



AGENDA

Communications and Customer Service Committee Meeting

Board Room
3707 Old Highway 395
Fallbrook, CA 92028

Tuesday, June 18, 2024
1:00 PM

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL:** Bill Shute (Chair), Bill Stewart (Vice Chair), Hayden Hamilton, James Kozak, Alternate Harp, Alternate Cruz

4. **SEATING OF ALTERNATES**

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

6. **APPROVAL OF THE AGENDA**

7. **PUBLIC COMMENT**

Any person may address the Committee at this time upon any subject not identified on this Agenda, but within the jurisdiction of Rainbow Municipal Water District; however, any matter that requires action will be referred to staff for a report and action at a subsequent meeting. As to matters on the Agenda, an opportunity will be given to address the Committee when the matter is considered.

Members of the public may make comments in person by submitting a Speaker Slip to the Board Secretary, virtually through virtual or teleconference options, or by submitting an email to tquintanar@rainbowmwd.ca.gov no less than one hour prior to the posted start time of the meeting. Comments shall be made in an orderly manner, and profanity, slander, or abusive language which is disruptive to the meeting will not be tolerated. Individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the presiding officer.

8. **APPROVAL OF MINUTES**

A. May 21, 2024

9. **COMMENTS & REQUESTS**

- A. General Manager's Comments
- B. Committee Member's Comments

10. **CROPSWAP UPDATE**

11. **COMMUNITY EVENTS UPDATE**

12. NEWSLETTER CONTENT PLANNING
13. PUBLIC COMMUNICATIONS AND RELATED MEDIA STORIES
14. CONSIDER ADDITION OF LEGISLATIVE AFFAIRS TO THE COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE
15. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT MEETING
16. ADJOURNMENT - To Tuesday, July 16, 2024, at 1:00 p.m.

ATTEST TO POSTING:

/s/Terese Quintanar
 Terese Quintanar
 Secretary of the Board

6/12/2024 10:56 AM
 Date and Time of Posting
 Outside Display Cases

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For Online Participation:

Go to: <https://rainbowmwd.zoom.us/j/82688515149>

If members of the public attending virtually would like to ask a question or make a comment on any item listed on this agenda, please utilize the "Raise Hand" button, located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.

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*Those who have joined by dialing a number on their telephone, can dial *9 to alert us of a request to speak, and *6 to unmute, once called upon by the presiding officer.*

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the District's Administrative offices not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of all, of the members of District's Board, are available for public inspection in the office of the District Secretary, 3707 Old Highway 395, Fallbrook, CA 92028

If you have special needs because of a disability which makes it difficult for you to participate in the meeting or you require assistance or auxiliary aids to participate in the meeting, please contact the District Secretary, (760) 728-1178, by at least noon on the Friday preceding the meeting. The District will attempt to make arrangements to accommodate your disability.

**MINUTES OF THE COMMUNICATIONS AND CUSTOMER SERVICE
COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
MAY 21, 2024**

1. **CALL TO ORDER** – The Communications and Customer Service Committee Meeting of the Rainbow Municipal Water District on May 21, 2024, was called to order by Vice Chairperson Stewart at 1:02 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice Chairperson Stewart, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:** Member Stewart, Member Hamilton

Also Present: General Manager Wiley, Billing Specialist Kilmer, Information Technology Manager Khattab, Administrative Analyst Weber, Chief Financial Officer Aragon, Alternate Harp, Operations Manager Gutierrez, James Kozak

Absent: Member Shute

Also Present Via Teleconference or Video Conference:

Administrative Services Manager Harp, District Secretary Quintanar, Construction and Meters Supervisor Lagunas, Engineering and CIP Manager Williams and Administrative Assistant Montano. No members of the public were present in person, via teleconference or video conference.

4. **SEATING OF ALTERNATES**

With two of the three committee members present, there was no need to seat an alternate.

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

There were none.

6. **APPROVAL OF THE AGENDA**

Motion:

To approve the Agenda as presented.

