



PURSUANT TO THE EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR NEWSOM ONE OR MORE BOARD MEMBERS MAY PARTICIPATE IN THE BOARD MEETING VIA TELECONFERENCE

MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN THE BOARD MEETING OPEN SESSION BY GOING TO <https://zoom.us/j/574545796> OR BY CALLING 1-669-900-6833 or 1-346-248-7799 or 1-253-215-8782 or 1-301-715-8592 or 1-312-626- 6799 or 1-929-205-6099 (WEBINAR ID: 574 545 796) (CLOSED SESSION WILL NOT BE ACCESSIBLE TO MEMBERS OF THE PUBLIC)

MEMBERS OF THE PUBLIC MAY ALSO EMAIL PUBLIC COMMENTS AND COMMENTS ON AGENDA ITEMS IN ADVANCE TO OUR BOARD SECRETARY AT DWASHBURN@RAINBOWMWD.COM. ALL EMAILED COMMENTS MUST BE RECEIVED **AT LEAST ONE HOUR IN ADVANCE OF THE MEETING**. ALL EMAILED COMMENTS WILL BE READ TO THE BOARD DURING THE APPROPRIATE PORTION OF THE MEETING. PLEASE KEEP ANY WRITTEN COMMENTS TO THREE MINUTES.

BOARD MEETING

RAINBOW MUNICIPAL WATER DISTRICT
Tuesday, March 24, 2020
Closed Session – Time: 12:00 p.m.
Open Session - Time: 1:00 p.m.

THE PURPOSE OF THE REGULAR BOARD MEETING IS TO DISCUSS THE ATTACHED AGENDA

District Office	3707 Old Highway 395	Fallbrook, CA 92028
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Board Agenda Policies

Board of Directors Meeting Schedule Regular Board meetings are normally scheduled for the 4th Tuesday of the month with Open Session discussions starting time certain at 1:00 p.m.

Breaks It is the intent of the Board to take a ten minute break every hour and one-half during the meeting.

Public Input on Specific Agenda Items and those items not on the Agenda, Except Public Hearings Any person of the public desiring to speak shall fill out a “Speaker’s Slip”, encouraging them to state their name, though not mandatory. Such person shall be allowed to speak during public comment time and has the option of speaking once on any agenda item when it is being discussed. Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.

Public Items for the Board of Directors' agenda must be submitted in writing and received by the District office no later than 10 business days prior to a regular Board of Directors' Meeting.

Agenda Posting and Materials Agendas for all regular Board of Directors' meetings are posted at least seventy-two hours prior to the meeting on bulletin boards outside the entrance gate and the main entrance door of the District, 3707 Old Highway 395, Fallbrook, California 92028. The agendas and all background material may also be inspected at the District Office.

You may also visit us at www.rainbowmwd.com.

Time Certain Agenda items identified as “time certain” indicate the item will not be heard prior to the time indicated.

Board meetings will be recorded as a secretarial aid. If you wish to listen to the recordings, they will be available after the draft minutes of the meeting have been prepared. There is no charge associated with copies of recordings. Recordings will be available until the minutes of such meeting are approved. Copies of public records are available as a service to the public; a charge of \$.10 per page up to 99 pages will be collected and \$.14 per page for 100 pages or more.

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.

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 12:00 p.m. and Open Session at 1:00 p.m. Tuesday, March 24, 2020, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
2. **ROLL CALL: Brazier____ Hamilton____ Gasca____ Mack____ Rindfleisch____**
3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
4. **CLOSED SESSION**
 - A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
* Three Items
 - B. Conference with Legal Counsel-Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Otay Water District v. Rainbow Municipal Water District
 - C. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Kessner et al., v. Rainbow Municipal Water District, et al.

Time Certain: 1:00 p.m.

5. **REPEAT CALL TO ORDER**
6. **PLEDGE OF ALLEGIANCE**
7. **REPEAT ROLL CALL: Brazier____ Hamilton____ Gasca____ Mack____ Rindfleisch____**
8. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
9. **REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
10. **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).**

Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. *No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*

(*) - Asterisk indicates a report is attached.

***11. APPROVAL OF MINUTES**

- A. February 25, 2020 - Regular Board Meeting

***12. 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 Brazier)
- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - A. Summary of February 27, 2020 Meeting
 - 2. CSDA
 - 3. LAFCO
 - 4. San Luis Rey Watershed Council
 - 5. Santa Margarita River Watershed Watermaster Steering Committee
 - 6. ACWA
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attendance Reports
- D. Directors Comments
- E. Legal Counsel Comments
 - 1. Attorney Report: Clean Water Act (501668-0002)

13. COMMITTEE REPORTS

- A. Budget and Finance Committee
- B. Communications and Customer Service Committee
- C. Engineering and Operations Committee

BOARD ACTION ITEMS

14. COVID-19 (CORONAVIRUS) UPDATE

***15. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 19-04 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS "B" AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT**

(Mr. and Mrs. Schmad have requested their water meter be reduced from 1.5" to ¾", however, their property is over five acres. Ordinance No. 19-04 limits ¾" meters to properties under 1/2 acres. The Schmad's are requesting a variance.)

***16. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES AGREEMENT TO HDR FOR A MODEL DEMAND UPDATE AND ADDITIONAL WATER SUPPLY ALTERNATIVES ANALYSIS**

(At the request of District Staff, HDR has provided a proposal for producing a more accurate update to the model's demands with an emphasis on specifying the portions of the demand associated with agriculture in several distinct pressure zones within the District. In addition, the scope of work will include up to 120 hours of water supply related analysis using the updated model. This work can be done for \$34,100.)

(*) - Asterisk indicates a report is attached.

- 17. NOTICE OF COMPLETION AND ACCEPTANCE OF THE VIA ARARAT ROAD PIPELINE IMPROVEMENT PROJECT**
(The Via Ararat Road Pipeline Improvement Project was the installation of 665' of 12" diameter PVC pipe constructed to improve looping in the water distribution system. All facilities have been constructed per plans, inspected, and tested per specifications. Upon acceptance by the Board, the improvements become part of the District water distribution system and Staff takes over operation and maintenance.)
- *18. CONSIDER APPROVAL OF AN AGREEMENT FOR OUT OF AGENCY SERVICE TO TRANSFER WATER AND WASTEWATER SERVICE FUNCTIONS FOR THE PARDEE "MEADOWOOD" DEVELOPMENT FROM THE VALLEY CENTER MUNICIPAL WATER DISTRICT TO THE RAINBOW MUNICIPAL WATER DISTRICT AND AN ANNEXATION AGREEMENT BETWEEN PARDEE HOMES, VALLEY CENTER MUNICIPAL WATER DISTRICT AND RAINBOW MUNICIPAL WATER DISTRICT FOR THE ULTIMATE ANNEXATION OF THE DEVELOPMENT INTO RAINBOW MUNICIPAL WATER DISTRICT**
(This agenda item is to consider approval of two agreements related to the proposed detachment of the Pardee Homes development located on Horse Ranch Creek Road from the Valley Center Municipal Water District and an annexation of the same project into the Rainbow Municipal Water District.)
- 19. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE RICE CANYON TANK TRANSMISSION PL TO I-15 - SR76 CORRIDOR DESIGN PROJECT**
(Discussion and possible action to award a contract for the design of a transmission pipeline from the Rice Canyon Tank south to the Meadowood development.)
- *20. DISCUSSION AND POSSIBLE ACTION TO AMEND ADMINISTRATIVE CODE SECTION 5.02 PURCHASING**
(The District's Purchasing Policy was reviewed due to requests from the board and staff to add clarification and updates that are in line with new purchasing methods, software changes and service needs.)
- 21. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

BOARD INFORMATION ITEMS

- *22. INFORMATIONAL UPDATE ON THE REQUEST FOR QUALIFICATIONS (RFQ) FOR DEVELOPMENT OF RAINBOW MUNICIPAL WATER DISTRICT (DISTRICT) HEADQUARTERS PROPERTY**
(The District currently has a Request for Qualifications (RFQ) currently "on the street", to assist the District with a new headquarters as well as assistance in determining the best use or uses for the excess land at the headquarters site.)
- *23. 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. Human Resource & Safety Comments**
 - 1. Human Resources Report

(*) - Asterisk indicates a report is attached.


E. Finance Comments

1. Information Report
2. Budget vs. Actual Operating
3. Fund Balance Projections
4. Treasury Report
5. Five Year Demand
6. Credit Card Breakdown
7. Directors' Expense
8. Check Register
9. Water Sales Summary
10. Developer Projections
11. RMWD Properties

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

25. ADJOURNMENT - To Tuesday, APRIL 28, 2020 at 1:00 p.m.

ATTEST TO POSTING:



FOR: Carl Rindflesich
Secretary of the Board

3-19-20 @ 12:30 p.m.

Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.

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**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 25, 2020**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 25, 2020 was called to order by President Brazier at 12:04 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

Present: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Customer Service and Communications Supervisor Gray.

No members of the public were present before Open Session. Two members of the public were present for Open Session.

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

Director Rindfleisch requested Item #17 be removed from the agenda.

4. **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).**

There were no comments.

Meeting adjourned to closed session at 12:06 p.m.

5. **CLOSED SESSION**

A. Consider Information Report on Cyber Security (Government Code §54957(a))

B. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
* Four Items

C. Conference with Legal Counsel-Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
* Otay Water District v. Rainbow Municipal Water District

The meeting reconvened at 1:50 p.m.

(*) - Asterisk indicates a report is attached.

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

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

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

President Brazier announced Item #17 has been deleted per Item #3.

10. 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).

There were no comments.

***11. APPROVAL OF MINUTES**

A. January 28, 2020 - Regular Board Meeting

Motion:

To approve the minutes.

Action: Approve, Moved by Director Rindfleisch, Seconded by Director Hamilton.

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

12. 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 Brazier)

There was no report.

(*) - Asterisk indicates a report is attached.

- B. Representative Report (Appointed Representative)**
 - 1. SDCWA**

Mr. Kennedy stated although he was unable to attend the recent meeting due to a family matter, he did mention approximately sixty agencies, including RMWD, have been named in a lawsuit regarding the validity of the agricultural water rate. He explained SDCWA adopted the principals of the new agriculture rate late last year; however, they have not finalized the rate structure because it will be part of the budget cycle. He mentioned everyone was keenly focused and aware of reassuring SDCWA member agencies who support the agricultural rate that it is worth continuing to support and that the principals on which it was derived remained sound irrespective of this nuisance lawsuit.

- 2. CSDA**

Director Gasca reported on the February 20, 2020 CSDA Quarterly Dinner meeting noting there was a myriad of subjects covered related to farming in the area.

- 3. LAFCO**

Mr. Kennedy announced Jo MacKenzie was reappointed as a LAFCO commissioner.

- 4. San Luis Rey Watershed Council**

There was no report given.

- 5. Santa Margarita River Watershed Watermaster Steering Committee**

Director Hamilton noted the next meeting will be April 21, 2020.

- 6. ACWA**

Director Mack mentioned he was looking forward to attending the ACWA Conference.

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

Director Rindfleisch referenced his written report provided as a handout on the recent advanced Brown Act training seminar he recently attended. He noted the topics included agendas, closed sessions, administrative decisions, litigation, and settlements. He asked for a copy of the training be provided via email to each of the other Board Member for future board member training, internal training, and current Board Member enrichment. He stated the training was comprehensive and significantly robust to assure all angles of the Brown Act were covered and provided five of the highlighted topics covered.

Director Rindfleisch reported on the February 18, 2020 Council of Water Utilities meeting where highlights were shared on a property known as Rancho Cuejito. Director Gasca shared additional information he obtained at this meeting as well.

- D. Directors Comments**

There were no comments.

(*) - Asterisk indicates a report is attached.

- E. Legal Counsel Comments
 - 1. Attorney Report: Environmental Law Update (501668-0002)

Legal Counsel summarized the information provided in his written report.

13. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported the committee has been asked to provide input on the purchasing policies provided in RMWD’s Administrative Code. He also noted the committee was advised a Request for Proposal may be coming to the Board for auditor selection.

B. Communications and Customer Service Committee

Director Hamilton reported the committee did not meet due to schedule conflicts.

C. Engineering and Operations Committee

Mr. Nelson reported the committee received an update on the WSUP program as well as heard information related to proposing installing solar panels at the Bonsall Reservoir. He mentioned the committee also received an interesting briefing on the corrosion protection program.

BOARD ACTION ITEMS

***14. ADOPT RESOLUTION NO. 20-03 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1**

Mr. Kennedy explained this was a recurring item setting the time and place for the public hearing. He mentioned the hearing date and time is being proposed as June 23, 2020 at 1:00 p.m.

Director Hamilton inquired as to the process for increasing the per parcel amount. Mr. Kennedy recalled this could be increased but could not without going out to the public for a vote and must pass with a two-thirds of the public.

Motion:

To adopt Resolution No. 20-03.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***15. FISCAL YEAR 2019-20 MID-YEAR BUDGET REVIEW AND BUDGET ADJUSTMENTS**

Ms. Largent explained review of the budgets are conducted monthly to ensure the District is in line with its revenues and expenditures. She said during mid-year, staff will bring the Board with proposed changes. She noted revenues are slightly under budget; however, there are no

(*) - Asterisk indicates a report is attached.

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recommendations to change the revenue at this time. She referenced the expenditures listed would be a net budget increase of \$376,000 which has been significantly reduced by the Operations Department conducting work in-house as opposed to utilizing contractors. She pointed out the main items staff was requesting an adjustment for are legal and district claims.

President Brazier inquired as to the substantial increase in the Risk Management Department including how it will be manned and worked. Ms. Largent explained staff felt it was necessary to create a separate department to provide for more transparency as to what was being spent on insurance, risk, and claims at the District. Mr. Kennedy added the items moved to Risk Management were previously captured under Administration; therefore, he had Ms. Largent create a department budget code so the costs can be clearly tracked. He clarified Ms. Harp is the head of the department and manages Ms. Esnard who is the Risk Management Officer.

President Brazier expressed concern from one of her constituents that if RMWD was not going to utilize its insurance to pay for claims then maybe it should consider self-insuring. Mr. Kennedy explained RMWD was part of a pool of self-insured agencies through CSDA with SDRMA. He mentioned Ms. Harp does periodically research various insurance plans available to the District.

Director Rindfleisch suggested RMWD research the possibility of lowering the insurance deductible. Mr. Kennedy directed Ms. Largent to work with Ms. Harp on finding out if there would be a cost savings benefit to the District.

Ms. Largent announced the net budget increase being proposed to the Board was \$376,500. Director Hamilton pointed out looking at 2019/2020 budget, it forecasts a \$500,000 shortfall which was now being increased by \$376,500 based on a 12% increase in water sales which will be most likely 10% less than last year; therefore, the District may need to start looking at tightening the belt somehow. Mr. Kennedy agreed it can be tightened to the extent within the District's control, but unexpected costs such as \$150,000 on the Otay lawsuit as well as SDCWA's emergency shutdown and leaks are the primary drivers over which RMWD has no control. Director Hamilton said something needs to be done to at least mitigate the difference as much as possible.

President Brazier pointed out there must be small ways in which expenses can be cut which need to be explored. Ms. Largent agreed noting staff will be very mindful of this going into the next budget process.

Director Gasca proposed looking at how to cut the costs for power by installing solar panels. He recommended determining the top ten high costs and seeking means of mitigating such.

Motion:

To adopt Option 1 as amended - approve amended Operating Budget FY 2019-20 as provided in Exhibit A with a projected net budget expense increase of \$376,500.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

(*) - Asterisk indicates a report is attached.

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***16. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-03 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.09 – COMMITTEES**

Mr. Kennedy reported Legal Counsel made proposed revisions to this section of the Administrative Code. Legal Counsel reviewed and summarized those revisions as provided in the redline version included in the agenda packet.

Director Rindfleisch recommended added “for the duration of their tenure” after the domicile requirement.

Director Gasca proposed adding Board Members should be excluded from serving as Chairperson or Vice Chairperson of the committee.

Motion:

To approve Option 2 - Approve Ordinance No. 20.03 with revisions.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

17. CONSIDER RESCHEDULING THE REGULARLY SCHEDULED JULY 28, 2020 BOARD MEETING TO JULY 21, 2020 (DIRECTOR RINDFLEISCH)

This item was deleted per Item #3.

***18. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS VACANCY-CALL FOR NOMINATIONS: SEAT B – SOUTHERN NETWORK**

Mr. Kennedy inquired as to whether a Director was interested in serving for the remainder of the term. He confirmed Seat B – Southern Network does include RMWD.

Motion:

To nominate Director Michael Mack for Seat B.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***19. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS SEAT C**

It was noted this was for the 2021-2023 term. Discussion ensued.

(*) - Asterisk indicates a report is attached.

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President Brazier inquired as to whether any Board Member was interested in serving in this capacity. Director Gasca expressed an interest.

Motion:

To nominate Director Miguel Gasca for Seat C.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

***20. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-04 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 4 – PERSONNEL RULES AND REGULATIONS AND ALL SUBSECTIONS**

Mr. Kennedy pointed out Ms. Harp and Ms. Washburn worked on updating this section of the Administrative Code. Ms. Washburn explained the original purpose for updating this policy was to get the formatting changed, update the number sequencing, incorporate the appendix into one policy with that number sequencing, and separate the entire policy out by section to simplify any future revisions. She added the policy was also brought current with the State and Federal laws as well as RMWD's current MOU's and Employee Handbook.

President Brazier asked if a change is made to this section of the Administrative Code will it cut into the potential for MOU discussions during the upcoming negotiations. Ms. Washburn confirmed the intent was to remove any negotiable terms contained in the MOU out of the Administrative Code and replace those areas with reference to the current MOU or Employee Handbook.

Ms. Washburn also noted this was the first step in updating the tracking of the entire Administrative Code revisions by replacing "working copy" with "current policy" to avoid confusion in the future.

Motion:

To approve Option 1 as amended – Adopt Ordinance No. 20-04 amending and updating Administrative Code Title 4 and all chapters and subsections included in Administrative Code Title 4.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

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

There were no requests.

(*) - Asterisk indicates a report is attached.

Ms. Washburn mentioned all accommodations and registrations have been completed for the approved attendance at conferences granted at the January 28, 2020 Board meeting.

BOARD INFORMATION ITEMS

22. HISTORY OF THE DISTRICT VIDEO PREVIEW

Ms. Gray shared a preview of the video. Discussion ensued regarding the participants and the process of putting together the video.

It was noted the preview will be presented to the Communications and Customer Service Committee and once finalized it will be posted on the District website.

Director Gasca recommended the District’s logo be incorporated into the beginning of the video as well as keeping Mr. Kennedy’s title on the bottom of the screen each time he speaks.

Director Rindfleisch suggested setting the target date for the end of March to assist with the District’s image and customer understanding.

23. AVOCADO FESTIVAL BOOTH UPDATE

Ms. Gray announced she was working to obtain a great spot at the festival. She confirmed the date of the festival is April 19, 2020. Discussion ensued regarding the giveaways for those visiting the RMWD booth.

Ms. Gray gave an update on the Fallbrook Vintage Car Show noting it will be held at a new location.

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

A. General Manager Comments

- 1. Meetings, Conferences and Seminar Calendar

B. Communications

- 1. Staff Training Reports

C. Operations Comments

- 1. Operations Report

D. Engineering Comments

- 1. Engineering Report
- 2. As-Needed Services Expenditures Summary
- 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

E. Human Resource & Safety Comments

- 1. Human Resources Report
- 2. Organizational Chart

F. Finance Comments

- 1. Information Report
- 2. Treasury Report
- 3. Five Year Demand
- 4. Credit Card Breakdown
- 5. Directors’ Expense
- 6. Check Register
- 7. Water Sales Summary
- 8. Developer Projections

(*) - Asterisk indicates a report is attached.

9. RMWD Properties

Ms. Largent noted she will be going out for a Request for Proposal for audit services and bringing the Board options to consider at the next Board meeting.

Mr. Kennedy reported Camp Pendleton and FPUD have finalized on the consultant to conduct the work on the Camp Pendleton project. Discussion ensued.

Motion:

To receive and file information and financial items.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Rindfleisch.

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

It was noted the audit services Request for Proposal, Request for Qualifications for developers for future development of the RMWD property, and Administrative Code purchasing policy updates should be on the next Board meeting agenda. It was also stated inclusion of a WSUP update be included in the recurring operations report including how RMWD was operating relative to the initial plan.

26. ADJOURNMENT

The meeting was adjourned by Director Brazier to a regular meeting on March 24, 2020, at 1:00 p.m.

The meeting was adjourned at 3:31 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.

**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
February 27, 2020**

- 9-1-A. Closed Session
The Board authorized Water Authority attorneys to dismiss without prejudice claims related to payments of the Water Stewardship Rate on supply purchases only (including the restitution claim that was to be tried this summer), and the unquantified claims in the stayed cases relating to cost-of-service grounds and the rate model.
- 9-1. Second Aqueduct Pipeline Inspections at Moosa Creek.
The Board authorized the General Manager to take all necessary actions, including issuing contracts, to conduct urgent repairs on Pipeline 5 in Moosa Creek.
- 9-2. Federal Legislative Priorities for 2020.
The Board adopted federal legislative priorities for 2020.
- 9-3. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
- 9-4. Resolution amending the titles of authorized officers and employees to invest monies in the Local Agency Investment Fund (LAIF).
The Board adopted Resolution No. 2020-01 amending the titles of authorized officers and employees to invest monies in the Local Agency Investment Fund (LAIF).



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: March 24, 2020
RE: Attorney Report: Clean Water Act
501668-0002

I. INTRODUCTION.

This attorney report provides an update on new federal regulations amending the Clean Water Act. On January 23, 2020, the U.S. Environmental Protection Agency (“EPA”) and the Army Corps of Engineers (“Corps”) jointly finalized the new “Navigable Waters Protection Rule,” which narrows the scope of waters subject to federal regulation under the Clean Water Act (“CWA”). The new rule replaces the 2015 amendments to the Clean Water Act that were repealed by the Trump administration last fall. Among other changes, the new rule restricts federal regulation to four major categories of waters; contains a broader definition of “tributaries; limits rules for ephemeral waterways and wetlands; and specifically excludes 12 categories of waters from regulation.

II. BACKGROUND.

A. The Clean Water Act.

The Clean Water Act confers federal jurisdiction over “navigable” waters, defined in the Act as “Waters of the United States, including the territorial seas.” The Clean Water Act grants the EPA and the Army Corps of Engineers regulatory authority to protect the quality of the “Waters of the United States.”

The scope of Clean Water Act jurisdiction impacts the number of projects and activities subject to the Clean Water Act’s permitting requirements. These permitting requirements apply to discharges of pollutants as well as fill material and potentially involve the imposition of discharge limitations, mitigation and reporting requirements, and penalties. Additionally, because Clean Water Act permits are enforceable by members of the public, any person or group who can establish standing can file a lawsuit to enforce the Act.

The stated goal of the Clean Water Act is to “restore and maintain the chemical, physical, and biological integrity of the Nation’s waters.” However, the Clean Water Act

leaves it to the regulatory agencies and the courts to define which “Waters of the United States” are subject to regulation.

As a result of this regulatory ambiguity, the EPA and the Army Corps of Engineers have tried multiple times to bring clarity to the scope of Clean Water Act jurisdiction, resulting in multiple amendments and an enormous body of litigation, including several Supreme Court cases.

B. Case Law.

Under the relevant case law, the scope of the federal government’s jurisdiction has expanded over the years. The Clean Water Act was originally interpreted to apply only to “navigable” waters. Later interpretations expanded the Act’s jurisdiction to waters that are “tributary” to navigable waters. Subsequent interpretations further expanded the Act’s jurisdiction to any waters having a “significant nexus” to navigable waters.

In the *SWANCC* and *Rapanos* cases, the United States Supreme Court established limits on what the EPA and the Corps can define as “Waters of the United States.” In the *SWANCC* case, a divided United States Supreme Court, in a 5-4 decision, expressly limited the scope of the federal government’s jurisdiction by rejecting an attempt by the Corps and EPA to regulate discharges into “isolated waters.” The Court held that the Corps’ use of the long controversial “migratory bird rule” (a rule adopted by the Corps and the EPA themselves) to interpret the reach of their section 404 authority over discharges into “isolated waters” (including isolated wetlands), exceeded the authority intended by Congress.¹

Long before the *SWANCC* case, there had been controversy and litigation over whether isolated waters that are not adjacent to true navigable waters are properly within the jurisdiction of section 404. In 1985, the Supreme Court sustained the assertion by the Corps and EPA that waters and wetlands adjacent to navigable waters, interstate waters, or their tributaries are “Waters of the United States” under section 404. The question left for *SWANCC* was whether waters and wetlands not so adjacent - “isolated waters” - also are so covered.

In *Rapanos v. United States* <http://www.law.cornell.edu/supct/html/04-1034.ZS.html>, another divided Supreme Court could not agree on whether the reach of the Clean Water Act extended to non-navigable waters and isolated wetlands. A plurality ruled that non-navigable waters are subject to Clean Water Act regulation only if they exhibit a relatively permanent flow, and that wetlands are subject to Clean Water Act regulation

¹ Section 404 of the Clean Water Act, 33 U.S.C. section 1344, requires permits for the discharge of dredged or fill materials into “navigable waters.” This provision was the basis for the federal wetlands permitting program.

only if they have a continuous surface water connection to a relatively permanent water body.

The 2006 ruling in *Rapanos v. United States* culminated with a divided Supreme Court agreeing that the federal government had overreached, but the justices could not agree as to how. Justice Scalia, writing for the plurality, would have limited jurisdiction to running waters and adjacent wetlands. In a concurring opinion, Justice Kennedy instead would have conferred jurisdiction where there is a “significant nexus” to a navigable water.

Whereas, the Obama Administration’s 2015 amendments to the Clean Water Act adopted Justice Kennedy’s approach, the Trump Administration’s 2020 amendments follow Justice Scalia’s line of reasoning. In accordance with Justice Scalia’s plurality opinion in *Rapanos v. United States*, 547 U.S. 715 (2006), the federal agencies now interpret jurisdictional waters as being “relatively permanent flowing and standing waterbodies that are traditional navigable waters in their own right or that have a specific surface water connection to traditional navigable waters, as well as wetlands that abut or are otherwise inseparably bound up with such relatively permanent waters.”

C. Prior Amendments.

For nearly 15 years since the *Rapanos* decision, the regulatory agencies have been working on revised regulations to address the regulatory uncertainty that arose from the United States Supreme Court decisions in the *SWANCC* and *Rapanos* cases.

The 2015 Clean Water Act Amendments were largely guided by Justice Kennedy’s concurring opinion in the *Rapanos* case. Specifically, the 2015 Amendments relied heavily on Justice Kennedy’s “significant nexus” test to define which waters are subject to Clean Water Act regulation. According to Justice Kennedy, an intermittent stream or isolated wetland has significant nexus to a navigable waterway if it, either by itself or through connections with other bodies of water, significantly affects the physical, chemical or biological integrity of a downstream navigable waterway. The 2015 amendments contained a broad “Waters of the United States” definition that greatly expanded the scope of federal regulation, and it was challenged by industry groups and many states as an unconstitutional overreach of executive power.

On February 28, 2017, President Trump issued Executive Order 13778, titled “Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the ‘Waters of the United States’ Rule.” In this Executive Order, the Trump Administration called on the EPA to review the Clean Water Rule in accordance with the President’s stated agenda of “promoting economic growth” and “minimizing regulatory uncertainty.” The Trump administration formally repealed the 2015 Rule in September 2019, temporarily replacing it with the rule in effect prior to 2015. The new Navigable Waters Protection Rule formally replaces the 2015 Rule with a narrower definition of water subject to federal regulation.

III. ANALYSIS OF NEW RULES.

The new Navigable Waters Protection Rule is the culmination of the Trump Administration's efforts to repeal and replace the controversial 2015 Clean Water Rule, which established a broader definition of "Waters of the United States" that are subject to federal CWA jurisdiction. The 2015 Rule, which was immediately challenged by multiple parties, including 31 States, 54 business and municipal petitioners, and environmental NGOs, in numerous forums across the country, was stayed in 27 states, resulting in patchwork implementation and creating confusion for Clean Water Act jurisdictional determinations across the country. Two district courts found the 2015 Rule was unlawful and remanded it back to the EPA and Army Corps of Engineers for further analysis.

After an intensive regulatory process that involved the submission of over 630,000 comments from the public, the 2020 Amendments include a new definition of "Waters of the United States," provides new definitions for key terms, such as "tributaries" and "adjacent wetlands," with the stated goal of providing clarity and consistency in jurisdictional determinations. The new amendments identify four categories of jurisdictional waters:

- **Traditional Navigable Waters.** The definition remains the same as it has existed in the regulatory text for decades: traditional navigable waters include "[t]he territorial seas, and waters which are currently used, or were used in the past, or may be susceptible to use in interstate or foreign commerce, including waters which are subject to the ebb and flow of the tide." The Agencies clarify, in the preamble, that "whether a water is susceptible to use in interstate commerce requires more than simply being able to float a boat to establish jurisdiction over navigable-in-fact waters ...; it requires evidence of physical capacity for commercial navigation and that it was, is, or actually could be used for that purpose."
- **Tributaries.** Under the new definition, tributaries include perennial and intermittent rivers and streams that contribute surface flow to traditional navigable waters in a typical year. A "typical year" is defined as when precipitation and other climatic variables are within the normal periodic range for the area in question based on a rolling thirty-year period. Notably, this definition excludes ephemeral streams, i.e., features that only have surface flow in direct response to precipitation. The tributaries definition includes ditches that meet the tributary definition and are relocated/constructed in a tributary or adjacent wetland.
- **Lakes, Ponds, and Impoundments of Jurisdictional Waters.** These features are jurisdictional when they contribute surface water flow to a traditional

navigable water in a typical year, either directly or through other “Waters of the United States” via channelized non-jurisdictional surface waters, or artificial or natural features.

- **Adjacent Wetlands.** Wetlands are “adjacent” to the three categories discussed above, and therefore jurisdictional if they: (1) abut (physically touch at least one point or side); (2) are inundated by flooding from a jurisdictional water in a typical year; (3) are separated from a jurisdictional water by only a natural berm, bank, or dune; or (4) are separated from jurisdictional waters by an artificial barrier (e.g., dike) and the structure allows for a direct hydrologic surface connection. To be jurisdictional, “wetlands” must satisfy all three wetlands factors (hydrology, hydrophytic vegetation, hydric soils).

The new amendments accordingly exclude from Clean Water Act regulation all waters not within the four categories described above. The new rule also eliminates the “significant nexus” test -- which arose from the *SWANCC* and *Rapanos* cases and was later codified in the 2015 Rule. The former “significant nexus” test called for a case-by-case specific analysis to determine if waters otherwise outside of federal jurisdiction significantly affected the chemical, physical, or biological integrity of waters within federal jurisdiction. Waters that meet the test were considered “Waters of the United States” and therefore subject to federal regulation.

The new amendments, citing uncertainty and extensive litigation around the “significant nexus” test, eliminate the old case-specific analysis and replaces it with defined sets of included and excluded waters. In the wetlands context, the new rule generally requires a surface water connection between the wetlands and jurisdictional waters before the wetlands would be considered waters subject to federal regulation.

In addition, the new rule excludes twelve categories of features, including:

- **All waters that do not fit into the four categories above.**
- **Groundwater.** Consistent with the federal agencies’ pre-2015 practice, groundwater, including groundwater drained through subsurface drainage systems, is not a “Water of the United States.”
- **Ditches.** Ditches with ephemeral flow, and ditches that are not constructed in/relocate a tributary or adjacent wetlands, are not jurisdictional under the final rule.
- **Prior Converted Cropland.** This includes any area that prior to December 23, 1985 was drained or otherwise manipulated for the purpose of making production of an agricultural product possible.

- **Waste Treatment Systems.** Under the final rule, a waste treatment system “includes all components, including lagoons and treatment ponds (such as settling or cooling ponds), designed to either convey or retain, concentrate, settle, reduce, or remove pollutants, either actively or passively, from wastewater or stormwater prior to discharge (or eliminating any such discharge).”
- **Artificial Lakes and Ponds.** This includes water storage reservoirs and farm, irrigation, stock watering, and log cleaning ponds, constructed in non-jurisdictional areas.
- **Other Exclusions.** (1) Diffuse stormwater runoff and sheet flow; (2) artificially irrigated areas that would revert to uplands; (3) water-filled depressions excavated in non-jurisdictional areas; (4) stormwater features created in non-jurisdictional areas, and (5) groundwater recharge and water recycling structures.
- **Grandfather Clause.** For projects that have received jurisdictional determinations under the prior regulations, those determinations remain valid until their expiration date (five years from issuance), unless new information warrants revision before the expiration date or the applicant requests a new jurisdictional determination.
- **Effective Date.** The new rule will come into effect 60 days after its publication in the Federal Register. The new rule does not address retroactive application and will not likely apply to prior or current EPA enforcement actions, as federal courts apply a strong presumption against retroactive application of administrative rules.
- **Legal Challenges.** The Obama administration’s 2015 Rule triggered a host of legal challenges and was still subject to preliminary injunctions in 12 states when repealed last fall. The Trump administration stated that the new rules will resolve legal uncertainties and improve regulatory predictability; however, protracted legal battles are expected, this time led by environmental groups and states seeking broader CWA protections. Already, challenges to the Trump administration’s 2019 repeal of the 2015 Rule are pending in six federal district courts.

IV. CONCLUSION.

The 2020 amendments to the Clean Water Act significantly limit the scope of federal jurisdiction, particularly for wetlands and tributaries, by narrowing and simplifying the definition of “Waters of the United States.” The new amendments will have broad implications for public agencies and private property owners. The most significant changes in the final rules are:

- Ephemeral streams and other features will be excluded from Clean Water Act jurisdiction. This change is expected to be especially impactful in the Western states, where the majority of water features are ephemeral.
- Wetlands will be excluded from Clean Water Act jurisdiction unless they have a direct surface connection to a “Water of the United States,” or they are only separated from a “Water of the United States” by a natural berm or bank. This will exclude a significant percentage of wetlands from Clean Water Act jurisdiction.
- Artificial lakes and ponds, water storage reservoirs, stormwater control features, and groundwater recharge facilities will be excluded from Clean Water Act jurisdiction if they were not built in “Waters of the United States”.
- Ditches will be excluded from Clean Water Act jurisdiction unless they are constructed in a “Water of the United States.”

On its face, the new rules could improve the predictability of federal permitting requirements and ease the regulatory process for many agricultural, real estate development, and construction projects. However, some stakeholders have argued that legal uncertainties as to the applicability of the new rule are likely as the inevitable challenges to the new rules make their way through the courts.

As stated above, six federal district court lawsuits challenging the Trump Administration’s 2019 repeal of the 2015 Rule are currently pending. Additionally, many states have responded to President Trump’s promise to restrict federal Clean Water Act jurisdiction by expanding the scope of state regulated water. For example, last April, state regulators in California approved a broader definition of “wetlands” to enable state oversight of wetlands excluded from the new federal rule. With California adding state-specific regulations to provide additional protections for wetlands and streams, the impact of the new federal rule is very limited in California. The new federal rule’s most likely significant impacts in California involve the clarification that the Clean Water Act does not apply to groundwater, and the impact to California from interstate streams or rivers entering the State.

AES

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 19-04 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS "B" AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT

BACKGROUND

On March 26, 2019 the Board of Directors adopted Ordinance 19-04 which states "*Lot size less than 21,7880 sqft (0.5 acres) may qualify for a ¾ inch meter.*" The ordinance contains a typographic error, the square footage should be 21,780. The property owner of APN 123-410-07, Craig Schmad, has requested a variance from Ordinance 19-04 to downsize an existing 1" meter on a 5.24 acre parcel to a ¾- inch meter and reduce his monthly fixed fees (See Attachment 1). According to the attached variance application, the property used to have avocado trees, but they have not been watered in several years. Also, the property now has a well, supplying most water for the residence. The average water usage on the parcel from 3/2019-2/2020 has been 22.8 units per month, with a maximum usage of 47 units.

This variance request was brought to the Engineering and Operations Committee meeting on March 4th, 2020. After thorough discussion, the committee voted 2 to 1 (two members for, one against) to recommend to the Board, approving the variance request. (See attachment #2 for Ordinance 19-04).

DESCRIPTION

The capacity charges were developed by Wildan and Raftelis through a comprehensive study and analysis of the value of District assets and the maximum day use patterns of existing customers with particular meter sizes. The reference meter size for capacity class B is ¾-inch. According to the Raftelis analysis, the maximum allowable usage for capacity class B is 50 units (one unit equals one hundred cubic feet ["CCF"]) per month, or 1.38 AF/yr. The lot size requirement was included in the ordinance to protect the District from customers over using their intended capacity.

The staff will draft an agreement, with Board authorization, whereby District will suspend the requirement to pay Fixed Charges beyond those applicable to capacity class B under District Ordinance No. 19-04 provided that the Parcel does not exceed a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle). The agreement further stipulates the following to ensure the customer will be held accountable to comply with the purpose of Ordinance No. 19-04.

In the event the Parcel exceeds a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average, District will notify the Owner of the exceedance. Within 3 months from the date of the notice, the Owner shall bring the Parcel's average monthly water use, based on the 12-month rolling average, below 50 units per month.

In the event Owner does not bring the Parcel's average monthly water use, based on the 12-month rolling average, below 50 units per month within the 3 months immediately following the date of the notice, the Owner shall become obligated to pay District the additional water Capacity Fees, then in affect, corresponding with the capacity class that matches the Parcel's use over the 12-month period. Following the expiration of the 3-month period, Owner will also be subject to an increase in monthly fixed charges corresponding with the capacity class that matches the Parcel's use.

Finally, said agreement would be recorded with the San Diego County Recorder's office, and become a covenant that runs with the land and be binding to any future owners. It would appear on Title Reports prepared for the property, alerting new owners of the property to the requirements as well, if the current owners sell the property.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Five: Customer Service. This type of agreement allows the Board to fit the requests of an individual customer based on their specific use patterns which fall outside the expectations covered by the existing policy.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

If the Board approves the variance, the customer will save \$140.06 per month (assuming Single-Family rate) in monthly service charges to Rainbow MWD unless they exceed the intended capacity of 50 units/month.

- 1) Option 1:
 - Approve the variance to Ordinance 19-04 to allow a property larger than 0.5 acres to qualify for capacity class B and approve the New Water Service Agreement.
 - Make a determination that the action identified herein does not constitute a "project" as defined by CEQA.
- 2) Option 1:
 - Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Steven E. Strapac, P.E., P.L.S.
District Engineer

3/24/2020

Attachment #1



RECEIVED JAN 22 2020

ADMINISTRATIVE CODE VARIANCE APPLICATION

PROPERTY OWNER OR PRIMARY ACCOUNT HOLDER INFORMATION	
Owner Name: <i>Craig Schmad</i>	Telephone No.: <i>760-518-7498</i>
Address: <i>560 Rancho Camino Fallbrook CA 92028</i>	
Email Address: <i>CraigSchmad@yahoo.com</i>	Account No.: <i>008239-000</i>

LOCATION OF PROPOSED ADMINISTRATIVE CODE VARIANCE		
Address: <i>560 Rancho Camino Fallbrook CA</i>	APN: <i>123-410-07</i>	Acres: <i>5</i>

SUPPORTING INFORMATION

Specific section(s) of the Admin. Code for which this variance is being requested (attach additional pages if needed):

"Ordinance 19-04 Capacity Class B allows for maximum monthly volume of 50 units. 1 unit = 748 gallons."

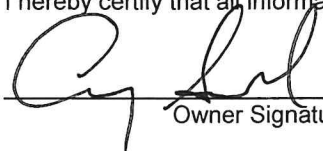
Reason why the variance should be approved including how the intent of the Admin. Code will be met (attach additional pages if necessary):

I now have a well that is producing 100% of our water usage. Even prior to the well, we never used more than 50 units in any month, including summers. I am requesting a size reduction in our water meter to a 3/4". I want a fixed account charge for a single family residence of \$35.¹⁴/month. We do not have a commercial grove, only family fruit trees. The previous grove was removed over 10 years ago. (See attachment)

Rainbow Municipal Water District (District) Provisions:

The purpose of a variance is to provide flexibility in application of regulations necessary to achieve the purposes of the Administrative Code. A variance is intended to resolve practical difficulties or unnecessary physical hardships that may result from strict adherence to the policies contained in the Administrative Code. The cost to the applicant of strict adherence with any provision of the Administrative Code shall not be the sole reason for granting a variance. This application is subject to the approval of the District Board of Directors.

I hereby certify that all information provided in this application is true.



 Owner Signature

1.22.20

 Date

Since I qualify for the single family fixed rate, I have over paid \$47.⁷⁷ /month for the last 42 months. I was being charged for Agricultural w/ Residence for a 1" meter of \$102.⁶⁶ /month and it should have been for a Single Family Residence at \$54.⁸⁹ month. When I moved into 560 Rancho Camino in June 2016, I transferred the service in our name. I was never informed I was being charged a higher rate for Agricultural w/ Residence. I am requesting that I be reimbursed for the overcharges of \$2,202.⁷²

Attachment 2

ORDINANCE NO. 19-04

ORDINANCE OF THE RAINBOW MUNICIPAL WATER DISTRICT REVISING APPENDIX A OF THE RULES AND REGULATIONS REGARDING WATER AND WASTEWATER SERVICE CHARGES

WHEREAS, the Rainbow Municipal Water District (“RMWD” or the “District”) Board of Directors is committed to providing reliable, high-quality water services at the most efficient costs for our ratepayers; and

WHEREAS, to meet this commitment, the District undertook an evaluation of the infrastructure needs, programs, and operations and maintenance costs of its water and wastewater services; and

WHEREAS, on or around August 2018, the District retained Raftelis Financial Consultants (“RFC”), an industry-leading third party rate and fee public finance consultant, to update the already developed financial plan and assist the district in updating rates that support and optimize a blend of various utility objectives, such as affordability for essential needs, revenue sufficiency and stability, drought conditions, and ease of implementation, as well as ensure compliance with California Constitution Article XIII D, section 6 (“Proposition 218”); and

WHEREAS, between August 2018 and January 2019, the District held a series of meetings with staff and the District Budget and Finance Committee to discuss the RFC study and details regarding the proposed water increases, which meetings were publicly noticed and open to the public; and

WHEREAS, the District Board of Directors reviewed and heard presentations on the proposed rate changes at a regular board meeting on January 26, 2019, and were presented with RFC’s updated Financial Plan, which remain available to the public on RMWD’s website; and

WHEREAS, at this point in time, based on the RFC’s recommendations and findings, together with all prior public meetings, staff reports and presentations, the Board of Directors of the RMWD hereby desires to adjust certain rates related to wastewater service for commercial with irrigation class only; and

WHEREAS, the Board of Directors is provided authority to establish rates and charges by California Water Code §71616 and §71670; and

WHEREAS, Proposition 218 requires that prior to imposing any increase to the water service rates, the District shall provide written notice (the “Notice”) by mail of: (1) the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition and any tenant directly liable for payment of the rates and charges; (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the rates and charges were calculated; (4) the reason for the rates and charges; and (5) the date, time, and location of a public hearing (the “Public Hearing”) on the proposed rates and charges; and

WHEREAS, pursuant to Proposition 218, such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days prior to the Public Hearing on the proposed rates and charges; and

WHEREAS, the District did provide such timely Notice of the Public Hearing to the affected property owners and tenants of the proposed water service rate increases in compliance with Proposition 218 on or before February 10, 2019, and the District's Notice set forth a procedure by which property owners and tenants may submit written protests to the proposed water service fee increase; and

WHEREAS, the Public Hearing was held at the duly noticed public meeting on March 26, 2019; and

WHEREAS, at the Public Hearing the District Board of Directors heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for water services, and at the close of the Public Hearing the District did not receive written protests against the establishment and imposition of the proposed rate increases for water services from a majority of the affected property owners and tenants directly liable for the payment of the water service rates; and

WHEREAS, the water rates will be adjusted effective with all bills issued for service that occurs on or after April 1, 2019.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Rainbow Municipal Water District as follows:

SECTION 1: The District Board of Directors finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

SECTION 2: The District Board of Directors hereby finds that the administration, operation, maintenance, and improvements of the water system, which are to be funded by the water and wastewater service rates set forth herein, are necessary to maintain service within the District's existing service area. The District Board of Directors further finds that such water service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the water system. More specifically, the changes in rates and charges established by this Ordinance are for the purposes of (a) meeting operating expenses, including employee wages and benefits, (b) purchasing and leasing of supplies, equipment and materials, (c) meeting financial reserve needs and requirements as set forth in the District Budget, and (d) passing through wholesale water rates charged by the San Diego County Water Authority and the Metropolitan Water District of Southern California. Based on these findings, the District Board of Directors hereby determines that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA).

SECTION 3: Based on RFC's recommendations and findings, together with all prior public meetings, staff reports, recommendations and presentations, as well as all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for water services presented to the Board of Directors before the close of the duly noticed Public Hearing, the District Board of Directors hereby finds and determines that the proposed rates for water service comply substantively with Proposition 218 for the following reasons:

- a) The revenues derived from the service rates do not exceed the funds required to provide services;
- b) The revenues derived from the service rates will not be used for any purpose other than that for which the fee is being imposed;

- c) The service rates do not exceed the proportional cost of the services attributable to each parcel upon which they are imposed;
- d) The service rates will not be imposed on a parcel unless the services are actually used by, or immediately available to, the owner of the parcel; and
- e) The service rates will not be imposed for general governmental services, such as police, fire, ambulance, or libraries, where service is available to the public in substantially the same manner as it is to property owners and tenants.

SECTION 4: Effective April 1, 2019, the District Board of Directors hereby adopts and implements the rates for the District's water services as set forth in the "Revised Appendix A" attached hereto as **Exhibit 1**, entitled "Water and Sewer Rates and Charges – Effective April 1, 2019". Exhibit 1 hereby replaces in its entirety former Appendix A to the District Rules and Regulations. The rates and charges set forth in Exhibit 1 shall be applicable to all water use and other charges billed on or after April 1, 2019.

SECTION 5: Through this Ordinance, and as set forth in Exhibit 1, the District's Rules and Regulations are hereby being amended to include the following provisions:

PROSPECTIVE ANNUAL RATE INCREASES VIA PASS THROUGH CHARGES FOR WATER AND WASTEWATER

To avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply, the District will pass through to its customers: (1) any increases in the rates of the SDCWA Fixed Charges imposed on the District by SDCWA (an "SDCWA Fixed Pass Through"); (2) any future charges and any rate increases to any other existing charges, including imported water charges, that are imposed on the District by SDCWA (a "SDCWA Pass Through"); and The foregoing are collectively referred to in this notice as "Pass Through Increases."

Any SDCWA Fixed Pass Through will only impact the rates of the SDCWA Fixed Charges. The District may annually implement the Pass Through Increases provided, however, that (1) any increase to the rates described above as a result of any SDCWA Pass Through, and (2) in no event shall such rates be increased by more than the cost of providing service.

SECTION 6: The District Board of Directors hereby authorizes and directs the District General Manager to (a) implement and take all actions necessary to effectuate the rates for services as set forth herein and in Exhibit 1; as of April 1, 2019, to include the Pass Through Increases set forth herein and in Exhibit 1; and (c) file a Notice of Exemption with the County Clerk for San Diego County within five (5) working days of the date of the adoption of this Ordinance.

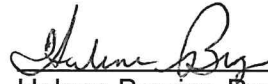
SECTION 7: If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The District Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 8: This Ordinance shall supersede all other previous District Board of Directors resolutions and ordinances that may conflict with, or be contrary to, this Ordinance.

SECTION 9: This Ordinance amends Ordinance 18-04 dated February 27, 2018 as of April 1, 2019; the rates prescribed by Ordinance 18-04 shall remain in effect through March 31, 2019.

PASSED AND ADOPTED at a meeting of the Board of Directors of Rainbow Municipal Water District held on the 26th day of March 2019 by the following roll call vote:

AYES: Directors Brazier, Gasca, Hamilton, Mack, and Rindfleisch
NOES: None
ABSTAIN: None
ABSENT: None



Helene Brazier, President Board of Directors

ATTEST:



Dawn Washburn, Board Secretary

RAINBOW MUNICIPAL WATER DISTRICT

Appendix A

Water and Sewer Rates and Charges

EFFECTIVE April 1, 2019
 Adopted by Ordinance No. 19-04

WATER COMMODITY CHARGE

A. BASIC COMMODITY CHARGE

(Basic rate for all water delivered through the water meter)
 1 Unit = 748 Gallons = 100 cubic feet (cf)

<u>Service Category</u>	<u>Water Rate</u>
Single Family Residential– first 10 units each month	\$3.73 / 100 cf
Single Family Residential – 11 -26 Units each month.	\$3.99 / 100 cf
Single Family Residential – Over 26 Units each month.	\$4.48 / 100 cf
Multi-Family Residential – all units	\$3.87 / 100 cf
Commercial – all units	\$4.03 / 100 cf
Agricultural w/ Residence– first 10 units each month	\$3.73 / 100 cf
Agricultural w/ Residence – 11 -26 Units each month.	\$3.99 / 100 cf
Agricultural w/ Residence – Over 26 Units each month.	\$3.63 / 100 cf
Agricultural w/o Residence – all units	\$3.63 / 100 cf
Institutional – all units	\$4.14 / 100 cf
Construction – all units	\$5.20 / 100 cf
Transitional Special Agricultural Water Rates (TSAWR)	
TSAWR Domestic - first 10 units each month	\$3.94 / 100 cf
TSAWR Domestic – 11 to 26 units each month	\$4.21 / 100 cf
TSAWR Domestic – Over 26 units each month	\$3.15 / 100 cf
TSAWR Commercial – all units	\$3.15 / 100 cf

B. PUMPING ZONE CHARGES

<u>Service Area</u>	<u>Amount</u>
Monthly fixed charge for all zones	\$9.24 per meter
1 - Rainbow Heights	\$1.03 / 100 cf
2 - Improvement District U-1	\$0.64 / 100 cf
3 - Vallecitos	\$0.36 / 100 cf
4 - Northside	\$0.13 / 100 cf
5 - Morro	\$0.19 / 100 cf
6 - Huntley	\$0.75 / 100 cf
7 - Magee	\$3.37 / 100 cf

C. WATER ALLOCATION PENALTY RATES

The Water Allocation Penalty charges shall apply only to TSAWR customers in the event that the San Diego County Water Authority (SDCWA) establishes mandatory TSAWR allocation cutbacks. During a TSAWR allocation, SDCWA will establish an allocation reduction percentage. Each TSAWR customer will be issued a baseline allocation that is calculated from a base year defined by SDCWA and this allocation will be reduced by the SDCWA defined reduction percentage.

