

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
SEPTEMBER 26, 2023**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on September 26, 2023, was called to order by President Hamilton at 12:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

2. **ROLL CALL**

Present: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

Also Present: General Manager Kennedy, General Manager Wiley, Legal Counsel Smith, Executive Assistant Washburn, Information Technology Manager Khattab.

Also Present Via Teleconference or Video Conference:

Legal Counsel Pellman.

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

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

There were no amendments.

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

There were no members of the public in attendance via teleconference or video conference; therefore, the instructions were not read aloud.

5. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**

The meeting adjourned to Closed Session at 12:04 p.m.

6. **CLOSED SESSION**

A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))

* One Item

7. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

The meeting reconvened at 1:04 p.m.

(*) - Asterisk indicates a report is attached.

Time Certain: 1:00 p.m.

8. REPEAT CALL TO ORDER - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on September 26, 2023 was called to order by President Hamilton at 1:10 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

Present: Director Gasca, Director Hamilton, Director Johson, Director Mack, Director Townsend-Smith.

Also Present: General Manager Kennedy, General Manager Wiley, Legal Counsel Smith, Executive Assistant Washburn, Operations Manager Gutierrez, Information Technology Manager Khattab, Engineering and CIP Program Manager Williams, Senior Project Manager Parra, Finance Manager Largent, Administrative Manager Harp, Senior Project Manager Tamimi, Administrative Analyst Barrow, Human Resources Assistant Ramirez.

Also Present Via Teleconference or Video Conference:

Senior Project Manager Tamimi, Administrative Services Manager Harp, Grant Specialist Kim, Administrative Analyst Rubio, Administrative Analyst Weber, Construction and Meters Supervisor Lagunas, Finance Manager Largent, Wastewater Superintendent Zuniga, Customer Service Representative Montano, Safety and Risk Management Officer Johnson, Administrative Analyst Barrow.

Twenty-one members of the public were present for Open Session in person, via teleconference or video conference.

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss one item and there was no reportable action.

12. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)

There were no amendments to the agenda.

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

President Hamilton read aloud the instructions for those attending the meeting via teleconference or video conference.

(*) - Asterisk indicates a report is attached.

**14. ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**

Rory Garzot from Laketricity, a solar developer, stated they have been working with Mr. Williams and Ms. Barrow to get an option to lease approved for the Beck Reservoir site. He noted they were offering a lease fee following which they would develop that into a community solar project with some energy storage that will be coming out through the AB2316 in the next couple of weeks utilizing their own monies. He explained this is expected to be approved and should provide power for the local community at a reduced cost for those subscribers that are 51% or more of low or moderate income. He encouraged the Board to approve it.

Director Gasca inquired as to the timeframe this type of project may take. Mr. Garzot stated 1-3 years.

15. EMPLOYEE RECOGNITIONS

A. Service Awards

1. Robert Gutierrez – 5 Years

Mr. Kennedy mentioned Mr. Gutierrez was hired from the City of Oceanside five years ago as RMWD's Operations Manager. He noted Mr. Gutierrez has tremendously impacted the District by effectively improving the morale and functionality of the operations department. He presented Mr. Gutierrez with a plaque and check in recognition of his tenure and service.

Mr. Wiley stated he had an opportunity to meet with Mr. Gutierrez as part of his onboarding process and how he left that meeting feeling inspired about joining the team at RMWD.

***16. APPROVAL OF MINUTES**

A. August 22, 2023 - Regular Board Meeting

B. September 6, 2023 – Special Board Meeting

Motion:

To approve the minutes for both August 22, 2023 and September 6, 2023.

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

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

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

(*) - Asterisk indicates a report is attached.

***17. BOARD OF DIRECTORS' COMMENTS/REPORTS**

Directors' comments are comments by Directors concerning District business, which may be of interest to the Board. This is placed on the agenda to enable individual Board members to convey information to the Board and to the public. There is to be no discussion or action taken by the Board of Directors unless the item is noticed as part of the meeting agenda.

A. President's Report (Director Hamilton)

There was no report.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting August 24, 2023

Mr. Kennedy talked about the SDCWA retreat that took place on September 7, 2023 noting the main topic was related to third party water transfers.