Action: Approve, Moved by Member Hamilton, Seconded by Member Stewart

Vote: Motion carried by unanimous vote (summary: Ayes = 2)

Ayes: Member Hamilton, Member Stewart

7. **PUBLIC COMMENT**

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

8. **APPROVAL OF MINUTES**

A. April 16, 2024

Motion:

To approve the minutes as presented

Action: Approve, Moved by Member Hamilton, Seconded by Member Stewart

Vote: Motion carried by unanimous vote (summary: Ayes = 2)

Ayes: Member Hamilton, Member Stewart

9. APPOINTMENT OF CHAIRPERSON

Motion:

To approve appointment of Bill Shute as Chairperson

Action: Approve, Moved by Member Hamilton, Seconded by Member Stewart

Vote: Motion carried by unanimous vote (summary: Ayes = 2)

Ayes: Member Hamilton, Member Stewart

10. COMMENTS & REQUESTS

- A. General Manager’s Comments
- B. Committee Member’s Comments

Mr. Wiley provided an update on the pump station construction. Good progress is being made at all three sites. The Rancho Amigos Pump Station is furthest along but deliveries of roofs and generators have been made for all three locations, and more deliveries are anticipated. In early June, we may set the Rancho Amigos building and install the pumps. This pump station is on schedule for completion in mid-October. Staff are continuing communications with the associated agencies for the development of the Operations Plan. MWD is doing some work to get water service agreements and revisions into place, and staff will continue to work through the details to move things along. Positive comments were made about the Pump Station Package Plants and the good reputation of Pacific Hydrotech.

11. FISCAL YEAR 2025 BUDGET PLANNING PROCESS UPDATE & OUTREACH

Mr. Wiley reported on budget workshops over the past two months, including the Engineering and Operations and Budget and Finance Committees.

At the May 14, 2024, Special Meeting, there was discussion of the partial year of savings in wholesale water purchases, following finalization of the detachment. However, an exit fee payment for the detachment will have to be made to the San Diego County Water Authority (SDCWA) so we have those up-front costs. There are a lot of expenses that are beyond our control, such as SDG&E’s rate increases, and supply cost increases. There have been double-digit increases announced by some agencies, and we will avoid some of those increases planned for January 2025. At the last special meeting, we spoke of the need for a 6.5% increase, but some discretionary items are being postponed in the effort to bring that proposed rate increase down. More information will be presented on May 28, 2024. Overall, we’ll need a modest increase in July and MWD will adjust its rates in January, which will affect us by about 3.6%. Our plan is to not have to implement another rate increase until January 2026.

As far as messaging, we need to explain what we’re up against and what we’re doing to minimize impact on customers. Member Stewart commented on how different our projections for the rate increase are now, from a month ago. Member Hamilton commented that now that we have the information from other agencies, we can provide a side by side comparison to customers to show the cost savings related to detachment.

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Mr. Kozak addressed the Committee and recalled where the District was ten years ago and how the detachment is a great solution to what the rates would have been.

12. CROPSWAP UPDATE

Mr. Wiley reported that the application window was opened for this program. More information can be found at Regionalcropswap.com. Rancho California Water District is administering the program. At this point, Rainbow Municipal Water District is in the lead and has exceeded the initial \$200,000 reserved for each of the five participating agencies. There is more funding available, on a first come-first served basis. Funding for this was through a grant from the Department of Water Resources (DWR), and more funding will be sought once the funds are depleted. This Committee has done a great job getting the word out and creating interest. A postcard was also sent to all of our eligible agricultural accounts. Mr. Kozak opined that Rainbow MWD is doing a lot to encourage growers to keep growing. The successful outreach is a reflection of the District's efforts to expand our communication methods. Amanda Weber was credited with much of this improvement.

13. QUARTERLY CUSTOMER SERVICE CALL METRICS

Mr. Aragon reported that call time and interactions with customers continue to improve. The average hold time last year was 1.06 minutes and we are averaging 30 seconds now. Average monthly call time has increased as our Customer Service staff have most recently spent more time providing information and answering customer questions, while still maintaining lower hold times. Ms. Harp relayed that staff have proven their dedication and commitment to providing superlative customer service to our customers.