A penalty of \$3.31 per unit will be charged to TSAWR customers who use greater than their reduced allocation but less than their baseline allocation. A penalty of \$6.62 per unit will be charged to TSAWR customers who use more than their baseline allocation.

FIXED ACCOUNT CHARGES

A. METER SERVICES CHARGES

RMWD Monthly Fixed O&M Charges for Single Family Residential, Multi-Family Residential, Commercial, and Institutional

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 35.14
3/4 "	\$ 35.14
1"	\$ 54.89
1 1/2"	\$ 104.22
2"	\$ 163.43
3"	\$ 350.91
4"	\$ 627.22
6"	\$1,288.35

NOTE: Locked or sealed meters are assessed a charge equal to the above monthly charge for the appropriate sized meter.

RMWD Monthly Fixed O&M Charges for Agricultural w/Residence, Agricultural w/o residence, TSAWR Domestic, and TSAWR Commercial

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 63.83
3/4 "	\$ 63.83
1"	\$ 102.66
1 1/2"	\$ 199.80
2"	\$ 316.37
3"	\$ 685.47
4"	\$ 1,229.43
6"	\$ 2,530.98

NOTE: Locked or sealed meters are assessed a charge equal to the above monthly charge for the appropriate sized meter.

SDCWA Fixed Pass Through Charges

Charge is assessed by the San Diego County Water Authority and passed through directly by RMWD to all meter customers. These charges are in addition to RMWD Monthly Fixed O&M Charges

Monthly SDCWA Fixed Pass Through Charge for Single Family Residential, Multi-Family Residential, Agricultural w/ residence, Agricultural w/o Residence, Commercial, and Institutional

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 30.42
3/4 "	\$ 30.42
1"	\$ 50.70
1 1/2"	\$ 101.40
2"	\$ 162.24
3"	\$ 354.90
4"	\$ 638.82
6"	\$ 1,318.20

Monthly SDCWA Fixed Pass Through Charge for TSAWR Domestic, and TSAWR Commercial

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 13.53
3/4 "	\$ 13.53
1"	\$ 22.55
1 1/2"	\$ 45.09
2"	\$ 72.15
3"	\$ 157.83
4"	\$ 284.10
6"	\$ 586.23

B. OTHER FIXED ACCOUNT CHARGES

(Additional charges added to the basic meter service charge to reflect other special service conditions.)

Backflow device annual inspection fee

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 4.81
3/4 "	\$ 4.81
1"	\$ 4.81
1 1/2"	\$ 4.81
2"	\$ 4.81
3"	\$ 8.14
4"	\$ 8.14
6"	\$ 8.14

<u>Service Conditions</u>	<u>Monthly Charge</u>
Bypass Meter (for detector check systems) or Fire Service Only Meters	\$10.00
Fire Standby Charge (Vista Valley Area) (Applicable to properties under the jurisdiction of the Vista Fire Department. See Resolution No. 85-24)	\$ 5.00

Fire Standby Charge (All Other Areas) \$ 5.00

MISCELLANEOUS CHARGES

A. CONSTRUCTION METERS

Deposit	\$1,825.00
Installation Fee	\$ 115.00
Relocation Fee	\$ 50.00
Meter Service Fee (3" O & M)	\$ 243.68
Water Commodity Charge	\$5.20/100 cf

B. OTHER CHARGES

Unpaid Bills (delinquency)	5% of unpaid balance-1st mo. 1 1/2% of unpaid balance per month thereafter.
Returned Check Charge	\$30.00
Tax Roll Fee (Accounts collected through SD County Assessor's Office)	\$45.00
48-hour Lock Off Notice	\$40.00
Service Turn-on Fee	\$50.00
After hours Turn-on-Fee	\$75.00
Cut Padlock Fee	\$22.00
Meter Testing Charge	\$ 50.00 (1" or smaller)
(testing for 3" and greater is outsourced)	\$ 71.00 (1 1/2" or 2") \$225.00 (3" or 4") \$225.00 (6")

WATER CAPACITY CHARGES

The SDCWA charge is collected by RMWD forwarded quarterly to the SDCWA.

Capacity fees list are for **residential only**, all other land use types will be calculated case by case based on the number of EDUs (equivalent dwelling unit).

<u>Capacity Class</u>	<u>Reference Meter Size</u>	<u>Water Capacity Charge</u>	<u>SDWCA Fee</u>	<u>SDCWA Treatment Charge</u>
A	5/8"	\$ 6,241	\$ 5,099	\$ 141
B	3/4"	\$ 10,401	\$ 5,099	\$ 141
C	1"	\$ 16,642	\$ 8,158	\$ 226
D	1 1/2"	\$ 27,043	\$ 15,297	\$ 423
E	2"	\$ 62,406	\$ 26,515	\$ 723
F	3"	\$ 124,812	\$ 48,950	\$ 1,354
G	4"	\$ 208,020	\$ 83,624	\$ 2,312

Lot size less than 5,000 sqft (0.11 acre) with de minimis irrigation of less than 1,000 sqft may qualify for a 5/8 inch meter.

Lot size less than 21,7880 sqft (0.5 acres) may qualify for a 3/4 inch meter.

For cases where demand qualifies for a smaller capacity meter, but requires a larger meter to meet fire flow requirements only, a meter one size larger may be installed and a monthly fire standby charge will be assessed. Written confirmation from the fire department is required.

SEWER CHARGES

A.

MONTHLY SERVICE CHARGE PER EQUIVALENT DWELLING UNIT (EDU)

Single Family	\$55.07/monthly
Multi-Family	\$40.51/monthly
Sewer Only	\$54.40/monthly

VARIABLE CHARGE PER HCF OF WATER

Commercial	\$6.67/HCF
Commercial w/Irrigation	\$2.99/HCF

MONTHLY MINIMUM CHARGE

Commercial	\$40.51
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B. EDU description and basis for Sewer Capacity Charges

Single Family Residential, Apartment, Condominium, Duplex or Mobile home, Each Unit

Square Footage

≤1,250	0.8 EDU
1,251 to 2,000	1.0 EDU
2,001 to 3,000	1.2 EDU
3,001 to 4,500	1.5 EDU
4,501 to 6,000	2.0 EDU
>6,000	Case by Case
Motel or Hotel	
Each Living Unit with Kitchen	0.80 EDU
Each Living Unit without Kitchen	0.40 EDU
Commercial Business - Retail shop or Offices Equipped with Restroom, Up to 1,000 sf.	1.20 EDU
Commercial Business – Each additional 1,000 sf. of gross floor space or part thereof.	0.80 EDU
Automobile Service Stations	
A. Providing RV holding tank disposal station	2.00 EDU
B. Four (4) or under Gas Pumps	0.80 EDU
C. Over four (4) Gas Pumps	1.00 EDU
Church, Fraternal Lodge or similar auditorium for each unit of seating capacity for 200 persons.	1.0 EDU
Bakery	1.0 EDU
Theater - 200 seating capacity	1.40 EDU
Hospital - per bed	0.40 EDU
Convalescent Hospital - Boarding Home - per bed	0.40 EDU
Labor Camp, Per Bed	0.10 EDU
Mortuary	1.20 EDU
Car Wash	1.20 EDU
Grocery Store	1.20 EDU
Self Service Laundry - each washing machine	0.40 EDU
Swimming Pool - with restrooms	1.20 EDU
Spas - with restrooms	1.20 EDU

Country Clubs with common restroom facilities		1.20 EDU
Each additional shower unit, wash closet and/or fixture.		
Restaurant – Base (Using non-disposable tableware)		2.70 EDU
Per each seven (7) seats or part thereof		1.20 EDU
Restaurants—Base (Using disposable tableware)		1.20 EDU
Per each twenty-one (21) seats or part thereof		1.20 EDU
Schools (Public or Private)		
Elementary	Per each 60 students	1.20 EDU
Junior High School	Per each 40 students	1.20 EDU
High School	Per each 30 students	1.20 EDU

D. Sewer Capacity Charge \$14,126 per EDU

PROSPECTIVE ANNUAL RATE INCREASES VIA PASS THROUGH CHARGES FOR WATER

To avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply, the District will pass through to its customers: (1) any increases in the rates of the SDCWA Fixed Charges imposed on the District by SDCWA (an “SDCWA Fixed Pass Through”); (2) any future charges and any rate increases to any other existing charges, including imported water charges, that are imposed on the District by SDCWA (a “SDCWA Pass Through”); The foregoing are collectively referred to in this ordinance as “Pass Through Increases.”

Any SDCWA Fixed Pass Through will only impact the rates of the SDCWA Fixed Charges. The District may annually implement the Pass Through Increases commencing April 1, 2019.

END

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES AGREEMENT TO HDR FOR A MODEL DEMAND UPDATE AND ADDITIONAL WATER SUPPLY ALTERNATIVES ANALYSIS

BACKGROUND

The District maintains over 320 miles of water pipelines and other infrastructure assets and distributes approximately 14,000 acre feet of water each year to over 8,000 customers spread out over 82 square miles. That water is not distributed evenly, so it is important to analyze how the water gets from the sources to each customer. It is also important to have an up-to-date tool for determining which improvements are needed to facilitate the distribution of water to the locations where it is needed. The District, through a consultant, uses a digital computer model of the water distribution system, to run these types of analyses.

The model is complex, relying on several building blocks of accurate data to produce reliable results. One of those building blocks is the data regarding the structure of the distribution system. This data has been updated frequently for the 2015 Master Plan, for the Condition Assessment, and most recently for analysis of distribution during shutdowns of various sources. Another building block is data regarding the source of water and water demands throughout the District. This data was overhauled for the 2015 Master Plan; however, in the last few years, the District's demands have changed in unexpected ways and the District is exploring alternative supply options which were not explored in the 2015 update to the model.

HDR recently performed analysis on water supply alternatives for the District using the hydraulic model and made rough updates to the system demand data. This work was approved by the Board on August 27, 2019 as a change order to the Condition Assessment. HDR, having already conducted several analyses of the District's distribution system, was well positioned to provide "on the fly" water-modeling services to staff, and provide scenarios for efficiently delivering water throughout the District.

After careful scrutiny and discussions regarding the analysis provided by HDR, District Staff has concluded that refining the system demand data using the most recent supply data and providing in depth data regarding agriculture demand in specific pressure zones will consequentially improve the model and analysis for determining which infrastructure improvements are necessary.

DESCRIPTION

District Staff requested a proposal for producing a more accurate update to the model's demands with an emphasis on specifying the portions of the demand associated with agriculture in several distinct pressure zones within the District. In addition, the scope of work will include up to 120 hours of water supply related analysis using the updated model. The deliverables from these analyses will be descriptions and planning-level cost estimates for several infrastructure improvement alternatives related to meeting system wide demands of the District. In addition, an updated hydraulic model will be provided to the District.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. This project produces a road map for District staff for determining which projects are most important to keep the distribution system in working order under a variety of future alternatives. In addition, the update to the model will be usable by the District for analyzing future improvements before they are designed and constructed.

BOARD OPTIONS/FISCAL IMPACTS

1) Option 1:

- Allocate funding and award a Professional Services Agreement with HDR in the amount of \$34,100 for Model Demand Update and Additional Water Supply Alternatives Analysis.
- Make a finding that the action herein does not constitute a “project” as defined by CEQA.
- Authorize General Manager to execute a Professional Services Agreement with HDR in the amount of \$34,100 for Model Demand Update and Additional Water Supply Alternatives Analysis.

2) Option 2:

- Provide other direction to Staff.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA and further environmental review is not required at this time.

STAFF RECOMMENDATION

Staff recommends Option 1.



Steven E. Strapac, P.E., P.L.S.
District Engineer

03/24/2020



**RAINBOW MUNICIPAL WATER DISTRICT
3707 S HIGHWAY 395
FALLBROOK CA 92028
(760) 728-1178**

PROFESSIONAL SERVICES AGREEMENT

**PROJECT: MODEL CALIBRATION TO SDCWA SHUTDOWN CONDITIONS
Project No. 600015, Contract No. 19-38**

THIS AGREEMENT ("Agreement") is made and entered into this **20th day of November 2019** by and between the **RAINBOW MUNICIPAL WATER DISTRICT**, a municipal water district, hereinafter designated as "**DISTRICT**", and **HDR Engineering, Inc.**, a **Nebraska corporation**, hereinafter designated as "**CONSULTANT**."

RECITALS

- A.** DISTRICT desires to obtain Professional Consulting Services from an independent contractor for the above-named Project.
- B.** CONSULTANT has submitted a proposal to provide professional services for DISTRICT in accordance with the terms set forth in this Agreement.
- C.** DISTRICT desires to contract with CONSULTANT as an independent contractor and CONSULTANT desires to provide services to DISTRICT as an independent contractor.
- D.** CONSULTANT has demonstrated its competence and professional qualifications necessary for the satisfactory performance of the services designated herein by virtue of its experience, training, education, and expertise.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PROFESSIONAL SERVICES PROVIDED BY CONSULTANT.

- 1.1** The professional services to be performed by CONSULTANT shall consist of the following: **Supporting the DISTRICT in calibrating the DISTRICT'S model to San Diego County Water Authority (SDCWA) shutdown conditions and using the model to evaluate new water supply alternatives.** The scope of services is more particularly defined in Exhibit "A", attached and made a part hereof. Any additional engineering services will be requested in writing as set forth in Section 19.

- 1.2 In performing the services set forth in Exhibit "A", CONSULTANT shall work closely with DISTRICT'S General Manager and staff in performing services in accordance with this Agreement in order to receive clarification as to the result that DISTRICT expects to be accomplished by CONSULTANT. The General Manager, shall be DISTRICT'S authorized representative in the interpretation and enforcement of all services performed in connection with this Agreement.
- 1.3 CONSULTANT represents that its employees have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of DISTRICT. This means CONSULTANT is able to fulfill the requirements of this Agreement. Failure to perform all services required under this Agreement constitutes a material breach of the Agreement.

2. TERM AND TIMING REQUIREMENTS.

- 2.1 This Agreement will become effective on the date stated above, and will continue in effect until the earlier of the completion of services provided for in this Agreement or until terminated as provided under Section 14 of this Agreement.
- 2.2 CONSULTANT'S performance of services under this Agreement shall be in accordance with the schedule outlined below unless otherwise modified in writing as set forth in Section 19. Failure by CONSULTANT to strictly adhere to these timing requirements may result in termination of this Agreement by DISTRICT.

Task	Due Date
Notice to Proceed	November 19, 2019
Calibrate Model to SDCWA Shutdown Conditions	December 16, 2019
Updated Hydraulic Model	February 14, 2019- <i>2020</i>

- 2.3 CONSULTANT shall submit all requests for extensions of time for performance in writing to the General Manager no later than two (2) business days after the commencement of the cause of any delay beyond CONSULTANT'S control and in all cases prior the date on which performance is due if possible. The General Manager shall review all such requests and may grant reasonable time extensions for delays which are beyond CONSULTANT'S control.
- 2.4 For all time periods not specifically set forth herein, CONSULTANT shall respond in the most expedient and appropriate manner under the circumstances, by telephone, fax, hand delivery, e-mail or mail.

3. STUDY CRITERIA AND STANDARDS.

- 3.1 All services shall be performed in accordance with applicable DISTRICT, county, state and federal Codes and criteria. In the performance of its professional services,

CONSULTANT shall use the degree of care and skill ordinarily exercised by consultants performing the same or similar work under similar conditions.

4. INDEPENDENT CONTRACTOR.

4.1 CONSULTANT'S relationship to DISTRICT shall be that of an independent contractor in performing all services hereunder. DISTRICT shall not exercise any control or direction over the methods by which CONSULTANT shall perform its services and functions. DISTRICT'S sole interest and responsibility is to ensure that the services covered in this Agreement are performed in a competent, satisfactory and legal manner. The parties agree that no services, act, commission or omission of CONSULTANT or its employee(s) pursuant to this Agreement shall be construed to make CONSULTANT or its employee(s) the agent, employee or servant of DISTRICT. CONSULTANT and its employee(s) are not entitled to receive from DISTRICT vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.

4.2 CONSULTANT shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment requirements with respect to CONSULTANT or its employee(s). CONSULTANT agrees to indemnify, defend and hold DISTRICT harmless from any and all liability, damages or losses (including attorney's fees, costs, penalties and fines) DISTRICT suffers as a result of CONSULTANT'S failure comply with the foregoing.

4.3 CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT shall report to DISTRICT any and all employees, agents, and subcontractors performing services in connection with this Agreement, and all shall be subject to the approval of DISTRICT.

4.4 CONSULTANT shall have no authority, express or implied, to act on behalf of as an agent, or to bind DISTRICT to any obligation whatsoever, unless specifically authorized in writing by the General Manager. If CONSULTANT'S services relate to an existing or future DISTRICT construction contract, CONSULTANT shall not communicate directly with, nor in any way direct the actions of, any bidder for that construction contract without the prior written authorization by the General Manager.

5. WORKERS' COMPENSATION INSURANCE.

5.1 By CONSULTANT'S signature hereunder, CONSULTANT certifies that CONSULTANT is aware of the provisions of Section 3700 of the California Labor Code that require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and CONSULTANT will comply with such provisions before commencing the performance of the services of this Agreement.

6. INDEMNIFICATION, HOLD HARMLESS AND DEFENSE.

6.1 All officers, agents, employees and subcontractors, and their agents, who are employed by CONSULTANT to perform services under this Agreement, shall be deemed officers,

agents and employees of CONSULTANT. To the extent and in any manner permitted by law, CONSULTANT shall defend, indemnify, and hold DISTRICT, its directors, officers, employees, authorized volunteers and agents, and each of them free and harmless from any claims, demands, liability from loss, damage, or injury to property or persons, including wrongful death, that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of CONSULTANT, including CONSULTANT'S officers, employees and agents, in connection with the services required by this Agreement, including without limitation, the payment of reasonable attorneys' fees and costs. The foregoing indemnity, hold harmless and defense obligation of CONSULTANT shall apply except to the extent the loss, damage or injury is caused by the negligence or willful misconduct of an indemnified party.

- 6.2 To the extent and in any matter permitted by law, CONSULTANT shall defend, indemnify and hold DISTRICT, its directors, officers, employees, authorized volunteers and agents, and each of them free and harmless from and against any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, related to or incident to a breach of any governmental law or regulations, compliance with which is the responsibility of CONSULTANT.
- 6.3 CONSULTANT shall defend, at CONSULTANT'S own cost, expense and risk, any and all such aforesaid claims, suits, actions or other legal proceedings of every kind that may be brought or instituted against DISTRICT or DISTRICT'S directors, officers, employees, authorized volunteers and agents, and each of them. DISTRICT shall be consulted regarding and approve of the selection of defense counsel. Should separate counsel be necessary for DISTRICT, as *reasonably* determined by DISTRICT, CONSULTANT shall be responsible to pay for the reasonable attorney's fees and costs including expert fees, as such fees and costs are incurred, for DISTRICT'S legal counsel in addition to CONSULTANT'S own legal fees and costs. In all circumstances, DISTRICT retains the right to retain its own attorneys.
- 6.4 CONSULTANT shall pay and satisfy any judgment, award or decree that may be rendered against DISTRICT or its directors, officers, employees, authorized volunteers and agents, and each of them, in any and all such aforesaid claims, suits, action or other legal proceeding. CONSULTANT shall not agree without DISTRICT'S prior written consent, to any settlement which would require DISTRICT to pay any money or perform some affirmative act, including in the case of intellectual property infringement any payment of money or performance of some affirmative act to continue using CONSULTANT Products.
- 6.5 CONSULTANT shall reimburse DISTRICT and its directors, officers, employees, authorized volunteers and agents, and each of them, for any and all reasonable legal expenses and costs including attorneys' fees incurred by each of them in connection therewith or in enforcing the indemnity, hold harmless and defense obligation herein provided.
- 6.6 CONSULTANT agrees to carry insurance for this purpose as set forth herein including contract liability. Provision of insurance coverage as required by this Agreement shall not affect CONSULTANT'S indemnification, hold harmless and defense obligations. CONSULTANT'S indemnification hold harmless and defense obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONSULTANT, subcontractor, supplier or other person under

workers' compensation acts, disability acts or other employee acts or the insurance required by this Agreement. CONSULTANT'S indemnification, hold harmless and defense obligation shall not be restricted to insurance proceeds, if any received by DISTRICT or its directors, officers, employees, authorized volunteers or agents. *However, CONSULTANT'S indemnification, hold harmless, and defense obligations shall be limited to the percentage of fault apportioned to CONSULTANT by a court of law, arbitrator, or mutual agreement between the parties. Additionally, such obligations shall cease upon a finding by a court of law, arbitrator, or mutual agreement between the parties that CONSULTANT was not negligent, reckless, engaged in willful misconduct, or in violation of applicable laws.*

6.7 CONSULTANT'S indemnification, hold harmless and defense obligation shall survive the termination or expiration of this Agreement.

7. **LAWS, REGULATIONS AND PERMITS.**

7.1 CONSULTANT shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the services required by this Agreement. CONSULTANT shall be liable for, and bear all costs resulting from, any violations of the law in connection with services furnished by CONSULTANT.

7.2 CONSULTANT shall comply with all of the following requirements with respect to any services as a Building/Construction Inspector, Field Soils and Material Tester, or Land Surveyor, as those trades are defined by the California Department of Industrial Relations ("DIR").

- a) CONSULTANT agrees to comply with and require its subcontractors to comply with the requirements of California Labor Code sections 1720 *et seq.* and 1770 *et seq.*, and California Code of Regulations, title 8, section 16000 *et seq.* (collectively, "Prevailing Wage Laws") and any additional applicable California Labor Code provisions related to such work including, without limitation, payroll recordkeeping requirements. CONSULTANT and its subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the DIR for all services described in this Section 7.2 of the Agreement and as required by law. The general prevailing wage determinations can be found on the DIR website at: [www://dir.ca.gov/dslr](http://www.dir.ca.gov/dslr). Copies of the prevailing rate of per diem wages may be accessed at the DISTRICT'S administrative office, and shall be made available upon request. CONSULTANT shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services described in this Section 7.2 of the Agreement available to interested parties upon request, and shall post and maintain copies at CONSULTANT'S principal place of business and at all site(s) where services are performed. Penalties for violation of Prevailing Wage Laws may be assessed in accordance with such laws. For example, CONSULTANT shall forfeit, as a penalty to the DISTRICT, Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than stipulated prevailing rates for services performed under this Agreement by CONSULTANT, or any subcontractor under CONSULTANT, in violation of Prevailing Wage Laws. CONSULTANT shall defend, indemnify and hold the DISTRICT and its officials, officers, directors, employees, agents and volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged

failure of CONSULTANT or its subcontractors to comply with Prevailing Wage Laws.

- b) CONSULTANT and each of its subcontractors shall keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by CONSULTANT or subcontractor in connection with the services performed pursuant to this Agreement. Each payroll shall be certified, available for inspection, and copies thereof furnished as prescribed in California Labor Code sections 1771.4(a)(3)(A) and 1776, including any required redactions. CONSULTANT shall keep the DISTRICT informed as to the location of the records and shall be responsible for the compliance with these requirements by all subcontractors. CONSULTANT shall inform the DISTRICT of the location of the payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change of location and address. Penalties for noncompliance include a forfeiture of One Hundred Dollars (\$100) per calendar day, or portion thereof, for each worker until strict compliance is effectuated, which may be deducted from any moneys due to CONSULTANT.
- c) Eight (8) hours of work shall constitute a legal day's work. CONSULTANT and any subcontractors shall forfeit, as a penalty to the DISTRICT, Twenty-Five Dollars (\$25) for each worker employed in the execution of services pursuant to this Agreement by CONSULTANT or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any calendar week in violation of the provisions of the California Labor Code, in particular, sections 1810 to 1815, thereof, inclusive, except services performed by employees of CONSULTANT and its subcontractors in excess of eight (8) hours per day at not less than one and one-half (1 ½) times the basic rate of pay, as provided in California Labor Code section 1815.
- d) CONSULTANT'S attention is directed to the provisions of California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning employment of apprentices by CONSULTANT or any of its subcontractors. If applicable to the services performed under the Agreement, CONSULTANT shall comply with such apprenticeship requirements and submit apprentice information to the DISTRICT. Information relative to apprenticeship standards, wage schedules and other requirements may be obtained from the DIR or the Division of Apprenticeship Standards. Knowing violations of section 1777.5 will result in forfeiture not to exceed One Hundred Dollars (\$100) or Three Hundred Dollars (\$300), depending on the circumstances, for each calendar day of non-compliance pursuant to section 1777.7.
- e) CONSULTANT shall require any subcontractors performing services described in this Section 7.2 of the Agreement to comply with all of the above.
- f) CONSULTANT must be, and must require all subcontractors performing services described in this Section 7.2 to be, registered with and have paid the annual fee to the DIR prior to execution of this Agreement pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be listed on a bid proposal for a

public works project, or perform services described in this Section 7.2, unless registered with the DIR pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be awarded a contract for public work on a public works project, or perform services described in this Section 7.2, unless registered with the DIR pursuant to Labor Code Section 1725.5. The performance of services described in this Section 7.2 is subject to compliance monitoring and enforcement by the DIR

8. SAFETY.

CONSULTANT shall execute and maintain CONSULTANT'S services so as to avoid injury or damage to any person or property. In carrying out CONSULTANT'S services, CONSULTANT shall at all times, exercise all necessary precautions for the safety of employees appropriate to the nature of the services and the conditions under which the services are to be performed, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Safety (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act (as applicable). Safety precautions as applicable shall include instructions in accident prevention for all employees such as safe walkways, scaffolds, fall protection, ladders, bridges, gang planks, confined space procedures, trenching & shoring, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries.

9. INSURANCE.

9.1 INSURANCE COVERAGE AND LIMITS.

CONSULTANT shall provide and maintain at all times during the performance of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by CONSULTANT, its agents, representatives, employees or subcontractors, *with the exception of professional liability that may be maintained on a claims-made basis*. Claims made policies shall not satisfy these insurance requirements unless CONSULTANT notifies DISTRICT and obtains DISTRICT'S prior written consent to the use of such claims made policies.

Coverage – CONSULTANT shall maintain coverage at least as broad as the following:

- a) Coverage for Professional Liability appropriate to CONSULTANT'S profession covering CONSULTANT'S wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.
- b) Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001).
- c) Insurance Services Office Automobile Liability Coverage (Form CA 0001), covering Symbol 1 (any auto).

- d) Workers' Compensation insurance as required by the State of California and Employers Liability insurance.

Limits - CONSULTANT shall maintain limits no less than the following:

- a) Professional Liability - One million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) annual aggregate.
- b) General Liability - Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- c) Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.
- d) Workers' Compensation insurance with statutory limits as required by California law and Employer's Liability insurance with a limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

9.2 REQUIRED PROVISIONS. The insurance policies are to contain, or be endorsed to contain the following provisions:

- a) DISTRICT, its directors, officers, employees, or authorized volunteers are to be covered as *additional* insureds on the CGL and auto policies with respect to liability arising out of automobiles owned, leased, hired, or borrowed by on or behalf of CONSULTANT; and with respect to liability arising out of services or operations performed by or on behalf of CONSULTANT including materials, parts, or equipment furnished in connection with such services or operations. General liability coverage can be provided in the form of an endorsement to CONSULTANT'S insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used). The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its directors, officers, employees, or authorized volunteers. The Project Name shall also be included.
- b) For any claims related to the services provided hereunder, CONSULTANT'S insurance shall be primary insurance as respects DISTRICT, its directors, officers, employees, and authorized volunteers. Any insurance, self-insurance, or other coverage maintained by DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it.
- c) Each insurance policy specified above are to state or be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice (ten (10) days for non-payment of premium) by U.S. mail has been provided to DISTRICT.

- d) In the event any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement (if applicable), CONSULTANT shall notify DISTRICT prior to any changes
- e) All of the insurance shall be provided on policy forms satisfactory to DISTRICT. All insurance correspondence, notations, certificates, or other documents from the insurance carrier or agent/broker shall each separately reference this Agreement.

9.3 WAIVER OF SUBROGATION. CONSULTANT hereby agrees to waive rights of subrogation which any insurer of CONSULTANT may acquire from CONSULTANT by virtue of the payment of any loss. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of DISTRICT for all services performed by CONSULTANT, its employees, agents and subcontractors.

9.4 DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductible or self-insured retention must be declared to and approved by DISTRICT. At the option of DISTRICT, the insurer shall either reduce or eliminate such deductibles or self-insured retention.

9.5 ACCEPTABILITY OF INSURERS. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII or equivalent or as otherwise acceptable to DISTRICT.

9.6 EVIDENCES OF INSURANCE. Prior to execution of this Agreement, CONSULTANT shall furnish DISTRICT with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by DISTRICT before services commence. However, failure to obtain the required documents prior the services beginning shall not waive CONSULTANT'S obligation to provide them.

CONSULTANT shall, upon demand of DISTRICT at any time, deliver to DISTRICT complete, certified copies or all required insurance policies, including endorsements, required by this Agreement that include DISTRICT as an additional insured.

9.7 SUBCONTRACTORS. In the event that CONSULTANT employs subcontractors as part of the services covered by this Agreement, it shall be the CONSULTANT'S responsibility to require and verify that each subcontractor meets the minimum insurance requirements specified in this Agreement.

10. NO CONFLICT OF INTEREST.

If CONSULTANT is providing services related to a DISTRICT project, CONSULTANT shall not be financially interested in any other contract necessary for the undertaking of the project. For the limited purposes of interpreting this section, CONSULTANT shall be deemed a "district officer or employee", and this section shall be interpreted in accordance with California Government Code Section 1090. In the event that CONSULTANT becomes financially interested in any other contract necessary for the undertaking of the project, this Agreement shall be null and void and DISTRICT shall be relieved of any

responsibility whatsoever to provide compensation under the terms and conditions of any such contract for those services performed by CONSULTANT.

11. OWNERSHIP OF DOCUMENTS.

All documents and specifications, including details, computations, and other documents, prepared or provided by CONSULTANT under this Agreement shall be the property of DISTRICT. DISTRICT agrees to hold CONSULTANT free and harmless from any claim arising from any use, other than the purpose intended, of the documents and all preliminary sketches, schematics, preliminary plans, architectural perspective renderings, working drawings, including details, computations, and other documents, prepared or provided by CONSULTANT. CONSULTANT may retain a copy of all material produced under this Agreement for the purpose of documenting their participation in this Project.

12. CONFIDENTIAL INFORMATION.

Any written, printed, graphic, or electronically or magnetically recorded information furnished by DISTRICT for CONSULTANT'S use are the sole property of DISTRICT. CONSULTANT and its employee(s) shall keep this information in the strictest confidence, and will not disclose it by any means to any person except with DISTRICT'S prior written approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to CONSULTANT'S employees, agents and subcontractors. On termination or expiration of this Agreement, CONSULTANT shall promptly return any such confidential information in its possession to DISTRICT.

13. COMPENSATION.

13.1 For services performed by CONSULTANT in accordance with this Agreement, DISTRICT shall pay CONSULTANT in accordance with the schedule of billing rates set forth in Exhibit "A", attached hereto and incorporated herein by reference. No hourly rate changes shall be made during the term of this Agreement. CONSULTANT'S compensation for all services performed in accordance with this Agreement shall not exceed the total contract price of **\$33,900**. No services shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the General Manager. CONSULTANT shall obtain approval from the General Manager prior to performing any services that result in incidental expenses to the DISTRICT.

13.2 CONSULTANT shall maintain accounting records including the following information:

- a) Names and titles of employees or agents, types of services performed, and times and dates of all services performed in connection with Agreement that is billed on an hourly basis.
- b) All incidental expenses including reproductions, computer printing, postage, mileage billed at current Internal Revenue Service ("IRS") Rate, and subsistence.

13.3 CONSULTANT'S accounting records shall be made available to DISTRICT Accounting Manager, for verification of billings, within a reasonable time of the Accounting Manager's request for inspection.

13.4 CONSULTANT shall submit monthly invoices to DISTRICT. DISTRICT shall make partial payments to CONSULTANT not to exceed the total contract price within thirty (30) days of receipt of invoice, subject to the approval of the General Manager. ***Each application for partial payment shall be accompanied with a Progress Report summarizing the status of the services performed.***

13.5 CONSULTANT shall ensure that any report generated under this Agreement shall comply with Government Code Section 7550.

14. TERMINATION OF AGREEMENT.

14.1 If DISTRICT ("demanding party") has a good faith belief that CONSULTANT is not complying with the terms of this Agreement, DISTRICT shall give written notice of the default (with reasonable specificity) to CONSULTANT and demand the default to be cured within ten (10) calendar days of the notice.

14.2 If CONSULTANT fails to cure the default within ten (10) calendar days of the notice, or if more than ten (10) calendar days are reasonably required to cure the default, and CONSULTANT fails to give adequate assurance and due performance within ten (10) calendar days of the notice, DISTRICT may terminate this Agreement upon written notice to CONSULTANT.

14.3 In the event of a material breach of any representation or term of this Agreement by CONSULTANT that is not curable or results in a threat to health or safety, DISTRICT may immediately terminate this Agreement by providing written notice and without a cure period.

14.4 Upon termination, DISTRICT shall pay CONSULTANT for any services completed up to and including the date of termination of this Agreement, in accordance with the compensation Section 13. DISTRICT shall be required to compensate CONSULTANT only for services performed in accordance with the Agreement up to and including the date of termination.

15. ASSIGNMENT AND DELEGATION.

15.1 This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of CONSULTANT'S duties be delegated or subcontracted, without the express written consent of DISTRICT. Any attempt to assign or delegate this Agreement without the express written consent of DISTRICT shall be void and of no force or effect. Consent by DISTRICT to one assignment shall not be deemed to be consent to any subsequent assignment.

15.2 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

16. AUDIT DISCLOSURE.

Pursuant to Government Code section 8546.7, if the Agreement is over ten thousand dollars (\$10,000), it is subject to examination and audit of the State Auditor, at the request of DISTRICT or as part of any audit of DISTRICT, for a period of three (3) years after final

payment under the Agreement. CONSULTANT shall cooperate with any such examination or audit at no cost to DISTRICT.

17. ENTIRE AGREEMENT.

This Agreement, and the attached Exhibit "A", comprise the entire integrated understanding between DISTRICT and CONSULTANT concerning the services to be performed pursuant to this Agreement and supersedes all prior negotiations, representations, or agreements whether express or implied, oral or written. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms herein. In the event of any conflict between the provisions of the Agreement and the Exhibit(s), the terms of the Agreement shall prevail.

18. INTERPRETATION OF THE AGREEMENT.

18.1 The interpretation, validity, and enforcement (including, without limitation, provisions concerning limitations of actions) of the Agreement shall be governed by and construed under the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom or rule requiring construction against the draftsman. The Agreement does not limit any other rights or remedies available to DISTRICT.

18.2 CONSULTANT shall be responsible for complying with all applicable local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

18.3 Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

18.4 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake of otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party, the Agreement shall forthwith be physically amended to make such insertion.

19. AGREEMENT MODIFICATION.

This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

20. DISPUTE RESOLUTION.

Upon the written demand of either party, any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, shall be first submitted to mediation the cost of which shall be borne equally by the parties, if not resolved pursuant to the Government Claims Act, Government Code section 900 *et seq.* if applicable, and prior the commencement of any legal action or other proceeding. Any mediation shall take place in the State of California, County of San Diego, and shall be concluded within sixty (60) days of the written demand, unless such

time is extended by mutual written consent of the parties. Nothing herein waives or excuses compliance with the California Government Claims Act.

In the event that mediation has not been successfully concluded within the time allowed, any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in the State of California, County of San Diego, before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures if the amount in controversy is equal or greater than Two Hundred Fifty Thousand Dollars (\$250,000), or pursuant to its Streamlined Arbitration Rules and Procedures if the amount in controversy is less than Two Hundred Fifty Thousand Dollars (\$250,000). The use of arbitration shall allow full discovery by all parties associated with the dispute or claim. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction. The arbitrator may, in the award, allocate all or a part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party. If either party petitions to confirm, correct or vacate the award as provided by Chapter 4, of Title 9 of the California Code of Civil Procedure (commencing with Section 1285), the prevailing party shall be entitled as part of his or its costs to reasonable attorneys' fees to be fixed by the Court.

21. JURISDICTION, FORUM AND VENUE.

Except as otherwise required by Section 20 of this Agreement concerning dispute resolution, the proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. DISTRICT and CONSULTANT agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. DISTRICT and CONSULTANT hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement whether on grounds of inconvenient forum or otherwise.

22. MAILING ADDRESSES.

Notices given pursuant to this Agreement shall be deemed communicated as of the earlier of the day of receipt or the fifth (5th) calendar day after deposit in the United States mail, postage prepaid, and addressed to the following:

**CONSULTANT: HDR Engineering, Inc.
8690 Balboa Avenue, Suite 200
San Diego, CA 92123
Phone: (858) 712-8400**

**DISTRICT: Rainbow Municipal Water District
3707 Old Hwy 395
Fallbrook, CA 92028
Phone: (760) 728-1178**

Notices delivered personally will be deemed communicated as of actual receipt.

23. SIGNATURES.

Each party represents that the individual executing this Agreement on its behalf has the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of such party.

24. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

25. ATTORNEY'S FEES.

In the event of a dispute arising under terms of this Agreement, it is agreed that the prevailing party may be awarded reasonable attorneys' fees and actual costs.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed.

HDR ENGINEERING, INC.

By 
CONSULTANT

AARON MELLEVRE
PRINT NAME

Date: 11/12/19

47-0680568
Federal Employee ID #

RAINBOW MUNICIPAL WATER DISTRICT

By 
GENERAL MANAGER

Date: 11/20/19


Attest: Executive Secretary


Approved as to Form:
General Counsel

NOTARY ACKNOWLEDGEMENT OF CONSULTANT MUST ACCOMPANY THIS DOCUMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On Nov. 12, 2019 before me, Michelle A White, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Jason Miller
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

EXHIBIT "A"

SCOPE OF SERVICES

The Consultant shall perform professional engineering services for the Model Calibration to SDCWA Shutdown Conditions Project, as described in the tasks below:

TASK 100 – DATA COLLECTION AND ANALYSIS

The Consultant shall use data provided by the District during the recent SDCWA shutdown to calibrate the model to shutdown conditions. Data includes SCADA data, data loggers, and pump station flow logs.

Deliverable: Results to be documented by email and provided to the District. As follows:

Tom Kennedy – tkennedy@rainbowmwd.com
Steve Strapac – sstrapac@rainbowmwd.com

TASK 200 – WATER SUPPLY RELATED ANALYSIS

The Consultant shall perform additional water supply related analysis up to 72-hours as directed by the District.

Deliverable: Results to be documented by email and provided to the District. As follows:

Tom Kennedy – tkennedy@rainbowmwd.com
Steve Strapac – sstrapac@rainbowmwd.com

TASK 300 – HYDRAULIC MODEL

Deliverable: An updated hydraulic model will be provided to the District via email or other electronic file transmission.

FEE SCHEDULE:

This is a Time and Material Agreement not to exceed \$33,900. The Consultant fee schedule is attached.

Rainbow MWD
 Model Calibration for SDCWA Shutdown Conditions
 Level of Effort and Fee



NO.	TASK DESCRIPTION	LEVEL OF EFFORT, HOURS						FEE, DOLLARS				
		Principal \$267	Sr Hydraulic Modeler \$225	Asset Manager \$225	Hydraulic Modeler 2 \$165	Hydraulic Modeler 1 \$180	Project Admin \$115	TOTAL LABOR	LABOR	SUBS	DIRECT COSTS	TOTAL
	Client Billing Rates											
	Model Calibration for SDCWA Shutdown Conditions Use data provided by the District during the recent SDCWA shutdown to calibrate the model to shutdown conditions. Data includes SCADA data, data loggers, and pump station flow logs. Perform additional water supply related analysis up to 72 hours as directed by the District.	4	4	16	80	2	4	110	19,480	0	200	19,688
	Subtotal Model Calibration for SDCWA Shutdown Conditions	8	8	46	110	4	6	182	33,646	0	300	33,946
	TOTAL, hours	8	8	46	110	4	6	182	33,646	0	300	33,946
	TOTAL, dollars											33,900



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/1/2020

11/12/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies 444 W. 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Lexington Insurance Company <i>A / X</i>	19437
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

INSURED
1429676 HDR ENGINEERING, INC.
1917 SOUTH 67TH STREET
OMAHA, NE 68106

COVERAGES CERTIFICATE NUMBER: 16407663 REVISION NUMBER: XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX DAMAGE TO RENTED PREMISES (Ea occurrence) \$ XXXXXXXX MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ XXXXXXXX GENERAL AGGREGATE \$ XXXXXXXX PRODUCTS - COMP/OP AGG \$ XXXXXXXX \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	NOT APPLICABLE			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX
A	ARCH & ENG PROFESSIONAL LIABILITY	N	N	061853691	6/1/2019	6/1/2020	PER CLAIM: \$1,000,000 AGGREGATE: \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 MODEL CALIBRATION TO SDCWA SHUTDOWN CONDITIONS.

CERTIFICATE HOLDER

CANCELLATION

16407663
 RAINBOW MUNICIPAL WATER DISTRICT
 ATTENTION: DELIA RUBIO
 3707 S HIGHWAY 395
 FALLBROOK CA 9228

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Joseph M. Amello



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/12/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Willis Towers Watson Midwest, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED HDR Engineering, Inc. 1917 South 67th Street Omaha, NE 68106	INSURER A: Liberty Mutual Fire Insurance Company <i>A/XJ</i>	23035
	INSURER B: Ohio Casualty Insurance Company <i>A/XJ</i>	24074
	INSURER C: Liberty Insurance Corporation <i>A/XJ</i>	42404
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** W13812939 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	Y	Y	TB2-641-444950-039	06/01/2019	06/01/2020	EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input checked="" type="checkbox"/> Contractual Liability						MED EXP (Any one person) \$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC						PERSONAL & ADV INJURY \$ 2,000,000
	OTHER:						GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMP/OP AGG \$ 4,000,000
							\$
A	AUTOMOBILE LIABILITY	Y	Y	AS2-641-444950-049	06/01/2019	06/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS ONLY						\$
							\$
B	<input type="checkbox"/> UMBRELLA LIAB	Y	Y	EUO(20) 57919363	06/01/2019	06/01/2020	EACH OCCURRENCE \$ 5,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 5,000,000
	<input type="checkbox"/> CLAIMS-MADE						\$
	DED RETENTION \$						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	N/A	Y	WA7-64D-444950-019	06/01/2019	06/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate Holder is named as Additional Insured on General Liability, Automobile Liability and Umbrella/Excess Liability on a Primary, Non-contributory basis where required by written contract. Waiver of Subrogation applies on General Liability, Automobile Liability, Umbrella/Excess Liability and Workers Compensation where required by written contract and as permitted by law. Umbrella/Excess policy is Follow Form over General Liability, Auto Liability and Employers Liability.

CERTIFICATE HOLDER Rainbow Municipal Water District Attn: Delia Rubio 3707 S Highway 395 Fallbrook, CA 92028	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Location(s):

All locations owned by or rented to the Named Insured

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):

All construction projects not located at premises owned, leased or rented by a Named Insured

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- 1. Your acts or omissions; or
- 2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

- 1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- 1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- 2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Any person or organization to whom or to which you are required to provide additional insured status in a written contract, agreement or permit except where such contract or agreement is prohibited.	Any location where you have agreed, through written, contract, agreement or permit, to provide additional insured coverage for completed operations.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

SCHEDULE

<p>Name Of Person(s) Or Organization(s): As required by written contract</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph **A.1.** of Section **II** – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph **D.2.** of Section **I** – Covered Autos Coverages of the Auto Dealers Coverage Form.

POLICY NUMBER: TB2-641-444950-039

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization: As required by written contract or agreement
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Where required by contract or written agreement prior to loss.

Issued by:

For attachment to Policy No WA7-64D-444950-019
\$

Effective Date 6/01/2019

Premium

Issued to:

Policy Number AS2-641-444950-049
 Issued by LIBERTY MUTUAL FIRE INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION OR MATERIAL REDUCTION IN COVERAGE TO THIRD PARTIES

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE PART
- MOTOR CARRIER COVERAGE PART
- GARAGE COVERAGE PART
- TRUCKERS COVERAGE PART
- EXCESS AUTOMOBILE LIABILITY INDEMNITY COVERAGE PART
- SELF-INSURED TRUCKER EXCESS LIABILITY COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- COMMERCIAL LIABILITY – UMBRELLA COVERAGE FORM

Schedule		
Name of Other Person(s) / Organization(s):	Email Address or mailing address:	Number Days Notice:
Per Schedule on File		30

- A. If we cancel this policy for any reason other than nonpayment of premium, or make a material reduction in coverage, we will notify the persons or organizations shown in the Schedule above. We will send notice to the email or mailing address listed above at least 10 days, or the number of days listed above, if any, before the cancellation becomes effective. In no event does the notice to the third party exceed the notice to the first named insured.
- B. This advance notification of a pending cancellation or material reduction of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

NOTICE OF CANCELLATION TO THIRD PARTIES

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule below by email as soon as practical after notifying the first Named Insured.
- B. This advance email notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

SCHEDULE

Name of Other Person(s) / Organization(s):

As required by written contract
or written agreement

30 Days

All other terms and conditions of this policy remain unchanged.

Issued by

For attachment to Policy No. WA7-64D-444950-019 Effective Date 6/01/2019 Premium \$

Issued to

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

NOTICE OF COMPLETION AND ACCEPTANCE OF THE VIA ARARAT ROAD PIPELINE IMPROVEMENT PROJECT

BACKGROUND

The Via Ararat Road Pipeline Improvement Project was the installation of 665' of 12" diameter PVC pipe constructed to improve looping in the water distribution system. Looping the water system increases reliability by allowing water to flow through alternate routes during shutdowns and can also increase the amount of water that can flow between zones during times of high demand.

Via Ararat is located off West Lilac Road, approximately 1.25 miles west of I-15. A 24" diameter cement mortar-lined and coated (CML&C) steel waterline runs east west generally along West Lilac. This pipe lacked a nearby connection to the southerly part of the system, constricting north-south flows. Construction of the pipe segment on Via Ararat, running south, to an existing 6" pipe network, greatly increases system connectivity, particularly from the north to the south. The project also included the installation of three new fire hydrants along Via Ararat: one at the northern end of the project, one at the southern end, and another in the middle. This will greatly improve fire response in the area and is a significant benefit to property owners. See the attached Exhibit 1 (Attachment A).

DESCRIPTION

The Board of Directors authorized the General Manager to execute a contract for the construction of the Via Ararat Pipeline Improvements on June 25, 2019 for \$235,662.00. O'Connell Engineering & Construction completed construction of the Improvements on February 3, 2020. There were 3 Change Orders for construction of this project, two with no additional cost to the District, one with an additional cost of \$2,260.65. The additional cost was needed because the existing valve at one connection site was not level and thus required a custom fitting.

Facilities constructed and ready for acceptance include the following:

- 665 feet of 12" PVC Water Main with appurtenances
- 3 Fire Hydrants

All facilities have been constructed per plans, inspected, and tested per specifications. Upon acceptance by the Board, the improvements become part of the District water distribution system and Staff takes over operation and maintenance. In addition, the payment bond of \$235,662.00 and 90% of the performance bond, \$212,095.80 will be released. There is a one-year warranty period for all improvements which commences after board acceptance. The District will retain 10% of the performance bond, \$23,566.20, as the warranty bond for this one-year period. Installation costs will be added to the District's total valuation.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. In addition to maintaining the physical condition of the District's existing infrastructure, it is important to ensure that all new infrastructure is properly accepted administratively and incorporated into the District's records.

ENVIRONMENTAL

The Board determined that the construction of the Via Ararat Road Pipeline Improvement Project was categorically exempt from CEQA in accordance with CEQA Statute Section 21080.21(a) on June 25, 2019.

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

The construction costs of the improvements will be added to the District's asset valuation.

1) Option 1:

- Accept the Via Ararat Road Pipeline Improvement Project.
- Approve filing the Notice of Completion.
- Add installation costs to the District's total valuation.
- Release the Payment Bond in the amount of \$235,662.00.
- Release 90% of the Performance Bond in the amount of \$212,095.80.
- Retain 10% of the performance bond in the amount of \$23,566.20 as the warranty bond for one year.
- Make a finding that the action does not constitute a "project" as defined by CEQA.

2) Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Steven E. Strapac, P.E., P.L.S.
District Engineer

03/24/20



BOARD ACTION

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

CONSIDER APPROVAL OF AN AGREEMENT FOR OUT OF AGENCY SERVICE TO TRANSFER WATER AND WASTEWATER SERVICE FUNCTIONS FOR THE PARDEE "MEADOWOOD" DEVELOPMENT FROM THE VALLEY CENTER MUNICIPAL WATER DISTRICT TO THE RAINBOW MUNICIPAL WATER DISTRICT AND AN ANNEXATION AGREEMENT BETWEEN PARDEE HOMES, VALLEY CENTER MUNICIPAL WATER DISTRICT AND RAINBOW MUNICIPAL WATER DISTRICT FOR THE ULTIMATE ANNEXATION OF THE DEVELOPMENT INTO RAINBOW MUNICIPAL WATER DISTRICT

BACKGROUND

In 2004 the District entered into a Pre-Annexation Agreement with Pardee homes related to Pardee's residential development known as Meadowood. This development is located just north of Hwy 76 along what is now Horse Ranch Creek Road just east of I15. At that time, the land was located within the San Luis Rey Municipal Water District (SLRMWD) but since SLRMWD had no capacity to provide water or wastewater service to the project, the District and Pardee agreed to process an application to the San Diego Local Agency Formation Commission (SDLAFCO) to detach the project from SLRMWD and annex it into Rainbow MWD. The agreement contemplated the construction of a wastewater treatment plant to serve the project.

