

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING  
OF THE RAINBOW MUNICIPAL WATER DISTRICT  
NOVEMBER 5, 2024**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on November 5, 2024, was called to order by was called to order by Member Nelson at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Nelson presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

**Present:** Members Nelson, Marnett, McKesson, Dale, and Gasca

**Also Present:** General Manager Wiley, Operations Manager Gutierrez, District Secretary Quintanar, Information Technology Manager Khattab, and Chief Financial Officer Aragon, Construction Meters Supervisor Lagunas, Water Operations Supervisor Coffey, Administrative Services Manager Harp, Member Stewart

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

Senior Project Manager Tamimi, and Administrative Assistant Montano,  
Engineering and CIP Program Manager Williams, Safety & Risk  
Management Officer Johnson, Administrative Analyst Barrow

4. **SEATING OF ALTERNATES**

There was no need for seating an alternate.

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

Mr. Wiley requested the opportunity to report on the process of detaching from the SDCWA, and discussion of a one-time savings on the fixed side of approximately \$700,000 that may be an option to apply toward acceleration of CIP projects. This item was requested to be added as Agenda Item No. 9 A: SDCWA Detachment Surplus Discussion

6. **APPROVAL OF THE AGENDA**

***Motion:***

***To approve the Agenda as amended.***

***Action: Approve, Moved by Member Dale, Seconded by Member McKesson***

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

***Ayes: Members Nelson, Marnett, McKesson, Gasca, and Dale***

7. **PUBLIC COMMENT**

There were none.

8. **APPROVAL OF MINUTES**

A. October 1, 2024

**Motion:**

**To approve the Minutes as presented.**

**Action: Approve, Moved by Member McKesson, Seconded by Member Dale**

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

**Ayes: Members Nelson, Marnett, McKesson, Gasca, and Dale**

9. **DISCUSS AND CONSIDER AN INCREASE OF \$1.15M TO THE PUMP STATION FISCAL YEAR 24-25 PROJECT BUDGET (PROJECT #600013) FOR A TOTAL BUDGET OF \$4.55M (DIVISION 1)**

Mr. Williams explained the need for adjustment is that sales tax was unknown at the time of initial contract and sales tax was omitted in this year's budget, totaling \$520,000 of the initial contract. Additional costs were necessary to bring the pump stations online ahead of schedule. The two major change orders of approximately \$400,000 were partially to expedite via air freight the machinery and miscellaneous items. The District is generally exempt from property taxes, but not sales tax of 7.75%. The changes the District issued to Pacific Hydrotech was to avoid the risk of not completing the pump stations by the end of the year.

Chairperson Nelson asked for clarification of the project total. Mr. Aragon explained that one table is reflecting what has been paid this fiscal year (active), versus a separate table indicating the total paid and remaining expenses yet to be paid, over multiple years. Mr. Williams explained two change orders relating to an increase of three valves and using temporary switch gear to get SDG&E to get the electrical system online. Had we not done the temporary switch gear, it would have delayed the project. We also increased diameter at West Lilac. Change Order No. 2 was to air freight the valves and to install the temporary switch gear. The temporary switch gear removal is included in the contracted work. There is \$1.7M yet to fund, which will be financed along with the remainder of the SDCWA Exit Fee. Debt financing will again be discussed at the November 12, 2024, Budget and Finance Committee Meeting and the November 19, 2024, Special Board Meeting. Mr. Aragon explained that the \$1.15M is the total of invoices yet to be paid and work that still needs to be done to complete the project. Discussion followed, along with questions being answered by staff.

Member Dale expressed concerns with how the fiscal impact is explained, but that she was in favor in adjusting the CIP list to accommodate the addition of \$1.15M in lieu of adding the amount to the overall budget. She, and other Committee Members requested clarification be added to the Board report to explain the expenses totaling \$1.15M.

**Motion:**

**To direct staff to revise the staff report to present to the Board of Directors to include a breakdown of the expenses approve the budget amendment for \$1.15M for Project #600013 with the staff report being submitted to the Board revised with the recommendation that the increased expenses be listed and categorized and that this Committee recommends Board approval of an increase to the budget in those amounts.**

**Action: Approve, Moved by Member Nelson, Seconded by Member McKesson**

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

**Ayes: Members Nelson, Marnett, McKesson, Gasca, and Dale**

## 9.A SDCWA DETACHMENT SURPLUS DISCUSSION

Mr. Wiley explained the savings associated with water purchase costs between November 1, 2024, and January 1, 2025, due to the early completion of our pump stations. An estimated savings of \$768,800 can be applied to other needs of the District. Options presented were to reduce debt service, accelerate the La Canada Pipeline Replacement Project, Residual Control Systems (RCS) for chlorine residuals at Southern Tanks (Hutton, Turner, and Gopher Canyon), or a diesel Emergency Generator for the Lilac Pump Station. Reducing debt funding needs would result in a savings of \$209,000 in interest costs over the next ten years. Discussion followed regarding various details of the four options presented. After lengthy discussion, the Committee expressed favor in applying the savings to the La Canada pipeline project, should the Board of Directors choose to apply the savings to the CIP budget.

