



DUE TO THE COVID-19 STATE OF EMERGENCY AND PURSUANT TO WAIVERS TO CERTAIN BROWN ACT PROVISIONS UNDER THE GOVERNOR'S EXECUTIVE ORDERS, THIS MEETING IS BEING CONDUCTED VIA TELECONFERENCE AND THERE WILL BE NO PHYSICAL LOCATION FROM WHICH MEMBERS OF THE PUBLIC MAY PARTICIPATE

MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN THE BOARD MEETING OPEN SESSION BY GOING TO <https://zoom.us/j/473903192> 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: 473 903 192) (CLOSED SESSION WILL NOT BE ACCESSIBLE TO MEMBERS OF THE PUBLIC; HOWEVER, INSTRUCTIONS FOR PUBLIC COMMENT ON CLOSED SESSION ITEMS ARE PROVIDED IN ITEM #4.)

MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD UNDER PUBLIC COMMENT OR ON A SPECIFIC AGENDA ITEM MAY SUBMIT WRITTEN COMMENTS TO OUR BOARD SECRETARY BY EMAIL AT DWASHBURN@RAINBOWMWD.COM OR BY MAIL TO 3707 OLD HIGHWAY 395, FALLBROOK, CA 92028. ALL PUBLIC COMMENTS RECEIVED **AT LEAST ONE HOUR IN ADVANCE OF THE MEETING** WILL BE READ TO THE BOARD DURING THE APPROPRIATE PORTION OF THE MEETING. THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT'S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.

RAINBOW MUNICIPAL WATER DISTRICT BOARD MEETING

Tuesday, April 28, 2020

Closed Session 12:00 p.m.

Open Session 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

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.

(*) - Asterisk indicates a report is attached.

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, April 28, 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. **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).**
Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should email or mailing their comments to the Board Secretary one hour before the Closed Session scheduled start time. All written public comments will be read to the Board prior to their adjournment to Closed Session. Any person wishing to speak to the Board regarding Closed Session agenda items may do so by calling (760) 728-1178, listening for "Thank you for calling Rainbow Municipal Water District ...", dialing Extension 429, and entering pin 8607 at the Closed Session scheduled start time. Once all public comment is heard, this call will be disconnected, and the Board will adjourn to Closed Session. To participate in the Open Session portion of the meeting, please follow the instructions provided at the top of Page 1 of this agenda. Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.
5. **CLOSED SESSION**
 - A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - * Four 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.
 - D. Conference with Legal Counsel – Potential Initiation of Litigation (Government Code § 54956.9(d)(4))
 - * Two Cases
6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

Time Certain: 1:00 p.m.

(*) - Asterisk indicates a report is attached.

7. REPEAT CALL TO ORDER
8. PLEDGE OF ALLEGIANCE
9. REPEAT ROLL CALL: Brazier____ Hamilton____ Gasca____ Mack____ Rindfleisch____
10. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION
11. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
12. 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 or may email or mail their comments to the Board Secretary one hour before the Open Session scheduled start time. All written public comments received will be read to the Board during the appropriate portion of the meeting. 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.
13. EMPLOYEE RECOGNITIONS
 - A. Thomas Sjuneson (20 Years)
- *14. APPROVAL OF MINUTES
 - A. March 24, 2020 - Regular Board Meeting
- *15. 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 Board Meeting March 26, 2020
 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: Dangerous Conditions of Public Property (501668-0002)

(*) - Asterisk indicates a report is attached.

16. COMMITTEE REPORTS

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

CONSENT CALENDAR ITEMS

17. NOTICE OF COMPLETION AND ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY DEVELOPERS

(Three fire hydrants were constructed, inspected, and tested according to the District's Standard Specifications. Upon acceptance by the Board, the improvements become part of the District water system and Staff takes over operation and maintenance. There is a one-year warranty period for all improvements which commences after board acceptance. Installation costs will be added to the District's total valuation.)

*18. DISCUSSION AND POSSIBLE ACTION TO CONSENT TO THE EXTENSION OF THE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5498-1

(Development Solutions Bon, LLC, has requested an extension to the Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5498-1 which the District entered jointly with the County of San Diego in 2016. The extension will give the Developer more time to complete construction of the proposed improvements for the Golf Green Estates Development.)

BOARD ACTION ITEMS

19. DISCUSSION AND POSSIBLE ACTION TO APPROVE WAIVING OF LATE FEES THROUGH JUNE 1, 2020

(In response to the economic impacts COVID-19 is having both directly and indirectly on our customers, this item is to provide the Board with an opportunity to consider having the District not charge late fees for non-payment through June 1, 2020 as well as suspend all water shut-offs for non-payment through June 1, 2020 per executive order of the governor.)

20. CONSIDER RATIFICATION OF THE GENERAL MANAGER'S EMERGENCY DECLARATION OF APRIL 18, 2020 RELATED TO THE IMMEDIATE REPAIR OF A DAMAGE SEWER LINE ON NORTH RIVER ROAD, REVIEW INFORMATION RELATED TO THE EXTENT OF REPAIRS NEEDED, AND APPROPRIATE FUNDS REQUIRED TO COMPLETE REPAIR WORK

*21. CONSIDER APPROVAL OF CONTRACT WITH LANCE, SOLL & LUNGHART, LLP (LSL) FOR AUDITING SERVICES

(In late February 2020, staff issued a Request for Proposals for auditing services. Staff is recommending the Board consider approving a contract with Lance, Soll & Lunghart, LLP based on review of the proposals submitted.)

*22. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-02, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 3730 FIRE ROAD, FALLBROOK, CA 92028

(Request that the Board of Directors adopt a Resolution of Necessity to acquire a 351 square foot permanent easement from Roberto and Maura Ochoa at 3730 Fire Road, Fallbrook, CA 92028 through the eminent domain process. To date, the District and Roberto and Maura Ochoa have not come to an agreement on an easement document. The easement is needed for the installation of a pressure reducing station and associated appurtenances for the District to continue to provide reliable water services to its customers.)

(*) - Asterisk indicates a report is attached.

- *23. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-05, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 7650 CAMINO DEL REY, BONSTALL, CA 92003**
(Request that the Board of Directors adopt a Resolution of Necessity to acquire a 15,000 square foot permanent easement from EWM Investments, LLC. at 7650 Camino Del Rey, Bonsall, CA 92003 through the eminent domain process. To date, the District and EWM Investments, LLC have not come to an agreement on an easement document. The easement is needed for the installation of a permanent pump station and associated appurtenances for the District to continue to provide reliable water services to its customers.)
- *24. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE OLIVE HILL ESTATES TRANSMISSION LINE RECONNECTION PROJECT**
(Request that the Board of Director authorize the award of the construction contract for the Olive Hill Estates Transmission Line Reconnection Project to T.E Roberts, Inc. in accordance with the California Public Contracting Code for a not to exceed amount of \$1,128,075. The project includes the installation of a new transmission line that will increase system looping, and flow from the northern Metropolitan Water District aqueduct connections to the south pressure zone (Hutton zone), which is needed during San Diego County Water Authority aqueduct shutdowns.)
- *25. DISCUSSION AND POSSIBLE ACTION TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) AND BECOME A PARTICIPATING MEMBER AGENCY, AND ADOPT A RESOLUTION “FORM OF RESOLUTION OF INTENTION TO BE ADOPTED BY CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”)**
(This is a statewide program for infrastructure financing on developer projects, reducing upfront costs for development. To participate in this state program, the Board must take action.)
- *26. REVIEW AND CONSIDER RESOLUTION 20-07 WHICH RELATES TO THE ENVIRONMENTAL IMPACT REPORT (AND 2020 ADDENDUM) FOR THE PARDEE “MEADOWOOD” DEVELOPMENT AND AUTHORIZE GENERAL MANAGER TO EXECUTE 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 AND RAINBOW MUNICIPAL WATER DISTRICT FOR THE ULTIMATE ANNEXATION OF THE DEVELOPMENT INTO RAINBOW MUNICIPAL WATER DISTRICT**
(The Out of Agency Service Agreement and the Annexation Agreement set out the process by which RMWD would provide water and sewer service to the Meadowood development, consistent with the certified FEIR and proposed Addendum to the FEIR. The Meadowood development will bring approximately \$18 Million in capacity fees and generate over \$800,000 per year in monthly water service fees and wastewater fees based on our current rates. Board action is required to approve the agreements.)
(The Pardee FEIR documents are available at <https://www.rainbowmwd.com/pardee-meadowood-documents> for download. The size of these documents makes the printing of them into the board packet impractical.)
- 27. 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**
(Construction of the Rice Canyon Tank Transmission Pipeline would enable the District Operators to cycle water in the Rice Canyon Tank by feeding water to the existing and proposed developments along Horse Ranch Creek Road. This project was identified in the Water and Wastewater Master Plan and has become more necessary as the development of this area continues.)

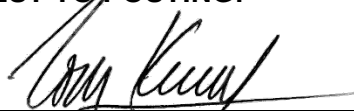
(*) - Asterisk indicates a report is attached.

- *28. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-06 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 1 – GENERAL PROVISIONS**
(As part of the ongoing process of providing clarification as well as updates that are in line with current practices and procedures, staff conducted a thorough review of RMWD’s Administrative Code Title 1 and have prepared proposed changes for Board consideration.)
- 29. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

BOARD INFORMATION ITEMS

- 30. COVID-19 EMERGENCY UPDATE**
- 31. STRATEGIC PLAN WORKSHOP UPDATE**
- 32. SOCIAL MEDIA RESPONSE**
- *33. 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
 - 2. Organizational Chart
 - E. Finance Comments**
 - 1. Information Report
 - 2. Budget vs. Actual Fund 1, 2, and 3
 - 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
- 34. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING**
- 35. ADJOURNMENT - To Tuesday, May 26, 2020 at 1:00 p.m.**

ATTEST TO POSTING:



FOR: Carl Rindflesich
 Secretary of the Board

4-28-20 @ 8:00 a.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
MARCH 24, 2020**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on March 24, 2020 was called to order by President Brazier at 12:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

Present: Member Brazier, Member Gasca (*via video teleconference*), Member Hamilton (*via video teleconference*), Member Mack, and Member Rindfleisch.

Also Present: General Manager Kennedy.

No members of the public were present for Closed Session.

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

This item was discussed, and a report was provided under Item #9.

The meeting adjourned to Closed Session at 12:00 p.m.

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.

The meeting reconvened at 1:00 p.m.

Time Certain: 1:00 p.m.

5. **REPEAT CALL TO ORDER**

The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on March 24, 2020 was called to order again by President Brazier at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

Eight members of the public attended the meeting via video teleconference.

(*) - Asterisk indicates a report is attached.

6. PLEDGE OF ALLEGIANCE

7. REPEAT ROLL CALL

President Brazier stated for the record although the format of this meeting is different, the material covered will be no different than that which would have been dealt with had RMWD had a regular open meeting and how nothing has been deleted or changed.

Present: Director Brazier, Director Gasca (*via video teleconference*), Director Hamilton (*via video teleconference*), Director Mack, Director Rindfleisch.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Information and Technology Manager Khattab.

Present via video teleconference:

Legal Counsel Smith, Legal Counsel Pellman, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Associate Engineer Powers, Customer Service and Communications Supervisor Gray, District Services Representative Holtz, Senior Accountant Rubio, and Engineering Technician Rubio.

Eight members of the public attended the Open Session via video teleconference.

Mr. Khattab explained to those attending the meeting from offsite wanting to comment or ask a question during the meeting they need to click on “raise hand” button at the bottom of their screen at which time the Board will be notified someone would like to speak. He said once acknowledged by the Board, the participant will need to unmute their microphone to ask their question or make a comment.

8. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the met in Closed Session to discuss three items for potential litigation on which the Board took unanimous action to approve a claim submitted by the Arthur family related to property damage due to a pipeline break. He noted the Board also discussed an existing litigation with Otay Water District vs. RMWD on which the Board unanimously approved a settlement stipulation which has been filed with the San Diego Superior Court to resolve the matter. He stated the Board also discussed another existing litigation item on which there was no reportable action.

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

President Brazier reported Item #14 was expanded to include discussion of Resolution No. 20-04 granting the District emergency and Items #18 and #19 were both deferred to a later date.

(*) - Asterisk indicates a report is attached.

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).

Jimmy Ayala notified the Board that Pardee was working closely with RMWD staff in hopes of having the Out of Agency and future Annexation Agreement documented well to the extent of Pardee’s and RMWD’s approval. He asked if the withdrawal of the two items would be added to a time certain agenda future agenda for next month. Mr. Kennedy stated it was his intent to have these items presented at the next available Board meeting.

***11. APPROVAL OF MINUTES**

A. February 25, 2020 - Regular Board Meeting

Motion:

To approve the minutes.

