

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
APRIL 23, 2024**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 23, 2024, 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, Johnson, Mack, Townsend-Smith, and Dale

**Also Present:** General Manager Wiley, Legal Counsel Smith, Chief Financial Officer Aragon, District Secretary Quintanar, Engineering and CIP Program Manager Williams, Administrative Services Manager Harp, Information Technology Manager Khattab, and Operations Manager Gutierrez, Member Nelson, Human Resources Specialist Ramirez, Construction Crew Leader Nunez, Construction Utility Worker Mendez, Construction Utility Worker III Demary, Construction and Meters Supervisor Lagunas

**Also Present Via Teleconference or Video Conference:**

Administrative Assistant Montano, Safety & Risk Management Officer Johnson, Wastewater Superintendent Zuniga, Administrative Analyst Barrow, Sr. Project Manager Tamimi, and Lora Nichols

Three members of the public were present in person, including Stephen Gebler, and Jim Kozak.

3. **PLEDGE OF ALLEGIANCE**

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

There were none.

5. **APPROVAL OF THE AGENDA**

*To approve the Agenda as presented.*

**Action: Approve, Moved by Director Mack, Seconded by Director Johnson**

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

**Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale**

6. **PUBLIC COMMENT**

Instructions for guests to provide public comment were read aloud. There were none.

7. **EMPLOYEE RECOGNITIONS**

A. Bernardo Nunez – 5 years

B. Dennis Mendez – 5 years

C. Justin Demary – ACWA JPIA Professional Development Program Operations Certification

Mr. Wiley announced that Justin Demary completed the JPIA Professional Development Program, which includes fourteen different topics of training. This training reflects a dedication to safety and expanding knowledge. He congratulated Justin and relayed his appreciation.

Dennis Mendez and Dennis Mendez were recognized for reaching their five-year service milestones with the District. Mr. Wiley acknowledged both as well-respected and appreciated team members and congratulated both of them.

Director Mack recalled Rainbow Municipal Water District employees being complimented and highly respected by the JPIA for the high level of participation in their certificate programs in the past, and he expressed his gratitude.

## **8. COMMITTEE MEETING SUMMARIES**

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

Mr. Nelson stated that financial details were reviewed at the Joint Board of Directors and Budget and Finance Committee Special Meeting of April 9, 2024. and Board Meeting. Mr. Nelson also reported that the Engineering and Operations Committee did not meet this month but will meet again on May 1, 2024.

Ms. Harp reported on the Communications and Customer Service Committee meeting, where Bill Stewart was appointed as Vice Chairperson until January 2025. A detachment update was provided, and information on the development of the Strategic Communications Plan was provided as well. Customer Surveys were discussed. The Avocado Festival took place on Sunday, and over 1,800 promotional items were distributed at the well-attended event. The Bonsall High School field trip is scheduled for this Thursday, and the Rainbow Run is being planned. A ribbon-cutting ceremony may be scheduled in June for the Thoroughbred Lift Station, and a joint celebration for the detachment from the SDCWA is planned for September 26, 2024.

Jim Kozak addressed the Board to introduce himself and express his qualifications and interest in participating on a Standing Committee. He talked about the importance of educating customers about what it takes to provide quality and consistent water service.

## **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 19, 2024, Joint Board of Directors, Engineering and Operations Committee, and Budget and Finance Committee Special Meeting Minutes
- B. Approval of March 26, 2024, Regular Board Meeting Minutes
- C. Approval of April 9, 2024, Joint Board of Directors and Budget and Finance Committee Special Meeting Minutes
- D. Approval Of Notice Of Completion And Acceptance Of Minor Facilities Constructed By Customers

**Motion:**

**To approve Items A-C of the Consent Calendar**

**Action: Approve, Moved by Director Mack, Seconded by Director Dale**

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

**Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale**

**Motion:**

**To approve Item D of the Consent Calendar**

**Action: Approve, Moved by Director Johnson, Seconded by Director Dale**

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

**Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale**

**10. ACTION ITEMS**

- A. Consider Approval Of Change Order No.4 With Harris & Associates To Provide CFD/SCIP Auditing Services

Mr. Wiley explained that this matter was discussed last month, and because there are active developments in various stages of participation in Community Facilities Districts (CFDs) or the Statewide Community Infrastructure Program (SCIP), staff has amended the proposed scope of services for Harris and Associates. The amended scope of services includes auditing services for all active CFD/SCIP projects through December 31, 2024. Staff will issue a Request for Proposal (RFP) for other firms providing these types of services and present that information to the Board for consideration of approval toward the end of this year. He also clarified that the cost of these services is funded by developers. In addition, staff is working to clarify purchasing policy verbiage.

**Motion:**

**To Approve Change Order No.4 with Harris & Associates in the amount of \$35,000, and change the scope to include any/all CFD/SCIP programs within the District, and extend the contract through December 31, 2024, authorize the General Manager to execute Change Order No. 4 to the existing professional services agreement, and make a determination that the action identified herein does not constitute a "project" as defined by CEQA.**

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

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

**Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale**

- B. Consider Adoption of a Resolution Approving and Authorizing the Execution and Delivery of an Installment Purchase Agreement with U.S. Bank for Financing Ten Million Dollars in Capital Projects and Equipment

Mr. Aragon provided an update regarding the previously discussed plan to meet cash flow obligations. The District engaged the services of Fieldman Rolapp & Associates for assistance in the negotiation of the terms of the financing and Nossaman LLP for bond counsel services. He summarized the terms of the \$10,000,000 financing through U.S.