2. CSDA

Director Mack stated he attended the 2023 CSDA Annual Conference during which both Mr. Kennedy and Mr. Gutierrez instructed two of the courses provided. He noted Mr. Gutierrez's course on leadership was very interesting with high attendance and great interaction with the attendees. He stated he was proud of how these two staff members represented the quality of personnel here at RMWD.

3. LAFCO

Mr. Kennedy stated he attended his last LAFCO Special District Advisory Committee meeting noting he had to resign his seat due to his upcoming retirement. He said it has been an honor to serve in this capacity representing RMWD as well as other special districts around the county for almost eight years.

4. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton stated the committee meets next month.

5. ACWA

Director Gasca announced the 2023 ACWA Fall Conference take place on November 28-30, 2023. He provided information related to AB560 as well as the October 4, 2023 State Water Resources Control Board public hearing. He mentioned Orange County Water District recently captured 2.56" of rain increasing the water storage amounting to approximately 2,800 acre feet due to Hurricane Hilary. He concluded with noting SDCWA made the page on the ACWA newsletter.

- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Johnson mentioned she also attended the CSDA Annual Conference, including the two sessions at which RMWD staff members presented information. She stated she also attended other seminars regarding Board Members and how she found the entire conference to be very worthwhile.

D. Directors Comments

Director Johnson thanked Mr. Williams for taking her on a recent tour to see the Bonsall Oaks project. She mentioned they also drove by Ocean Breeze which is a very historical and valued area to see. She reported she will have the honor of meeting with Ms. Harp and her team to learn about all the work they do within that department here at RMWD.

Director Gasca thanked Mr. Gutierrez for the weekly report he has been sending out and how he has pushed out the blurb about the line failure that took place over the weekend on Neighborhood.

- E. Legal Counsel Comments
 - 1. Attorney Report: Public Officials and Social Media 62162196_1

Legal Counsel summarized the information contained in the written report.

18. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson confirmed the Budget and Finance Committee did not meet in September.

B. Engineering and Operations Committee

Mr. Nelson reported the committee met on September 6, 2023, during which time the committee discussed and voted to recommend Board approval for both Items #26 and #27 before the Board today. He mentioned the committee also received an informational presentation on microplastics.

C. Communications and Customer Service Committee

Ms. Harp reported the committee met on September 7, 2023, during which time the members reviewed the new RMWD logo approved by the Board including the plan for a soft rollout, received an update on customer service metrics, as well as discussed numerous media reports.

PRESENTATIONS

19. CONGRESSMAN ISSA'S OFFICE (ALAN PELLACANI)

Alan Pellacani stated as part of celebrating Mr. Kennedy's upcoming retirement, the congressional district wanted to express their appreciation to Mr. Kennedy for representing communities like those within Fallbrook and Rainbow. He presented Mr. Kennedy with a flag that has been flown over the United States Capitol along with a certificate in honor of his work as well as to acknowledge his retirement. Mr. Kennedy thanked Mr. Pellacani.

Mr. Kennedy pointed out Mr. Pellacani and Congressman Issa's team were instrumental in helping RMWD achieve a \$1.67M federal grant.

(*) - Asterisk indicates a report is attached.

20. GROUNDWATER STUDY PRESENTATION

Mr. Kennedy provided a brief background on the groundwater study noting this current project was crafted to build on the West Yost study conducted years prior. He pointed out there were offramps built in per Board direction to allow opportunities for decision-making purposes as the project progresses.

Mr. Williams mentioned this same presentation was given to the Engineering and Operations Committee meeting. He noted there were several consultants present in the audience as well as attending remotely.

Ms. Parra gave a presentation titled "San Luis Rey Valley Imported Return Flow Recovery Project Feasibility Study". She pointed out this presentation was very technical; thus, she encouraged anyone who needs clarification or has questions to seek such during the presentation.

Ms. Parra pointed out that the main purpose and goal of this project is to diversify RMWD's water supply. She reviewed the feasibility study objectives and summary. She also provided some background noting the West Yost Report indicated that between 2016 to 2046, water users within the SLRVGB were expected to recharge the basin at a rate of 7,200-7,600 acre-feet per year; however, since 2016 there have been numerous changes that have resulted in what would dictate RMWD's ability to extract a specific amount of water from the basin itself such as land use, changes in return flow, and customers reducing their water usage. She displayed a diagram that provides a general overview of how the recharge process works.