In April 2005 the RMWD Board voted to direct the District's General Counsel to seek a mutually satisfactory exit from the Pre-Annexation Agreement with Pardee. This was followed by Resolution 07-07 where the RMWD Board affirmed a desire to exit the Pre-Annexation Agreement as well as not to expand the District's boundary or Sphere of Influence. Finally, in December 2006, the Board approved and executed with Pardee a mutual termination agreement with Pardee which ended the Pre-Annexation Agreement.

Pardee homes then contacted the Valley Center Municipal Water District (VCMWD) to discuss an annexation process into the VCMWD service area. These discussions ultimately resulted in SDLAFCO approving the detachment of the Pardee property from SLRMWD and annexation of the property into VCMWD in 2014. During that process, the District and VCMWD entered into a Memorandum of Understanding in November 2013 to study the provision of water and wastewater services to the project through RMWD's water distribution and wastewater collection system.

In the latter months of 2015, VCMWD again contacted RMWD and these discussions resulted in the execution of a Pre-Service Agreement that again contemplated the provision of water and wastewater services through the RMWD system for the project. This study was performed but the parties could not reach an agreement on how the capacity fees for the wastewater portion of the project would be met. The RMWD Administrative Code requires projects that are outside of the service area to pay the same capacity fees as projects within the District's boundaries and this limitation was not mutually acceptable to all parties.

VCMWD subsequently evaluated the construction of a separate wastewater conveyance system that would send wastewater from the Pardee project to their Moosa wastewater plant located near Old Hwy 395 and Old Castle Road. After significant study, the challenges of topography and complex operation of the facilities rendered that option infeasible.

Recently, the Pardee development obtained all of its required permits and commenced grading. This prompted the parties to again discuss options related to how to most effectively serve the project within the various constraints described above. After a series of discussions, the preferred option was to prepare the agreements that are the subject of this Board Action letter. On February 19, 2020, Pardee formally requested that the District consider entering into an Out of Service Area agreement with VCMWD (See Exhibit A).

DESCRIPTION

This agenda item has two main components, an out of Service Area Agreement and an Annexation Agreement.

Agreement for Out of Agency Service (Exhibit B)

Under LAFCO law, two agencies can mutually agree that one can provide service within another's service area. Under certain conditions, approval from LAFCO is required, but pursuant to government Code Section 56133(e)(1) an exception that exempts the approval from LAFCO is applicable when the arrangement is between:

Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

This is the section of the Government Code that will be the basis for this agreement. In this situation, all parties agree that annexation of the project into RMWD is the favored option. VCMWD's Board approved the process at their Board meeting earlier this month. However, since the ultimate approval by LAFCO will take many months, this agreement allows the parties to commence the work required to construct the facilities need to serve the project while that process goes forward.

This agreement contains several main provisions:

- All parties agree that this agreement will terminate upon the full annexation of the project. Should that annexation be denied this agreement will remain in effect.
- Pardee will pay all current applicable water and sewer capacity fees to RMWD
- Certain water and sewer infrastructure required to serve the project will be paid for by PARdee, although the details on this are in the Annexation agreement. The purpose of the provisions in this agreement are to clarify that VCMWD is not responsible for any of those costs.
- All services and connections in the project will pay RMWD directly for any ongoing monthly service fees or water use fees

Annexation Agreement (Exhibit C)

This agreement contains a great deal more detail about the annexation process and responsibilities and is between RMWD, VCMWD, and Pardee. This will govern the roles and responsibilities of the parties as the process moves forward. The key provisions of this agreement include:

- RMWD will be the proponent of the reorganization which means that RMWD will file an application to SDLAFCO. This will require the RMWD Board to adopt a Resolution of Application to SDLAFCO at a subsequent Board meeting once all the application materials are completed.
- VCMWD will pass a Resolution of Support for the reorganization
- Pardee will be responsible for all SDLAFCO processing fees and the costs to prepare the materials for the application
- VCMWD will be reimbursed for all of its costs related to this process.
- RMWD will ensure CEQA compliance for its portion of the process. Pardee has already completed full CEQA compliance for the construction of the project, so CEQA for our projects will be limited to certain offsite water and wastewater projects (already underway) as well as a CEQA determination related to the change in boundaries. This sort of change of boundary is categorically exempt from CEQA so the process will be fairly straightforward.
- The construction of an 18" water main from the Rice Canyon Tank down to and through the project area. This pipeline has been long contemplated in previous District Master Plans and is a key component needed to move more water from our MWD direct delivery connection located east of Rice Canyon Road into the central part of the District's service area. Additional agreements will be needed to formalize the construction portion of the pipeline and the design portion will be on a separate agenda item for this board meeting.
- Once the detachment is complete, RMWD will form a Community Facilities District for the project that will fund Pardee's payment of RMWD capacity fees as well as certain in-tract infrastructure.
- Pardee's Engineer of Record has been working with RMWD staff to review the required upgrades to RMWD's wastewater conveyance system and is in the final stages of completing a full analysis that may include some design alternatives for consideration. These facilities include (but are not limited to expressly) the following:
 - o An upsize in the Hwy 76 gravity main from the near the River Village center to the new lift station at Thoroughbred
 - o The construction of the new sewer lift station at Thoroughbred as well as the force main that will go over the river and connect to the gravity main in Old River Road
 - o An upsize in the gravity main in Old River Road to the Old River Lift station from the Lift Station 1 area to the Old River Lift Station at Little Gopher Canyon Road.

In this agreement, RMWD and Pardee agree that Pardee will pay for the construction of the required offsite wastewater facilities through the proceeds of the CFD. The current cost estimates for the full completion of the sewer system upgrades needed to serve all of the new development projects (not just Pardee) near the Hwy 76/115 area is currently estimated to be \$21 Million. The District's wastewater capital reserve plus the capacity fees from Pardee together equal that amount. Since Pardee's contribution will be paid for from the CFD bond proceeds, and since those funds may only become available after construction has started, Pardee agrees in this agreement to pay the acquisition cost and any interest on bridge financing that may become necessary to complete the offsite sewer facilities in a timely manner.

Pardee will also work with our District Engineer to identify any cost saving alternatives through the Sewer Service Analysis study that may bring the total cost of the offsite sewer improvements down, but that is not guaranteed. In this agreement, the District will agree to cap Pardee's total capacity fee to be the amount needed, above and beyond the funds currently available to the District, to complete the offsite sewer improvements to the District's requirements. The District retains sole discretion in whether to accept any design alternatives, but should a more efficient method of construction be identified by Pardee it will be a win-win situation for both parties.

Based on the history of the project described above, Pardee has a concern that the District may choose to cancel this annexation agreement. Since the project is currently under construction, this could have significant financial impacts to Pardee. Based on this, the agreement has a provision that if the District decides to unilaterally terminate the agreement there will be a payment of \$1 Million to Pardee as a result.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources - this project will complete a key link between our MWD direct delivery connection and the central part of our service area, allowing us to access lower cost water irrespective of the potential detachment from SDCWA

Strategic Focus Area Two: Asset Management – this project will help the District complete the full build out of wastewater facilities that has been long delayed due to funding challenges

Strategic Focus Area Four: Fiscal Responsibility – this agreement will bring in approximately \$18 Million in water and wastewater capacity fees as well as provide for over 850 new customers to help spread fixed costs across our customer base. This single project will increase the District’s customer base by over 10%

BOARD OPTIONS/FISCAL IMPACTS

As noted above, this project will bring approximately \$18 Million in capacity fees, although the wastewater capacity fees will be paid through the construction of the long delayed components of our wastewater conveyance system. While the exact meter counts and EDUs may change as the project moves forward, it is expected that the new customers from this project will generate over \$800,000 per year in monthly water service fees and wastewater fees based on our current rates. These funds will help keep water and wastewater rates lower for our current customers. The agreement also ensures that Pardee will pay for all costs related to the project so no current customers will have any of their funds used to complete this project.

The agreements attached to this Action Letter are still undergoing final fine tuning by the respective legal counsels for RMWD, VCMWD, and Pardee. There are no expected changes to any of the material terms described above, but there may be some minor changes that occur between the time this Board packet was distributed and the actual Board meeting. Should revisions occur, a revised redline version will be provided at the meeting.

Further, RMWD’s legal counsel may request that the Board approve the agreements and allow him to make further minor legal language changes to the agreements as may be required subsequent to Board approval.

Finally, the Agreement for Out of Agency Service includes a reference to the approval of the Annexation agreement, so unless the Board approves both, the Agreement for Out of Agency Service would be invalid.

Options

1. Approve the following agreements and authorize the General Manager to execute said agreements with the provision that the District’s General Counsel may have minor technical revisions prior to execution:
 - a. Agreement for Out of Agency Service between the Rainbow Municipal Water District and the Valley Center Municipal Water District
 - b. Annexation Agreement among Valley Center Municipal Water District, a California Municipal Water District, and Rainbow Municipal Water District, a California Municipal Water District, and Pardee Homes
2. Provide direction to staff for other options

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA and further environmental review is not required at this time.

STAFF RECOMMENDATION

Staff recommends approval of Options 1(a) and 1(b).



Tom Kennedy
General Manager

March 24, 2020



13400 Sabre Springs Parkway, Suite 200
San Diego, CA 92128

Phone: (858) 794-2579
Fax: (858) 794-2560
E-Mail: jimmy.ayala@pardeehomes.com

JIMMY AYALA
Division President

February 19, 2020

Tom Kennedy
General Manager
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

Subject: Request for Out-of-Agency Agreement

Dear Mr. Kennedy,

This letter is to request the Rainbow Municipal Water District (RMWD) enter into an Out-of-Agency Agreement (Govt. Code § 56133.) with Valley Center Municipal Water District (VCMWD). This Agreement would allow your water district to provide water and sewer service to Pardee Homes' Meadowood project with the consent of VCMWD.

As you know, Pardee Homes owns approximately 390 acres of land in the unincorporated area of San Diego County north of State Route 76 and east of Interstate 15 in Fallbrook. The site has been approved for a mixed-use residential community called Meadowood that will include up to 844 single- and multi-family homes, a neighborhood park, pocket parks, multi-use trails, open space and supporting infrastructure. Meadowood was approved by the San Diego County Board of Supervisors in January 2012.

Meadowood is currently within the VCMWD service territory. However, due to the project's proximity to RMWD facilities and services, RMWD can more efficiently provide service to Meadowood, reducing overall costs for future residents. For this reason, it is the goal of Pardee Homes to work with the respective water districts and the Local Agency Formation Commission (LAFCO) to have the project site detached from the VCMWD service territory and attached to RMWD via annexation.

As Pardee Homes works with RMWD, VCMWD and LAFCO towards the eventual annexation of the project, Pardee Homes respectfully requests RMWD provide water and sewer service to the project site. Service to the site would be permitted by VCMWD and outlined in an Out-of-Agency Agreement.

During initial conversations, both VCMWD and LAFCO staff have indicated they would support an Out-of-Agency Agreement for the Meadowood project. This Agreement would provide legal assurances for both water districts, allowing RMWD to serve the project with VCMWD approval while we work towards the project's annexation.

It is our intention to help facilitate the Out-of-Agency Agreement by working cooperatively with all parties. Please let us know if you have any questions or would like to discuss in further detail.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jimmy Ayala".

Jimmy Ayala
Division President
Pardee Homes

RECORDING REQUESTED BY AND
WHEN RECORDED MAILED TO:

Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, California 92028
Attn:

Above Space for Recorders Use

APN:

*Exempt from Filing Fees
Government Code § 27383*

AGREEMENT FOR OUT-OF-AGENCY SERVICE

This AGREEMENT FOR OUT-OF-AGENCY SERVICE (“Agreement”), dated _____, 2020, by and between Valley Center Municipal Water District (“VCMWD”), a California municipal water district, and Rainbow Municipal Water District (“RMWD”), a California municipal water district for the provision of water and sewer services by RMWD to certain real property totaling 374.7 acres of uninhabited land (the “Property”), located in the undeveloped area of the County of San Diego (“County”) within the adopted Fallbrook Community Plan Area and the VCMWD services area, as described and depicted in Exhibit A, attached hereto.

THE PARTIES HERETO AGREE AS FOLLOWS:

1. RMWD will supply water and sewer services to the Property under this Agreement until the Property is fully and finally detached from the VCMWD service area and annexed into the RMWD service area in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Govt. Code §§ 56000 *et seq.*) (the “LAFCO Act”) and that certain annexation agreement dated _____, 2020 by and between VCMWD, RMWD and Pardee Homes, Inc. (“Pardee”), a California corporation, (“Annexation Agreement”). Said water will be provided from RMWD’s allocation of water from the _____.
2. If required to serve the property, a ____ water main shall be extended from the existing terminus of water main(s) to and across street frontage, if applicable, of the Property at Pardee/RMWD’s sole cost and expense in accordance with RMWD’s standard specifications.
3. If required to serve the property, a ____ sewer main shall be extended from the existing terminus of sewer main(s) to and across street frontage, if applicable, of the Property at Pardee/RMWD’s sole cost and expense in accordance with RMWD’s standard specifications.
4. RMWD shall provide water and sewer service for the benefit of the Property and through meters installed and owned by RMWD at the standard rate for outside service to the Property area.

5. RMWD shall charge Pardee, as the Property owner, all current connection fees and such other fees as may be charged to similar businesses within RMWD boundaries. VCMWD shall bear no responsibility for the assessment and/or payment of said fees.
6. RMWD shall be responsible for obtaining all necessary easements and dedications.
7. VCMWD shall have no right or obligation to provide water and sewer services to the Property area, and shall not charge Pardee, as the Property owner, any related fees or charges.
8. VCMWD shall not oppose or challenge RMWD's ability or responsibility to provide water and sewer services to the Property and, in accordance with the Annexation Agreement, shall reasonably cooperate with the detachment of the Property from the VCMWD service area and annexation into the RMWD service area.
9. This Agreement shall automatically terminate upon annexation of the Property to RMWD.
10. This agreement may be assigned to any successors-in-interest without the consent of the other party.
11. This Agreement shall be and is a covenant running with the land and all rights and obligations hereunder shall inure to the subsequent owners of the Property.

IN WITNESS THEREOF, the parties have hereto cause this Agreement to be executed as of the date identified above.

VALLEY CENTER MUNICIPAL WATER DISTRICT, a California municipal water district

RAINBOW MUNICIPAL WATER DISTRICT, a California municipal water district

By: _____
CEO/General Manager

By: _____
CEO/General Manager

Attest:

Attest:

By: _____
Board Secretary of Valley Center
Municipal Water District

By: _____
Board Secretary of Rainbow Municipal
Water District

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

VCMWD General Counsel

RMWD General Counsel

EXHIBIT A
Legal Description

WHEN RECORDED MAIL TO:

Exempt from Filing Fees
Government Code § 27383

(Space above for Recorder's Use)

ANNEXATION AGREEMENT

among

VALLEY CENTER MUNICIPAL WATER DISTRICT

a California municipal water district,

and

RAINBOW MUNICIPAL WATER DISTRICT

a California municipal water district,

and

PARDEE HOMES,

a California Corporation.

[Dated as of 2/12/2020 for reference purposes only]

For good and valuable consideration, including, but not limited to, the promises and mutual covenants set forth in this Annexation Agreement, the receipt and sufficiency of which is hereby acknowledged, the Valley Center Municipal Water District, Rainbow Municipal Water District and Pardee Homes agree as follows:

ARTICLE 1

PARTIES AND EFFECTIVE DATE

1.1 **Parties.** This Annexation Agreement (“Agreement”) is entered into among: (i) Valley Center Municipal Water District (“VCMWD”), a California municipal water district; (ii) Rainbow Municipal Water District (“RMWD”), a California municipal water district; and (iv) Pardee Homes (“Pardee”), a California Corporation. VCMWD, RMWD and Pardee are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.” This Agreement is dated as of _____, 2020, for reference purposes only, and will become effective upon the “Effective Date” as defined in Section 1.2 below.

1.2 **Effective Date.** This Agreement will become effective on the first date (“Effective Date”) on which all the following have occurred: (i) this Agreement has been approved by Pardee, executed by its legally authorized officers, and delivered to VCMWD and RMWD; (ii) this Agreement has been approved by VCMWD and executed by its duly authorized representative as designated by the VCMWD Board of Directors; and (iii) this Agreement has been approved by RMWD and executed by its duly authorized representative as designated by the RMWD Board of Directors.

ARTICLE 2

RECITALS

2.1 Pardee owns approximately 374.7 acres of uninhabited land (the “Residential Development Project Property” or “Meadowood Project”), located in the undeveloped area of the County of San Diego (“County”) within the adopted Fallbrook Community Plan Area and the VCMWD services area, adjacent to the jurisdictional boundaries of RMWD (“Project Site”), as described and depicted in Exhibit A, attached hereto.

2.2 Pardee represents and warrants to the Parties that Pardee is the legal title holder and owner of record of the Residential Development Project Property and that no other parties have a legal or equitable interest in the Residential Development Project Property.

2.3 Pardee intends to develop the Meadowood Project, which, as approved by the County, consists of a residential development not to exceed 886 single-family and multi-family residential units, a park and recreation center, elementary school, and a wastewater treatment facility and approximately 50 acres retained for agricultural usage. The details of the Residential Development Project are described and depicted in exhibits to the Residential Development Project’s vesting tentative map (VMT 5354 RPL), Meadowood Specific Plan (SP04-001), Rezone (R04-004), site plans (S04-005, -006, -007), Major Use Permit (P08-023), amendment to the County General Plan (GPA 04-002) and its Environmental Impact Report (SCH No. 2004051028)

(“EIR”), as approved and certified by the County on January 11, 2012 (collectively, the “Project Entitlements”), and are incorporated herein by this reference.

2.4 In accordance with the Project Entitlements, the Meadowood Project was annexed into VCMWD sewer and water service on April 7, 2014.

2.5 Existing water system facilities in the vicinity of the Project Site are operated by RMWD. Recent expansion of the existing facilities is attributable to the development of the Horse Creek Ridge residential project. The Meadowood Project will, subsequently, be able to make use of this expanded water distribution system.

2.6 As provided in this Agreement, the Parties desire the Project Site be detached from VCMWD and annexed into the jurisdictional boundaries of RMWD. The process by which these jurisdictional changes will occur are collectively referred to in this Agreement as the “Reorganization.”

2.7 Pursuant to the authority to enter into annexation-related contracts (*Morrison Homes Corp. v. City of Pleasanton* (1974) 58 Cal.App.3d 724, 733), this Agreement sets forth the process for and the terms and conditions upon which the Project Site may be detached from VCMWD and annexed into RMWD through the Reorganization. The Parties acknowledge that RMWD has no control over LAFCO’s approval of the proposed detachment or annexation, or the terms and conditions that may be imposed by LAFCO.

2.8 Due to the complexity and magnitude of the Residential Development Project, as well as the substantial financial investment associated with the development, Pardee desires for VCMWD and RMWD to provide a sufficient degree of certainty regarding the provision of municipal services to the Project Site. Pursuant to this Agreement, VCMWD and RMWD represent to Pardee that they will not take actions to interfere with or otherwise impede the Project Entitlements on the terms and conditions provided in this Agreement.

ARTICLE 3

DEFINITIONS

3.1 “Affected Local Agency” shall have the meaning provided in Government Code section 56014.

3.2 “Agreement” means this Annexation Agreement.

3.3 “Annexation” shall have the meaning provided in Government Code section 56017 and, for this Agreement, means more specifically the addition of the Project Site to the jurisdictional boundaries RMWD and any other Affected Local Agency.

3.4 “Application” shall have meaning as provided in Section ____ of this Agreement.

3.5 “Approval of Reorganization” shall mean LAFCO’s adoption of a resolution making determinations to approve the Reorganization pursuant to Government Code section 56880.

3.6 “Building Codes” shall mean standard, uniform codes governing construction, as adopted in California and/or the County. Examples of Building Codes include the California Building Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, the Uniform Housing Code, and the Uniform Code for the Abatement of Dangerous Buildings.

3.7 “CEQA” shall mean the California Environmental Quality Act, Public Resources Code section 21000 *et seq.* and the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 (“CEQA Guidelines”).

3.8 “Certificate of Completion” shall have the meaning provided in Government Code section 56020.5.

3.9 “Community Facilities District” means a district created under the Mello-Roos Community Facilities Act of 1982 to fund the infrastructure for water and sewer services.

3.10 “Detachment” shall have the meaning provided in Government Code section 56033, and, for this Agreement, means more specifically the removal of the Project Site from the jurisdictional boundaries of VCMWD.

3.11 “Early Termination” shall have the meaning provided in Section ___ of this Agreement.

3.12 “Effective Date” shall have the meaning provided in Section 1.2 of this Agreement.

3.13 “EIR” shall mean the Final Program Environmental Impact Report, SCH No. 2004051028, for the Residential Development Project certified by the County pursuant to the CEQA, technical studies in support of the EIR, CEQA Findings of Fact, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program.

3.14 “Executive Officer” shall have the meaning provided in Government Code 56038 and, for this Agreement, means the Executive Officer of LAFCO.

3.15 “Expiration” shall have the meaning provided in Section ____ of this Agreement.

3.16 “Fiscal Impact Analysis” shall mean the fiscal study required by Section 5.43 of this Agreement.

3.17 “Initiate” or “Initiation” shall have the meaning provided in Government Code section 56047.

3.18 “LAFCO” shall mean the Local Agency Formation Commission of the County of San Diego, or any successor entity thereto.

3.19 “LAFCO Final Decision” shall mean the action taken by LAFCO to record the Certificate of Completion with the Recorder’s Office of the County of San Diego and: (i) any ordinances or resolutions with respect to the Certificate of Completion have taken effect; (ii) the time has passed for any request for reconsideration or appeal of LAFCO’s Approval of

Reorganization or the Certificate of Completion to any administrative agency or court with appeal jurisdiction over such approvals or appeals in connection therewith; (iii) no notice of referendum or initiative with respect thereto has been published or publicized; and (iv) any appeal or litigation with respect to the Certificate of Completion or LAFCO's Approval of Reorganization has been prosecuted and resolved in a manner which is not subject to remand to lower courts or governmental agencies.

3.20 "Landowner" shall have the meaning provided in Government Code section 56048 and, for this Agreement, is equivalent to Pardee.

3.21 "Lead Agency" shall have the meaning provided in Public Resources Code section 21067 and CEQA Guidelines section 15050 *et seq.*, and, unless text otherwise indicates, refers to the County and its efforts to process the Project Entitlements.

3.22 "LAFCO Applicant" shall refer to RMWD and its efforts to process the Reorganization through LAFCO.

3.23 "RMWD" shall mean the Rainbow Municipal Water District, a California municipal water district.

3.24 "Pardee" shall mean Pardee Homes, a California corporation with its principal place of business located at Los Angeles, California.

3.25 "Parties" shall mean, collectively, VCMWD, RMWD and Pardee.

3.26 "Party" shall mean, individually, VCMWD, RMWD or Pardee.

3.27 "Project Entitlements" shall mean the discretionary approvals issued by the County as part of the approval of the Residential Development Project. The Project Entitlements include, but are not limited to, the certification of the EIR and related approvals required pursuant to CEQA, vesting tentative map (VMT 5354 RPL), Meadowood Specific Plan (SP04-001), Rezone (R04-004), site plans (S04-005, -006, -007), Major Use Permit (P08-023), amendment to the County General Plan (GPA 04-002) and any facilities financing mechanisms.

3.28 "Project Site" shall mean the 374.7 acres upon which the Meadowood Project will sited that will be annexed into the jurisdictional boundaries of RMWD, as provided in Section ____ of this Agreement and described and depicted in Exhibit A, attached hereto. All references to annexation, detachment or reorganization refer to the Project Site.

3.29 "Reorganization" shall mean the Detachment of the Project Site from VCMWD and Annexation of the Project Site into the jurisdictional boundaries of RMWD, and other Affected Local Agency, as provided in Government Code section 56073 and sections 56650 *et seq.*, as well as any required adjustments to the VCMWD and RMWD Spheres of Influence and related changes to the jurisdictional boundaries and/or Spheres of Influence of any other Affected Local Agency, as set forth in RMWD's Resolution of Application for Reorganization.

3.30 "Reorganization Effective Date" shall have the meaning provided in Section ____ of this Agreement, but shall be no later than

3.31 “Residential Development Project” shall mean the Meadowood Project proposed by Pardee for construction on the Project Site, as is more particularly defined in Section ____ of this Agreement.

3.32 “Residential Development Project Build-Out” shall mean the issuance of the last permit needed to occupy and use the last structure or facility identified in the Project Entitlements or an earlier time as the Parties may mutually agree in writing.

3.33 “Resolution of Application for Reorganization” shall mean the document that RWMD will approve in order to initiate the Reorganization, as provided in Government Code section 56073.1.

3.34 “RMWD” shall mean the Rainbow Municipal Water District, a California municipal water district.

3.35 “Sphere of Influence” shall have the meaning provided in Government Code section 56076.

3.36 “VCMWD” shall mean the Valley Center Municipal Water District, a California municipal water district.

ARTICLE 4

THE REORGANIZATION

4.1 Initiation of Proceedings.

4.1.1 **RMWD as Proponent of Reorganization.** RMWD, as the LAFCO Applicant, shall adopt a Resolution of Application for Reorganization, in substantially the form described in Exhibit B, attached hereto, within sixty (60) calendar days of the Effective Date of this Agreement or concurrent with a hearing to approve this Agreement. VCMWD, RMWD and Pardee shall review and approve in writing all modifications to the attached Resolution of Application for Reorganization prior to adoption by RMWD and submission to LAFCO. For purposes of this paragraph only, the review and approval of modifications to the Resolution of Application may be made by the General Manager of VCMWD, General Manager of RMWD, or their respective designees. RMWD shall process the Reorganization with LAFCO to obtain a Certificate of Completion for the Reorganization. Except as otherwise provided in this Agreement, RMWD hereby irrevocably consents to the Reorganization on the terms and conditions stated herein and agrees to not in any way object to, protest, delay, frustrate, or otherwise impede the Reorganization. Provided that Pardee and VCMWD have fully complied with their obligations set forth in this Agreement, RMWD shall reasonably cooperate with the requests of Pardee, RMWD, LAFCO, and any other Affected Local Agency in any proceedings for the Reorganization. Notwithstanding any other provision herein, failure to adopt the applicable resolution within sixty (60) calendar days or obtain the Parties’ written mutual consent for an extension of time to adopt the applicable resolution will terminate and RMWD shall be liable for damages as discussed in Section ____ below, provided the delay is solely attributable to RMWD actions and not due to the actions or inaction of any other party or Affected Agency.

4.1.2 Timing, Form and Content of Application. RMWD shall submit an Application for Reorganization (“Application”) within sixty (60) calendar days of its approval of a Resolution of Application for Reorganization. The form and content of the Application shall be as provided in Government Code section 56652 and LAFCO policy, including any necessary information regarding an adjustment to RMWD’s Sphere of Influence in order to serve the Project Site and shall be in substantially the form described in Exhibit C, attached hereto. Pardee and VCMWD shall review and approve in writing all modifications to the attached Application prior to submission to LAFCO. For purposes of this paragraph only, review and approval of modifications to the Application may be made by the General Manager of VCMWD, the General Manager of RMWD, or their respective designees. The Application will also include this Agreement. The Parties agree to jointly work to ensure that the Application satisfies the LAFCO form and content requirements.

4.1.3 VCMWD Resolution of Support. VCMWD shall adopt a Resolution of Support for RMWD’s Application within sixty (60) calendar days of the Effective Date of this Agreement or concurrent with a hearing to approve this Agreement. Except as otherwise provided in this Agreement, VCMWD hereby irrevocably consents to the Reorganization and agrees to not in any way object to, protest, delay, frustrate, or otherwise impede the Reorganization. Provided that Pardee and RMWD have fully complied with their obligations set forth in this Agreement, VCMWD shall cooperate in every reasonable way with the requests of Pardee, RMWD, LAFCO, and any other Affected Local Agency in any proceedings for the Reorganization. Notwithstanding any other provision herein, failure to adopt the applicable resolution within sixty (60) calendar days or obtain the Parties’ written mutual consent for an extension of time to adopt the applicable resolution will terminate this Agreement.

4.1.4 Purpose of Resolutions. It is the intent of the Parties that the resolutions called for in this Section 4.1 of the Agreement shall satisfy the provisions of Government Code section 56751(d) and 56857(e) and make the provisions of Government Code sections 56751(a) – (c) and 56857(a) – (d) inapplicable to the Reorganization.

4.1.5 Compliance with Government Code Section 56375(a)(7). Government Code section 56375(a)(7) provides that LAFCO “shall require, as a condition to annexation, that a city prezone the territory to be annexed *or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at buildout, and are consistent with the city’s general plan.*” (Emphasis added.) The Parties intend this Agreement to serve as satisfactory evidence that the Project Entitlements, as applied to the Residential Development Project, are vested and consistent with applicable service areas as of the Effective Date.

4.1.6 Landowner-Owner Consent Form; Irrevocable Consent. Within thirty (30) days of the Effective Date of this Agreement, Pardee shall execute and cause to be submitted to RMWD in connection with the Application a Landowner-Consent Form in support of the Reorganization in the form required by LAFCO. Except as otherwise provided in this Agreement, Pardee hereby irrevocably consents to the Reorganization and agrees to not in any way object to, protest, delay, frustrate, or otherwise impede the Reorganization. Provided that VCMWD and RMWD have fully complied with their obligations set forth in this Agreement, Pardee shall cooperate in every reasonable way with the requests of VCMWD, RMWD, LAFCO, any Affected

Local Agency and any other public agency in any proceedings for the Reorganization. Pardee shall also cause to be prepared all legal descriptions, parcel/plan maps and other maps required by LAFCO for the Reorganization.

4.1.7 Landowner–Owner Consent To Financing. At such time as written consent is necessary to complete the formation of a Community Facilities District, Pardee shall execute and cause to be submitted such evidence of owner consent as may be required. Pardee hereby irrevocably consents to the formation of a Community Facilities District and agrees to not in any way object to, protest, delay, frustrate or otherwise impede the formation of a Community Facilities District. Pardee shall cause to be prepared at its sole cost and expense all legal descriptions, maps, plans, appraisals, special tax formulas, absorption studies and other material financial and engineering information required for formation of a Community Facilities District and the issuance of bonds secured by special taxes. In addition, in the event that RMWD requires financing of infrastructure before funds are available from the Community Facilities District, RMWD may obtain such financing as may be necessary to proceed with the construction, and Pardee consents to such authority and agrees to reimburse RMWD as provided in section 5.3(b)

4.1.8 Plan For Providing Services. A Plan for Providing Services consistent with the requirements in Government Code section 56653, in substantially the form described in Exhibit D, attached hereto, shall be submitted as part of RMWD’s Application. The Parties shall review and approve in writing all modifications to the attached Plan for Providing Services prior to submission to LAFCO. For purposes of this paragraph only, the review and approval of modifications to the Plan for Providing Services may be made by the General Manager of VCMWD, the General Manager of RMWD or their respective designees.

4.1.9 Environmental Document. The Parties intend that the EIR shall be the environmental documentation used by VCMWD, RMWD, LAFCO, or other Affected Local Agency to comply with CEQA in the consideration of the Reorganization. RMWD shall be responsible for the preparation of any additional analysis or environmental documentation in compliance with CEQA related to any actions anticipated by this Agreement or as a result of the Reorganization. Pardee shall pay RMWD’s costs and fees, including reasonable attorney’s fees, staff time, and consultant fees for CEQA preparation and compliance. RMWD shall be responsible for causing the appropriate number of copies of the EIR and related documents to be provided for the Application. If LAFCO requires additional information related to the environmental documentation, the Parties shall make reasonable efforts to provide the information to LAFCO, and RMWD shall be solely responsible for such costs.

4.1.10 LAFCO Processing Fees. Pardee shall be solely responsible for providing all LAFCO processing fees pursuant to LAFCO’s standard policies or as may otherwise be required to process the Reorganization.

4.1.11 Complete Application. The Parties anticipate that LAFCO may require additional information prior to deeming the Application complete. The Parties shall make reasonable efforts to provide the information to LAFCO to complete annexation no later than December 31, 2020.

4.2 LAFCO Hearing and Decision.

4.2.1 **Assistance of Parties to LAFCO Executive Officer and Staff.** The Parties shall make reasonable efforts to timely respond to requests for information from the Executive Officer and LAFCO staff as necessary for the processing of the Reorganization through the LAFCO hearing process.

4.2.2 **Participation in Hearing Process.** The Parties shall make reasonable efforts to ensure that their appropriate representatives prepare for and attend LAFCO meetings and public hearings as necessary for the processing of the Reorganization through the hearing process.

4.3 **Reorganization Processing Costs.**

4.3.1 **Pardee.** Pardee shall be solely responsible for all costs and fees, including attorneys' fees or other obligations incurred by it for the Residential Development Project and the Reorganization. In addition, except as may otherwise be expressly provided in this Agreement, Pardee shall pay all costs and fees, including attorneys' fees associated with processing the Residential Development Project and the Reorganization and other obligations of VCMWD and RMWD in connection with processing the Residential Development Project and the Reorganization, including without limitation, attorney fees and costs associated with contract preparation and review and processing the annexation and detachment through LAFCO. However, such costs and fees shall not include any costs and fees related to any challenge initiated or joined in by VCMWD and/or RMWD to the issuance of any Meadowood Project permits or approvals. Pardee shall establish or maintain throughout the term of this Agreement refundable deposit accounts with VCMWD and RMWD, respectively, against which VCMWD and RMWD may draw its reasonable costs and fees, including attorneys' fees, and other monetary obligations. Within ten (10) days of receipt of a written request, Pardee shall replenish the deposit account in accordance with VCMWD and RMWD's respective published deposit requirements. Pardee acknowledges and agrees that its failure to replenish the deposit accounts will result in suspension of work by the Party requesting that the account be replenished.

4.3.2 **RMWD.** Except as may be otherwise expressly provided herein, RMWD shall be entitled to be reimbursed by Pardee as provided in Section 4.3.1 for its reasonable costs and fees incurred in connection with processing the Residential Development Project and the Reorganization in accordance with its published fee schedules applicable throughout its service area. Except as may otherwise be expressly provided herein, RMWD shall have no obligation for the costs and fees incurred by Pardee or VCMWD in connection with the Residential Development Project or the Reorganization.

4.3.3 **VCMWD.** Except as may be otherwise expressly provided herein, VCMWD shall be entitled to be reimbursed by Pardee as provided in Section 4.3.1 for its reasonable costs and fees incurred in connection with processing the Residential Development Project and the Reorganization in accordance with its published fee schedules applicable throughout its service area. Except as may otherwise be expressly provided herein, VCMWD shall have no obligation for the costs and fees incurred by Pardee or RMWD in connection with processing the Residential Development Project or the Reorganization.

ARTICLE 5

LAFCO TERMS AND CONDITIONS

5.1 **Effective Date of Reorganization.** In accordance with Government Code section 57202(a), the Parties agree, and shall include as a term and condition in the Application, a condition that the Reorganization Effective Date shall be upon the date of recordation of the Certificate of Completion with the Recorder's Office of the County of San Diego, which the Parties desire to occur as soon after LAFCO Approval of the Reorganization as is reasonably possible.

5.2 **Processing of and Services to the Residential Development Project After the Reorganization Effective Date.**

5.2.1 **Role of RMWD.** RMWD shall design, process, ensure CEQA compliance with and inspect the construction of Residential Development Project's water, sewer and recycled water infrastructure for connection to RMWD, including installation of an eighteen-inch (18") waterline from the Project Site to the Rice Canyon reservoir as described and depicted in Exhibit E, attached hereto. RMWD agrees to provide a valve connection at the reservoir to facilitate connection of waterline by Pardee. RMWD shall be provided with reasonable access to the Residential Development Project by Pardee in order to monitor the progress of the water, sewer and recycled water infrastructure portion of the Residential Development Project and its compliance with RMWD's standards and approved material requirements including but not limited to the Water Agency Standards adopted by RMWD, RMWD's rules and regulations, and the Contract to Make, Install and Complete Water and/or Sewer Facilities to be entered into by Pardee and RMWD prior to commencement of construction. All water, sewer and recycled water facilities shall be inspected and tested in accordance with the Water Agency Standards adopted by RMWD. Pardee shall reimburse RMWD for the costs of all inspections in accordance with RMWD's published fee schedules applicable throughout its service area. Following construction and inspection of all water, sewer and recycled water infrastructure for connection to RMWD, RMWD shall provide quitclaim easements for property within the Project Site. RMWD shall permit private sewer and water within private streets of Meadowood Project planning areas one through four. Additionally, RMWD acknowledges:

5.2.1.1 Time is of essence, and RMWD(?) shall review and process the necessary infrastructure plans prior to Effective Date of Reorganization so that all necessary approvals are obtained and final no later than April 15, 2020;

5.2.1.2 Offsite sewer lines are not required to obtain certificate of occupancy for the Meadowood Project;

5.2.1.3 Existing pipelines along Horse Ranch Creek Road have sufficient pressure and volume available for all residential units except those with a pad elevation above 600 feet.

5.2.2 **Role of VCMWD.** VCMWD shall have no obligation to process, permit or inspect the construction of Residential Development Project's water, sewer and recycled water infrastructure. VCMWD shall provide any necessary documentation, including, among other

things, commitment letters, to permit Pardee to obtain the final maps necessary to commence construction of the Residential Development Project.

5.2.3 Pardee’s Obligation; Property Maintenance. Pardee shall make reasonable efforts to process the Residential Development Project with RMWD with regard to water, sewer and recycled water infrastructure construction to completion. At all times, Pardee shall maintain the Project Site in good condition and in compliance with reasonable maintenance standards sufficient to keep the Project Site free from fire hazards, visible defects, deterioration, dirt and debris. Pardee will cause to be installed agrees to install an eighteen-inch (18”) waterline as part of “Phase 2” of the development of the Meadowood Project. Pardee will also cause to be constructed a twelve-inch (12”) waterline along Horse Ranch Creek Road from Andalusian Way to Pankey Place as depicted and described on Exhibit E, attached hereto. Pardee shall be responsibly for County Water Authority Capacity Fees associated with Meadowood Project. Costs associated with design, construction and agency review for the above-referenced water facilities shall be tracked, and: (i) Pardee shall be provided a fee credit against RMWD water capacity/connection fees in such amount; and (ii) the portion of remaining RMWD fees shall be reimbursed to Developer with CFD proceeds, as described in more detail below. Pardee shall provide an easement within the Project Site in favor of RMWD for the eighteen-inch (18”) waterline within the County trail easement.

5.3 Bond and Other Financing.

(a) **Community Facilities District.** Pardee and RMWD shall cooperate to establish a communities facilities district (“CFD”) through the California Statewide Communities Development Authority (“CSCDA”). The CFD shall encompass the Residential Development Project and shall authorize (i) RMWD’s use of bond proceeds of up to _____ dollars (\$_____.00) for future public facilities to be identified in Water Service Analysis for the Meadowood Project (the “Offsite Sewer Improvements”) in the Rainbow Municipal Water District prepared by Dexter Wilson Engineering and dated January 24, 2020, (ii) the funding of the improvements and fees (excluding County Water Authority capacity fees) identified in Section 5.2.3, (iii) the funding of public “in-tract” sewer and water improvements within the Project Site, and (iv) the funding of private dry utility costs of up to 5% of the CFD net construction proceeds, as permitted by law. The provision of CFD funding for the Offsite Sewer Improvements shall constitute full satisfaction of the Residential Development Project’s obligation to pay any and all RMWD sewer capacity/ connection fees. RMWD shall cooperate with Pardee and CSCDA to comply with applicable requirements and provide applicable documentation or certifications to allow the CFD bonds to be issued on a tax-exempt basis.

(b) **Interim or Bridge Financing.** It is the express intent of the Parties that in the event that the processing of financing results in the necessity of obtaining an interim loan or bridge financing to timely pay contractors performing the work to install the improvements contemplated for serving the Project that all of such costs, including funds advanced and any interest payable on such financing arrangements, shall be the sole responsibility of Pardee and neither RMWD nor VCMWD shall have any ultimate responsibility for same.

5.4 Distribution of Processing Fees, Mitigation Fees, Credits, Open Space and Other Revenue from the Residential Development Project and the Residential Development Project Property.

5.4.1 General Intent of the Parties. Except as may be otherwise expressly provided herein, the Parties intend that the Party that provides a particular service to the Residential Development Project or the Project Site, or that will bear the impact for which a fee is imposed, should receive the fees or revenue associated with that service or impact. The Parties desire that this general intent guide the resolution of any future disputes about which Party should receive a fee or revenue associated with the Residential Development Project on the Project Site, unless otherwise expressly provided in this Agreement. It is also the intent of the Parties to comply with Government Code sections 66000 through 66025 and not to duplicate fees charged to Pardee.

5.4.2 Annexation Agreement/Revenue Sharing Agreement. The Parties intend this section to fulfill LAFCO requirements for a Revenue Sharing Agreement among the Parties. To the extent not already addressed in this Agreement, VCMWD and RMWD shall negotiate any further LAFCO-required revenue sharing agreement allocating the municipal share of property taxes and fee related revenue. RMWD shall submit any further LAFCO-required revenue sharing agreement to LAFCO in accordance with legal requirements.

5.4.3 Fiscal Impact Analysis. The Parties have caused the preparation of a Fiscal Impact Analysis, described in Exhibit F, attached hereto, which identifies both the current and anticipated taxes, fees, assessments and other revenue associated with the Residential Development Project and the Project Site and the anticipated costs for the provision of various municipal services to the Residential Development Project and the Project Site. The Parties intend to use the Fiscal Impact Analysis as a guide to help the Parties to: (a) properly allocate the revenue from the Residential Development Project or Project Site to the Party that provides the service or bears the impact for which the revenue is provided, in accordance with the general intent of Section 5.4.1 above; (b) to assist in the calculation of the annual operating deficiency, if any; (c) to avoid duplication of fees; and (d) to help satisfy any LAFCO-related information requirements.

5.4.4 Distribution of Revenue and Other Items. The Parties have attempted to identify the known taxes, fees, assessments, credits, dedications and other revenue generated from the Residential Development Project or the Project Site described in Exhibit G, attached hereto, and for each such item, the Parties have designated the Party entitled to receive the item.

5.4.5 Payment of Fees by Pardee. Prior to the issuance of permits for the Residential Development Project, Pardee must pay the fees, assessments or other amount related to the permit and required to be paid prior to permit issuance to the Party entitled to receive the fee, assessment or payment. Pardee agrees to use reasonable efforts to ensure that all required fees are paid to the Party designated to receive such payment prior to permit issuance. If a permit is issued prior to the payment of all required fees, Pardee is still obligated to pay the required fee to the designated Party.

5.4.6 Undesignated Government Revenue. In the event that government revenue is generated from the Residential Development Project or the Project Site that are not identified, in whole or in part, in this Agreement, such revenue shall be distributed in a manner

consistent with the general intent expressed in Section 5.4.1 above. The General Manager of VCMWD, the General Manager of RMWD or their respective designees, as applicable, shall within thirty (30) days of the identification of the revenue meet and confer in good faith to mutually agree upon that should receive such revenue. If the Parties cannot mutually agree, VCMWD and RMWD (“Revenue Disputing Parties”) shall resolve the issue by participating in at least four (4) hours of mediation prior to filing any court action. The mediation shall be held in San Diego, California, before a mediator selected by the Revenue Disputing Parties. The mediation shall be commenced by any Revenue Disputing Party making a written demand for mediation to another party. Within fifteen (15) days after such demand is made, the Revenue Disputing Parties shall mutually select a mediator. If the Revenue Disputing Parties are unable to agree on a mediator, the administrator of JAMS in San Diego, California shall select an independent mediator. The Revenue Disputing Parties to the mediation shall equally share the costs of the mediation, however, no Revenue Disputing Party shall be required to pay more than five thousand dollars (\$5,000.00) in connection with any single mediation under this Agreement unless such Revenue Disputing Party agrees to do so in writing. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled until fifteen (15) days after the date of the mediation session. The Revenue Disputing Parties will take such action, if any, required to effectuate such tolling. California Evidence Code sections 1119 through 1128 shall apply to the mediation. If a Revenue Disputing Party fails to cooperate to commence and/or participate in a mediation session, then, notwithstanding anything above, the other Revenue Disputing Party shall be free to file a court action even if no mediation session has taken place. Upon resolution, the Parties shall execute an Annexation Agreement Operating Memorandum confirming the allocation. Such Annexation Agreement Operating Memorandum may be signed by the General Manager of VCMWD, the General Manager of RMWD or their respective designees.

5.5 Provision of Municipal Services to the Project Site.

5.5.1 Water, Sewer, and Recycled Water. Upon the Reorganization Effective Date, RMWD shall provide water, sewer and recycled water services to the Project Site. Except as may be otherwise expressly provided herein, Pardee shall construct or cause the construction of all on-site public improvements and off-site public improvements necessary to connect to RMWD’s water, sewer and recycled water services as required by the Project Entitlements and RMWD’s standards and approved material requirements including but not limited to the Water Agency Standards adopted by RMWD, RMWD’s rules and regulations, and the Contract to Make, Install and Complete Water and/or Sewer Facilities to be entered into by Pardee and RMWD prior to commencement of construction. All water, sewer and recycled water facilities shall be inspected and tested in accordance with the Water Agency Standards adopted by RMWD. Pardee shall pay sewer and water capacity fees and other applicable fees, to RMWD in accordance and compliance with fee schedules in effect at the time of payment by Pardee to RMWD, as identified in Exhibit G, attached hereto. RMWD shall recover all of its other expenses not associated with the sewer and water capacity fee through monthly water, sewer and recycled water rates charged to users in accordance with rules and regulations applicable to RMWD. Upon the Reorganization Effective Date, RMWD shall provide water, sewer and recycled water services to the Project Site at the same level of service and upon the same terms and conditions as provided to other properties within RMWD’s service area and assess such users monthly water, sewer and recycled water rates in accordance the rules and regulations applicable to RMWD.

5.5.2 **Other Municipal Services.** Upon the Reorganization Effective Date, the County or other local agency shall provide or cause to be provided all other municipal services to the Project Site.

5.6 Full Faith and Credit Given to Right to Develop the Residential Development Project in Accordance with the Project Entitlements.

5.6.1 **Full Faith and Credit of Development Rights.** The Parties agree that Pardee shall have the right to develop the Residential Development Project in accordance with the Project Entitlements, and VCMWD and RMWD agree to give full faith and credit to the Project Entitlements on the terms and conditions as issued by the County. To the extent the Project Entitlements provide Pardee with vested rights to develop the Residential Development Project in accordance with the Project Entitlements, VCMWD and RMWD agree to give full faith and credit to those vested rights on the same terms and conditions as the County. The full faith and credit created herein is not intended to either expand or contract Pardee's right to develop the Residential Development Project in accordance with the Project Entitlements. The full faith and credit created herein is intended to provide Pardee with the assurance that VCMWD and RMWD will honor Pardee's vested development rights in the same manner and under the same conditions as the County. The Term of this Agreement does not have any effect on any vesting of rights under the Project Entitlements or the length of time under which those rights, if any, are vested. Furthermore, full faith and credit shall be extended for any extensions of the Project Entitlements which may exist or are granted in accordance with the County Code or local regulations, Subdivision Map Act (including, but not limited to legislatively granted extensions), or other state laws.

5.6.2 **VCMWD: Reserved Authority; Changes in Federal or State Law.** Notwithstanding anything to the contrary in this Section 5.6, VCMWD shall have the same rights as possessed by the County to apply requirements that may conflict with the Project Entitlements in the same manner and on the same conditions as the County, including: (a) the reasonable determination that compliance with the Project Entitlements would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety; or (b) as necessary to comply with state or federal law or mandates. The action chosen to implement the authority reserved under this Section 5.6.2 shall be of the minimum scope, effect, and duration necessary to accommodate the health and safety issue or higher law.

5.6.3 **RMWD: Reserved Authority; Changes in Federal or State Law.** Notwithstanding anything to the contrary in this Section 5.6, RMWD shall have the same rights as possessed by the County to apply requirements that may conflict with the Project Entitlements in the same manner and on the same conditions as the County, including: (a) the reasonable determination that compliance with the Project Entitlements would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety; or (b) as necessary to comply with state or federal law or mandates. The action chosen to implement the authority reserved under this Section 5.6.3 shall be of the minimum scope, effect, and duration necessary to accommodate the health and safety issue or higher law.

5.7 Additional Terms and Conditions.

5.7.1 **Agreed to by Parties.** The Parties may agree to include additional terms and conditions as part of the Resolution of Application for Reorganization and/or Application or the LAFCO process through the Annexation Agreement Operating Memorandum process identified in Section ___ of this Agreement.

5.7.2 **Imposed by LAFCO.** The Parties acknowledge that LAFCO may impose additional terms and conditions on the Reorganization beyond those set forth in this Agreement. The Parties shall reasonably consider such terms and conditions and support them unless any such LAFCO imposed term or condition is in fundamental conflict with the terms and conditions of this Agreement.

ARTICLE 6

DEFAULT, BREACH, REMEDIES, MORTGAGEE PROTECTION

6.1 **Default by Pardee.** Pardee shall be in default of this Agreement if it does any or any combination of the following:

6.1.1 Fail to cure a material breach of this Agreement within the time set forth in a written notice of default from VCMWD or RMWD.

6.1.2 Willfully or negligently violates any order, ruling or decision of any administrative or judicial body having jurisdiction over the Project Site or the Residential Development Project. Pardee may contest any such order, ruling or decision by appropriate proceedings conducted in good faith, in which event no default of this Agreement shall be deemed to have occurred unless and until there is a final, non-appealable judicial decision that Pardee willfully violated such obligation.

6.2 **Default by VCMWD or RMWD.** VCMWD and/or RMWD shall be in default of this Agreement only if they fail to cure a material breach of this Agreement within the time set forth in a written notice of default.

6.3 **Notice of Default.** A Party alleging a default by the other Party shall serve notice thereof. Each such notice shall state with specificity all of the following:

6.3.1 It is given pursuant to this Agreement.

6.3.2 The nature of the alleged default.

6.3.3 The manner in which the alleged default may be satisfactorily cured.

6.3.4 A period of time in which the default may be cured. The notice of default shall allow at least sixty (60) calendar days to cure the default. If the default is of such a nature as not to be susceptible of cure within said time using the allegedly defaulting Party's diligent efforts, then the allegedly defaulting Party shall only be deemed to have failed to cure the default if it fails diligently to commence such cure within said time or if it fails diligently to prosecute such cure to its conclusion.

