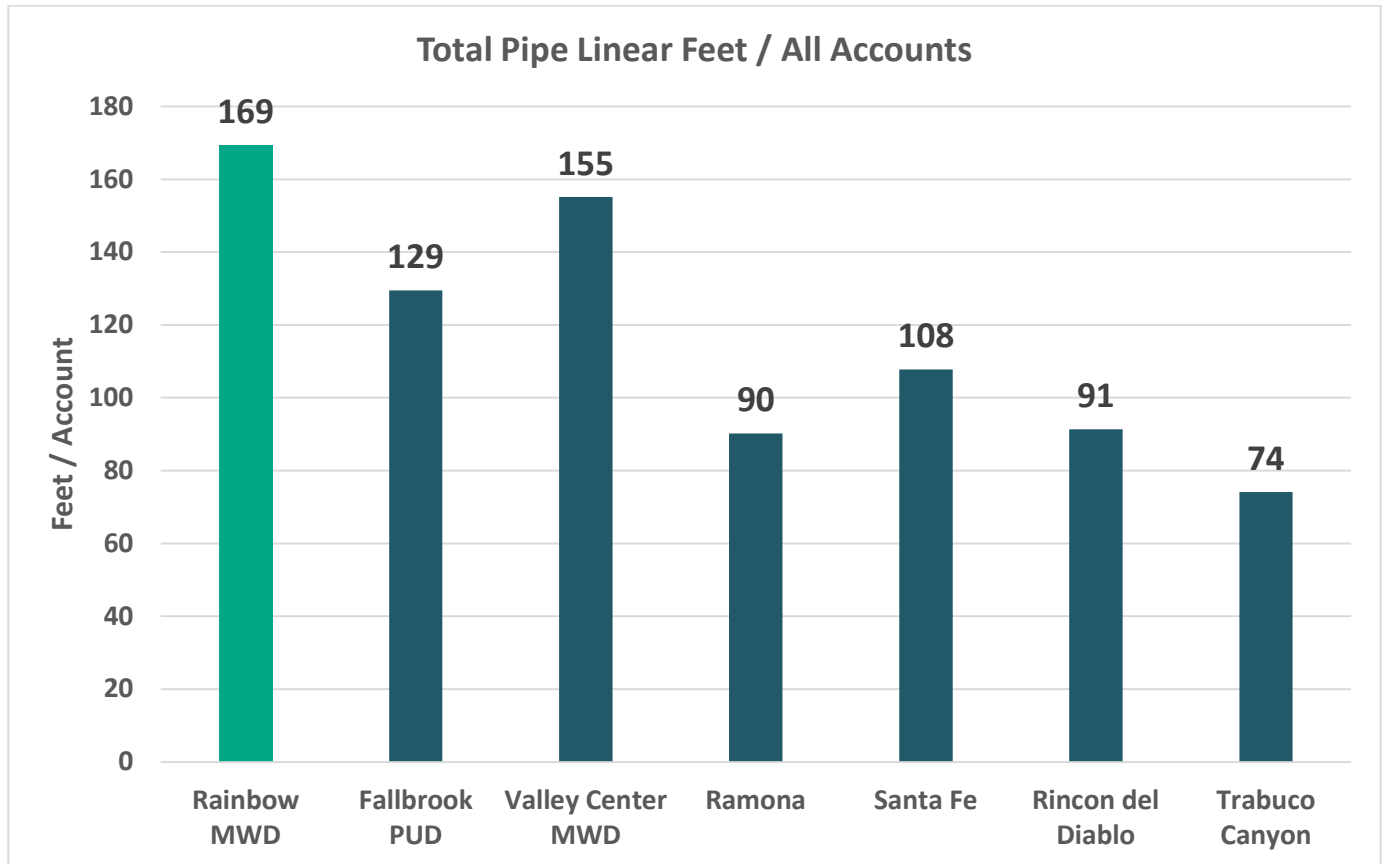


Figure 5: Total Pipe Linear Feet / All Accounts

Figure 6 presents the annual water O&M costs per MG, excluding the cost of water purchases. In Figure 1, the District and Valley Center had two of the three highest costs per account, but in Figure 6, they have the two lowest costs per account. Why? Because their customers consume more water on average than others', and it costs more to serve larger customers.

Again, as was seen in other figures, the peer utilities' costs outpace "typical" national data from the AWWA survey, reflecting the different, more costly operating environment for water districts in the region.

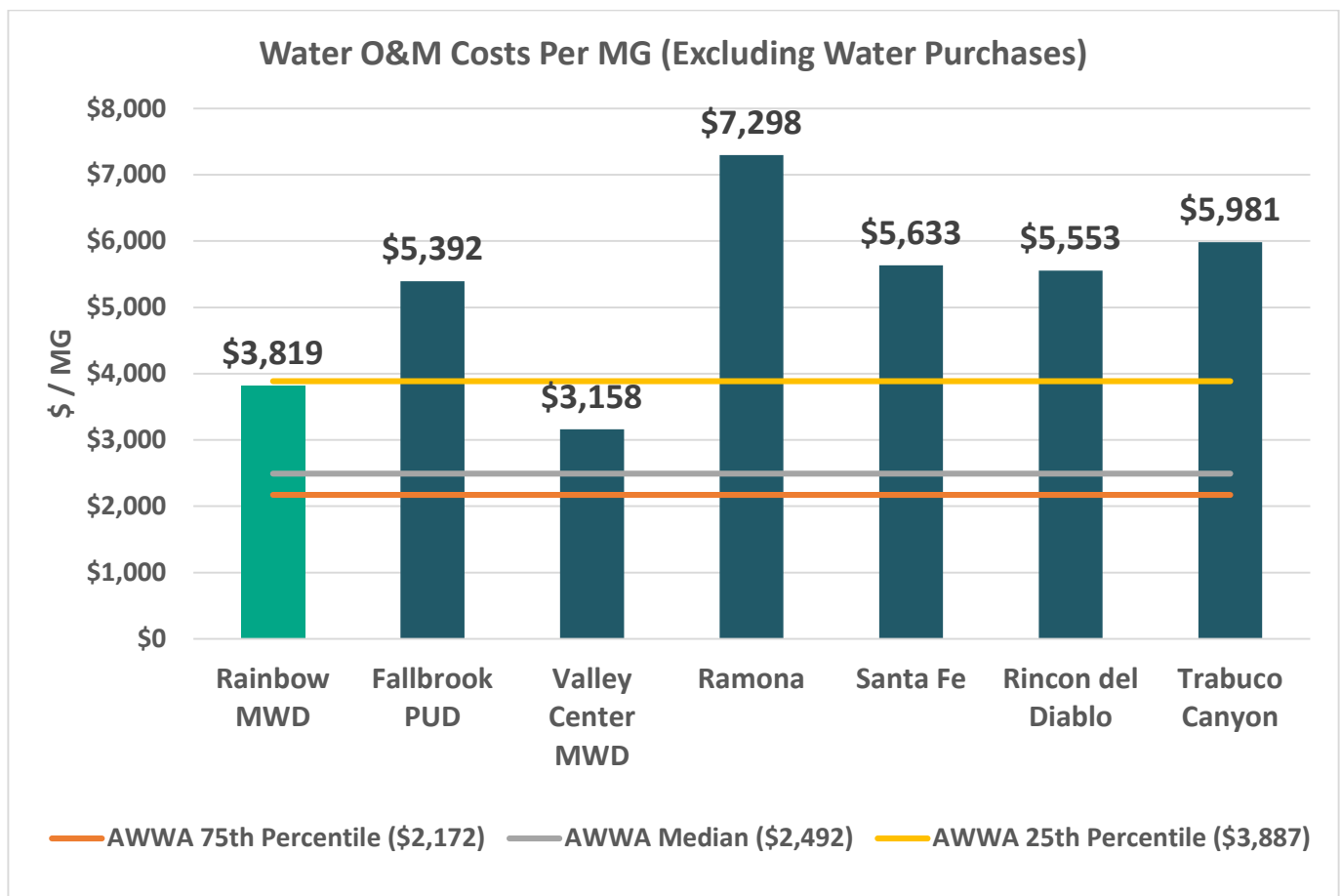


Figure 6: Water O&M Costs Per MG (Excluding Water Purchases)

The third and final basis for comparing operating costs is by length of watermain. Figure 7 shows the annual O&M cost per 100 miles of watermain. The District’s operating costs are \$10.41 million per 100 miles of pipe, which places it well within the norm of its peers.

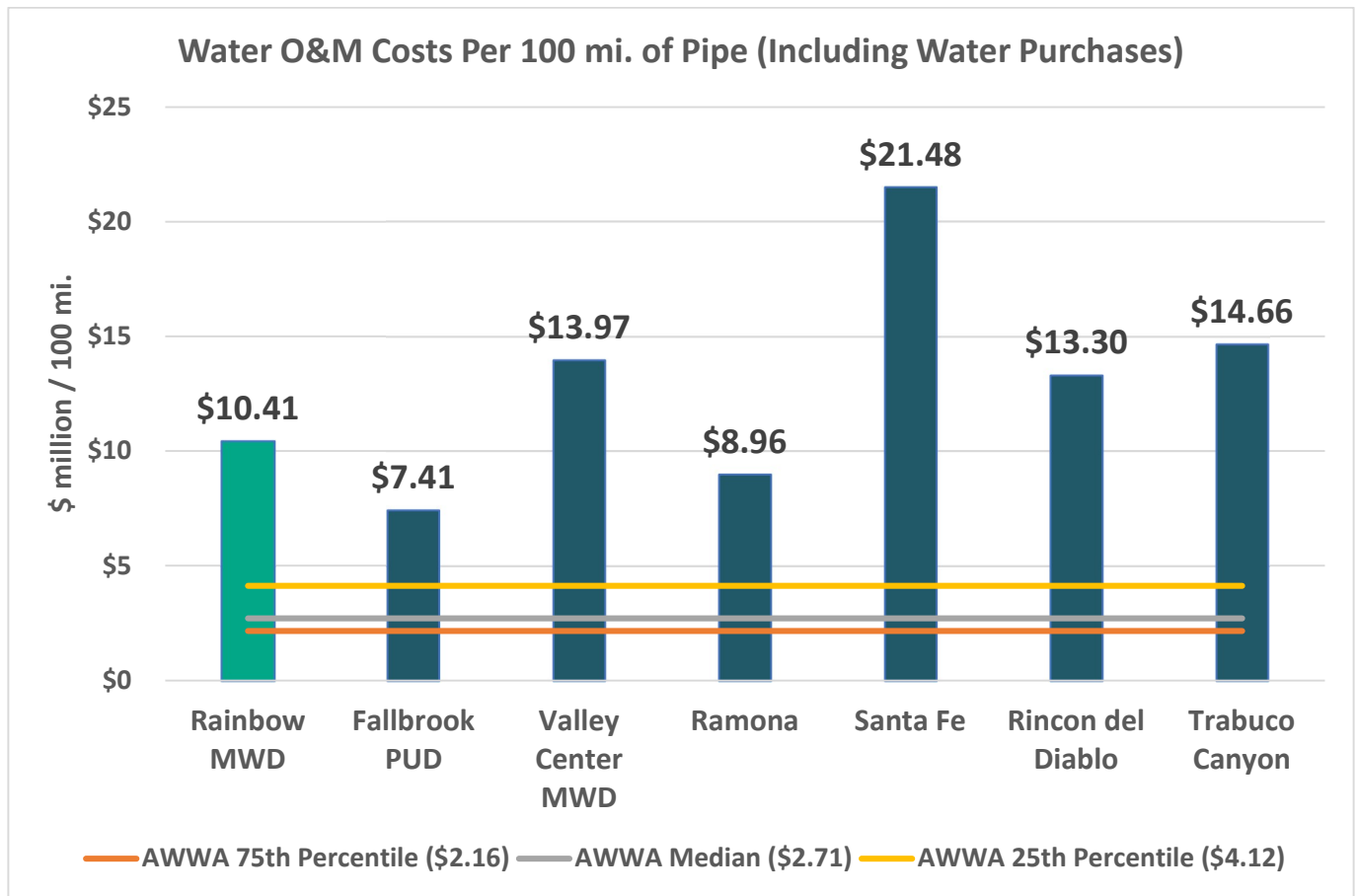


Figure 7: Water O&M Costs Per 100 mi. of Pipe (Including Water Purchases)

Figure 8 presents the O&M costs per 100 miles of pipe as well but now excludes the cost of water purchases. Under this metric, the District has among the lowest operating costs among the peers, which reflects the theme that has been presented repeatedly in these figures thus far: when the specific characteristics of its customers are removed (e.g., customers’ high water consumption and lack of density), Rainbow’s operating costs are consistently among the lowest of its peers.