Ms. Parra talked about the Groundwater Model update noting Hoch Consulting expanded the data set by approximately 70 years ranging from 1947-2021. She referenced the figure showing the extent of the contributing watershed area and RMWD's study area, which includes a portion of the watershed area.

Ms. Parra stated as part of the groundwater model update, land use trends ranging from 1947-2021 were reviewed. She highlighted that in 1986, 1990, 1995, 2000, 2008, and 2019 there were significant changes in land use trends. She pointed out that part of those changes was the conversion of agricultural land to commercial and residential land, which ultimately affected the need for imported water use and RMWD's allowable volume of extraction. She said it was important to note that from 2016-2023 RMWD's legal counsel and Pala Tribes worked together to better understand RMWD's legal rights and what water RMWD would be entitled to. It was determined RMWD was only allowed to extract the amount of imported water that goes into the basin. She explained as the land use trends are changing, RWMD's need for imported water use is also changing.

Ms. Parra displayed a map showing the well inventory within the study area that was conducted as part of this project. She mentioned staff reviewed the data set provided by San Diego County that ranged from 1980-2010 and how one of the sub-consultants did extensive work in this area that was helpful in developing a more comprehensive data set ranging from 1960-2010. Mr. Williams clarified the blue dots represent people who have pulled well permits that are on record with the County of San Diego; however, there may be more wells out in this area that are not. Mr. Kennedy added although there may be some non-permitted wells out there, it does not necessarily mean they have water rights within the lower San Luis Rey Groundwater Basin.

Ms. Parra also noted imported water suppliers within the contributing watershed area. . She stated within the gray area boundaries shown on the map, there are three water districts importing water and servicing or recharging the basin in this area which are Fallbrook Public Utility District, Rainbow Municipal Water District, and Valley Center Municipal Water District. Imported water deliveries were researched to determine the theoretical demand over an extended period. She explained that data was requested from all three agencies to determine imported water use and how they arrived at a historical average of approximately 11,600-acre feet for 1947-2021, approximately 7,200-acre feet within the last five years, and approximately 7,100 acre-feet per year of annual imported water use recharging the basin currently. She pointed out that the trend line on the chart shows there is a decline which is important because RMWD is only allowed to extract the amount of water put into the basin. She noted planning implementation with a project of this complexity and magnitude will take a minimum of 10 years, which could result in continuing decline of available water in the groundwater basin.

Ms. Parra displayed the overall results noting the key takeaways are the return flow amounts have declined, the amount of return flow available from 2016-2023 has declined, and because the amount of return flow has declined, it has resulted in the proposed project pumping amount to decline as well. She pointed out the Hoch 2023 report shows the 3,277 acre-feet per year is the proposed project pumping amount but does not necessarily reflect the potable water delivery amount due to some loss in treatment.

President Hamilton asked for clarification that should RMWD build the facility in 2016 at 4,000 acre-feet per year, RMWD would need to be operating at a lower capacity. Ms. Parra confirmed this was correct. Director Gasca pointed out that 3,200 acre-feet would be approximately 25% of what RMWD was using. Discussion followed.

President Hamilton inquired as to how recharge rates are calculated. Mr. Kennedy provided an explanation. It was confirmed that the presentation from last month's board meeting on CropSwap was designed to reduce water use.

Ms. Parra presented some of the project considerations, specifically factors that will affect timing and budgeting for the project. These included water quality, site suitability and environmental requirements. She mentioned meeting treating water quality targets, addressing total dissolved solids, and the unknown requirement for removing perfluoroalkyl substances (PFAS). She stated the best place for a treatment plant would be closer to the Pala area, where water would require less treatment, however this would mean a longer brine discharge line. She pointed out that PFAS is a moving target, and as the State and Feds figure out the impacts of such, there may be additional requirements that result in enhanced treatment requirements. This could significantly drive up the cost of a treatment facility. Mr. Williams pointed out that should RMWD move forward with the project, there will likely be new Fed and State requirements that RMWD will have to meet, or the treatment plant would have to be shut down.

Ms. Johnson inquired as to when things started with the State related to PFAS. Mr. Kennedy explained the State has been poking around for years and is now starting to establish regulatory requirements. Discussion ensued.