6.4 Remedies for Default. The Parties acknowledge and agree that VCMWD would not have entered into this Agreement if it were to be liable in damages to any Party under this Agreement, or with respect to this Agreement or the application thereof. The Parties also acknowledge and agree that Pardee would not have entered into this Agreement without VCMWD and RMWD's assurances set forth in this Agreement, and that Pardee will invest substantial money and effort in reliance upon VCMWD and RMWD's assurances set forth in this Agreement. The Parties therefore acknowledge and agree that the nature of the Reorganization and the terms of this Agreement render ordinary remedies at law inadequate for a breach of this Agreement and that it would not be feasible or possible to restore the Project Site to its natural condition once implementation of the Agreement has begun. Therefore, the Parties agree that the remedies for breach of this Agreement shall be limited to one or more of the following:

6.4.1 In general, each of the Parties may pursue any remedy at law or equity available for any breach of any provision of this Agreement (including, but not limited to, obtaining letters of credit, performance bonds, and/or withholding certain approvals), except that VCMWD shall not be liable in monetary damages in any form to Pardee, any mortgagee or lender, or to any successor in interests of Pardee or mortgagee or lender, or to any other person, and Pardee covenants on behalf of all successors in interest in the Project Site or any portion thereof, not to sue VCMWD for monetary damages. In the event RMWD willfully or negligently defaults on any material terms of this Agreement, and if RMWD fails to cure any such default in a reasonable period of time, RMWD shall be liable to provide Pardee for monetary damages in the amount of one million dollars (\$1,000,000). Notwithstanding this exception, pursuant to Section ___ of this Agreement, the prevailing Party(ies) in such an action shall be entitled to receive, in addition to all other available relief, costs of litigation and reasonable attorneys' fees, including expert witness fees, costs and fees incurred on appeal and in enforcing any judgment which may be rendered on the underlying action.

6.4.2 The Parties acknowledge that monetary damages and remedies at law will, however, generally be inadequate, and that specific performance and other non-monetary remedies are particularly appropriate remedies for the enforcement of this Agreement and should be available to the Parties because: (a) money damages are unavailable against VCMWD as provided herein; and (b) given the size, nature and scope of the Residential Development Project, it is not possible to determine the sum of money that would adequately compensate Pardee for development of the Residential Development Project. Therefore, the Parties acknowledge and agree that specific performance is the preferred remedy for any default under this Agreement. In the event Pardee or RMWD defaults on any term of this Agreement, Pardee shall be liable to provide a bond to VCMWD for the construction of water, sewer and recycled water infrastructure and provision of related services to the Project Site.

6.5 Mortgage Protection.

6.5.1 **Right to Mortgage.** Pardee may assign, pledge or otherwise encumber its rights and interests under this Agreement for security purposes to a Mortgagee. Nothing contained in this Agreement shall restrict Pardee from encumbering all or any portion of the Project Site with a mortgage, deed of trust, or other security device (collectively, "Mortgage"). No breach of this Agreement shall default, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value. To the extent consistent with transferee's rights pursuant to bankruptcy and

foreclosure laws, all of the terms and conditions of this Agreement shall be binding upon and effective against any person or transferee who acquires title to all or any portion of the Project Site by foreclosure, trustee's sale, or deed in lieu of foreclosure. Pardee shall obtain at its own cost and expenses any consents required of any Mortgagee, if any, in connection with the formation of the CFD and the issuance of bonds secured by special taxes.

6.5.2 Notice of Default. If VCMWD or RMWD receives written notice from a Mortgagee requesting a copy of any notice of default given to Pardee hereunder and specifying the address for service thereof, then VCMWD or RMWD shall deliver to such Mortgagee, concurrently with the delivery to Pardee, any notice given to Pardee with respect to any claim that Pardee is in default hereunder. If VCMWD or RMWD subsequently makes a determination of noncompliance hereunder, concurrent with service to Pardee, VCMWD or RMWD shall likewise serve notice of noncompliance on any Mortgagee who Pardee has identified in writing to VCMWD or RMWD requires such notice. Each Mortgagee shall have the right, but not the obligations, during the same period available to Pardee hereunder, to cure or remedy, or to commence to cure or remedy, the event of default claimed or the areas of noncompliance set forth in the notice. The failure of VCMWD or RMWD to mail copies of said notice, or of the Mortgagee to receive such notice, shall not affect the validity of such notice or claim of default.

6.5.3 Statement of Compliance / Notice of Estoppel. Within twenty (20) calendar days after receipt of a written request from Pardee for a statement of compliance (or notice of estoppel), VCMWD or RMWD shall execute and deliver a statement certifying: (a) that this Agreement is unmodified and in full force and effect (or identifying any modifications); (b) that there are no uncured defaults under this Agreement by the certifying Party or to the certifying Party's knowledge, by another other Party (or specifying any such defaults) if that is the case; and (c) any other information reasonably requested regarding the status of the Agreement and performance by the Parties. The failure of VCMWD or RMWD to provide such statement within the 20-day period shall be conclusively deemed to constitute a certification by the non-responding Party that: (a) this Agreement is in full force and effect without modification, except as may be represented by Pardee; and (b) that there are no uncured defaults under this Agreement. Such statement (or certification of estoppel) may be relied upon by any purchaser, transferee, lender, title company, governmental agency, or other person; however, nothing in this Agreement shall be construed to provide any non-Party with a cause of action.

ARTICLE 7

INDEMNITY AND TOLLING OF CLAIMS

7.1 Indemnity Against Third Party Litigation Concerning the Agreement. Pardee shall defend, with counsel or counsels mutually acceptable to the Parties, at its sole expense, including any attorneys' fees and costs incurred by the Parties, indemnify and hold harmless VCMWD and RMWD, their agents, officers and employees from any claim, action or proceeding against VCMWD and RMWD, their agents, officers or employees to attack, set aside, void or annul the approval of this Agreement or any subsequent approval or permit granted to Pardee pursuant to this Agreement, regardless of whether such claim, action or proceeding is brought within the time period provided for in Government Code section 66499.37, Public Resources Code section 21167, or other applicable statute of limitations. VCMWD and RMWD shall promptly

notify Pardee of any such claim, action or proceeding, and VCMWD and RMWD shall cooperate fully in the defense. If VCMWD or RMWD fail to cooperate fully in the defense, Pardee shall not thereafter be responsible to defend, indemnify, or hold VCMWD or RMWD harmless. Counsel for the Parties will work closely and will coordinate their efforts to avoid unnecessary duplication of efforts, to reduce legal fees and costs and to present a joint defense that best uses the strengths of each Party. As the owner of the Project Site and the ultimate beneficiary of any future development of the Residential Development Project, the Parties assume that Pardee's legal fees and costs will generally exceed the legal fees and costs incurred by VCMWD and RMWD, reflecting Pardee's assumption of the greater legal workload in the defense. The Parties also assume, however, that VCMWD and RMWD must, in consultation with Pardee, take prudent steps deemed necessary to protect their respective interests.

7.2 General Indemnity. Pardee shall indemnify, defend and hold VCMWD and RMWD, their officers, agents, employees, subcontractors and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of Pardee, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (Pardee's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities contemplated by this Agreement or the Project Entitlements, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of private or public improvements for the Residential Development Project, save and except for liability or claims arising through (i) the negligence or willful misconduct of VCMWD and RMWD as applicable to that Party; (ii) claims otherwise fully covered by the separate indemnity provided by of this Agreement; (iii) claims otherwise fully covered by the separate indemnity provided by Section ___ of this Agreement; (iv) a VCMWD or RMWD willful or negligent material breach of this Agreement, which is not cured in a reasonable period of time; or (v) a challenge initiated or jointed in by VCMWD or RMWD regarding the approval of or issuance of permits for the Residential Development Project. Pardee shall defend with counsel mutually acceptable to the Parties, at its expense, including attorneys' fees, VCMWD and RMWD, their officers, agents, employees, subcontractors and independent contractors in any legal or equitable action based upon such alleged acts or omissions, save and except liability or claims arising through: (i) the negligence or willful misconduct of VCMWD or RMWD, as applicable to that Party; (ii) claims otherwise fully covered by the separate indemnity provided by Section __ of this Agreement; (iii) claims otherwise fully covered by the separate indemnity provided by Section __ of this Agreement; (iv) a VCMWD or RMWD willful or negligent material breach of this Agreement, which is not cured in a reasonable period of time; or (v) a challenge initiated or joined in by VCMWD or RMWD regarding the approval of or issuance of permits for the Residential Development Project.

ARTICLE 8

USE, DENSITY/INTENSITY, HEIGHT, TERM AND TERMINATION

8.1 Permitted Uses. The permitted uses of the Project Site shall be all the permitted uses allowed pursuant to the Project Entitlements and any applicable zoning, which are hereby incorporated by reference.

8.2 **Density/Intensity.** The permitted density or intensity of use shall be the density and intensity allowed pursuant to the Project Entitlements and any applicable zoning, which are hereby incorporated by reference.

8.3 **Maximum Height.** The maximum height and size of the proposed buildings shall be the maximum height and size allowed pursuant to the Project Entitlements and any applicable zoning, which are hereby incorporated by reference.

8.4 **Dedication of Land.** The reservation or dedication of land shall be those portions of the Residential Development Project identified in the Project Entitlements as dedicated or reserved for public purposes, which are hereby incorporated by reference.

8.5 **Annexation Agreement Term.**

8.5.1 **Term Duration.** The Term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect for 10 years thereafter or until Residential Development Project Build-Out, whichever occurs first (“Expiration”), unless terminated earlier as provided below in Section ___ (“Early Termination”).

8.5.2 **Early Termination.** If LAFCO decides to deny the Reorganization and denies a hearing to reconsider a denial of the Reorganization, then this Agreement shall terminate thirty (30) days after LAFCO’s decision unless Pardee, the General Manager of VCMWD, the General Manager of RMWD or their respective designees execute an Annexation Agreement Operating Memorandum extending the term of this Agreement.

8.5.3 **Effects of Early Termination; Survival.** Upon Early Termination of this Agreement, no Party shall have further rights or obligations under this Agreement, except those rights and obligations provided in Article 7 of this Agreement, all of which survive Early Termination for a period of two (2) years. In addition, the Parties shall execute and record in the Official Records of the Recorder’s Office for San Diego County a document confirming termination of this Agreement and removing this Agreement as an exception to title to the Project Site.

8.5.4 **Effects of Expiration; Survival.** Upon Expiration of the Agreement, no Party shall have further rights or obligations under this Agreement, except those rights and obligations provided in Article 7, which shall survive for a period of two (2) years and Section ___ (Full Faith and Credit). RMWD shall bear the general obligation of special districts to provide services to residents within their jurisdictional boundaries and in accordance with LAFCO terms and conditions.

8.5.5 **Termination of Agreement With Respect to Individual Lots Upon Sale to Public.** Notwithstanding any other provision herein, the Agreement shall terminate, without the execution or recordation of any further document, but with written notice from Pardee to the Parties, with respect to any lot which meets the following conditions:

8.5.5.1 The lot has been finally subdivided; and

8.5.5.2 The lot has been individually (and not in “bulk”) transferred, sold or leased to a member of the public or other ultimate user.

ARTICLE 9

ANNUAL REVIEW

9.1 **General.** An annual review shall be conducted by the Parties, as provided in this Article, in addition to the inspections provided for in Section ___ of this Agreement. As part of that review, each Party shall have a reasonable opportunity to assert matters which such Party believes have not been undertaken or performed in conformance with this Agreement, to explain the basis for such assertion, and to receive information from the other Party as justification for such other Party’s position with respect to such matter.

9.2 **Good Faith Compliance with Annexation Agreement.** Pardee shall be deemed to have satisfied its duty of demonstrating good faith compliance if it presents reasonable information concerning substantial conformance to the number, type, density, height, and size of structures completed, and of any public improvements and dedications. Good faith compliance shall not require a detailed report of Pardee’s compliance with each and every term and condition of the Project Entitlements.

9.3 **Cost of Annual Review.** Pursuant to Section ___ of this Agreement, Pardee shall bear any costs incurred by VCMWD and RMWD in connection with processing the annual review.

ARTICLE 10

GENERAL PROVISIONS

10.1 **Relationship of Parties.** This Agreement is one of independent contractors and does not create an agency relationship between the Parties.

10.2 **Residential Development Project as Private Undertaking.** It is specifically understood by the Parties that the Residential Development Project is a private development and that VCMWD and RMWD do not have an interest in or responsibilities for or duty to third parties concerning the Residential Development Project. The Parties make no guarantees regarding Residential Development Project Build-Out or the profits related thereto. Nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making the Parties joint venturers or partners.

10.3 **Attorneys’ Fees.** Notwithstanding any other provision in this Agreement, in the event that any Party brings any legal action to interpret or enforce any provision of this Agreement, the prevailing Party(ies) in that action shall be entitled to receive, in addition to all other available relief, costs of litigation and reasonable attorneys’ fees, including expert witness fees, costs and fees incurred on appeal and in enforcing any judgment which may be rendered on the underlying action.

10.4 **No Third Party Beneficiaries.** The Parties expressly acknowledge and agree that they do not intend, by their execution of this Agreement, to benefit any person or entities not

signatory to this Agreement. No person or entity not a signatory to this Agreement will have any rights or causes of action against the Parties, or any combination thereof, arising out of or due to the Parties' entry into this Agreement.

10.5 Governing Law. This Agreement shall be interpreted and enforced in accordance with the provisions of California law, without regard to conflicts of laws provisions. The venue for any litigation concerning this Agreement shall be in the state and federal courts located in the State of California, northern district of the County of San Diego.

10.6 Notice. Unless otherwise permitted by this Agreement, all notices to be given shall be in writing and may be made by personal delivery, certified mail, postage prepaid and return receipt requested. Mailed notices shall be addressed to the Parties at the addresses listed below, but each party may change the address by written notice in accordance with this paragraph. Receipt will be deemed made as follows: notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated on receipt or rejection.

If to VCMWD:

With a Copy to:

If to RMWD: Tom Kennedy
General Manager
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

With a Copy to: Alfred E. Smith, II
General Counsel
Nossaman LLP
777 S. Figueroa Street
34th Floor
Los Angeles, CA 90017

If to Pardee: 13400 Sabre Springs Parkway
San Diego, California 92128
Attn: Allen Kashani
Email: Allen.Kashani@pardeehomes.com

With a Copy to: Sheppard Mullin Richter & Hampton, LLP
501 West Broadway, 19th Floor

San Diego, California 92101
Attn: John Ponder, Esq.
Email: jponder@sheppardmullin.com

10.7 **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original.

10.8 **Entire Agreement.** This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements, either written or oral, express or implied.

10.9 **Cooperation/Further Assurances/Further Acts.** Each Party: (a) shall deal fairly and in good faith with the other Party; (b) shall not impede the other Party's right to receive the benefits of this Agreement; (c) shall cooperate with and provide reasonable assistance to the other Party in the performance of this Agreement; and (d) shall execute such additional documents and to take such further actions as are reasonably necessary to accomplish the objectives and intent of this Agreement.

10.10 **Waiver.** The failure of any Party to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or any Party's waiver of any breach hereunder, unless in writing, shall not relieve any other Party of any of obligations hereunder, whether of the same or similar type. The foregoing shall be true whether the waiving Party's actions are intentional or unintentional.

10.11 **Authorization to Execute.** The signatories to this Agreement warrant that they have been lawfully authorized by their respective Parties to execute this Agreement on their behalf. Upon request, Pardee shall deliver to VCMWD or RMWD copies of all applicable bylaws, resolutions or other documents evidencing the signatories' legal authority to execute this Agreement on behalf of the respective Parties.

10.12 **Binding On Heirs, Successors and Assigns; Covenant Running with the Property.** The benefits and obligations described herein will inure to the benefit of and be binding upon Pardee and any assignee or successor in interest to the Project Site; VCMWD and its respective heirs, successors, grantees, transferees and permissible assigns; and RMWD and its respective heirs, successors, grantees, transferees and permissible assigns. It is intended to be and shall be a covenant running with the Project Site.

10.13 **Recordation.** RMWD shall cause this Agreement or notice of this Agreement to be recorded with the Recorder's Office of the County of San Diego within ten (10) days of RMWD's receipt of the last signature required by this Agreement.

10.14 **Severability.** If any provision or clause of this Agreement or any application of it to any person, firm, organization, partnership or corporation is held invalid, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid

provision or application. To this end, the provisions of this Agreement are declared to be severable.

10.15 Prohibition Against Assignment. Pardee may not assign this Agreement or any interest in it without the prior written consent of VCMWD and RMWD. VCMWD and RMWD shall only withhold consent upon finding that the proposed assignee is unwilling or unable to assume financial obligations of performance bonds, including bonds required by the Contract to Make, Install and Complete Water and/or Sewer Facilities, whether presently existing or subsequently issued, related to the construction of the Residential Development Project. Upon assignment in accordance with this Section 10.15, Pardee shall be released of all liability and obligations related to the Residential Development Project.

10.16 Operating Memorandum. The Parties acknowledge that the provisions of this Agreement require a close degree of cooperation between VCMWD and RMWD, and Pardee, and that the refinements and further development of the Residential Development Project hereunder may demonstrate that changes are appropriate with respect to the details of performance of the Parties hereunder. The Parties desire, therefore, to retain a certain degree of flexibility with respect to those items covered in general terms under this Agreement. If the Parties find that such changes or adjustments are necessary or appropriate from time to time during the term of this Agreement, then the Parties shall effectuate such changes or adjustments through an “Annexation Agreement Operating Memorandum” which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary with further approval by the Parties. No such Annexation Agreement Operating Memorandum shall require prior notice of hearing, or constitute an amendment to this Agreement; and approval of this Agreement authorizes the General Manager of VCMWD, the General Manager of RMWD or their respective designees to enter into an Annexation Agreement Operating Memorandum. Failure of the Parties to enter into any Annexation Agreement Operating Memoranda shall not affect or abrogate any of the rights, duties or obligations of the Parties hereunder or the provisions of this Agreement.

10.17 Reservation of Discretion. Nothing in this Agreement shall be interpreted as requiring the exercise of VCMWD’s or RMWD’s police powers or discretion in any particular manner.

10.18 Force Majeure. A Party shall not be deemed to be in default under this Agreement if the Party is prevented from performing an action or obligation due to causes beyond its reasonable control, such as labor unrest, walkouts, riots, casualties, litigation, weather, war or acts of God.

10.19 Construction/Interpretation. This Agreement has been reviewed and revised by legal counsel for each Party, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

10.20 Recitals and Exhibits. All recitals and exhibits are incorporated into this Agreement by this reference. The following Exhibits are attached to this Agreement and incorporated herein:

Exhibit A:
Exhibit B:
Exhibit C:
Exhibit D:
Exhibit E:
Exhibit F:
Exhibit G:
Exhibit H:

[Signatures on following page]

VALLEY CENTER MUNICIPAL WATER DISTRICT, a California municipal water district

RAINBOW MUNICIPAL WATER DISTRICT, a California municipal water district

By: _____
CEO/General Manager

By: _____
CEO/General Manager

Attest:

Attest:

By: _____
Board Secretary of Valley Center
Municipal Water District

By: _____
Board Secretary of Rainbow Municipal
Water District

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

VCMWD General Counsel

RMWD General Counsel

PARDEE HOMES, a California corporation

By: _____
Allen Kashani
Director of Land Development

APPROVED AS TO LEGAL FORM:

EXHIBIT A
Legal Description and Depiction

THAT PORTION OF FRACTIONAL SECTION 36, TOWNSHIP 9 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, TOGETHER WITH A PORTION OF MONSERATE, ACCORDING TO MAP NO. 827 ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, CALIFORNIA BEING DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER NO. 1 AS SHOWN ON MAP OF A PORTION OF RANCHO MONSERATE, ACCORDING TO MAP NO. 827 ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, CALIFORNIA, THE EAST $\frac{1}{4}$ CORNER OF FRACTIONAL SECTION 36 BEARS NORTH 02°12'43" EAST A DISTANCE OF 2612.27 FEET; THENCE LEAVING SAID POINT OF COMMENCEMENT AND ALONG THE EASTERLY LINE OF SAID SECTION 36, NORTH 02°12'43" EAST 112.10 FEET TO THE POINT OF BEGINNING;

THENCE LEAVING SAID EASTERLY LINE NORTH 72°47'22" WEST 369.00 FEET;

THENCE NORTH 47°47'22" WEST 536.00 FEET;

THENCE SOUTH 44°12'00" WEST 703.00 FEET;

THENCE SOUTH 15°13'42" EAST 228.00 FEET;

THENCE SOUTH 81°12'38" WEST 93.00 FEET;

THENCE SOUTH 55°42'38" WEST 93.00 FEET;

THENCE NORTH 67°47'22" WEST 760.00 FEET;

THENCE SOUTH 64°12'38" WEST 823.59 FEET TO THE WESTERLY SIDELINE OF THE 60.00 FOOT WIDE EASEMENT DESCRIBED IN THE DEED RECORDED APRIL 13, 1981 AS FILE NO. 81-112046 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY;

THENCE ALONG SAID WESTERLY SIDELINE THE FOLLOWING COURSES: SOUTH 25°20'32" EAST 208.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE SOUTH 12°02'28" WEST 248.63 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°02'00" A DISTANCE OF 32.25 FEET;

THENCE SOUTH 04°00'28" WEST 665.08 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230,00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°46'00" A DISTANCE OF 99.42 FEET;

THENCE SOUTH 20°45'32" EAST 174.56 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°19'48" A DISTANCE OF 30.65 FEET;

THENCE SOUTH 10°25'44" EAST 301.07 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°09'59" A DISTANCE OF 44.82 FEET;

THENCE SOUTH 21°35'43" EAST 1098.52 FEET TO THE NORTHERLY SIDELINE OF COUNTY HIGHWAY COMMISSION ROUTE 18, DIVISION 1 (PALA ROAD);

THENCE LEAVING THE WESTERLY SIDELINE OF SAID 60.00 FOOT WIDE EASEMENT SOUTH 21°35'43" EAST 329.97 FEET TO THE BEGINNING OF A NON- TANGENT 1722.44 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY TO WHICH A RADIAL LINE BEARS SOUTH 21°24'34" EAST;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°45'45" A DISTANCE OF 323.55 FEET;

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THENCE SOUTH 83°00'00" WEST 51.00 FEET;

THENCE SOUTH 05°00'00" EAST 21.00 FEET;

THENCE SOUTH 40°00'00" WEST 3.96 FEET TO THE BEGINNING OF A NON- TANGENT 1722.44 FOOT RADIUS CURVE CONCAVE NORTHERLY TO WHICH A RADIAL LINE BEARS SOUTH 08°43'46" EAST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°09'14" A DISTANCE OF 124.88 FEET;

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THENCE SOUTH 85°25'28" WEST 143.14 FEET;

THENCE SOUTH 89°37'04" WEST 314.40 FEET TO THE WESTERLY BOUNDARY OF LAND DESCRIBED IN DEED RECORDED APRIL 14, 1978 AS FILE NO. 78-149646 OF OFFICIAL RECORDS, BEING THE SOUTHERLY TERMINUS OF THE LINE DESCRIBED AS NORTH 03°49'46" WEST 2479.80 FEET IN SAID DEED;

THENCE ALONG SAID WESTERLY BOUNDARY NORTH 03°49'38" WEST 2480.11 FEET;

THENCE CONTINUING ALONG SAID WESTERLY BOUNDARY NORTH 26°41'47" WEST 1561.66 FEET TO THE SOUTHERLY BOUNDARY OF LAND DESCRIBED AS PARCEL 1A OF CERTIFICATE OF COMPLIANCE, RECORDED MARCH 25, 1983 AS FILE NO. 83-095254 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY;

THENCE ALONG THE BOUNDARY OF SAID PARCEL 1A NORTH 26°41'47" WEST 32.19 FEET;

THENCE NORTH 00°02'58" EAST 1328.09 FEET;

THENCE NORTH 65°22'42" EAST 681.59 FEET TO THE SOUTHERLY TERMINUS OF A LINE DESCRIBED AS NORTH 06°09'01" WEST 239.79 FEET ACCORDING TO DEED TO DAON CORPORATION, RECORDED MARCH 27, 1981 AS FILE NO. 81-092782 OF OFFICIAL RECORDS;

THENCE ALONG THE EASTERLY BOUNDARY OF DAON CORPORATION PROPERTY THE FOLLOWING COURSES: NORTH 06°12'08" WEST 239.82 FEET;

THENCE NORTH 14°06'59" EAST 123.37 FEET;

THENCE NORTH 49°12'04" EAST 664 .01 FEET;

THENCE NORTH 47°46'04" EAST 221.11 FEET;

THENCE NORTH 24°37'43" WEST 1588.78 FEET TO THE NORTHERLY BOUNDARY OF RANCHO MONSERATE;

THENCE LEAVING SAID BOUNDARY OF DAON CORPORATION PROPERTY, AND ALONG THE NORTHERLY BOUNDARY OF RANCHO MONSERATE SOUTH 87°28'07" EAST 83.69;

THENCE LEAVING SAID NORTHERLY BOUNDARY SOUTH 24°50'26" EAST 211.82 FEET;

THENCE SOUTH 41°21'02" EAST 325.65 FEET;

THENCE SOUTH 36°24'13" EAST 65.36 FEET;

THENCE SOUTH 01 °11'40" EAST 74.70 FEET;

THENCE SOUTH 12°08'24" EAST 184 .62 FEET;

THENCE SOUTH 02°57'41" EAST 52.62 FEET;

THENCE SOUTH 24°42'16" EAST 135.96 FEET;

THENCE NORTH 60°55'02" EAST 543.16 FEET;

THENCE NORTH 10°05'56" EAST 213.68 FEET;

THENCE NORTH 54°29'09" EAST 39.24 FEET;
THENCE NORTH 13°57'35" EAST 227.25 FEET;
THENCE SOUTH 81 °00'42" EAST 306.31 FEET;
THENCE SOUTH 43°25'25" EAST 195.38 FEET;
THENCE SOUTH 08°45'22" WEST 181.25 FEET;
THENCE SOUTH 51°37'59" EAST 130.66 FEET;
THENCE SOUTH 06°33'25" EAST 263.91 FEET
THENCE SOUTH 18°50'50" WEST 225.70 FEET;
THENCE SOUTH 37°43'08" WEST 144.16 FEET;
THENCE SOUTH 04°58'13" WEST 229.66 FEET;
THENCE SOUTH 19°37'26" EAST 181.55 FEET;
THENCE SOUTH 39°57'08" EAST 149.31 FEET;
THENCE SOUTH 74°23'30" EAST 360.80 FEET;
THENCE SOUTH 39°27'16" EAST 104.27 FEET;
THENCE NORTH 47°44'11" EAST 154.49 FEET;
THENCE NORTH 81°11'35" EAST 30.32 FEET;
THENCE SOUTH 06°4 3'27" EAST 235.00 FEET;
THENCE NORTH 87°10'13" EAST 101.01 FEET;
THENCE SOUTH 03°53'00" EAST 442.76 FEET;
THENCE SOUTH 81°23'41" EAST 200.27 FEET;
THENCE SOUTH 01 °42'24" EAST 178 .15 FEET;
THENCE SOUTH 16°27'33" WEST 81.56 FEET;
THENCE SOUTH 04°24'51" WEST 7.93 FEET;
THENCE SOUTH 07°38'10" EAST 331.12 FEET;
THENCE SOUTH 47°14'35" WEST 156 .53 FEET;

THENCE SOUTH 06°57'11" WEST 201.93 FEET;
THENCE SOUTH 60°30'31" EAST 358.64 FEET;
THENCE SOUTH 11°43 '16" EAST 65 .63 FEET;
THENCE NORTH 75°17'30" EAST 89.34 FEET;
THENCE NORTH 43°06'44" EAST 217.42 FEET;
THENCE NORTH 38°04'39" WEST 153.54 FEET;
THENCE NORTH 19°20'33" WEST 87.97 FEET;
THENCE NORTH 86°24'00" WEST 194.59 FEET;
THENCE NORTH 00°00'06" WEST 583.43 FEET;
THENCE NORTH 89°59'54" EAST 243.50 FEET;
THENCE SOUTH 08°06'39" EAST 541.42 FEET;
THENCE SOUTH 19°24'11" EAST 388.03 FEET;
THENCE SOUTH 80°23'38" EAST 208.46 FEET TO THE EASTERLY LINE OF
FRACTIONAL SECTION 36;
THENCE ALONG SAID EASTERLY LINE, SOUTH 02° 12'43" WEST 564.52 FEET TO THE
POINT OF BEGINNING.

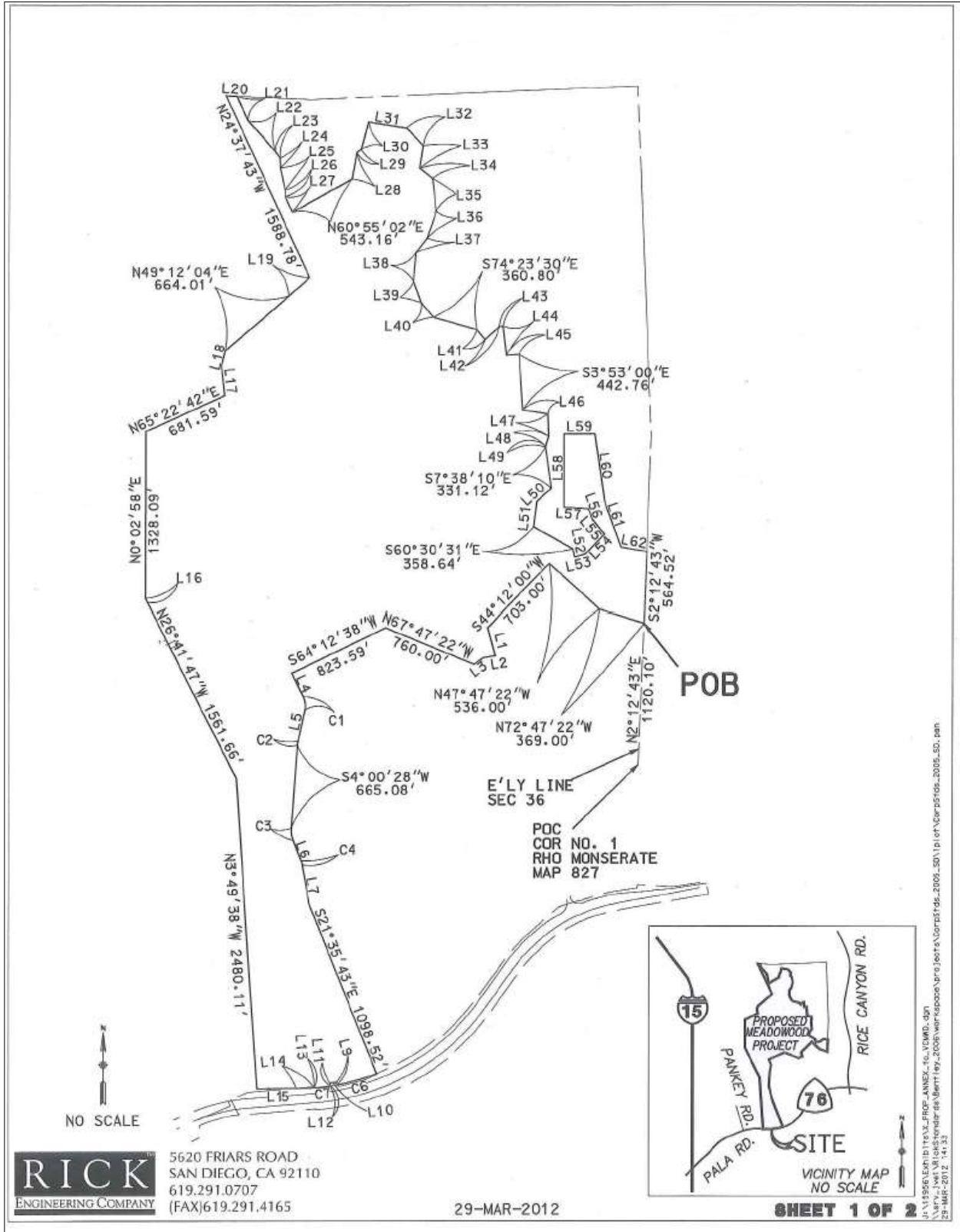
CONTAINING 266.945 ACRES, MORE OR LESS.


Patrick A. McMichael, L.S. 6187

3-28-2012
Date



EXHIBIT B
Project Site Depiction



NAME	LINE TABLE		LENGTH
	DIRECTION		
L1	S	15° 13' 42" E	228.00
L2	S	81° 12' 38" W	93.00
L3	S	55° 42' 38" W	93.00
L4	S	25° 20' 32" E	208.85
L5	S	12° 02' 28" W	248.63
L6	S	20° 45' 32" E	174.56
L7	S	10° 25' 44" E	301.07
L8	S	21° 35' 43" E	329.97
L9	N	15° 00' 00" W	21.19
L10	S	83° 00' 00" W	51.00
L11	S	5° 00' 00" E	21.00
L12	S	40° 00' 00" W	3.96
L13	N	4° 34' 32" W	6.57
L14	S	85° 25' 28" W	143.14
L15	S	89° 37' 04" W	314.40
L16	N	26° 41' 47" W	32.19
L17	N	6° 12' 08" W	239.82
L18	N	14° 06' 59" E	123.37
L19	N	47° 46' 04" E	221.11
L20	S	87° 28' 07" E	83.69
L21	S	24° 50' 26" E	211.82
L22	S	41° 21' 02" E	325.65
L23	S	36° 24' 13" E	65.36
L24	S	1° 11' 40" E	74.70
L25	S	12° 08' 24" E	184.62
L26	S	2° 57' 41" E	52.62
L27	S	24° 42' 16" E	135.96
L28	N	10° 05' 56" E	213.68
L29	N	54° 29' 09" E	39.24
L30	N	13° 57' 35" E	227.25
L31	S	81° 00' 42" E	306.31
L32	S	43° 25' 25" E	195.38
L33	S	8° 45' 22" W	181.25
L34	S	51° 37' 59" E	130.66
L35	S	6° 33' 25" E	263.91
L36	S	18° 50' 50" W	225.70
L37	S	37° 43' 08" W	144.16
L38	S	4° 58' 13" W	229.66
L39	S	19° 37' 26" E	181.55
L40	S	39° 57' 08" E	149.31
L41	S	39° 27' 16" E	104.27
L42	N	47° 44' 11" E	154.49
L43	N	81° 11' 35" E	30.32
L44	S	6° 43' 27" E	235.00
L45	N	87° 10' 13" E	101.01
L46	S	81° 23' 41" E	200.27
L47	S	1° 42' 24" E	178.15
L48	S	16° 27' 33" W	81.56
L49	S	4° 24' 51" W	7.93
L50	S	47° 14' 35" W	156.53
L51	S	6° 57' 11" W	201.93
L52	S	11° 43' 16" E	65.63
L53	N	75° 17' 30" E	89.34
L54	N	43° 06' 44" E	217.42
L55	N	38° 04' 39" W	153.54
L56	N	19° 20' 33" W	87.97
L57	N	86° 24' 00" W	194.59
L58	N	0° 00' 06" W	583.43
L59	N	89° 59' 54" E	243.50
L60	S	8° 06' 39" E	541.42
L61	S	19° 24' 11" E	388.03
L62	S	80° 23' 38" E	208.46

NAME	CURVE TABLE		ARC
	DELTA	RADIUS	
C1	37° 23' 00"	170.00	110.92
C2	8° 02' 00"	230.00	32.25
C3	24° 46' 00"	230.00	99.42
C4	10° 19' 48"	170.00	30.65
C5	11° 09' 59"	230.00	44.82
C6	10° 45' 45"	1722.44	323.55
C7	4° 09' 14"	1722.44	124.88



5620 FRIARS ROAD
 SAN DIEGO, CA 92110
 619.291.0707
 (FAX)619.291.4165

29-MAR-2012

SHEET 2 OF 2

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EXHIBIT C
Annexation Application Schedule

Milestone	Deadline	Responsible Entity
Landowner Consent Form	30 days from Effective Date	Pardee
Resolution of Application of Reorganization	60 days from Effective Date	RMWD
Application of Reorganization	60 days from approval of Resolution of Application of Reorg	RMWD
Plan for Providing Services	60 days from approval of Resolution of Application of Reorg	RMWD
Adoption of JCFA Resolution	90 days from Effective Date	RMWD
Notice of LAFCO Hearing	21 days prior to hearing date	LAFCO
Hearing		LAFCO
Waiver of Protest Hearing	At or immediately following hearing	LAFCO (Requires 100% landowner consent and concurrence from affected agencies)
Certificate of Completion of Reorganization (Requires recordation with County Recorder's Office and filing with State Board of Equalization)	December 31, 2021	Issuance – LAFCO Recordation – RMWD
Effective Date	January 1, 2021	LAFCO if identified in Certificate of Completion RMWD if based on recordation. (Govt. Code § 57202)

EXHIBIT D
Resolution of Application for Reorganization

**RESOLUTION OF APPLICATION BY THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT REQUESTING THE LOCAL AGENCY
FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR A
REORGANIZATION TO DETACH CERTAIN PROPERTY FROM THE VALLEY
CENTER MUNICIPAL WATER DISTRICT AND ANNEX SAID PROPERTY INTO
THE RAINBOW MUNICIPAL WATER DISTRICT SERVICE AREA**

On _____, 2020, on motion of Director _____, duly seconded by Director _____ and carried, the following resolution is adopted by the Board of Directors of Rainbow Municipal Water District.

WHEREAS, on Rainbow Municipal Water District (“RMWD”), a California municipal water district, and Pardee Homes (“Pardee”), a California corporation (individually referred to herein as “Party” and collectively as “Parties”) entered into a certain Annexation Agreement dated _____, 2020 (“Annexation Agreement”) with respect to real property located in the unincorporated County of San Diego, State of California as described in further detail in Exhibit A and depicted on Exhibit B, and within the Valley Center Municipal Water District (“VCMWD”) service area for water and sewer services (“Project Site”); and

WHEREAS, Pardee owns the Project Site and has been issued certain discretionary approvals and permits related to the development of a residential project commonly referred as “Meadowood” (the “Project”); and

WHEREAS, on _____, 2020, VCMWD and RMWD entered into that certain out-of-agency service agreement (“RMWD Service Agreement”) for the provision of water and sewer services to the Project Site; and

WHEREAS, existing water and sewer system facilities in the vicinity of the Project Site are operated by RMWD through the recent expansion of the facilities attributable to the development of the Horse Creek Ridge residential project and the RMWD Service Agreement; and

WHEREAS, the Project will, subsequently, be able to make use of this expanded water and sewer system; and

WHEREAS, the Parties desire the Project Site be detached from VCMWD and annexed into the jurisdictional boundaries of RMWD; and

WHEREAS, the proposed reorganization will not conflict with any existing RMWD services; and,

WHEREAS, it is desired that the proposed reorganization be subject to the following terms and conditions:

- A. RMWD shall assume all rights, duties, responsibilities, personal property, contracts, equipment, assets, liabilities, obligations, functions, executory provisions

related to water and sewer services, except as otherwise outlined in Conditions of Approval by LAFCO; and

- B. The Plan for Service to be included with the RMWD's application outlines the general approach and parameters for delivering water and sewer services to serve the Project Site. RMWD will assume all responsibility for providing sustainable service to the residents and businesses of the Project Site as a condition of the annexation and for providing the personnel, facilities, equipment and oversight necessary for providing sustainable service on an ongoing basis.
- C. All previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected related to water and sewer services, including any future community facilities district shall continue to be levied and collected by the RMWD; and,
- D. The standard terms and conditions imposed by the LAFCO upon all proposals or such additional conditions as may be deemed appropriate or necessary by LAFCO in its consideration; and,

WHEREAS, the reasons for this proposed reorganization are to provide effective, safe and financially sustainable water and sewer services to the Project Site and permit the subject agencies to streamline water and sewer services to the subject territory so as to provide orderly growth and development within the subject territory; and to permit all agencies authorized to provide the scope of municipal services to extend their boundaries to cover the subject territory in one action; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred; and,

NOW THEREFORE, BE IT RESOLVED BY THE RAINBOW MUNICIPAL WATER DISTRICT BOARD OF DIRECTORS AS FOLLOWS;

This resolution is hereby adopted and approved by the Board of Directors of the Rainbow Municipal Water District. The Local Agency Formation Commission of San Diego County is hereby requested to commence proceedings for the reorganization of territory as described above, according to the terms and conditions stated above, and in the manner provided by the Cortese - Knox -Hertzberg Local Government Reorganization Act of 2000.

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THENCE SOUTH 24°42'16" EAST 135.96 FEET;

THENCE NORTH 60°55'02" EAST 543.16 FEET;
THENCE NORTH 10°05'56" EAST 213.68 FEET;
THENCE NORTH 54°29'09" EAST 39.24 FEET;
THENCE NORTH 13°57'35" EAST 227.25 FEET;
THENCE SOUTH 81 °00'42" EAST 306.31 FEET;
THENCE SOUTH 43°25'25" EAST 195.38 FEET;
THENCE SOUTH 08°45'22" WEST 181.25 FEET;
THENCE SOUTH 51°37'59" EAST 130.66 FEET;
THENCE SOUTH 06°33'25" EAST 263.91 FEET
THENCE SOUTH 18°50'50" WEST 225.70 FEET;
THENCE SOUTH 37°43'08" WEST 144.16 FEET;
THENCE SOUTH 04°58'13" WEST 229.66 FEET;
THENCE SOUTH 19°37'26" EAST 181.55 FEET;
THENCE SOUTH 39°57'08" EAST 149.31 FEET;
THENCE SOUTH 74°23'30" EAST 360.80 FEET;
THENCE SOUTH 39°27'16" EAST 104.27 FEET;
THENCE NORTH 47°44'11" EAST 154.49 FEET;
THENCE NORTH 81°11'35" EAST 30.32 FEET;
THENCE SOUTH 06°4 3'27" EAST 235.00 FEET;
THENCE NORTH 87°10'13" EAST 101.01 FEET;
THENCE SOUTH 03°53'00" EAST 442.76 FEET;
THENCE SOUTH 81°23'41" EAST 200.27 FEET;
THENCE SOUTH 01 °42'24" EAST 178 .15 FEET;
THENCE SOUTH 16°27'33" WEST 81.56 FEET;
THENCE SOUTH 04°24'51" WEST 7.93 FEET;

THENCE SOUTH 07°38'10" EAST 331.12 FEET;
THENCE SOUTH 47°14'35" WEST 156 .53 FEET;
THENCE SOUTH 06°57'11" WEST 201.93 FEET;
THENCE SOUTH 60°30'31" EAST 358.64 FEET;
THENCE SOUTH 11°43 '16" EAST 65 .63 FEET;
THENCE NORTH 75°17'30" EAST 89.34 FEET;
THENCE NORTH 43°06'44" EAST 217.42 FEET;
THENCE NORTH 38°04'39" WEST 153.54 FEET;
THENCE NORTH 19°20'33" WEST 87.97 FEET;
THENCE NORTH 86°24'00" WEST 194.59 FEET;
THENCE NORTH 00°00'06" WEST 583.43 FEET;
THENCE NORTH 89°59'54" EAST 243.50 FEET;
THENCE SOUTH 08°06'39" EAST 541.42 FEET;
THENCE SOUTH 19°24'11" EAST 388.03 FEET;
THENCE SOUTH 80°23'38" EAST 208.46 FEET TO THE EASTERLY LINE OF
FRACTIONAL SECTION 36;
THENCE ALONG SAID EASTERLY LINE, SOUTH 02° 12'43" WEST 564.52 FEET TO THE
POINT OF BEGINNING.
CONTAINING 266.945 ACRES, MORE OR LESS.


Patrick A. McMichael, L.S. 6187

3-28-2012
Date



EXHIBIT B
Project Site Depiction

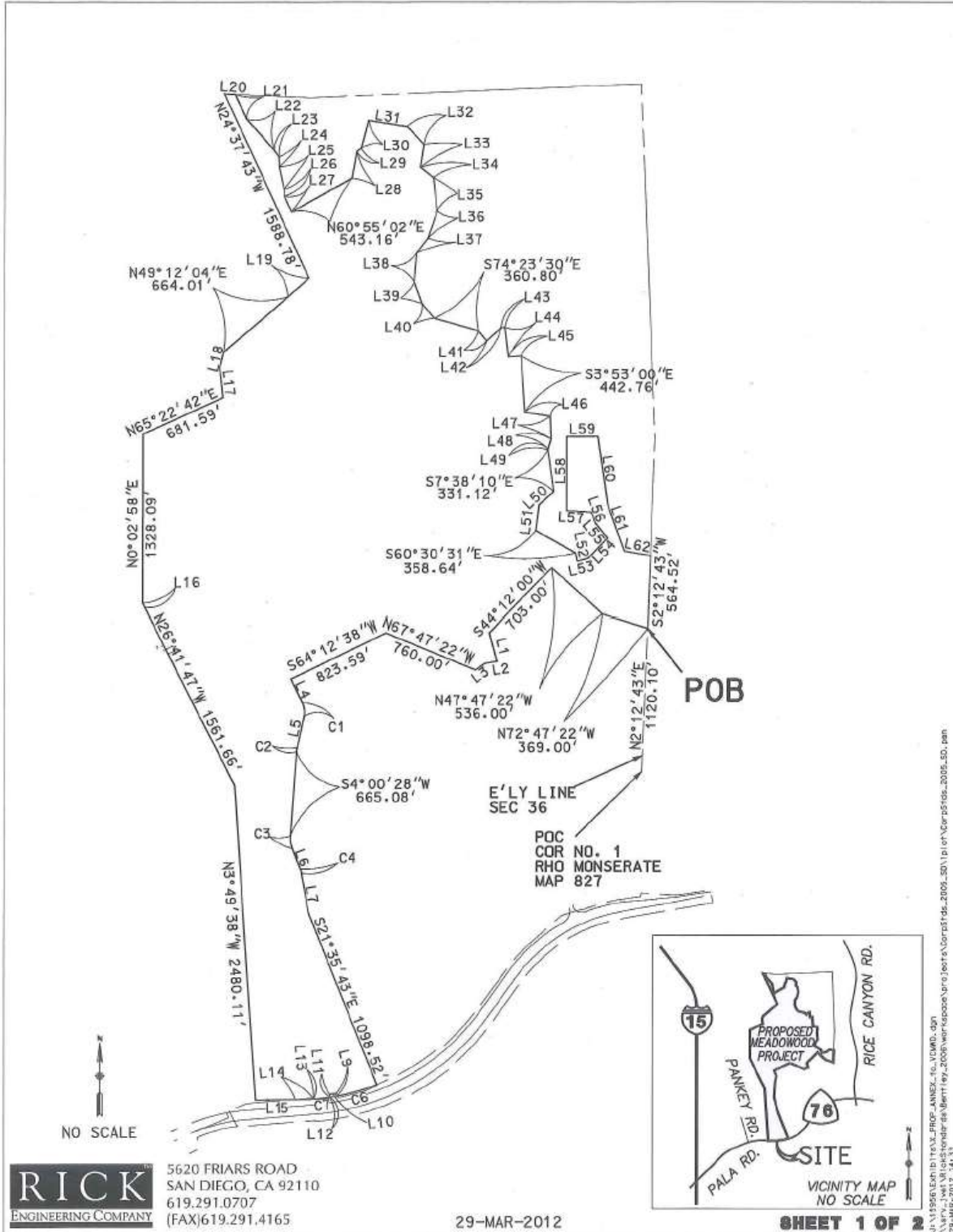


EXHIBIT B
to EXHIBIT D

EXHIBIT E
Application for Reorganization

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

The following information must be submitted when filing a change of organization or reorganization proposal with the San Diego Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

- 1. **Completed CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION.**
- 2. (a) A **certified resolution of application** from an affected city or district; or
(b) A **landowner or registered voter petition** making application to San Diego LAFCO (available from LAFCO or <http://www.sdlafco.org/forms/petition.pdf>).
- 3. A **metes-and-bounds legal description of the proposal territory perimeter** for the proposed boundary change(s), a **reproducible parcel/plat map**, and a **vicinity map**. For information about mapping requirements, refer to: http://www.sdlafco.org/forms/legal_description.pdf, and contact the County Assessor's Mapping Division at 619/531-5588. The Thomas Brother's Guide may be used for the vicinity map.
- 4. **Environmental documentation** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only:
 - (a) **INITIAL STUDY:** Submit completed form (available from LAFCO) if no environmental review has been conducted;
 - (b) **CATEGORICAL EXEMPTION:** Submit document if an agency has certified that the project qualifies for a categorical exemption from CEQA;
 - (c) **NEGATIVE DECLARATION (ND):** Submit document with certifying resolution and Initial Study*;
 - (d) **ENVIRONMENTAL IMPACT REPORT (EIR):** Submit 15 copies of the Final EIR and certifying resolution, plus one copy of the EIR Appendix*.

* For an ND or EIR, a copy of the receipt for the fee paid to the California Department of Fish and Game must be submitted.
- 5. If annexation to a city is proposed, submit one copy of the **city resolution approving rezoning and general plan land-use designations** for the proposal territory.
- 6. **JURISDICTIONAL CONFLICTS:** If the response to question number 6 on page 3 is "Yes", complete and sign the Policy L-107 form at http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf.
- 7. **Completed CAMPAIGN CONTRIBUTION DISCLOSURE FORM AND EVALUATION CHECKLIST for DISCLOSURE OF POLITICAL EXPENDITURES** (pages 7 and 8 of application).
- 8. **PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY** (page 9 of application).
- 9. Completed **SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM** (pages 10-12 of application) from **each** subject agency.
- 10. **LAFCO processing fees.** The San Diego LAFCO FEE SCHEDULE is available at <http://www.sdlafco.org/document/feeschedule.pdf>, or contact LAFCO staff.

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
9335 Hazard Way · Suite 200 · San Diego, CA 92123
(858) 614-7755 · www.sdlafco.org

Updated: September 3, 2019

CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

The information in this application is used by LAFCO staff to evaluate proposals for changes of government organization. Please respond to **all** items in this form, indicating "NA" when an item does **not** apply.