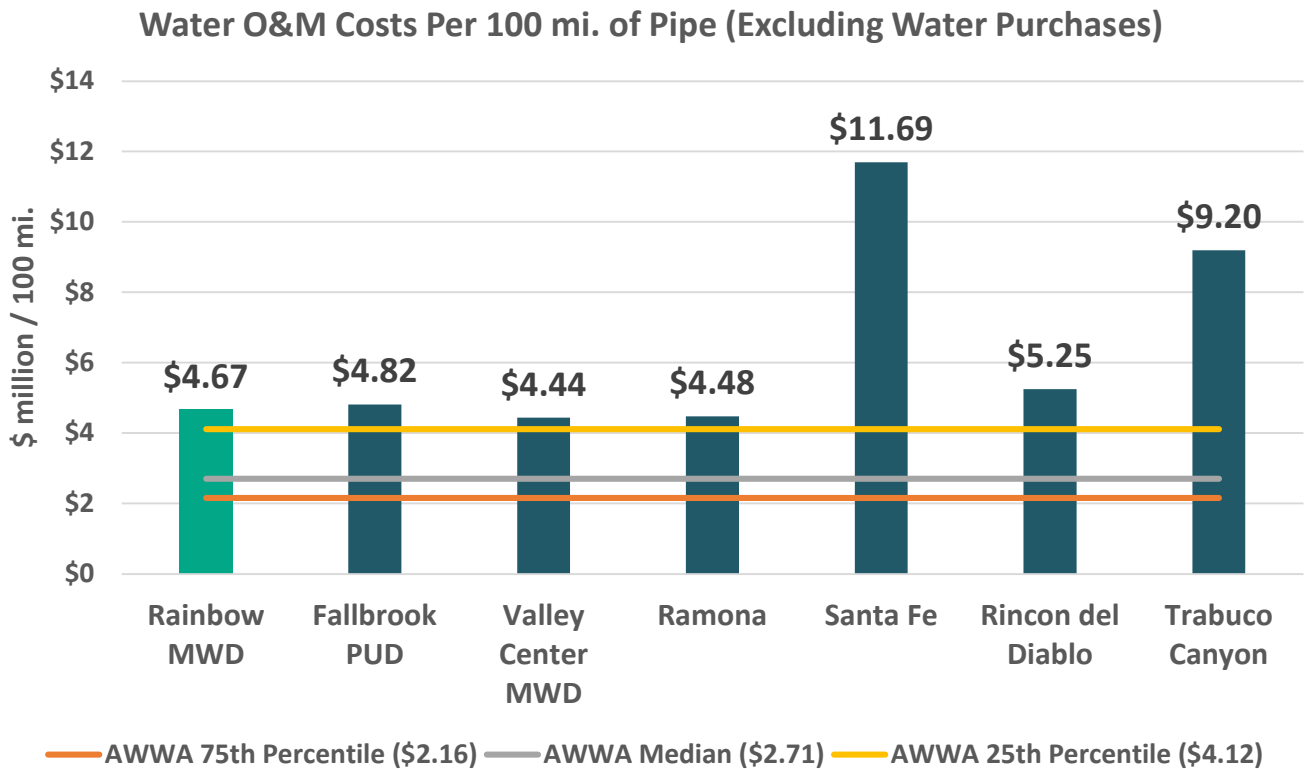


Figure 8: Water O&M Costs Per 100 mi. of Pipe (Excluding Water Purchases)

As an industry leading organization, the AWWA has developed an array of tools and resources for the water industry. One of those tools is a piece of software to help water utilities conduct a water audit. This audit allows a utility to quantify the amount of water that is lost through leaks, breaks, inaccurate meters, etc. In California, water utilities are required to conduct a water audit annually and submit that audit to the state for review. Upon review, the state determines whether the audit itself meets its data quality standards prior to accepting it. Submitted audits are available for download. The next several figures present data from those water audits. In all cases, the data for the peers comes from the most recently available water audit on the state’s website. The state does review these submissions and not infrequently rejects them as “deficient”, so the data included in these graphs come from the most recent available submissions that have not been marked as deficient. In practice, most all of the data originates in the last two to three years.

One of the metrics produced in the AWWA Water Audit is a calculation of the Infrastructure Leakage Index (ILI), a dimensionless index that communicates how “leaky” a water utility is while controlling for certain intrinsic characteristics. For instance, a distribution system that has many connections and

operates at a very high pressure would be expected to have greater water losses than a utility with the same length of watermain but fewer connections and operating at a lower pressure. However, the former system has little to no control over its required operating pressures, the length of its pipe, or the number of connections. The numerical value of a single utility's ILI does not provide much information on its own, but the comparison of ILI values between peers gives insight on relative performance. Figure 9 shows the most recent reported ILI values for the peers. Several peers are in the 0.2 to 0.4 range, which equates to roughly the 90th percentile according to AWWA. The District's ILI value, however, is 1.7, nearly twice the value of the next highest peer at 0.9. The District has a lengthy distribution network that operates at higher water pressures than most water utilities, so one would expect the District to have high levels of unaccounted-for water. However, the ILI takes those factors into account in its calculation, and the resulting high ILI value suggests that lost water is a problem that extends beyond the conditions that the District cannot control for.

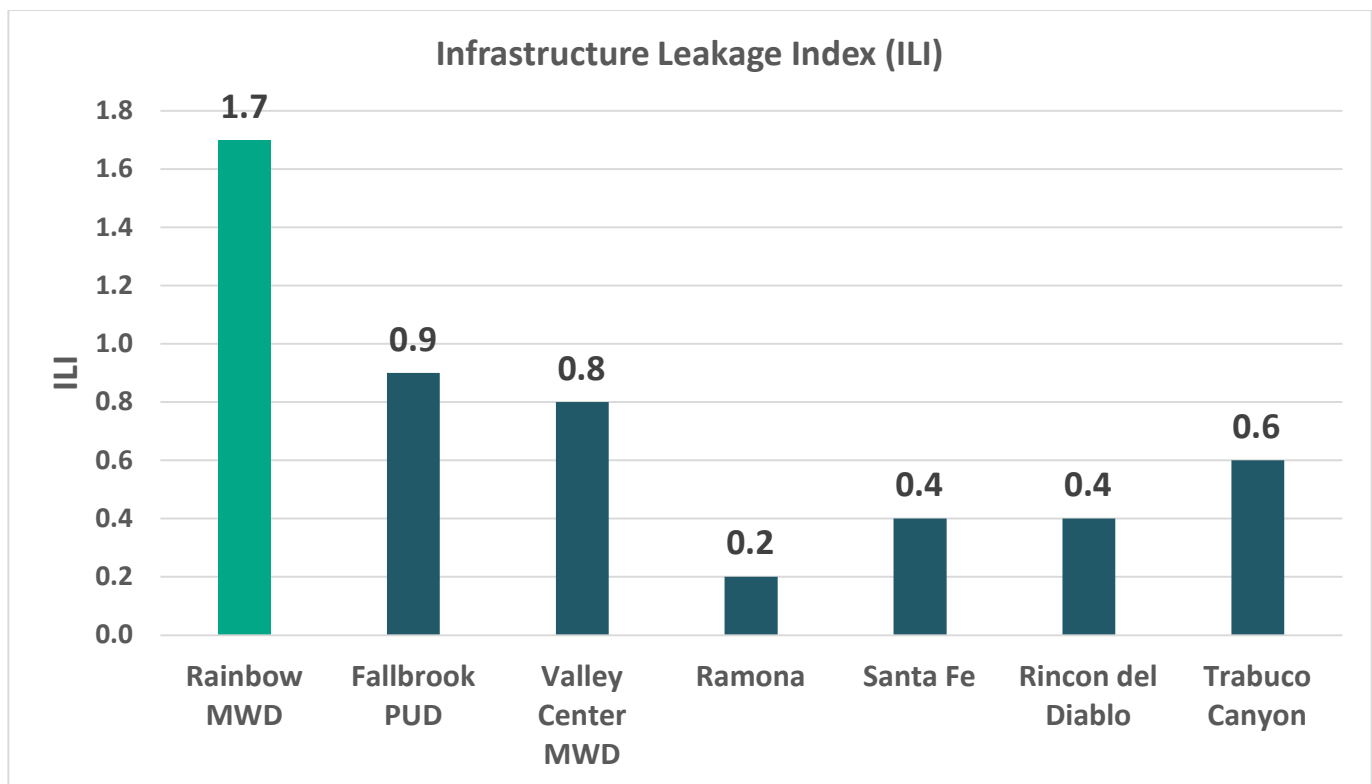


Figure 9: Infrastructure Leakage Index (ILI)

To put the water losses into a more tangible metric, Figure 10 shows the total water losses experienced by each peer, as measured in gallons per connection per day (gal./conn./day). The District has the highest total losses at 101.5 gal./conn./day. Valley Center has the second-highest total losses at 70.7 gal./conn./day. Fallbrook has just 40.8 gal./conn./day, while the remaining four peers lose between 13 and 18 gal./conn./day. Note that in Figure 9, Fallbrook has a higher ILI value (0.9) than Valley Center (0.8), even though Valley Center’s total losses are about 75% higher than Fallbrook’s. This is an example of how calculation of the ILI takes into account the operating conditions of each utility. Nonetheless, both the District’s ILI and total losses are notably high.

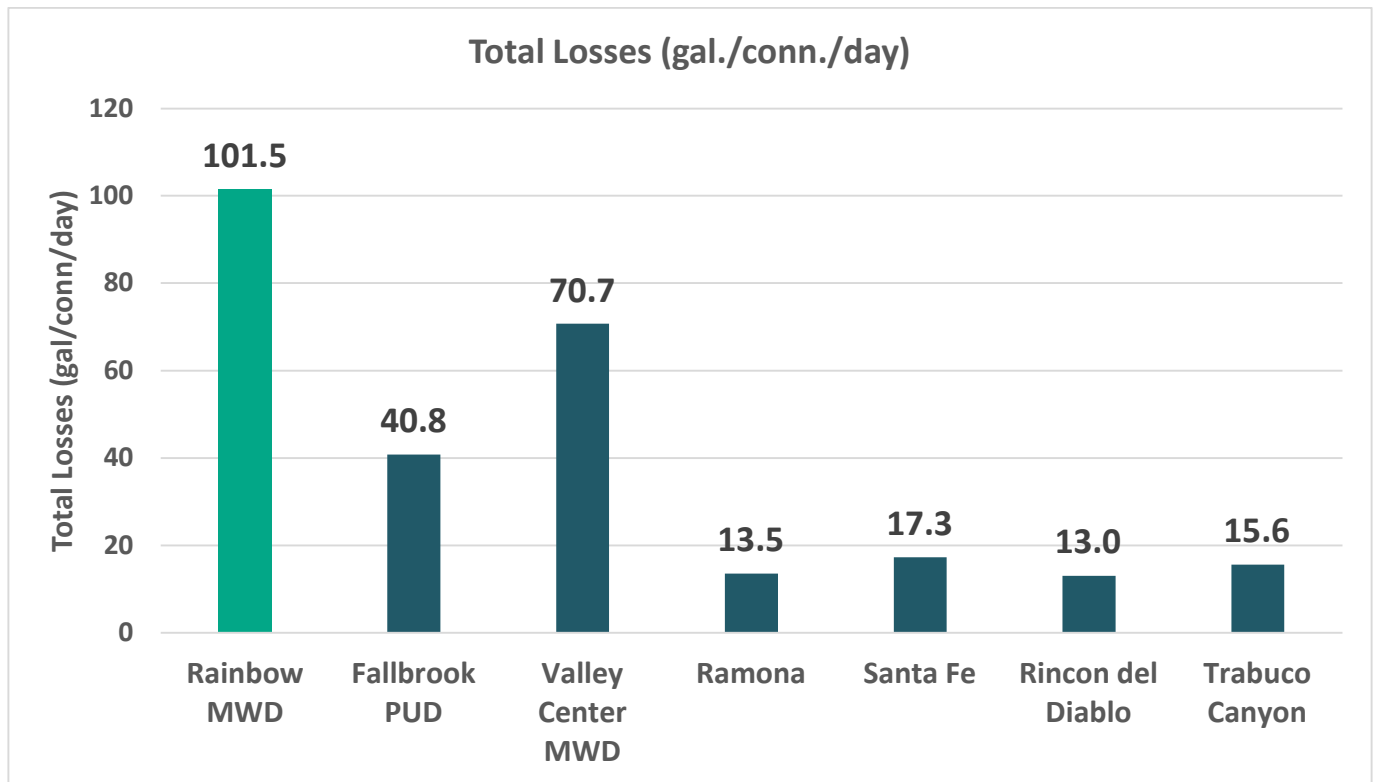


Figure 10: Total Losses (gal./conn./day)

Water audits are often valued because of their aid to conservation and, to some extent, for providing insight into the condition of the distribution system. However, another metric produced by the water audit is an estimate of what the cost of the lost water is, through the calculation of the total loss cost rate, measured in dollars per connection per year (\$/conn./yr.), presented in Figure 11. The District reports the highest total loss cost rate at \$225.43/conn./yr. Valley Center is second highest at \$188.22/conn./yr. Four of the peers ranged between \$22.20 and \$47.34/conn./yr. It should be noted that the data used to calculate the loss cost rate for the District may have come from pre-detachment, at a time when the District was purchasing water from San Diego County Water Authority. It is likely that the dollar amount today is lower than what is represented in the figure, given that the volumetric cost of water has dropped significantly since detachment. However, the data in the figure is the most recent available. Nonetheless, the point stands that there is a financial cost to the water system’s current condition.

