MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
SEPTEMBER 22, 2026

CLOSED SESSION 12:30 P.M.

President Hamilton called the meeting to order at 12:30 p.m., after confirming there were no members of the public requesting to comment, the Board adjourned to closed session at 12:33 p.m. to discuss:

A. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code section 54956.9(d)(4) (1 case)
B. CONFERENCE WITH LABOR NEGOTIATORS - Government Code Section 54957.6
Agency designated representatives: Ad Hoc Committee Members Hamilton and Irvine
Unrepresented Employee: General Manager

The Board resumed open session at 1:00 p.m. There was no reportable action.

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on September 22, 2026, 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 presided.

2. **ROLL CALL:**

Present: Directors Hamilton, Mack, Townsend-Smith (attended remotely pursuant to Brown Act provisions), Irvine, Hoffman

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Manager Khattab, District Secretary Quintanar, Administrative Analyst Weber, Chief Operations Manager Gutierrez, Finance Manager Shilkov, Engineering & CIP Manager Williams, Billing Specialist Kilmer, Meters and Customer Service Supervisor Cruz, Construction & Maintenance Supervisor Nunez, Purchase and Inventory Control Specialist Daugherty, Utility Worker Diaz, Cross Connection Control & Backflow Technician Galloway, Human Resources Specialist Ramirez, Accounting Specialist II Martinez,

Also Present in Person, Via Teleconference or Video Conference: Sr. Project Manager Tamimi, Administrative Analyst Barrow, Safety and Risk Management Officer Johnson, Cindy Fuentes, Troy Conner, Jason Kendall (Kendall Farms), Bill Stewart, Bernadette Duran-Brown, Michael Miller, Public

3. **PLEDGE OF ALLEGIANCE**

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

A request was made to reorder Items 6 and 7, changing Public Comment to Item No. 7.

5. APPROVAL OF THE AGENDA

Motion: To approve the Agenda as amended.
Action: Approve, Moved by Director Irvine, Seconded by Director Hamilton
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

6. EMPLOYEE RECOGNITIONS

General Manager Wiley recognized the District's Cross-Connection Control & Backflow Technician Alex Galloway for reaching his five-year milestone with the District. Mr. Galloway is responsible for administering the District's Backflow Program, which is a big and important responsibility. He goes above and beyond and is appreciated for his excellent work ethic.

The District's Accounting Specialist II, Laura Martinez was recognized for reaching her ten-year milestone with the District. Mr. Wiley explained that Laura is responsible for a wide range of tasks for the Finance Department and is a tremendous resource for the District.

Ms. Martinez and Mr. Galloway were thanked and presented with plaques of appreciation.

7. PUBLIC COMMENT

Kendall Farms representatives Jason Kendall, Cindy Fuentes, and Troy Conner provided background on the company and their current situation in light of the encroachment on the District's easement and 14-inch waterline. They expressed appreciation for the time and collaboration with the District and proposed a short-term and long-term solution. The short-term solution would be completed in about eight weeks and would restore water service and system function at no cost or liability to the District. In regard to the long-term solution, they requested sixty days to determine the best course to address the removal of the encroachments within the easement and meet with professionals to develop options for rerouting the waterline. Kendall Farms would grant the District a waiver of liability

8. CONSENT CALENDAR

A. APPROVAL OF:
   1. August 11, 2026, Special Board Meeting Minutes
   2. August 11, 2026, Special Budget and Finance Committee Meeting Minutes
   3. August 18, 2026, Regular Board Meeting Minutes
   4. September 1, 2026, Engineering & Operations Committee Meeting Minutes
   5. September 8, 2026, Budget and Finance Committee Meeting Minutes
   6. Notice Of Completion and Acceptance of Minor Facilities Constructed by Customers (Division 5)
   7. Three-Year Contract Renewal with Softchoice for the Licensing of Microsoft Office 365, Office Advanced Threat Protection, Azure Security, SQL Server, and Windows Server Licensing

Motion: To approve the Consent Calendar as presented, including the meeting minutes of the August 11, 2026, Special Board Meeting, August 11, 2026, Budget and Finance

Committee meeting, August 18, 2026, Board Meeting, September 1, 2026, Engineering and Operations Committee meeting, September 8, 2026, Budget and Finance Committee Meeting, a Notice Of Completion, and a three year contract renewal with Softchoice
Action: Approve, Moved by Director Irvine, Seconded by Director Hoffman
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

9. ACTION ITEMS

A. Consider Award of Three Agreements for On-Call Asphalt Paving Services (Districtwide)

Mr. Gutierrez explained that obtaining asphalt paving services individually for each small project is inefficient, requiring new Requests for Proposals (RFPs) and evaluations each time. Instead, issuing multi-year as-needed agreements allows the District to access qualified firms more quickly when services are needed. These agreements are cost-neutral, because funds are drawn from existing CIP and O&M project budgets. If project activity decreases, no additional money is spent.

Mr. Wiley added that an additional benefit to having these contracts in place is to not be overcharged in urgent situations, and quicker service. The District pre-qualified three firms and staff recommended entering on-call services agreements in the amount of $250,000 with each of the firms. The total cost to the District will be dependent on the asphalt paving tasks needed during the life of the agreements. Funds for this agreement have been budgeted in the Operations department and will be allocated to the respective CIP and Developer projects as applicable.

Motion: To approve Option 1: To authorize the General Manager to execute three (3) Professional Services Agreements in the amount of $250,000 each to J&S Asphalt, Inc, Joe's Paving Company, Inc., and Peters Paving and Grading
Action: Approve, Moved by Director Irvine, Seconded by Director Townsend-Smith
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

B. Consider Approval of a Change Order with Ardurra for Engineering Support Services (Districtwide)

Engineering and CIP Manager Williams presented information about the services that Ardurra has provided for four years. They provide support for all developer projects, sewer service studies and agreements, and more. He described in detail about several developer projects in various stages of development, and the extensive services performed by Ardurra which led to the proposed change order. The Engineer position the District is currently filling will eventually perform the services Ardurra provides.

