

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
MAY 5, 2026**

1. **CALL TO ORDER** – The Regular Engineering and Operations Committee (E&OC) Meeting was held in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028, with remote public participation information listed on the agenda. The meeting was called to order at 1:00 p.m.

Directors Present: Hoffman, Irvine

Staff Present: General Manager Wiley, Information Technology Manager Khattab, Chief Operations Officer Gutierrez, District Secretary Quintanar, Sr. Project Manager Tamimi, Finance Manager Shilkov, Administrative Analyst Barrow

Additional Attendees: Construction/Maintenance Supervisor Nunez, Rodney Smith, Opterra representatives Nancy Rorabaugh, Jeff Woldhuis, Sirsha Nerella, Jerry Portillo, Yiming Peng, and Shane Carlson, ERSC representatives Anthony Herda and Trent Brudin, Engineering and CIP Manager Williams, Safety and Risk Management Officer Johnson, Administrative Analyst Montano, Administrative Services Manager Harp

2. **PUBLIC COMMENT**

There were no requests to speak.

3. **DISCUSSION ITEMS**

- A. Review Draft Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP)

Anthony Herda with ERSC provided the project purpose and reviewed the public drafts of the UWMP and WSCP. He explained the components of each plan, the commonalities of each, and the difference in which the plans are utilized. Pertaining to droughts, Rainbow will coordinate with Eastern Municipal Water District and the State of California drought regulations to declare a local drought, if and when appropriate. The updates to the plans every five years are intended to determine whether future supply will meet growth demands and to develop plans to address water shortages. Mr. Herda provided the recommendation to update Ordinance No. 16-10, to implement a leak detection and repair pilot program, and to consider conducting a Seismic and Vulnerability study. In addition, data contained in various tables within the reports will be provided to the State as required. Mr. Rodney Smith mentioned water storage agreements, water rights, and that the District's counsel may provide comment regarding future groundwater studies. The final drafts will incorporate any questions or pertinent information and will be presented for approval by the Board on May 26, 2026.

- B. Review the Opterra Energy Services Proposed Projects

Opterra Energy Services representatives Nancy Rorabaugh, Jeff Woldhuis, Sirsha Nerella, Jerry Portillo, Yiming Peng, and Shane Carlson were present in person and online. Ms. Rorabaugh explained the process up to this point and the phases of the project. Opterra specializes in Comprehensive Energy programs. She provided a list of projects identified in Phase 1 of their Rainbow Water energy needs evaluation and relayed that time is of the essence regarding

obtaining Inflation Reduction Act Renewable Energy Grant funds. Through projected savings, Inflation Reduction Act funding, and financing, the District would realize approximately \$460,000 in positive annual cash flow and approximately \$62M in projected savings. Ms. Rorabaugh stated that Opterra guarantees power generation and would incorporate retrofits if needed. In addition, the District will not make a payment until solar installation is complete and energy savings are realized. If grant funds are not awarded, the solar project would have to be completed in 2027. Mr. Wiley relayed his understanding of how the projects are packaged and his concerns about long-term debt and risks. Other concerns include the drop in water demands, the need to expedite a contract with no guarantees of IRA grant funding, \$15M in unplanned capital expenditure, and remaining Exit Fee debt obligations. Finance Manager Shilkov explained that, with several existing loans, it may be difficult to secure additional funding at this time. Ms. Rorabaugh stated that the District would be required to pay \$3M by July 3, 2026, to secure the “safe harbor” percentage of materials. The IRA grant application cannot be submitted until construction is complete, and grant funds may only be awarded thereafter. Opterra representatives plan to present this information to the Board of Directors on May 26, 2026.

C. Notice of Completion and Acceptance of the Manual Transfer Switches at Morro Hills, Vallecitos, and Rainbow Hills Pump Stations Project (Divisions 2 & 5)

Engineering and CIP Manager Williams stated that this item is the Notice of Completion (NOC) for the three remaining remote transfer switches. It will be presented for approval at the May 26, 2026, Board Meeting.

D. Eagles Perch Project Update

Staff have been working on signage, notices to residents, and scheduling a town hall meeting. All title reports have been received and planning for placement of facilities within easements is underway. Sr. Project Manager Tamimi reached out to the seventeen affected residents and determined that ten easements are needed. In addition, the alignment was adjusted to minimize the required easements. Directors Irvine and Hoffman relayed interest in attending the town hall meeting.

4. ADJOURN - The meeting was adjourned at 2:37 p.m.