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

Vote: Motion carried by unanimous roll call 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 given.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of February 27, 2020 Meeting

Mr. Kennedy pointed out at the February 27, 2020 SDCWA Board meeting there was a report provided on the Moosa Creek Pipeline that had a leak and in turn necessitated the SDCWA emergency shutdown. He said as part of this situation, SDCWA staff correctly decided to conduct internal inspections on the other two pipelines in the same area that carries over two-thirds of the water to San Diego County which resulted in discovering Pipeline 5 (a raw water pipeline) had started to show signs of degradation and was subject to potential failure. He said SDCWA de-rated the pipeline in terms of how much water would flow through and scheduled an emergency shutdown currently in progress to fiber wrap the inside of that pipeline as well. He point out the most importantly was that SDCWA staff after three years finally acknowledge erosion could be part of the problem which is something SDCWA did not acknowledge in 2017 when SDCWA tried to claim a big storm that damaged all of the pipeline facilities in the area and how RMWD somehow caused the erosion. He stated this was the first time he saw this at SDCWA’s engineering level that they have acknowledged erosion was a problem in that area. He said he

(*) - Asterisk indicates a report is attached.

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commended SDCWA staff for their acknowledgement in hopes all parties can move forward on this issue.

Mr. Kennedy also referenced the handout provided on a presentation shared with the SDCWA Board from the March 12, 2020 Imported Water Committee meeting which was the first formal presentation to the SDCWA Board on the Regional Conveyance System Study. He pointed out Slides 25 and 26 were pertinent to RMWD. He stated one of the challenges RMWD asked SDCWA to address was their wanting to spend several billion dollars on this pipeline which will still not allow RMWD to receive water from the south which does nothing for RMWD, FPUD, Valley Center Municipal Water District, and Yuima. He noted the most challenging part of this, which was made extremely clear to SDCWA staff as well as at their Board level, can be found on Page 39 of the handout. He elaborated on three conclusions made in the study.

2. CSDA

It was confirmed CSDA has not yet cancelled their upcoming conferences.

Director Mack reported he was interviewed as part of his nomination for Seat B and how the recommendation will be made to the CSDA Board on Thursday. He stated the candidates will be notified of the results on March 30, 2020.

3. LAFCO

Mr. Kennedy noted RMWD has filed its application to LAFCO for the reorganization detaching RMWD from SDCWA and annexing into EMWD. He pointed out the highest priority project is the Municipal Service Review for the Fallbrook-Rainbow region which has been pushed into next fiscal year. He said this was not specifically related to the Pardee situation which may come along concurrently.

Mr. Kennedy explained one main topic is the CSA135 which may result in LAFCO and the County creating its own dependent special fire protection district with the Board of Supervisors serving as the Board of Directors. He stated this matter was not well supported by independent special districts. He mentioned another item LAFCO brought forward was a land use planning policy related to conversion of agricultural lands to other uses and how LAFCO was considering expanding the language to include the conversion of any agricultural lands.

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 is scheduled for April 17, 2020 should the lockdown be lifted.

6. ACWA

Director Mack reported the ACWA Spring Conference has been rescheduled to July 28-31, 2020 due to the COVID-19 situation.

Mr. Kennedy added ACWA was also working today to get some clarifications in the process going on at the Federal level in regards to water agencies.

(*) - Asterisk indicates a report is attached.

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

There were no reports given.

- D.** Directors Comments

There were no comments.

- E.** Legal Counsel Comments
 - 1.** Attorney Report: Clean Water Act (501668-0002)

Legal Counsel summarized the information provided in his report as well as briefed the Board on the new rule significantly narrowing the scope of Federal jurisdiction under the Clean Water Act, limits the jurisdiction to four categories of water, and specifically excludes twelve categories of water which repeals the Obama administration.

President Brazier asked if this would impact RMWD. Legal Counsel explained how the groundwater exclusion may be significant to RMWD and that he would keep the District up to date.

13. COMMITTEE REPORTS

- A.** Budget and Finance Committee

Mr. Nelson reported the committee met on March 10, 2020 at which time they covered several issues including the revised purchasing policy which was being presented to the Board today which include committee comments and suggestions. He stated the committee fully endorses Item #20.

- B.** Communications and Customer Service Committee

Director Hamilton mentioned the committee met on March 5, 2020 at which time the History of the District video was viewed in the presence of Bill Hitt who participated in the video. He mentioned the committee discussed the strategic plan objectives, WSUP progress, customer issue tracking capabilities, as well as community outreach programs. He announced the Avocado Festival has been cancelled and how the Vintage Car Show was still on the calendar at this time.

- C.** Engineering and Operations Committee

Mr. Nelson reported the committee met on March 4, 2020 where they considered several items, specifically the variance request before the Board today for consideration under Item #15 for which they recommended Board approval. He added Item #19 was reviewed by the committee in November and agree it makes good sense. President Brazier pointed out Item #19 has been deferred to a later meeting at which time the committee's comments will be heard and taken into consideration.

(*) - Asterisk indicates a report is attached.

14. COVID-19 (CORONAVIRUS) UPDATE

Ms. Harp shared a presentation on the District Enacted Pandemic Response Plan and spoke on some of the actions taken by RMWD.

Mr. Kennedy commended Mr. Khattab for getting RMWD operating remotely within 48 hours. He asked if the Board has received any feedback from members of the public related to the actions taken. President Brazier stated she has not received any comments.

Ms. Harp continued with the presentation. She explained the implementation of various work schedules to meet the social distancing requirements. Mr. Kennedy added having great employees able to work independently has been instrumental in assisting reducing the spread of the virus throughout the organization.

Director Mack asked about how employees are dispatched in a truck. Mr. Gutierrez indicated that staff has been isolated to one person in a truck; however, due to the size of the construction vehicles, two trucks have been rented from Enterprise to assist with that department's needs. He mentioned contact has been made with other agencies to offer assistance in the event of an emergency. He confirmed RMWD already had masks, respirators, gloves and white suits in stock and readily available for use. He also mentioned there were automatic soap, hand sanitizer, and paper towel dispensers were already installed around the District offices.

Ms. Harp continued with the presentation noting Mr. Kennedy declared an emergency for the District on March 16, 2020 which will enable RMWD to apply for FEMA grants. She pointed out staff started tracking labor and expenses related to the COVID-19 situation. Mr. Kennedy explained in this situation and trying to protect employees who are trying to work and having to tell them to stay home, his intention right now, unless directed otherwise by the Board, was to continue paying staff utilizing safety hours whenever efficiencies are low rather than forcing employees to utilize their PTO which could run low which could in turn force employees to come to office and not keep socially distanced. He anticipated there would be reimbursement for these types of expenses. Ms. Harp added since a national emergency has been declared, there will be reimbursement; however, it was unknown how granular the government will get, what expenses will be reimbursed and how long the process will take. Mr. Kennedy pointed out there was no real budgetary impact because safety hours have already been budgeted and it will not increase any cost but rather protecting it by making sure that all times RMWD has enough employees available to keep the water and wastewater system moving as opposed to getting a little productivity at the risk of having things go south and having to bring in mutual aid.

President Brazier stated she agreed with proceeding in this manner. She solicited the Board for input. Director Gasca proposed utilizing the same tracking template used for the Lilac Fires as a checklist for reference. Ms. Harp confirmed all expenses related to this situation were being tracked as closely as possible.

Mr. Kennedy pointed out some of the challenges with obtaining supplies. He said although the District has a supply of hand sanitizer, gloves, and Tyvek apparel, it was unclear when more supplies will be available. Ms. Harp added RMWD has a stock of routine PPE right now and staff members were doing everything possible to try to keep that stock replenished.

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Ms. Harp reviewed an Emergency Succession Plan for RMWD for those positions made up of one person. Director Gasca stated this was what he was looking for and how people will need to really feel comfortable with the fact if people start falling ill, we have a means to respond. He suggested staff also touch base with those staff members who retired from RMWD or other agencies who may be available to assist in the event of an emergency such as the one we are facing now. Mr. Kennedy stated he would have Ms. Harp put together a list of retirees who may still reside in the area. Ms. Harp mentioned CalPERS has increased the number of hours retirees are permitted in response to the current situation.

Director Gasca asked about the tally SDCWA was keeping on the status of all the districts. Mr. Gutierrez explained there was a Situational Status Report compiled of information provided from all the districts to SDCWA who in turn shares the report with all the general managers. Director Gasca inquired as to the details provided in the report. Mr. Gutierrez explained the report is a spreadsheet for agencies to complete asking for staffing levels, if there are any needs and anything on how the systems operate. He said once all the agencies provide the information, SDCWA will compile the information into a report so everyone is updated on what is transpiring throughout the County.

Mr. Kennedy asked for the Board for direction on how staff should address payment deferrals, late payments, and lock offs during this emergency so a policy can be developed. He noted right now RMWD was not charging late fees, stopped accruing interest, and are not locking off meters for non-payment. He referenced the SDCWA letter provided as a handout asking the government to include agencies such as RMWD in the proposed stimulus package being discussed. He reiterated he needed Board consensus, for at least this month, that RMWD will suspend lock offs, late charges and interest fees until staff can come back to the Board with more information on whatever the process is going to be coming out of this situation. President Brazier polled each Board Member on their support of RMWD continuing in this manner. All Board Members confirmed their support to continue in the manner Mr. Kennedy proposed.

Mr. Kennedy said hopefully next month staff will have more clarity and develop a most robust policy. He noted he asked Ms. Largent to flag those charges believed to be in this category in RMWD's account so if a federal reimbursement goes directly to a customer how it would be brought back to the District to pay for their bills. Director Hamilton expressed the importance of making it abundantly clear RMWD was not forgiving the use, but only the charges involved with late payments.

President Brazier asked for this to be a recurring agenda item for Board consideration.

Mr. Kennedy pointed out the next matter would be Resolution No. 20-04 related to the emergency declaration. He noted he had already exercised his authority to declare an emergency seven days ago and how the Board would now need to consider declaring a longer state of emergency by adopting Resolution No. 20-04 due to COVID-19 pandemic. He reviewed the information and provisions contained in the resolution as well as noted this was also necessary to seek any potential state and federal disaster relief reimbursement.

Mr. Kennedy mentioned he was also in the process of preparing a letter clarifying all RMWD staff members are critical infrastructure sector employees to prevent staff from being prohibited from accessing the District should movement be restricted as it has in past emergency situations. He noted Ms. Harp will place employee photos on these letters so any employees traveling to the District in unmarked vehicles are able to show proof they are to be allowed to access the District premises. He explained although these letters may not be necessary, staff was trying to be proactive by preparing for anything that may come forward.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy explained by adopting Resolution No. 20-04, the Board will be indicating this is a state of emergency that will continue in full force until rescinded by the Board, the Board will meet every month at which time staff will make a report, the office will remain closed until deemed safe by state health officials, public meetings will be conducted as this one was today, and all relevant provisions contained in the Administrative Code and Memorandum of Understandings with the bargaining units related to emergency conditions shall be in effect (i.e., working hours, out-of-class pay, etc.).

Mr. Kennedy complimented all RMWD employees for stepping into action and adjusting without complaint and doing everything they could to get things done with very little notice. He added other agencies were reaching out to RMWD to find out what steps were taken to make the transition happen so quickly. He said without all the excellent people working at RMWD, we would not have been able to pull off what has been accomplished.

President Brazier asked for confirmation the intent of Resolution No. 20-04 was to affirm a declaration of emergency within the District related to the COVID-19 outbreak.

Ms. Largent asked for clarification on FMLA related to employees who need to be home with their children who are out of school and lacking childcare. Mr. Kennedy explained there will be employees who do not have childcare during this pandemic and how he would like to offer use of Safety Leave to these employees and how this leave will be tracked for possible reimbursement. President Brazier asked the Board for any objections. There were no objections from the Board. President Brazier confirmed the Board concurred with offering this option to employees.

Motion:

To accept Resolution No. 20-04 as stated.

Action: Approve, Moved by Director Hamilton, 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. 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. Strapac shared a presentation provided to the Engineering and Operations Committee. He noted Mr. and Mrs. Schmad reside on 5.2 acres and would like to have a 3/4" meter based on a number of things including their having a well on the property. He pointed out Ordinance 19-04 states a lot size of .5 acres may qualify for a 3/4" meter but does not allow for anything larger than a half-acre lot. He referenced the location of the property mentioning they are not currently operating a grove or any other agricultural operations. He shared the past 12-month water usage. He reiterated the Engineering and Operations Committee did vote 4-1 to recommend the Board grant this variance.

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Mr. Kennedy added there was a slight chance the meter on may be not registering property and by putting in a 3/4" meter, the consumption may increase. He said should the variance agreement be approved by the Board, if their demand increases, they would have to go to a larger meter.

Director Mack asked if there are fees associated with downsizing a meter. Mr. Kennedy answered there would not be a fee for downsizing; however, should the meter size need to be increased there would be fees assessed.