Ms. Parra presented information on the site suitability analysis tool and explained what areas were determined to have high, medium, and low suitability. She reviewed each of the key considerations noting each was put into analyzing the groundwater study model area. She mentioned three different sites were identified as having the highest suitability. She noted that "Upper Basin Scenario 1" is at District headquarters, the "Mid Basin Scenario 2" is at Highway 76 and Gird Road, and "Lower Basin Scenario 3" is near the Old Bonsall Bridge on Highway 76 and Holly Lane. She stated after these three sites were identified; the project pumping criteria was then applied to see how suitable each site would be. President Hamilton asked why five wells would be drilled in a local area versus two or three. Ms. Parra explained it had to do with the amount of yield the project would extract. Discussion followed.

Ms. Parra reviewed the project pumping versus potable water deliveries for each of the three scenarios. She mentioned it was important to remember that RMWD was not going to yield the amount originally pumped, as some water is lost through treatment.

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Director Johnson asked if there was any way to collaborate as water districts to address some of these significant issues. Ms. Parra explained there are partnering opportunities to share infrastructure, but regarding the environmental CEQA documentation, the project would move forward under a stand-alone CEQA document. She noted she does not necessarily see the environmental permitting phases changing too much; however, there may be some cost savings when looking at shared infrastructure and reduced impacts in certain areas. Discussion ensued.

Director Gasca inquired as to whether the timeline presented includes consideration that RMWD completed a programmatic EIR. It was noted that although this project was not included in the recent programmatic EIR, it may need to be added as part of an amendment. Discussion followed.

President Hamilton inquired about what would happen should the decision be made to go upstream with corroboration with the tribes. Ms. Parra stated discussions have taken place; however, some challenges were encountered. Discussion ensued.

Ms. Parra presented the two project options conceptually identified from the feasibility study. She provided details and considerations for both Option A: Mid-basin with Brine Line to FPUD and Option B: Lower basin with Brine Line to Oceanside Outfall. She displayed a cost comparison for both options and the project timeline noting it does not include permitting durations. She said RMWD anticipates this project taking a minimum of ten years to complete.

Ms. Parra reviewed some of the funding opportunities that may be available; however, where RMWD was currently in its feasibility study, there were zero dollars in grant funding. She stated that does not mean RMWD will not be eligible, but there is a process to become eligible for receiving funding at which point RMWD would take on a more active role for securing grant funding opportunities. Director Johnson acknowledged there were some in San Diego County who have received grant funding for similar types of projects. Ms. Parra noted the opportunities are out there, it is a matter of how RMWD positions itself for funding opportunities. Mr. Kennedy pointed out there are numerous recycling projects as well as other desalter projects.

Ms. Parra pointed out that in addition to grant opportunities, there are also low-interest loans and buy-back opportunities. Cari Dale from Hoch Consulting stated RMWD was on the right path in terms of positioning itself to get the funding from the Bureau of Reclamation which could provide up to 25% of the project costs or \$30M, whichever is less. She mentioned there is a great deal of State funding available through the water bond and shared information related to other loan programs that come through the State and Federal government.

Ms. Parra concluded the presentation by noting Mr. Gillingham will present the financial feasibility of this project next.

21. GROUNDWATER STUDY FINANCIAL PRESENTATION (DOUG GILLINGHAM)

Mr. Kennedy introduced Doug Gillingham from Gillingham Water who provided engineering economics for this project as an impartial party.

Mr. Gillingham presented the economic feasibility assessment conducted for the San Luis Rey River Imported Return Flow Recovery Project. He stated the nature of capital investments is that you are spending money upfront on the expectation of benefits down the road. He said in this case, RMWD was also hoping for supply reliability, local control, and non-reliance on the Colorado River and the State Water Project; however, caution should be exercised when someone approaches the Board stating they have looked at the economics of a project and it is a good deal because there are so many inputs involved for which he provided examples. He said he would be jumping to the conclusion and walk the Board through the many ways the numbers can be manipulated so that they can make an informed decision with confidence based on reasonable assumptions before investing \$85M of the ratepayer's money into this project.

Mr. Gillingham presented the economic comparison between the project versus no project alternative, which is that RMWD will continue to purchase the same increment of supply from its imported supplier, whether that be San Diego County Water Authority (SDCWA) or Eastern Municipal Water District (EMWD). He pointed out that transitioning to EMWD is a very good deal for RMWD; however, in terms of this project, this transition reduces the avoided costs of having to purchase that much imported water. He said if RMWD were to continue purchasing imported water from SDCWA, it might be worth further investing in modest further studies.