Bank, and that staff will evaluate the overall financial plan each year to determine if its approach to accelerate payment of refinance any of the debt. He confirmed that the District cannot repay the loan before five years without penalty, and the overall terms of the financing were presented to the Budget and Finance Committee. The reserves policy will be reviewed at the Committee and Board level in the future. Director Dale requested information be listed in future meeting materials reflecting the specific use of the loan funds and incorporation of these Capital Fund transactions in the monthly Financial Reports.

Mr. Nelson expressed his support for the financing plan and interest rate benefits, and Director Johnson relayed her appreciation for the staff's hard work and proactiveness.

***Motion:***

***To adopt Resolution No. 2024-07 Approving and Authorizing the Execution and Delivery of an Installment Purchase Agreement with U.S. Bank for Financing Capital Projects and Equipment***

***Action: Approve, Moved by Director Johnson, Seconded by Director Mack***

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

***Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale***

- C. Consider The Adoption Of An Ordinance Authorizing Amendments To Administrative Code Section 9.05.070 Regarding Sewer Capacity Fees And Monthly Charges Due To A Change In Use

Mr. Wiley explained the recommended clarifications regarding intent and timelines on collection of fees and charges resulting from the expansion of wastewater service and the recalculation of the number of the applicable Equivalent Dwelling Units (EDU's). Depending on the nature of the development, this change in use can require the collection of additional capacity fees and an increase in the monthly service charge from the customer. Where significant changes to a property are proposed or have already occurred, the fees can be substantial. Therefore, the proposed policy amendments include requirements as allowable by law, provide clarity on fees and charges to be collected when an expansion of service occurs, offer affordable financing options, and establish remedies for non-payment.

Mr. Williams added that staff tracks work time by project and provided examples of situations requiring additional engineering staff time. Developer fees not used are returned to the developer after engineering services have concluded.

***Motion:***

***To adopt Resolution No. 24-03 Authorizing Amendments To Administrative Code Section 9.05.070 Regarding Sewer Capacity Fees And Monthly Charges Due To A Change In Use***

***Action: Approve, Moved by Director Dale, Seconded by Director Johnson***

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

***Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale***

## 11. INFORMATION ITEMS

- A. Operations Report
- B. Engineering Report
- C. Administrative Services Report
- D. Finance Report

Information was included in the packet. A brief conversation took place regarding details within the Operations Report, future developments, and options for future purchase of capacity.

Director Dale relayed compliments to Mr. Aragon regarding the information on the Treasury Report and the reformatted information in the Board Member Expense Report. Mr. Aragon confirmed that, along with the Reserve Policy, the Table of Expenses information will be discussed with the Board in June.

Referencing the Engineering Report, Mr. Williams clarified that RMWD's work has been completed for the Live Oak Park Bridge Project, and once the punch list has been addressed, the District will issue a Notice of Completion.

In reference to the Administrative Service Report, Director Johnson complimented Karleen Harp and her team for their hard work and the development of professional publications to keep the public informed.

## 12. REPORTS & COMMENTS

Legal Counsel Smith referenced details of the report included in the meeting packet regarding the Supreme Court's decision on social media use by elected officials.

General Manager Wiley reported about Metropolitan Water District's (MWD) approved rate increases. The treated water rate will increase by 11 percent in January 2025 and another 10 percent in January 2026. The San Diego County Water Authority (SDCWA) is projecting a rate increase of 16-25 percent.

The Environmental Protection Agency (EPA) finalized its Maximum Contaminant Levels (MCL) for polyfluoroalkyl substances (PFAS) and set a window for compliance of five years. PFAS has been categorized as a hazardous substance. A second EPA document references water districts as passive contributors, not responsible for remedial costs.

Mr. Wiley concluded by updating the Board about the CropSWAP Program and the progress of the Revitalization of District Headquarters Facilities Ad Hoc Committee meeting of March 26, 2024.

Vice President Johnson reported on her attendance at the Special District's Summit on April 12, 2024, and the CSDA Leadership Academy Conference on April 14-17, 2024.

President Hamilton reported on the Santa Margarita River Watershed Watermaster Steering Committee meeting.

Director Mack reminded everyone of the Spring ACWA Conference, being held in Sacramento in May, and along with Directors Dale and Johnson, reported on the attendance

of the Council of Water Utilities (COWU) event and the Southern California Water Coalition (SCWC) luncheon.

**13. BOARD MEMBER COMMENTS AND REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

Director Dale reported on a recent tour of District facilities. She also asked if the District has a legislative policy in place for letters of support or opposition to legislative issues. This will be a future item for discussion, as will the next SCWC luncheon event.

Mr. Wiley announced that he would be attending the General Manager's Leadership Summit in June, and the registration fee is being covered through a scholarship.

**14. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING**

Capacity Fees and revenue policies will be presented for review and consideration in the near future. Director Mack requested information on the undersized meters issue.

**15. CLOSED SESSION**

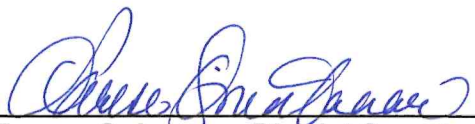
The Board of Directors adjourned to Closed Session at 2:36 p.m. to discuss:

- A. THREAT TO PUBLIC SERVICES OR FACILITIES – Consultation with: Legal Counsel (Per Government Code § 54957)

The meeting was reconvened to Open Session at 3:36 p.m., with no action taken in Closed Session.

**16. ADJOURNMENT** - The meeting was adjourned at 3:37 p.m. by President Hamilton to a regular meeting on May 28, 2024, at 1:00 p.m.

  
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Hayden Hamilton, Board President

  
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Terese Quintanar, District Secretary