Director Hamilton asked what RMWD's exposure would be should someone with a locked meter for no usage requested a smaller meter size. Mr. Kennedy said staff does not have authority to approve such request; therefore, it would need to come to the Board as a variance request.

President Brazier expressed concern almost automatic approval could bring into question the validity of Ordinance No. 19-04. Mr. Kennedy agreed and said if the Board would like to have further discussion at the Engineering committee level to look at revising the Ordinance, staff would be open to that idea; however, the Administrative Code currently provides a process to be followed.

Director Hamilton asked should the property owner be granted this variance and then starts utilizing more water than 50 units per month and RMWD notifies them they must upgrade to a 1" meter would the property owners have to pay an upgrade charge. Mr. Kennedy stated the property owner would have to pay the differential between the two monthly services charges. Mr. Strapac clarified they would not pay the difference on the usage itself. Discussion ensued regarding the steps to be taken in the event the meter size were to be increased. It was noted the MOU signed by the property owner will be attached to the property.

President Brazier asked if the 3/4" meters approved by the Fire Marshal. Mr. Strapac confirmed this would be on a case-by-case basis. President Brazier asked if they did not meet fire requirements, would RMWD not grant 3/4" meters. Mr. Kennedy stated if this was the case, staff would not consider granting a 3/4" meter.

Mr. Kennedy said staff would support a decision made by the Board to not grant a 3/4" meters to lots sizes over one-half meter; however, the option for variance always exists. He explained the reason these property owners requested a variance was due to staff denying their initial request for a 3/4" meter.

President Brazier and Director Hamilton expressed concern with an increase in requests for variances. Director Hamilton asked if it would be available to run a survey of all RMWD customers to look at the average water use versus meter size. Ms. Largent state staff could conduct such a survey. Mr. Strapac pointed out it was common practice to have fee schedules associated with variance processes. President Brazier and Director Hamilton stated they would be more comfortable if there were a fee. Discussion ensued.

Director Hamilton stated he would like to implement a policy to include a fee to cover the costs associated with variances.

Mr. Kennedy directed Ms. Largent to work on a fee schedule and Mr. Strapac to update Ordinance 19-04 to include fixing the typographical error.

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Motion:

To approve Option 1 - Approve the variance to Ordinance 19-04 to allow a property larger than 0.5 acres to qualify for capacity class B, approve the New Water Service Agreement, and make a determination the action identified herein does not constitute a “project” as defined by CEQA.

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

Vote: Motion passed (summary: Ayes = 3, Noes = 2, Abstain = 0).

Ayes: Director Gasca, Director Hamilton, Director Mack.

Noes: Director Brazier, Director Rindfleisch.

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

Mr. Strapac explained this was a contract with HDR to perform water modeling throughout RMWD’s system to assist with modeling more accurately. Mr. Kennedy pointed out approximately one year ago the Board authorized conducting the analysis required for detachment from SDCWA and how this item was to approve a change order to the existing contract that exceeds his spending authority. He explained by modeling RMWD’s system more accurately and thereby being able to make better planning level decisions, could potentially save the District millions in the future. He said although RMWD wants to accurately define the situation to ensure the District always can supply the water and services required, it also does not want to build assets that would be underutilized.

President Brazier asked if these costs would be tallied against the detachment from SDCWA. Mr. Kennedy confirmed these costs as well as those within his spending authority would be allocated to the detachment efforts.

Motion:

To approve 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, and 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.

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

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

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

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

Mr. Strapac noted several months ago the Engineering Department conducted an in-house design and had the project go out for bid for construction of approximately 660' of pipeline at Via Ararat. He noted the project was completed; therefore, this item was for the Board to consider approving a Notice of Completion so the facilities can be brought in as part of District assets and the Notice of Completion can be filed with the County.

Motion:

To approve the Notice of Completion and acceptance of the Via Ararat Road Pipeline Improvement project.

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

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

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

***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 item was deferred.

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

This item was deferred.

President Brazier called for a break at 2:39 p.m.

The meeting reconvened at 2:48 p.m.

***20. DISCUSSION AND POSSIBLE ACTION TO AMEND ADMINISTRATIVE CODE SECTION 5.02 PURCHASING**

Ms. Largent stated the purpose of this policy update was to clarify the language to be more in line with the software currently being utilized at RMWD and different process changes, clarifying staff's reporting requirements in the event of an emergency, increase limits for small purchases and three quotes, as well as increase the approval limit of managers by \$5,000. She mentioned a comparison was made to other agencies and how it was found \$5,000 was the average.

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Director Hamilton expressed concern there should be tighter procedure in place for reporting monies spent in the event of an emergency that exceed the General Manager's authority. Mr. Kennedy pointed out this language mirrors the policy found in Administrative Code Chapter 1.02 which governs the processes in the event of an emergency which would overrule the provision in this chapter. Director Hamilton said based on the information provided, he was comfortable with the verbage as stated.

Motion:

To adopt Ordinance No. 20-05 amending and updating Administrative Code Chapter 5.02- Purchasing with proposed language.

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

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.

BOARD INFORMATION ITEMS

***22. INFORMATIONAL UPDATE ON THE REQUEST FOR QUALIFICATIONS (RFQ) FOR DEVELOPMENT OF RAINBOW MUNICIPAL WATER DISTRICT (DISTRICT) HEADQUARTERS PROPERTY**

Mr. Kennedy reported in response to Board direction to get the development process going, an RFQ to find a partner who can assist with pinning down the most value out of the property based on current zoning as well as review economic models on what would be best to follow. He explained RMWD someone was hired to work on this project initially who in turn notified the District this project would need to be reviewed on a deeper level. He noted the RFQ's were due at the end of March after which time they will be presented to the Engineering and Operations Committee for discussion and review.

Director Gasca asked if RMWD spoke with the City of San Marcos and their experience on this same type of project. Director Mack suggested staff reach out to Paul Malone.

Discussion ensued regarding the various uses under consideration for this property.

Director Gasca emphasized the focus should be on maximizing the most out of this property for the benefit of the ratepayers.

Director Rindfleisch left the meeting at 3:04 p.m.

Mr. Kennedy noted this was an informational item and all the information collected will be shared with the Board as well as the Engineering and Operations Committee.

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Director Hamilton if the sliver of land problem has been resolved. Mr. Strapac as of right now the courts were prioritizing the items to be addressed due to the pandemic; therefore, RMWD has not yet received a response.

***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

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

Mr. Kennedy sought Board direction on how to address committee meetings considering the pandemic. He noted he has solicited key staff who in turn told him there were no critical items to be discussed by the committees at this time. Legal Counsel confirmed with the suspension of the Brown Act would permit for telephonic communication with a committee should something need to be addressed urgently.

President Brazier directed staff to suspend all committee meetings for the month of April. There was no objection from the remaining members of the Board.

Director Rindfleisch rejoined the meeting at 3:09 p.m.

Ms. Largent stated the pages provided as a handout were updates to the budget books. She also briefed the Board on the revision incorporated into these new pages.

Motion:

To receive and file information and financial items.

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

(*) - Asterisk indicates a report is attached.

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

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

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

It was noted an emergency update, award of contract for the Olive Hill Transmission Pipeline Project, a budget preview, possible auditor changes, the Pardee matter, the Rice Canyon Transmission Pipeline, Rainbow Public Facilities Corporation, and a discussion regarding social media responses.

25. ADJOURNMENT -

The meeting was adjourned by Director Brazier to a regular meeting on April 28 2020 at 1:00 p.m.

The meeting was adjourned at 3:19 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

REVISED

**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
March 26, 2020**

1. Addition to Agenda.
The Board approved an addition to the agenda of a Resolution of the Board of Directors of the San Diego County Water Authority Authorizing the Issuance of Water Revenue Refunding Notes, the Execution and Delivery of One or More Loan Agreements.
2. Resolution Regarding COVID 19.
The Board adopted Resolution No. 2020-02 Declaring COVID-19 Emergency.
3. Approve Comprehensive Debt Management Strategy.
The Board authorized the following: a) the issuance of Water Revenue Refunding Bonds–Series 2020A and 2020B (together, Series 2020) on a taxable basis and/or issue Series 2021A and 2021B (together Series 2021) on a tax-exempt forward basis, to refund certain outstanding long-term debt to produce debt service savings, and approve the selection of the underwriting team; b) the issuance of Subordinate Lien Water Revenue Refunding Bonds, Series 2021S-1 (Series 2021S-1) to refund the maturing Subordinate Lien Water Revenue Refunding Bonds, Series 2016S-1, and approve the selection of the underwriting team; and, adopted Resolution No. 2020-03 Authorizing the Issuance of Water Revenue Refunding Notes, the Execution and Delivery of one or more Loan Agreements and related actions, and c) adopted Resolution No. 2020-03 authorizing the issuance of water revenue refunding notes, the execution and delivery of one or more loan agreements and related actions.
4. Adopt positions on public safety power shutoff legislation.
The Board adopted the following positions:
 - a) Support if Amended on AB 1936 (Rodriguez), relating to price gouging during public safety power shutoff events.
 - b) Support on AB 2178 (Levine), relating to declarations of local emergency during public safety power shutoff events.
 - c) Support and Seek Amendments on AB 2182 (Rubio), relating to emergency backup generators.
 - d) Support on SB 952 (Nielsen), relating to sales and use tax exemptions during public safety power shutoff events.
 - e) Support on SB 1099 (Dodd), relating to emergency backup generators.
 - f) Support if Amended on SB 1185 (Moorlach), relating to emergency backup generators.
5. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
6. Notice of Completion for the Rejection Tower Delaminated Coating Removal project.
The Board authorized the General Manager to accept the Rejection Tower Delaminated Coating Removal project as complete, record the Notice of Completion, and release all funds held in retention to Abhe & Svoboda, Inc. following the expiration of Notice of Completion period.

7. Adopt positions on various state bills.

The Board adopted the following positions:

- a) Adopt a position of Support on AB 291 (Chu), relating to local emergency preparedness.
- b) Adopt a position of Oppose on AB 2629 (Mayes), relating to the Imperial Irrigation District jurisdictional boundaries.
- c) Adopt a position of Support if Amended on SB 996 (Portantino), relating to constituents of emerging concern.
- d) Adopt a position of Support on SB 1100 (Atkins), relating to sea level rise.

8. CLOSED SESSION:

The Board of Directors authorized the engagement of the law firm Daley & Heft to defend the Water Authority in the Kessner lawsuit, Santa Clara Superior Court Case Number 20CV364054.0CV364.



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: April 28, 2020
RE: Attorney Report: Dangerous Conditions on Public Property
501668-0002

I. INTRODUCTION.

This attorney report provides an update on a recent appellate court decision addressing the scope of local agency liability for dangerous conditions on adjacent property. In *Hedayatzadeh v. City of Del Mar* (2020) Fourth District, Div. One, 2020 S.O.S. 277, the Fourth District Court of Appeal rejected plaintiff’s claim that the City of Del Mar was liable for not erecting barriers to prevent users of agency property from accessing allegedly dangerous conditions on an adjacent property.

The decision clarifies important ambiguities in the scope of public agency liability. The court’s ruling confirms that an agency’s liability for conditions on adjacent property is limited to circumstances in which the public property *itself* contains a hazard that injures someone on an adjacent property, or where the agency engages in an affirmative act regarding the use of its property that creates a substantial risk of foreseeable injury on adjacent property.

II. BACKGROUND.

Plaintiff Farid Hedayatzadeh (“Hedayatzadeh”) filed a lawsuit against the City of Del Mar arising out of the death of his 19-year-old son, who was struck by a train on an oceanfront bluff in Del Mar on property owned by the North County Transit District (“NCTD”). The plaintiff filed a single cause of action against the City alleging a dangerous condition of public property, based primarily on the City’s failure to erect any barriers to prevent pedestrians from accessing NCTD’s train tracks.

On the night at issue, Javad Hedayatzadeh and his friends walked around the guardrail at the end of 13th Street in Del Mar. The friends proceeded down an unimproved dirt embankment and crossed the train tracks. The group then walked northbound on the west side of the tracks to a location where they sat and smoked marijuana. Javad noticed a freight train coming from the south and told his friends that

he was going to use his phone to take a video "selfie" of himself next to the train. As Javad was near the train tracks taking the selfie, he was fatally struck by the train.

The surviving friends acknowledged they were trespassing on NCTD property. At various points along the railroad right-of-way, NCTD had installed signs stating "No Trespassing," "Danger" and "Railroad Property." In his lawsuit, the plaintiff acknowledged that the location where Javad was struck was within a 100-foot wide right-of-way belonging to NCTD, and not the City. The plaintiff nonetheless argued that the City created a dangerous condition by failing to erect a barricade that would prevent pedestrians from accessing the NCTD right-of-way.

After filing an unsuccessful claim under the Government Claims Act, the plaintiff filed a lawsuit naming the City, NCTD, and BNSF Railway Company (which allegedly operated the freight train). The trial court granted summary judgment in favor of the City.

