

**MINUTES OF THE ADJOURNED REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 29, 2025**

1. **CALL TO ORDER** - The Adjourned Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 29, 2025, was called to order by President Hamilton at 1:06 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, Hoffman, and Irvine

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, Operations Supervisor Coffey, Utility Locator Sjuneson, Human Resources Specialist Ramirez, IT Intern Caitlyn Melton, PR Intern Sierra Stewart, Information Technology Specialist Espino, Member Nelson

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

Video Conference: Sr. Project Manager Tamimi, Administrative Assistant Montano, Administrative Analyst Barrow, Safety and Risk Management Officer Johnson, Rodney Smith, Bernadette Duran-Brown (Nossaman), Willis Hon (Nossaman), Robert Greenfield (ACWA JPIA), Wastewater Superintendent Zuniga, Rick Carey, Duane Uruqhart, public

3. **PLEDGE OF ALLEGIANCE**

4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA**

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 = 5)

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

6. **PUBLIC COMMENT**

Duane Uruqhart addressed the Board to introduce himself and state that he is a second-generation farmer in our District. He expressed concern about the costs of water. He referenced a few excerpts and highlights from a meeting in the past wherein detachment was discussed. He opined that at that time, agriculture was a priority. Agricultural growers were supportive of the

detachment, in hopes of relief from the cost of water. A rate study was also conducted, and subsequently, he received rate increases. Many assumptions in the report disproportionately affect agriculture, and that needs to change. He urged for the issue to be addressed in order to maintain agriculture in the area.

7. EMPLOYEE RECOGNITIONS

- A. James Sjuneson - 25 Years
- B. Freddy Espino – 5 Years

General Manager Wiley congratulated Freddy Espino on reaching his five-year anniversary with the District. He complimented the amount of work accomplished by our small Information Technology department and spoke of the dedication and efforts involved in backing up the District's systems, making sure staff has the tools needed to do their jobs efficiently, and ensuring the security of District systems. He complimented the daily positivity and teamwork exhibited, relayed his appreciation, and presented a plaque.

He also acknowledged James "Thomas" Sjuneson, the District's Utility Locator, for his 25-year milestone with the District. He handles hundreds of work orders each month independently. 25 years speaks to his level of dedication, and his knowledge of our area and our systems is irreplaceable. He thanked Mr. Sjuneson for his years of service and presented a plaque.

8. COMMITTEE MEETING SUMMARIES

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

Member Nelson reported on items discussed and acted upon by the Budget and Finance Committee. He commented on the outstanding presentation provided regarding the draft budget for Fiscal Year 2025/26. He also reported on items discussed by the Engineering and Operations Committee, including the CropSWAP Program, and the reallocation of funds for various agreements. The Committee recommended approval of the reallocation of funds.

Ms. Weber provided highlights of the Communications and Customer Service Committee meeting, including a robust community events update, an update on the implementation of the Strategic Communications Plan, Newsletter content, and a recap of the Avocado Festival. Director Mack suggested staff have information on meter fees/sizes for customers next year. He also suggested a photo of each Board Member and the Division areas represented by each Board Member.

9. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Calendar, it shall be removed so that it may be acted upon separately.

- A. Approval of March 25, 2025, Regular Board Meeting Minutes

Motion: To approve the March 25, 2025, meeting minutes, as presented.
Action: Approve, Moved by Director Mack, Seconded by Director Hamilton
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

10. PUBLIC HEARING

A. Public Hearing Regarding Vacancy Rates In Each Bargaining Unit In Accordance With AB2561 And Annual Staffing Analysis

President Hamilton called the Public Hearing open at 1:31 p.m.

Ms. Harp explained that the purpose of the hearing is to be in compliance with obligations required by Assembly Bill 2561. She provided a report covering turnover rates, reasons for leaving, generational demographics, succession planning, overtime trends, retirement eligibility, and a recommendation for staffing in the next budget cycle. She confirmed that the bargaining units were provided the opportunity to provide feedback at the hearing.

Vacancy rates as of December 31, 2024, were 2%, overall. The highest vacancy rate was 10% in July 2024 due to one retirement and four newly approved positions. Voluntary resignation was at 11% and total days for an open vacant position was 470 days. Recently, the District's Construction & Meters Supervisor Lagunas announced his resignation, as he's taken a promotional position elsewhere. We also recently lost a member of the Rainbow family's construction team Wayne Nault. Another Valve Maintenance team staff member voluntarily resigned, and recruitment is underway to fill the position. We generally advertise job opportunities for about two weeks, and Rainbow's screening process includes assessments tailored to the position type. There were 35,784 website job posting reviews, 1,062 applications submitted, 338 interviews, and 13 staff members hired in 2024. Recruitment tools we use include GovernmentJobs.com, LinkedIn, Indeed, and others. Last year, the District began conducting reverse interviews for candidates who passed the assessment stage. These reverse interviews have been highly successful in providing information exchange and identifying qualified applicants and decreasing the average time to fill positions.