SUBJECT AGENCY(IES) (City or Special District)	PROPOSED CHANGE OF ORGANIZATION/ACTION (Annexation, detachment, sphere amendment, etc.)
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____

As part of this application, the City of _____ or the _____ District, _____ (the applicant), and/or the _____ (real party in interest): subject landowner and/or registered voter agrees to defend, indemnify, hold harmless, and release the San Diego LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any or all of them, the purpose of which is to attack, set aside, void, or annul San Diego LAFCO's review, approval or denial of this application or adoption of or refusal to adopt the environmental document which accompanies it or any other action San Diego LAFCO takes with respect to this application. This defense and indemnification obligation shall include, but not be limited to, attorneys' fees, expert witness fees and other costs of defense, damages, costs, and expenses, including attorney fees payable to another party. Applicant and/or real party in interest agree that San Diego LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest and that San Diego LAFCO's taking such action does not limit the obligations to indemnify and reimburse San Diego LAFCO's defense costs. This defense and indemnification obligation shall apply whether or not there is concurrent passive or active negligence on the part of the San Diego LAFCO, its agents, officers, attorneys, or employee. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. San Diego LAFCO's acceptance of this application is sufficient to make this agreement a binding, bilateral contract between us.

I acknowledge that annexation to the city of _____ or the _____ district may result in the imposition of taxes, fees and assessments **existing within the (city or district)** on the effective date of annexation. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot proceeding or an election on those **existing taxes, fees and assessments**.

Agreed:

Signature: _____ Date: _____

Print/Type Name: _____

Address: _____

_____ Telephone: () _____

Property Address: _____

Cross Street(s): _____

Assessor Parcel Number(s): _____ Acres: _____

Indicate below if anyone, in addition to the person signing this application, is to receive notices of these proceedings.

Name: _____

Address: _____

_____ Telephone: () _____

A. PROPOSAL DESCRIPTION/JUSTIFICATION

1. Explain in detail why the proposal is necessary **at this time** (e.g., condition of an approved tentative map, an existing structure requires new services, etc.). _____

2. Describe the use of **developed** property within the proposal territory, including details about existing structures. Describe anticipated development of **vacant** property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur. _____

3. Describe the topography and physical features of the proposal territory, as well as its general location in relation to communities, major freeways/highways, roads, etc. _____

4. How many residents live within the proposal territory? _____
5. How many of these residents are registered voters? _____
6. Are there any jurisdictional issues associated with the LAFCO proposal or pending LAFCO action?
 NO YES (If yes, please complete the Policy L-107 form at http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf)

B. LAND USE INFORMATION

GENERAL PLAN AND ZONING:

If the proposal territory is **not** within an incorporated city, San Diego County General Plan and zoning information may be obtained by calling (858) 565-5981 or toll-free (888) 267-8770 with the Assessor Parcel Number(s) of the subject property. If the proposal territory is within a city, please call the appropriate city's planning department for General Plan and zoning information.

1. COUNTY:
 - (a) The territory is within the _____ community plan.
 - (b) The County General Plan or community plan designation and allowed density: _____

 - (c) Current County zoning and allowed density: _____

2. CITY:

(a) The territory is within the general plan area for the City of _____

(b) The City General Plan land use designation and allowed density: _____

(c) Current City zoning and allowed density: _____

(d) Current City prezoning and allowed density: _____

3. Indicate below **all** permits or approvals that will be needed by the County or any city to complete the project. If already granted, please note the date of approval and attach a copy of each resolution of approval. If approval is pending, please note the anticipated approval date.

Type of Approval or Permit	File No.	Approval Date	Is Resolution Attached?
Tentative Subdivision Map			<input type="checkbox"/> YES <input type="checkbox"/> NO
Tentative Parcel Map			<input type="checkbox"/> YES <input type="checkbox"/> NO
Major Use Permit			<input type="checkbox"/> YES <input type="checkbox"/> NO
City/County General Plan Amendment			<input type="checkbox"/> YES <input type="checkbox"/> NO
City Prezoning			<input type="checkbox"/> YES <input type="checkbox"/> NO
County Rezone			<input type="checkbox"/> YES <input type="checkbox"/> NO
(Other)			<input type="checkbox"/> YES <input type="checkbox"/> NO

4. Describe the land uses surrounding the proposal territory (e.g., residential, commercial, agricultural, industrial, open space, etc.).

North: _____ East: _____

South: _____ West: _____

5. Indicate with a if any portion of the proposal territory contains the following:

- Agricultural land uses Agricultural Preserve
- Open Space Easement Slopes greater than 25%
- Sewer moratorium area Coastal Permit Zone
- Unusual features such as: _____

6. For city annexation proposals: Is any part of the proposal territory under a Williamson Act contract? If yes, please contact the LAFCO office for special instructions regarding petition/resolution of application requirements. YES NO

C. PUBLIC SERVICES INFORMATION

SEWER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public sewer service? YES NO
(b) **If yes**, which agency? _____
2. (a) Is a developed parcel in need of annexation due to failed septic system? YES NO
(b) **If yes**, include a copy of any letters from the San Diego County Department of Environmental Health or private septic-system company.
(c) **If no**, is annexation for sewer service part of this application? YES NO
3. If annexation for sewer service is proposed, which district or city would serve the territory if this jurisdictional change is approved? _____
4. (a) Has the agency that will be providing service issued a letter of sewer availability? YES NO
(b) **If yes**, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) Will the agency be prepared to furnish sewer service upon annexation? YES NO
(b) **If no**, please explain: _____

WATER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public water service? YES NO
(b) **If yes**, which agency? _____
2. Is a well or other on-site water system currently used on the property? YES NO
3. Is an on-site system proposed to be used when the property is developed? YES NO
4. (a) Is annexation for water service part of this application? YES NO
(b) **If yes**, which district or city would serve the territory if this jurisdictional change is approved? _____
(c) Will the agency that will be providing service be prepared to furnish water service upon annexation? YES NO
5. (a) Has the agency that will be providing service issued a letter of water availability? YES NO
(b) **If yes**, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

FIRE PROTECTION SERVICES: NOTE: Complete the following section **only** if annexation to a fire protection service provider is proposed—or if the current fire protection service provider is proposed to change.

1. (a) Is the proposal territory **currently** within an agency that provides fire protection? YES NO

(b) **If yes**, provide name and address/location of current fire service provider

(c) Provide estimated response times to the proposal territory:

priority _____ minutes; non-priority _____ minutes

2. Is annexation for fire protection service part of this application? YES NO

3. Which city or district would serve the proposal territory if this jurisdictional change is approved?

(a) Location/address of the proposed fire service provider: _____

(b) Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

POLICE PROTECTION SERVICES: NOTE: Complete the following section **only** if the police protection provider is proposed to change.

1. Which police agency **currently** serves the proposal territory?

(a) Location/address of nearest police station: _____

(b) Estimated response times to the proposal territory: priority _____ minutes; non-priority _____ minutes

2. Which police agency would serve the proposal territory if this jurisdictional change is approved?

(a) Location/address of nearest police station: _____

(b) Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

CAMPAIGN CONTRIBUTION DISCLOSURE PROVISIONS

LAFCOs are subject to the campaign disclosure provisions detailed in Government Code Section 84308, and the Regulations of the Fair Political Practices Commission (FPPC), Section 18438.

Please carefully read the following information to determine if the provisions apply to you. If you determine that the provisions are applicable, the Campaign Disclosure Form must be completed and returned to San Diego LAFCO with your application.

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party¹ or agent² while a change of organization proceeding is pending, and for three months subsequent to the date a final decision is rendered by LAFCO. This prohibition commences when your application has been filed, or the proceeding is otherwise initiated.

2. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 made to any commissioner by the party, or agent, during the preceding 12 months. No party to a LAFCO proceeding, or agent, shall make a contribution to a commissioner during the proceeding and for three months following the date a final decision is rendered by LAFCO.

3. Prior to rendering a decision on a LAFCO proceeding, any commissioner who received contribution of more than \$250 within the preceding 12 months from any party, or agent, to a proceeding shall disclose that fact on the record of the proceeding, and shall be disqualified from participating in the proceeding. However, if any commissioner receives a contribution that otherwise would require disqualification, and returns the contribution within 30 days of knowing about the contribution and the relevant proceeding, that commissioner shall be permitted to participate in the proceeding.

¹ "Party" is defined as any person who files an application for, or is the subject of, a proceeding.

² "Agent" is defined as a person who represents a party in connection with a proceeding. If an individual acting as an agent also is acting as an employee or member of a law, architectural, engineering, or consulting firm, or a similar entity or corporation, both the individual and the entity or corporation are agents. When a closed corporation is a party to a proceeding, the majority shareholder is subject to these provisions.

To determine whether a campaign contribution of more than \$250 has been made by you or your agent to a commissioner within the preceding 12 months, all contributions made by you or your agent during that period must be aggregated.

Names of current LAFCO commissioners are available at <http://www.sdlafco.org/document/CommRoster.pdf>. If you have questions about Government Code Section 84308, FPPC regulations, or the Campaign Disclosure Form, please contact San Diego LAFCO at 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755.

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

(a) Proposed change(s) of organization: _____

(b) Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1. _____

2. _____

(c) Date and amount of contribution:

Date _____ Amount \$ _____

Date _____ Amount \$ _____

(d) Name of commissioner to whom contribution was made:

1. _____

2. _____

(e) I certify that the above information is provided to the best of my knowledge.

Printed Name _____

Signature _____

Date _____ Phone _____

To be completed by LAFCO:

Proposal:

Ref. No.

DISCLOSURE OF POLITICAL EXPENDITURES

Effective January 1, 2008, expenditures for political purposes, which are related to a change of organization or reorganization proposal that will be or has been submitted to LAFCO, are subject to the reporting and disclosure requirements of the Political Reform Act of 1974 and the Cortese-Knox-Hertzberg Act of 2000.

Please carefully read the following information to determine if reporting and disclosure provisions apply to you.

- Any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act of 1974 (Government Code Section 81000 et seq.) as provided for local initiative measures, and Section 56700.1 of the Cortese-Knox-Hertzberg Act of 2000.
- Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be filed with the Secretary of State and the appropriate city or county clerk. Copies of the report must also be filed with the Executive Officer of San Diego LAFCO.
- A roster of current San Diego LAFCO commissioners is available from the LAFCO office: 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755, or from <http://www.sdlafco.org/document/CommRoster.pdf>

EVALUATION CHECKLIST FOR DISCLOSURE OF POLITICAL EXPENDITURES

The following checklist is provided to assist you in determining if the requirements of Government Code Sections 81000 et seq. apply to you. For further assistance contact the Fair Political Practices Commission at 428 J Street, Suite 450, Sacramento, CA 95814, (866) 275-3772 or at <http://www.fppc.ca.gov>.

1. Have you directly or indirectly made a contribution or expenditure of \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

2. Have you, in combination with other person(s), directly or indirectly contributed or expended \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

3. If you have filed a report in accordance with FPPC requirements, has a copy of the report been filed with San Diego LAFCO?

Yes

No

PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY

Note: Processing of jurisdictional boundary change proposals, which involve *uninhabited*¹ territory, can be expedited by approximately 60 days if all affected landowners consent to the proposal. If you wish to take advantage of this option, please return the completed PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY to San Diego LAFCO with your application for a jurisdictional boundary change. If consenting signatures of 100% of the affected property owners are affixed and LAFCO does not receive any opposition from subject agencies, the Commission may consider the proposal without public notice, public hearing and/or an election.

¹ Territory included within a proposed boundary change that includes less-than 12 registered voters is considered *uninhabited* (Government Code 56045).

The undersigned owners(s) of property hereby consent(s) to inclusion of that property within a proposed change of organization or reorganization consisting of:

(Please list all proposed actions)

Annexation to: 1. _____
2. _____
3. _____

Detachment from: 1. _____
2. _____
3. _____

<u>Date</u>	<u>Signature</u>	<u>Assessor's Parcel Number(s)</u>
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		

Attach additional sheets if necessary

SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM

NOTE: A copy of this form must be completed and signed by **each** local agency that will gain or lose territory as a result of the proposed jurisdictional boundary change. Attach additional sheets if necessary.

Signature of agency representative	Print name
Title	
Telephone	Date

A. JURISDICTIONAL INFORMATION:

Name of agency: _____

1. Is the proposal territory within the agency's sphere of influence? Yes No
2. Upon annexation, will the proposal territory be included within an assessment district and be subject to assessment for new or extended services? Yes No
3. Does the agency have plans to establish any new assessment district that would include the proposal territory? Yes No
4. Will the proposal territory assume any existing bonded indebtedness? Yes No
If yes, indicate any taxpayer cost: \$ _____
5. Will the proposal territory be subject to any special taxes, benefit charges, or fees? Yes No
If yes, please provide details of all costs: _____
6. Is the agency requesting an exchange of property tax revenues as a result of this proposal? Yes No
7. Is this proposed jurisdictional change subject to a master property tax agreement or master enterprise district resolution? Yes No
8. FOR CITY ANNEXATIONS: Does the proposal territory contain existing commercial development that generates retail sales of ten million dollars or more per year? Yes No
9. FOR CITY ANNEXATIONS: If any part of the proposal territory is under a Williamson Act contract, please contact the LAFCO office for special instructions regarding petition or resolution of application requirements.

EXPEDITED PROPOSAL PROCESSING: *Processing of jurisdictional boundary change proposals can be expedited by approximately 60 days if all affected landowners consent to the waiver of protest and termination (conducting authority) proceedings and subject agencies do not oppose the waiver. If you do NOT want to waive these proceedings, then attach a written statement to the subject agency information form containing a signature, date, and declaration of opposition to a waiver of such proceedings.*

B. SEWER SERVICE:

1. What is the agency's current wastewater treatment capacity (expressed in million gallons per day and equivalent dwelling units)? _____

2. What is the average volume of influent currently being treated by the agency (expressed in million gallons per day and equivalent dwelling units)? _____

3. (a) What is the agency's peak flow volume (expressed in million gallons per day)? _____
(b) What is the agency's peak flow capacity (expressed in million gallons per day)? _____
(c) Has the agency exceeded the flow (peak) capacity within the past two years? YES NO
(d) **If yes**, please describe the frequency and volume of incidents that exceeded the agency's peak capacity: _____

4. (a) Has the agency issued a letter of sewer availability for the proposal territory? YES NO
(b) **If yes**, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) How many future equivalent dwelling units have been reserved or committed for proposed projects? _____
(b) Can all projects that have received commitments of sewer availability (e.g., "will serve letters") be accommodated with planned capacity? YES NO
6. (a) Does the agency have the necessary contractual and/or operational treatment capacity to provide sewer service to the proposal territory? YES NO
(b) **If yes**, please specify the proposal territory's estimated sewer demand and the agency's available sewer capacity (expressed in million gallons per day and equivalent dwelling units): _____

(c) **If no**, please describe the agency's plans to upgrade capacity to resolve any capacity related issues: _____

7. Will the proposal territory be annexed to a sewer improvement district? YES NO
8. (a) The distance for connection of the proposal territory to the agency's existing sewer system is _____ feet.
(b) Describe the location of the connection to the agency's existing sewer system: _____

C. WATER SERVICE:

1. (a) Does the subject agency have adequate water supply and sufficient contractual and/or operational capacity available to serve the proposal territory? YES NO
- (b) **If yes**, describe the proposal territory's estimated water demand and the agency's available water supply and capacity (expressed in acre-feet or million gallons per day):

- (c) **If no**, what plans does the agency have to increase its water capacity?

2. Specify any improvements (on and off-site) that will be necessary to connect and serve the anticipated development. Indicate the total cost of these improvements and method of financing (e.g., general property tax, assessment district, landowner or developer fees): _____

3. (a) Has the agency issued a letter of water availability for the proposal territory? YES NO
- (b) **If yes**, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
4. (a) The distance for connection of the proposal territory to the agency's existing water system is _____ feet.
- (b) Describe the location of the connection to the agency's existing water system:

5. (a) Is the agency currently under any drought-related conditions and/or restrictions? YES NO
- (b) **If yes**, describe the conditions and specify any related restrictions:

6. (a) Will the proposal territory utilize reclaimed water? YES NO
- (b) **If yes**, describe the proposal territory's reclaimed water use and the agency's available reclaimed water supply and capacity (expressed in acre-feet or million gallons per day):

- (c) The distance for connection of the proposal territory to the agency's existing reclaimed water system is _____ feet.
- (d) Describe the location of the connection to the agency's existing reclaimed water system: _____
- (e) **If no**, has the agency considered availability of reclaimed water to the proposal territory? YES NO
- (f) What restrictions prevent use of reclaimed water? _____

7. Will the proposal territory be annexed to an improvement district? YES NO

EXHIBIT F
Plan for Providing Services

[To be included behind this page]

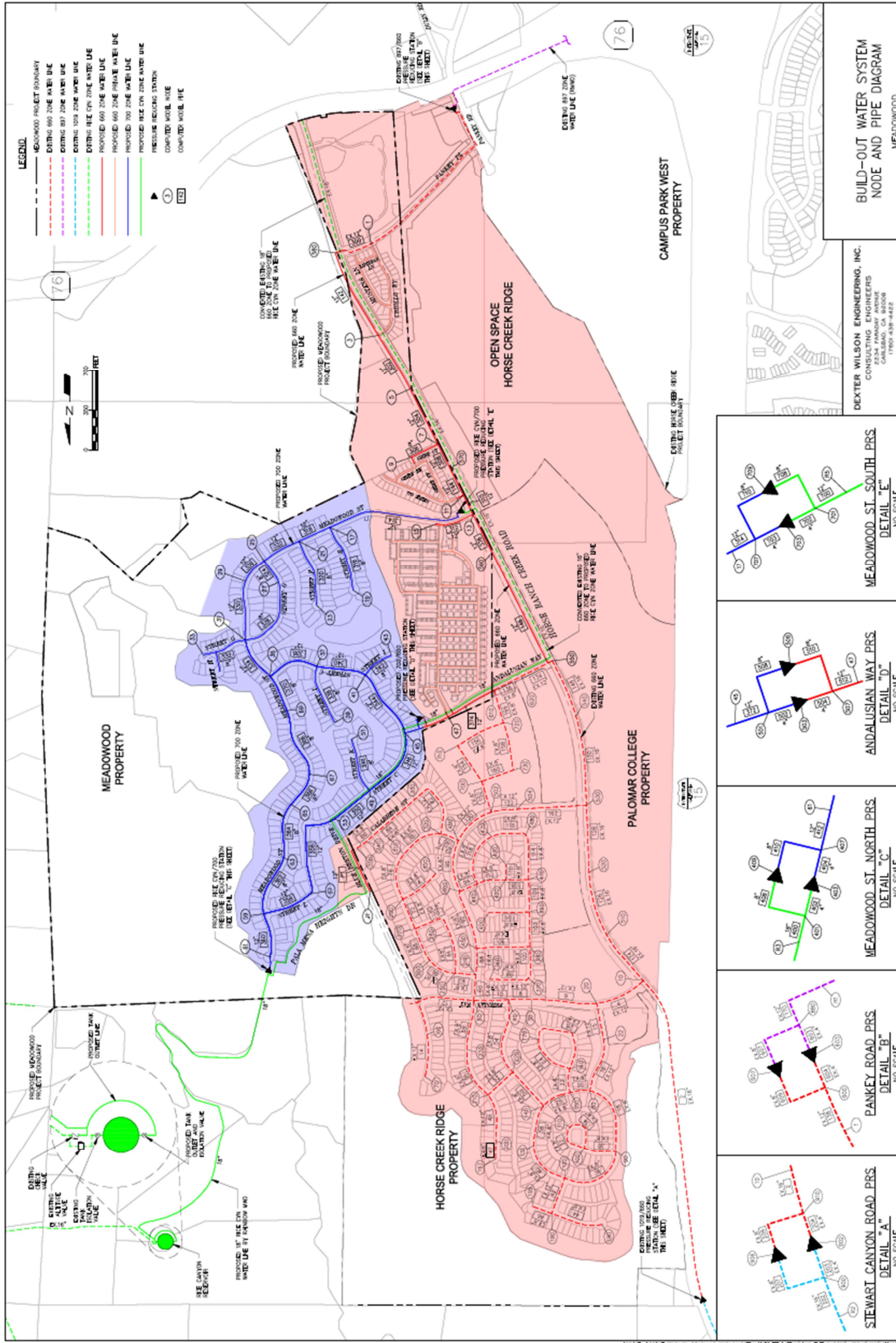


EXHIBIT H
RMWD Fee Schedule

Standard Rainbow Municipal Water District Capacity Fees				
Description	Quantity	Unit	RMWD Capacity/unit	RMWD Only Cap Fee Total
4" MF Master Meter Capacity Fee (PA1-4)	2	EA	\$208,020	\$416,040
3" MF Master Meter Capacity Fee (PA1-4)	2	EA	\$124,812	\$249,624
5/8" MF Meter Capacity Fee	101	EA	\$6,241	\$630,341
3/4" SF Meter Capacity Fee	373	EA	\$10,401	\$3,879,573
3/4" Irrigation Meter Fee *	2	EA	\$10,401	\$20,802
1" Irrigation Meter Fees *	7	EA	\$16,642	\$116,494
1.5" Irrigation Meter Fees (incl 2 for park site) *	13	EA	\$27,043	\$351,559
2" Irrigation Meter Fee *	1	EA	\$62,406	\$62,406
				\$5,726,839
County Water Authority Capacity Fees (new 2020 fees)				
Description	Quantity	Unit	Unit Cost	Total
4" MF Master Meter Capacity Fee (PA1-4)	2	EA	\$89,347	\$178,694
3" MF Master Meter Capacity Fee (PA1-4)	2	EA	\$50,890	\$101,780
5/8" MF Meter Capacity Fee	101	EA	\$5,448	\$550,248
3/4" SF Meter Capacity Fee	373	EA	\$5,448	\$2,032,104
3/4" Irrigation Meter Fee *	2	EA	\$5,448	\$10,896
1" Irrigation Meter Fees *	7	EA	\$8,717	\$61,019
1.5" Irrigation Meter Fees (incl 2 for park site) *	13	EA	\$16,344	\$212,472
2" Irrigation Meter Fee *	1	EA	\$28,329	\$28,329
				\$3,175,542
Notes: * irrigation fees will be reconciled based on actual meter needs.				

EXHIBIT I

Memorandum of Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Exempt from Filing Fees
Government Code § 27383

(Space above for Recorder’s Use)

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“Memorandum”) is dated _____, 2020, and is made by and between Rainbow Municipal Water District (“RMWD”), a California municipal water district, and Pardee Homes (“Pardee”), a California corporation (individually referred to herein as “Party” and collectively as “Parties”) to give notice of the existence of a certain Annexation Agreement between the Parties dated _____, 2020 (“Annexation Agreement”) with respect to real property located in the unincorporated County of San Diego, State of California as described in further detail in Exhibit A and depicted on Exhibit B, attached hereto, and within the Valley Center Municipal Water District (“VCMWD”) service area for water and sewer services (“Project Site”).

Pardee owns the Project Site and has been issued certain discretionary approvals and permits related to the development of a residential project commonly referred as “Meadowood” (the “Project”). On _____, 2020, VCMWD and RMWD entered into an out-of-agency service agreement (“RMWD Service Agreement”) for the provision of water and sewer services to the Project Site. Existing water and sewer system facilities in the vicinity of the Project Site are operated by RMWD through the recent expansion of the facilities attributable to the development of the Horse Creek Ridge residential project and the RMWD Service Agreement. The Project will, subsequently, be able to make use of this expanded water and sewer system.

As provided in the Annexation Agreement, the Parties desire the Project Site be detached from VCMWD and annexed into the jurisdictional boundaries of RMWD. The process by which these jurisdictional changes will occur are collectively referred to in the Annexation Agreement as the “Reorganization.”

This Memorandum is a memorandum of the Annexation Agreement, and shall be recorded in the Official Records of the County of San Diego, California, to serve as notice of the existence of the Annexation Agreement. The purpose of this Memorandum is to give notice of the Annexation Agreement, and all of the terms and conditions of the Annexation Agreement are incorporated herein by reference as if they were fully set forth herein.

This Memorandum shall not be interpreted to expand or modify the terms of the Annexation Agreement in any way. In the event of any inconsistency between the terms of this Memorandum and the terms of the Annexation Agreement, the terms of the Annexation Agreement shall prevail. This Memorandum shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors-in-interest or assignees.

For further information on the Lease, the Parties can be contacted at the following addresses:

RMWD:

Pardee:

13400 Sabre Springs Parkway
San Diego, California 92128
Attn: Allen Kashani
Email: Allen.Kashani@pardeehomes.com

[Signatures on following page]

IN WITNESS WHEREOF, this Memorandum of Annexation Agreement is made by the Parties
this ___ day of _____, 2020.

RAINBOW MUNICIPAL WATER DISTRICT,
a California municipal water district

By: _____
CEO/General Manager

Attest:

By: _____
Board Secretary of Rainbow Municipal
Water District

APPROVED AS TO LEGAL FORM:

RMWD General Counsel

PARDEE HOMES, a California corporation

By: _____
Jimmy Ayala
Division President

APPROVED AS TO LEGAL FORM:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT A
Legal Description and Depiction

THAT PORTION OF FRACTIONAL SECTION 36, TOWNSHIP 9 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, TOGETHER WITH A PORTION OF MONSERATE, ACCORDING TO MAP NO. 827 ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, CALIFORNIA BEING DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER NO. 1 AS SHOWN ON MAP OF A PORTION OF RANCHO MONSERATE, ACCORDING TO MAP NO. 827 ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, CALIFORNIA, THE EAST $\frac{1}{4}$ CORNER OF FRACTIONAL SECTION 36 BEARS NORTH 02°12'43" EAST A DISTANCE OF 2612.27 FEET; THENCE LEAVING SAID POINT OF COMMENCEMENT AND ALONG THE EASTERLY LINE OF SAID SECTION 36, NORTH 02°12'43" EAST 112.10 FEET TO THE POINT OF BEGINNING;

THENCE LEAVING SAID EASTERLY LINE NORTH 72°47'22" WEST 369.00 FEET;

THENCE NORTH 47°47'22" WEST 536.00 FEET;

THENCE SOUTH 44°12'00" WEST 703.00 FEET;

THENCE SOUTH 15°13'42" EAST 228.00 FEET;

THENCE SOUTH 81°12'38" WEST 93.00 FEET;

THENCE SOUTH 55°42'38" WEST 93.00 FEET;

THENCE NORTH 67°47'22" WEST 760.00 FEET;

THENCE SOUTH 64°12'38" WEST 823.59 FEET TO THE WESTERLY SIDELINE OF THE 60.00 FOOT WIDE EASEMENT DESCRIBED IN THE DEED RECORDED APRIL 13, 1981 AS FILE NO. 81-112046 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY;

THENCE ALONG SAID WESTERLY SIDELINE THE FOLLOWING COURSES: SOUTH 25°20'32" EAST 208.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE SOUTH 12°02'28" WEST 248.63 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°02'00" A DISTANCE OF 32.25 FEET;

THENCE SOUTH 04°00'28" WEST 665.08 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230,00 FEET;

EXHIBIT A
to EXHIBIT I

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°46'00" A DISTANCE OF 99.42 FEET;

THENCE SOUTH 20°45'32" EAST 174.56 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°19'48" A DISTANCE OF 30.65 FEET;

THENCE SOUTH 10°25'44" EAST 301.07 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°09'59" A DISTANCE OF 44.82 FEET;

THENCE SOUTH 21°35'43" EAST 1098.52 FEET TO THE NORTHERLY SIDELINE OF COUNTY HIGHWAY COMMISSION ROUTE 18, DIVISION 1 (PALA ROAD);

THENCE LEAVING THE WESTERLY SIDELINE OF SAID 60.00 FOOT WIDE EASEMENT SOUTH 21°35'43" EAST 329.97 FEET TO THE BEGINNING OF A NON- TANGENT 1722.44 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY TO WHICH A RADIAL LINE BEARS SOUTH 21°24'34" EAST;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°45'45" A DISTANCE OF 323.55 FEET;

THENCE NON-TANGENT TO SAID CURVE NORTH 15°00'00" WEST 21.19 FEET;

THENCE SOUTH 83°00'00" WEST 51.00 FEET;

THENCE SOUTH 05°00'00" EAST 21.00 FEET;

THENCE SOUTH 40°00'00" WEST 3.96 FEET TO THE BEGINNING OF A NON- TANGENT 1722.44 FOOT RADIUS CURVE CONCAVE NORTHERLY TO WHICH A RADIAL LINE BEARS SOUTH 08°43'46" EAST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°09'14" A DISTANCE OF 124.88 FEET;

THENCE NON-TANGENT TO SAID CURVE NORTH 04°34'32" WEST 6.57 FEET;

THENCE SOUTH 85°25'28" WEST 143.14 FEET;

THENCE SOUTH 89°37'04" WEST 314.40 FEET TO THE WESTERLY BOUNDARY OF LAND DESCRIBED IN DEED RECORDED APRIL 14, 1978 AS FILE NO. 78-149646 OF OFFICIAL RECORDS, BEING THE SOUTHERLY TERMINUS OF THE LINE DESCRIBED AS NORTH 03°49'46" WEST 2479.80 FEET IN SAID DEED;

EXHIBIT A
to EXHIBIT I

THENCE ALONG SAID WESTERLY BOUNDARY NORTH 03°49'38" WEST 2480.11 FEET;

THENCE CONTINUING ALONG SAID WESTERLY BOUNDARY NORTH 26°41'47" WEST 1561.66 FEET TO THE SOUTHERLY BOUNDARY OF LAND DESCRIBED AS PARCEL 1A OF CERTIFICATE OF COMPLIANCE, RECORDED MARCH 25, 1983 AS FILE NO. 83-095254 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY;

THENCE ALONG THE BOUNDARY OF SAID PARCEL 1A NORTH 26°41'47" WEST 32.19 FEET;

THENCE NORTH 00°02'58" EAST 1328.09 FEET;

THENCE NORTH 65°22'42" EAST 681.59 FEET TO THE SOUTHERLY TERMINUS OF A LINE DESCRIBED AS NORTH 06°09'01" WEST 239.79 FEET ACCORDING TO DEED TO DAON CORPORATION, RECORDED MARCH 27, 1981 AS FILE NO. 81-092782 OF OFFICIAL RECORDS;

THENCE ALONG THE EASTERLY BOUNDARY OF DAON CORPORATION PROPERTY THE FOLLOWING COURSES: NORTH 06°12'08" WEST 239.82 FEET;

THENCE NORTH 14°06'59" EAST 123.37 FEET;

THENCE NORTH 49°12'04" EAST 664 .01 FEET;

THENCE NORTH 47°46'04" EAST 221.11 FEET;

THENCE NORTH 24°37'43" WEST 1588.78 FEET TO THE NORTHERLY BOUNDARY OF RANCHO MONSERATE;

THENCE LEAVING SAID BOUNDARY OF DAON CORPORATION PROPERTY, AND ALONG THE NORTHERLY BOUNDARY OF RANCHO MONSERATE SOUTH 87°28'07" EAST 83.69;

THENCE LEAVING SAID NORTHERLY BOUNDARY SOUTH 24°50'26" EAST 211.82 FEET;

THENCE SOUTH 41°21'02" EAST 325.65 FEET;

THENCE SOUTH 36°24'13" EAST 65.36 FEET;

THENCE SOUTH 01 °11'40" EAST 74.70 FEET;

THENCE SOUTH 12°08'24" EAST 184 .62 FEET;

THENCE SOUTH 02°57'41" EAST 52.62 FEET;

THENCE SOUTH 24°42'16" EAST 135.96 FEET;

EXHIBIT A
to EXHIBIT I

THENCE NORTH 60°55'02" EAST 543.16 FEET;
THENCE NORTH 10°05'56" EAST 213.68 FEET;
THENCE NORTH 54°29'09" EAST 39.24 FEET;
THENCE NORTH 13°57'35" EAST 227.25 FEET;
THENCE SOUTH 81 °00'42" EAST 306.31 FEET;
THENCE SOUTH 43°25'25" EAST 195.38 FEET;
THENCE SOUTH 08°45'22" WEST 181.25 FEET;
THENCE SOUTH 51°37'59" EAST 130.66 FEET;
THENCE SOUTH 06°33'25" EAST 263.91 FEET
THENCE SOUTH 18°50'50" WEST 225.70 FEET;
THENCE SOUTH 37°43'08" WEST 144.16 FEET;
THENCE SOUTH 04°58'13" WEST 229.66 FEET;
THENCE SOUTH 19°37'26" EAST 181.55 FEET;
THENCE SOUTH 39°57'08" EAST 149.31 FEET;
THENCE SOUTH 74°23'30" EAST 360.80 FEET;
THENCE SOUTH 39°27'16" EAST 104.27 FEET;
THENCE NORTH 47°44'11" EAST 154.49 FEET;
THENCE NORTH 81°11'35" EAST 30.32 FEET;
THENCE SOUTH 06°4 3'27" EAST 235.00 FEET;
THENCE NORTH 87°10'13" EAST 101.01 FEET;
THENCE SOUTH 03°53'00" EAST 442.76 FEET;
THENCE SOUTH 81°23'41" EAST 200.27 FEET;
THENCE SOUTH 01 °42'24" EAST 178 .15 FEET;
THENCE SOUTH 16°27'33" WEST 81.56 FEET;
THENCE SOUTH 04°24'51" WEST 7.93 FEET;

THENCE SOUTH 07°38'10" EAST 331.12 FEET;
THENCE SOUTH 47°14'35" WEST 156 .53 FEET;
THENCE SOUTH 06°57'11" WEST 201.93 FEET;
THENCE SOUTH 60°30'31" EAST 358.64 FEET;
THENCE SOUTH 11°43 '16" EAST 65 .63 FEET;
THENCE NORTH 75°17'30" EAST 89.34 FEET;
THENCE NORTH 43°06'44" EAST 217.42 FEET;
THENCE NORTH 38°04'39" WEST 153.54 FEET;
THENCE NORTH 19°20'33" WEST 87.97 FEET;
THENCE NORTH 86°24'00" WEST 194.59 FEET;
THENCE NORTH 00°00'06" WEST 583.43 FEET;
THENCE NORTH 89°59'54" EAST 243.50 FEET;
THENCE SOUTH 08°06'39" EAST 541.42 FEET;
THENCE SOUTH 19°24'11" EAST 388.03 FEET;
THENCE SOUTH 80°23'38" EAST 208.46 FEET TO THE EASTERLY LINE OF
FRACTIONAL SECTION 36;
THENCE ALONG SAID EASTERLY LINE, SOUTH 02° 12'43" WEST 564.52 FEET TO THE
POINT OF BEGINNING.

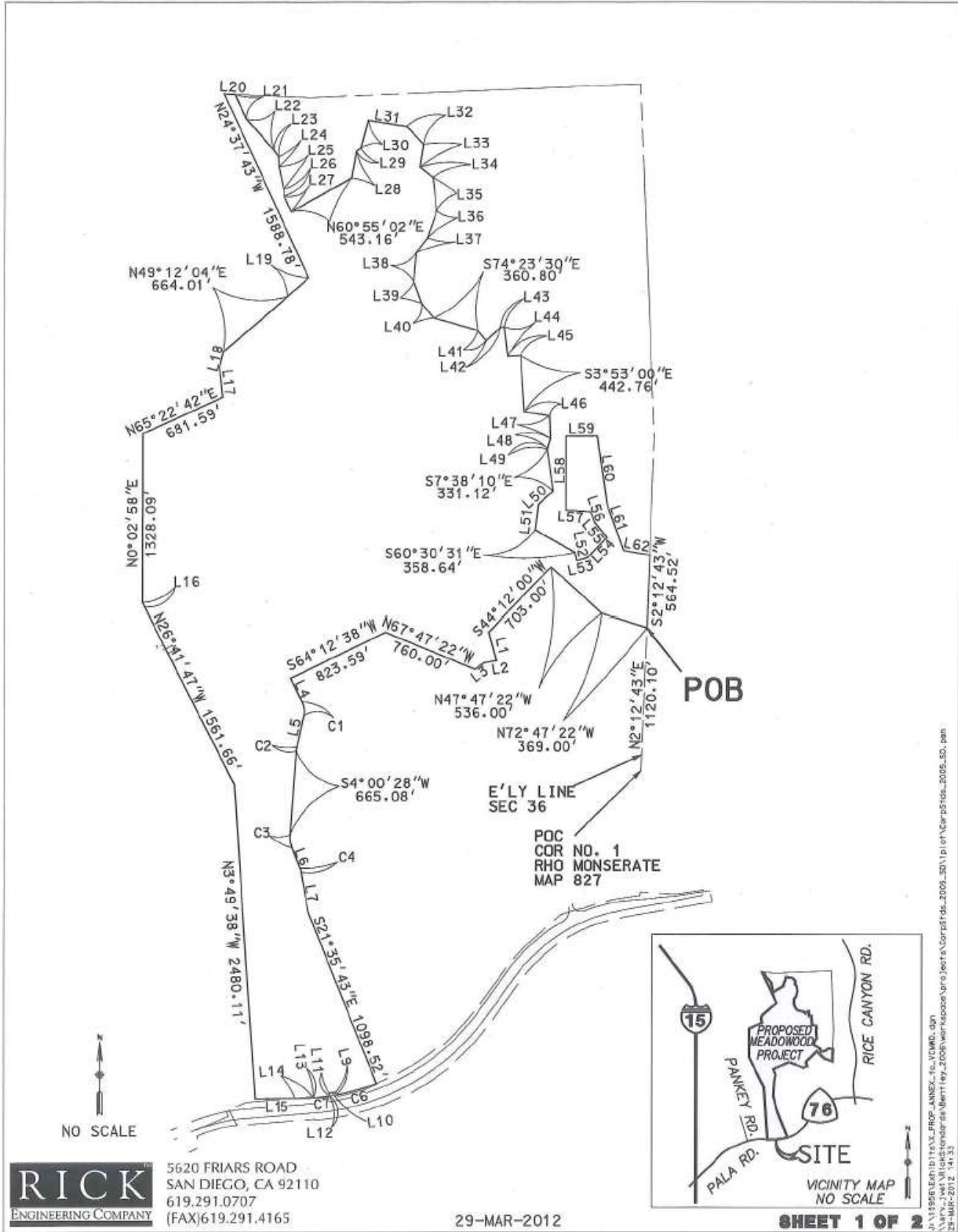
CONTAINING 266.945 ACRES, MORE OR LESS.


Patrick A. McMichael, L.S. 6187

3-28-2012
Date



EXHIBIT B
Project Site Depiction



LINE TABLE			
NAME	DIRECTION		LENGTH
L1	S 15° 13' 42" E		228.00
L2	S 81° 12' 38" W		93.00
L3	S 55° 42' 38" W		93.00
L4	S 25° 20' 32" E		208.85
L5	S 12° 02' 28" W		248.63
L6	S 20° 45' 32" E		174.56
L7	S 10° 25' 44" E		301.07
L8	S 21° 35' 43" E		329.97
L9	N 15° 00' 00" W		21.19
L10	S 83° 00' 00" W		51.00
L11	S 5° 00' 00" E		21.00
L12	S 40° 00' 00" W		3.96
L13	N 4° 34' 32" W		6.57
L14	S 85° 25' 28" W		143.14
L15	S 89° 37' 04" W		314.40
L16	N 26° 41' 47" W		32.19
L17	N 6° 12' 08" W		239.82
L18	N 14° 06' 59" E		123.37
L19	N 47° 46' 04" E		221.11
L20	S 87° 28' 07" E		83.69
L21	S 24° 50' 26" E		211.82
L22	S 41° 21' 02" E		325.65
L23	S 36° 24' 13" E		65.36
L24	S 1° 11' 40" E		74.70
L25	S 12° 08' 24" E		184.62
L26	S 2° 57' 41" E		52.62
L27	S 24° 42' 16" E		135.96
L28	N 10° 05' 56" E		213.68
L29	N 54° 29' 09" E		39.24
L30	N 13° 57' 35" E		227.25
L31	S 81° 00' 42" E		306.31
L32	S 43° 25' 25" E		195.38
L33	S 8° 45' 22" W		181.25
L34	S 51° 37' 59" E		130.66
L35	S 6° 33' 25" E		263.91
L36	S 18° 50' 50" W		225.70
L37	S 37° 43' 08" W		144.16
L38	S 4° 58' 13" W		229.66
L39	S 19° 37' 26" E		181.55
L40	S 39° 57' 08" E		149.31
L41	S 39° 27' 16" E		104.27
L42	N 47° 44' 11" E		154.49
L43	N 81° 11' 35" E		30.32
L44	S 6° 43' 27" E		235.00
L45	N 87° 10' 13" E		101.01
L46	S 81° 23' 41" E		200.27
L47	S 1° 42' 24" E		178.15
L48	S 16° 27' 33" W		81.56
L49	S 4° 24' 51" W		7.93
L50	S 47° 14' 35" W		156.53
L51	S 6° 57' 11" W		201.93
L52	S 11° 43' 16" E		65.63
L53	N 75° 17' 30" E		89.34
L54	N 43° 06' 44" E		217.42
L55	N 38° 04' 39" W		153.54
L56	N 19° 20' 33" W		87.97
L57	N 86° 24' 00" W		194.59
L58	N 0° 00' 06" W		583.43
L59	N 89° 59' 54" E		243.50
L60	S 8° 06' 39" E		541.42
L61	S 19° 24' 11" E		388.03
L62	S 80° 23' 38" E		208.46

CURVE TABLE			
NAME	DELTA	RADIUS	ARC
C1	37° 23' 00"	170.00	110.92
C2	8° 02' 00"	230.00	32.25
C3	24° 46' 00"	230.00	99.42
C4	10° 19' 48"	170.00	30.65
C5	11° 09' 59"	230.00	44.82
C6	10° 45' 45"	1722.44	323.55
C7	4° 09' 14"	1722.44	124.88



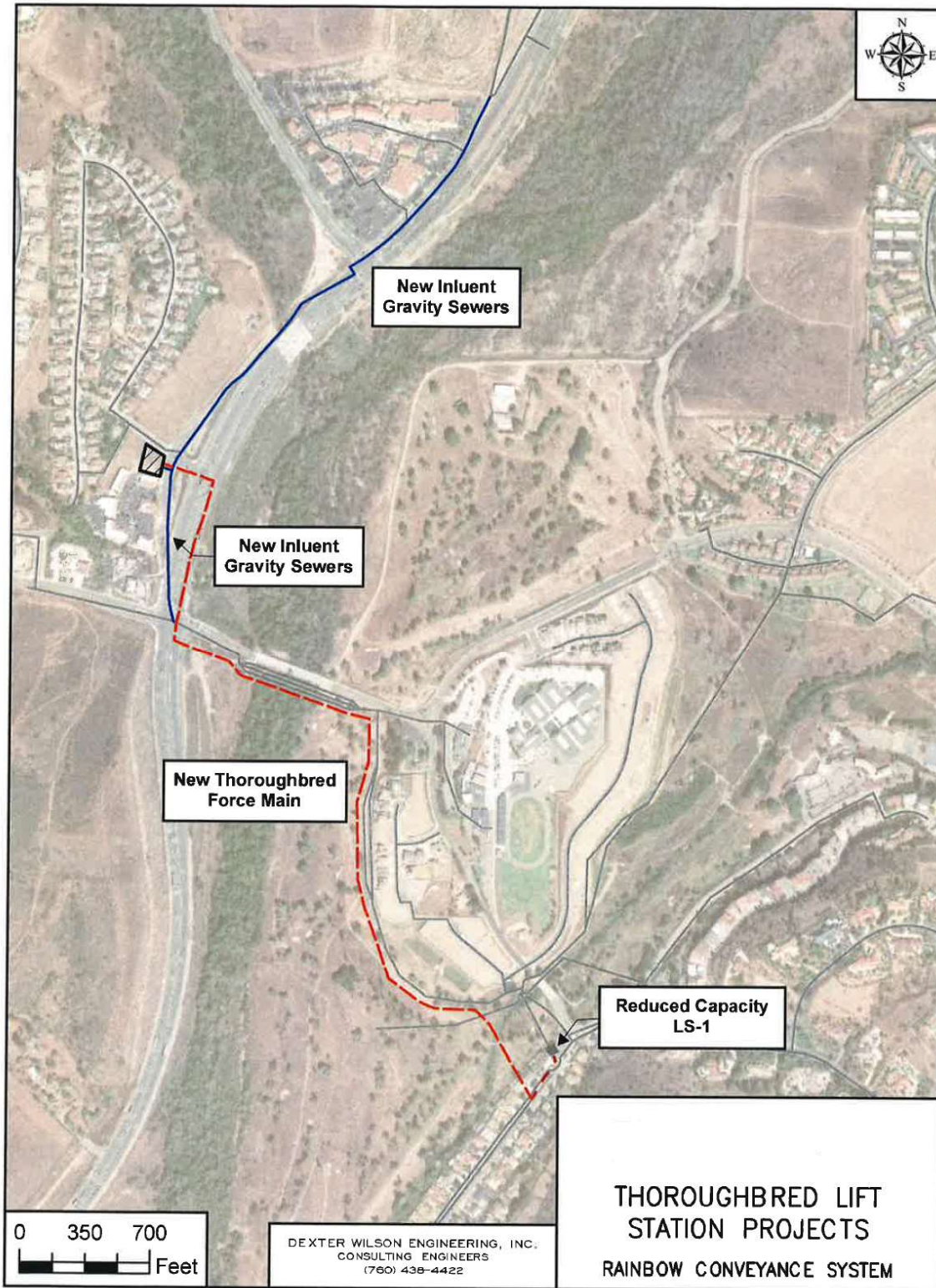
5620 FRIARS ROAD
SAN DIEGO, CA 92110
619.291.0707
(FAX) 619.291.4165

29-MAR-2012

SHEET 2 OF 2

J:\15956 (SAN DIEGO) PROJ\ANNDX_H_VCMW0.dgn
 Thursday, 8/2/2012 10:28:30 AM
 29-MAR-2012 10:32

EXHIBIT J
Phase 1 Sewer Improvements



BOARD OF DIRECTORS

March 24, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE RICE CANYON TANK TRANSMISSION PL TO I-15 - SR76 CORRIDOR DESIGN PROJECT.

BACKGROUND

The Rainbow Municipal Water District ("District") currently owns and operates the Rice Canyon Water Tank located less than a mile to the east of the Horse Creek Ridge housing development ("HCR"). The tank is fed potable water from the east, from Connection 10, a connection on the Metropolitan Water District (MWD) owned aqueduct. The proposed Rice Canyon Transmission Pipeline would deliver water from the Rice Canyon Tank to the developments on Horse Ranch Creek Road, the Meadowood development and could also supply water to the southern Morro zone with future improvements. Design and construction of this line was included on the CIP list in the 2016 Water and Wastewater Master Plan Update.

The Rice Canyon Tank, and Connection 10, are currently underutilized. This causes water quality issues in the tank, which negatively impacts the District financial resources. Adding the developments along Horse Ranch Creek Road, including HCR and Meadowood, to the service area for Rice Canyon Tank will allow the water in the tank to circulate more quickly and maintain a higher quality. In addition, having this additional transmission line supplying the district from one of the four MWD connections within the District will be increasingly important in the event of an aqueduct shutdown or a separation from the San Diego County Water Authority (SDCWA). The intent of the design services will be to prepare plans, specifications, and estimate suitable for bidding by a public agency.

DESCRIPTION

The originally anticipated alignment as described in the RFP and subsequent amendments utilized existing RMWD easements, to the boundary of HCR. Since the release of the RFP, Staff has met several times with the developers and engineers of the proposed Meadowood development, which is east and south of HCR. The Meadowood Development overlaps the originally proposed alignment of the Rice Canyon Transmission Main. The new, modified design alignment of the line will terminate at the edge of the new grading plan for the proposed Meadowood development. The Meadowood development will be conditioned to build the portion of the main through the Meadowood development, and tie into pipelines in HCR. (See Exhibit "A")

The District conducted a search of interested design firms and issued a Request for Proposal on August 26, 2019. Six firms responded with a proposal by October 8, 2019. Staff reviewed the proposals and evaluated them based on the executive summary, project description, identification of the consultant, project organization and experience, past performance, firms local experience, and creative alternatives.

The following firms submitted proposals (shown ranked according to their proposal score)

1. Harris & Associates
2. Michael Baker
3. Psomas
4. IEC
5. DUDEK
6. ERSC

The staff evaluation determined that Harris & Associates was the most qualified to perform the specified work and initially recommended them for this project with a Not-To-Exceed project design cost of \$244,677.

On November 6, 2019, Staff presented the findings to the Engineering and Operations Committee Meeting. See the attached Committee Report. The committee agreed with the selection and recommended to the Board to authorize the General Manager to execute a Professional Services Agreement with Harris & Associates. .

In the interim, the developer for the Meadowood project approached district staff about the project. The design for the Rice Canyon Transmission Pipeline (“RCTP”) was originally envisioned to end at the Meadowood development, and the developer would design the rest of the transmission line through the development. Since the design consultant for the Meadowood development, Dexter Wilson Engineering, Inc. (“DWEI”) is already designing an extension of the transmission line through Meadowood, as a continuation of the District’s design, staff asked DWEI for a proposal for the design Rice Canyon Transmission Pipeline. Utilizing the engineer who is currently designing the pipeline in the Meadowood development offers the District substantial economies of scale. Not only is DWEI highly qualified, their price is \$190,880 over 20% less.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources. This pipeline would allow the district to use more water from one of the Metropolitan Water District (MWD) connections.

Strategic Focus Area Two: Asset Management. This project helps the District manage assets including the Rice Canyon Tank, and aqueduct connections.

Strategic Focus Area Four: Fiscal Responsibility. By building this pipeline, the District will be using more water from a MWD connection at a substantial cost savings. The per unit cost for water from MWD is several hundred dollars less expensive than San Diego County Water Authority Water. The pipeline will allow Operations to move more water through the Rice Canyon tank, which reduces water quality issues, and reduces staff time dealing with those issues, saving ratepayer money.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board, award of a design contract, does not constitute a “project” as defined by CEQA and further environmental review is not required at this time. The construction of the project will be a separate action, and the environmental impacts will be addressed at that time.