III. COURT'S ANALYSIS.

The Fourth Appellate District affirmed the trial court's judgment. The court held that the City was not required to erect a barrier to prevent pedestrians from knowingly trespassing onto an adjacent transit district right-of-way.

In making its determination, the appellate court relied on Government Code section 830; case law in *Cerna v. City of Oakland* (2008) 161 Cal.App.4th 1340 and *Zelig v. County of Los Angeles* (2002) 27 Cal.4th 1112; and the California Law Revision Commission's comments regarding Government Code section 830. The appellate court stated:

"A dangerous condition exists when public property 'is physically damaged, deteriorated, or defective in such a way as to foreseeably endanger those using the property itself,' or possesses physical characteristics in its design, location, features or relationship to its surroundings that endanger users. (*Cerna v. City of Oakland* (2008) 161 Cal.App.4th 1340, 1347-1348).

As stated in the relevant statute: '[a] condition is not a dangerous condition within the meaning of this chapter if the trial or appellate court, viewing the evidence most favorably to the plaintiff, determines as a matter of law that the risk created by the condition was of such a minor, trivial or insignificant nature in view of the surrounding circumstances that no reasonable person would conclude that the condition created a substantial risk of injury when such property or adjacent property was used with due care in a manner in which it was reasonably foreseeable that it would be used.' (Government Code § 830.2; *Cerna v. City of Oakland* (2008) 161 Cal.App.4th 1340, 1347-1348).

Thus, although '[t]he existence of a dangerous condition ordinarily is a question of fact, the issue may be resolved *as a matter of law* if reasonable minds can come to only one conclusion.' (*Zelig v. County of Los Angeles* (2002) 27 Cal.4th 1112).

The California Law Revision Commission comments to section 830 explain the circumstances under which liability may arise due to a hazardous condition on an adjacent property. 'Adjacent property' as used in the definition of 'dangerous condition' refers to the area that is exposed to the risk created by a dangerous condition of the public property.

A public entity may be liable only for dangerous conditions of its own property. But its own property may be considered dangerous if it creates a substantial risk of injury to adjacent property or to persons on adjacent property; and its own property may be considered dangerous if a condition on the adjacent property exposes those using the public property to a substantial risk of injury."

Applying these principles of law, the Court of Appeal affirmed the trial court judgment, holding there was no dangerous condition of agency property. The City's mere failure to erect a barricade at the end of the street did not create a dangerous condition. It was undisputed that there was a hazard on the adjacent, NCTD-owned property. It was also undisputed that the City was aware that pedestrians often circumvented the guardrail at the end of the street in order to access the coastal bluffs. There was no evidence, however, that the City took any affirmative action to encourage pedestrians to trespass onto NCTD's right-of-way. Persons who travel to the end of the street are not required to walk toward the train tracks and encounter any hazard on NCTD's right-of-way. Instead, one must make the decision to walk around the guardrail, down an embankment, and over a wide area of NCTD property before encountering any hazard. Finally, the mere use of the City street, which ends at a guardrail 50 feet from the tracks, did not subject users to any immediate danger.

IV. CONCLUSION.

The appellate court's decision sets forth important limitations in the scope of agency liability for conditions on nearby properties. The Court's ruling confirms that local agencies are liable for dangerous conditions on adjacent property *only if some physical aspect of the agency's property itself* (such as an opening in an agency's fence) contains a hazard that injures someone on adjacent property, or where the agency engages in an affirmative act regarding the use of its property that creates a substantial risk of injury on adjacent property – when such property is used with due care in the manner intended. The plaintiff bears the burden of proof to establish these physical deficiencies and foreseeable dangers. The court concluded:

“The case law we have cited establishes that a public entity is liable for a dangerous condition on an adjacent public property *only if some physical aspect of the public property itself* (such as an opening in an agency’s fence) necessarily brings a user of that property into contact with the danger on the adjacent property or entices the user of the public property to encounter the adjacent hazard. A plaintiff’s allegations, and ultimately the evidence, must establish a *physical* deficiency in the property itself. A dangerous condition exists when public property ‘is *physically* damaged, deteriorated, or defective in such a way as to foreseeably endanger those using the property itself,’ or possesses *physical characteristics* in its design, location, features or relationship to its surroundings that endanger users. (*Cerna v. City of Oakland* (2008) 161 Cal.App.4th 1340, 1347-1348).

Case law does not extend liability to circumstances in which the public entity has not engaged in any affirmative act regarding the use of its property (such as locating a public facility in a dangerous place or deciding to create an opening in a fence to entice children to cross a dangerous intersection), but has merely failed to erect a barrier to prevent users of the public property from leaving the public property and willfully accessing a hazard on adjacent property.”

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

NOTICE OF COMPLETION AND ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY DEVELOPERS

BACKGROUND

Developers are often required to construct improvements for RMWD as part of their requirements for developing a parcel of land. These requirements can include extending a watermain to serve a parcel or installing a fire hydrant for fire protection. When constructing a fire hydrant connected to an existing water main, a developer must submit a Fire Hydrant Application, pay an inspection fee, hire a contractor with a class "A" license to install the fire hydrant according to the District's Standard Specifications, and arrange with the District inspector to have the construction inspected. The developer then warrants the work free of defects for a period of 12 months. RMWD becomes responsible for the daily operation and maintenance of the fire hydrant once it is accepted.

DESCRIPTION

The following facilities have been constructed per the Rainbow Municipal Water District Domestic Water, Recycled Water and Sanitary Sewer Facilities Construction Standards Manual, inspected, and tested per specifications.

Facilities constructed and ready for acceptance include the following:

- Fire Hydrant located at 1475 Tecalote Drive, constructed by Downstream Services, Inc.
- Fire Hydrant located at 28449 Twin Oaks Valley Road, constructed by Draves Pipeline, Inc.
- Fire Hydrant located at 4260 Sterling Drive, constructed by A.J. Carroll Construction

Upon acceptance by the Board, the improvements become part of the District water system and Staff takes over operation and maintenance. There is a one-year warranty period for all improvements which commences after board acceptance. 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

In accordance with CEQA guidelines Section 15378, the action before the Board, filing a Notice of Completion and accepting the facilities, 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, totaling \$58,503, will be added to the District’s asset valuation.

1) Option 1:

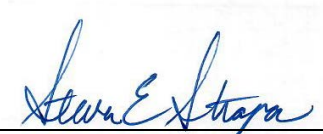
- Accept the Appurtenances Constructed by Small Developers as complete and as shown on the RMWD Standard Drawings.
- Approve filing the Notice of Completion.
- Add installation costs to the District’s total valuation.
 - i. \$17,653, Fire Hydrant located at 1475 Tecalote Drive, constructed by Downstream Services, Inc.
 - ii. \$17,600, Fire Hydrant located at 28449 Twin Oaks Valley Road, constructed by Draves Pipeline, Inc.
 - iii. \$23,250, Fire Hydrant located at 4260 Sterling Drive, constructed by A.J. Carroll Construction
- Make a finding that the action 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

04/28/20

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO CONSENT TO THE EXTENSION OF THE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5498-1

BACKGROUND

Golf Green Estates is a development of 94 Single Family Residences near Bonsall Elementary School off of Camino Del Rey and Old River Road. The District entered the Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5498-1 (Agreement) along with the County of San Diego (County) and Development Solutions Bon, LLC, a Delaware Limited Liability Company (Owner) on June 8th, 2016. The agreement states that the owner will complete the improvements according to the plans and specifications within 730 days from the date of the approval of the final map. In addition, the improvement permit for the improvement agreement expires on July 11, 2020. The improvements contemplated under the Agreement have not yet been completed.

DESCRIPTION

Development Solutions Bon, LLC, has requested an extension of the Agreement. Before the County extends the agreement, they require a letter from the District approving the extension of the Agreement. The Agreement states that in the event it is deemed necessary to extend the time of completion of the work and improvements contemplated under the Agreement, said extension may be granted upon the owner's request.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. It is important to enter and maintain clear agreements with Developers to ensure that that District facilities are constructed according to District Standards and accepted into the District's facilities by the correct processes. The extension of the Agreement allows for the Developer to complete the improvements so they can be accepted in the future.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

1) Option 1:

- Consent to the extension of the Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5498-1.
- Authorize the General Manager to send a letter stating the consent to the County of San Diego.
- 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

04/28/2020

**JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION
COUNTY OF SAN DIEGO TRACT NO. 5498-1**

This Joint Agreement, made and entered into this 8th day of June, 2016, between the County of San Diego, State of California (hereinafter referred to as County) and the Rainbow Municipal Water District, (hereinafter referred to as District) jointly, and Development Solutions Bon, LLC, a Delaware Limited Liability Company (hereinafter referred to as Owner).

WITNESSETH:

WHEREAS, in the near future, the Owner will file with the Board of Supervisors of the County (hereinafter referred to as Board) a Final Map of Subdivision of County of San Diego Tract No. 5498-1 (hereinafter referred to as Final Map) for the Board's approval and for recording; and

WHEREAS, pursuant to Section 66462 of the Subdivision Map Act and Section 81.405 of the San Diego County Code, the Board requires Owner to make or agree to make certain subdivision improvements; **NOW, THEREFORE**,

FIRST: IMPROVEMENTS. Owner agrees at his own cost and expense to furnish all the labor, equipment and material to perform and complete, and within 730 days from the date of the approval of the Final Map by the Board to perform and complete, in a good, workmanlike manner, according to the plans and specifications referred to below, the following improvements:

1. The improvement of the streets and/or easements within the subdivision as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Agreement by reference, together with the improvement of any other streets and/or easements specifically designated by the plans and specifications to be improved.

2. The improvement of the sewer and/or water facilities (hereinafter referred to jointly as "facilities") as shown on the attached plans and specifications as Exhibit 2 and incorporated into this Agreement by reference. These improvements shall be constructed subject to the following additional terms and conditions:

(a) All work shall be performed in a good and workmanlike manner to the satisfaction of District's Engineer and in conformity with District's Standard Specifications for Water and Sewer Construction, which are on file at the District offices.

(b) Owner shall convey to District easements covering the property in which the facilities are located in all instances where the facilities are not located in a dedicated street. Owner shall have his engineer provide District

with a legal description and a plat of easements for approval by District. The plat shall be a reproducible transparency with District title block and shall fully locate and describe the easement. The standard easement processing fee and the costs of a policy of title insurance insuring title to the easement in the District shall be paid by Owner. The easements shall be conveyed to District prior to final acceptance of the facilities by the District.

(c) Owner shall pay to District on demand the full amount of District's costs incurred in connection with the work, including plan checking, inspection, materials furnished, repairs or replacement of any defective work, and all other expenses of District directly attributable to the work, plus a reasonable amount for District's overhead in connection therewith. Owner shall deposit with District concurrently with the execution of this agreement the sum of \$ 35,186.00, being the estimated amount of District's expenses. Should the expenses incurred by District be in excess of said deposit, Owner shall pay the amount of such excess to District on demand. Should District's expenses be less than the amount deposited, District shall refund to Owner the difference upon completion of the work and its acceptance by District.

(d) Owner shall obtain at its expense, all necessary permits required by the County, State or other public agency in connection with the construction of the facilities.

(e) Water facilities constructed by Owner shall be connected to District water lines in the manner authorized by the District after approval has been given for such connection. When all construction work has been completed, except for said connection, Owner shall notify District that the facilities are ready for final inspection. District shall inspect the work and either approve or reject it pending fulfillment of unsatisfied requirements. Final acceptance shall not be made until: (1) all work has been completed in accordance with the plans and specifications, all gate wells have been set flush with the finished street surface or as otherwise required, and meter boxes have been set to finished grade; and (2) a set of original plans (sepia prints), corrected to conform with the "as built" work, has been submitted to the District.

(f) After completion of the facilities and acceptance thereof by the District, the facilities shall be deemed donated to the District under this agreement and shall thereafter be owned and operated by the District in accordance with the rules and regulations of District. Service connection fees and meter costs are not included in the estimated cost of facilities set forth in the Second Paragraph, but shall be an additional sum paid by Owner in accordance with District's rate schedule as it from time to time exists. Water for construction purposes shall be provided upon request in

accordance with District's rules and rate schedules.

3. The setting by a licensed surveyor or engineer of all monuments and stakes not installed on the date of recording of the Final Map, and the setting of all monuments and stakes previously installed, but which were removed, altered or destroyed prior to the completion of the improvements and their acceptance by the District and by the Board, within 30 days after acceptance of improvements by the District and by the Board. Owner hereby further agrees to pay the engineer or surveyor for setting the monuments, and to secure the obligation to pay the engineer or surveyor by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", subject to the following:

(a) Notice of Setting. Pursuant to Section 66497 of the Subdivision Map Act, within five days after the final setting of all monuments has been completed, the engineer or surveyor shall give written notice to Owner, the District, and the County's Director of Public Works (hereinafter referred to as Director) that final monuments have been set.