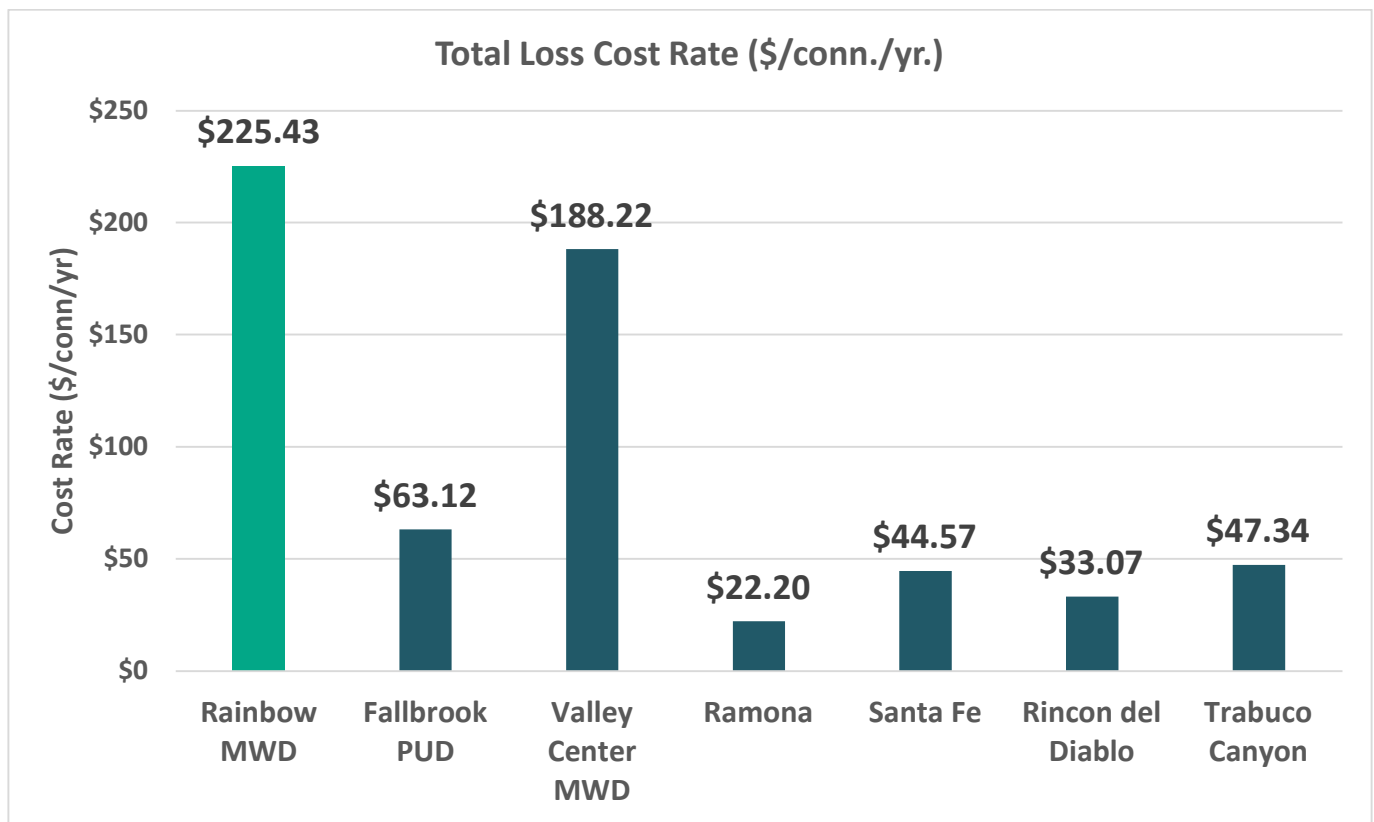


Figure 11: Total Loss Cost Rate (\$/conn./yr.)

Wastewater O&M costs are in line with peers, as seen in Figure 12, which shows O&M costs per account. (Santa Fe WD does not provide wastewater services and is excluded from this figure.) Similar to the situation in water, peers have higher operating costs than national averages, most likely due to regional topographic and economic factors. It is likely that there are significant differences in customer usage patterns, but most peers do not provide wastewater flow rates. Given the high water use per account exhibited by the District, one would expect the District’s wastewater volumes per account to be higher than those of its peers, as well.

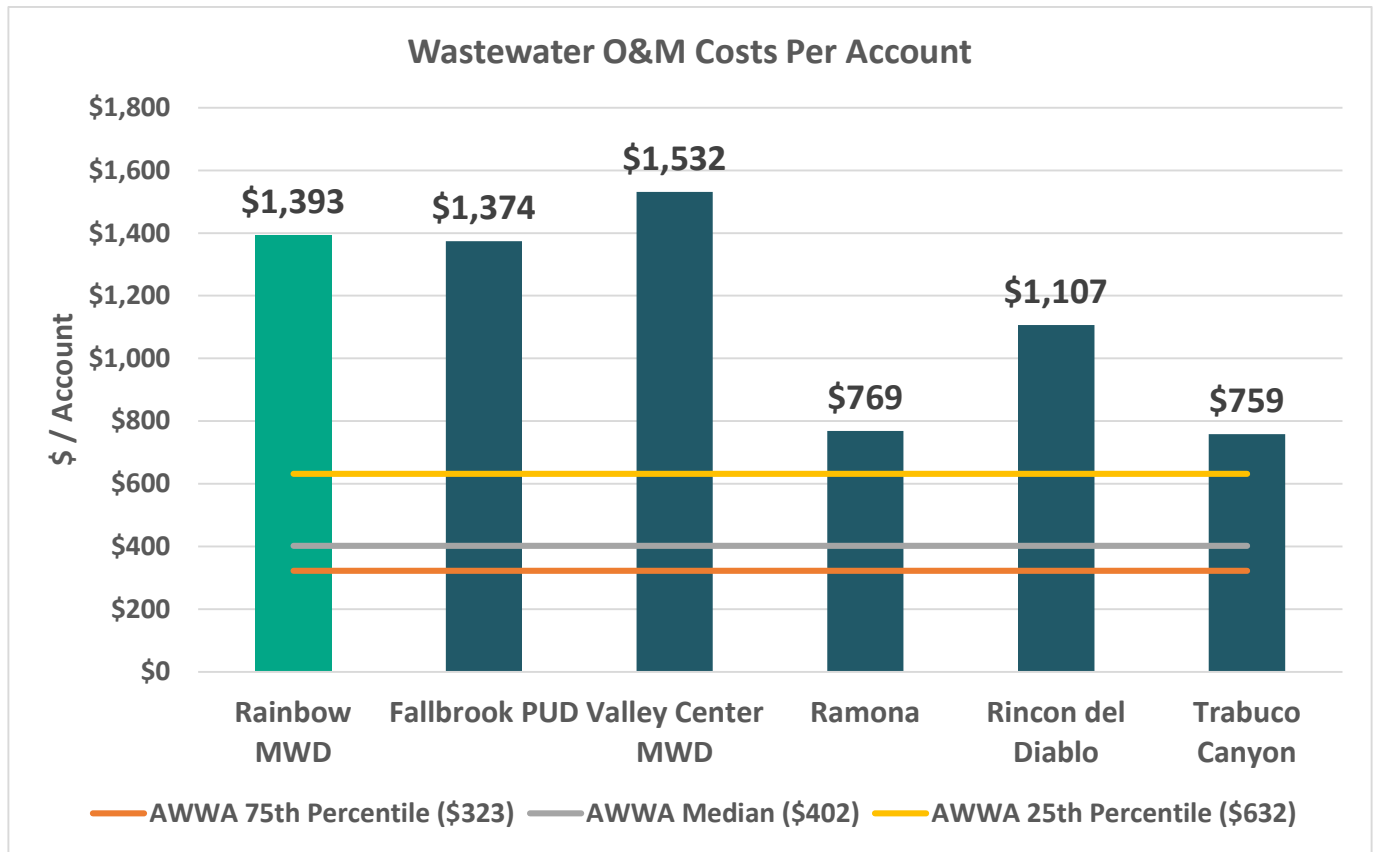


Figure 12: Wastewater O&M Costs Per Account

Changing the basis of comparison for wastewater O&M costs to O&M costs per 100 mi. of pipe, Figure 13 shows that the District's costs are in line with its peers.

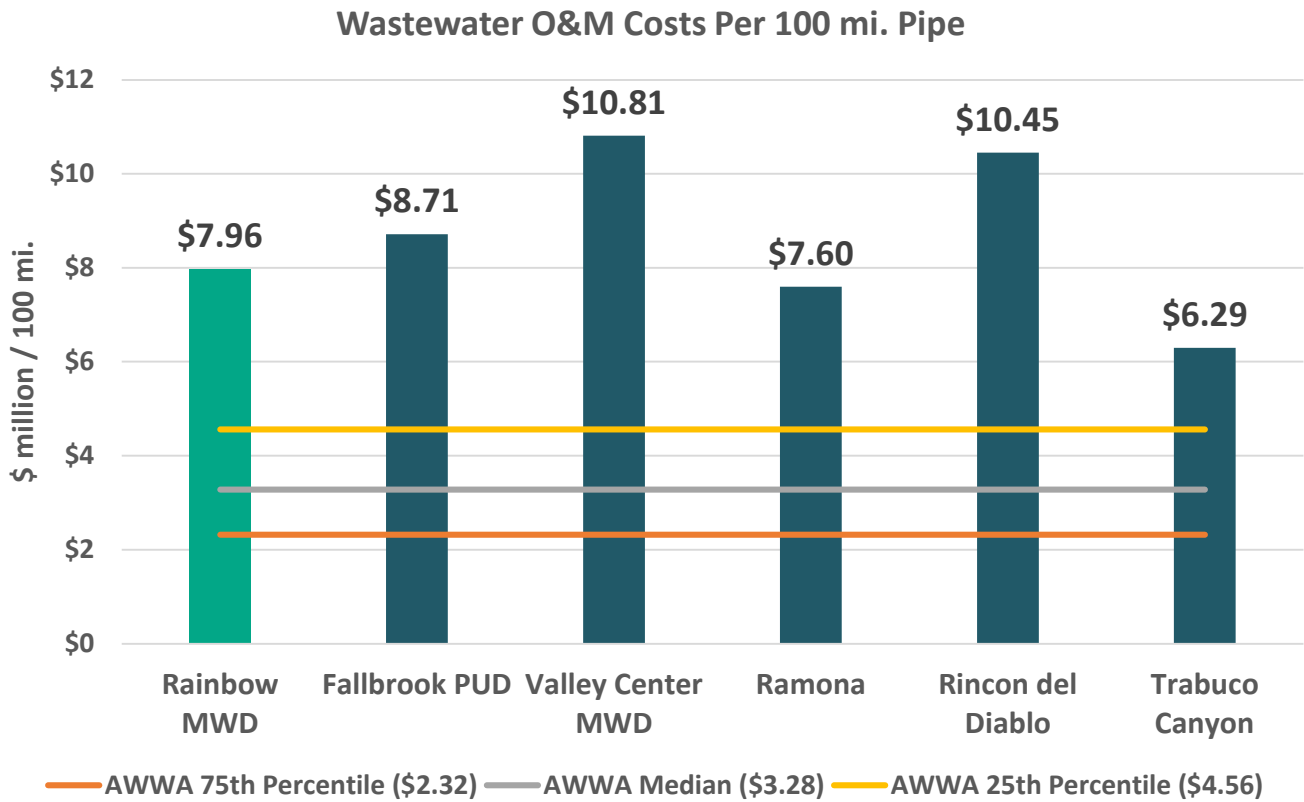


Figure 13: Wastewater O&M Costs Per 100 mi. Pipe

Up to this point in this benchmarking analysis, there have been two recurrent themes in these figures. One is that the District and its peers are uniquely different than the “average” utility represented in the AWWA benchmarking survey, and the second is that the District’s operating conditions (e.g., high water usage, lack of density) make it stand out from even its peers. To examine staffing levels while taking these operating conditions into account, Figure 14 shows the combined pipeline length (water and wastewater) divided by the number of FTEs of each peer. In other words, this metric conveys how many feet of pipe are served by one FTE. By this measure, the District is the most leanly staffed among the peers. The average peer maintains 28,189 feet per FTE, while the District maintains over 31% more pipe per FTE at 37,079 feet per FTE.