## 10. TANK MAINTENANCE CONTRACT UPDATE

Mr. Wiley presented background regarding previous action to approve cancellation and potential renegotiation of the existing contract with USG. Staff negotiations resulted in a recovery schedule for the tank interiors that provides value to the District at no extra cost. The contract includes interior coating for two tanks and scheduled cleaning of several others. Communication about the process and work schedule will be improved in the future, and staff will monitor performance on an annual basis and non-performance will result in termination of the contract. Discussion followed regarding safeguards in place for adherence to the contract, quality work, and inclusion of industry standards to be met.

Member Dale requested information be provided as a refresher, regarding the changes made to the maintenance operating schedule.

***Motion:***

***To recommend Board approval of the contract amendment, augmented by including reference to technical standards or provisions guaranteeing quality of work, and instruct staff to eliminate from the CIP listing any reference to performing the tank maintenance work in house and provide a review of the operating budget.***

***Action: Approve, Moved by Member McKesson, Seconded by Member Dale***

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

***Ayes: Members Nelson, Marnett, McKesson, Gasca, and Dale***

## 11. PUMP STATION COMMISSIONING PROGRESS UPDATE

Mr. Coffey provided a high-level overview of the Pump Stations Commissioning effort. He explained the unique challenges and staff innovation, capacity testing, the operational benefits realized, and all the components involved in the successful completion of the stations. All of the pump stations can be operated remotely by staff. Appreciation was expressed to staff for a job well done.

## 12. GOPHER CANYON ROAD PIPELINE REPLACEMENT PROJECT UPDATE

Mr. Lagunas provided an update on the main break that occurred on Gopher Canyon, in July of this year. Due to the condition of an extended length of the remaining pipe, the Board approved

replacement of an additional 350 feet of cement-coated steel, upsized pipe, ahead of the planned paving for the original main break. Replacement of the section of pipe now enables RMWD to move water from Dentro de Lomas to the Gopher Canyon Tank. The work was done in-house, and paving is underway. Once the paving is complete, staff will provide a report on the total costs of the project.

**13. COMMENTS & REQUESTS**

- A. General Manager's Comments
- B. Engineering & CIP Program Manager's Comments
- C. Operations Manager's Comments
- D. Committee Member's Comments

Mr. Wiley announced that staff will discuss a water service agreement with EMWD for wholesale water with the Board on November 19, 2024. EMWD will seek action by their Board on November 20, 2024. He also announced receipt of the Notice of Completion filed by LAFCO for the detachment from the SDCWA. A celebration to include all parties is forthcoming. Mr. Wiley acknowledged the enormous amount of work completed by Mr. Aragon and our operations and engineering staff. Several important actions related to the detachment will be presented to the Board for consideration on November 19, 2024. Ms. Harp announced that Rainbow will be featured in the front page of the Village News.

Mr. Gutierrez announced a fire weather watch through Thursday evening, with Santa Ana winds expected. The Magee Pump Station has a backup generator that can be utilized if SDG&E implements a power shutoff.

Committee Members relayed Kudos to staff for their hard work. Chairperson Nelson announced that he would be out of town November 19-26, 2024.

**14. BOARD ACTION UPDATES**

Mr. Wiley reported that the Board approved the NOC and the SDG&E easement at the Special Meeting of October 30, 2024.

**15. AS-NEEDED SERVICES EXPENDITURES SUMMARY**

Mr. Williams made note of the Valley CM Contract Extension and that Engineering staff conducted on call land surveying for a future interconnect with FPUD.

**16. SUGGESTED AGENDA ITEMS FOR THE NEXT MEETING**

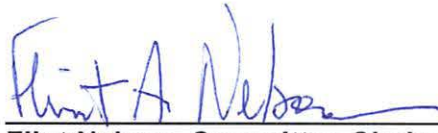
Mr. Wiley announced the planned departure of Rick Aragon, as he accepted a new opportunity at the WMWD. Member Gasca relayed congratulations. Mr. Wiley remarked on how thankful we are to have had Mr. Aragon here to help us with critical financial planning this year. He has us on a good course and has provided a great impact.

If the paving is complete, staff will have an update on the Gopher Canyon Pipeline work at the next meeting. Staff will also be presenting information on costs for chemicals for odor control.

17. **ADJOURNMENT** - The meeting was adjourned by Chairman Nelson at 3:48 p.m. to Tuesday, December 3, 2024, at 1:00 p.m.



**Terese Quintanar, District Secretary**



**Flint Nelson, Committee Chairperson**