(b) Payment of Engineer. Upon payment to the engineer or surveyor for setting the final monuments, Owner shall present to the District and the Director evidence of such payment and receipt thereof by the engineer or surveyor. In this event, Owner's security obligations conditioned on payment to the engineer or surveyor, as required by this Paragraph, shall terminate. Where a cash deposit is given by the Owner as security for faithful performance, the Clerk of the Board of County may pay the engineer or surveyor for setting the final monuments from the cash deposit if so directed by the Director upon the request of Owner.

(c) Nonpayment. If Owner does not present evidence to the Director that he has paid the engineer or surveyor for setting the final monuments, and if the engineer or surveyor notifies the Director that he has not been paid by Owner for setting the final monuments, the County may, within three months from the date of said notification, pay the engineer or surveyor from any deposit the amount due.

(d) Death or Disability of Engineer. Pursuant to Section 66498 of the Subdivision Map Act, in the event of death, disability or retirement from practice of the engineer or surveyor charged with the responsibility for setting monuments, or in the event of his refusal to set such monuments, the County may direct the Director, or such engineer or surveyor as it may select, to set the monuments. If the original engineer or surveyor is replaced by another, the former may, by letter to the Director, release his right to set the final monuments to the surveyor or engineer who replaced him. When the monuments are so set, the substitute engineer shall amend any Final Map in accordance with the correction and amendment provisions of Sections 66469 through 66472 of the Subdivision Map Act. All provisions of this Agreement relating to payment shall apply to the service performed by the substitute engineer or surveyor.

4. () If preceding blank is checked, erosion control work as shown on the attached plans and specifications as Exhibit 2 and incorporated into this Agreement by reference, is subject to the following:

(a) The tops of all slopes shall be diked to prevent water from flowing over the edge of the slope.

(b) All driveways shall be paved not later than November 1, where their slopes exceed two percent (2%).

(c) As soon as grading is completed, but not later than November 1, the entire area not to be paved immediately will be treated with two to four tons per acre straw mulch, 50 lbs. per acre annual rye grass seed or equivalent as determined by the Director at the time of planting, and 100 lbs. per acre actual nitrogen and phosphate (ammonia phosphate 16-20-0). The mulch shall be tacked in place with a sheepsfoot roller and lightly irrigated. On cut and fill slopes, jute matting shall be installed over the mulch to hold it in place and cuttings from small leaf ice plants, or approved equivalent ground cover, shall be planted with spacing approved by the Director prior to November 15.

(d) An irrigation system shall be installed in accordance with the County's standard drawings for irrigation systems and approved by the Director not later than May 15 following the planting of the slopes.

(e) Sandbags shall be placed in gutters as approved by the Director.

(f) Catch basins, desilting basins and storm drain system as approved by the Director shall be installed.

(g) Owner shall maintain the plantings and erosion control measures described herein until release from such obligation by the Director. Owner shall pick up and replace on the slopes all sand intercepted by the sandbags, catch basins and desilting basins after each runoff-producing rainfall.

(h) For purposes of providing for the performance of emergency erosion control work which the Director, in his sole discretion, deems necessary, Owner shall deposit with the Director the sum of \$ N/A, which sum is independent of any other improvement security required by the terms of this Agreement.

5. Incomplete Offsite Street and Utility Improvements.

(a) In the event this unit or subsequent units of this project require access across streets that have not been improved and accepted into the public maintained road system, and to the extent that utilities such as sewer and water to serve this

unit or subsequent units are required, the Owner agrees to complete said improvements to the satisfaction of the Director and the District prior to requesting acceptance of the improvements secured under this Agreement.

(b) Owner agrees that his or her obligation under this Agreement shall continue in the event of a transfer or sale of this unit or subsequent units to a person or persons who are not parties to this Agreement.

SECOND: INSPECTION, ACCEPTANCE AND COST ESTIMATE. Owner agrees that the work and improvements required in the First Paragraph, subparagraph 2, above shall be done subject to inspection by and to the satisfaction of the District, and the improvements shall not be deemed completed until approved and accepted as completed by the District. Owner agrees that all other work and improvements required in the First Paragraph shall be done subject to inspection by and to satisfaction of the Director and the improvements shall not be deemed completed until approved and accepted as completed by the County. The District and the Director shall be allowed to inspect their respective facilities during all stages of the construction. The District and the Director shall be notified a minimum of forty-eight (48) hours prior to the commencement of construction. The estimated costs of the work and improvements specified in the First Paragraph are itemized as follows:

Improvement of the Water & Sewer Facilities	\$1,543,800
Total Estimated Amount	\$1,543,800

Owner agrees that his or her obligation under this Agreement extends to the completion of the designated improvements, and that this obligation is not limited by the amount of these cost estimates. Owner further agrees that these cost estimates are estimates only and are not intended to constitute liquidated damages.

THIRD: PARK LAND AND FEES. Section 66477 of the Subdivision Map Act and Section 810.103 of the San Diego County Code require the dedication of land, the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes. Owner hereby agrees to dedicate land and/or pay the County the sum of \$ N/A in satisfaction of these requirements.

If land is to be dedicated, pursuant to Section 810.107(a) of the San Diego County Code, Owner agrees to offer the land for dedication prior to the approval of the Final Map by the Board.

If fees alone are to be paid, or fees are to be paid in combination with the dedication of land, pursuant to Section 810.107(b) of the San Diego County Code, Owner agrees to pay the full amount specified above prior to the issuance of any building permit or prior to the date upon which all subdivision improvements are to be completed, whichever occurs
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first. Owner further agrees to secure the obligation to pay the amount required by this Paragraph, by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Agreement and Final map for approval by the Board.

FOURTH: DRAINAGE FEES. Government Code Section 66483 and Section 810.208 of the San Diego County Code require the payment of drainage fees. Owner agrees to pay drainage fees to the County in the amount of \$ N/A in satisfaction of these requirements. Owner agrees to pay the full amount specified prior to approval of the Final Map if a reimbursement agreement exists for the Local Drainage Area. If no reimbursement agreement exists, Owner agrees to pay the fees prior to the earliest of the following:

- (a) the date of issuance of any building permit except for building permits for model houses;
- (b) the date all subdivision improvements are completed and accepted by the County;
- (c) the date construction commences of any portion of a master planned flood control facility within the Local Drainage Area;
- (d) the date of execution of a reimbursement agreement for facilities constructed within the Local Drainage Area.

Owner further agrees to secure the obligation to pay the amount required by this paragraph, by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Agreement and Final Map for approval by the Board.

FIFTH: TAX AND ASSESSMENT LIENS. Section 66493 of the Subdivision Map Act requires Owner to post security whenever any part of the subdivision is subject to a lien for taxes or special assessments collected as taxes which are not yet payable. Owner hereby agrees to pay, or causes to be paid, when due, all State, County, municipal and local taxes, and the current installment of the principal and interest of all special assessments collected as taxes which at the time the Final Map is recorded are a lien against such subdivision, or any part thereof, but which are not yet payable. Owner further agrees to secure the obligation to pay such taxes and assessment liens by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", at the time of submitting this Agreement and Final Map for approval by the Board.

In accordance with Section 81.109 of the San Diego County Code, whenever security pursuant to this Paragraph is filed with the Board, the Clerk of the Board, upon written notification by the Tax Collector that the total amount of such taxes or special assessments has been paid in full, may release the security.

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In the event that the taxes or special assessments are allowed to become delinquent, pursuant to Section 66494 of the Subdivision Map Act, the Clerk of the Board shall apply the proceeds of the security required by this Paragraph to the payment of any such taxes or special assessments, including penalties and costs.

SIXTH: OWNER'S LIABILITY FOR DAMAGES. Neither the District, the County, nor the officers or employees of either shall be liable or responsible for any accident, loss or damage happening or occurring to the work or improvements specified in this Agreement prior to their completion and acceptance. Nor shall the District, County, nor the officers or employees of either be liable for any person or property injured by reason of the work or improvements. All of the aforesaid liability shall be assumed by Owner. Owner further agrees to protect the District, County, and the officers and employees of either from all liability or claim because of, or arising out of, the use of any patent or patented article in conjunction with the construction of the improvements required by this Agreement.

SEVENTH: OWNER'S LIABILITY FOR EXPENSES. Neither the District, County, nor the officers or employees of either shall be liable for any portion of the expense of the work or improvements specified in this Agreement, or for the payment for any labor or materials furnished in connection with such work or improvements.

EIGHTH: OWNER'S DUTY TO PROTECT PUBLIC. Owner further agrees that, at all times from the acceptance by the District and the Board of the streets and/or easements offered for dedication in this subdivision up to the completion and acceptance of the improvements by the District and the Board, he will give good and adequate warning to the public of each and every dangerous condition existing on the property being improved, and he will protect the public from any and all such defective or dangerous conditions. It is understood and agreed that, until completion of all improvements to be performed under this Agreement, those improvements to be located in the streets and/or easements not accepted as improved shall be under the charge of Owner for the purposes of this Agreement, and Owner, upon receipt of a street closure permit issued by the Director, may close all or any portion of any specified street whenever it is necessary to protect the traveling public during the construction of improvements required by this Agreement. Owner further agrees to pay for the inspection of streets and/or easements as may be required by the Director and the District.

NINTH: TYPES OF IMPROVEMENT SECURITY. Pursuant to Sections 66462 and 66499 of the Subdivision Map Act, it is further agreed that Owner shall file security with the District and the Clerk of the Board at the time of submitting this Agreement and Final Map for approval by the Board. The security shall consist of one of the following types:

1. Bond or bonds by one or more duly authorized corporate sureties;
2. A deposit with the District and the Clerk of the Board of money or negotiable bonds of the kind approved for securing deposits of public moneys;

3. An instrument of credit from one or more financial institutions subject to regulation by the state or federal government and pledging that the funds necessary to carry out the obligations of this Agreement are on deposit and guaranteed for payment;

4. An irrevocable standby letter of credit from one or more financial institutions subject to regulation by the state or federal government.

TENTH: AMOUNTS OF SECURITY. Security shall be in the following amounts and shall fulfill the following purposes:

1. Security for Faithful Performance. Security given for the faithful performance of all acts and improvements required by this Agreement in amounts not less than one hundred percent (100%) of the total estimated costs of the improvements or of the acts to be performed, which amounts with the acts or improvements to which they apply are more specifically described as follows:

Streets and Drainage Improvements	\$3,685,500
Sewer Improvements	\$ 729,600
Water Improvements	\$ 814,200
Work and Improvements	\$5,229,300
Monumentation	\$ 25,000
Total Estimated Amount	\$5,254,300

(a) Partial Release of Security for Work and Improvements in the First Paragraph. Pursuant to Section 66499.7 of Subdivision Map Act and upon the partial performance of the work as it progresses, Owner may be entitled to partial releases of the security for work and improvements specified in the First Paragraph. However, no reduction in such security will be authorized (1) where the District or the Director determines that more than fifty percent (50%) of the amount of work remains to be completed; (2) where the reduction results in a remaining security of less than five percent (5%) of the original security; (3) where there has been twice previously processed partial releases of such security in conjunction with this Agreement.

No reduction in security for the work and improvements specified in the First Paragraph will apply to the required warranty period described below, to the five percent (5%) determined necessary for such warranty, or to costs, fees, and reasonable expenses, including attorney's fees.

(b) Completion of Work and Improvements Specified in the First Paragraph.

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Pursuant to Section 81.408 of the San Diego County Code, in the event that the work and improvements specified in the First Paragraph are completed within the time and upon the terms and conditions of this Agreement, Owner is entitled to a release of the security in a sum equal to ninety-five percent (95%) of the value of such security originally pledged, less previous payments advanced.

(c) Release of Security for Performance of Acts Not Involving Work and Improvements. Owner is entitled to a release of one hundred percent (100%) of the security posted for performance of acts or contractual obligations which do not involve the performance of the work and improvements specified in the First Paragraph upon completion of such acts and/or contractual obligations.

(d) Owner's Failure of Performance. In the event that the acts, improvements, or contractual obligations specified herein are not completed within the time and upon the terms and conditions of this Agreement, the District or the County may pursue any or all of the following remedies:

(1) Cause such portions of the work to be done and take such protective measures as are deemed necessary to complete the work. Accordingly, Owner agrees that the District or the County, or the agents, employees or representatives of either may enter upon Owner's property to effect the appropriate work and necessary measures.

(2) May apply the security for faithful performance, or any balance thereof, to the construction or completion of the work or installation of improvements or the satisfying of any contractual obligation remaining pursuant to this Agreement.

(3) Pursue legal remedies in any court of competent jurisdiction for damages not covered by the security or to seek specific performance of the terms and conditions of this Agreement.