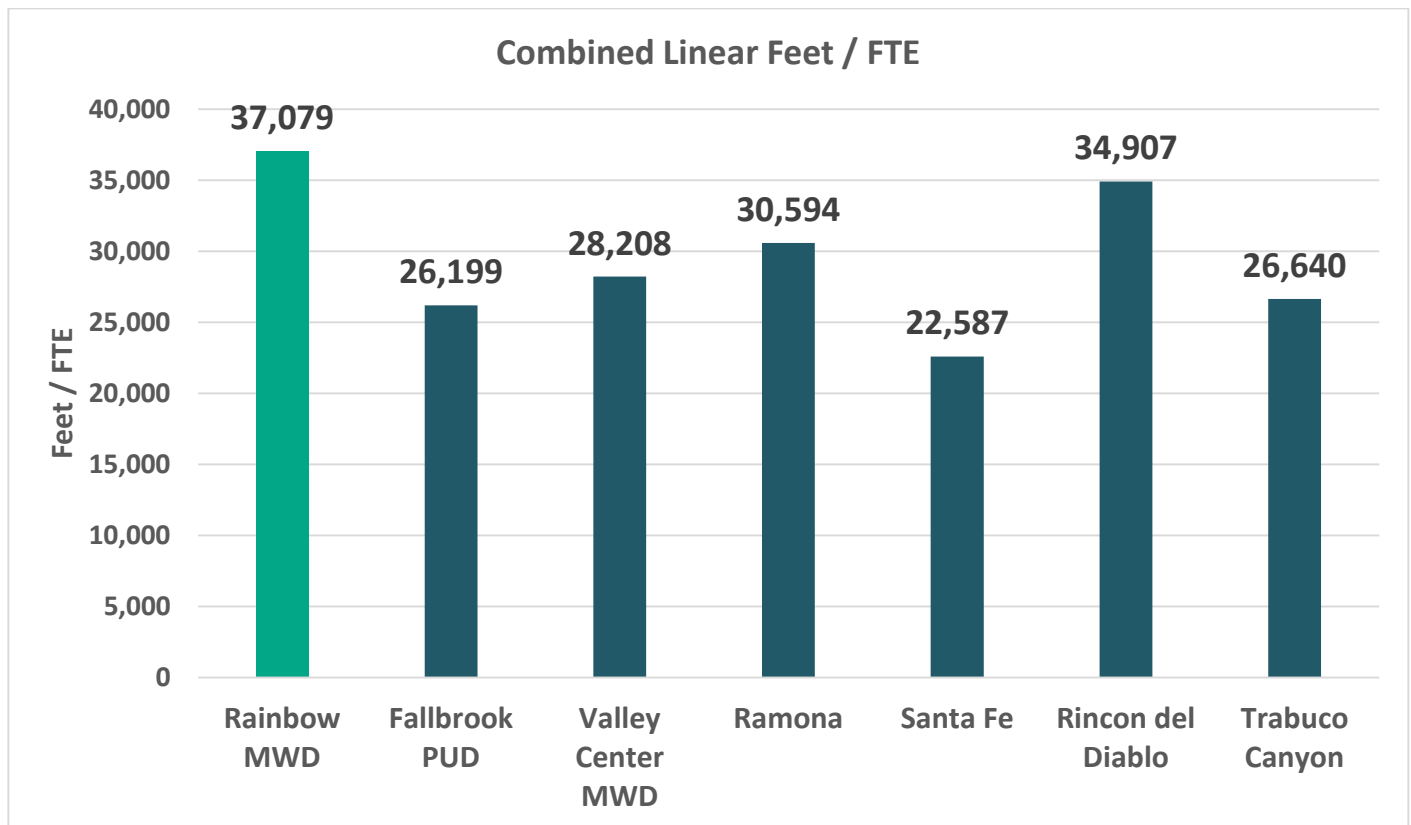


Figure 14: Combined Linear Feet Per FTE

Organizational Assessment

An organizational assessment is a process in which staff interviews, data review, benchmarking, and comparisons to industry best practices are conducted to identify opportunities for improved operations. By and large, the District is performing well and operating as expected for a utility of its size. Like many other utilities, many of its challenges arise from a lack of sufficient resources, such as investment in capital renewal or staffing.

Capital Renewal / Asset Management

Prioritize Water Pipeline Replacement

The most prominent finding from the benchmarking assessment is how high the District's rate of water loss is compared to its peers. Even when accounting for the District's high operating pressures and long pipe lengths, as in the calculation of the Infrastructure Leakage Index in Figure 9, the District has sufficiently high water loss levels as to have a financial impact on the District. This finding, combined with system age and known conditions, indicates that pipeline replacement needs to be made a top priority.

There are one or more major pipeline replacement projects in development, and execution of those projects should be prioritized. Beyond those projects, data from line breaks should be used to prioritize the replacement of other pipe segments. Additionally, a leak survey should be conducted for the entirety of the District's pipeline network. It is understood that there is a pilot leak detection study ongoing, and barring major obstacles, those efforts should be expanded and their findings utilized to help prioritize pipeline replacements. Capital replacement efforts are always expensive but given the financial cost that the District pays for lost water, there may be some amount of financial return that the District may realize for reducing lost water. The financial benefit that the District obtains will be somewhat dependent on how localized the water losses are (i.e., whether a few major identifiable leaks are the primary source of water loss or whether it is slow, non-point source leaks).

Staffing

The benchmarking exercise showed that the District, if anything, was more lightly staffed than its peers. When comparisons to peer workgroups were available (i.e., comparing staffing in finance at the District to other finance workgroups, or IT, etc.), there was no identifiable example where the District's staffing was an outlier in one direction or another. However, there are one or two areas where additional staffing could be warranted, depending on the District's goals.

Monitor Maintenance Activities over Time to Indicate the Need for an Additional Crew Member for Wastewater

There are currently three field workers and a supervisor for wastewater, and staff report that their operations are primarily reactive and are behind on line cleanings, likely due to the loss of Vactor truck. The cleaning program had been assessed by an engineering firm and found to be appropriate, with targeted cleaning activities and appropriate overall cleaning rates, though these rates have likely been lessened with the loss of that Vactor truck. Staff also report that there used to be four field workers but one of the positions was eliminated. Given this change in staffing, overall rates of CCTV inspection and line cleaning, as well as trends in reactive maintenance, should be monitored to ensure that current staff levels are sufficient to continue preventative maintenance activities at appropriate rates.

Consider Hiring an Additional Crew in Construction

This memo already recommended the need for the District to improve its pipeline replacement program. Unfortunately, the cost per linear foot for pipe replacement has only gone up in recent years, and any major effort on the District's part is likely to be a major financial undertaking as well. The District has conducted a small-scale pilot project in the past to test the financial feasibility of bringing pipeline construction in-house, with positive results that indicated potentially significant savings. Another pilot project is underway now.

Assuming that the fully loaded cost of in-house construction is in fact significantly cheaper than hiring a contractor, then the District should consider hiring an additional crew in Construction. This recommendation is dependent on two conditions. One, the cost of any necessary vehicles or equipment for this additional crew needs to be factored into any cost comparison between in-house and contracted construction activities. Two, the District has to be confident that its pipeline replacement needs warrant a sustained, multi-year construction effort. Hiring a new crew will require training and outfitting the new staff, and that will require several years before that investment is likely to pay off. Assuming that in-house construction is cheaper, the District needs to estimate how much pipe a crew could reasonably replace in a year and have a rough idea of how much pipe should be replaced in the foreseeable future. This strategy will work best if this is a strategic effort rather than a piecemeal project-by-project effort.

Hiring an additional crew may assist with another issue, which is after-hours callouts. Construction staff are the ones most likely to need to respond after-hours due to the nature of line breaks. One individual is on standby, and if the standby individual is called out and assesses that repairs must be made, all other Construction members are notified of the potential for overtime. The overtime is considered "first come, first serve". Staff reported feeling obligated to say yes, though, knowing that if they do not say yes, someone else on their crew will need to interrupt their sleep or weekend plans. In other words, there is a sense of always needing to be able to respond. Despite not being required by the District to respond, staff reported doing so out of a sense of duty to their coworkers. There is no easy solution to this problem. Currently, the District routinely deals with line breaks, which is what drives the callouts. Absent a major line replacement program, this problem is only going to get worse over time. Hiring an additional crew would provide a broader base over which to spread the callout workload and may help ease the stress that crews feel regarding the level of after-hours work.

Finally, a word of caution: the District should not try to conduct major pipeline replacement projects without hiring an additional crew. In our experience, utilities are often proud of the work they have done themselves, and rightly so, but they rarely acknowledge the opportunity cost of their labor. In other words, taking on a major project with existing staff means that those staff will not be able to complete major components of their existing duties. Too often, we see preventative maintenance fall by the wayside for signature projects.

Conclusion

Rainbow MWD was found to be unique in its operating environment, even among its peers who also stand out in comparison to “typical” operating environments. Despite its challenges of topography and environment, Rainbow was found to be following industry best practices, with some room for improvement (e.g., CCTV inspection of sewer lines). Its primary challenge is in obtaining sufficient capital reinvestment, particularly for water pipeline replacement. However, given the cost of water loss for the District and the potential cost savings that could be realized if performed in-house, the financial challenge of pipeline replacement may be more reasonable than feared. Particularly with an in-house engineering team, Rainbow is well-positioned to address these challenges.



Rainbow Municipal Water District

Strategic Planning Board Workshop

March 18, 2026

Opening Comments

Introductions



1. Name
2. Tenure with RMWD
3. Expectations for our time together

- 1. Understand goals of the process**
- 2. Review themes from engagement and assessment activities**
- 3. Draft the key components of the strategic plan framework**

Goals for Today

Agenda

1. Introductions

2. Process Overview

3. This I Believe

4. Stakeholder Engagement Themes

5. Vision for RMWD

6. Strategic Focus Areas

7. Next Steps



Norms for our time together

Listen	Listen to understand
Engage	Engage in conversations, stay focused, and share ideas
Be open	Be open to new or different perspectives
Seek consensus	Look for opportunities to agree
Have fun!	Enjoy the experience

Strategic Planning Process



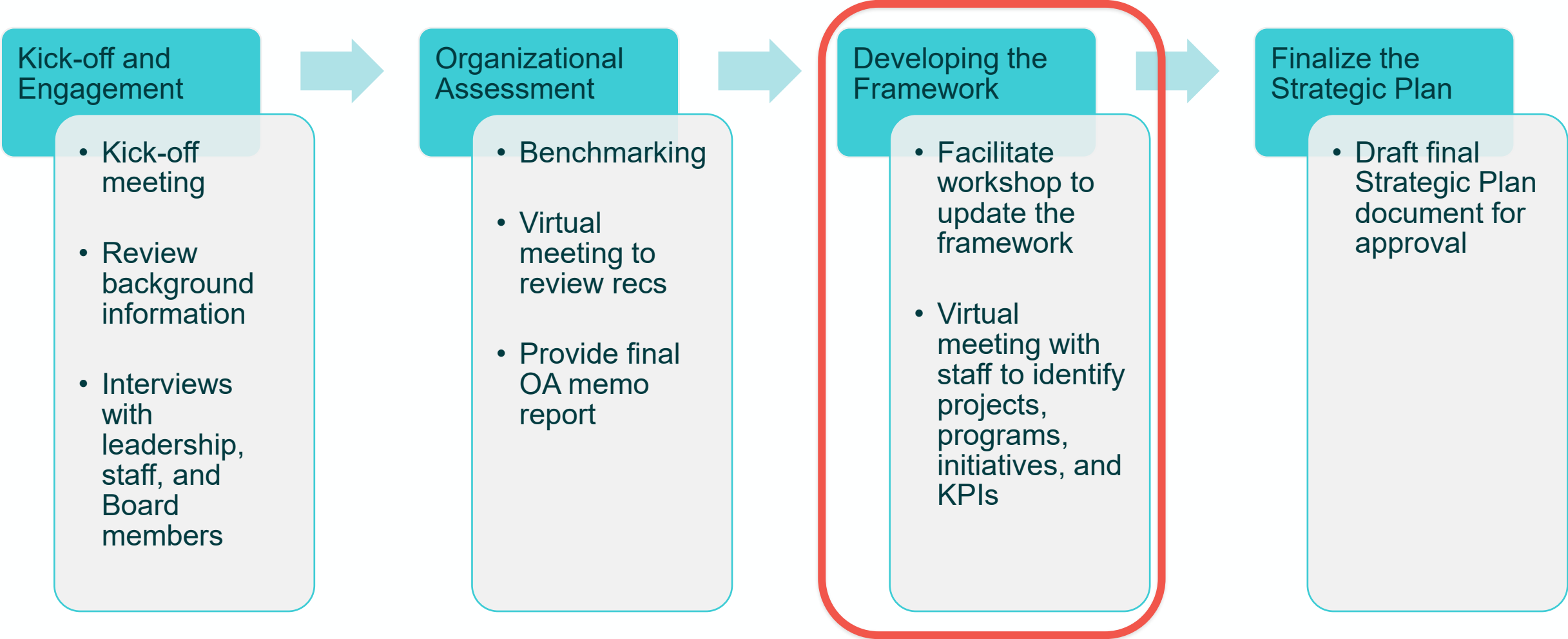
A Strategic Plan Answers 3 Questions

- What do we know to be **true today**?
- Where do we want **to go**?
- **How** do we get there?



