

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
JULY 22, 2025**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on July 22, 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, Irvine, Hoffman

**Also Present:** General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Specialist III Espino, District Secretary Quintanar, Administrative Analyst Weber, Chief Operations Manager Gutierrez, Finance Manager Shilkov, Engineering & CIP Manager Williams, Member Nelson, Deputy Operations Manager Coffey, Management Analyst Lan

**Absent:** Director Townsend-Smith

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

**Video Conference:** Sr. Project Manager Tamimi, Administrative Analyst Barrow, Administrative Assistant Montano, Bernadette Duran-Brown, Steve McKesson

No members of the public were present in person, via teleconference or video conference.

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 Hamilton***

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

***Ayes: Directors Hamilton, Mack, Hoffman, and Irvine***

6. **PUBLIC COMMENT**

There were no requests to speak.

## 7. COMMITTEE MEETING SUMMARIES

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

Mr. Flint Nelson reported on the July 8, 2025, Budget and Finance Committee meeting, and the items presented that day that appear on today's agenda were approved by the Committee for Board approval.

Administrative Analyst Weber reported on the July 15, 2025 Communications and Customer Service Committee meeting, which included special guests from the Bonsall Elementary School, the North County Water Agencies (NCWA) Poster Contest winners. They will move forward in the regional competition to be judged by a panel of water industry members from nine North County water agencies, and the winning posters will be published in the 2026 NCWA Calendar. They reviewed progress of the Strategic Communications Plan, reviewed community events, newsletter content and recent media stories.

## 8. PUBLIC HEARING

- A. PUBLIC HEARING - Consider Adoption of an Ordinance Amending the Fee For Service Schedule and Amending Ordinance No. 23-04 and Rescinding Ordinance No. 22-11

President Hamilton opened the Public Hearing at 1:10 p.m. He welcomed public comments, but there were none.

General Manager Wiley explained that the Fees for Services that were reviewed are for services requested by individuals or developers. He explained that a detailed review of the fees was done to determine if the costs for services are sufficient to recover the costs of providing the services. Developer-related services and deposits for those were reviewed and compared with nineteen other agencies to determine if the proposed fees are in line with those of other agencies.

Mr. Wiley also clarified that the water and wastewater capacity fees were adopted in 2024 through a resolution and will be automatically updated annually. The tables reflecting the capacity fees will reside as the exhibit to the resolution and will no longer be reflected in the Fee for Services document presented today. He also confirmed that references to any charges connected with the San Diego County Water Authority have been removed.

President Hamilton closed the public hearing at 1:17 p.m.

***Motion: To adopt Ordinance No. 25-06, updating the Fee for Services Schedule (Appendix A to Ordinance No. 23-04)***

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

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

***Ayes: Directors Hamilton, Mack, Hoffman, and Irvine***

## 9. CONSENT CALENDAR

- A. Approval of June 24, 2025 - Regular Board Meeting Minutes

**Motion: To approve the Consent Calendar as presented; June 24, 2025 minutes.**  
**Action: Approve, Moved by Director Irvine, Seconded by Director Mack**  
**Vote: Motion carried by unanimous vote (summary: Ayes = 4)**  
**Ayes: Directors Hamilton, Mack, Hoffman, and Irvine**

## 10. ACTION ITEMS

- A. Consider Adoption of an Ordinance Authorizing Amendments to Chapters 6, 8 and 9 of the Administrative Code (Districtwide)

Engineering & CIP Manager Williams explained that the requested updates are directly related to language changes to update the fee schedules instead of annually having to revise the Administrative Code. Capacity fees were approved via resolution to include automatic annual inflationary increases. Chapters 6, 8, and 9 of the District's Admin Code detail the processes for installing water and wastewater services for both developers and customers. The requested amendments to all three sections clarify that deposits and fees for plan reviews, project administration, and materials will be paid at the current Water and Wastewater Capacity Fees and Fee for Services Schedule. Both rate schedules are updated on an annual basis, with Board approval. Chapter 8 amendments also include updates to the process of obtaining a Construction Water Service Meter (temporary water service) and the inclusion of a backflow device. In addition to the current rate language, Chapter 9 amendments include updates to the developer sewer service agreement requirements. The proposed verbiage is more transparent and protects the District, especially when development projects are delayed

**Motion: To adopt Ordinance No. 25-07, authorizing an amendment to Chapters 6, 8 and 9 of the Administrative Code**  
**Action: Approve, Moved by Director Hoffman, Seconded by Director Hamilton**  
**Vote: Motion carried by unanimous vote (summary: Ayes = 4)**  
**Ayes: Directors Hamilton, Mack, Hoffman, and Irvine**

- B. 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, and Rescinding Resolution No. 2025-06

Ms. Harp explained that this is a correction to Resolution No. 2025-06 to raise the pay ranges for each non-exempt pay grade by 3.8 percent rather than 3.5 percent in alignment with the CPI and in accordance with the current MOU's with the bargaining groups.

**Motion: To adopt Resolution No. 2025-09, establishing Classifications and Monthly Pay Ranges for District Employees and the General Manager, Effective July 1, 2025, through June 30, 2026, and Rescinding Resolution No. 2025-06, and to add the Water Operations Supervisor position back to the list of Exempt grades**  
**Action: Approve, Moved by Director Mack, Seconded by Director Hamilton**  
**Vote: Motion carried by unanimous vote (summary: Ayes = 4)**  
**Ayes: Directors Hamilton, Mack, Hoffman, and Irvine**

- C. Consider Approval of Purchase Orders with Quality Chevrolet, Paradise Chevrolet, and Courtesy Chevrolet for the Replacement of Fleet Vehicles

Chief Operations Manager Gutierrez explained the methodology for determining the need to replace fleet vehicles. A list of vehicles scheduled for replacement was included in the meeting packet. He explained the equipping needs and why the purchases are recommended from three separate dealerships. Four of the vehicles are light-duty trucks, and the cost of the EV truck being purchased to comply with the electric vehicle mandate is much lower than anticipated. Vehicles meeting the criteria to be cycled out will be sent to auction. A brief discussion followed regarding future cost-saving measures and the utilization of electric vehicles.

***Motion: To approve Option 1. Authorize the General Manager to execute three separate purchase orders as follows: Courtesy Chevrolet in the amount of \$48,733.89, Quality Chevrolet in the amount of \$187,979.24, and Paradise Chevrolet in the amount of \$85,994.80***

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

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

***Ayes: Directors Hamilton, Mack, Hoffman, and Irvine***

D. Consider Appointment of Carol Wilson to Serve as a Public Member of the Budget and Finance Committee

***Motion: To appoint Carol Wilson to serve as a Public Member of the Budget and Finance Committee***

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

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

***Ayes: Directors Hamilton, Mack, Hoffman, and Irvine***

## 11. PRESENTATION

A. Rate Study Update

Mr. Shilkov provided a timeline for the Rate Study work, which IB Consulting is conducting. The Study is focused on water rates, and any revisions proposed will be targeted for implementation on January 1, 2026. The purpose of the study is to sustain equitable funding. The District is currently following the rate study performed in 2023, and there are now considerations such as cost increases and the SDCWA detachment. Mr. Wiley reported that water sales for the last fiscal year were nearly 13 acre feet (AF). He expressed optimism regarding trends that may not solely be based on weather. Water sales, consumption, and fixed and variable revenues by customer class were reviewed.

Current financial challenges were presented, including aging infrastructure, rising costs, and revenue shortfall. Mr. Shilkov provided projected variable and fixed revenue, by customer class, based on estimated water sales of 11 AF. Based on a 4 percent increase on January 1, 2026, Mr. Shilkov projected \$48,752,088 in revenue. In an effort to reinvigorate our agricultural community in a way that benefits all of our customers, IB Consulting has been tasked with identifying options or programs to consider. In addition to Fixed and Variable Rates, Meter Lock Off Fees, and pumping charges by elevation are also being reviewed.

Mr. Shilkov continued that efforts to rebuild our reserve balances are underway, with the goal of recovering depleted reserve balances by 2028. Healthy rate stabilization funds are also important to minimize the impacts of rate increases on our customers.

Director Irvine requested information reflecting historical trends of the fixed and variable revenues and opined that there may be a way to better explain rate-setting methods to our customers.

Mr. Nelson addressed the Board to relay that the Budget and Finance Committee requested information considering the revenue shortfall impacts of lowering agricultural rates, methods for recovering that shortfall, and who would be affected.

## **12. INFORMATION ITEMS**

Ms. Harp congratulated Steve Coffey, who was recently promoted to the position of Deputy Operations Manager.

## **13. REPORTS & COMMENTS**

Mr. Wiley provided background on the main break that occurred on June 11, 2025, north of Highway 76 near Via Montellano (NN Pipeline). It was a catastrophic failure, and efforts are underway to determine short-term and long-term steps. Damage has been assessed via camera, finding that the split in the pipe extends at least 72 feet under Highway 76. For the short term, an above-ground high-line pipeline bypass was constructed to provide additional supply to the Dentro de Lomas Pump Station. For the long term, the repair will likely involve trenchless pipeline replacement. The firm of Hazen & Sawyer is now under contract for services and has suggested three options: microtunnelling, jack and bore, or horizontal directional drill. Additional contracts are in place for the work, and coordination is ongoing with resource agencies. A brief discussion followed.

Mr. Wiley also reported that there is positive momentum related to the state and federal lobbyist contracts. Monthly calls with lobbyists will continue, and a preliminary list of items to pursue was shared. Quarterly updates on grant progress and legislative issues will be provided.

The Metropolitan Water District recently approved moving a portion of its treated water surcharge to the fixed component of its rate. In general, MWD is moving in that direction to be less dependent on water sales. Doing this will redistribute the costs to the agencies that import water inconsistently, and Mr. Wiley opined that this will likely benefit RMWD.

Mr. Smith provided insights on the decision regarding a school district's directors' use of social media. Information on this subject and clean emissions regulations was included in the meeting packet.

Responding to concerns voiced by Director Mack, Mr. Gutierrez provided an update on Assembly Bill 438, which would expand the definition of "authorized emergency vehicle" for these purposes to include any vehicle owned or operated by a county, city, or city and county office of emergency services or a similar emergency entity established by local ordinance. If passed, RMWD's vehicles would be classified as emergency response vehicles and would be exempt from some carbon emission mandates. This Bill has been passed by the House of Representatives and continues to progress.

Director Mack complimented the company hired to perform weed abatement for the District.

Mr. Wiley reported that during the June shutdown of Pipeline No. 4, the District utilized the interconnection to exchange water with FPUD and EMWD has invoiced the District as anticipated, without issue.

Providing an update regarding ACWA, Mr. Wiley reported that Carol Lee Brady is the only candidate for Vice President. Ernie Avala is the only candidate for President.

**14. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

There were no requests.

**15. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING**

None.

President Hamilton declared a ten-minute break at 2:42 p.m.

**16. CLOSED SESSION**

The Board adjourned to closed session at 2:52 p.m., to discuss the following items:

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

The Board reconvened in open session at 3:57 p.m., and General Counsel Smith reported that the board had approved a settlement, in principle. The terms of the agreement have been finalized, and copies of the settlement will be available upon request.

**17. ADJOURNMENT - To August 19, 2025, at 1:00 p.m.**

The meeting was adjourned at 3:58 p.m.

  
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Hayden Hamilton, Board President

  
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Terese Quintanar, District Secretary