2. Security for Payment. Good and sufficient security in an amount not less than fifty percent (50%) of the estimated costs specified in the Second Paragraph of the work and improvements required in the First Paragraph, securing payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to the contractors or subcontractors for the improvements. This security shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this security.

The Security for Payment may, after passage of the time within which claims of lien are required to be recorded pursuant to Article 2 (commencing with Section 8410) of Chapter 4 of Title 2 of Part 6 of Division 4 of the Civil Code and after acceptance of the work by the County, be reduced to an amount not less than the total claimed by all
CCSF 84.86

claimants for whom claims of lien have been recorded and notice thereof given in writing to the Board, and if no such claims have been recorded, the security may be released in full.

3. Warranty. A one-year warranty of the work and improvements specified in the First Paragraph secured by continuing in effect for a period of one year five percent (5%) of the security for faithful performance for such work and improvements following completion and acceptance of the work and improvements by the District and Board. Pursuant to this warranty, Owner, at his sole expense, agrees to repair or replace any and all work required under this Agreement that may prove defective in workmanship and/or materials, together with any other work which may be affected by this repair, within a one-year period from the date of acceptance of the work and improvements by the District and Board. Work necessitated, however, by ordinary wear and tear, or unusual abuse or neglect, shall not be included in this warranty.

The District or the Director shall give Owner notice of the existence of such defects with reasonable promptness. Owner shall notify the District or the Director upon completion of repairs. Should Owner fail to comply with the District or County's request for repairs within one week of receiving the written notification, the District or the County is authorized to have the defects repaired and made good at the expense of Owner who hereby agrees to pay the cost for such work immediately upon demand. In an emergency, the District or County may repair any defect without prior notification to Owner. The District or the County's decision to repair defects in no way relieves Owner of the warranties given in this provision.

ELEVENTH: CHANGES. Upon mutual consent of the Owner, the District and the County, there may be made such changes, alterations, or additions to the plans and specifications for the work and improvements specified in the First Paragraph which do not exceed ten percent (10%) of the original estimated cost of the work and improvements and which the District or the Director determines to be necessary and desirable for the proper completion of the improvements. No changes, alterations, or additions shall relieve any security obligations given for the faithful performance of this Agreement.

TWELFTH: EXTENSION OF TIME. It is further agreed by and between the parties that in the event it is deemed necessary to extend the time of completion of the work and improvements contemplated under this Agreement, said extension may be granted upon the Owner's request by the District for work and improvements specified in the First Paragraph, subparagraph 2 or by the Board for all other work and improvements or the performance of acts or contractual obligations and shall in no way affect the validity of this Agreement or release any security obligations given for the faithful performance of this Agreement.

THIRTEENTH: COSTS OF ENFORCING JUDGMENT. As part of the security given for the faithful performance of this Agreement and in addition to the face amount specified therefor, there shall be included costs and reasonable fees, including reasonable attorney's fees, incurred by the District or the County in successfully enforcing such

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obligation, all to be taxed as costs and included in any judgment rendered.

FOURTEENTH: EXERCISE OF RIGHTS BY DISTRICT OR COUNTY. Whenever in this Joint Agreement references are made to the rights of "County and/or District" or to "County or District" and the exercise of rights, the parties hereto agree that such rights may be exercised by the County or the District either (1) jointly, or (2) severally and individually with either County or District acting independently of the other.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the date first above written.

DEVELOPMENT SOLUTIONS BON, LLC, a Delaware Limited Liability Company, Owner

By:  _____
Judd Gilats, Vice President

COUNTY OF SAN DIEGO

By _____
Clerk, Board of Supervisors

RAINBOW MUNICIPAL WATER DISTRICT

By  _____
Name Title 6/8/16

Note: (1) Signatures must be acknowledged; and
(2) Appropriate security must be attached.

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 SAN DIEGO)

On JUNE 8, 2016 before me, DAWN M. WASHBURN, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared THOMAS MICHAEL KEENEY
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 [Handwritten 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 JOINT AGREEMENT TO MAKE
Title or Type of Document: MARSH SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5418-1 Document Date: JUNE 8, 2016
Number of Pages: 11 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: _____

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE WAIVING OF LATE FEES THROUGH JUNE 1, 2020

BACKGROUND

On March 17, 2020 Rainbow MWD declared a Local State of Emergency within Rainbow MWD service area related to the COVID-19 outbreak. As of the date this document was drafted, more than 17 million Americans had lost their jobs as a result of the Covid-19 shutdowns.

DESCRIPTION

In response to the economic impacts Covid-19 is having both directly and indirectly on our customers, this item is to provide an opportunity for the Board to consider having the district not charge late fees for non-payment through June 1, 2020. In addition, the District has suspended all water shut-offs for non-payment through June 1, 2020 per executive order of the governor. Customers will still be responsible for paying their bill.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility
Strategic Focus Area Five: Customer Service

BOARD OPTIONS/FISCAL IMPACTS

The fiscal impact of this is budgeted at \$22,500 per month for a two-month total of \$45,000

The Board has several options:

1. Approve waiving late fees through June 1, 2020.
2. Approve waiving late fees through another date.
3. Direct staff to develop 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 supports waiving late fees through June 1, 2020.


Tracy Largent, CPA
Finance Manager

April 28, 2020

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

CONSIDER APPROVAL OF CONTRACT WITH LANCE, SOLL & LUNGHART, LLP (LSL) FOR AUDITING SERVICES

BACKGROUND

In late February 2020, staff issued a Request for Proposals (RFP) for Auditing services. The deadline for the RFP proposals was March 20th. A review process was completed April 13, 2020 by the finance manager. The review would normally have gone to the Budget & Finance Committee, but the committee did not meet this month. The selected firm LSL was chosen as a result of their attention to detail to the scope of work. Their firm was the only one to address all three of the additional services required, separate from the auditing services that were stated in the RFP. The district's current audit firm has been reluctant to assist in drafting a Comprehensive Annual Financial Report (CAFR) for the district, stating that it would be difficult due to the district's prior year adjustments. The current finance staff has prior experience with LSL drafting CAFRs for other entities that had prior year adjustments.

DESCRIPTION

Proposals submitted which conform to the requirements of this Request for Proposal were evaluated based upon the following criteria:

1. The firm's past experience and performance on comparable government engagements
2. The quality of the firm's professional personnel to be assigned to the engagement
3. Planning of the examination
4. Availability of qualified staff
5. Adherence to instructions in the request for proposals

Since this engagement will be through a Professional Services Agreement, the selection process was not based on fees – this is not a low bid contract. The firms were evaluated on their technical merits. The fee schedule provided by the selected firm will serve as the basis for contract negotiations.

Attachment A. Lance, Soll & Lunghart Contract

Attachment B. Grading Matrix

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management

The firm selected has agreed to provide guidance on importing capital assets into the financial record that were not entered in prior years. The objective of this procedure, as stated by the audit firm, will be to assist in the creation of an asset valuation for entity-wide and fund reporting consistent with generally accepted

accounting principles (GAAP) that is adequate to support an unmodified opinion, supported, where appropriate, by a physical inventory of assets.

Strategic Focus Area Four: Fiscal Responsibility

Best practices for government agencies include an RFP for auditors every five years. Changing an auditor could help ensure independence and objectivity. Also, the addition of a CAFR to the district's financial reporting increases transparency to the public. It is a comprehensive document that allows the user to understand the district's financial performance.

BOARD OPTIONS/FISCAL IMPACTS

The fiscal impact of this is \$34,640 for FY 2020/21, \$35,670 for FY 2021/22, and \$36,730 for FY 2022/23. Funds for Auditing services are included in the annual operating budget. The new contract has a minimal \$200 increase over the current auditor contract that ended for auditing the FYE 2018/19.

The Board has several options for this Action Item:

1. Authorize the General Manager to execute the contract with Lance, Soll, Lunghart, LLP.
2. Direct the General Manager to negotiate changes to the contract for later approval.
3. Reject the contract which would retain the current Auditing Firm until later action by the Board.

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 supports option 1.



Tracy Largent, CPA
Finance Manager

April 28, 2020



PREPARED BY:

Lance, Soll & Lunghard, LLP
Certified Public Accountants
203 N. Brea Blvd., Suite 203
Brea, CA 92821
(714) 672-0022
Firm License Number: 2584
Firm EIN: 95-2700123

Proposal Presented to

RAINBOW MUNICIPAL WATER DISTRICT

FOR
PROFESSIONAL AUDITING SERVICES

CONTACT PERSON:

Bryan S. Gruber, CPA, Partner
Bryan.Gruber@slcpas.com
(714) 672-0022

March 16, 2020

Focused
on YOU





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TRANSMITTAL LETTER

March 16, 2020

Rainbow Municipal Water District
Attn: Tracy Largent, CPA, Finance Manager
3707 Old Highway 395
Fallbrook, California 92803

LANCE, SOLL & LUNGHARD, LLP (LSL) is pleased to respond to your request for proposal for audit services. As a leader in the field of governmental accounting and auditing, we appreciate this opportunity to present our professional qualifications. Because of our extensive California local government experience, dedication to excellence, and determination to retain the brightest talent, we hope you find that LSL is the most qualified accounting firm to provide professional audit services to Rainbow Municipal Water District (the District).

ANNUAL SERVICES

The District will receive the following for three (3) years beginning with the fiscal year ending June 30, 2020, with the option to renew for two (2) subsequent fiscal years.

- We will perform an audit of the District. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. We understand that we are responsible for preparing, formatting, and word processing the basic financial statements, notes to the basic financial statements, and required supplementary information for the District's Comprehensive Annual Financial Report (CAFR) in accordance with GASB 34 and the requirements of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program. We will perform limited procedures on the management's discussion and analysis, required supplementary information, and supplemental information to ensure accuracy and consistency throughout the report.
- We will prepare management letters in accordance with SAS 114 and SAS 115. The SAS 115 management letter will disclose material weaknesses or significant deficiencies in internal controls, compliance matters that could have a direct and material effect on the financial statements, and other matters. The SAS 114 letter will provide information on the scope of the audit and the auditor's responsibility, any audit adjustments or significant findings, and any difficulties or disagreements with management. We will also issue a separate "management letter" which will include recommendations and other significant observations that are non-reportable conditions and will be addressed to the District management.
- We will prepare the Annual State Controller's Report for the District.
- Review of the Investment Policy to provide assurances of strong internal controls by reviewing compliance with established policies and procedures. The result of this review will be included with the annual audit report to the Board of Directors.
- Provide guidance, as part of an agreed-upon procedure, on importing capital assets into the financial record that were not entered in prior years. The objective of this procedure will be to assist in the creation of an asset valuation for entity-wide and fund reporting consistent with generally accepted accounting principles



(GAAP) that is adequate to support an unmodified audit opinion, supported, where appropriate, by a physical inventory of assets.

LSL is a public accounting firm licensed by the State of California, Department of Consumer Affairs, as a Public Accounting Partnership. All key staff assigned to the audit of the District will be licensed as Certified Public Accountants by the State of California, Department of Consumer Affairs. LSL is independent with respect to the District and we are an Equal Opportunity Employer. LSL has no conflict of interest regarding any other work performed for the District. We are committed to providing the services discussed above in accordance with the timetable specified in your request for proposal. This proposal is a firm and irrevocable offer for 60 days. For purposes of this proposal, Bryan S. Gruber, CPA, Partner, is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District. I can be reached at the address below or by phone at (714) 672-0022, or through email at Bryan.Gruber@lslcpas.com.

A handwritten signature in blue ink, appearing to read "B. Gruber", is positioned above the typed name.

Bryan S. Gruber, CPA
Engagement Partner
203 N. Brea Blvd., Suite 203
Brea, California 92821



BENEFITS TO WORKING WITH LSL

In today's environment, keeping up with the numerous accounting and regulatory changes can seem unmanageable. Finance departments are facing more complexity, risk, and change than ever before, and with less resources. As the industry continues to evolve, a strategic relationship with LSL, can help you better manage these changes and be more equipped for the future. Training and communication are the bridge that connects us. We offer to our clients:

1) Annual Governmental Accounting Update

Annually, we hold a half-day seminar providing an update to new accounting and regulatory standards impacting local governments. The goal is to provide useful relevant information that impacts your organization.

2) Annual Onsite Client Specific Training

We offer tailored training for your organization on topics that are most relevant and needed for you and your team. Topics may include fraud risk management, internal controls, accounting pronouncements, governmental accounting, and CAFR preparation.

3) Focused Topic Specific Webinars and Ongoing News & Alerts

Important topics affecting local governments sometimes need more attention and explanation. In addition to our annual update, our webinars and news offer a short, focused approach to these critical areas.

4) Meetings with Councils & Committees

We believe communication is the key to a successful relationship and offer two annual meetings with your Board of Directors and/or Budget & Finance Committee. Both meetings encourage dialogue between LSL and the Board and the Committee during the preliminary and concluding segments of the audit.