Rainbow Municipal Water District

Project Overview



Strategic Framework Elements

Vision

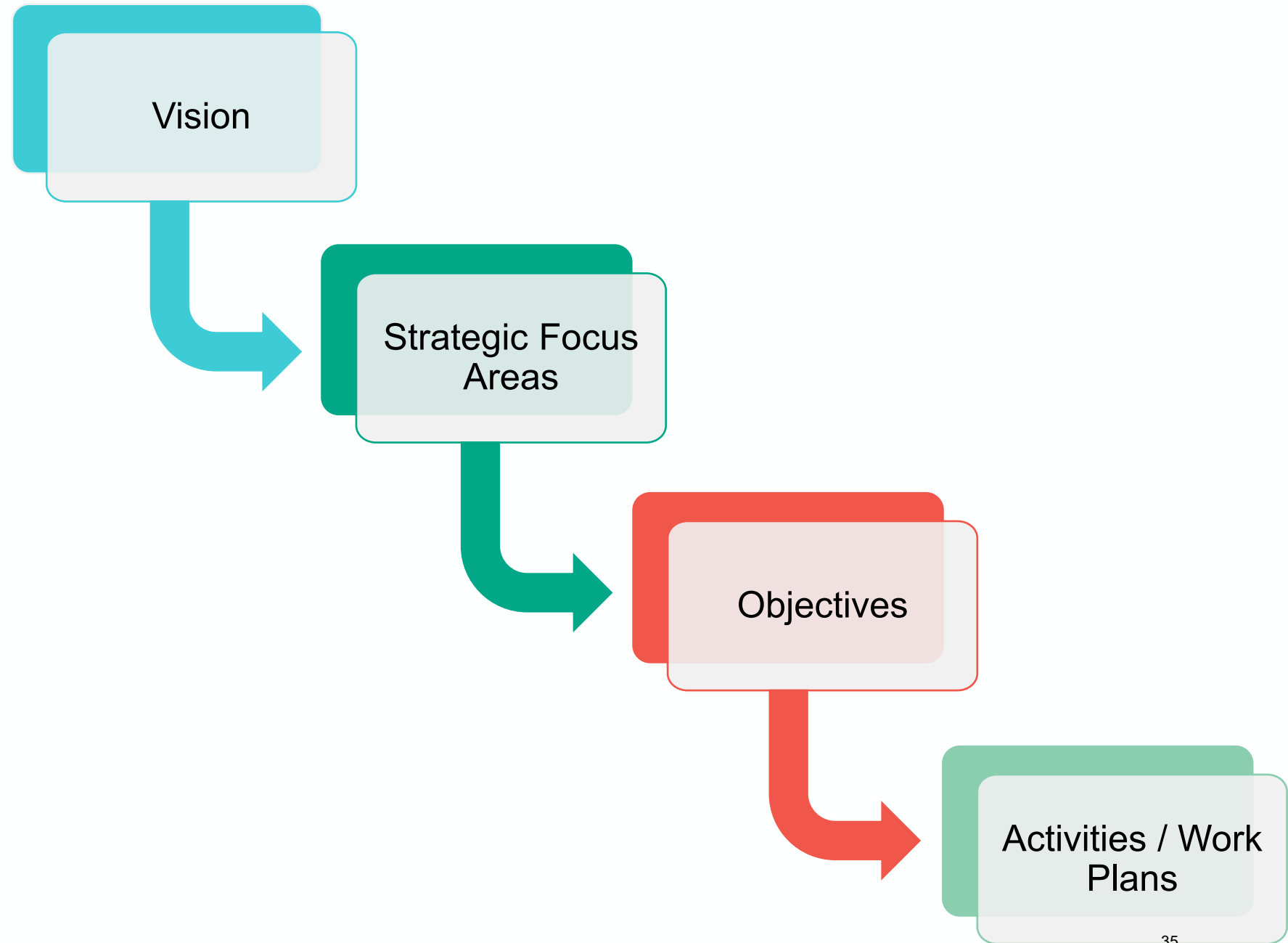
Strategic Focus Areas

Objectives

Mission

Core Values

Strategic Framework Hierarchy



This I Believe...



Organizational Assessment Results



Benchmarking

Benchmarking can be a useful tool, but...:

- It is not meant to be a ranking system
- Should not be considered to have scientific precision

What can we hope to get from benchmarking?

- A sense as to whether operations are in line with industry peers
- A way to provide context for operations
- Support for findings from the organizational assessment

Organizational Assessment

An organizational assessment answers the questions:

- Do we have the tools, resources, staff, etc. to meet our levels of service?
- What could we do better?
- Do our operations reflect industry best practices?

An organizational assessment is not unlike going to the doctor:

- Sometimes it's just a checkup
- Sometimes the patient knows what is wrong
- Sometimes the patient feels bad but doesn't know why

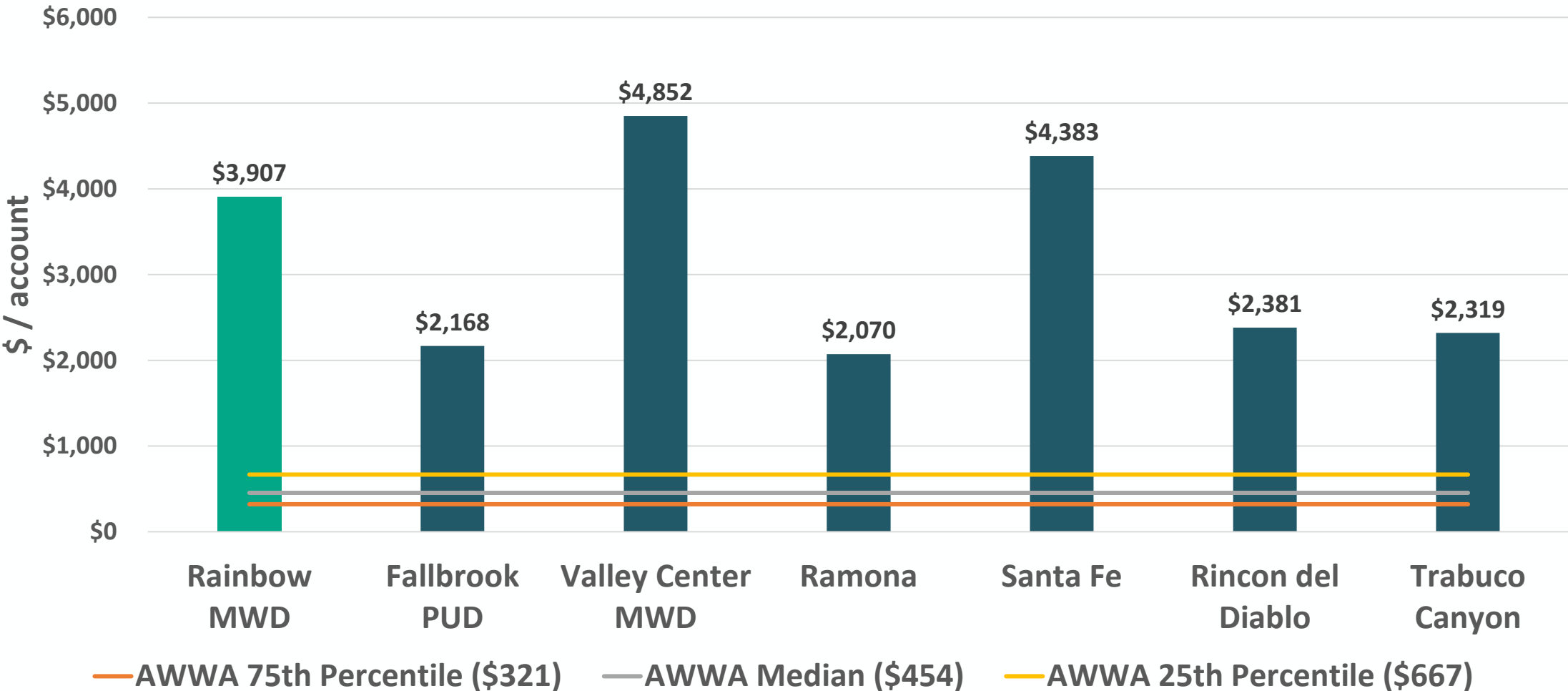
Benchmarking



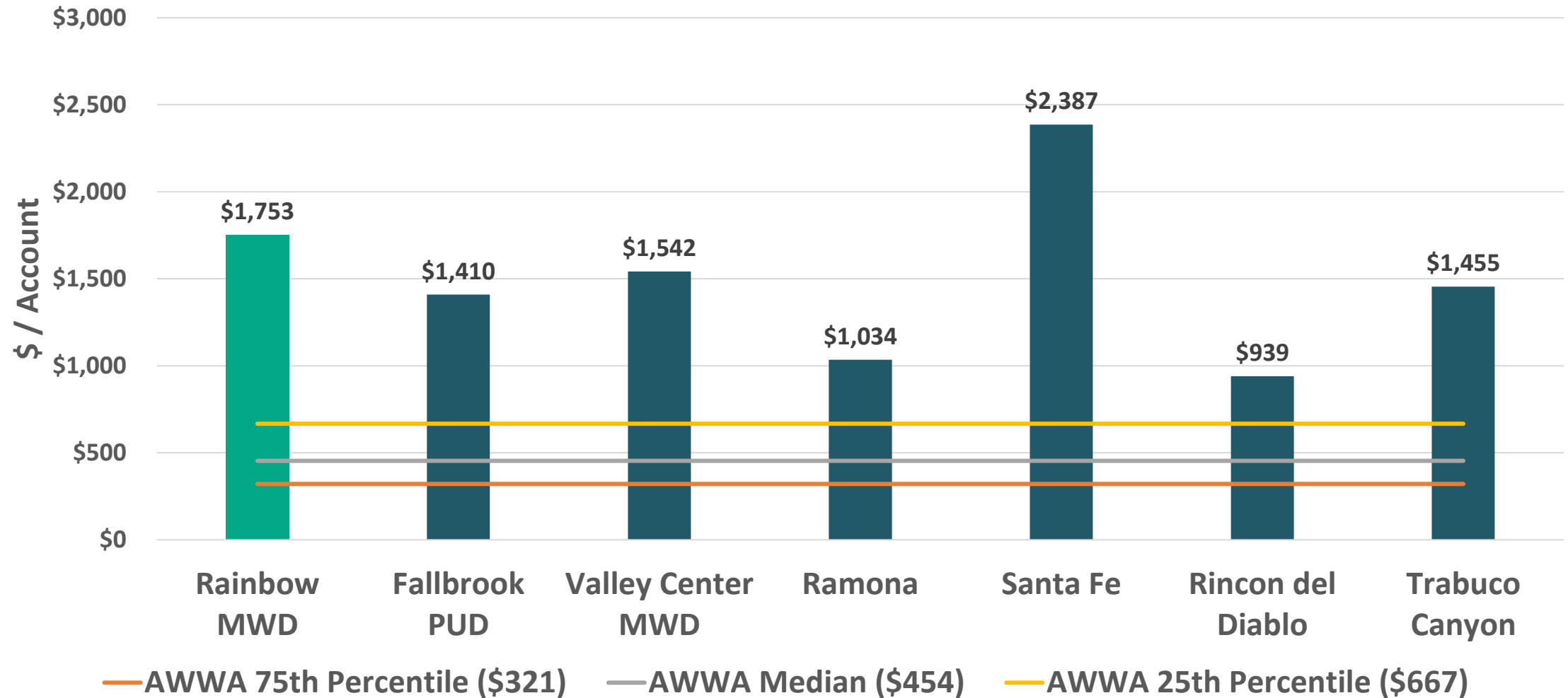
Peers

	Total FTEs	Water Accounts	Average Water Sales (MGD)	Total O&M Spending (\$ millions, 2025)
Rainbow MWD	57.5	9,163	11.5	\$20.8
Fallbrook PUD	71.0	9,319	6.7	\$20.1
Valley Center MWD	73.0	9,816	13.1	\$20.4
Ramona MWD	53.5	9,743	3.8	\$16.5
Santa Fe ID	36.7	7,692	8.9	\$18.4
Rincon del Diablo MWD	24.1	8,438	3.9	\$8.8
Trabuco Canyon WD	22.0	4,171	2.8	\$8.9