Challenges include a decrease in the number of applicants. There was also a lower ratio of qualified applicants last year. The frequency with which the District needs to fill vacancies is challenging. Turnover costs are estimated to be \$666,416 over the last three years. Reasons for employees leaving include retirements, career advancement, higher pay, commute, and a variety of other reasons. The workforce has evolved over the past four years, and staff found that older workers tend to stay with the District longer. The younger generation accounts for 81% of the District's turnover. She provided insight into different expectations of work between millennials and Gen Z, and overtime trends of full-time employees, by department. This fiscal year, there have been 1,000 hours of overtime worked, impacting the potential for employee burnout. Ms. Harp also provided information on retirement eligibility and high-priority positions for staffing continuity planning. To proactively plan, she provided recommendations that included training and development, written development plans, creating promotional pathways for several departments, and additional staffing. The net budget impact for the staffing suggestions is \$74,000. Staff will also be looking into creative scheduling and employee incentives within the budget limitations.

Director Mack commented that other agencies are reporting similar challenges with retaining a younger workforce. President Hamilton added that an environment with perceived opportunity for

advancement tends to retain employees longer term. He also noted that some of the “hit rate” numbers for website views may be bots.

The testimonial portion of the hearing was closed at 2:04 p.m.

Motion: To receive and file the Vacancy and Staffing Analysis and approve the recommended staffing changes. This option aligns with the District's strategic objectives for staffing, succession planning, and filling critical positions necessary for operational effectiveness and service delivery.

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. CROPSWAP PROGRAM UPDATE

Ms. Weber announced that today is the one-year anniversary of the program's launch, and she provided information on the outreach efforts. To date, \$1,041,450 of grant funding has been awarded for approved projects within Rainbow MWD's service area. Rainbow MWD customers have submitted 89 applications, and of those, 42 have been approved, 16 are in the pre-inspection/wait list phase, and 23 projects have been completed and paid for. Ms. Weber announced that the Rancho California Water District had previously received an award from MWD for the launch of the CropSWAP program, and efforts to obtain additional funding to extend the program are underway.

Rick Carey commented that the program was originally designed to increase consumption, and he opined that this program has morphed to be more focused on water conservation. He added that he would like to see the multi-year timeline for the success of conversion projects. Mr. Wiley responded that crop conversions are converting to a lower water-use crop. Another member of the public commented that she recently removed 500 trees and is replanting with water-saving, new-generation avocados, and she relayed appreciation for the program.

12. ACTION ITEMS

A. Consider Approval of the Reallocation of Funds for As-Needed Agreements (Districtwide)

Mr. Wiley reported that the Engineering and Operations Committee discussed this matter. He provided background about reviewing various recurring services and the competitive program in place to make contracting for services more efficient. Staff provided information representing the net-zero reallocation and rebalancing of contract funds.

Motion: To approve Option 1, to approve the change orders to reallocate funds as described, authorize the General Manager to execute the change orders for the as-needed agreements as described, and to make a determination that the action identified herein does not constitute a “project” as defined by CEQA.

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

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

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

B. Consider Agreement Between Rainbow Municipal Water District and Fallbrook Public Utility District for Emergency Interconnection(s)

Mr. Wiley explained that the Board approved a Mutual Services Agreement Between Rainbow Municipal Water District (Rainbow), Fallbrook Public Utilities District (Fallbrook), Valley Center Municipal Water District, and Yuima Municipal Water District. The Agreement provides the opportunity to develop shared services, with the intent of reducing operations costs by increasing economies of scale by combining resources to accomplish certain common goals and tasks, share equipment, and deal more effectively with ever-increasing and costly regulatory mandates.

In response to notification of a 21-day emergency outage of Pipeline 4 scheduled for June 1, 2025, staff prioritized the preparation of a draft interconnect agreement and forthcoming construction of the interconnect facilities. As Rainbow and Fallbrook have constructed, own, and operate water pipeline systems along a common boundary, supplying water through an interconnection will be advantageous to our customers during pipeline breaks, maintenance, or water shortages, helping both agencies avoid and/or reduce the impact of service disruptions. The proposed agreement provides the language that will control these connections and how the billing will work for either agency in need of the water. Mr. Wiley clarified for the public that both agencies import their water from the Eastern Municipal Water District, and the agreement allows for imported water that is swapped in these instances.

Motion: To approve: Authorizing the General Manager to execute the Agreement between Rainbow and Fallbrook for Emergency Interconnection(s) without substantive changes.

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

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

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

13. INFORMATION ITEMS

Mr. Wiley and Mr. Gutierrez reported on the June 1, twenty-one day shutdown of Pipeline 4. The SDCWA is shutting down the line for repairs. Planning is underway to move water from the east side of the District to the western and southern portions of our service area. We are also aggressively recoating our tanks this year. The work on the Hutton tank will be completed by June, but the Rainbow Heights tank rehabilitation has been delayed, and that work may not be completed by June 1. A variable frequency drive (VFD) will be installed expeditiously to assist in maintaining pressure. Public messaging will be done in May to remind customers to be mindful of water use during the shutdown period. The three newly constructed pump stations are a very important part in handling this type of situation. We otherwise would have had to rent temporary pump stations at a large price. Operations Manager Gutierrez added that this shutdown is taking place in the summer, which will be a challenge. To mitigate impacts, every water storage facility we have will be full, and water will be moved south to feed the demand in that area. We will also have a heightened response to fire hydrant or mainline leaks. The planned interconnections with FPUD further enhance our ability to provide an adequate supply during these types of events.