5) Best Practices

Best practices for government agencies include an RFP for auditors every five (5) years. Changing an auditor could help ensure independence and objectivity.

At LSL, we understand that changing auditors can be challenging. This often requires a broad learning curve resulting in unmet expectations. LSL takes pride in open and consistent communication to seamlessly transition a new client and close the expectations gap. We bring the tough issues to the discussion table immediately in order to eliminate the element of surprise.



1. LICENSE TO PRACTICE IN CALIFORNIA

LSL is a public accounting firm licensed by the State of California, Department of Consumer Affairs, as a Public Accounting Partnership. As a firm, we are members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. All key staff to be assigned to this engagement are or will be licensed by the State of California to practice as Certified Public Accountants.

2. INDEPENDENCE

We meet the independence requirements as defined by *Government Auditing Standards* for the District. Our partners do not own any other business organization that has in the past, or will in the future, be providing services, supplies, materials or equipment to the District. We have not had any professional relationship with District within the past five years. LSL will provide written notice of any reportable professional relationship entered into during the period of the proposed agreement.

3. FIRM QUALIFICATIONS & EXPERIENCE

LSL is a regional public accounting firm that currently meets the auditing needs of governmental entities throughout California. Services to local government entities have been provided since 1929. This experience has led to the development of efficient procedures that provide numerous client benefits.

Our clients have grown to understand that an audit from LSL provides them with a wealth of knowledge, confidence, and value-added services. For this and many other reasons, our firm has consistently been named one of the “Top Accounting Firms” in Orange County by the Orange County Business Journal and one of the “Top Workplaces in 2016 and 2017” in Orange County by the Orange County Register. We are also on the list of CalCPA Top 150 firms, as of 2017.

SIZE OF THE FIRM AND SIZE OF THE FIRM’S GOVERNMENT AUDIT STAFF

Our firm has approximately 120 employees, including 17 partners and professional staff of approximately 85. Governmental staff consists of four partners, two senior managers, three managers, five supervisors, and ten senior auditors, and approximately 20 professional staff. All professional staff assigned to the proposed engagement work on a full-time basis.

LOCATION OF OFFICES

LSL is a regional firm with offices in Brea (headquarters), Santa Ana, and Sacramento, California. The audit for the District will be staffed from our Brea location.



NUMBER AND NATURE OF PROFESSIONAL STAFF TO BE ASSIGNED TO THE ENGAGEMENT

The most critical component in the successful completion of an audit is the personnel assigned to carry out the audit tasks and responsibilities. We have assembled a team composed of individuals with the optimum mix of skills and talents. The individuals assigned have experience performing the tasks for which they are responsible, as well as familiarity with all municipal accounting operations. In addition, each has developed extensive skills in a variety of complementary subjects through their work with clients in other industries. Thus, the experience gained on previous assignments can be applied and tailored to the unique needs of your organization. For the District, the personnel assigned and their roles and number of years of experience auditing governmental entities in California is as follows:

- Bryan S. Gruber, CPA – Engagement Partner: 16 years
- Deborah A. Harper, CPA – Quality Assurance Partner: 19 years
- Ryan C. Domino, CPA – Audit Manager: 7 years
- Geoffrey K. Horita, CPA– Senior Auditor: 4 years

The audit team will also include one additional staff auditor for audit fieldwork. All staff assigned to the District work on a full-time basis.

LSL will ensure the quality of staffing over the term of the engagement through firm policies which provide for maintaining continuity of engagement teams, except in instances where an employee has left the firm or has been promoted. All changes, senior-level and above will be approved by the District. If changes are required, our extensive team of government auditors provide for qualified replacements.

RANGE OF ACTIVITIES PERFORMED BY THE BREA OFFICE

Our Brea office's activities overall cover auditing and attestation, business advisory, taxes and planning, and accounting and financial services. Our government attestation activities represent approximately 30% of the overall firm activities. As a firm, we have extensive experience with audits of municipalities' compliance with OMB Circular A-133 and the Uniform Guidance. We are familiar with nearly all federal and state grant programs typically participated in by municipalities. We have also performed engagements related to bond reporting, including issuing letters of comfort and other services.

EXTERNAL QUALITY CONTROL REVIEWS

We have participated in the peer review program since its inception. All our peer reviews covered governmental engagements and have received pass ratings. The most recent completed peer review was conducted by Sikich, and a copy of the report is included on the next page. **Currently, the firm is in the final stages of completion of an updated peer review and will provide the completed report when available.**

DESK REVIEWS/DISCIPLINARY ACTION

There have been no disciplinary actions against our organization since its inception. Our Single Audit reports are desk reviewed either by the Federal cognizant agency or the State Controller's Office acting as the Oversight Agency. We have never had a report rejected by any of these agencies. In fact, we are highly regarded and recognized by the staff of the State Controller's Office for top quality reports.



1735 Merriman Road
Akron, OH 44313

330.864-6661 // www.sikich.com
Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

SYSTEM REVIEW REPORT

October 26, 2016

To the Partners of Lance, Soll & Lunghard, LLP
and the Peer Review Committee of the California Society of CPA's:

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the Firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

Sikich LLP



Bryan S. Gruber, CPA
Engagement Partner



Deborah A. Harper, CPA
Quality Assurance Partner



Ryan C. Domino, CPA
Audit Manager



Geoffrey K. Horita, CPA
Senior Auditor

4. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

KEY PERSONNEL AND RESPECTIVE RESPONSIBILITIES

The individuals assigned have experience in performing the tasks for which they are responsible, as well as familiarity with all governmental accounting operations. In addition, each has developed skills with cities, counties, and various types of enterprise governments. Thus, the experience gained on previous assignments can be applied and tailored to the unique needs of your organization. **LSL will not be subcontracting any portion of the audit of the District.**

The partners at LSL are routinely an integral part of the audit process and will be overseeing and supervising staff personnel in the field.

Resumes of the key personnel assigned are included on the following pages and list their governmental auditing experience, applicable continuing professional education for the past three years, and memberships in professional organizations relevant to the performance of the audit of the District.

Any changes in personnel at the in-charge level or above will be approved by the District. LSL's philosophy is to provide **quality audit services with minimal disruption to District staff.** Our focused efforts to obtain and retain quality staff have further enabled us to provide high level of services to our clients.

CONTINUING EDUCATION

As a firm policy, and to ensure the quality of our staff's work, all professional government staff must meet the requirement of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Our educational programs include training from CalCPA, AICPA, Government Audit Quality Center, and GFOA.



BRYAN S. GRUBER, CPA
ENGAGEMENT PARTNER

ACHIEVEMENTS

Bryan is a recognized expert in the field of Governmental Accounting and Auditing. He has made numerous presentations for CSMFO at the annual conference and local chapter meetings throughout the state on current accounting and auditing material. He has also served as a technical reviewer for the Government Finance Officers Association (GFOA) for over 10 years. Bryan routinely teaches current audit and accounting related material at Lance, Soll & Lunghard, LLP's training seminars, webinars, and client education workshops and training events.

LICENSE

Certified Public Accountant - California 2008

CONTINUING EDUCATION

Total hours were 132 in last three years of which **74 were in governmental accounting and auditing subjects**. Bryan has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

- California Society of Certified Public Accountants (CalCPA)
- American Institute of Certified Public Accountants (AICPA)
- California Society of Municipal Finance Officers, Associate Member (CSMFO)
- Government Finance Officers Association, Associate Member (GFOA)
- Association of Local Government Auditors

EXPERIENCE

Bryan has over sixteen years of experience in governmental audits including CAFR audits, component-unit audits and Single Audits. He has also made numerous presentations to City Councils, Boards of Directors and Audit Committees. He has been involved in the following governmental engagements:

- City of Redondo Beach
- City of Burbank
- City of Santa Barbara
- City of Emeryville
- Foothill Transit Authority
- San Diego County Water Authority
- Union Sanitary District
- Monterey One Water

- Orange County Water District
- Three Valleys Municipal Water District
- City of Oceanside
- City of Palm Springs
- Orange County Fire Authority
- City of Solana Beach
- Orange County Sanitation District
- Ontario International Airport



Bryan S. Gruber, CPA, Engagement Partner (Continued)

This work entailed:

- The preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the Government Finance Officers Association of the United States and Canada.
- Review the audit of these entities provide and technical assistance throughout the year to provide the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.
- Risk assessment, internal controls evaluation with COSO and Federal Green Book
- Single Audits in accordance with new Uniform Guidance

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting –
California State University, Fullerton, 2004



DEBORAH A. HARPER, CPA
QUALITY ASSURANCE PARTNER

ACHIEVEMENTS

Deborah was accepted as a 2015 and 2016 executive committee member of the AICPA Government Audit Quality Center, which is a national division for governments. As an executive board member, Deborah participates in the development, review, and first-hand discussion of new standards and guidance published in the AICPA Audit Guides which is provided to audit firms across the country.

In 2017, Deborah participated in the GASB Research Note Disclosure Reexamination Roundtable.

Deborah leads the Lance, Soll & Lunghard, LLP training program and serves as the firm Learning Director.

LICENSE

Certified Public Accountant - California 2005

CONTINUING EDUCATION

Total hours were 132 in last three years of which **68 were in governmental accounting and auditing subjects**. Deborah has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)
California Society of Municipal Finance Officers, Associate Member (CSMFO)
Government Finance Officers Association, Associate Member (GFOA)
Governmental Accounting and Auditing Committee
AICPA Government Audit Quality Center

EXPERIENCE

Deborah has over nineteen years of experience in governmental audits. During her time with the firm, she has performed all phases of our government audits and made numerous presentations to Boards of Directors and Audit Committees.



Deborah A. Harper, CPA, Quality Assurance Partner (Continued)

She has been involved on the following similar engagements:

Cucamonga Valley Water District	Sutter County
Coachella Valley Water District	Yolo County
Inland Empire Utilities Agency	City of Riverside
East Bay Municipal Utilities District	City of Camarillo
City of Pasadena	City of Thousand Oaks
City of Santa Monica	City of Corona
City of Monrovia	City of Banning
City of Orange	City of Claremont
City of Seal Beach	City of Brea

This work entailed:

- The preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the California Society of Municipal Finance Officers and the Government Finance Officers Association of the United States and Canada.
- Review the audit of these entities and provide technical assistance throughout the year to deliver the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.

TRAINING COURSES

Deborah provides training courses throughout California. She provides training to the California Association of State Auditors, the County Auditors, and the California Society of Municipal Finance Officers. In addition, Deborah provides courses to a variety of Cities throughout the year on current and upcoming GASB pronouncements.

Recent courses included:

- GASB 87, Lease Accounting
- Introductory to Government Accounting
- GASB update
- Preliminary Views on Financial Reporting
- Internal Control Risk Assessments

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting – California State University, Fullerton, 2000



RYAN C. DOMINO, CPA
AUDIT MANAGER

ACHIEVEMENTS

Ryan currently serves as a technical reviewer for the Government Finance Officers Association (GFOA). He has been involved with teaching current audit and accounting related material at Lance, Soll & Lunghard’s in-house training seminars. Ryan has also earned the Advanced Single Audit Certification issued by the AICPA, for planning, performing, and evaluating Single Audits in compliance with the Uniform Guidance.

LICENSE AND CERTIFICATIONS

Certified Public Accountant - California 2016
 License Number: 130928

Advanced Single Audit Certificate – 2018
 Certificate ID: 14978884
 Verify at: credly.com/verify/e48f44

CONTINUING EDUCATION

Total hours were 234 in last three years of which **192 were in governmental accounting and auditing subjects**. Ryan has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

- California Society of Certified Public Accountants (CalCPA)
- American Institute of Certified Public Accountants (AICPA)
- California Society of Municipal Finance Officers, Associate Member (CSMFO)
- Government Finance Officers Association, Special Review Committee Member (GFOA)

EXPERIENCE

Ryan has over seven years of experience in governmental auditing including financial statement audits (including audits and preparation of Comprehensive Annual; Financial Reports), Housing Successor compliance audits, TDA compliance audits, Single Audits, and various consulting and agreed-upon procedures projects. Ryan is one of the firm’s leaders for ensuring audit quality control and Government Practice training for staff. He has also made several presentations to City Councils, Boards of Directors, and Audit Committees.