14. CUSTOMER SERVICE SURVEY

Ms. Weber explained that the Customer Service Survey was opened to the public. Feedback from a limited sample was that customers preferred to receive information through their bills, and to be notified of emergencies via text message. Our customers also enjoy our mailed materials. The Customer Service Department received excellent feedback and customers feel strongly that we care about them. She added that our water quality rating is also high. Member Stewart recalled a pleasing experience when he approached the front desk and that the quality of service has improved significantly.

a. NEWSLETTER CONTENT PLANNING

Ms. Weber mentioned that the CropSWAP program will be included in the next newsletter, as well as a feature on the Bonsall High School Students Field trip, Garden Like a Pro, and the new survey. In June, we will include a Rates and Detachment update, Part 1 on Tips to grow a Sustainable Garden, rebates from MWD, advice on adjusting sprinklers for summer, Poster Contest winners and the Rainbow Run. In July, we'll have a feature on the Value of Water, a Summer Water Guide, encouragement to "Share Your Experience, Backflow Device information, and rebates that are available for Flume.

Mr. Wiley mentioned that MWD is offering rebates for a couple more devices that are similar to Flume. Ms. Weber commented that Flume is the most popular, County-wide.

Ms. Weber also provided a preview of the Consumer Confidence Report (CCR). There is a link to the report on the website, in English and Spanish.

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Mr. Kozak commented that it might be helpful to provide information in our newsletter about backflow preventors. He noted finding a video on You Tube of a Rainbow MWD staff member which was very informative. He encouraged the inclusion of links in the newsletter to lead customers to tutorials. Ms. Harp added that You Tube is a primary opportunity for us and this is one reason we've asked for an intern to help get this information to the public. Vice Chairman Stewart commented on the excellent quality of the CCR.

15. COMMUNITY EVENTS & OUTREACH PLANNING UPDATE

Ms. Weber reported on the Bonsall High School field trip to the District. The MWD Community Services grant funded a STEM kit and other items for the group, which consisted of twelve students. Afterward, there was some interest in hearing more about how water industry careers incorporate chemistry and cyber security. Member Hamilton suggested expanding the reach by offering field trips to other communities in our District.

Mr. Kozak suggested a program to employ students during summer break to give them some experience and possibly some high school credits.

The Rainbow Run will be held June 15, and RMWD will sponsor the water station. There is a registration link on our website.

Ms. Weber also reported that a ribbon cutting event is being planned for the Thoroughbred Lift Station, with tentative dates in September or October. She also reported on the Avocado Festival. It was the 37th year, and the festival attracted thousands of spectators. Over 1,800 promotional items and over 300 pieces of collateral materials were distributed. The favorites were misters, avocado cold/hot packs, and water bottles. Stickers, tattoos and stress balls were popular with the younger crowd.

16. PUBLIC COMMUNICATIONS AND RELATED MEDIA STORIES

Several articles were published by the village news, which were included in the meeting packet. Mr. Kozak suggested placing them on our website. Member Stewart commented on Village News; that they have been providing balanced articles.

17. DISCUSSION AND POSSIBLE ACTION REGARDING COMMITTEE MEMBERSHIP

James Kozak attended and had previously requested consideration for appointment as a member of this Committee.

Mr. Kozak explained that he moved to Fallbrook in 2021. He spent his professional career in land development, primarily in the Inland Empire and Coachella Valley. He also relayed his knowledge and appreciation for the detachment and our involvement with the community.

Members Stewart and Hamilton relayed their support, and commented on the progress made by the District on several fronts, over the past six or seven years.

Motion:

To approve the Appointment of James Kozak.

Action: Approve, Moved by Member Stewart, Seconded by Hamilton

Vote: Motion carried by unanimous vote (summary: Ayes = 2)

Ayes: Member Hamilton, Member Stewart

18. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT MEETING

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Staff will provide updates on the CropSWAP program and the budget planning process at the next meeting. Mr. Wiley also announced that all Committee and Regular Board Meetings will now be held on Tuesdays, at 1:00 p.m.