BOARD OPTIONS/FISCAL IMPACTS

\$400,000 is included in the District's CIP budget, with additional allocation requests for construction funds to be requested in the upcoming budget cycle.

1) Option 1:


- Award a Professional services contract to Dexter Wilson Engineering, Inc. to provide design services for the Rice Canyon Tank Transmission PI To I-15 - SR76 Corridor Design Project not to exceed \$190,880.
- Rename the project to the "Rice Canyon Transmission Pipeline Project".
- Authorize the General Manager to execute a Professional Services Agreement with Dexter Wilson Engineering Inc., of Carlsbad, California 92008
- Make a determination that the action identified herein does not constitute a "project" as defined by CEQA.

2) Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Steven E. Strapac, P.E., P.L.S.
District Engineer

March 24th, 2020

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AMEND ADMINISTRATIVE CODE SECTION 5.02 PURCHASING

BACKGROUND

The District's Purchasing Policy was reviewed due to requests from the board and staff to add clarification and updates that are in line with new purchasing methods, software changes and service needs.

Staff reviewed both internal needs and the purchasing requirements of four other districts when recommending any approval limit increases. Our purchasing limit recommendations are still at or below all other districts that we compared our policy to.

DESCRIPTION

The updates to the policy consider the current and near future changes being made to the software. The policy has also been written to consider the infrequent event of computer systems being unavailable.

Clarification was added to the Emergency Purchases section to include the time and method of notification requirements to the Board President and Board in the event that an emergency purchase exceeds the General Manager's approval limit.

The most impactful change is being recommended for the Quotations section, raising the three-quote requirement on purchases from \$500 to \$5,000. This is in line with other districts. Approvals for Department Manager limits are recommended to be increased by \$5,000.

Attachments:

Attachment A – Redline Version

Attachment B – Non-Redline Version

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

BOARD OPTIONS/FISCAL IMPACTS

1. Adopt Ordinance No. 20-05 amending and updating Administrative Code Section 5.02 - Purchasing with proposed language.
2. Adopt Ordinance No. 20-05 amending and updating Administrative Code Section 5.02 – Purchasing with revisions.
3. Do not approve Ordinance No. 20-05 and provide staff with direction.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

STAFF RECOMMENDATION

Staff recommends Option 1.



Tracy Largent, CPA
Finance Manager

03/24/2020

Ordinance No. 20-05

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending the Administrative Code
Chapter 5.02 - Purchasing and All Subsections Included in Administrative
Code Chapter 5.02**

WHEREAS, the Rainbow Municipal Water District has, from time to time, adopted various rules and regulations for the operation of the District; and

WHEREAS, certain of those rules and regulations require updating to reflect best practices, as well as changes in applicable laws; and

WHEREAS, the Board of Directors has determined that changes in the rules or regulations of the District shall occur solely by amendment to the Administrative Code;

NOW, THEREFORE,

BE IT ORDAINED by the Board of Directors of Rainbow Municipal Water District as follows:

1. The following rules and regulations of the District, collected are hereby adopted and shall be incorporated into the Administrative Code, consisting of:

Chapter 5.02:	Purchasing
Sections:	5.02.010-5.02.200

2. The General Manager is hereby directed to update the Administrative Code to reflect the approval of these rules and regulations, and to assign or reassign the numbering of the Administrative Code as necessary to codify these rules and regulations as amended.

3. This ordinance shall take effect immediately upon its adoption on this 24th day of March 2020.

AYES:
NOES:
ABSTAIN:
ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

Chapter 5.02 PURCHASING

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**Section 5.02.010
Centralized Purchasing**

~~5.02.010.01~~ Rainbow Municipal Water District has adopted a centralized system under the direction and control of the General Manager.

~~5.02.010.01.1~~ The purchasing system is administered by the Finance Manager and includes:

- ~~1.~~ Purchase of supplies, equipment, and services.
- ~~2.~~ Sale and disposal of obsolete and surplus property.
- ~~3.~~ Transfer of equipment and supplies between departments.
- ~~4.~~ Management of the inventory control system.

~~5.02.010.02~~ Purchasing policies of Rainbow Municipal Water District are established by the Board of Directors.

- ~~1.~~ The purchase of supplies, services, and equipment shall be made at the lowest possible cost commensurate with the quality needed.
- ~~2.~~ All purchases shall be of a quality to suit the intended purpose.
- ~~3.~~ Financial control over District purchases shall be exercised to ensure adherence to the requirement that expenditures do not exceed amounts appropriated.
- ~~4.~~ Authority for the purchasing function shall be clearly defined.
- ~~5.~~ Per Resolution No. 02-02, when the price is comparable, Rainbow Municipal Water District will buy material and/or services from business in the greater Fallbrook area (to include Fallbrook, Bonsall and Rainbow).

The Purpose of this policy is to state in some detail the rules, regulations and procedures necessary to adhere to the policies.

**Section 5.02.020
Purchasing Procedures**

5.02.020.01—There are ~~six~~**eight** ways that items and supplies can be purchased or requisitioned, or services paid for at Rainbow Municipal Water District:

- _____ 1.— Purchase Requisition
- _____ 2.— Check Request via Cash Distribution Request Form
- _____ 3.— Petty Cash
- _____ 4.— Credit Card
- _____ 5.— Emergency Purposes
- _____ 6.— Open Purchase Orders

Each of the above is explained in the following pages. It is essential that the appropriate form be utilized and distributed correctly.

Section 5.02.030
Purchase Requisitions

~~5.02.030.1~~ The Purchase Requisition form is used to inform the purchasing agent of the needs of the department and to define the material requested. A Purchase Requisitions should be prepared well in advance of the date the goods will be needed to enable the purchasing department to secure competitive prices and the vendor to make delivery. A Purchase Request can be made by filling out a paper requisition form or by entering a Purchase Order request into the purchasing software.

~~5.02.030.2~~ The Requisition *must* contain the following information:

~~5.02.030.2.1 Vendors~~ If known, suggested vendors whose product was purchased in the past and was satisfactory.

~~5.02.030.2.3 Requisition Date~~ The date the requisition is written.

~~5.02.030.2.4 Originator~~ Employee completing the Requisition.

~~5.02.030.2.5 Approval~~ Supervisor approving the Requisition.

~~5.02.030.2.6 Required Date~~ A definite date by which delivery is needed.
~~Prepare far enough in advance so as not to create an emergency.~~

~~5.02.030.2.7 Quantity and Unit~~ The number required, and clarified by use of the proper abbreviation, such as: ea. = each, doz. = dozen, cs. = case, M = 1,000, etc.

~~5.02.030.2.8 Description~~ A clear presentation of the item desired, including size, color, type, grade, etc. In cases of formal and detailed specifications, separate sheets may be attached to the requisition. If a discount is known, it should be stated.

~~5.02.030.2.9 Unit Price~~ If the price is known to the Originator, the Originator may insert it in this column. If not known, leave this space blank.

~~5.02.030.2.10 Account Number~~ The department and account number to which the supplies or equipment will be charged.

~~5.02.030.2.1 Signature~~ The Originator will sign the requisition.

~~5.02.030.3~~ The Originator will obtain the approval of their Department Manager and will send the ~~request form~~Requisition to the purchasing department. A software purchase request will be automatically processed through the workflow for approval. The purchasing department will complete the Requisition by indicating the vendor selected, inserting the correct prices and forwarding to his/her Department Manager for approval. The purchasing department will then issue a Purchase Order to the Vendor.

~~5.02.030.4~~ Employees are not authorized to commit the District for materials or services without prior approval ~~of the General Manager or designee~~. Purchases or agreements to purchase made by any employee without the approval of the purchasing department may not be honored for payment by the District.

~~5.02.030.5~~ The purchasing department shall have the authority to change vendors and revise specifications as to quality, quantity, or estimated cost. Any revision affecting quality, quantity, or cost shall be in accordance with the standards and specifications established and will be concurred to by the requisitioning department as well as the purchasing agent's Department Manager before the order is confirmed with the vendor. The purchasing department cannot revise specifications without the agreement of the requisitioning department.

Section 5.02.040 Purchase Orders

~~5.02.040.1~~—Purchase Orders will be issued by the purchasing agent only after receipt of a Purchase ~~Request~~Requisition, signed or approved by a Department Manager or an authorized employee. Only the purchasing agent shall issue Purchase Orders. ~~All Requisitions will be filed with the purchasing department, and no~~ No purchase will be made until a Purchase Order has been obtained from the purchasing agent. All Purchase Orders must be approved according to Section 5.02.2040(A) of the Administrative Code. A Department Manager may authorize exceptions for minor purchases under \$500. An approved Purchase Order form is used for all purchases.;

~~5.02.040.1.1~~ ~~The original copy is sent to the vendor and the copy is kept by the purchasing agent.~~

~~5.02.040.1.3~~ ~~A copy is sent to the Originator.~~

~~5.02.041~~—Specific information such as: ship to address; quantity ordered; description ordered; unit cost and extended cost ~~appear~~ on the Purchase Order, and it is important that they be observed.

~~5.02.041.1~~ The Purchase Order number should appear on all invoices,
~~shipping notices, bills of lading, express receipts and packages.~~

Section 5.02.050 Alternative Methods of Procurement

The following descriptions for the use of check requests and petty cash are to acquaint staff with their existence and proper usage. If utilized correctly, they provide a viable alternative to the Request for Purchase/Purchase Order method of conducting business on a daily basis. Their usage can save a considerable amount of time and, in some cases, money. Please use them when applicable.

5.02.050.01 - Check Requests

Check requests should be used when payment must accompany an order, and for such things as magazine subscriptions and organizational dues. A check is requested by completing the Cash Disbursement Request form. Please attach the order form for the item or service required to the Cash Disbursement Request form.

5.02.050.02 - Petty Cash

The purchase of items by the use of Petty Cash is limited to transactions of \$50.00 or less. Petty Cash can be used for reimbursement of business lunches, mileage, travel and like items. Cash advances for any of these purposes can be obtained from Petty Cash. Cash is advanced through Petty Cash by filling out a petty cash slip, indicating the amount to be advanced, the proper account number, the purpose and by writing "cash advance" at the top of the form. When the transaction is completed a receipt should be returned, along with any remaining funds, and the exact amount of the purchase indicated on the form and the words "cash advance" crossed out.

Before any reimbursement can be made from Petty Cash, a petty cash slip, indicating the purpose, amount, and the account number must be completed, with the Department Manager's signature. A receipt must be turned in with the petty cash slip to document the purchase. In the case of reimbursed mileage, a completed travel expense form must be attached.

5.02.050.03 - Credit Card Expenditures

There are certain transactions that require advances or immediate payment which can be facilitated by the use of a credit card. Some examples of approved District credit card transactions include, but are not limited to:

- Travel arrangements
- Conference registrations
- Workshop registrations
- Hotel reservations
- Travel expenses
- Minor nonroutine purchases under \$500

The credit card is not to be used to circumvent established purchasing procedures. It is not to be used to purchase materials, supplies and services that can be purchased through the established purchasing process unless they are minor purchases under \$500 and are nonroutine in nature.

The District's accounts payable system will be used in processing monthly credit card statements for payment. Supporting documentation for credit card payments should be the same as for any other accounts payable item. The original invoice (or receipts), along with credit card receipts, must be retained and reconciled to the credit card statement by the employee and signed by their manager. The statement and supporting documentation must be submitted to the Accounting Department within five days of receipt of statement.

Staff who are responsible for a credit card are accountable for ensuring that the credit vendor and Finance Manager are notified immediately if the card is lost or stolen.

Credit Card purchases for meals are to state on the receipt the participants and purpose of the meal.

Section 5.02.060 Emergency Purchases

While the need for occasional emergency purchases is recognized, the practice shall be limited as much as possible by anticipating needs in time for the use of regular purchasing procedures.

Emergency purchases are to be made only in cases when it is essential to prevent serious delays or interruptions of service to the public, when delaying a purchase would cause extreme cost increases to a project, or which vitally when the expense affects the preservation of life, health, safety or property.

Emergency purchases required during normal operating hours are still to be processed by the Purchasing Department. To initiate an emergency purchase outside the normal business hours, in excess of \$150.00, the using department will make the purchase and then submit the complete the purchase request requisition within 24 hours along with a memo of explanation justifying the need for the emergency purchase. and present the same to the Department at which time Purchasing will either issue a Purchase Order or will issue a Purchase Order number. Emergency purchases in excess of the General Manager's authority will be reported to the Board President via email within three days and will be reported to the board at the next scheduled board meeting with a Staff Report detailing the situation.

~~If an emergency should arise, as declared by the General Manager or Department Manager, during a time when the Purchasing Department is normally closed, the using Department will follow the same procedure as above, except that the department may select a vendor and the employee number will be used in lieu of a purchase order number at the transaction. However, a memo of explanation justifying the need for the emergency purchase must accompany the requisition. Any confirming requisition not accompanied by a memo will have to be approved by the General Manager.~~

It is the goal of the Purchasing Department to save money on all purchases. By reducing emergency purchases, dollars will be saved for future operation.

Section 5.02.070
Open Purchase Orders

Open Purchase Orders are issued to vendors who supply small miscellaneous items, such as nuts and bolts, or material that is purchased at varying times in small quantities. The purpose of the Open Purchase Order is to eliminate individual billing for small amounts for those items not practical for the District to store.

Open Purchase orders are originally processed in the same way as a purchase request under Section 5.02.030.

Open Purchase Orders are not to be used as a method to circumvent purchase orders; and, for this reason, any purchase exceeding the approved limit indicated on the Open Purchase Order must have a separate purchase order.

Open Purchase Orders are always issued for a specific maximum amount. If this amount is used up, a new Open Purchase Order must be issued for any excess purchases. Billings for Open Purchase Orders will be monthly.

So that there will be no question when invoices are received from vendors holding Open Purchase Orders, it will be necessary for each department to submit to Purchasing the vendor packing slip and/or the sales receipt from the vendor. Without these it is impossible to verify the charges on a statement, thereby making it impossible to pay the bill. This paperwork must be turned in within 48 hours after the purchase is made and must carry the proper account code, signature, ~~and employee ID number of the receiving employee,~~ as well as approval by an authorized individual.

Section 5.02.080
Quantities to be Purchased

In order to establish the quantity to be purchased, it is necessary to combine several factors such as demand, delivery time, and cost in such a manner that the materials will cost least in terms of ultimate cost.

— Specifically, the factors that determine quantity are:

1. Need
2. Price advantage of quantity purchase
3. Storage facilities available and cost of storage
4. The obsolescence and/or deterioration factor of the item
5. Price trends
6. Time required for delivery
7. Minimum economical manufacturing quantity
8. Amount budgeted

**Section 5.02.090
Value Purchasing**

Buying at the proper price means obtaining the greatest possible ultimate value. Value is measured by the following factors:

- ~~_____ 1. Quality offered~~
- ~~_____ 2. Need~~
- ~~_____ 3. Net delivered cost~~
- ~~_____ 4. Service required and availability~~
- ~~_____ 5. Delivery date~~
- ~~_____ 6. Compliance with District, Cal OSHA, and OSHA safety standards~~
- ~~_____ 7. Warranties~~

1. The Purchasing Department must be familiar with the uses to be made of an item to be purchased, so that it may judge the value of the quality offered.

2. To control the price factor, it is necessary to develop competition by establishing several satisfactory sources of supply. Before placing an order, quotations are normally invited from a number of satisfactory sources of supply. In determining the net delivered cost, consideration must be given to the following:

- ~~1-A.~~ Price quoted
- ~~2-B.~~ Trade-in allowances
- ~~3-C.~~ F.O.B. point
- ~~4-D.~~ Delivery costs
- ~~5-E.~~ Cash discounts
- ~~6-F.~~ Applicable insurance
- ~~7-G.~~ Sales tax
- ~~8-H.~~ Availability

3. Very often the product purchased, by its nature, requires continuous servicing by the manufacturer and replacement of parts for its maintenance. Improper evaluation of this factor could greatly affect the ultimate value received.

4. Good planning on the part of the using department will generally permit sufficient time for a reasonable delivery date. A delivery date is an important factor to the using department and must be given full consideration by the Purchasing Department in the evaluation of price.

The use of a vendor's delivery vehicle will in most cases greatly reduce the total cost of an item purchased. Keep in mind, a pickup by District personnel, especially outside the District boundaries, costs the District labor hours, vehicle wear & tear and fuel.

Value is also measured with compliance with District, Cal-OSHA, OSHA safety standards and warranties.

An evaluation of the above factors is necessary to arrive at a proper price.

Section 5.02.100 Quotations

Upon receipt of a Requisition ~~f~~For Purchase, the Purchasing Department shall review the source of supply. The bidder's list will be reviewed for firms that will give the best price, proper quality, and service.

When the total cost is less than \$5,000, or an emergency exists which will not permit the delay incidental to request for quotation, or the commodity is a "sole source" item, quotations will not be required. For purchases ~~of \$500 to \$5,000, in excess of \$5,000,~~ a minimum of three quotes is required ~~(See Appendix).~~

Annual quotes will be kept on file for items that are purchased routinely throughout the year. Examples include asphalt, rental equipment and fuel.

The Purchasing Department will solicit quotations in one of two forms depending upon the equipment, supplies or service required. Telephone quotations will be used for lower dollar amounts for equipment and supplies when clear, open and competitive specifications are included with the requisition. Written requests for quotations are preferred for high dollar amounts and especially for any contracted services. The Purchasing Agent will determine which form will be used. Written or email requests for quotation will include the following instructions and information:

~~1. _____ Quotes must be returned in a sealed envelope.~~

~~_____ The time, date and place of receiving quotations.~~

1. _____ The quantity desired.

2. _____ A full description requested of the materials and specifications or service.

3. _____ Rainbow Municipal Water District reserves the right to accept or reject any or all quotes.

4. _____ If a bidder does not wish to quote, the quotation form is to be returned and reason stated, otherwise the Purchasing Department has the option to remove the bidder's name from the bidder's list.

5. _____ In the case of small Capital Improvement Projects (under \$5,000), or maintenance agreements, the contractor shall have the current and properly classified contractor's license.

6. _____ A contractor performing work as in Item 7 shall be required to carry a minimum of \$1,000,000 in liability insurance in which the District is also named as "additional insured", as well as provide a signed agreement "holding the District harmless".

7. _____ As in Capital Improvement Project contracts in excess of \$5,000 and at the discretion of the General Manager, the contractor may be required to post a 10% bid security as well as 100% performance bonds for performance, material, and labor.

~~Sealed quotations submitted pursuant to the above will be kept unopened, until the day set for the opening. The Purchasing Department, or designee will open the quotations. All quotations shall be attached to the Purchase Order and kept on file.~~

~~All extensions, additions, and other computations on quotations will be checked and verified. All quotes will be abstracted to a bid result form for ease of comparison of prices, terms, delivery, and other pertinent information. Awards will be made to the lowest responsible bidder, with consideration also given to the bidder who offers items closest to the specification.~~

~~See Formal Bids Section 5.02.140 for purchases in excess of \$35,000.~~

Section 5.02.110
Professional Services-Requests for Proposals

While it is not required to formally advertise for competitive bids for professional services (consultants, architects, etc.), it is the policy of the District to prepare a comprehensive request for proposal (RFP).

The following items are the principal topics that should be included in any RFP.

1. A complete description of the problem and the objectives of the project.
2. An estimate, as close as possible, of the extent of the services required, including staff and resources and an indication of any monetary limits.
3. A description of the overall work plan that the person/company offering the proposal is expected to carry out and an explanation of the relationship that is expected between that firm and District staff.
4. A requirement for the starting and completion dates for each phase of the work plan.
5. A requirement for a breakdown of estimated project costs, listing separately those attributable to expenses for such things as travel and phones, etc., and those for professional services.
6. Require the identification and background of each member of the firm proposed to work on the project.
7. Request a list of clients for whom the proposing firm has performed similar services in the recent past.

It is not necessary to follow any specific format. The important issue is that all seven points are incorporated.

**Section 5.02.120
Insurance/Licensing**

When contracting for services of any kind, no matter what the value of the contract, there are two items the contractor must have:

- 1.A. — Policy of general liability insurance with a minimum of \$1,000,000 covering the contractor against claims and —judgments arising from their products or activities for the District. The insurance —policy shall be extended, by endorsement, naming the District as additional —insured.
- 2.B. — The contractor must be licensed to perform work in the State of California, and —the license must be current and properly classified.

No matter how small the contract may be, nor how insignificant the work may seem -- WORK MAY NOT BEGIN UNTIL BOTH OF THESE REQUIREMENTS ARE MET. The required dollar limits of insurance will be provided by the Finance Manager.

**Section 5.02.130
Departmental Responsibilities**

Responsibilities:

1. To anticipate their needs so as to give the Purchasing Department the time necessary to get materials and services at the lowest cost consistent with the Purchasing Ordinance and purchasing policy.
2. _____ To prepare specifications which are technical in scope and within the area of the using departments, and to keep such specifications as nonrestrictive as possible.
3. _____ To assist the Purchasing Department in determining what items shall be stocked in central supplies, in setting stock levels, in adding new items and dropping old ones, and to keep Purchasing advised of any upcoming abnormal demands.
4. _____ To list anticipated requirements in advance when requested.
5. _____ When making contact with suppliers directly, in no case obligate the _____ Purchasing Department without such authority.
6. _____ To requisition equipment and supplies that comply with District, Cal-OSHA and OSHA safety standards. This should be verified with the Operations Manager by the using department.
7. _____ To be sure that budget funds are available for all items requisitioned.

Section 5.02.140 Formal Bids

For any non-inventory purchase which will exceed \$35,000 in value, a formal bid is required and the following procedure shall be followed:

1. All formally bid items must be submitted to and be approved by the General Manager in concept before any formal action will be taken.
2. A draft copy of the specifications for suppliers, services, or equipment should be submitted to the Purchasing Department along with any other pertinent information.
3. The bid package for items other than Capital Improvement Projects will be prepared by the Purchasing Department and returned to the originating department for review.

Once the bid package has been reviewed, it must be returned to Purchasing along with a list, if available, of desired prospective bidders.

Upon completion of the final bid package the bid will be formally advertised and a notice to bidders will be sent to prospective bidders.

The Notice will include the following instructions and information:

1. Bids must be sealed.
2. The latest time, date, and place of receiving bids.
3. The time, date, and place of bid opening.
4. The quantity desired (if applicable).
5. A full description of the material and specifications.
6. Rainbow Municipal Water District reserves the right to accept or reject any or all bids.
7. Insurance and bonding requirements.

Sealed bids submitted pursuant to the above will be kept unopened until the hour set for the bid opening. The Board Secretary or designee will announce when the opening time has come. The bids will then be publicly opened —by the Board Secretary or designee and the bid prices announced. Any bid received after the scheduled time of the bid opening shall be returned to the bidder unopened.

Section 5.02.150
Contract Delivery/Inspection

The Purchasing Department shall inspect all materials, supplies, and equipment received to determine its conformance with the specifications set forth in the order or contract.

Although most materials, supplies and equipment should be delivered to the warehouse, there may be a need to ship items to other locations in the District. The Purchasing Department may authorize the using department to check materials against a Purchase Order for conformance as to quality, quantity, and specifications. When merchandise is received by the department per a Purchase Order, the following procedure shall be observed:

1. Check the delivery slip to see that it agrees with the merchandise received.

2. Check the delivery slip against the Purchase Order.

3. If the order is complete, check that the Purchase Order number is shown. Sign and forward the receiving copy of the Purchase Order and packing slip to the Purchasing Department.

4. In the case of a "partial" delivery, complete the receiving copy of the Purchase Order, indicating what portions of the order were received.

5. Forward this copy with the packing slip to the Purchasing Department, who will then make a photocopy and forward a duplicate of the receiving copy to Accounts Payable. This should be done each time a partial shipment is received until the order is complete, at which time you must forward the original receiving copy of the Purchase Order to the Accounts Payable Department.

6. In case of an overage or shortage (unless shown as a back order) or damaged delivery, notify the delivery driver and the Purchasing Department immediately.

7. Any employee receiving merchandise is instructed not to sign collect freight bills, but to notify the delivery service that the freight bill must be prepaid, and advise the Purchasing Department.

8. Do not accept any delivery without obtaining some form of delivery ticket. Every driver must obtain signature for his records, but be sure he/she leaves a copy for our records.

Section 5.02.160

Warehouse and Stationery Supplies

~~The warehouse will stock all items necessary for the maintenance, operation and repair of the District as well as janitorial supplies and bulk stationery items.~~

~~The inventory and purchases relative to the inventory will be continuously reviewed by the Purchasing Department.~~

~~All departments will be able to obtain materials from the warehouse for their use by filling out (in its entirety) a Warehouse Requisition. All information blocks must be filled out. No material will be issued without a Warehouse Requisition.~~

~~Stationery Supplies necessary to the administrative functions of the District (paper, pens, paper clips, etc.) will also be stored in the warehouse and monitored by the Purchasing Department. In order to obtain stationery items it is also necessary to present a completed Warehouse Requisition. No material will be issued without the presentation of a Warehouse Requisition.~~

**Section 5.02.1670
Invoices**

Invoices are the media which guide the District in the settlement of financial obligations incurred. An invoice is the vendor's statement of his/her charges against the District for materials or services rendered, based on the Purchase Order.

All invoices, except those related to the Capital Improvement Projects, will be processed by Purchasing and Accounts Payable for payment.

Capital Improvement Projects - Progress Payments Invoices/billings ~~will be processed as follows:~~

~~Progress payment forms~~ are to be submitted to the District by the contractor ~~monthly.~~

Upon review by the inspector and the responsible engineer, a brief memo from the engineer to the General Manager or his/her designee shall be attached to each progress payment. The memo shall state the amount paid and the date you request a check to be issued by Accounts Payable.

Section 5.02.1780

Duties and Functions of Assigned District Purchasing Agent

The day to day operation of the Purchasing Department is the responsibility of the assigned District purchasing agent, who is responsible to the Finance Manager. The duties and functions of Purchasing/Warehouse Technician are as follows:

1. Maintain the Purchasing Manual and enforce the purchasing policies of the District.
2. Make all purchases required by the various departments of the District in conformity with the control procedures established for that purpose. The term "purchases" shall include all materials, supplies, equipment, and services (contractual and otherwise).
3. Operate and maintain the warehouse, and such control necessary for the proper inventory of stocks and supplies.
4. Prepare or obtain and maintain standard specifications for materials, supplies, and equipment whenever practical.
5. Keep informed and maintains records as to the source of supply for all classes of purchases, bids, and price quotations.
6. Arrange for the sale or disposal of obsolete and/or surplus property of the District in accordance with Administrative Code Section 5.04.03-Disposition of Surplus Assets.
7. Arrange for the transfer of equipment between the various District Departments.
8. Advise and assist the Financial Department in formulation of policies and procedures in connection with the purchasing activities of the District.
9. Perform such other duties as may be required by the Finance Manager.

Section 5.02.1890
Purchasing Department

The Purchasing Department exists to provide a service for other departments of the District. Cooperation is essential for the successful operation of the purchasing function. The purpose of this section is to emphasize the following responsibilities:-

1. To become acquainted with the needs of the various District departments.
2. To procure a product that will meet the departments' requirements at the least cost to the District.
3. To seek and investigate new sources of supply.
4. To standardize whenever possible.
5. To see that all equipment and supplies comply with District or OSHA safety standards.
6. To keep informed of products and changes in the marketplace.
7. To maintain up-to-date vendor files.
8. To ensure proper cost application of expenses by using accurate Fund and Cost Center coding on all expenses.
9. To conduct an inventory in conjunction with the annual financial audit of the District.

Section 5.02.190200

Purchasing Department - Relationship between District and Vendors

The promotion of good vendor relations is an important function of the Purchasing Department. It is the responsibility of the Purchasing Department to establish a relationship of mutual confidence and satisfaction between the District and suppliers. It is, therefore, necessary that the Purchasing Department be aware of all transactions that are conducted between the District and vendors. The departments should not be burdened with visits from suppliers without appointments. The District's time and that of the suppliers will be saved if the following procedures are observed:

- ~~1. When it is necessary for vendors to talk with departments, the interview shall be arranged by the Purchasing Department.~~
- 2.1. The Purchasing Department will inform or pass along to departments useful information received from interviews, catalogs, advertising, etc.
- 3.2. If a vendor should contact a department directly, any appearance on the part of operating or administrative personnel to making a commitment to buy, except through the Purchasing Department, must be avoided.
- ~~4. Requests for prices, specifications, samples, or other information concerned with specific purchases are to be made through Purchasing.~~
- 5.3. Copies of subsequent correspondence with prospective suppliers, which may be necessary, will be furnished by the assigned District purchasing agent.
- 6.4. All District personnel will be required to keep an objective and unobligated viewpoint. This includes the refusal to accept any and all gifts over a nominal value and gratuities from vendors and prospective vendors.

Section 5.02.2040

Purchasing Approval and Change Order Approval Requirements – Appendix Limits

APPENDIX APPROVAL REQUIREMENTS; CHANGE ORDERS

A. APPROVAL REQUIREMENTS – LIMITS

Approval requirements of purchases and/or change orders for work or professional services are based on the total dollar amount of the purchase and/or change orders, as follows:

DOLLAR AMOUNT	REQUIRED APPROVAL SIGNATURES
\$ 5,000 2,000 or Less	Department Manager
\$ 5,001 2,000 -\$ 10,000 5,000	<u>Department Manager and</u> Finance Manager
\$ 10,001 15,000 -\$50,000	Finance Manager and General Manager
More than \$50,000	General Manager and Board of Directors

TRANSACTIONS MAY NOT BE SPLIT IN ORDER TO CIRCUMVENT THESE LIMITS

These limits are primarily for purchases of capital items and payment for work or professional services and do not apply to routine purchases of warehouse inventory items that are necessary for the conduct of daily District business. ~~Transactions may not be split in order to circumvent these limits.~~

B. CHANGE ORDERS

~~As set forth in Public Contract Code section 20642 and Section 5.02.140 of this Administrative Code, when work is not to be done by the district itself by force account, and the amount involved is thirty-five thousand dollars (\$35,000), or more, any contract for the performance of work or services shall be let to the lowest responsible bidder, after publication, in the manner prescribed by the board, of notices inviting bids therefor.~~ The General Manager is authorized by this section to approve any reasonable change order or modification to a contract for work or services that does not exceed **\$25,000 or ten percent (10%) of the contract price, whichever amount is greater.** Any proposed change order or modification to a contract for work or services that exceeds ~~\$25,000 or 10% of the contract price, whichever amount is greater,~~this amount shall be presented to the Board for consideration and approval. These approval requirements will not operate to conflict with relevant requirements of the Public Contract Code, including but not limited to sections 20640 et seq. As set forth in Public Contract Code Section 20642 and Section 5.02.140 of this Administrative Code, when work is not to be done by the District itself by force account, and the amount involved is Thirty-Five Thousand (\$35,000), or more, any contract for the performance of work or services shall be let to the lowest possible bidder, after publication, in the manner prescribed by the Board, of notices inviting bids therefor.

**Chapter 5.02
PURCHASING**

Sections:

- 5.02.010 Centralized Purchasing**
- 5.02.020 Purchasing Procedures**
- 5.02.030 Purchase Requests**
- 5.02.040 Purchase Orders**
- 5.02.050 Alternative Methods of Procurement**
- 5.02.050.01 Check Requests**
- 5.02.050.02 Petty Cash**
- 5.02.050.03 Credit Card Expenditures**
- 5.02.060 Emergency Purchases**
- 5.02.070 Open Purchase Orders**
- 5.02.080 Quantities to be Purchased**
- 5.02.090 Value Purchasing**
- 5.02.100 Quotations**
- 5.02.110 Professional Services-Requests for Proposals**
- 5.02.120 Insurance/Licensing**
- 5.02.130 Departmental Responsibilities**
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- 5.02.170 Duties and Functions of Assigned District Purchasing Agent**
- 5.02.180 Purchasing Department**
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- 5.02.200 Purchasing Approval and Change Order Limits**

Section 5.02.010
Centralized Purchasing

Rainbow Municipal Water District has adopted a centralized system under the direction and control of the General Manager.

The purchasing system is administered by the Finance Manager and includes:

1. Purchase of supplies, equipment, and services.
2. Sale and disposal of obsolete and surplus property.
3. Transfer of equipment and supplies between departments.
4. Management of the inventory control system.

Purchasing policies of Rainbow Municipal Water District are established by the Board of Directors.

1. The purchase of supplies, services, and equipment shall be made at the lowest possible cost commensurate with the quality needed.
2. All purchases shall be of a quality to suit the intended purpose.
3. Financial control over District purchases shall be exercised to ensure adherence to the requirement that expenditures do not exceed amounts appropriated.
4. Authority for the purchasing function shall be clearly defined.
5. Per Resolution No. 02-02, when the price is comparable, Rainbow Municipal Water District will buy material and/or services from business in the greater Fallbrook area (to include Fallbrook, Bonsall and Rainbow).

The Purpose of this policy is to state in some detail the rules, regulations and procedures necessary to adhere to the policies.

Section 5.02.030 Purchase Requests

The Purchase Request is used to inform the purchasing agent of the needs of the department and to define the material requested. A Purchase Request should be prepared well in advance of the date the goods will be needed to enable the purchasing department to secure competitive prices and the vendor to make delivery. A Purchase Request can be made by filling out a paper requisition form or by entering a Purchase Order request into the purchasing software.

The Originator will obtain the approval of their Department Manager and will send the request form to the purchasing department. A software purchase request will be automatically processed through the workflow for approval. The purchasing department will complete the Requisition by indicating the vendor selected, inserting the correct prices and forwarding to his/her Department Manager for approval. The purchasing department will then issue a Purchase Order to the Vendor.

Employees are not authorized to commit the District for materials or services without prior approval. Purchases or agreements to purchase made by any employee without the approval of the purchasing department may not be honored for payment by the District.

The purchasing department shall have the authority to change vendors and revise specifications as to quality, quantity, or estimated cost. Any revision affecting quality, quantity, or cost shall be in accordance with the standards and specifications established and will be concurred to by the requisitioning department as well as the purchasing agent's Department Manager before the order is confirmed with the vendor. The purchasing department cannot revise specifications without the agreement of the requisitioning department.

Section 5.02.040
Purchase Orders

Purchase Orders will be issued by the purchasing agent only after receipt of a Purchase Request, signed or approved by a Department Manager or an authorized employee. Only the purchasing agent shall issue Purchase Orders. No purchase will be made until a Purchase Order has been obtained from the purchasing agent. All Purchase Orders must be approved according to Section 5.02.200(A) of the Administrative Code. A Department Manager may authorize exceptions for minor purchases under \$500. An approved Purchase Order form is used for all purchases.

Specific information such as: ship to address; quantity ordered; description ordered; unit cost and extended cost appear on the Purchase Order, and it is important that they be observed. The Purchase Order number should appear on all invoices, shipping notices, bills of lading, express receipts and packages.

The District's accounts payable system will be used in processing monthly credit card statements for payment. Supporting documentation for credit card payments should be the same as for any other accounts payable item. The original invoice (or receipts), along with credit card receipts, must be retained and reconciled to the credit card statement by the employee and signed by their manager. The statement and supporting documentation must be submitted to the Accounting Department within five days of receipt of statement.

Staff who are responsible for a credit card are accountable for ensuring that the credit vendor and Finance Manager are notified immediately if the card is lost or stolen.

Credit Card purchases for meals are to state on the receipt the participants and purpose of the meal.

Section 5.02.060
Emergency Purchases

While the need for occasional emergency purchases is recognized, the practice shall be limited as much as possible by anticipating needs in time for the use of regular purchasing procedures.

Emergency purchases are to be made only in cases when it is essential to prevent serious delays or interruptions of service to the public, when delaying a purchase would cause extreme cost increases to a project, or when the expense affects the preservation of life, health, safety or property.

Emergency purchases required during normal operating hours are still to be processed by the Purchasing Department. To initiate an emergency purchase outside the normal business hours, the using department will make the purchase and then submit the complete purchase request within 24 hours along with a memo of explanation justifying the need for the emergency purchase. Emergency purchases in excess of the General Manager's authority will be reported to the Board President via email within three days and will be reported to the board at the next scheduled board meeting with a Staff Report detailing the situation.

It is the goal of the Purchasing Department to save money on all purchases. By reducing emergency purchases, dollars will be saved for future operation.

Section 5.02.070
Open Purchase Orders

Open Purchase Orders are issued to vendors who supply small miscellaneous items, such as nuts and bolts, or material that is purchased at varying times in small quantities. The purpose of the Open Purchase Order is to eliminate individual billing for small amounts for those items not practical for the District to store.

Open Purchase orders are originally processed in the same way as a purchase request under Section 5.02.030.

Open Purchase Orders are not to be used as a method to circumvent purchase orders; and, for this reason, any purchase exceeding the approved limit indicated on the Open Purchase Order must have a separate purchase order.

Open Purchase Orders are always issued for a specific maximum amount. If this amount is used up, a new Open Purchase Order must be issued for any excess purchases. Billings for Open Purchase Orders will be monthly.

So that there will be no question when invoices are received from vendors holding Open Purchase Orders, it will be necessary for each department to submit to Purchasing the vendor packing slip and/or the sales receipt from the vendor. Without these it is impossible to verify the charges on a statement, thereby making it impossible to pay the bill. This paperwork must be turned in within 48 hours after the purchase is made and must carry the proper account code, signature, as well as approval by an authorized individual.

Section 5.02.080
Quantities to be Purchased

In order to establish the quantity to be purchased, it is necessary to combine several factors such as demand, delivery time, and cost in such a manner that the materials will cost least in terms of ultimate cost.

Specifically, the factors that determine quantity are:

1. Need
2. Price advantage of quantity purchase
3. Storage facilities available and cost of storage
4. The obsolescence and/or deterioration factor of the item
5. Price trends
6. Time required for delivery
7. Minimum economical manufacturing quantity
8. Amount budgeted

Section 5.02.090 Value Purchasing

Buying at the proper price means obtaining the greatest possible ultimate value. Value is measured by the following factors:

1. The Purchasing Department must be familiar with the uses to be made of an item to be purchased, so that it may judge the value of the quality offered.
2. To control the price factor, it is necessary to develop competition by establishing several satisfactory sources of supply. Before placing an order, quotations are normally invited from a number of satisfactory sources of supply. In determining the net delivered cost, consideration must be given to the following:
 - A. Price quoted
 - B. Trade-in allowances
 - C. F.O.B. point
 - D. Delivery costs
 - E. Cash discounts
 - F. Applicable insurance
 - G. Sales tax
 - H. Availability
3. Very often the product purchased, by its nature, requires continuous servicing by the manufacturer and replacement of parts for its maintenance. Improper evaluation of this factor could greatly affect the ultimate value received.
4. Good planning on the part of the using department will generally permit sufficient time for a reasonable delivery date. A delivery date is an important factor to the using department and must be given full consideration by the Purchasing Department in the evaluation of price.

The use of a vendor's delivery vehicle will in most cases greatly reduce the total cost of an item purchased. Keep in mind, a pickup by District personnel, especially outside the District boundaries, costs the District labor hours, vehicle wear & tear and fuel.

Value is also measured with compliance with District, Cal-OSHA, OSHA safety standards and warranties.

An evaluation of the above factors is necessary to arrive at a proper price.

Section 5.02.100 Quotations

Upon receipt of a Requisition for Purchase, the Purchasing Department shall review the source of supply. The bidder's list will be reviewed for firms that will give the best price, proper quality, and service.

When the total cost is less than \$5,000, or an emergency exists which will not permit the delay incidental to request for quotation, or the commodity is a "sole source" item, quotations will not be required. For purchases in excess of \$5,000, a minimum of three quotes is required.

Annual quotes will be kept on file for items that are purchased routinely throughout the year. Examples include asphalt, rental equipment and fuel.

The Purchasing Department will solicit quotations in one of two forms depending upon the equipment, supplies or service required. Telephone quotations will be used for lower dollar amounts for equipment and supplies when clear, open and competitive specifications are included with the requisition. Written requests for quotations are preferred for high dollar amounts and especially for any contracted services. The Purchasing Agent will determine which form will be used. Written or email requests for quotation will include the following instructions and information:

1. The quantity desired.
2. A full description requested of the materials and specifications or service.
3. Rainbow Municipal Water District reserves the right to accept or reject any or all quotes.
4. If a bidder does not wish to quote, the quotation form is to be returned and reason stated, otherwise the Purchasing Department has the option to remove the bidder's name from the bidder's list.
5. In the case of small Capital Improvement Projects (under \$5,000), or maintenance agreements, the contractor shall have the current and properly classified contractor's license.
6. A contractor performing work as in Item 7 shall be required to carry a minimum of \$1,000,000 in liability insurance in which the District is also named as "additional insured", as well as provide a signed agreement "holding the District harmless".
7. As in Capital Improvement Project contracts in excess of \$5,000 and at the discretion of the General Manager, the contractor may be required to post a 10% bid security as well as 100% performance bonds for performance, material, and labor.

See Formal Bids Section 5.02.140 for purchases in excess of \$35,000.

Section 5.02.110
Professional Services-Requests for Proposals

While it is not required to formally advertise for competitive bids for professional services (consultants, architects, etc.), it is the policy of the District to prepare a comprehensive request for proposal (RFP).

The following items are the principal topics that should be included in any RFP.

1. A complete description of the problem and the objectives of the project.
2. An estimate, as close as possible, of the extent of the services required, including staff and resources and an indication of any monetary limits.
3. A description of the overall work plan that the person/company offering the proposal is expected to carry out and an explanation of the relationship that is expected between that firm and District staff.
4. A requirement for the starting and completion dates for each phase of the work plan.
5. A requirement for a breakdown of estimated project costs, listing separately those attributable to expenses for such things as travel and phones, etc., and those for professional services.
6. Require the identification and background of each member of the firm proposed to work on the project.
7. Request a list of clients for whom the proposing firm has performed similar services in the recent past.

It is not necessary to follow any specific format. The important issue is that all seven points are incorporated.

Section 5.02.120
Insurance/Licensing

When contracting for services of any kind, no matter what the value of the contract, there are two items the contractor must have:

1. Policy of general liability insurance with a minimum of \$1,000,000 covering the contractor against claims and judgments arising from their products or activities for the District. The insurance policy shall be extended, by endorsement, naming the District as additional insured.
2. The contractor must be licensed to perform work in the State of California, and the license must be current and properly classified.

No matter how small the contract may be, nor how insignificant the work may seem -- WORK MAY NOT BEGIN UNTIL BOTH OF THESE REQUIREMENTS ARE *MET*. The required dollar limits of insurance will be provided by the Finance Manager.

Section 5.02.130
Departmental Responsibilities

Responsibilities:

1. To anticipate their needs so as to give the Purchasing Department the time necessary to get materials and services at the lowest cost consistent with the Purchasing Ordinance and purchasing policy.
2. To prepare specifications which are technical in scope and within the area of the using departments, and to keep such specifications as nonrestrictive as possible.
3. To assist the Purchasing Department in determining what items shall be stocked in central supplies, in setting stock levels, in adding new items and dropping old ones, and to keep Purchasing advised of any upcoming abnormal demands.
4. To list anticipated requirements in advance when requested.
5. When making contact with suppliers directly, in no case obligate the Purchasing Department without such authority.
6. To requisition equipment and supplies that comply with District, Cal-OSHA and OSHA safety standards. This should be verified with the Operations Manager by the using department.
7. To be sure that budget funds are available for all items requisitioned.

Section 5.02.140
Formal Bids

For any non-inventory purchase which will exceed \$35,000 in value, a formal bid is required and the following procedure shall be followed:

1. All formally bid items must be submitted to and be approved by the General Manager in concept before any formal action will be taken.
2. A draft copy of the specifications for suppliers, services, or equipment should be submitted to the Purchasing Department along with any other pertinent information.
3. The bid package for items other than Capital Improvement Projects will be prepared by the Purchasing Department and returned to the originating department for review.

Once the bid package has been reviewed, it must be returned to Purchasing along with a list, if available, of desired prospective bidders.

Upon completion of the final bid package the bid will be formally advertised and a notice to bidders will be sent to prospective bidders.

The Notice will include the following instructions and information:

1. Bids must be sealed.
2. The latest time, date, and place of receiving bids.
3. The time, date, and place of bid opening.
4. The quantity desired (if applicable).
5. A full description of the material and specifications.
6. Rainbow Municipal Water District reserves the right to accept or reject any or all bids.
7. Insurance and bonding requirements.

Sealed bids submitted pursuant to the above will be kept unopened until the hour set for the bid opening. The Board Secretary or designee will announce when the opening time has come. The bids will then be publicly opened by the Board Secretary or designee and the bid prices announced. Any bid received after the scheduled time of the bid opening shall be returned to the bidder unopened.

Section 5.02.150
Contract Delivery/Inspection

The Purchasing Department shall inspect all materials, supplies, and equipment received to determine its conformance with the specifications set forth in the order or contract.

Although most materials, supplies and equipment should be delivered to the warehouse, there may be a need to ship items to other locations in the District. The Purchasing Department may authorize the using department to check materials against a Purchase Order for conformance as to quality, quantity, and specifications. When merchandise is received by the department per a Purchase Order, the following procedure shall be observed:

1. Check the delivery slip to see that it agrees with the merchandise received.
2. Check the delivery slip against the Purchase Order.
3. If the order is complete, check that the Purchase Order number is shown. Sign and forward the receiving copy of the Purchase Order and packing slip to the Purchasing Department.
4. In the case of a "partial" delivery, complete the receiving copy of the Purchase Order, indicating what portions of the order were received.
5. Forward this copy with the packing slip to the Purchasing Department, who will then make a photocopy and forward a duplicate of the receiving copy to Accounts Payable. This should be done each time a partial shipment is received until the order is complete, at which time you must forward the original receiving copy of the Purchase Order to the Accounts Payable Department.
6. In case of an overage or shortage (unless shown as a back order) or damaged delivery, notify the delivery driver and the Purchasing Department immediately.
7. Any employee receiving merchandise is instructed not to sign collect freight bills, but to notify the delivery service that the freight bill must be prepaid and advise the Purchasing Department.
8. Do not accept any delivery without obtaining some form of delivery ticket. Every driver must obtain signature for his records but be sure he/she leaves a copy for our records.

Section 5.02.160
Invoices

Invoices are the media which guide the District in the settlement of financial obligations incurred. An invoice is the vendor's statement of his/her charges against the District for materials or services rendered, based on the Purchase Order.

All invoices, except those related to the Capital Improvement Projects, will be processed by Purchasing and Accounts Payable for payment.

Capital Improvement Projects - Progress Payment Invoices/billings are to be submitted to the District by the contractor monthly.

Upon review by the inspector and the responsible engineer, a brief memo from the engineer to the General Manager or his/her designee shall be attached to each progress payment. The memo shall state the amount paid and the date you request a check to be issued by Accounts Payable.

Section 5.02.170

Duties and Functions of Assigned District Purchasing Agent

The day to day operation of the Purchasing Department is the responsibility of the assigned District purchasing agent, who is responsible to the Finance Manager. The duties and functions of Purchasing/Warehouse Technician are as follows:

1. Maintain the Purchasing Manual and enforce the purchasing policies of the District.
2. Make all purchases required by the various departments of the District in conformity with the control procedures established for that purpose. The term "purchases" shall include all materials, supplies, equipment, and services (contractual and otherwise).
3. Operate and maintain the warehouse, and such control necessary for the proper inventory of stocks and supplies.
4. Prepare or obtain and maintain standard specifications for materials, supplies, and equipment whenever practical.
5. Keep informed and maintains records as to the source of supply for all classes of purchases, bids, and price quotations.
6. Arrange for the sale or disposal of obsolete and/or surplus property of the District in accordance with Administrative Code Section 5.04.03-Disposition of Surplus Assets.
7. Arrange for the transfer of equipment between the various District Departments.
8. Advise and assist the Financial Department in formulation of policies and procedures in connection with the purchasing activities of the District.
9. Perform such other duties as may be required by the Finance Manager.

Section 5.02.180
Purchasing Department

The Purchasing Department exists to provide a service for other departments of the District. Cooperation is essential for the successful operation of the purchasing function. The purpose of this section is to emphasize the following responsibilities:

1. To become acquainted with the needs of the various District departments.
2. To procure a product that will meet the departments' requirements at the least cost to the District.
3. To seek and investigate new sources of supply.
4. To standardize whenever possible.
5. To see that all equipment and supplies comply with District or OSHA safety standards.
6. To keep informed of products and changes in the marketplace.
7. To maintain up-to-date vendor files.
8. To ensure proper cost application of expenses by using accurate Fund and Cost Center coding on all expenses.
9. To conduct an inventory in conjunction with the annual financial audit of the District.

Section 5.02.190

Purchasing Department - Relationship between District and Vendors

The promotion of good vendor relations is an important function of the Purchasing Department. It is the responsibility of the Purchasing Department to establish a relationship of mutual confidence and satisfaction between the District and suppliers. It is, therefore, necessary that the Purchasing Department be aware of all transactions that are conducted between the District and vendors. The departments should not be burdened with visits from suppliers without appointments. The District's time and that of the suppliers will be saved if the following procedures are observed:

1. The Purchasing Department will inform or pass along to departments useful information received from interviews, catalogs, advertising, etc.
2. If a vendor should contact a department directly, any appearance on the part of operating or administrative personnel to making a commitment to buy, except through the Purchasing Department, must be avoided.
3. Copies of subsequent correspondence with prospective suppliers, which may be necessary, will be furnished by the assigned District purchasing agent.
4. All District personnel will be required to keep an objective and unobligated viewpoint. This includes the refusal to accept any and all gifts over a nominal value and gratuities from vendors and prospective vendors.

Section 5.02.200
Purchasing Approval and Change Order Limits

A. APPROVAL REQUIREMENTS – LIMITS

Approval requirements of purchases and/or change orders for work or professional services are based on the total dollar amount of the purchase and/or change orders, as follows:

DOLLAR AMOUNT	REQUIRED APPROVAL SIGNATURES
\$5,000 or Less	Department Manager
\$5,001-\$10,000	Department Manager and Finance Manager
\$10,001-\$50,000	Finance Manager and General Manager
More than \$50,000	General Manager and Board of Directors

TRANSACTIONS MAY NOT BE SPLIT IN ORDER TO CIRCUMVENT THESE LIMITS

These limits are primarily for purchases of capital items and payment for work or professional services and do not apply to routine purchases of warehouse inventory items that are necessary for the conduct of daily District business.

B. CHANGE ORDERS

The General Manager is authorized by this section to approve any reasonable change order or modification to a contract for work or services that does not exceed **\$25,000 or ten percent (10%) of the contract price, whichever amount is greater**. Any proposed change order or modification to a contract for work or services that exceeds this amount shall be presented to the Board for consideration and approval. These approval requirements will not operate to conflict with relevant requirements of the Public Contract Code, including but not limited to sections 20640 et seq. As set forth in Public Contract Code Section 20642 and Section 5.02.140 of this Administrative Code, when work is not to be done by the District itself by force account, and the amount involved is Thirty-Five Thousand (\$35,000), or more, any contract for the performance of work or services shall be let to the lowest possible bidder, after publication, in the manner prescribed by the Board, of notices inviting bids therefor.

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

INFORMATIONAL UPDATE ON THE REQUEST FOR QUALIFICATIONS (RFQ) FOR DEVELOPMENT OF RAINBOW MUNICIPAL WATER DISTRICT (DISTRICT) HEADQUARTERS PROPERTY

BACKGROUND

The current District headquarters facility dates to the early 1970's and was constructed based on the needs of the District at that time. Over time, the needs of the District have changed significantly and the current facility presents a number of challenges to the operation of the District:

1. The existing headquarters facility lacks sufficient space to accommodate the current staff. The majority of employees are located in temporary portable trailer offices and even the main women's restroom is in a trailer, requiring a trip outside to use the restroom.
2. The facility has a number of accessibility issues that present a significant challenge for any customer or employee who requires ADA compliant access.
3. Maintenance costs for the buildings are increasing yearly, including failing roofs, plumbing problems, HVAC failures etc.
4. The two main buildings were constructed in such a way that water intrusion is an issue. The main walkway into the main office floods at each rainstorm, and improper grading lead to the flooding of building two which, due to excessive restoration costs, have rendered it unusable since September of 2019.
5. The facility has no meeting spaces other than the Board room which presents challenges when there are multiple meetings (small or larger) occurring at the same time.
6. The Board Room is undersized (too small to fit all employees for all hands meetings) and its layout makes public meeting presentations a challenge due to the low ceiling height and configuration of the room.
7. The current facility was not designed with security in mind and while the staff has taken steps to put some protections in place, the building is not well designed for dealing with security issues.

Even prior to the flooding of Building 2, the Board has recognized the need to upgrade the facility and has given the General Manager the goal to identify a path forward that will result in a new headquarters facility at the lowest possible cost to the ratepayers. In a number of discussions at the Board level, the concept of leveraging the land that the District owns at the current headquarters site for some sort of development activity to offset the cost of the new facility is the current preferred alternative.

In 2016 the District hired a firm to perform a space planning study to identify how much space in terms of land and building footprint would be necessary to serve the needs of the District. This study showed that a facility of about 12 acres could meet the needs of the District. The District owns four contiguous parcels estimated at 33 acres near the southwest quadrant of SR-76 and Old Highway 395 in Fallbrook (See Exhibit #1) thus presenting an opportunity to leverage some of the District owned lands for development. Another alternative could include a relocation of the District headquarters to a different site entirely..

DESCRIPTION

By working with the development community, the District will be able to leverage some of its lands to offset the cost to the ratepayers of replacing the existing headquarters. One scenario could be the development of mixed-use buildings with commercial/retail on the ground floor that the District owns and leases, and the upper floors are high-density housing. This could provide the District with a large offset to the cost of new facilities, as well as an income stream. There are a number of other possible development scenarios that could be available and this RFQ is intended to identify a development partner to help explore those possibilities.

On February 27, 2020, District staff released a public RFQ for the development of the subject parcels. The RFQ is soliciting submittals from qualified development entities to assist the District in identifying the range of options and, once an option is selected by the Board, working through the permitting process. This project will likely require a County of San Diego General Plan Amendment to support the District's interest in moving forward with various development alternatives as described earlier. The current zoning regulations allows the District only to renovate the existing buildings. The four parcels are currently zoned "A-72" which is agricultural, with government-use exemption for the District.

As part of the RFQ process, an informational meeting was held on March 19, 2020 at 9:30 AM in the Boardroom for all interested parties. The meeting was intended to answer questions related to the RFQ. RFQs are due to the District's Engineering Department by 3:00pm on March 30, 2020. Upon review of the RFQs, District staff intends to return to the Board with the selection of a qualified firm to enter into a professional services agreement to help guide the District in selecting the most suitable alternatives for the development of the headquarters.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. This project will help improve one of our most visible assets – our HQ building – and leverage the land assets owned by the District to offset costs.

Strategic Focus Area Four: Fiscal Responsibility. By utilizing land owned by the District for development, costs to ratepayer for new facilities will be minimized. This also reduces the amount of land District staff must work to maintain, saving additional ratepayer money.

Strategic Focus Area Five: Customer Service. This project will not only improve the customer service "experience" for ratepayers coming to the District offices, but depending on the final development, could provide the community with retail, commercial and residential opportunities that currently do not exist nearby. The headquarters could also have rooms and or meeting halls available for public rental – also a resource that currently is not in abundant availability nearby.

BOARD OPTIONS/FISCAL IMPACTS


With an increasing number of new homes being constructed very near the District's headquarters site, and with the site being at a major intersection of Hwy 76 and I15, the value of this land to potential commercial or housing developers is increasing. This presents the District with a unique opportunity to not only create revenue to offset the cost of dealing with outdated and nonfunctional facilities, but also to create commercial and public spaces to serve our community. The exact fiscal impact of any eventual project is unknown at this time, but the objective of this project would be to develop the new facility at little or no cost to the ratepayers.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

STAFF RECOMMENDATION

This is an informational item only, but any feedback from the Board on the process is appreciated.



Steven E. Strapac, P.E., P.L.S.
District Engineer

3/24/2020

Exhibit #1 District Headquarter Site



1" = 403 ft	APN's	03/10/2020	
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MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2020	MEETING	LOCATION	ATTENDEES	POST
April	9	SDCWA Special Board Meeting	SDCWA	GM	N/A
April	*	CSDA – San Diego Chapter	The Butcher Shop – 6:00 p.m. 5255 Kearny Villa Road San Diego, CA 92123	Mack	N/A
April	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
April	21	Santa Margarita River Watershed Watermaster Steering Committee	Rancho California Water District	Hamilton	N/A

* To Be Announced

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING					
DATE	2020	MEETING	LOCATION	ATTENDEES	POST
April	1	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	3/26
April	2	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	3/26
April	6	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
April	14	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	3/26
April	14	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
April	17	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
April	21	Council of Water Utilities	The Butcher Shop – 8:00 a.m. 5255 Kearny Villa Road San Diego, CA 92123	All Directors, General Manager	N/A
April	22	North County Work Group (NCWG)	Rincon Del Diablo, Escondido 7:30 a.m.	General Manager	N/A
April	22	San Luis Rey Watershed Council	Pala Administration Building 1:00 p.m.	Appointed Director	N/A
April	23	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A
April	28	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	N/A

BOARD OF DIRECTORS

 March 24, 2020

SUBJECT

 Operations Report for March 2020

DESCRIPTION

 Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

	Repairs	Installations	Leaks
Mainline	11		11
Service			
Hydrants			
Valves			
Meters			
Blow-Offs			
Air Vacs			

WATER OPERATIONS & VALVE MAINTENANCE DEPARTMENT:
Water Operations:

Successfully completed a 10-day SDCWA 1st aqueduct shutdown without issues.
 All (3) temp pumps delivered, installed & disinfected for March 1st SDCWA 2nd aqueduct shutdown.
 A new flow meter was installed at Vallecitos tank.
 Performed complete service on (4) CL2 station generators and the district yard generator.
 Rebuilt (1) CLA-VAL

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Appurtenances
Exercised	29	54	N/A
Inoperable		4	
Repaired			
Replaced			
Installed			

Valve Maintenance completed and/or oversaw the following:

- 133 utility locates completed
- Assisted with (11) shutdowns
- Raised (3) fire hydrants
- Replaced (3) air vacs / (0) wharf heads (5) fire hydrants
- Panted 95 appurtenances

METERS DEPARTMENT:

Current Projects:

- Water Service Upgrade Project
- Prepped 283 Meter Services in Route 11
- Concord has installed 133 meters to date

Future Projects:

- Prepping meters in Route 34

Backflows:

- 342 devices tested

Customer Service Requests:

- 911 total resolved requests for the month of December

WASTEWATER DEPARTMENT:

Monthly, Semi Annual and Annual Reports:

California Integrated Water Quality System (CIWQS): Confirmation # 2565825 Reported "No Spill Report" for Month: February 2020.

February 8.2020-Rainbow MWD work order #175120 Address: 4476 Fallsbrae Road Private overflow-non reportable.

SANITARY OVERFLOWS:

None for March 2020

PROJECTS:

Purchase order # 10378 \$ 3,750.00

February 20,2020 – Sewer cockroach control treatment (150 manholes)

Locations: Brook hills 52 manholes treated
Ramona Dr. 13 manholes treated
River Village 8 manholes treated
Thoroughbred 16 manholes treated
Vista Valley 59 manholes treated
Via Altamira 10 manholes treated

February 25,26, 2020 – Meadowood Development sewer flow study – Reposition and add Smartfloe function to two units for engineering.

Smartflow Sleeping Indian Road P1 # 5 2-month trial
Smartflow Old River Road Q-3 # 12 2-month trial

Thourghbred Lift Station February 13, 2020 – Pump # 3 volute failed – Replaced with new pump volute all three pumps in rotation.

Purchase order # 10357 \$4,375.77

Customer service:

February 23,2020: Service address 211 Via Manzano Rancho Monserate customer odor complaint. Met with Integrity Municipal Systems odor control rep. measure H2s levels.

February 20,2020 –_Address 3948 Kerri Way – Customer called in of a sink hole on private road caused by District – Explained cable company exposing asphalt not compacting asphalt repairs per specs.

Mutual Aid/Contractors:

2-26-2020 Meet Dexter Wilson Meadowood Development review and discuss sewer flow concerns and plans first phase office and office & field.

TECHNICAL SERVICES DEPARTMENT:

FLEET/GARAGE:

Projects:

- Unit # 71 new dump truck (In progress)
- Equipment trailer # 111 Re-hab (In progress)
- Unit # 22 Work tools rack system, truck mounted water tank, ladder rack and Vise mount relocate V-Mac compressor Warranty (In Progress)
- Unit # 10 Upfit strobe lights, Go light, center console and decked box system (In Progress)
- Unit # 14 Pm service, Detail inside & out, replace crossover tool box (Completed)

- Hazardous waste training (Completed)
- Grading of proposed vehicles ready for replacement
- Specs. For replacement vehicles # 28, 21, 28, 61, 72
- Backup camera's # 18, 23 25, 32, 36, 40 (Completed)
- Install Truck steps # 25, 40, 43, 18 (Completed)
- Gov Deals Auction Old Unit # 22 and Saw Cut # 251
- Grade Unit # 24 and # 263 Travel VAC Prep for GOV Deals

Future Projects:

- Vehicle Prep Unit # 71 New dump truck decals, Radio Backup Camera's
- Unit # 76 and Ditch Witch # 155 Back Up Cameras installation
- Garage Office Rehab
- Shop Work bench clean up and rehab
- **Small equipment preventive maintenance** weed trimmers, trash pumps, compactors, chain saws, saw cuts, generators, chop saws
- **Emergency equipment inspection and Preventive maintenance**


ELECTRICAL/SCADA:

Current Projects:

- Gomez Tank Transition off solar panels and conduit installation
- Generator installation research for Gomez Pump Station
- Coordination with San Diego Sherriff Department on replacement of Sherriff Department building at the RMWD Cement Tank Communications site
- Install new SMS text message system to Water and Wastewater SCADA alarm
- Relocate SCADA equipment from Building 2 into server room in Building 3.
- Installation of a backup generator at Gomez Pump Station
- Camera installation at Old River Lift Station
- Relocation of SCADA equipment at Rainbow Heights Tank
- Installation of flowmeter and at Rainbow Heights Tank

Future Projects:

- Install generator at Sumac repeater site.
- Install generator at Gopher Tanks repeater site
- Install new panels and radios for SCADA communications.
- Vallecitos Tank to North CI2 communications link.
- Install flow meter at Vallecitos Tank
- Install flow meter at Rainbow Heights Tank
- Arrange for the calibration of water tank flow meters
- Install buried conduit and relocate SCADA equipment at Gomez Tank
- Install larger batteries and enclosures at SCADA sites.


 Robert Gutierrez 3/24/2020
 Operations Manager

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

Engineering Report for February 2020

DESCRIPTION

CAPITAL PROJECTS:

Corrosion Protection Program (CPP): The District received the 60 percent CPP document in February 2020, which included updates to the District's Standard Drawings, Specifications, Operation and Maintenance Program, Soil Corrosivity Report, and a Pipe Break Root Cause Analysis. An update on the CPP was presented to the Engineering and Operations Committee in early February 2020.

Dentro De Lomas Street Improvement Project: Preconstruction meeting is scheduled with Toro Engineering (contractor) for March 3, 2020.

Land Surveying Services - Record of Survey: The record of survey was submitted to the county but placed on hold. After the District Counsel completes Quiet Title action and resolves boundary issues, the record of survey will be finalized.

Pipeline Upgrade Project No. 1: The Final Design is due March 27, 2020. Staff has conducted meetings to inform the affected customers of the project's impact on their properties.

Pipeline Upgrade Project No. 2: Staff is working with the Consultant regarding exceptions to the professional services agreement. Award is planned for March 2020.

Phase I PRS Project: Preconstruction meeting is scheduled with M-Rae Engineering for March 5, 2020.

Engineering and Operations staff met on February 6, 2020 to go over HDR's Technical Memorandum that prioritizes pressure reduction location. Engineering staff is working on a list of project sites.

Pressure Reduction Optimization Plan: Engineering and Operations staff met on February 6, 2020 to go over HDR's Technical Memorandum that prioritizes pressure reduction location. Engineering staff is working on a list of project sites.

Quiet Title: Attorneys have served all known decedents of the original property owners. Next step is to have an order for service by publication. After that, assuming no responses, we can provide a default judgment to the court.

Rainbow Height's Pump Station Replacement: The Consultant is proceeding with the final design of the premanufactured pump station. Staff expects to bid the project in March 2020.

Rice Canyon Tank Transmission Line: Proposals were received and evaluated by staff. Award of a professional services agreement for design service is under consideration by the Board.

Sewer Pipe Lining: Scope of the project was adjusted, and constructed facilities are being considered for acceptance by the Board.

Thoroughbred Equalization Basin and Schoolhouse Lift Station: Design alternatives are being investigated to lower cost of sewer improvements necessary for expanding service.

Via Ararat Pipeline Improvement: Notice of completion and acceptance are under consideration by the Board.

Weese Filtration Plant Interconnect: District is investigating costs of expanding the capacity of the proposed pump station.

DEVELOPER PROJECTS:

Golf Green Estates (Development Solutions): 94 SFR / 102.46 EDUs – Across from Bonsall Elementary School on Old River Road. Staff working with the developer on easement issues. Onsite punch list was prepared by staff. Contractor to complete items on the punch list. Water meters purchased to date - 57.

Meadowood (Pardee Homes): Approximately 850 Units - Off of Pala Road/Horse Ranch Creek Road. The developer is grading the project now. Staff is working with the developer on supplying water and sewer from the District instead of Valley Center.

Horse Creek Ridge (HCR), (D.R. Horton): 627 WMs (Reduced by 124 WMs) / 754 EDUs - Off of Highway 76 and Horse Ranch Creek Road. Inspected meter installs, meter releases and sewer connections. Water meters purchased to date - 392.

Horse Creek Ridge Unit 6R5 Promontory (Richmond American Homes): 116 Units, 124 WMs / 124 EDUs - Off of Highway 76 and Horse Ranch Creek Road. D.R. Horton, master developer of HCR sold Unit 6-R5, 124 lots, Promontory Subdivision to Richmond American Homes. Currently the sewer EDUs are covered under an agreement with D.R. Horton. Inspected meter installs, meter releases and sewer connections. Water meters purchased to date - 102.

Lilac Del Cielo (Bonsall LLC): 73 Units / 77.8 EDUs - The developer paid 50% of the sewer connection fees and the agreement is effective for five years from the date of execution (12/31/24).

Malabar Ranch (Davidson Communities): 31 SFR / 29 EDUs - Off of Via Monserate/La Canada. There are 17 out of 31 homes built. Developer needs to complete the waterline relocation and punch list items.


Malek 350' Water Main Extension on Entrada Al Sol: The Contractor is still working to install water main and fire hydrant. The Contractor tested water main all work was accepted. Currently the contractor is working on the tie-in.

Pala Mesa Highlands (Beazer Homes): 124 SFR / 159.88 EDUs – Off of Old Highway 395. The PRS needs to be installed. Inspected meter installs, meter releases and sewer connections. Water meters purchased to date - 95.

Wiestling 198' Water Main Extension on West Lilac Road: A 20' easement has been dedicated to the District along the westerly boundary of the property. Staff waiting on construction to begin.

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	1	Water Meters Purchased	18
Sewer Availability Letters	0	Sewer EDUs Purchased	38.9
Water Commitment Letters	0	Developer Shutdowns	0
Sewer Commitment Letters	0	Jobs Closed:	0



Steven E. Strapac, PE, PLS
District Engineer

3/24/2020

**AS-NEEDED CONTRACT EXPENDITURES REPORT
FEBRUARY 2020**

CONT #	EXP DATE	TITLE	CONSULTANT	FUND SOURCE	ASSIGNMENT LETTERS	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
19-19	6/25/2022	As-Needed Real Estate Appraisal Services	Anderson & Brabant, Inc.	CIP	2019-01	North River Rd Easement Appraisal	\$ 20,000.00	\$ 3,500.00	\$ 3,500.00	\$ 16,500.00
19-20	6/11/2022	As-Needed Real Estate Appraisal Services	ARENS Group, Inc.	NON-CIP	2019-01	Bonsall Reservoir Appraisal (to include rent value)	\$ 3,050.00	\$ 3,050.00	\$ 3,050.00	
				CIP	2020-02	Moosa Creek Pump Station Easement Appraisal	\$ 5,350.00	\$ 5,350.00	\$ 5,350.00	
19-39	11/13/2022	As-Needed Geotechnical Services	Leighton Consulting, Inc.				\$ 20,000.00	\$ 8,400.00	\$ 8,400.00	\$ 11,600.00
19-40	11/11/2022	As-Needed Geotechnical Services	Ninyo & Moore G.E.S. Consultants				\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
19-41	11/20/2022	As-Needed Geotechnical Services	SCST, LLC				\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
20-01	1/28/2023	As-Needed Construction Management & Insp. Services	Harris & Associates				\$ 150,000.00	\$ -	\$ -	\$ 150,000.00
20-02	1/28/2023	As-Needed Construction Management & Insp. Services	Reilly Construction Mmmt.				\$ 150,000.00	\$ -	\$ -	\$ 150,000.00
20-03	2/25/2023	As-Needed Environmental Services	Helix Environmental				\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
20-04	2/25/2023	As-Needed Environmental Services	Rincon Consultants				\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
20-05	Pending	As-Needed Environmental Services	Michael Baker International				\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
							Total Authorized	Total Encumbrance	Total Expended	
							\$ 1,540,000	\$ 277,660	\$ 164,460	



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
FEBRUARY 2020**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333.33
Less 5% Contractual Allowance	416.67
EDUs Set Aside by Board for Emergencies	60.00
EDUs Connected	4,709.10 *
EDUs Unconnected/Committed	219.66
Total EDUs Available for Purchase:	2,927.91

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES PAID
Bonsall Oaks (Polo Club) - 165 Lots	59.85	\$ 1,038,336
Golf Green Estates (Dev. Solutions) - 102.46	33.46	\$ 803,014
Horse Creek Ridge (DR Horton/RAH) - 754	(77.30)	\$ -
Lilac Del Cielo (Bonsall Group) - 77.8	38.90	\$ 549,499 **
Passarelle (HRC Commercial) - 96.57	96.57	\$ -
Pala Mesa Highlands (Beazer Homes) - 159.88	44.40	\$ 631,428
Others (5 or less)	12.20	\$ 208,498
TOTAL UNCONNECTED:	208.08	\$ 3,230,775

*There is a delay between connections and new account activations.

**Paid initial 50% of Sewer Capacity Fee



BOARD INFORMATION

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

HUMAN RESOURCES REPORT FOR FEBRUARY/MARCH 2020

DESCRIPTION

Personnel changes, human resources activities, and safety report for February/March 2020

PERSONNEL UPDATES:

Temporary HR Assistant, Mercedes Puerto started on 03/02/2020.

LEAVES OF ABSENCE:

- One employee in the Construction/Maintenance Department is on a Medical Leave of Absence.
- One employee in the Human Resource Department is on leave for a birth of a child.

SEPARATIONS:

Cheri Cosens has resigned from the Information Systems Specialist position as of 03/09/2020.

RECRUITMENT:

We are currently in recruitment for a Construction Supervisor.
An offer has been made for the Construction Utility Worker I/II – Pending background.
Information Systems Specialist position will be reopened for recruitment.

EMPLOYEE EVENTS/UPCOMING EVENTS:

- **Thursday, April 23, 2020: Take Your Kids to Work Day** (committee will meet soon to begin *planning*.)

WORKFORCE DEVELOPMENT:

- **360-ASSESSMENT COACHING:** The leadership team participated in 360-degree feedback assessments and met with a coach to understand which behaviors to continue, to stop, and to start doing in order to be most effective. A group debriefing workshop will be held soon to understand the strengths and development opportunities of the leadership team.
- **ANTI-BULLYING MANDATORY TRAINING (Make Up Session).** District staff members attended, a mandatory District training on Thursday, February 27th.
- **WORKPLACE BULLYING: A GROWING CONCERN.** Selected District staff members will attend training on Thursday, March 12th. This workshop will discuss in person and cyberbullying. It will define bullying and abusive conduct and distinguish them from simple rudeness and unlawful harassment.
- **ETHICS FOR ALL TRAINING.** Selected District staff members will attend, a District training on Thursday, March 12th. The purpose of this workshop is to explore both mandated ethics such as

conflicts of interest, open government and use of public funds as well as ethical decision making and doing the right thing on a daily basis.

EMPLOYEE RECOGNITION:

Excellence Coin Awards

1 Honorable Mention was given in February

Responsibility

Kenny Diaz (*Honorable Mention*) – A customer called in (Gertrude Bela) and wanted to make sure that upper management was aware of the outstanding service Kenny provided. He ranted and raved about how helpful and knowledgeable Kenny was when he responded to a service request regarding a possible broken meter.

SAFETY:

INCIDENTS:

There were no lost time or modified duty due to a work-related incident.

SAFETY TRAINING:

Target Solutions online training: 3 completions for February 2020

Future planning to increase safety awareness throughout the district to include:

Rigging refresher training scheduled for March 18, 2020.

CLAIMS:

- 3749 Sarah Ann Drive for damages to his car due to a main line break.
- 5235 1st Str. Current total \$30,543.07.

POSSIBLE FUTURE CLAIMS AGAINST THE DISTRICT:

- Courtney Bankson for high pressure blowout damaging pipes and irrigation
- Faramarz Jamshisdi for storm damage due to mainline break
- Ron Stevens damage to basement area due to mainline break

TAILGATE/ OFFICE SAFETY TRAININGS:

AC Pipe
Fall Protection



Karleen Harp, COSM
Human Resources Manager

03/24/2020



BOARD INFORMATION

BOARD OF DIRECTORS

March 24, 2020

SUBJECT

FINANCE REPORT FOR MARCH 2020

DESCRIPTION

With the simultaneous software implementations that went live July 1, 2019 now stabilizing, finance staff is working to bring financial reporting current.

Attachments:

- A. Budget vs Actuals (DEC FYTD 19/20)
- B. Fund Balance Projections
- C. Treasury Report (JAN FY 19/20)
- D. Five Year Demand Chart (through 3/3/2020)
- E. Credit Card Breakdown (JAN FY 19/20)
- F. Directors' Expense Report (JAN FY 19/20)
- G. Check Register (JAN FY 19/20)
- H. Water Sales Summary (JAN FY 19/20)
- I. Developer Projections
- J. RMWD Properties

Tracy Largent, CPA
Finance Manager

March 24, 2020

Statement of Revenues & Expenses

Operating Funds (Water, Wastewater, & General Funds)

December 31, 2019 - Quarter 1 & 2 FY 19/20



Positive = Over Budget

Negative = Under Budget

	FY 19/20 Q1&2 YTD Revenues/Expenditures	FY 19/20 Q1&2 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
41110-Water Sales-Sf Mf Cm Is	5,709,849	4,497,927	1,211,923	27%	8,995,853
41112-Sewer Charges-Established Acct	1,363,749	1,584,441	-220,692	-14%	3,168,882
42120-Monthly O & M Charges	3,997,207	4,115,693	-118,485	-3%	8,231,385
42121-Monthly O&M Charges - CWA	2,391,002	2,473,477	-82,475	-3%	4,946,955
43101-Operating Inc Turn On/Off Fees	0	5,500	-5,500	-100%	11,000
43106-Operating Inc-Sewer Letter Fee	150	1,000	-850	-85%	2,000
41120-Water Sales-Ag-Dom Non Cert	775,277	578,995	196,282	34%	1,157,990
41160-Water Sales-Ag. Non Discount	2,906,406	2,122,097	784,309	37%	4,244,195
41170-Water Sales-Construction	40,911	179,717	-138,806	-77%	359,434
41180-Water Sales - Tsawr Com	3,914,109	2,395,561	1,518,549	63%	4,791,121
41190-Water Sales-Sawr Ag/Dom	2,965,374	3,527,549	-562,175	-16%	7,055,098
42130-Readiness-To-Serve Rev Id#1	70,074	125,000	-54,926	-44%	250,000
42140-Pumping Charges	406,571	341,141	65,430	19%	682,283
-Water Sales	24,540,680	21,948,098	2,592,583	12%	43,896,195
43100-Operating Inc Oak Crest Service Charges	0	12,000	-12,000	-100%	24,000
43102-Operating Inc Penalty/Int Chgs	206,933	135,000	71,933	53%	270,000
43104-Operating Inc. R.P. Charges	126,315	137,500	-11,185	-8%	275,000
43108-Operating Inc Plan Check Rev.	1,860	37,500	-35,640	-95%	75,000
43110-Operating Inc Inspections	22,061	10,000	12,061	121%	20,000
43111-Operating Inc Install Fees Hyd	690	1,000	-310	-31%	2,000
43114-Operating Inc-Miscellaneous	0	3,500	-3,500	-100%	7,000
43116-New Meter Sales/Install Parts	11,310	20,000	-8,690	-43%	40,000
43117-Notice Delivery Revenue	-1,441	30,000	-31,441	-105%	60,000
-Other Operating Revenue	367,728	386,500	-18,772	-5%	773,000
42200-Overhead Trs From Water Sewer	3,538,014	3,538,011	3	0%	7,076,023
-Transfers from Water & Waste Water	3,538,014	3,538,011	3	0%	7,076,023
REVENUE-Operating Revenue	28,446,423	25,872,609	2,573,814	10%	51,745,218

Positive = Over Budget

Negative = Under Budget

	FY 19/20 Q1&2 YTD Revenues/Expenditures	FY 19/20 Q1&2 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
50001-Water Purchases	11,237,513	10,941,014	296,498	3%	21,882,029
50003-Water In Storage	-295,945	0	-295,945		0
50005-Ready To Serve Charge	251,877	246,030	5,847	2%	492,060
50006-Infrastructure Access Charge	257,628	289,836	-32,208	-11%	579,672
50008-Ag Credit-Sawr	-616,877	-808,476	191,599	-24%	-1,616,952
50010-Customer Service Charge	530,493	542,526	-12,033	-2%	1,085,052
50011-Capacity Reservation Charge	202,284	200,118	2,166	1%	400,236
50012-Emergency Storage Charge	778,616	808,335	-29,719	-4%	1,616,670
50013-Supply Reliability Charge	369,926	417,471	-47,545	-11%	834,942
-Cost of Purchased Water Sold	12,513,230	12,636,854	-123,624	-1%	25,273,709
56101-Regular Salaries	2,306,730	2,570,312	-263,583	-10%	5,140,625
56103-Overtime Paid Comptime Earn.	188,716	154,625	34,091	22%	309,250
56202-Director's Compensation	7,050	7,000	50	1%	14,000
56518-Duty Pay	21,300	21,900	-600	-3%	43,800
56520-Deferred Comp-Employer Contrib	66,995	74,889	-7,894	-11%	149,777
-Salary & Labor Expenses	2,590,791	2,828,726	-237,935	-8%	5,657,452
56501-Employer's Share FICA SSI	138,755	149,681	-10,926	-7%	299,363
56502-Employer's Share Medicare	36,458	37,371	-913	-2%	74,742
56515-Worker's Compensation Ins	190,257	62,081	128,176	206%	124,163
56516-State Unemployment Ins E.T.T.	0	6,817	-6,817	-100%	13,633
-Taxes	365,470	255,950	109,520	43%	511,901
56503-Medical Ins ACWA Health Ben	408,656	438,867	-30,211	-7%	877,734
56504-Dental Insurance	39,827	45,276	-5,449	-12%	90,552
56505-Vision Ins ACWA	5,522	5,748	-226	-4%	11,496
56506-Life S/T L/T Disability Ins	27,825	26,313	1,512	6%	52,626
56507-Retirement-CalPERS	232,975	255,064	-22,090	-9%	510,129
56511-Employee Uniform Allowance	9,492	10,000	-508	-5%	20,000
-Fringe Benefits	724,296	781,268	-56,973	-7%	1,562,537
52176-Overhead Transfer To Gen Fund	3,538,014	3,538,011	3	0%	7,076,022
-Transfers	3,538,014	3,538,011	3	0%	7,076,022

Positive = Over Budget

Negative = Under Budget

	FY 19/20 Q1&2 YTD Revenues/Expenditures	FY 19/20 Q1&2 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
56512-Employee Training/Tuition Reim	5,616	13,250	-7,634	-58%	26,500
56513-Employee Relations	5,431	7,950	-2,519	-32%	15,900
56530-Gasb 68 Pension	252,664	209,956	42,708	20%	419,911
60000-Equipment	3,989	39,500	-35,511	-90%	79,000
60100-Computers	221,558	359,839	-138,281	-38%	719,678
63100-Equipment Maintenance	105,333	78,550	26,783	34%	157,100
63102-Equipment Maintenance Contract	10,062	27,400	-17,338	-63%	54,800
63200-Equipment Rental	80,047	59,734	20,313	34%	119,468
63400-Kitchen Supplies	9,099	8,000	1,099	14%	16,000
63401-Building Maintenance	95,644	69,700	25,944	37%	139,400
63404-Backflow Expenses	68,673	75,000	-6,327	-8%	150,000
63421-Fuel And Oil	93,233	70,000	23,233	33%	140,000
63422-Repair Supplies Auto	24,990	36,500	-11,510	-32%	73,000
65000-Property/Liability Insurance	283,569	141,237	142,332	101%	282,474
65100-District Paid Insurance Claims	96,379	137,500	-41,121	-30%	275,000
65200-Miscellaneous Expense	3,889	0	3,889		0
66000-Bad Debt Exp/Billing Adjust'S	0	2,500	-2,500	-100%	5,000
POSTAGE-Postage	14,456	23,250	-8,794	-38%	46,500
70000-Professional Services	427,236	427,475	-239	0%	854,950
70100-Annual Audit Services	11,023	12,500	-1,477	-12%	25,000
70300-Legal Services	179,405	245,000	-65,595	-27%	490,000
70400-Bank Service Charges	23,837	25,000	-1,163	-5%	50,000
72000-Supplies & Services	625,439	686,575	-61,136	-9%	1,373,150
72001-Right Of Way Expenses	74,931	100,000	-25,069	-25%	200,000
72010-Tank Maintenance	361,301	384,591	-23,290	-6%	769,182
72150-Regulatory Permits	38,044	36,800	1,244	3%	73,600
72200-Books & Resources	0	1,300	-1,300	-100%	2,600
72400-Dues & Subscriptions	63,879	34,705	29,174	84%	69,410
72500-Safety Supplies	15,498	22,250	-6,752	-30%	44,500
72600-Sewer Line Cleaning	8,619	29,000	-20,381	-70%	58,000
72700-Printing & Reproductions	1,232	8,000	-6,768	-85%	16,000

Positive = Over Budget

Negative = Under Budget

	FY 19/20 Q1&2 YTD Revenues/Expenditures	FY 19/20 Q1&2 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
72702-Public Notices & Advertising	317	4,250	-3,933	-93%	8,500
72900-Stationary & Office Supplies	2,973	5,000	-2,027	-41%	10,000
73000-Small Tools & Equipment	9,765	28,000	-18,235	-65%	56,000
74000-Communicatons & Phone Bills	4,483	4,250	233	5%	8,500
74100-Phone Bill	47,083	42,320	4,763	11%	84,640
75300-Travel, Conferences & Training	28,207	40,358	-12,151	-30%	80,715
75400-Workforce Development	16,342	37,000	-20,658	-56%	74,000
75500-Recruitment	8,194	11,450	-3,256	-28%	22,900
77000-Sewage Treat.-Oceanside Plant	0	415,000	-415,000	-100%	830,000
78000-Utilities - Electricity	285,060	288,750	-3,690	-1%	577,500
78300-Hazardous Waster Material Disposal	6,930	6,000	930	16%	12,000
78700-Utilities - Propane	944	7,750	-6,806	-88%	15,500
78900-Trash Pick-Up	3,784	5,375	-1,592	-30%	10,750
-Operating Expenses	3,821,438	4,268,564	-447,126	-10%	8,537,128
EXPENSE-Operating Expense	23,553,239	24,309,374	-756,136	-3%	48,618,749
49301-Property Tax Rev. - Ad Valorem	190,455	227,500	-37,045	-16%	455,000
-Property Tax Revenue	190,455	227,500	-37,045	-16%	455,000
49050-Revenue Billing Adjustments	-19,734	0	-19,734		0
49102-Non Oper Inc-Nsf Check Fees	0	1,500	-1,500	-100%	3,000
49107-Recycling Revenue	0	4,000	-4,000	-100%	8,000
49108-Non Oper Inc-Rents And Leases	0	85,000	-85,000	-100%	170,000
49109-Miscellaneous Revenue	58,817	18,000	40,817	227%	36,000
49114-Misc Revenue - Eng. Services	2,500	2,500	0	0%	5,000
57050-Expense Billing Adjustments	18,448	0	18,448		0
82000-Shop & Field Equipment	29,925	191,850	-161,925	-84%	383,700
83000-Vehicles	7,503	130,000	-122,497	-94%	260,000
-Other Nonoperating Revenue/Expense	-14,294	-210,850	196,556	-93%	-421,700
-Non Operating Revenue (Expenses)	176,161	16,650	159,511	958%	33,300
Debt Service		1,223,897	-1,223,897	-100%	2,447,793
Current Year Net Revenue Less Expense*	\$ 5,069,345				\$ 711,976

*Does not Include: Depreciation Expense

Operating & Debt Service Fund Balance

Current Year Current Cash
\$9,481,880

	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	Debt Service	TOTAL
Fund Balances:	FY 19/20	FY 19/20	FY 19/20	FY 19/20	FY 19/20	FY 19/20
Beginning Unrestricted Fund Balance	\$4,370,565	\$1,039,895	\$1,316,773	\$3,290,345	\$591,279	\$10,608,857
Transfer to Capital	(1,600,000)					(1,600,000)
Transfer to Rate Stabilization	(822,586)			822,586		0
Budgeted Operating Surplus (Loss)	(510,210)	(18,267)	7,601,023		(2,447,793)	4,624,753
Transfers In/(Out)			(7,601,023)		2,447,793	(5,153,230)
Projected Ending Fund Balance	\$1,437,769	\$1,021,629	\$1,316,773	\$4,112,931	\$591,279	\$8,480,381

Water Capital Fund Balance

Fund 26 & 60 Current Cash
\$6,329,464

Fund Balances:	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Beginning Unrestricted Fund Balance	\$4,364,696	\$76,189	(\$6,957,846)	(\$9,550,744)	(\$10,705,498)
<hr/>					
Water Capacity Fees					
Transfer from Operating Reserves	1,600,000	3,215,876	3,349,172	4,809,246	4,018,854
Less: Capital Labor	(343,507)	(300,000)	(300,000)	(300,000)	(300,000)
Less: Capital Project Budgets	100% (5,545,000)	(9,949,912)	(5,642,070)	(5,664,000)	(8,631,000)
Projected Worst Case Ending Fund Balance	\$76,189	(\$6,957,846)	(\$9,550,744)	(\$10,705,498)	(\$15,617,644)
<hr/>					
Forecasted Capacity Fees	\$778,002	\$3,149,430	\$2,317,350	\$3,850,481	\$7,580,256
Potential Ending Fund Balance	\$854,191	(\$3,030,414)	(\$3,305,962)	(\$610,235)	\$2,057,875

*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

Capital Project Budgets (Water):

GL Project	Project Description	Year 1 Budget FY 19/20	Year 2 Budget FY 20/21	Year 3 Budget FY 21/22	Year 4 Budget FY 22/23	Year 5 Budget FY 23/24
600038	Blue Breton Water System Looping Project					
100038	Water Supplier Assessment					
600031	Olive Hill Estates Transmission Line Reconnection					
600035	Tank and Reservoir Mixing Upgrades	30,000	250,000	1,500,000		
600002	Gird to Monserate Hill Water Line		1,204,912	885,070		
600003	San Luis Rey Imported Return Flow Recovery	30,000	30,000	30,000	30,000	30,000
600009	Isolation Valve Installation Program	150,000	150,000			
600017	Pressure Reducing Station Replacement Program (Rehabilitation)	300,000	300,000	300,000		
	Vallecitos PS Replacement				530,000	500,000
	Sampling ports for testing		25,000			
	Generator at Sumac		50,000			
	SLR River Crossing at Dentre De Lomas Line NN				224,000	2,576,000
	Northside Zone Supply Redundancy		40,000	477,000		
600001	Rainbow Heights PS (#1) Upgrades/Recon.	1,000,000	1,300,000			
600007	Pressure Reducing Stations	500,000	500,000	500,000	500,000	500,000
600013	SDCWA Shutdown Hunton Pump Station				1,000,000	
600013	Turner Pump Station					
600019	Water System Monitoring Program	575,000	275,000			
600037	Live Oak Park Road Bridge Replacement					
600008	Weese WTP Permanent Emergency Interconnect and PS (on hold)	620,000				
	Gomez PS Building					
	Lookout Mountain Electrical Upgrade. The Complete electrical upgrade w/emerg. generator			250,000	750,000	
	Mission Road / FPUD Interconnect	70,000				
600036	Line off Little G Pipeline Upgrade Project 2 (PUP 2)					
600026	Camino Del Rey Waterline Reloaction	150,000	500,000	1,600,000		
600030	Corrosion Prevention Program Development and Implementation	100,000	250,000	250,000	250,000	250,000
600014	Morro Tank Zone Permanent FPUD Interconnection	150,000				
	Pressure Reducing Stations (Phase 2)					
	North Feeder and Rainbow Hills Water Line Replacements					
	76 & Gird Permanent Emergency Pump Station				800,000	
	Camino Del Rey Emergency Pump Station. PS at Moosa xing to feed south zone in shutdown (Duplicate of 600013)					800,000
	Northside Emergency Pump Station Connection and Pipeline at Reche Road for emergency pumping				200,000	850,000
	Pumps (Northside Emergency Pump Station Connection) for emergency pumping				980,000	
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor					450,000
600029	Via Ararat Drive Waterline Project	350,000				
600021	Miscellaneous P Pipeline Upgrade Project 1 (PUP 1)	1,000,000	2,500,000			
300008	New District Headquarters	50,000	50,000	100,000	150,000	200,000
	Northside Permanent FPUD Emergency Interconnection		150,000			
300007	Programatic EIR for Existing Easements	500,000				

Capital Project Budgets Water (Continued):

GL Project	Project Description	Year 1 Budget FY 19/20	Year 2 Budget FY 20/21	Year 3 Budget FY 21/22	Year 4 Budget FY 22/23	Year 5 Budget FY 23/24
	Pala Mesa Fairways 383 A and C		250,000			
	Sarah Ann Drive Line 400 A		375,000			
600036	Gaines Line Ext.		75,000			
600036	Millagra Drive		250,000			
600036	Rainbow Glen Line Repl Wilt Road (1331)			375,000		
600036	Nella Lane			125,000		
600036	Pipe 2333			500,000		
	Katie Lendre Drive Line					
600021	Gird Road 1,600' upsize from 12" to 18" or larger Katie Lendre Drive Line			250,000		
600036	Rice Canyon Road Pipe Line (Line A 628)		1,675,000			
600036	Thibodo 632				250,000	
	Del Rio Estates Line Ext 503					250,000
	East Heights Line 147L					500,000
	Los Alisos South 243					500,000
600021	Morro Sumac Trans Main					200,000
	East Heights Line 147A					250,000
	Via Zara					125,000
	Roy Line Ext					250,000
	Spanish Oaks					400,000
Total		\$5,545,000	\$9,949,912	\$5,642,070	\$5,664,000	\$8,631,000

Water Service Upgrade Project Fund Balance

	Current Cash	Prior Year	Year 1	Year 2	Year 3	Year 4	Year 5
	\$ 11,523,729	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Fund Balances:							
Beginning Unrestricted Fund Balance		\$ 11,523,729	\$11,332,580	\$7,332,580	\$2,032,580	\$ 32,580	\$ 32,580
Less: Meter Replacement/Upgrade Project	100%	(191,149)	(4,000,000)	(5,300,000)	(2,000,000)	0	0
Projected Fund Balance		\$11,332,580	\$7,332,580	\$2,032,580	\$ 32,580	\$ 32,580	\$ 32,580

*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

Capital Project Budgets:				Year 1	Year 2	Year 3	Year 4	Year 5
				Budget	Budget	Budget	Budget	Budget
Project #	Master Plan #	GL Project #	Project Description	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
18	WR24A	600027	Service Meter Replacement	2,000,000	2,500,000	1,000,000		
19		600028	Water Service Upgrade	2,000,000	2,800,000	1,000,000		
Total				\$4,000,000	\$5,300,000	\$2,000,000	\$ -	\$ -

Wastewater Capital Fund Balance

Fund 52 & 53 Current Cash
\$14,836,394

		Year 1	Year 2	Year 3	Year 4	Year 5
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Fund Balances:						
Beginning Unrestricted Fund Balance		\$9,350,451	\$5,786,451	(\$5,593,549)	(\$12,032,549)	(\$12,257,549)
Sewer Connections						
Financing						
Less: Capital Project Budgets	100%	(3,564,000)	(11,380,000)	(6,439,000)	(225,000)	(100,000)
Projected Worst Case Ending Fund Balance		5,786,451	(5,593,549)	(12,032,549)	(12,257,549)	(12,357,549)
Forecasted Sewer Connections		\$1,166,808	\$549,501	\$155,386	\$3,435,443	\$4,237,800
Potential Ending Fund Balance		\$6,953,258	(\$3,877,240)	(\$10,160,854)	(\$6,950,411)	(\$2,812,611)

*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

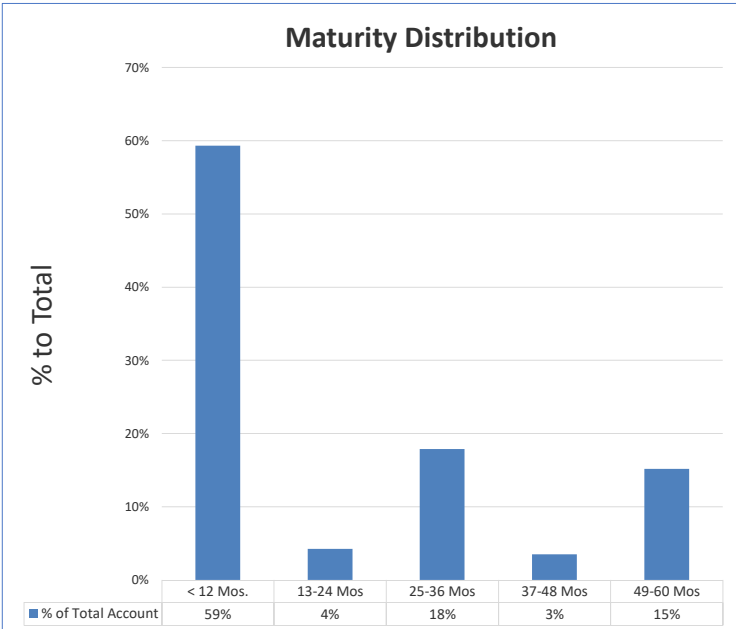
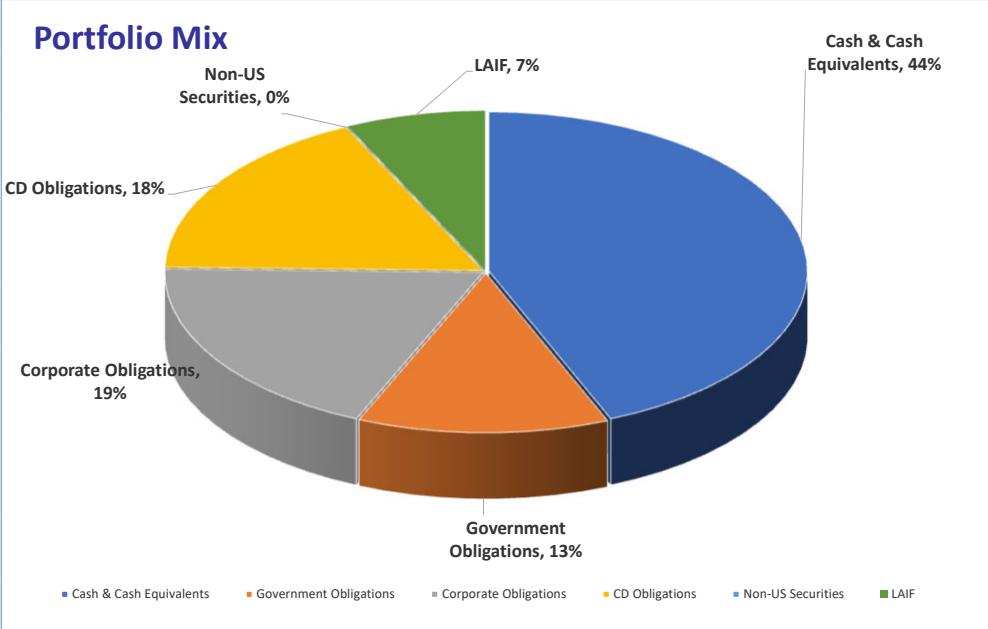
Capital Project Budgets (WW):

Project #	Master Plan #	GL Project #	Project Description	Year 1 Budget FY 19/20	Year 2 Budget FY 20/21	Year 3 Budget FY 21/22	Year 4 Budget FY 22/23	Year 5 Budget FY 23/24
76		530001	School House Lift Station (#1) Replacement, San Luis Rey Interceptor from Mission to Thoroughbred LSEQ, and San Luis Rey Interceptor/Main From School House LS to Old River LS & Thoroughbred LS/EQ	\$3,000,000	\$10,000,000	\$5,600,000		
78			Fallbrook Oaks Forcemain and Manhole Replacement		250,000			
79	S14B	530006	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar	100,000	100,000	100,000	100,000	100,000
80	S3		Sewer System Rehabilitation Program		150,000			
81	S4		Rancho Viejo LS Wet Well Expansion		80,000			
82	S5		Almendra Court, I-15 Crossing Sewer Rehabilitation	239,000		239,000		
83	S6		Fallbrook Oaks LS Rehabilitation	125,000			125,000	
84	S7	530015	Replace Rancho Monserate LS Emergency Generator	100,000	300,000			
86	S9B		Sewer System Condition Assessment Program					
87			Old River Road LS Equalization Basin		500,000	500,000		
			Old River Road LS to Stallion Outfall Repair					
Total				\$ 3,564,000	\$ 11,380,000	\$ 6,439,000	\$ 225,000	\$ 100,000

RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 PORTFOLIO SUMMARY
 1/31/2020



TYPE	ISSUER	CUSIP	Bond Rating	Date of Maturity	Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity	Fund	Object
Money Market Funds	JP MORGAN MONEY MARKET	48125C068S	N/A		\$ 205,387	\$ 205,387					0	53	11508
Trust	Willimington Trust	CSCDA 2017-01			\$ 1,654,198	\$ 1,654,198					0	60	10301
Trust	Willimington Trust	CSCDA 2017-01			\$ 2,750,000	\$ 2,750,000					0	53	10301
Money Market Funds	Zions Bank	7326251D			\$ 627,510	\$ 627,510	2.090%				0	60	10310
Money Market Funds	Zions Bank	7326250			\$ 5,562,306	\$ 5,562,306	2.060%				0	60	10311
Money Market Funds	Zions Bank	7326251E			\$ 2,006,994	\$ 2,006,994	2.090%				0	60	10309
Total Cash & Cash Equivalents					\$ -	\$ 12,806,395	\$ 12,806,395						
Non-Callable	FEDERAL HOME LOAN BANKS CONS BI	3130AECJ7	Aaa	05/28/20	\$ 985,000	\$ 987,906	\$ 988,319	2.610%	2.450%	\$ 12,892	118	38	11508
Non-Callable	FEDERAL HOME LOAN BANK BONDS	3130AD4X7	Aaa	12/11/20	\$ 500,000	\$ 494,905	\$ 501,595	2.000%	2.400%	\$ 4,949	315	60	11508
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,000	\$ 200,938	\$ 202,188	1.900%	1.800%	\$ 1,909	900	53	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 520,000	\$ 515,226	\$ 514,710	2.330%	2.575%	\$ 6,002	1084	38	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 480,000	\$ 480,034	\$ 514,710	2.330%	2.600%	\$ 5,592	1084	53	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 475,000	\$ 465,211	\$ 488,975	2.330%	2.600%	\$ 5,420	1084	38	11508
Non-Callable	FEDERAL HOME LOAN BANKS	3130ADRG9	Aaa	03/10/23	\$ 500,000	\$ 501,990	\$ 520,570	2.670%	2.660%	\$ 6,702	1134	53	11508
Total Government Obligations					\$ 3,660,000	\$ 3,646,208	\$ 3,731,067						
Make Whole	CITIBANK NA	17325FAQ1	Aa3	07/23/21	\$ 475,000	\$ 486,623	\$ 486,272	3.400%	2.150%	\$ 8,075	539	53	11508
Non-Callable	WELLS FARGO	95000U2B8	A2	07/22/22	\$ 980,000	\$ 989,232	\$ 999,375	2.610%	2.410%	\$ 12,909	903	38	11508
Callable 10/1/22	PNC BK N A PITTSBURG PA	69349LAG3	A3	11/01/22	\$ 980,000	\$ 999,179	\$ 1,004,745	2.700%	2.065%	\$ 13,489	1005	60	11508
Bullet	Bank of America Corp	06051GEU9	A2	01/11/23	\$ 475,000	\$ 490,794	\$ 496,218	3.300%	2.300%	\$ 7,838	1076	53	11508
Bullet	JP Morgan Chase & CO	46625HJX98	A2	05/13/24	\$ 930,000	\$ 981,522	\$ 996,263	3.625%	2.400%	\$ 16,856	1564	60	11508
Callable 7/1/2024	BB&T CORPORATION %	05531FBH5	A2	08/01/24	\$ 1,000,000	\$ 1,020,170	\$ 1,025,820	2.500%	2.057%	\$ 12,500	1644	38	11508
Set Up/CBLE 9/18/20	BANK OF AMERICA CORP SR GLBI	06048WC99	A2	09/18/24	\$ 500,000	\$ 500,000	\$ 500,000	2.250%	2.346%	\$ 5,625	1692	38	11508
Total Corporate Obligations					\$ 5,340,000	\$ 5,467,519	\$ 5,508,692						
FDIC Ins. CD	UNITED BANKERS BK BLOOMINGTON	909557HQ6	N/A	09/16/20	\$ 230,000	\$ 230,000	\$ 230,409	2.590%	2.600%	\$ 2,979	229	53	11508
FDIC Ins. CD	BARCLAYS BK DEL	06740KJK4	Aaa	09/16/20	\$ 245,000	\$ 245,000	\$ 245,956	2.200%	2.200%	\$ 2,695	229	60	11508
FDIC Ins. CD	AMERICAN EXPRESS CENTRN	02587DB64	Aaa	09/23/20	\$ 250,000	\$ 250,000	\$ 251,018	2.300%	2.300%	\$ 2,875	236	53	11508
FDIC Ins. CD	ALLY BK MIDVAL UTAH	02007GFD0	N/A	09/28/20	\$ 245,000	\$ 245,000	\$ 246,882	2.780%	2.800%	\$ 3,406	241	38	11508
FDIC Ins. CD	DISCOVER BANK	254672F29	N/A	08/10/21	\$ 248,000	\$ 248,000	\$ 247,363	1.520%	1.500%	\$ 1,885	557	53	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 98,000	\$ 98,000	\$ 97,818	1.570%	1.550%	\$ 769	564	53	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 150,000	\$ 150,000	\$ 149,721	1.570%	1.550%	\$ 1,178	564	38	11508
FDIC Ins. CD	MB FINL BK NA CHIC IL	55266CZJ8	N/A	11/18/21	\$ 247,000	\$ 247,000	\$ 252,071	2.810%	2.850%	\$ 3,470	657	60	11508
FDIC Ins. CD	FLAGSTAR BK FSB TROY MICH	33847E2K2	N/A	06/13/22	\$ 245,000	\$ 246,749	\$ 249,202	2.440%	2.200%	\$ 3,010	864	53	11508
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3	N/A	06/14/22	\$ 245,000	\$ 245,000	\$ 248,638	2.340%	2.350%	\$ 2,867	865	53	11508
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RKL4	N/A	11/22/22	\$ 250,000	\$ 250,000	\$ 254,695	2.400%	2.400%	\$ 3,000	1026	53	11508
FDIC Ins. CD	MORGAN STANLEY	61747MF63	N/A	01/11/23	\$ 246,000	\$ 246,000	\$ 252,598	2.630%	2.650%	\$ 3,235	1076	53	11508
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7	N/A	03/29/23	\$ 240,000	\$ 240,000	\$ 248,611	2.860%	2.900%	\$ 3,432	1153	53	11508
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 240,000	\$ 249,055	2.900%	2.950%	\$ 3,480	1166	60	11508
FDIC Ins. CD	CAPITAL ONE BANK (USA) NAT	1402TAW7	N/A	06/19/24	\$ 245,000	\$ 245,000	\$ 251,938	2.520%	2.500%	\$ 3,087	1601	53	11508
FDIC Ins. CD	MORGAN STANLEY PVT BK PURCHA	61760AL49	N/A	06/24/24	\$ 245,000	\$ 245,000	\$ 249,376	2.290%	2.250%	\$ 2,805	1606	53	11508
FDIC Ins. CD	FIRST NATL BK MCGREGOR TEX	32112UDA6	N/A	06/28/24	\$ 249,000	\$ 250,743	\$ 256,779	2.300%	2.150%	\$ 2,884	1610	53	11508
FDIC Ins. CD	ENERBANK USA UT	29278TJU5	N/A	07/10/24	\$ 249,000	\$ 249,000	\$ 249,204	2.200%	2.200%	\$ 2,739	1622	53	11508
FDIC Ins. CD	CITIBANK N A CD CLL	17294XUN4	N/A	07/31/24	\$ 159,000	\$ 159,000	\$ 159,630	2.200%	2.200%	\$ 1,749	1643	53	11508
FDIC Ins. CD	JPMORGAN CHASE BK NA COLUMBU	48128HY28	N/A	07/31/24	\$ 247,000	\$ 247,000	\$ 247,857	2.300%	2.300%	\$ 2,841	1643	53	11508
FDIC Ins. CD	MERRICK BK SOUTH JORDAN UTAH	59013KBV7	N/A	07/31/24	\$ 249,000	\$ 249,000	\$ 252,964	2.200%	2.200%	\$ 2,739	1643	53	11508
FDIC Ins. CD	HSBC BK USA NATIONAL ASSN	44329MBF9	N/A	11/04/24	\$ 247,000	\$ 247,000	\$ 247,953	2.125%	2.125%	\$ 2,624	1739	53	11508
Total CD Obligations					\$ 5,069,000	\$ 5,072,492	\$ 5,139,737						
Total Non-US Securities					\$ -	\$ -	\$ -						
Subtotal Long Term					\$ 14,069,000	\$ 26,992,615	\$ 27,185,890						
Pooled Investment	Local Agency Investment Fund (LAIF)**	1.001770298			\$ -	\$ 2,074,377	\$ 2,078,049			\$ -			13103
Portfolio Totals						\$ 29,066,991	\$ 29,263,939						



This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. The District has sufficient cash flow to meet six months of obligations. This is in effect is in compliance with the current Investment Policy.