Mr. Gillingham talked about the information provided related to capital and annual cost estimates for Alternative A and Alternative B, noting the differences between the two are very small. He noted the remaining presentation focused on Alternative A only. He demonstrated what happens once more optimistic assumptions are made within the model.

Director Gasca pointed out Ms. Parra's presentation had shown RMWD would only be able to get to 2,600 acre-feet; therefore, he recommended Mr. Gillingham crank the amount of water down to that number. Mr. Kennedy stated if that were to happen, this project would not "pencil out" at all. Director Gasca also suggested this model also consider the savings RMWD will incur should it leave SDCWA. Discussion followed.

President Hamilton stated this was great information; however, he did not see any value in pursuing this further until after the November elections. Mr. Kennedy stated his recommendation would be to table this project for now; however, there are approaches that may be important to consider, including talking to the appropriate organizations related to potential funding opportunities as well as looking at expanding the project if possible. He noted after reviewing older legal files, he came across one from a former general manager in 2003 who had inquired about 3,000 acre-feet of water rights RMWD had abandoned at some point. He stated this communication has been shared with Mr. Wiley, Mr. Williams, and Legal Counsel.

Mr. Kennedy recommended the Board pause on this project and then proceed should it be determined as to whether RMWD could receive more grant funding as well as more volume. Mr. Williams asked the Board when they would like staff to present an action item on this project for their consideration. Director Gasca stated he would like a workshop to be conducted with Mr. Gillingham at the December or January Engineering and Operations Committee meeting. President Hamilton recommended staff continue to investigate partnering and funding opportunities before bringing this back to the Board for a decision.

Mr. Kennedy pointed out that when the decision was made to move forward with the \$1.2M contract for this project, the Board had asked for there to be some offramps incorporated so that they could decide whether to proceed before expending the costs allotted for this project. He noted there is \$600,000 remaining in the budget for this project which he does not recommend spending until after the November 7, 2023, elections.

Director Johnson agreed that at this time it is best to not continue funding this project and wait until the outcome of several things such as the November 7th voting of the ratepayers, and continued search of state and local funding sources. She said should something be discovered that would significantly help with the funding of the project with lower cost to the ratepayers, this project be looked at again in detail, but at this time, at least as one member of the Board, she thinks this project should be put on hold and the remaining \$600,000 go back to funding other CIP projects.

Director Gasca stated he would like to hear from Mr. Nelson as the Chairperson of the Engineering and Operations Committee. Mr. Nelson stated what he was looking for as part of the economic analysis was the opportunity cost associated with the money that RMWD needs to raise to execute this project. He said no matter how much grant funding is received, there will be a "local match" which must come from borrowed money, bonds, short-term loans, or ratepayers in the form of higher rates. He expressed concern related to opportunity costs for the non-grant-funded aspects of this project.

Mr. Williams offered to coordinate the preparation of an action memo to present at both the January Engineering and Operations Committee meeting and Board meeting, respectively. Director Gasca recalled hearing in addition to this, RMWD's grant specialist is currently researching funding sources.

Mr. Wiley recognized Ms. Dale was correct in that there were opportunities for funding projects like this as well as noted there are also new opportunities for funding these types of feasibility studies. He agreed there are activities that can take place without spending \$600,000 on design work; thus, a reset in finding the appropriate target would be best. Director Johnson clarified that although \$600,000 was significant when she is talking about grants, she is not asking for matching, but rather for those that are not asking for a 50/50 cost share with RMWD.

Discussion went to Item #23.

BOARD ACTION ITEMS

***22. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 23-24 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING TOM KENNEDY FOR HIS LEADERSHIP AND DEDICATION**

President Hamilton called for a break at 3:17 p.m.

The meeting reconvened at 3:25 p.m.

President Hamilton read Resolution No. 23-24 aloud into the record.

Motion:

To approve Resolution No. 23-24.

Action: Approve, Moved by Director Gasca, Seconded by Director Johnson.

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

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

President Hamilton presented Mr. Kennedy with a plaque in recognition for his dedication and service.

Mr. Kennedy expressed his appreciation noting it has been an honor to come to RMWD every day. He mentioned RMWD has a great team that made a huge difference in what he has been able to accomplish.