19. ADJOURNMENT -To June 18, 2024 at 1:00 p.m.

The meeting was adjourned by Vice Chairperson Stewart, at 2:32 p.m.

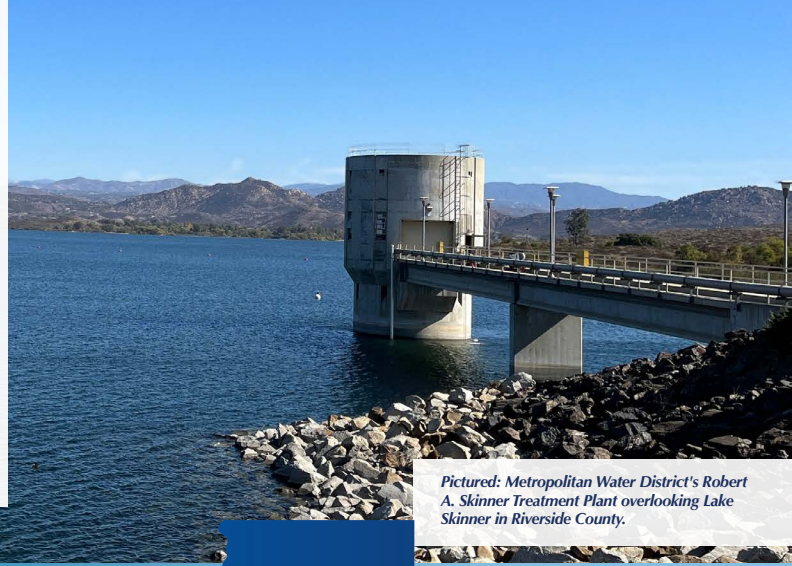
Bill Stewart, Committee Vice Chairperson

Terese Quintanar, District Secretary



COMMUNITY NEWSLETTER

JUNE 2024 . ISSUE 235



Pictured: Metropolitan Water District's Robert A. Skinner Treatment Plant overlooking Lake Skinner in Riverside County.

Planning for the Future Rate Increases and Detachment

Rainbow Water is proud to deliver water and wastewater services to the community. Situated between scenic rolling hills, the community is home to a longstanding tradition of rural lifestyle and robust agriculture production. The area's unique topography and zoning allow residents to enjoy relief from the overcrowding of city life. However, the less densely populated area results in fewer customers than the more populous urban areas to share the cost of maintaining critical water and wastewater infrastructure that supports our community.

Delivering safe and reliable water while maintaining fiscal responsibility is an essential part of Rainbow Water's commitment to service. Periodic rate adjustments are necessary to meet the demands of maintaining and improving infrastructure to ensure water reliability for ratepayers. The Board of Directors will take final action on the 2025 fiscal year budget and proposed rate increases at the June 25 regular Board meeting.

Previously Approved Rate Increase Cut in Half

In 2023, the Board approved rate increases of up to 9% annually based on a cost-of-service study. However,

partial-year savings from detachment and over \$900,000 of staff-initiated budget cuts allow a reduced rate increase of 4.5% on July 1, 2024, instead of 9%. The proposed increase is planned to cover operating needs for an 18-month time frame until January 1, 2026, and is lower than the 5.7% inflation consumer price index rate for San Diego County for the past 18 months.

Why Is the Cost of Water Increasing?

The primary drivers of the increase are factors outside of Rainbow's control, with energy costs alone accounting for 40% of the proposed increase. Energy costs weigh heavily on the budget and have risen by 30% in the past two years, with another 10% San Diego Gas & Electric rate hike planned for January 2025. In addition, increased environmental regulations continue to make projects challenging to permit and more costly to construct.