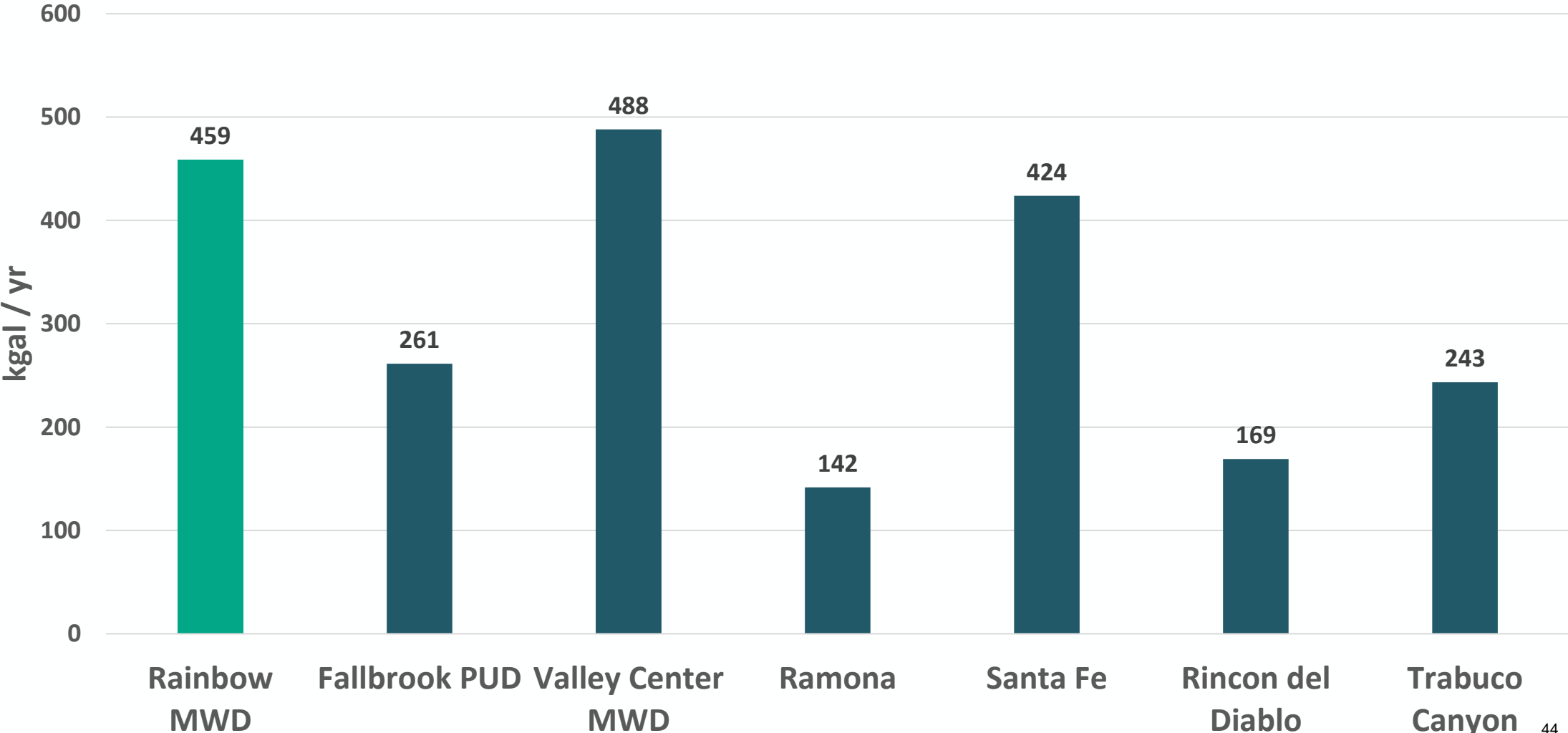
Water O&M Costs Per Account



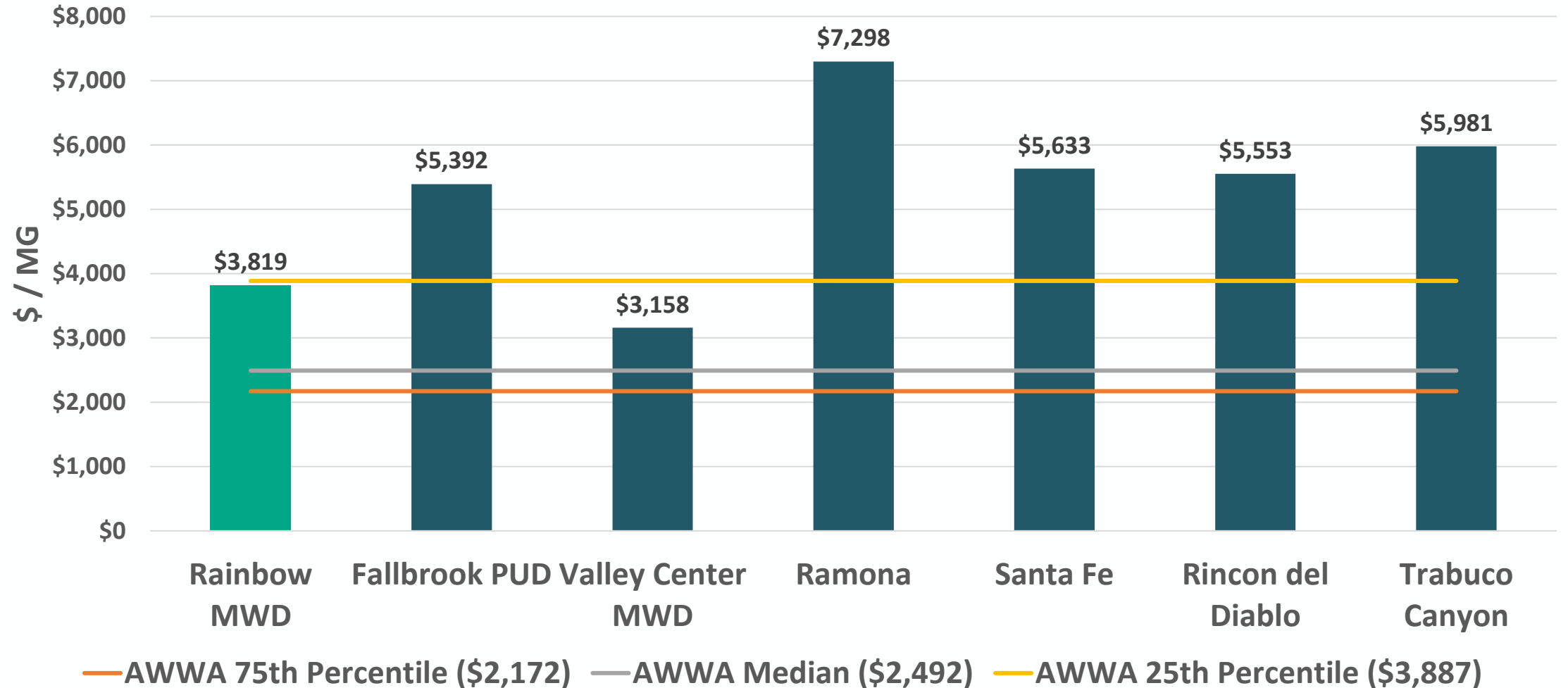
Water O&M Costs Per Account Less Purchases