Mr. Rick Carey commented that the lead time for harvesting is months, and a heat wave could have a big impact. He relayed that Rainbow MWD needs to be proactively speaking with packing houses.

Finance Manager Shilkov reported on the recent Committee-level budget discussions and explained what would be presented at the Joint Board & Committee Meeting on May 6, 2025. He also reported that water sales as of February 2025 are at 10,000 acre-feet, above budget.

Unrestricted cash reserves are at \$14.4M, and staff will present recommendations for increasing revenues and facilitating a rate study.

14. REPORTS & COMMENTS

General Manager Wiley announced an ACWA Region 10 Board call for candidates, with a June 20, 2025, deadline. He also announced deposit refund checks anticipated from MWD and LAFCO. The Wildfire Symposium is next Saturday, at Fallbrook High School, from 9 to noon. Local agencies will attend, and Mr. Gutierrez will present information at the event. The latest water quality report from the Skinner Water Treatment Plant reflects lower total dissolved solids (TDS) due to additional blending with State Water Project water. Regarding developments, Ocean Breeze Ranch received planning commission approval and a time extension on its tentative map. The development includes 380 single-family homes.

Mr. Smith provided highlights of the Employment Law update included in the meeting packet. He also invited ACWA Conference attendees to a reception hosted by Nossaman LLP on Tuesday, May 13, 2025, from 6:30 to 8:30 p.m.

Director Hoffman requested that an amendment to Administrative Code Section 3.01.030 regarding the frequency and timing of appointment of Board Officers be considered in the future. Director Hoffman will work with staff to draft policy amendments for consideration.

President Hamilton reported on attending a tour of the Pure Water Treatment Plant. He spoke of three projects being considered by MWD, including the Delta Conveyance, Pure Water, and fixed rates that may be implemented to respond to declining reserves.

Director Irvine reported on his and Director Hoffman's recent training at the CSDA Leadership Academy. He commented that it was a productive conference and expressed appreciation for the opportunity. Director Hoffman also provided positive feedback.

LAFCO held a Special District Advisory Commission meeting. They will conduct a study of the rates of all special districts and the differences between various agencies. The study will be fairly extensive, so it is unknown how long it will take to complete. Thomas Kennedy will be working with them to perform the study.

EMWD is reviewing a fixed-cost recovery, specifically for the treated water charge. If approved, the fees will be phased in, which could benefit Rainbow Water.

Mr. Uruqhart commented on the District's hiring challenges and suggested reviewing how AI will affect the future employment model. Ms. Harp answered that she had recently attended sessions regarding the implications of AI and that technological revolutions create new categories of jobs as well, and agencies are learning how to utilize AI to adjust and protect themselves. Mr. Uruqhart also shared that the U.S. has outsourced a vast amount of services, including agriculture, and the U.S. is too reliant on foreign food supplies. He voiced concern that water costs in this District are limiting profitability despite the need to bring production back to the U.S. He encouraged a meeting to receive feedback from the large water meter users in the area, and opined that the most recent Cost of Service Study is flawed.

Another member of the public commented about the 2014 fixed meter rate increase. At the time, there were discussions of reducing water costs, which didn't happen. She opined that if rates aren't lowered, farming will continue to suffer. Mr. Uruqhart again commented that the residential fixed meter charge is less than 50% of the fixed meter charge paid by farmers with larger meters.

15. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests.

16. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

The draft budget will be provided for consideration, and amendments to the Administrative Code may be presented for consideration.

President Hamilton called for a ten-minute break at 3:25 p.m.

17. CLOSED SESSION

The Board adjourned to closed session at 3:35 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) (3 cases)
- 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, Rainbow Exempt Employees

The Board reconvened to open session at 4:57 p.m., and General Counsel Smith reported that the Board took action to approve the Settlement Agreement with California River Watch regarding alleged sewer spill violations under the Clean Water Act. Once executed, copies of the agreement will be available upon request. In addition, the ACWA JPIA rejected the amount of the current claim for alleged damages claimed by Ryan and Vivian Booth, regarding their property located at 6668 Camino Del Rey, and communication between ACWA JPIA and the property owners is ongoing.

18. CONSIDER ADOPTION OF A RESOLUTION APPROVING A SUCCESSOR MEMORANDUM OF UNDERSTANDING BETWEEN THE RAINBOW MUNICIPAL WATER DISTRICT AND RAINBOW EXEMPT EMPLOYEES ASSOCIATION

Motion: To adopt a Resolution No. 2025-04, approving a successor Memorandum of Understanding between the Rainbow Municipal Water District and Rainbow Exempt Employees Association.

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

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

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

19. ADJOURNMENT - To May 27, 2025, at 1:00 p.m.

The meeting was adjourned at 5:03 p.m.



Hayden Hamilton, Board President



Terese Quintanar, District Secretary