These rising costs, in combination with a long-term decline in water sales (from 33,000 acre-feet in 2007 to a projected 10,000 acre-feet in 2025), have a direct impact on Rainbow Water's rates. Back-to-back years of wet weather have



Detachment from the San Diego Water Authority (SDCWA) is on track to finalize by January 2025 and will avoid the impacts from a proposed SDCWA 19% rate increase on January 1, 2025, and overall projected 39% rate increase over the next three years.

further impacted recent sales, which are 20% lower than initially projected for 2024. Despite declining sales, the fixed costs and debts for capital improvement projects and infrastructure must be paid to ensure public safety and reliability of water service.

➔ **Planning for the Future** - cont'd on page 2

Your Local Water Provider

As a small government agency, Rainbow Water's rates are set at the cost of service as required by law, and there are no profits. Rainbow Water is committed to continuously improving water infrastructure to meet the needs of our ratepayers, prepare for water emergencies, and ensure water is available where needed for today and the future.

Planning for the Future

Mitigating Customer Costs with Detachment

Rainbow Water's change in water wholesaler through detachment from the San Diego Water Authority (SDCWA) is on track to finalize on or before January 2025. The goal of detachment has always been long-term mitigation of the impact of future wholesale water rate increases. While many were hopeful it would result in short-term rate decreases, that will not be possible due to multiple years of deferred increases while the detachment was pursued, combined with several years of high inflation, record-low sales, and short-term detachment-related expenses. A \$15.8 million exit fee is due to SDCWA, with the first payment of \$3.2 million to be paid in late 2024 and is accounted for in the fiscal year 2025 budget. In addition, as part of the detachment process, \$15 million in capital improvement projects are underway, with completion planned for the end of 2024.

Despite the upfront costs, detachment will still have an immediate benefit to customers by avoiding the impacts of a proposed 19% SDCWA rate increase on January 1, 2025, and a projected 39% rate increase over the next three years. Alternatively, a projected 3.6% Metropolitan Water District wholesale increase will be passed on to Rainbow Water customers on January 1, 2025, which is less than half of the projected 10% pass-through under SDCWA's wholesale rates. Post-detachment, Rainbow Water will use the long-term savings to fund critical infrastructure projects with lower rate increases less affected by declining water sales.

Commitment to Maintain Financial Stability

Rainbow Water used cash reserves to absorb wholesale rate increase from our water supplier and to defer rate increases as long as possible despite rising costs while pursuing detachment. As a result of deferring, the District cash reserves have dipped below minimum targets. Replenishment of reserves is vital to ensure financial stability, continuity of operations, and access to low-cost debt financing to fund capital projects. The funding for capital projects for future years is necessary to ensure the safety and reliability of the essential services provided by Rainbow Water. The current financial plan estimates average post-detachment increases of approximately 4% annually through 2029, plus the wholesale pass-through increases. The proposed current modest rate increase will allow Rainbow Water to maintain financial stability and prepare for the full realization of savings from detachment.

2023 Water Quality Report

Rainbow Water is committed to providing all customers with a safe and reliable water supply. Water is regularly monitored and tested throughout our service area to ensure the water served to your homes and businesses meets or exceeds all state and federal guidelines for safe drinking water, and this past year was no exception. The Environmental Protection Agency and State Water Resources Control Board Division of Drinking Water requires all water agencies to provide an annual Water Quality Report to inform all customers of their drinking water supply. Rainbow Water's 2023 report is on the website in English and Spanish, and print copies are available at the Rainbow Water office. View the report online: rainbowmwd.ca.gov/ccr



Garden Like a Pro

Steps to Save Water and Create a Healthy, Sustainable Garden

- Care:** New plants require extra water during their 12 month establishment period. Water often for the first few weeks, water regularly in the first summer and then taper off.
- Hydrozone Your Plants:** Place plants with similar needs for water and sun on the same irrigation valve.
- Drip Irrigation:** Consider replacing your sprinkler system with drip irrigation in areas with shrubs or rows. The drip system will reduce runoff and allow for direct water where needed.
- Mulch:** Layer three inches of mulch over all planting beds, surrounding every plant without touching the stems or trunks. Mulch retains soil moisture while it feeds the soil.
- Lawn:** Aerate grass periodically and adjust the sprinkler heads to minimize runoff and overspray. Set the lawnmower higher, as tall lawns use less water than short lawns.