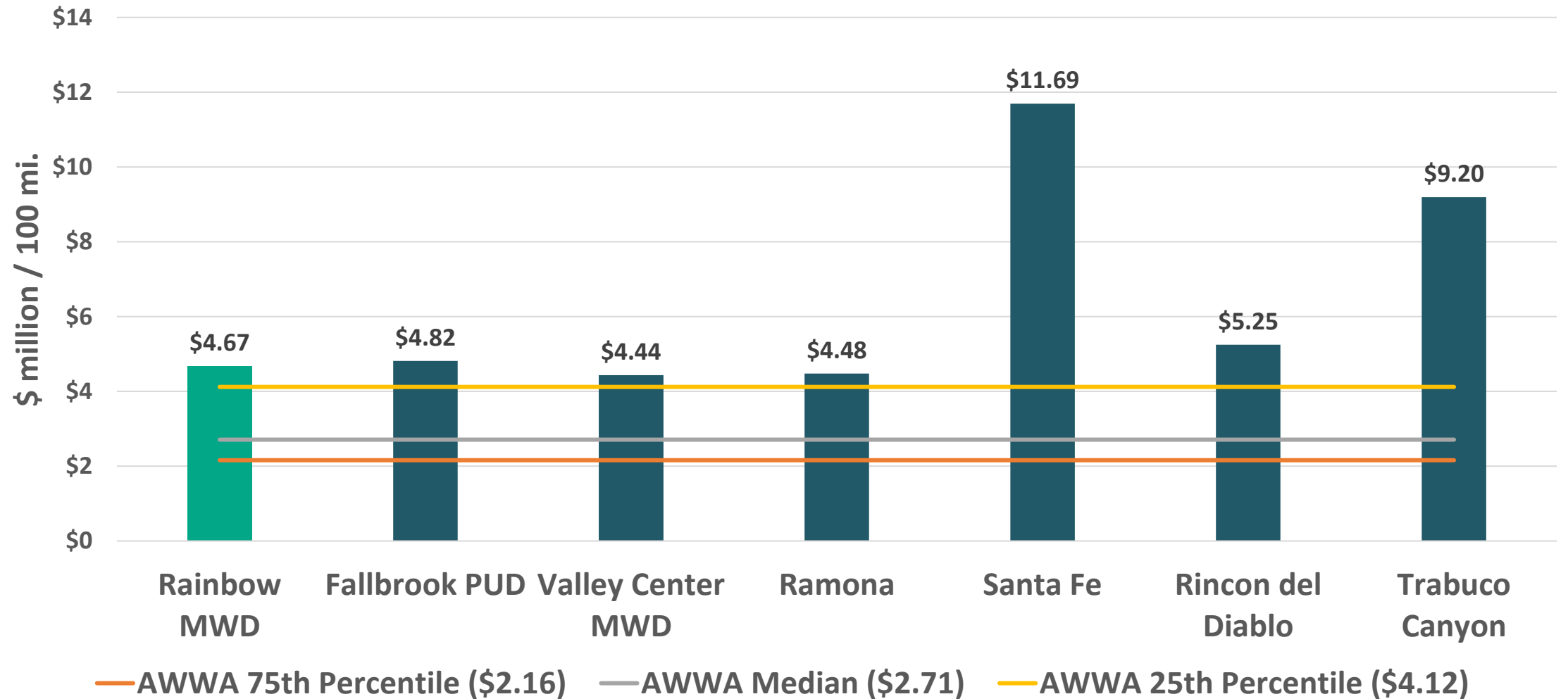
Rainbow's Customers Use a Lot of Water



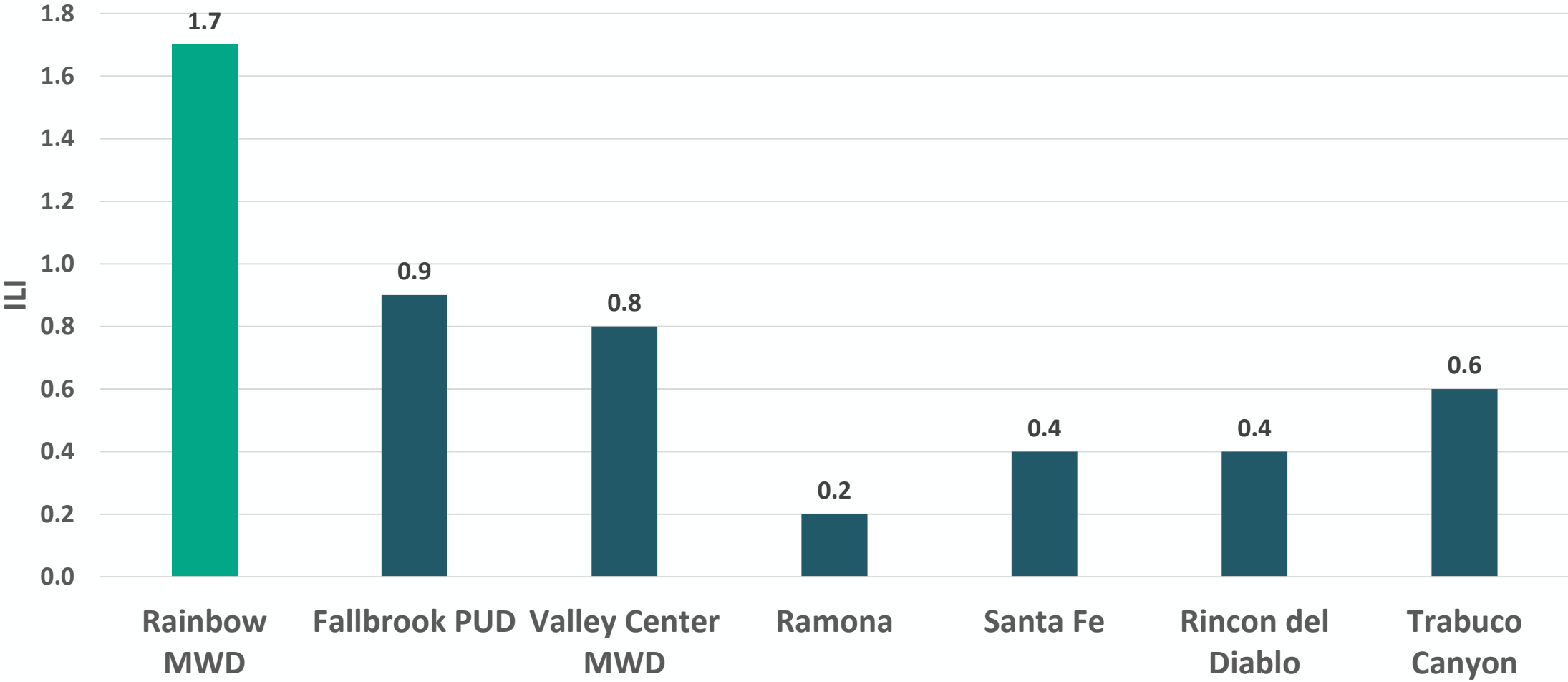
Water O&M Costs per MG (Excluding Water Purchases)



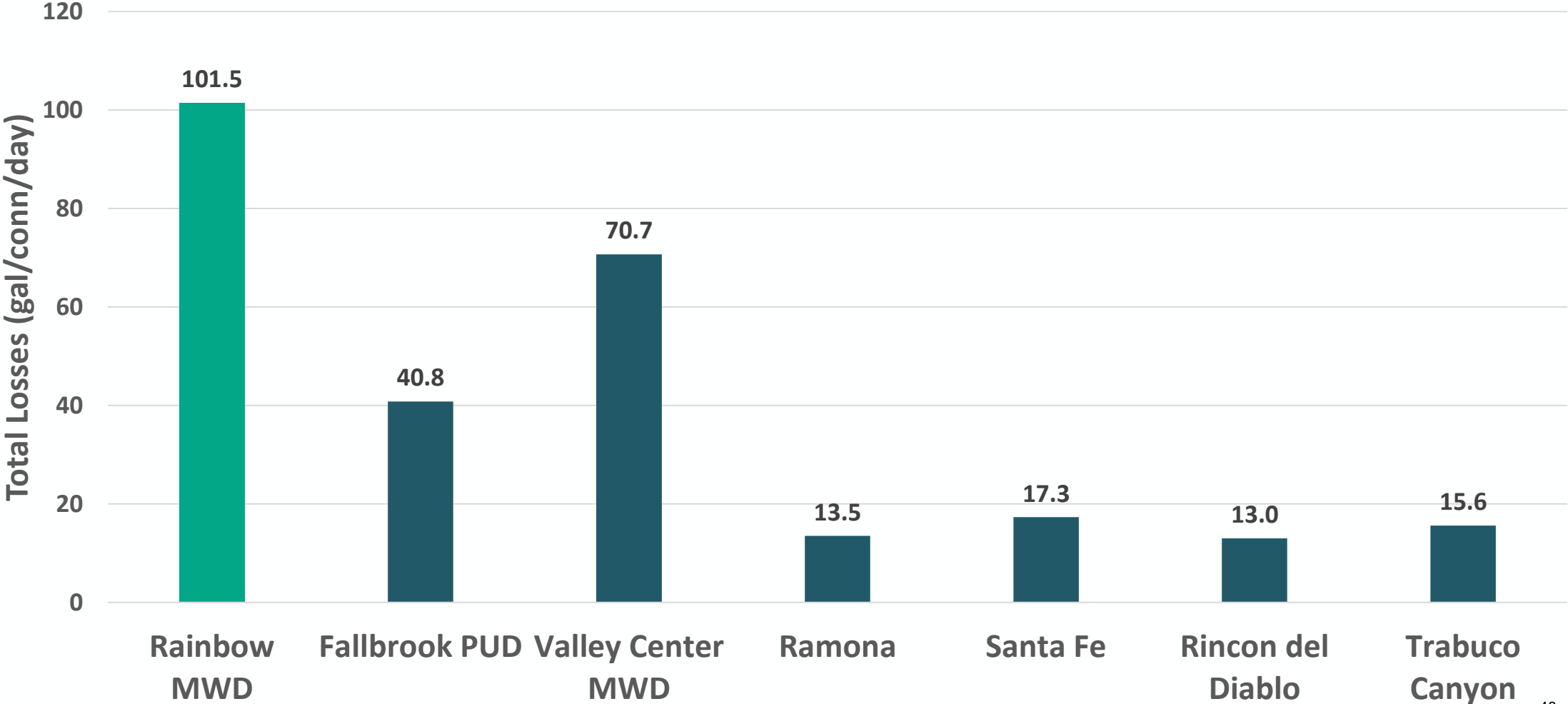
Water O&M Costs per 100 mi. of Pipe (Excluding Water Purchases)



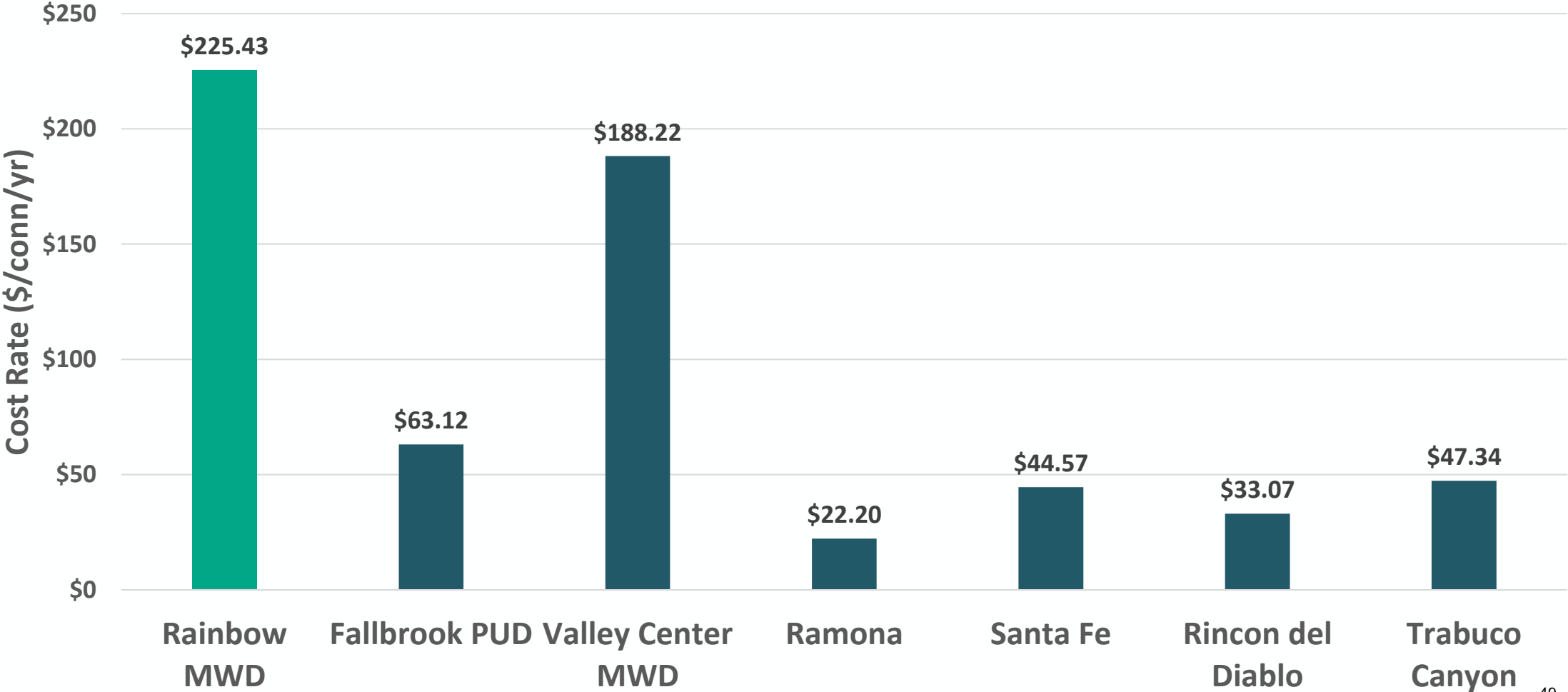
Infrastructure Leakage Index (ILI)



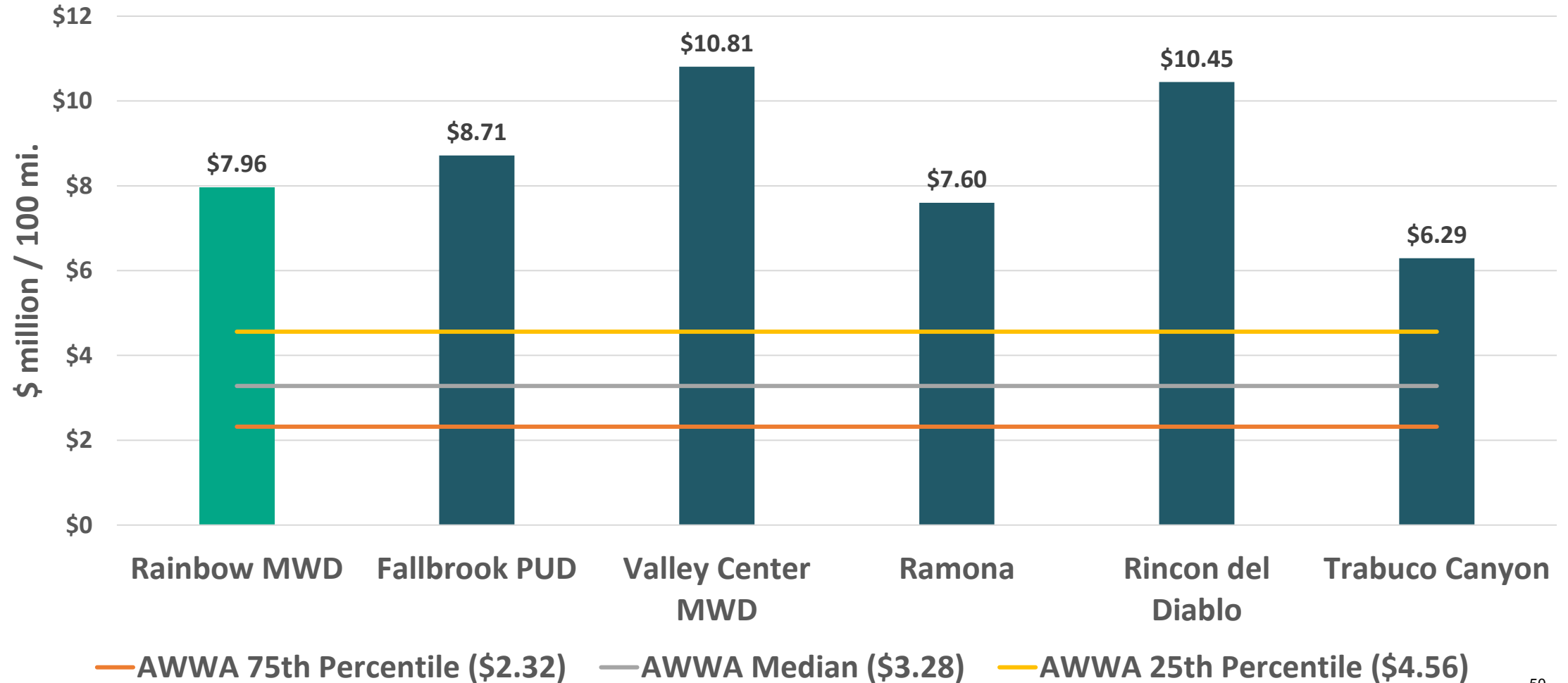
Total Water Losses (gal./conn./day)