Discussion went to Item #24.

23. CONSIDER APPROVAL OF AN AMENDMENT TO THE STANDARD SEWER SERVICE AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT (DISTRICT) AND PAPPAS INVESTMENTS FOR THE PALA RANCH (FKA) CAMPUS PARK WEST) DEVELOPMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5424-1 (DIVISION 4)

Mr. Kennedy explained that whenever developments come in that bind up RMWD's sewer capacity, the current Administrative Code requires a 50% deposit. He noted this project is located across Interstate 15 from the District where the model airplane park will be and consists of 500,000 square feet of commercial space.

(*) - Asterisk indicates a report is attached.

Kurt Hubbell stated approval has been received for commercial/residential use with 248 multi-family units. He noted the ultimate yield depends largely on the buyer and the type of product they want to put on it.

Mr. Kennedy pointed out the developer needs this Sewer Service Agreement to receive final permitting approval from the County. He mentioned some of the benefits of having some commercial and retail developed within the district.

Mr. Hubbell clarified they were not talking about paying anything reduced on capacity fees, but rather the upfront deposit. He noted they have received extremely strong interest from the tenant community in this development and how the client is trying to make it work financially. He stated the development would benefit RMWD in that services will be nearby as well as possibly increase the value of the district headquarters property.

President Hamilton inquired as to whether the agreement included a sunset clause. Mr. Williams confirmed there was a thirty-month clause.

Motion:

To approve Option 1 - Determine that the action identified herein does not constitute a "project" as defined by CEQA and authorize the General Manager and General Counsel to execute the proposed amendment and Sewer Service Agreement on behalf of the District.

Action: Approve, Moved by Director Gasca, Seconded by Director Johnson.

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

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

Discussion went to Item #22.

24. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Director Johnson recommended the Board of Directors visit the Lake Skinnner and Vail Lake with the assistance of Mr. Wiley and that this visitation be made available to volunteer committee members.

Discussion went to Items #25-#27.

CONSENT CALENDAR ITEMS

***25. APPROVAL OF RESOLUTION NO. 23-25 ESTABLISHING CHECK SIGNING AUTHORITY**

***26. ACCEPTANCE OF INFRASTRUCTURE FOR RICE CANYON TANK TRANSMISSION MAIN PROJECT BY CASS ARRIETA ON BEHALF OF TRI-POINTE HOMES (DIVISION 4 & 5)**

(*) - Asterisk indicates a report is attached.

***27. NOTICE OF COMPLETION AND ACCEPTANCE OF INFRASTRUCTURE FOR RAINBOW WATER QUALITY IMPROVEMENT PROJECT – WATER MAIN AND SERVICE RELOCATIONS PROJECT BY ORTIZ CORPORATION INC. (DIVISION 5)**

Motion:

To approve the Consent Calendar items.

Action: Approve, Moved by Director Johnson, Seconded by Director Townsend-Smith.

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

Ayes: Director Gasca, Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

Discussion went to Item #28.

BOARD INFORMATION ITEMS

***28. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Operations Comments**
 - 1. Operations Report
- C. Engineering Comments**
 - 1. Engineering Report
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
- D. Administrative Services Comments**
 - 1. Administrative Services Report
- E. Finance Comments**
 - 1. Board Information Report
 - A.** Budget vs. Actuals (August and September)
 - B.** Fund Balance & Developer Projections (August and September)
 - C.** Treasury Report (August and September)
 - D.** Five Year Water Purchases Demand Chart (August and September)
 - E.** Water Sales Summary (August and September)
 - F.** Check Register (August and September)
 - G.** Directors' Expenses Report (August and September)
 - H.** Credit Card Breakdown (August and September)
 - I.** RMWD Properties (August and September)
 - J.** Grant Progress Report (August and September)

Ms. Harp announced the RMWD Health Fair will take place on October 3, 2023, and there were slots available for any Board Members who would like to get their flu shots.

The information and financial items were received and filed.

Discussion went to Item #29.

(*) - Asterisk indicates a report is attached.

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

It was noted the finance department will have many items for next month's agenda.

Discussion went to Item #30.

30. ADJOURNMENT

The meeting was adjourned by President Hamilton to a regular meeting on October 24, 2023, at 1:00 p.m.

The meeting was adjourned at 3:43 p.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary