

**MINUTES OF THE SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MARCH 24, 2026**

1. **CALL TO ORDER** - The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on March 24, 2026, was called to order by President Hamilton at 12:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028.

2. **ROLL CALL:**

Present: Directors Hamilton, Mack, Townsend-Smith, Irvine, Hoffman

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Manager Khattab, Information Technology Specialist Espino, District Secretary Quintanar, Administrative Analyst Weber, Chief Operations Manager Gutierrez, Finance Manager Shilkov, Engineering & CIP Manager Williams, Sr. Project Manager Tamimi, Electrical/Instrumentation Technician Gassman, Billing Specialist Kilmer, Meters & Customer Service Supervisor Cruz, Human Resources Specialist Ramirez, SCADA Technician Buntin

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

Video Conference: Administrative Analysts Barrow and Montano, Dan Schitea, Hunter Jones, Hazen & Sawyer consultants, and members of the public

3. **PLEDGE OF ALLEGIANCE**

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

Item No. 7 was moved up to be addressed as Item No. 6.

5. **APPROVAL OF THE AGENDA**

Motion: To approve the Agenda as amended.

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

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

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

6. **CLOSED SESSION**

The Board and appropriate staff adjourned to closed session at 12:05 p.m. to discuss:

- A. **THREAT TO PUBLIC SERVICES OR FACILITIES (Government Code §54957(a)) – Consultation with Legal Counsel**
- B. **CONFERENCE WITH LABOR NEGOTIATORS - Government Code §§ 54957.6 and 54957 Agency Designated Representatives Jake Wiley and Karleen Harp; labor negotiations for: Rainbow Employee Association, & Rainbow Association of Supervisor and Confidential Employees**
- C. **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Anticipated Initiation of Litigation Pursuant to Government Code section 54956.9(d)(4)**

The Board reconvened to open session at 1:04 p.m. Legal Counsel Smith reported that there was no reportable action taken.

7. PUBLIC COMMENT

None.

8. EMPLOYEE RECOGNITIONS

Information Technology Specialist Espino was presented with the Excellence Five-Coin Recipient Award, which is a very special recognition of employees who have earned all five of Rainbow Municipal Water District's Core Value Coin Awards: Teamwork, Professionalism, Responsibility, Innovation, and Integrity. General Manager Wiley recognized Mr. Espino for his ongoing dedication, relayed his appreciation, and presented a plaque.

9. CONSENT CALENDAR

A. APPROVAL OF:

1. February 10, 2026, Budget and Finance Committee Meeting Minutes
2. February 24, 2026, Regular Board Meeting Minutes
3. March 10, 2026, Budget and Finance Committee Meeting Minutes
4. March 18, 2026, Special Board Meeting Minutes
5. Notice of Completion and Acceptance of Minor Facilities Constructed by Customers (Division 5) Accept the Appurtenances Constructed as complete and as shown on the District's Standard Drawings.
6. Construction Agreements Between the District and TH Ocean Breeze Ranch LLC (Division 1)
7. Contract with Flume, Inc., for Participation in the Flume Device Customer Water Consumption Monitoring Program

Motion: To approve the Consent Calendar as presented, including minutes of February 10, February 24, March 10, and March 18, 2026, a Notice of Completion and acceptance of minor facilities, construction agreements with TH Ocean Breeze Ranch LLC, and a contract with Flume Inc.

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

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

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

10. ACTION ITEMS

A. Review and Consider FY 2026/27 Water Sales Projections

General Manager Wiley explained the importance of an established sales projection as part of the budgeting process for the next fiscal year, and the considerations involved. Finance Manager Shilkov added explanation as to how the 10,750 AF projection was determined. Short discussion ensued.

Motion: To approve 10,750 AF as the water sales projection for FY 26/27 for incorporation by staff into the District's Operating Budget.

