

**MINUTES OF THE SPECIAL BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
MARCH 29, 2022**

1. **CALL TO ORDER** - The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on March 29, 2022, was called to order by President Hamilton at 1:30 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(All meetings are being held with in-person attendance following County and State COVID guidelines as well as virtually.)* President Hamilton presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

**Present:** Director Gasca, Director Hamilton, Director Mack, Director Moss, Director Stewart *(via video conference)*.

**Also Present:** General Manager Kennedy, Executive Assistant Washburn Finance Manager Largent, Information Systems Specialist Espino.

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

Legal Counsel Smith, Engineering and CIP Program Manager Williams, Operations Manager Gutierrez.

One member of the public was present for Open Session in person, via teleconference or video conference.

4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

There were no amendments to the agenda.

5. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

The instructions were not read aloud.

6. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC  
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING  
ITEMS ON THIS AGENDA**

There were no comments.

(\*) - Asterisk indicates a report is attached.

## **BOARD ACTION ITEMS**

### **\*7. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 22-12 AND CORRESPONDING CHAPTER 5.10 AND DEBT MANAGEMENT POLICY SECTION 5.10.010 TO BE INCORPORATED INTO ADMINISTRATIVE CODE TITLE 5, ALL DIVISIONS**

Ms. Largent explained with the issuance of the upcoming debt, RMWD was notified it must have a Debt Management Policy under California Code 8855(i) to include the five items listed in the action letter provided in the agenda packet. She listed the items as the purposes for the debt that the proceeds may be used, the types of debt that may be used, the relationship to the debt, policy goals, and different internal control procedures.

Ms. Largent stated staff took three different sample policies as well as looked at the GFOA Best Practices and integrated that into a very simple debt management policy. She pointed out the specifics of the policy include the debt should only be used for capital additions and never for operating, as well as the objectives and limits that are basically the same as those in most of the loan documents RMWD would sign.

Ms. Largent pointed out RMWD must have a debt management policy adopted prior to the closing of the loan.

Mr. Kennedy added there is a section that refers to bond counsel and how Nossaman has a member of their team that works closely with Ms. Largent in reviewing loan documents. He stated staff will not come to the Board with a debt issuance that has not gone through legal review first.

Ms. Largent mentioned this proposed policy also states the Board is required to approve any loans. She also pointed out any bond language that were included in the policies reviewed have been removed other than the section seeking bond counsel which is basically getting counseled on any debt that is taken on.

Director Gasca inquired as to whether the proposed policy includes the requirements to cover that RMWD will be compliant with federal and state laws, as well as follow general and standard accounting practices.

#### ***Motion:***

***To approve Option 1 – Approve attached Administrative Code Chapter 5.10.010 Debt Management Policy and make a determination that the action defined herein does not constitute a “project” as defined by CEQA.***

***Action: Approve, Moved by Director Stewart, Seconded by Director Gasca.***

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

***Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss, Director Stewart.***

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

There were no agenda items suggested.

(\*) - Asterisk indicates a report is attached.

**9. ADJOURNMENT**

*The meeting was adjourned by President Hamilton to a regular meeting on April 26, 2022, at 1:00 p.m.*

The meeting was adjourned at 1:36 p.m.

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**Hayden Hamilton, Board President**

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**Dawn M. Washburn, Board Secretary**

(\* ) - Asterisk indicates a report is attached.