Mr. Wiley clarified for the Board that staff is requesting $600,000 and a contract extension through December of 2027.

Motion: To approve Option 1: To approve Change Order No.9 in the amount of $600,000 and authorized the General Manager to execute Change Order No. 9 with Ardurra
Action: Approve, Moved by Director Hamilton, Seconded by Director Irvine
Vote: Motion carried by majority vote, with Director Townsend-Smith abstaining (summary: Ayes = 4)
Ayes: Directors Hamilton, Mack, Hoffman, and Irvine

C. Consider Adoption of an Ordinance Authorizing an Amendment to Chapter 8 of the District's Administrative Code - Connection and Meter Charges

Mr. Williams explained that the proposed clarification details the process for removal and abandonment of a water meter and related facilities to meet industry standards and ensure the safety of the District's infrastructure.

Motion: To adopt Ordinance No. 26-16, authorizing amendment to Administrative Code Section 8.11.040.09.
Action: Approve, Moved by Director Irvine, Seconded by Director Hamilton
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

D. Consider Adoption of an Ordinance Authorizing Amendments to Administrative Code Sections 5.03.080 and 5.03.150 - Investment Policy

Finance Manager Shilkov explained that after this year's annual review, staff identified opportunities to simplify the authorized-investments provision and consolidate reporting while preserving statutory compliance and Board oversight. Proposed amendments to Section 5.03.080 combine the consolidated monthly investment report with the monthly transaction report. Amendments proposed to Section 5.03.150 replace the detailed list and local limits with the requirement that District investments comply with California Government Code.

Motion: To adopt Ordinance No. 26-17, authorizing amendment to Administrative Code Sections 5.03.080 and 5.03.150
Action: Approve, Moved by Director Irvine, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

E. Discussion and Possible Action Regarding the Appointment, Employment; Evaluation of Performance, or Compensation of the General Manager (Jacob Wiley)

Administrative Services Manager Harp explained that the draft contract includes an annual cost of living adjustment of 2.7%, and amendment to Section 4(H) to change the lump sum contribution to a 401(a) account instead of the 457(b), due to a vendor change.

President Hamilton referred to discussions held by the ad hoc committee, and the various options under consideration.

Mr. Wiley relayed his appreciation and relayed that the Board's feedback throughout the process was helpful.

Motion: To approve Option 2, to modify Section 4(H), Deferred Compensation, as outlined in the draft Amendment No. 5, and a 0.8% merit increase to Mr. Wiley's base salary to bring the biweekly salary to 11,316.79 beginning on September 25, 2026, and a one-time lump sum discretionary bonus of $10,000, to be paid on the next regular pay date
Action: Approve, Moved by Director Hamilton, Seconded by Director Irvine
Vote: Motion carried by unanimous vote (summary: Ayes = 5)

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

10. INFORMATION ITEMS

Ms. Harp announced that the District has hired an Engineer, who will join the District on November 30.

11. REPORTS & COMMENTS

Mr. Wiley reported that the water transfer approved with EMWD has completed the process through EMWD and SDCWA, and delivery of the 1,500 acre-feet of local supply will start in 2027 and the payment for the 3,000 acre-feet will be made in January.

Discussions continue regarding the Colorado River, low lake levels, and new Bureau of Reclamation (BOR) regulations, effective October 1, 2026, which mandate cuts to various agencies of 440,000 acre-feet per year for the next two years. The state of Nevada filed a lawsuit against BOR targeting the additional cuts, and Arizona may follow suit.

On the legislative front, there have been several pieces of proposed legislation to fund activities in the Colorado Basin, focused on water conservation. The proposed projects to reduce the draw on the Colorado River are attractive, and Federal Funds may become available.

The Eagles Perch Project is out to bid, and the Wild Acres Pump Station will be bid soon, with an anticipated contract award in December.

AB 1383, proposing a PEPRA reform has been vetoed by Governor Newsom. AB 2180, in connection with Proposition 218, providing clear definition of how we can define our water rates is on the Governor's desk. SB 1153, which limits wildfire liability and provides protection for water agencies, has also passed and is on the Governor's desk. The State of California has issued an Emergency Proclamation for the anticipated El Niño so state agencies can begin to coordinate resources and speed up the permitting processes. Resources, including sandbags, are one of the things Rainbow Water has started coordinating with North County Fire, and has offered the District as a potential location.

The implementation of the Enterprise Resource Planning (ERP) has begun. The finance module will be implemented first and is expected to be live by next July.

Legal Counsel Smith provided a brief update on legislation reducing the legal exposure of water districts for wildfire damage claims.

Director Hoffman reported on the UWI Conference, where emergency preparedness was a topic. Mr. Gutierrez relayed that there is a working plan for emergency response and hazards in place to preemptively move water where needed and personnel communicate directly with command posts and adjust Rainbow's system accordingly. President Hamilton stated that the Board Members need to be incorporated into the plan for talking points and contact information. Ms. Harp added that Rainbow's formal Emergency Response Plan includes a Rainbow Water PIO and Incident Commander. Discussion ensued.

A brief discussion was held, regarding Cybersecurity and AI management. A draft policy for utilization of AI Solutions will be completed and provided to staff.

12. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests.

13. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

The October meeting will include multiple closed session discussion. There were no additional requests.

14. ADJOURNMENT - The meeting was adjourned at 2:48.m., to a regular meeting on October 27, 2026, at 1:00 p.m.

Hayden Hamilton, Board President

Terese Quintanar, District Secretary