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

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

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

- B. Review and Consider Approval of a Professional Services Agreement with Silversky Inc. for Cybersecurity Risk Assessment, Controls Review, Policy Development, and Incident Response Exercises

Information Technology Manager Khattab reported that as part of the Cybersecurity Grant, an assessment of District policies and cyber hygiene is needed. SilverSky's proposal was the most cost-effective and strategically aligned of the three proposals received. He explained the scope and costs of the proposed agreement for services, to be funded by the State and Local Cybersecurity Program (SLCGP) grant, which was awarded to the District last Fall.

Motion: To Authorize the General Manager to execute a professional services agreement with SilverSky Inc. in the amount of \$53,957.98, with reimbursement anticipated through the State and Local Cybersecurity Grant Program

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

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

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

- C. Consider Approval of Additional Funding and Award of a Construction Contract to Vadnais Microtunneling for the Line NN Emergency Replacement Project (Division 1)

Engineering and CIP Project Manager Williams provided information regarding Vadnais Construction's bid, totaling \$4,111,545. He explained efforts to reduce costs and expedite the work. The construction bid totaled \$4,111,545. With contingencies and prior authorized costs, the total project cost is estimated at \$4,970,525. Staff and Hazen & Sawyer representatives explained adjustments to the pipe alignment plan. An amendment to the CalTRANS permit is needed, but time will be saved on dewatering, excavation, and shoring. Brief discussion ensued.

Motion: To Authorize an increase in expenditures for the Line NN Emergency Pipeline Replacement Project in the amount of \$1,477,280 to a total authorized expenditure of \$4,970,525 and authorize the General Manager to execute a construction agreement with Vadnais Microtunneling.

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

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

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

11. INFORMATION ITEMS

The staff provided an update on the progress of the La Canada Pipeline Replacement Project. There were no additional questions regarding the information provided in the meeting packet.

12. REPORTS & COMMENTS

Mr. Wiley reported about Metropolitan Water District (MWD) budget planning and rate setting efforts. There may be significant rate increases in the future, and discussions continue regarding options to adjust fixed charges and peaking capacity charges. Their Ad Valorem Tax may be increased once again to recoup State Water Project costs. Adoption of rates and water supply projects may be considered at MWD's workshop in April.

State Water Project water supply is slightly below the normal snowpack. However, all of the reservoirs are full and MWD has ample storage. The Colorado River storage is at about 60 percent, and levels at Mead and Powell are low.

Development activity includes approximately 500 new homes in our District, which will affect Rainbow's Wastewater and CIP budget. Staff will present additional information regarding CIP budget projections in April.

A Community Funded Project appropriations request was submitted, as a result of the combined efforts enabled through the Mutual Services Agreement. Staff is hoping for funding for pipeline replacements and rehabilitation of the District's sewer system. Each of the four agencies presented projects in need of funding.

Legal Counsel Smith reported on a decision of the Second District Court of Appeal creating a split in law regarding Proposition 218's cost-justification requirements for water rates. The Second District Court of Appeal holds a more practical view with respect to the setting of water rates, allowing for consideration of water conservation goals in setting water rates and breakpoints, with a more reasonable cost of service analysis that does not require water agencies to determine the exact cost of service for each individual parcel. ACWA is sponsoring AB2180 in the effort to codify this ruling.

President Hamilton recommended that Standing Committee Members notify their alternate with as much advanced notice possible when absence is foreseen. The preference is at least twenty-four hours in advance of the meeting date. He continued that staff should be notified of the anticipated absence well in advance, in order to attempt to secure a quorum. Director Irvine relayed his support of increased communication.

Director Mack informed staff of a repair that may be needed near the Rice Canyon intersection, and reported on the Lower Colorado River tour that he attended earlier this month, provided by the Water Education Foundation (WEF).

President Hamilton reported on his completion of SB827 financial training and encouraged others to do the same.

13. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were none.

14. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

An alternative energy presentation will be provided in April by Opterra, as well as committee policy, a draft CIP budget, and a pipeline repair update.

15. ADJOURNMENT - The meeting was adjourned at 2:08 p.m., to a regular meeting on April 28, 2026, at 1:00 p.m.



Terese Quintanar, District Secretary



Hayden Hamilton, Board President