Tracy Largent

3/2/2020

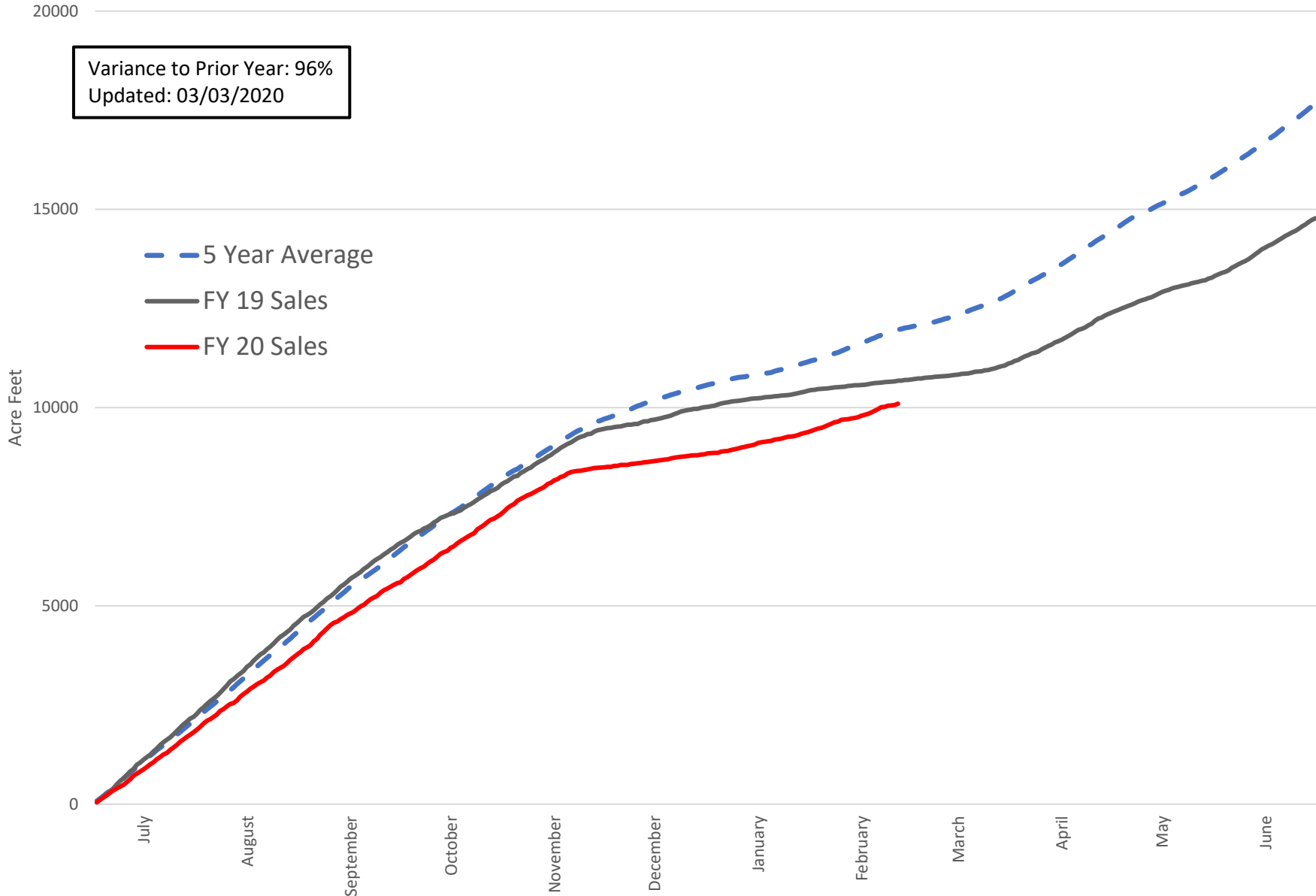
Tracy Largent, Treasurer

*Source of Market Value - MUFG monthly statements

*Source of LAIF FMV - CA State Treasurer Pooled Money Investment Account @ <https://www.treasurer.ca.gov/pmia-laif/reports/valuation.asp>

System Demands Comparison Chart

Variance to Prior Year: 96%
Updated: 03/03/2020





AMERICAN EXPRESS
January 2020

GL Finance Code	GL Transaction Amount	Description
GL 03 41 63400	64.00	FRUIT GUYS #5465032
GL 03 41 63400	38.25	FRUIT GUYS #5467808
GL 03 41 63400	76.50	FRUIT GUYS #5470357
GL 03 41 63400	38.25	FRUIT GUYS #5472814
GL 03 41 63400	750.00	NATUREBOX #8988
GL 03 41 63401	750.38	POWELLS #11602
GL 03 41 63401	1,000.50	POWELLS #11525/PO #10336
GL 60 99 15566 600028	403.78	FULLSOURCE #FS4027071-SO
GL 03 42 75500	66.54	Z CAFE #11709031
GL 01 35 63404	5,000.00	PALOMAR BACKFLOW #5712
GL 01 35 63404	5,000.00	1ST CHOICE BACKFLOW #5154
GL 01 35 72000	35.00	ZOHO #65573580
GL 02 61 75300	224.00	CWEA #596398
GL 02 61 75300	224.00	CWEA #596397
GL 03 41 63401	81.79	CULLIGAN #123119
GL 03 43 72000	182.25	GRAINGER #9374310622/PO #10290
GL 03 43 72000	522.59	GRAINGER #9402978762/PO #10364
GL 03 43 72500	834.65	GRAINGER #9389240194/PO #10329
GL 03 41 63401	79.61	GRAINGER #9382872290/PO #10329
GL 01 99 15260	970.70	GRAINGER #9404974686/PO #10368
GL 01 99 15260	35.51	GRAINGER #9405624256/PO #10368
GL 01 34 73000	2,515.04	GRAINGER #9391039238/PO #10345
GL 01 34 73000	1,125.84	GRAINGER #9398288895/PO #10345
GL 03 41 63401	43.76	AMAZON #112-9249497-9825020/PO #10365

GL Finance Code	GL Transaction Amount	Description
GL 03 91 60000	94.81	AMAZON #112-0084412-5687446
GL 03 41 63401	19.08	AMAZON #112-3857944-6266608/PO #10365
GL 01 33 72000	12.39	AMAZON #112-5210933-0485867/PO #10355
GL 01 32 73000	350.95	AMAZON #114-5349693-9123432
GL 01 32 73000	569.52	AMAZON #114-4333963-4892262
GL 03 41 60100	75.41	AMAZON #114-0359672-4109051
GL 01 32 73000	16.15	AMAZON #114-3724434-8686611
GL 03 43 72200	99.59	AMAZON #112-6075438-5217026
GL 01 33 72000	14.81	AMAZON #112-1502660-2476226
GL 60 99 15566 600028	222.10	AMAZON #112-1794911-8617833
GL 01 33 72000	24.78	AMAZON #112-0313465-5709835
GL 03 41 72000	60.44	AMAZON #112-6621168-9323436
GL 03 41 60100	(944.86)	AMAZON #114-5431131-9868266/PO #10304
GL 03 41 63401	40.88	AMAZON #112-1577562-4093844
GL 03 41 63401	30.05	AMAZON #112-9735765-0318602
GL 03 41 63401	15.62	AMAZON #112-4556288-6706626
GL 03 41 63401	15.62	AMAZON #112-4556288-6706626
GL 02 61 72000	24.72	AMAZON #112-9232981-9658638
GL 03 41 63401	31.97	AMAZON #112-9232981-9658638
GL 03 41 63401	(15.62)	AMAZON #112-4556288-6706626
GL 03 41 60100	210.00	AUTHORIZE.NET, 1-1-20
GL 03 41 75300	149.00	FRED PRYOR #30-8487639
GL 03 41 72400	285.00	FALLBROOK CHAMBER #41765295696
GL 03 41 60100	0.15	AMAZON WEB SERVICES #368825341
GL 03 41 74100	940.57	JIVE #IN6000547146
GL 03 41 60100	10.00	ATLASSIAN #AT-91695074
GL 03 41 60100	6.04	WASABI TECH #26251
GL 03 41 60100	60.00	CRADLEPOINT #SO-000214699
GL 03 42 75500	45.00	VILLAGE PIZZA #199773
GL 03 42 56513	1,417.83	PALA MESA #R44B53
GL 03 42 72000	1.00	CANVA #GYSSYZQSS
GL 03 42 72000	1.00	CANVA #GYT6H2PI

GL Finance Code	GL Transaction Amount	Description
GL 03 42 72000	1.00	CANVA #GYNOQ5QV
GL 03 42 56513	533.70	PALA MESA #R44B53
GL 03 51 75300	350.00	LIEBERT CASSIDY #9600
GL 03 42 75300	350.00	LIEBERT CASSIDY #9600
GL 03 42 56513	300.00	MANDY MIXES #20200118003
GL 03 42 72000	1.00	CANVA #GZCCPWSK
GL 03 42 75500	26.56	FACEBOOK #KSRKBPAJA2
GL 03 42 75500	319.00	ZIPRECRUITER #6518006
GL 03 42 75500	44.95	PALA MESA #884087
GL 03 43 72000	62.50	FMCSA #26MV7OSN
GL 03 41 75300	149.00	FRED PRYOR #20-27432865
GL 03 42 56513	85.89	PROFLOWERS #991178809582
GL 03 42 56513	99.12	TEKILA COCINA #589378
GL 03 42 75500	143.95	EMPLOYMENT SCREENING #202878
GL 03 41 60100	294.13	AZURE #E0300A20EW
	26,707.74	American Express (January Statement)

**Director's Expenses
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
07/31/19	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
	TRAVEL EXPENSES MILEAGE EXPENSE			\$ 25.52	\$ 69.60	\$ 109.62
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 300.00</u>	<u>\$ 300.00</u>	<u>\$ 325.52</u>	<u>\$ 369.60</u>	<u>\$ 409.62</u>
08/31/19	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00		\$ 150.00	\$ 300.00	\$ 300.00
	TRAVEL EXPENSES MILEAGE EXPENSE				\$ 48.72	\$ 85.26
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ -</u>	<u>\$ 150.00</u>	<u>\$ 348.72</u>	<u>\$ 385.26</u>

**Director's Expenses
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
09/30/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING		\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00	\$ 450.00	\$ 300.00	\$ 900.00
	TRAVEL EXPENSES		\$ 444.53	\$ 59.72	\$ 443.36	\$ 831.88
	MILEAGE AND EXPENSES		\$ 87.00	\$ 164.72	\$ 85.84	\$ 198.94
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 1,306.53</u>	<u>\$ 1,299.44</u>	<u>\$ 1,454.20</u>	<u>\$ 2,555.82</u>
10/31/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING					
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 450.00	\$ 150.00	\$ 150.00	\$ 300.00
	TRAVEL EXPENSES				\$ 1,235.89	
	MILEAGE AND EXPENSES			\$ 82.36	\$ 66.12	\$ 30.74
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 450.00</u>	<u>\$ 232.36</u>	<u>\$ 1,452.01</u>	<u>\$ 330.74</u>

**Director's Expenses
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
11/30/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE					\$ 28.18
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ 28.18
12/31/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE	\$ 725.00	\$ 725.00	\$ 725.00		
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ 875.00	\$ 1,827.34	\$ 1,371.00	\$ -	\$ 475.30

**Director's Expenses
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
01/31/20	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING					
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS		\$ 40.00			\$ 40.00
	TRAVEL EXPENSES		\$ 150.00	\$ 150.00	\$ 150.00	\$ 300.00
	MILEAGE EXPENSE			\$ 25.30		\$ 55.78
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ -	\$ 190.00	\$ 175.30	\$ 150.00	\$ 395.78
02/28/20	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING					
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS					
	TRAVEL EXPENSES					\$ 46.58
	MILEAGE EXPENSE		\$ 47.15			\$ 109.83
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ -	\$ 47.15	\$ -	\$ -	\$ 156.41
	REPORT TOTAL:	\$ 1,625.00	\$ 4,121.02	\$ 3,553.62	\$ 3,774.53	\$ 4,737.10



Check Register January 2020

Description	Bank Transaction Code	Issue Date	Amount
HOME DEPOT CC - ALL (DECEMBER STATEMENT)	EFT	01/07/2020	532.80
AIRGAS USA, LLC	ACH	01/09/2020	517.36
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	01/09/2020	440.00
ASTRA INDUSTRIAL SERV.INC	ACH	01/09/2020	4355.96
ATLAS PUMPING SERVICE	ACH	01/09/2020	210.00
BABCOCK LABORATORIES, INC	ACH	01/09/2020	468.00
RICHARD C. MICHAUD	ACH	01/09/2020	3052.08
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	01/09/2020	18620.00
FLYERS ENERGY LLC	ACH	01/09/2020	4344.66
KNIGHT SECURITY & FIRE SYSTEMS	ACH	01/09/2020	70.00
SAFETY-KLEEN	ACH	01/09/2020	550.18
STREAMLINE	ACH	01/09/2020	300.00
TRAFFIC SAFETY SOLUTIONS, LLC	ACH	01/09/2020	1725.00
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	01/09/2020	800.15
ARAMARK UNIFORM SERVICES	CHECK	01/09/2020	749.96
ARAMARK UNIFORM SERVICES	CHECK	01/09/2020	986.45
AT&T	CHECK	01/09/2020	166.28
AT&T	CHECK	01/09/2020	515.63
AT&T LONG DISTANCE	CHECK	01/09/2020	21.92
AT&T MOBILITY	CHECK	01/09/2020	1674.78
AZUGA, INC.	CHECK	01/09/2020	1039.00
BERNARDO NUNEZ	CHECK	01/09/2020	120.00
BREAKERS ELECTRICAL SERVICE	CHECK	01/09/2020	3607.50
CHRIS HEINCY	CHECK	01/09/2020	70.00
COVERALL NORTH AMERICA, INC.	CHECK	01/09/2020	1532.00

Description	Bank Transaction Code	Issue Date	Amount
CRAIG SHOBE	CHECK	01/09/2020	715.00
CRAIG SHOBE	CHECK	01/09/2020	1105.00
DAILY JOURNAL CORPORATION	CHECK	01/09/2020	312.00
DAILY JOURNAL CORPORATION	CHECK	01/09/2020	780.00
DESIGN SPACE MODULAR BUILDINGS	CHECK	01/09/2020	4134.47
DIAMOND ENVIRONMENTAL SERVICES	CHECK	01/09/2020	415.10
ESCONDIDO METAL SUPPLY, INC.	CHECK	01/09/2020	41.48
FALLBROOK IRRIGATION SUPPLIES	CHECK	01/09/2020	28.33
FALLBROOK WASTE AND RECYCLING	CHECK	01/09/2020	446.85
FEDEX	CHECK	01/09/2020	411.80
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	01/09/2020	1825.00
HELIX ENVIRONMENTAL PLANNING	CHECK	01/09/2020	1490.00
ROBCAR CORPORATION	CHECK	01/09/2020	4729.00
IMAGE SOURCE	CHECK	01/09/2020	401.16
IMPACT PACIFIC INC	CHECK	01/09/2020	599.19
JOE'S HARDWARE	CHECK	01/09/2020	189.63
KINSEY & KINSEY, INC.	CHECK	01/09/2020	1120.00
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	01/09/2020	75.00
L.N. CURTIS & SONS	CHECK	01/09/2020	203.65
LM RASMUSSEN CONSTRUCTION	CHECK	01/09/2020	3590.00
MALLORY SAFETY AND SUPPLY, LLC	CHECK	01/09/2020	2080.65
THE CARLSON COMPANY	CHECK	01/09/2020	419.12
MITEL LEASING, INC.	CHECK	01/09/2020	1657.11
MK DIAMOND PRODUCTS, INC	CHECK	01/09/2020	1096.41
MOBILE MINI, INC	CHECK	01/09/2020	1529.52
NUTRIEN AG SOLUTIONS, INC	CHECK	01/09/2020	510.56
ONESOURCE DISTRIBUTORS, LLC	CHECK	01/09/2020	268.42
PERRAULT CORPORATION	CHECK	01/09/2020	7300.66
PROFESSIONAL IMAGE ADVERTISING, INC.	CHECK	01/09/2020	693.94
PUBLIC POLICY STRATEGIES, INC.	CHECK	01/09/2020	7500.00
QTX MOBILE ACCESSORIES, INC.	CHECK	01/09/2020	1671.56
QUALITY GATE COMPANY	CHECK	01/09/2020	333.00
RAMON FRANCISCO COTE	CHECK	01/09/2020	1138.50
RAMON ZUNIGA	CHECK	01/09/2020	104.00

Description	Bank Transaction Code	Issue Date	Amount
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	01/09/2020	12.00
LOS ANGELES TRUCK	CHECK	01/09/2020	269.17
SAN DIEGO GAS & ELECTRIC	CHECK	01/09/2020	4063.93
SHRED-IT USA LLC	CHECK	01/09/2020	229.11
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	01/09/2020	764.56
T S INDUSTRIAL SUPPLY	CHECK	01/09/2020	4323.11
TIAA COMMERCIAL FINANCE, INC.	CHECK	01/09/2020	2695.07
TIME WARNER CABLE	CHECK	01/09/2020	1250.00
VERIZON WIRELESS	CHECK	01/09/2020	3046.87
VISTA FENCE COMPANY INCORPORATED	CHECK	01/09/2020	2842.00
VORTEX	CHECK	01/09/2020	494.00
WATER QUALITY SPECIALISTS	CHECK	01/09/2020	1971.53
WEST COAST GEOTECHNICAL CONSULTANTS, INC	CHECK	01/09/2020	2096.00
WILLIAMS SCOTSMAN, INC.	CHECK	01/09/2020	1847.84
XEROX FINANICAL SERVICES	CHECK	01/09/2020	627.24
SDCWA WATER PURCHASE- NOVEMBER 2019	WIRE	01/13/2020	1366752.80
AIRGAS USA, LLC	ACH	01/14/2020	1906.38
CUSTOM TRUCK BODY & EQUIPMENT, INC.	ACH	01/14/2020	21853.85
JOE'S PAVING CO, INC	ACH	01/14/2020	29520.85
KEVIN MILLER	ACH	01/14/2020	726.00
MISSION RESOURCE CONSERVATION DISTRICT	ACH	01/14/2020	136.50
PATRIOT PORTABLE RESTROOMS-SD	ACH	01/14/2020	151.37
PRINCIPAL LIFE INSURANCE COMPANY	ACH	01/14/2020	7222.26
RENE BUSH	ACH	01/14/2020	726.00
SAFETY-KLEEN	ACH	01/14/2020	2691.93
UNDERGROUND SERVICE ALERT	ACH	01/14/2020	248.30
ANDRE DIDIER	CHECK	01/14/2020	20903.10
BOOT BARN INC	CHECK	01/14/2020	177.45
CHRIS WAITE	CHECK	01/14/2020	328.06
CIVILITY PARTNERS	CHECK	01/14/2020	1125.00
COLONIAL LIFE & ACCIDENT INS.	CHECK	01/14/2020	121.42
CORE & MAIN LP	CHECK	01/14/2020	65545.98
DAILY JOURNAL CORPORATION	CHECK	01/14/2020	351.00
DAVID SEYMOUR	CHECK	01/14/2020	1452.00

Description	Bank Transaction Code	Issue Date	Amount
DESIGN SPACE MODULAR BUILDINGS	CHECK	01/14/2020	34734.64
DITCH WITCH WEST	CHECK	01/14/2020	92161.41
FERGUSON WATERWORKS #1083	CHECK	01/14/2020	14460.87
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	01/14/2020	1750.00
HACH	CHECK	01/14/2020	16818.02
HDR ENGINEERING, INC.	CHECK	01/14/2020	21922.25
HERCULES INDUSTRIES, INC	CHECK	01/14/2020	488.24
ICONIX WATERWORKS (US) INC	CHECK	01/14/2020	340.97
KDM MERIDIAN	CHECK	01/14/2020	7725.00
LANCE PICOTTE SAFETY CONSULT.	CHECK	01/14/2020	1400.00
LAWRENCE & CATHERINE ROBINSON	CHECK	01/14/2020	485.66
LESLIE MONDRAGON	CHECK	01/14/2020	416.96
NASLAND ENGINEERING	CHECK	01/14/2020	4012.50
NATIONAL BENEFIT SERVICES, LLC	CHECK	01/14/2020	550.00
NATIONAL SAFETY COMPLIANCE,INC	CHECK	01/14/2020	69.95
O'CONNELL ENGINEERING & CONSTRUCTION, INC.	CHECK	01/14/2020	69511.50
PACIFIC PIPELINE SUPPLY	CHECK	01/14/2020	2334.00
PATTEN SYSTEMS, INC.	CHECK	01/14/2020	11675.00
PRECISION STRIPING, INC.	CHECK	01/14/2020	3700.00
PURCHASE POWER PITNEY BOWES, INC	CHECK	01/14/2020	68.53
RAIN FOR RENT RIVERSIDE	CHECK	01/14/2020	28679.93
RYAN TYLER & CHERILYN VEYSEY	CHECK	01/14/2020	229.98
SAN DIEGO GAS & ELECTRIC	CHECK	01/14/2020	38426.58
SPECIALTY MOWING SERVICES, INC - W9	CHECK	01/14/2020	11350.25
STETSON ENGINEERS INC.	CHECK	01/14/2020	8821.50
WHITE CAP CONSTRUCTION SUPPLY	CHECK	01/14/2020	288.13
ZION BANCORPORATION, NATIONAL ASSOCIATION	CHECK	01/14/2020	2000.00
UNION BANK CC - KENNEDY, (DECEMBER STATEMENT)	EFT	01/14/2020	1615.81
UNION BANK CC - LARGENT, (DECEMBER STATEMENT)	EFT	01/14/2020	250.27
UNION BANK CC - HARP (DECEMBER STATEMENT)	EFT	01/14/2020	377.67
UNION BANK CC - ZUNIGA (DECEMBER STATEMENT)	EFT	01/14/2020	359.35
UNION BANK CC - WALKER (DECEMBER STATEMENT)	EFT	01/14/2020	750.38
UNION BANK CC - ROSE (DECEMBER STATEMENT)	EFT	01/14/2020	65.56
UNION BANK CC - CHANDLER (DECEMBER STATEMENT)	EFT	01/14/2020	414.00

Description	Bank Transaction Code	Issue Date	Amount
UNION BANK CC - DAUGHERTY (DECEMBER STATEMENT)	EFT	01/14/2020	416.49
UNION BANK CC - DEL RIO (DECEMBER STATEMENT)	EFT	01/14/2020	730.40
UNION BANK CC - STRAPAC, (DECEMBER STATEMENT)	EFT	01/14/2020	128.40
UNION BANK CC - WILLIAMS (DECEMBER STATEMENT)	EFT	01/14/2020	112.75
BRIGHTVIEW TREE CARE SERVICES, INC.	CHECK	01/15/2020	2040.00
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	01/15/2020	4092.83
RED TRUCK FIRE & SAFETY CO.	CHECK	01/15/2020	1305.95
LM RASMUSSEN CONSTRUCTION	CHECK	01/16/2020	1795.00
BYUNG YU	CHECK	01/16/2020	233.16
ADP - ADVICE OF DEBIT #549235748	EFT	01/17/2020	1319.89
TO RECORD PROPERTY TAX APPORTIONMENT #6	TFR IN	01/21/2020	260403.37
ACWA-JPIA	ACH	01/23/2020	160206.34
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	01/23/2020	1059.00
FALLBROOK EQUIPMENT RENTAL	ACH	01/23/2020	114.00
FLYERS ENERGY LLC	ACH	01/23/2020	8328.25
RENE BUSH	ACH	01/23/2020	726.00
STREAMLINE	ACH	01/23/2020	300.00
AT&T	CHECK	01/23/2020	166.28
AT&T	CHECK	01/23/2020	505.58
AZUGA, INC.	CHECK	01/23/2020	1039.00
BOOT BARN INC	CHECK	01/23/2020	184.86
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	CHECK	01/23/2020	250.00
CHICAGO TITLE COMPANY	CHECK	01/23/2020	500.00
CHRIS HAND	CHECK	01/23/2020	99.00
CIVILITY PARTNERS	CHECK	01/23/2020	541.25
CLEMMON TAYLOR	CHECK	01/23/2020	99.00
COSTCO WHOLESALE MEMBERSHIP	CHECK	01/23/2020	120.00
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	01/23/2020	452.50
DAWN WASHBURN	CHECK	01/23/2020	88.91
DENNIS MENDEZ	CHECK	01/23/2020	207.00
RBC SERVICES, LLC	CHECK	01/23/2020	440.30
FALLBROOK WASTE AND RECYCLING	CHECK	01/23/2020	1151.06
FEDEX	CHECK	01/23/2020	102.79
FEEGER-LUCAS-WOLFE, INC.	CHECK	01/23/2020	1240.10

Description	Bank Transaction Code	Issue Date	Amount
IB CONSULTING, LLC	CHECK	01/23/2020	7905.80
IMPACT PACIFIC INC	CHECK	01/23/2020	988.83
INFOR (US), INC.	CHECK	01/23/2020	750.00
INFOR PUBLIC SECTOR, INC.	CHECK	01/23/2020	65000.00
INTEGRITY SUPPORT SERVICES, INC.	CHECK	01/23/2020	143.95
KENNETH E WEINBERG	CHECK	01/23/2020	6257.50
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	01/23/2020	2075.00
MALIK TAMIMI	CHECK	01/23/2020	174.51
MOBILE MINI, INC	CHECK	01/23/2020	1216.89
MODULAR BUILDING CONCEPTS, INC	CHECK	01/23/2020	1277.91
NORTH COUNTY WELDING SUPPLY	CHECK	01/23/2020	48.19
ONESOURCE DISTRIBUTORS, LLC	CHECK	01/23/2020	159.57
PACIFIC PIPELINE SUPPLY	CHECK	01/23/2020	523.67
PALOMAR HEALTH	CHECK	01/23/2020	105.00
PERRAULT CORPORATION	CHECK	01/23/2020	2351.01
QUALITY GATE COMPANY	CHECK	01/23/2020	145.00
RT LAWRENCE CORPORATION	CHECK	01/23/2020	621.45
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	01/23/2020	80.00
HADRONEX, INC.	CHECK	01/23/2020	150.00
T S INDUSTRIAL SUPPLY	CHECK	01/23/2020	4518.48
TIAA COMMERCIAL FINANCE, INC.	CHECK	01/23/2020	2695.07
TRAFFIC SUPPLY, INC.	CHECK	01/23/2020	536.21
CIVILITY PARTNERS	CHECK	01/27/2020	7187.50
SUSSMAN & KATZ, INC.	CHECK	01/27/2020	34038.35
WAYNE NAULT	CHECK	01/27/2020	900.00
SDCWA CAP FEES-2ND QUARTER FY20	WIRE	01/27/2020	227346.00
CHRIS BROWN	ACH	01/28/2020	30000.00
CIVILITY PARTNERS	CHECK	01/28/2020	3375.00
NBS BENEFITS-DEP CARE FSA 225455	EFT	01/28/2020	633.32
HOME DEPOT CC - ALL (JANUARY STATEMENT)	EFT	01/30/2020	2590.39
		Total:	2,876,407.47

Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2019-2020

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	28,018	36,530	36,506	32,640	37,164	15,379	6,577						443
402	AG	113,285	139,802	139,715	135,633	132,703	48,601	25,028						1,687
264	CM	35,561	46,750	44,883	40,374	29,303	16,496	13,155						520
23	CN	1,484	1,549	1,183	1,041	1,286	314	490						17
21	IS	3,060	1,799	1,946	2,046	2,048	927	643						29
112	MF	11,910	11,187	11,539	11,065	12,605	8,386	7,568						170
323	SC	135,069	157,307	156,337	136,485	152,308	47,287	10,146						1,825
1024	SD	164,817	213,262	218,596	179,714	207,689	77,699	21,552						2,487
5468	SF	150,907	188,769	182,811	153,331	174,251	89,028	52,276						2,276
8199	Total	644,111	796,955	793,516	692,329	749,357	304,117	137,435	-	-	-	-	-	9,453

FISCAL YEAR 2018-2019

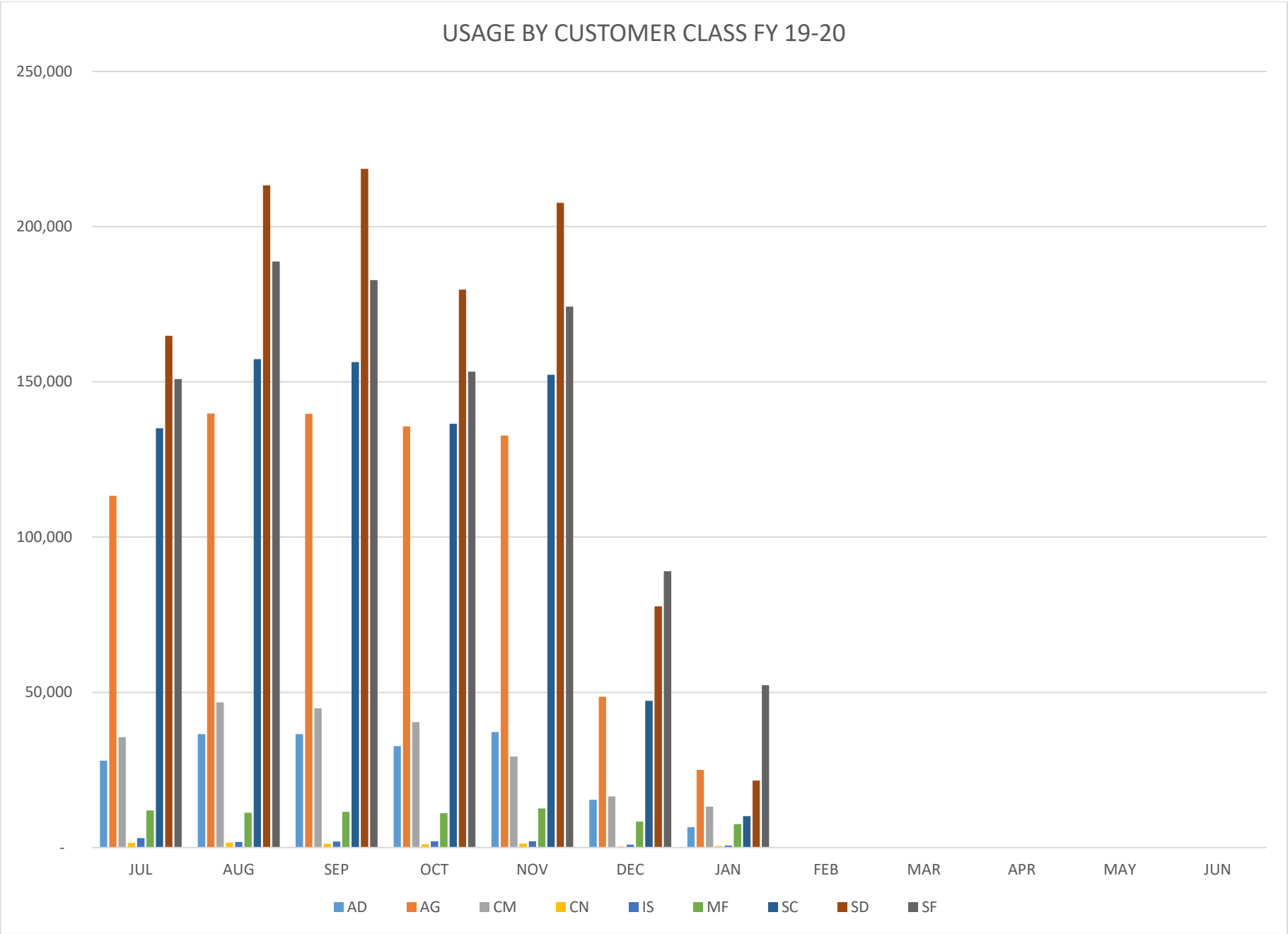
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	34,648	47,312	45,104	28,007	29,134	20,794	9,982						494
402	AG	129,946	149,080	154,084	110,908	93,077	70,762	33,893						1,703
264	CM	51,483	67,254	66,114	36,283	24,307	15,501	10,455						623
23	CN	3,982	27,189	4,915	2,545	3,115	2,815	2,831						109
21	IS	4,964	3,824	3,852	3,447	2,161	1,736	884						48
112	MF	11,653	12,856	13,798	11,513	11,816	10,461	8,551						185
323	SC	165,088	203,887	203,899	134,052	132,762	83,121	22,699						2,171
1024	SD	230,264	264,247	273,401	189,659	170,318	118,228	41,039						2,955
5468	SF	168,323	192,173	207,384	146,492	144,114	114,763	63,252						2,379
8199	Total	800,351	967,822	972,551	662,906	610,804	438,181	193,586	-	-	-	-	-	10,666

FISCAL YEAR 2017-2018

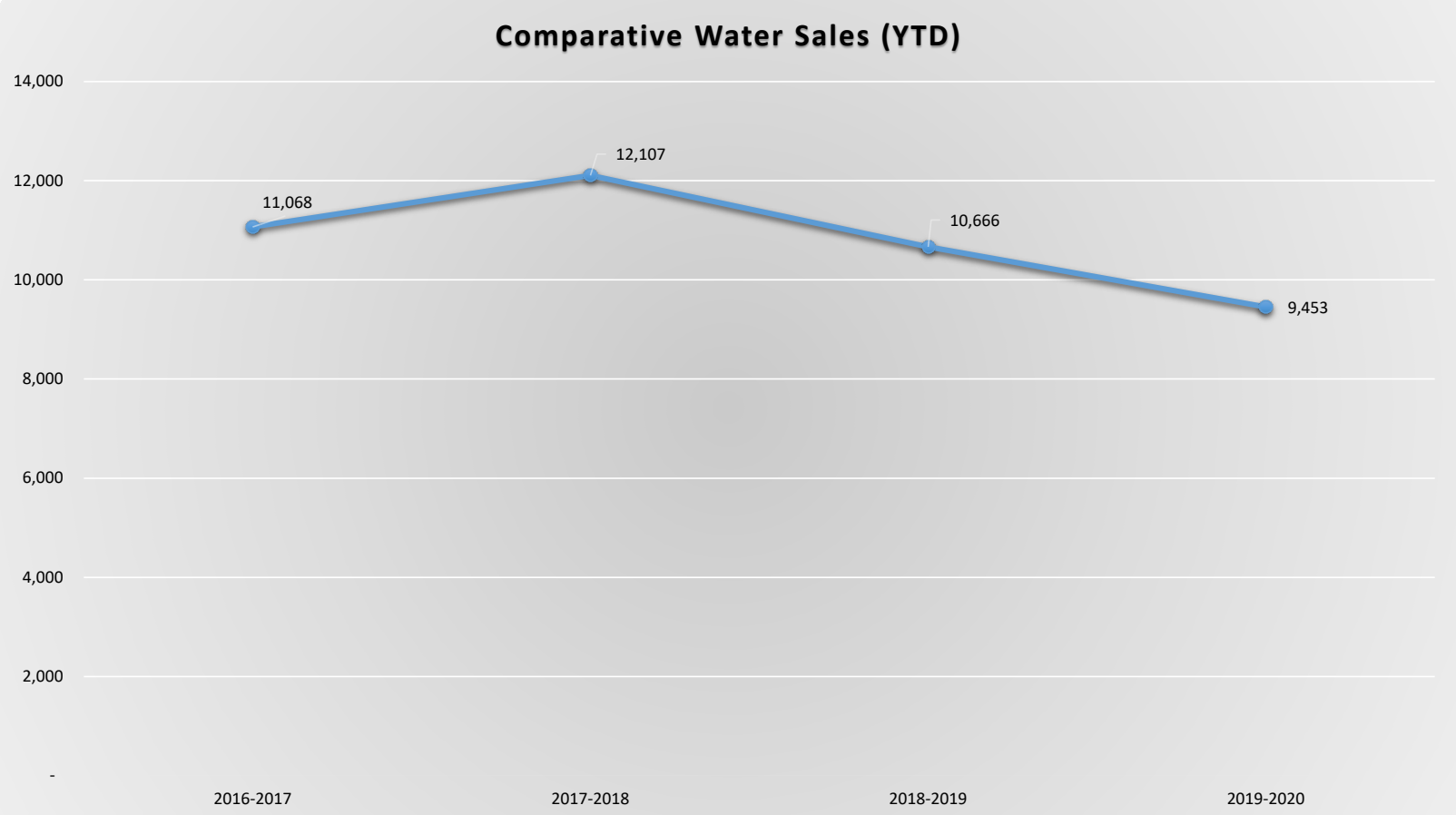
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
563	AD	33,310	29,712	36,164	31,255	32,514	30,935	27,243						508
395	AG	144,066	131,474	145,280	120,785	126,036	102,884	92,501						1,981
247	CM	33,715	42,488	33,812	26,189	24,168	16,762	18,502						449
32	CN	2,447	3,983	8,073	10,623	18,605	5,773	3,526						122
20	IS	2,320	2,440	2,793	2,488	2,335	1,700	1,339						35
96	MF	11,472	10,002	13,072	10,304	11,489	11,350	9,566						177
323	SC	179,822	156,120	202,103	148,336	176,307	145,994	119,086						2,589
1024	SD	244,799	223,157	271,457	222,398	243,725	210,020	185,162						3,675
5196	SF	174,946	165,760	194,809	155,004	162,664	146,096	120,654						2,571
7896	Total	826,897	765,136	907,563	727,382	797,843	671,514	577,579	-	-	-	-	-	12,107

FISCAL YEAR 2016-2017

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	36216	34134	39119	28217	22903	24494	7934						443
403	AG	156957	152359	172040	132882	104544	96050	31370						1,943
231	CM	47830	45043	43040	26707	20970	21140	5876						483
30	CN	4900	4950	7309	11456	7427	904	-						85
24	IS	3806	3701	3980	3061	2446	1653	1408						46
88	MF	11307	11657	13746	10597	8876	11213	7139						171
326	SC	183744	166212	206354	150910	121456	115009	18861						2,210
1034	SD	279246	253718	298226	222243	181674	171322	39596.7						3,320
5122	SF	187516	175736	202555	154361	120520	133125	57385						2,367
7849	Total	911,522	847,510	986,369	740,434	590,816	574,910	169,570	-	-	-	-	-	11,068



Comparative Water Sales YTD from Prior Years



Rainbow MWD Developer Projections - Water

Installations

Development Name (Active) (Inactive)	Purchased	Anticipated Sales						Water LF	PRS	Timing
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	Total			
Horse Ridge Creek	362		161	170			693	34407	1	In Progress
Horse Ridge Creek (RAH)	77						77			In Progress
Campus Park West							0			
Lilac Del Cielo			76				76	2247	1	Recent Activity
Golf Green Estates	57		37				94	5475		In Progress
Pala Mesa Highlands	78	46					124	10089	1	In Progress
Bonsall Oaks							0	21531	3	
Ocean Breeze (Vessels)					50	200	250			
Fallbrook Oaks	2				9		11	825		
Rancho Viejo Phase 3					47		47			
Campus Park							0			
Meadowood*							0		1	In Progress
Single Service Laterals		18	18	18	18	18	90			See Notes**
TOTAL WATER METERS	576	64	292	188	124	218	1,462			

Revenue Projections

Meter Size (in)	Revenue Per Meter (Existing)	Anticipated Sales						Total
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+		
5/8	6,241						-	
3/4	10,401	505	46	274	170	247	700	1,437
1	16,642	13	18	18	18	77	18	149
1 1/2	27,043	26						-
2	62,406	5			(4)			(4)
3	124,812				4			4
4	208,020							-
Total		549	64	292	188	324	718	1,586
Total Revenue	\$6,483,999	\$778,002	\$3,149,430	\$2,317,350	\$3,850,481	\$7,580,256	\$17,675,519	

Notes:

*Actual amount will vary depending on final agreements.

**Average from last 10 years.

Rainbow MWD Developer Projections - Sewer

Installations

Development Name (Active) (Inactive)	Purchased (EDUs)	Anticipated Sales (EDUs)						Sewer LF	S	Timing
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	Total			
Horse Ridge Creek	782						782	29916	1	In Progress
Horse Ridge Creek (RAH)	69						69			
Campus Park West							0			
Lilac Del Cielo		38.9	38.9				78	1382		Recent
Golf Green Estates	51.3						51	4318		In Progress
Pala Mesa Highlands	59.98	43.7					104	11501		In Progress
Bonsall Oaks	59.85				96.2		156	21027		Recent
Ocean Breeze (Vessels)					100	300	400			Recent
Rancho Viejo Phase 3					47		47			Recent
Fallbrook Oaks	2			11			13	2251		
Campus Park							0			
Meadowood*							0			
Misc. SFR										
TOTAL EDUs	1,024.13	83	39	11	243	300	1,700			

Revenue Projections

		Purchased (EDUs)	Anticipated Sales					
			FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	Total
Existing Fee	\$ 14,126	173.13	83	39	11	243	300	676
Total			83	39	11	243	300	676
Total Revenue	\$2,445,634	\$1,166,808	\$549,501	\$155,386	\$3,435,443	\$4,237,800	\$9,544,938	**

Notes:

*Actual amount will vary depending on final agreements.

** Actual amounts will vary depending on final exchange agreements.

Rainbow Municipal Water District
Property spreadsheet

APN	Description of Use	Acreage
1023000800	North Reservoir	4.8
1023001100	U-1 Pump Station	0.14
1023005000	Rainbow Creek Crossing near North Reservoir	0.89
1023005300	Connection 9	0.01
1024300900	Pump Station across PS1 (not in use)	0.12
1025702000	U-1 Tanks	1.08
1026305400	Pump Station #1	0.33
1026602000	Booster Pump Station #4	0.03
1027001600	Pump Station #3	0.67
1071702800	Connection 7	1.60
1071702900	Pala Mesa Tank	10.35
1080206900	Northside Reservoir	9.23
1082210600	Beck Reservoir	27.25
1082210900	Near Beck Reservoir	4.82
1082211000	Near Beck Reservoir	6.23
1082211800	Near Beck Reservoir - Excess Property (not in use)	4.68
1084210600	Rice Canyon Tank	1.00
1084410300	Canonita Tank	2.41
1091410700	Gomez Creek Tank	1.00
1092310900	Rainbow Heights Tank	0.35
1092330300	Rainbow Heights Tank	0.99
1092341000	Rainbow Heights Concrete Tank - used for SCADA	1.74
1093101800	Vallecitos Tank	0.55
1093822800	Magee Tank	1.03
1093912400	Magee Pump Station	0.3
1100721000	Huntley Road Pump Station	0.52
1102203700	Huntley Chlorination Station (not in use)	0.2
1212011000	Morro Tank	0.31
1212011100	Morro Tank	4.85
1212011200	Morro Reservoir	13.01
1213300900	Morro Reservoir	6.79
1250703200	Sumac Reservoir (Not in Use)	1.72
1250902600	Headquarters	7.38
1250903400	Headquarters	4.43
1250903500	Headquarters	3.40
1250903800	Headquarters	17.03
1251002100	Rancho Viejo Lift Station #5	0.05
1252311800	Hutton Tank	1.39
1252312600	Hutton Tank	0.89
1260803100	Via de los Cepillos Easement	0.47
1261708700	Lift Station #2	0.08
1261708900	Lift Station #2	0.12
1263004200	Lift Station #1	0.01
1270710500	Bonsall Reservoir (Not in Use)	6.19
1270710600	Connection 6	0.28
1271512300	Turner Tank	15.12
1721404300	Gopher Canyon Tank	1.84
	<i>Total</i>	167.68