70% of California's entire residential water supply is applied to home landscapes, yet many landscapes are over watered due to sprinkler controllers that are not programmed properly.

Remember to check irrigation systems for repairs and reprogram sprinkler controllers to adapt for the summer season. Design your landscape to capture and hold rainwater runoff using downspouts, rain barrels, and dry stream beds. Explore rebates for irrigation controllers, nozzles, rain barrels and more at SoCalWaterSmart.com



Stay Connected

3707 Old Highway 395, Fallbrook, CA 92028
Customer Care & After Hours: 760.728.1178
Office Hours: Mon-Fri 8:00 a.m. - 4:30 p.m.
RAINBOWMWD.CA.GOV

Rainbow MWD approves \$10M financing agreement for capital projects

Joe Naiman, Reporter

May 18, 2024

The Rainbow Municipal Water District will be paying for \$10 million of capital projects and equipment with a loan.

A 5-0 Rainbow board vote April 23 approved a resolution authorizing an installment purchase agreement with U.S. Bank to finance the infrastructure and equipment. The loan will begin as a line of credit with a variable interest rate before converting to a 4.7% fixed rate for the remainder of the ten-year period.

“We’re hoping to use the debt to help keep our cash reserves healthy and prevent any type of shock rate increase,” said Rainbow general manager Jake Wiley.

On July 10, San Diego County’s Local Agency Formation Commission approved a reorganization in which Rainbow and the Fallbrook Public Utility District would detach from the San Diego County Water Authority and join the Eastern Municipal Water District contingent upon approval by the Rainbow and FPUD voters. The voters of both districts overwhelmingly approved the reorganization Nov. 7.

After the LAFCO decision, the SDCWA filed a lawsuit against LAFCO, FPUD, and Rainbow. The four agencies agreed to a settlement Dec. 21. FPUD’s detachment from the CWA and annexation to Eastern became effective Jan. 1.

The Rainbow detachment will be completed after pump stations allow all Rainbow water to be taken from turnouts north of the delivery point where the CWA takes over operation of the San Diego Aqueduct from the Metropolitan Water District of Southern California.

The LAFCO conditions included an exit fee to be paid over five years to cover the loss of the CWA’s revenue from fixed charges. The total exit fee is \$24,305,000 with Rainbow responsible for 65% and FPUD paying 35%. The settlement agreement included payment of the full exit fee amount upon detachment, which equates to \$8,506,750 for FPUD with Rainbow paying \$15,798,250 when that detachment is complete.

“It’s just a two-year payback on the exit fee. That’s what we’re predicting right now,” Wiley said. “We continue to save money after that.”

FPUD’s Jan. 22 meeting included approving the issuance of water revenue bonds to provide rate relief to water users rather than to incorporate the exit fee into the current rates or to defer capital improvement or maintenance projects. “That’s something we’ve been thinking about,” Wiley said. “We have a couple of large capital projects going on right now.”

The replacement of Lift Station No. 1 includes the new Thoroughbred Lift Station and appurtenant pipeline modifications, a force main from the Thoroughbred Lift Station to Old River Road, upsizing the existing sewer line along State Route 76, and a gravity main from Olive Hill Road to the Thoroughbred Lift Station.

Including construction management and inspection services, the planned project cost is \$16,821,287. The three pump stations which will allow detachment from the CWA are currently a \$5,767,980 expense including construction management and inspection.

The State Water Resources Control Board has a

State Revolving Fund which provides 20-year loans at interest rates between 1.5% and 3.0%. The loan through U.S. Bank is more flexible than a State Revolving Fund loan.

“It was a very competitive interest rate,” Wiley said.

U.S. Bank is Rainbow’s primary banking services provider for both checking account services and investment trusts.

The 10-year loan is payable in monthly installments and may be prepaid in whole or in part any time after five years without penalty. “From a government debt perspective it’s really short-term debt,” Wiley said.