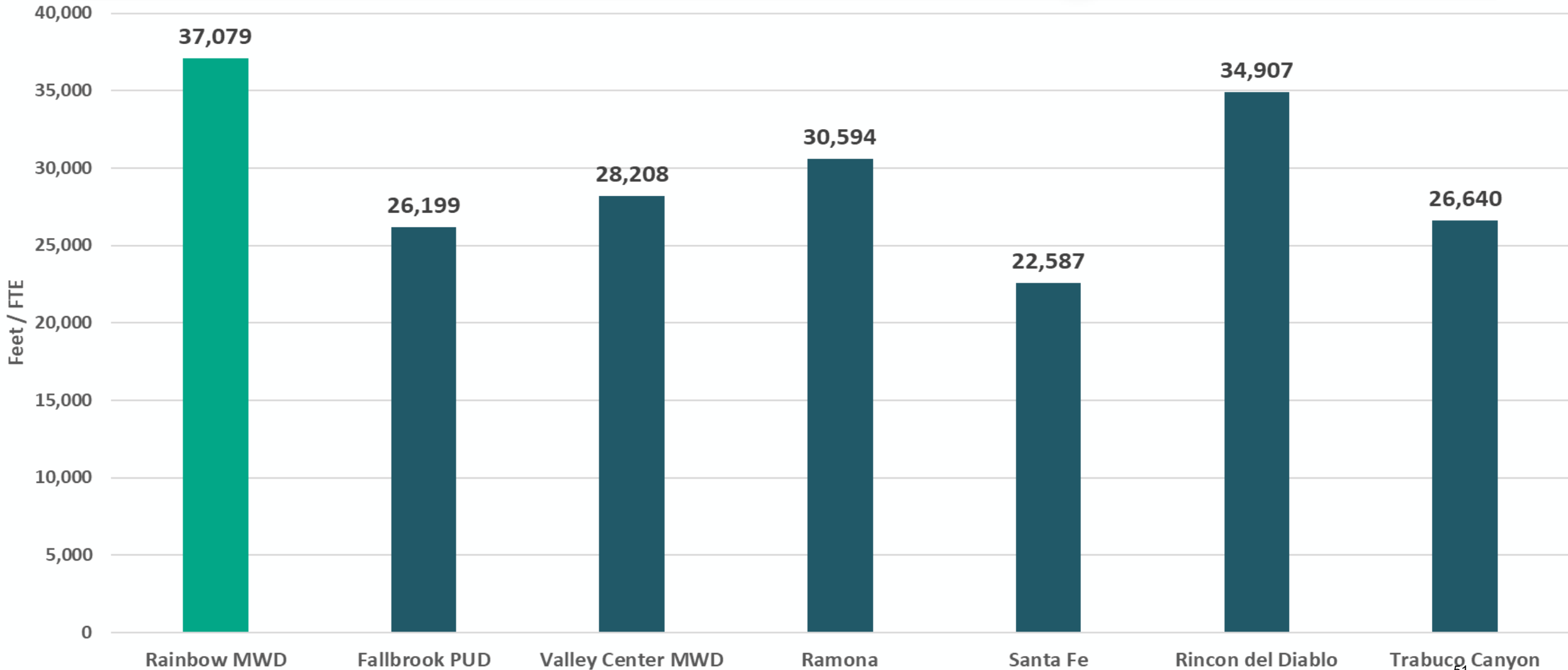
Total Loss Cost Rate (\$/conn./yr)



Wastewater O&M Costs per 100 mi. Pipe



Combined Linear Feet per FTE



Organizational Assessment



General Assessment

Rainbow is the patient that is just in for a check-up and generally gets a clean bill of health

General Observations

Staffing is broadly in line with peers:

- Where staffing comparisons were able to be made by workgroup, there is no real “outlier”
 - Example: Every district has 2 – 4 finance personnel
- Small utilities always have one or more personnel who are “single point of failures”
 - Examples: mechanic, pump & motors tech

Capital Renewal

Observations

- There is a high financial cost to unaccounted for water at the District
- Based on operating environment, age, and material, one would expect the District to be in a major capital renewal cycle

Recommendation

- Prioritize watermain replacement
- The District is likely to have a more substantial financial payback from pipeline renewal than most utilities

Staffing

Observations

- Construction responds to after-hours breaks
- The OT is first-come, first-serve and guys have trouble saying no, feel like they would let down their crews

Recommendation

- There may be an opportunity for an additional construction crew
- This would increase the labor pool and reduce the number of callouts per person
- This new crew could bring pipeline replacement in-house

Engagement Themes



Engagement Process



Interviews with
Board Members




Interviews with
Leadership



Employee Focus
Groups



Strengths



Customer
service and
responsiveness

Teamwork and
camaraderie

High-quality
product

Dedicated staff
and strong
leadership

Supportive of
employee
needs to get
the job done

Challenges



Infrastructure
maintenance



High rates



Budget and financial
stability



Employee burnout



Internal
communication and
information sharing



Meetings and
availability

Opportunities



Hopes for the Future of the District



A word cloud of various terms and phrases. The most prominent words are 'employee retention' and 'efficiencies'. Other visible terms include 'transparency', 'work/life', 'innovative', 'proactive', 'valued and respected', 'formal training', 'new buildings', 'affordable', 'high reserves', 'responsive', 'leader in safety', and 'automated workflows'. The words are arranged in a non-linear fashion, with some oriented vertically.

automated workflows
transparency
valued and respected
new buildings
leader in safety
efficiencies
employee retention
formal training
work/life
new buildings
innovative
affordable
affordable
high reserves
high reserves
responsive
proactive

Discussion

- **Reactions?**
- **What stands out?**

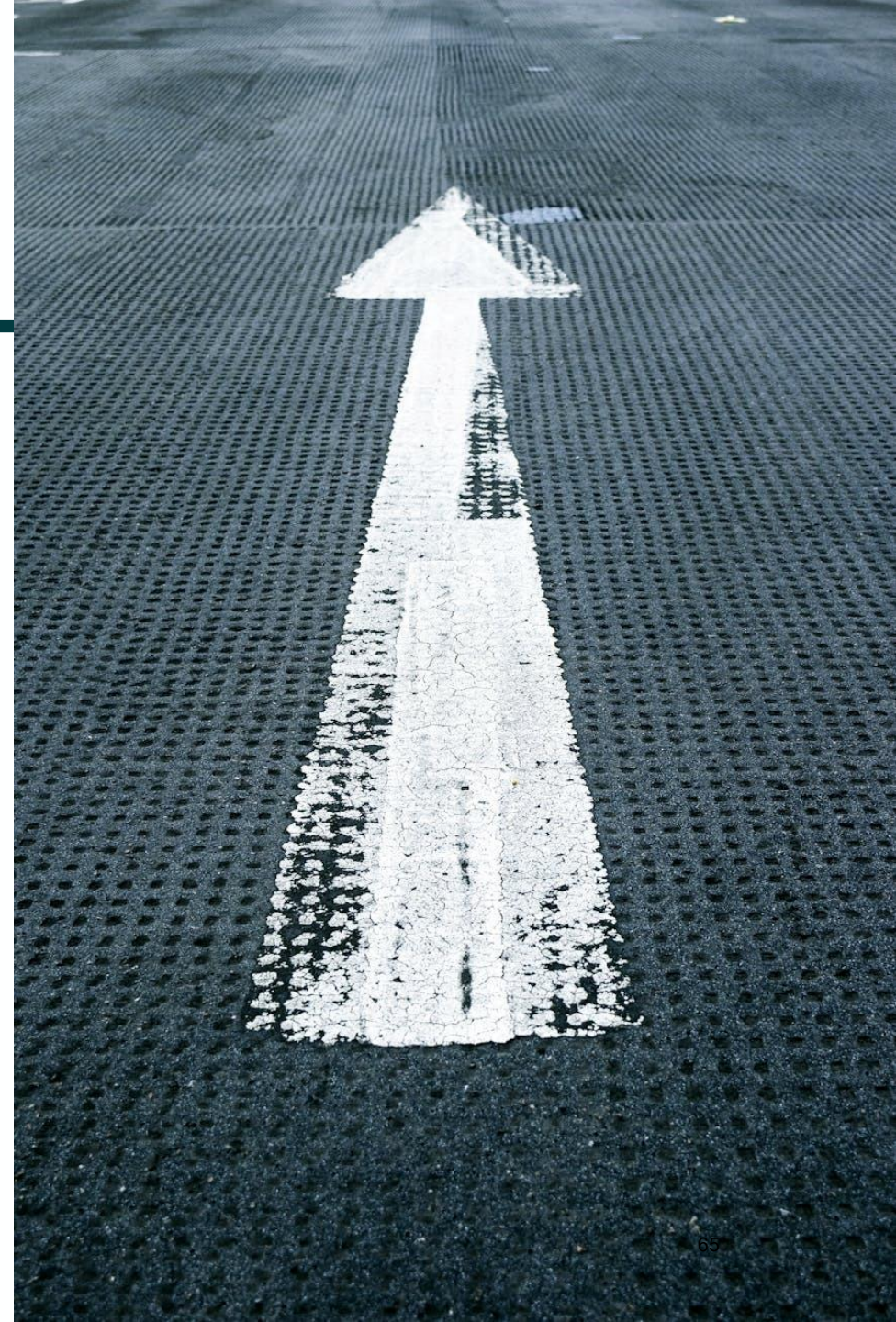


Vision for RMIWD



Purpose of a *Vision Statement*

- Describes a desired future
- Creates alignment and shared direction
- Guides resource allocation and decisions



Vision Statement: *Themes*

- **Maintain a high-quality product**
- **Be a leader in the industry**
 - › *In safety, formal trainings, etc.*
- **Deliver proactive maintenance**
- **Ensure reliable infrastructure**
- **Support our workforce**

What other themes are important to include?

True Today, True in Five Years



True Today, True in Five Years

What is true today about the District that you hope will **STILL** be true in 5 years?

What is **NOT** true about the District today that you hope **WILL** be true in 5 years?

What *Themes* Stand Out?



True today that will
still be true in 5
years...




Not true today that
you hope will be true
in 5 years...

Strategic Focus Areas



Strategic Focus Areas...



**Provide the
direction and
focus of the
organization**

**Are to be
addressed
within the
next five
years**

**Are achieved
by executing
a range of
strategies**

2020 Focus Areas

Water Resources

Asset Management

Workforce Development

Fiscal Responsibility

Customer Service

Communication



Strategic Plan

Revised 2020

Est. 2016



Small Group Activity



Considering the engagement input, draft a goal statement capturing what success looks like for your assigned Focus Area.

Examples of Goal Statements

Workforce Development

Recruit, develop, and retain a highly skilled and knowledgeable workforce that is experienced, up-to-date, innovative, and loyal to the District and its customers

Asset Management

Continue to refine the asset management process to plan for, prioritize and fund maintenance, replacement expansion and rehabilitation of District infrastructure, facilities, and equipment

Next Steps

**Draft the
Strategic
Framework**

**Meet with staff
to identify key
initiatives**

**Present final
Strategic Plan**

Thank you!

Catherine Carter, Vice President

ccarter@raftelis.com

Janae Janik, Senior Consultant

jjanik@raftelis.com