The estimated total payment including interest is \$12,784,291. Although the pay-as-you-go method for capital expenses frees up interest payments for other projects, bond debt for capital improvement projects translates into future beneficiaries paying their share as opposed to being paid for in full by current residents who leave the area before the project’s completion with newer residents not paying at all for the project.

RMWD accepts infrastructure, approves Notice of Completion for Pala Mesa Highlands

Joe Naiman, Reporter
June 6, 2024

The Rainbow Municipal Water District has accepted the infrastructure built for the Pala Mesa Highlands development.

The Rainbow board's 5-0 vote May 28 accepted the Pala Mesa Highlands development as complete and approved filing the Notice of Completion. The board action also approved adding the \$4,071,016 installation costs to the district's total valuation and found that the acceptance of infrastructure already installed is not a project subject to California Environmental Quality Act review.

"We're glad the project's finished," said Rainbow General Manager Jake Wiley.

Beazer Homes purchased the Pala Mesa Highlands property west of Old Highway 395 in April 2004. In March 2007, the San Diego County Board of Supervisors approved a tentative map which allowed Beazer Homes to subdivide 84.6 acres into 124 single-family lots.

The supervisors approved the final map and secured agreements in August 2016. The Pala Mesa Highlands lots range from 2,400 to 3,600 square feet and the development accounts for 41.8 acres of the property with an open space lot being the use for the other 36.5 acres.

The secured agreements guaranteed completion of the infrastructure and payment for materials and labor used for the infrastructure. The performance bond included \$1,457,900 to cover improvement of water facilities and \$1,313,400 for the improvement of sewer facilities. The agreement to improve the sewer facilities did not include capacity fees to cover the new development's share of existing infrastructure.

In 1999, Rainbow allocated sewer capacity to the property and, in December 2013, Beazer Homes submitted a sewer permit application which included the eventual payment of \$965,007 for 55 equivalent dwelling units of capacity.

Based on Rainbow fees at the time and planned home sizes, a new sewer service agreement by the Rainbow board in April 2018 included an additional \$1,285,247 for the sewer service connection.

The infrastructure accepted includes 7,039 linear feet of sewer main, 6,063 feet of water main along with appurtenances, 41 manholes, and two pressure reducing stations. "The contractor completed those," Wiley said.

RMWD amendments to sewer capacity fees address changes in use

Joe Naiman, Reporter

May 18, 2024

Developers who connect their projects to the Rainbow Municipal Water District sewer system pay capacity fees to cover their project's share of the existing infrastructure system.

The April 23 Rainbow board meeting included amendments to the district's Administrative Code to address capacity fees and monthly charges due to a change in use.

The amendments were approved on a 5-0 vote. The changes included financing options for additional capacity fee payment. "You don't want to discourage development, redevelopment," said Rainbow general manager Jake Wiley.

The sewer fees are based on equivalent dwelling units. The changes address both the capacity fees and the monthly service charge. "Both of those things are potentially impacted," Wiley said.

For a site with an existing or proposed change in use, a district representative will review the charges which would apply to the current connection and the charges applicable to the expanded connection and collect the incremental difference.

The capacity fees will be based on Rainbow's fee schedule at the time of expansion. If expanded use has previously occurred and the increased fees have not been paid, Rainbow may collect up to four years of the incremental difference.

Financing options will be available for customers who owe additional capacity fees due to a change in use. Any amount financed by the district will require a signed agreement and a promissory note. Any amount greater than \$10,000 will also require a trust deed.

Amounts up to \$5,000 are eligible for a 12-month repayment plan at no interest. Amounts from \$5,000 to \$10,000 may have repayment terms of up to two years at the Local Agency Investment Fund (LAIF) interest rate which will be recalculated annually on the anniversary of the financing arrangement.

Amounts greater than \$10,000 may have repayment terms of up to three years at the LAIF interest rate with the interest rate recalculated annually. Liens will not be offered as a method of postponing payment of fees.

"We wanted to provide some flexible options for basically financing these charges," Wiley said.