Ryan C. Domino, CPA, Audit Manager (Continued)

Ryan has been involved in the following municipal engagements:

Big Bear Fire Authority	City of Rosemead
City of Agoura Hills	City of San Bernardino Municipal Water Dept.
City of Bell	City of San Clemente
City of Big Bear Lake	City of San Marino
City of Canyon Lake	City of Santa Monica
City of Fullerton	City of Solana Beach
City of Indio	City of Vista
City of Inglewood	Coachella Valley Association of Governments
City of Malibu	Covered California
City of Moorpark	Inland Empire Utilities Agency
City of Oceanside	Los Angeles County Development Authority
City of Pasadena	Orange County Fire Authority
City of Riverside	San Joaquin Council of Governments
City of Rolling Hills	Six Basins Watermaster

This work entailed:

- The preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the California Society of Municipal Finance Officers and the Government Finance Officers Association of the United States and Canada.
- Review the audit of these entities and provide technical assistance throughout the year to deliver the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting – California State University, Fullerton, 2012



GEOFFREY K. HORITA, CPA
SENIOR AUDITOR

LICENSE

Certified Public Accountant - California 2019
License Number: 141033

CONTINUING EDUCATION

Total hours were 241 in last three years of which **200 were in governmental accounting and auditing subjects**. Amira has met the Governmental Auditing Standards requirement for governmental CPE.

EXPERIENCE

In the time that Geoffrey has been with LSL, he has evolved in an exceptional manner. During his time with the firm, Geoffrey has performed all significant phases of our governmental audits including cities, special districts, CAFR audits, Successor Agency audits, and Single Audits. He has been involved in the following municipal engagements:

- | | |
|---|--|
| City of Chula Vista | City of Inglewood |
| City of Indio | City of Santa Monica |
| City of Oceanside | City of Imperial Beach |
| City of San Clemente | Los Angeles County Development Authority |
| City of Santa Fe Springs | San Diego County Water Authority |
| Inland Empire Utilities Agency | City of Rolling Hills |
| Ontario International Airport Authority | City of Pasadena |
| Three Valleys Municipal Water District | City of Riverside |

EDUCATION

Bachelor of Science in Business Administration, Concentration in Accounting – California State University, Pomona, 2016

5. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

COACHELLA VALLEY WATER DISTRICT

Scope of Work: Audit and preparation of a CAFR which receives the GFOA Award. Single Audit in accordance with the Uniform Guidance. Preparation of both the Agency's and their Financing Authority's Annual Transactions Reports for the State Controller's Office.

Date: Services have been performed since 2014, and most recently for the fiscal year ended June 30, 2019.

Engagement Partner: Ms. Deborah A. Harper

Client Contact: Mr. Geoffrey Kiehl, Finance Director

Phone: (760) 398-2661

ORCHARD DALE WATER DISTRICT

Scope of Work: Audit of basic financial statements.

Date: Services performed for June 30, 2019

Engagement Partner: Mr. Bryan S. Gruber

Client Contact: Mr. Ron Richard, Finance Manager

Phone: (562) 941-0114

INLAND EMPIRE UTILITIES AGENCY

Scope of Work: Audit of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA Award. Audit and preparation of the financial statements for the Agency's blended component unit, the Chino Basin Regional Financing Authority. Audit of the Agency's joint powers authority, the Inland Empire Regional Composting Authority. Single Audit in accordance with the Uniform Guidance. Application of agreed-upon procedures over the calculation of the Agency's Appropriations Limit as required by Article XIII B Section 1.5 of the California Constitution.

Date: Services have been performed since 2016, and most recently for the fiscal year ended June 30, 2019.

Engagement Partner: Ms. Deborah A. Harper

Client Contact: Mr. Javier Chagoyen-Lazaro, Manager of Finance and Accounting

Phone: (909) 993-1675

MONTEREY ONE WATER

Scope of Work: Audit and preparation of a CAFR which receives the GFOA Award. Single Audit in accordance with the Uniform Guidance. Preparation of both the Agency's and their Financing Authority's Annual Transactions Reports for the State Controller's Office.

Date: Services have been performed since 2015, and most recently for the fiscal year ended June 30, 2018.

Engagement Partner: Mr. Bryan S. Gruber

Client Contact: Mr. Fred Marsh, CFO

Phone: (831) 372-3367

THREE VALLEYS MUNICIPAL WATER DISTRICT

Scope of Work: Audit of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA Award.

Date: Services have been performed since 2010, and most recently for the fiscal year ended June 30, 2019.

Engagement Partner: Mr. Bryan S. Gruber

Client Contact: Mr. James Linthicum, CFO

Phone: (909) 626-4631

6. REFERENCES

INLAND EMPIRE UTILITIES AGENCY

Scope of Work: Audit of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA Award. Audit and preparation of the financial statements for the Agency's blended component unit, the Chino Basin Regional Financing Authority. Audit of the Agency's joint powers authority, the Inland Empire Regional Composting Authority. Single Audit in accordance with the Uniform Guidance. Application of agreed-upon procedures over the calculation of the Agency's Appropriations Limit as required by Article XIII B Section 1.5 of the California Constitution.

Date: Services have been performed since 2016, and most recently for the fiscal year ended June 30, 2019.

Engagement Partner: Ms. Deborah A. Harper

Client Contact: Mr. Javier Chagoyen-Lazaro, Manager of Finance and Accounting

Phone: (909) 993-1675

COACHELLA VALLEY WATER DISTRICT

Scope of Work: Audit and preparation of a CAFR which receives the GFOA Award. Single Audit in accordance with the Uniform Guidance. Preparation of both the Agency's and their Financing Authority's Annual Transactions Reports for the State Controller's Office.

Date: Services have been performed since 2014, and most recently for the fiscal year ended June 30, 2019.

Engagement Partner: Ms. Deborah A. Harper

Client Contact: Mr. Geoffrey Kiehl, Finance Director

Phone: (760) 398-2661

ORCHARD DALE WATER DISTRICT

Scope of Work: Audit of basic financial statements.

Date: Services performed for June 30, 2019

Engagement Partner: Mr. Bryan S. Gruber

Client Contact: Mr. Ron Richard, Finance Manager

Phone: (562) 941-0114

MONTEREY ONE WATER

Scope of Work: Audit and preparation of a CAFR which receives the GFOA Award. Single Audit in accordance with the Uniform Guidance. Preparation of both the Agency's and their Financing Authority's Annual Transactions Reports for the State Controller's Office.

Date: Services have been performed since 2015, and most recently for the fiscal year ended June 30, 2019.

Engagement Partner: Mr. Bryan S. Gruber

Client Contact: Mr. Fred Marsh, CFO

Phone: (831) 372-3367

THREE VALLEYS MUNICIPAL WATER DISTRICT

Scope of Work: Audit of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA Award.

Date: Services have been performed since 2010, and most recently for the fiscal year ended June 30, 2019.

Engagement Partner: Mr. Bryan S. Gruber

Client Contact: Mr. James Linthicum, CFO

Phone: (909) 626-4631



7. SPECIFIC AUDIT APPROACH

PROPOSED SEGMENTATION OF THE ENGAGEMENT

The services will be divided into three segments.

Segment 1 - Planning and Obtaining an Understanding:

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center information letter. The audit communication letter is to be provided to the Board of Directors. In addition, this can be communicated orally to the Board and/or sub-committee, if requested. This communication will discuss the planning stages, the responsibilities of the Board, auditors, and management, and provide an opportunity for communication with us as the auditors.

LSL's audit team will meet prior to our initial on-site visit to brainstorm and discuss economic conditions, industry elements, and new standards that will affect the District. A trial balance is requested for our planning meeting to assist the LSL team in obtaining knowledge and preparing expectations for the audit year. We will compile a list of "Prepared by Client" ("PBC") items based on our review of prior year financial statements and information gathered. This will be provided to the District one month prior to our visit or earlier, if requested. We operate on a paperless software system and provide a secured cloud-based portal for all clients. The District will have its own folder which can be customized to organize, and upload requested schedules, support documents, etc.

Segment 2 - Financial Audit Testing:

Based on the information gathered each year thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the District's internal controls and government auditing standards. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach will be the most effective and efficient by linking financial statement assertions, audit objectives, and procedures that are basic to most governmental audit engagements and critical to the compliance with other material laws and regulations. We will annually compile the list of confirmations for the year-end on-site visit and provide it to District staff one month prior to fieldwork.

Fieldwork will include testing of the balance sheet, revenue and expense accounts, confirmation of selected balances, analytical procedures, evaluation of the internal controls and preparation of reports and letters.

Segment 3 - Conclusion:

Based on our year-end exit meeting we will schedule a plan to finalize the CAFR in the timetable of the District. We will schedule dates for the initial and final drafts including time for the District review and approval of the financial statements. In addition, this will account for the review of the engagement partner and quality assurance partner. After the review and receipt of the signed management representation letter from District, we will provide the final reports by November 30th of each year.



LEVEL OF STAFF AND NUMBER OF HOURS TO BE ASSIGNED TO EACH PROPOSED SEGMENT OF THE ENGAGEMENT

The level of staff assigned, and the number of hours estimated to be spent on each proposed segment is as follows:

Segment/Task	Total Proposed Hours					Total
	Partners	Manager	Supervisor	Staff	Clerical	
CAFR Audit and Related Reports						
Planning and Internal Control Evaluation	5	10	10	40	-	65
Substantive Audit Testwork	-	-	20	80	-	100
Report Preparation/Review/Supervision	10	15	30	-	5	60
Subtotal	15	25	60	120	5	225
State Controller's Report						
Report Preparation/Review/Supervision	-	1	-	8	1	10
Subtotal	-	1	-	8	1	10
Review of Capital Asset Valuation						
Testwork	-	-	-	10	-	10
Report Preparation/Review/Supervision	1	3	10	-	1	15
Subtotal	1	3	10	10	1	25
Total Proposed Hours	16	29	70	138	7	260



SAMPLE SIZE AND EXTENT OF STATISTICAL SAMPLING

Our approach may be to utilize statistical sampling in the areas of receipts, disbursements, utility billing and payroll. Here we develop a statistical conclusion based upon an initial computer selected random sample which is based on the population and other risk factors identified. If errors are noted in the sample, the sample size will be expanded. We believe that a random selection can be efficient, while providing each item in the population an equal chance of being selected. Additionally, we may select a stratified sample of all transactions over a specified dollar limit for review. This allows us to cover all high dollar value transactions not otherwise selected in the random sample. Our samples are selected randomly utilizing IDEA data analysis software.

EXTENT OF EDP SOFTWARE

We use specialized auditing software to perform our audit in addition to IDEA data analysis software to perform audit testing. We also use secure web portals to communicate information.

ANALYTICAL PROCEDURES

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached, and in the evaluation of the overall financial statement presentation. The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements. Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied, and related evidence gathered to resolve concerns and questions.

APPROACH TO GAIN AND DOCUMENT UNDERSTANDING OF INTERNAL CONTROL

To gain an understanding of the internal control structure over the financial statements, we will perform procedures as required by SAS 122-125. This will include review of internal controls in the areas of financial reporting; cash; revenues and receivables; expenditures and accounts payable; payroll; capital assets; long-term debt; or grant reporting, as applicable.

Based on the result of our review, we will issue a management letter (SAS 115 Letter) that will identify any significant deficiencies and/or material weaknesses noted. This report is required by the issued by the Comptroller General of the United States. Auditing Standards require auditors to obtain an understanding of the entity and its environment along with assessing the risks of material misstatements.

LSL obtains an understanding through a variety of ways all throughout the year, but the most pertinent time each year is during our interim on-site visit. We will conduct interviews with management of finance along with each audit section responsible party (e.g. cashier, accounts payable clerk, payroll clerk, etc.) to review the processes and controls through observation and discussions. Based on our observations, we will sample as we observe a "walk-through" to verify the system of control is working in accordance with policies and procedures. We will provide a list each year of randomly selected employees of the District to interview for fraud interviews (SAS 99), which will consist of all levels of the District across all departments.

After our interim on-site visit, we will have an exit meeting to discuss potential weaknesses, if any, and provide any feedback for improvements or valuable information we have gathered from our outside clientele that would benefit the District.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT TEST WORK

The laws and regulations that will be subject to audit test work are determined from the applicable laws, regulations, contracts, and grant agreements which we identify through the understanding we obtain of the District and our extensive experience with governmental entities.

DRAWING AUDIT SAMPLES

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Normally, audit sampling is used for tests of controls and tests of compliance that involve inspection of documents and reports indicating performance of the applicable policy or procedures and compliance with the applicable laws and regulations. These sampling procedures test the operating effectiveness of an internal control structure policy or procedures by determining how the policy or procedure was applied, the consistency with which it was applied during the audit period, and by whom it was applied. To achieve this goal, we will draw samples for disbursements, receipts and payroll when applicable. Each document selected will be tested for various attributes that are designed to verify compliance with different aspects of internal controls and applicable laws and regulations. Additionally, each sample item will be tested for coding to the proper accounts and posting to the general ledger. Sample sizes vary based on the population and risk-based calculations.

If the District can provide a check register electronically for a week prior to year-end fieldwork, then we can pre-select our sample for accounts payable cut-off test work and provide that information ahead of time. Our PBC list will detail out schedules we would like provided, which is directed straight from the audit report. Support requested and sampling for these schedules will be assessed each year based on the strengths and weaknesses of the internal control processes of the District, and the materiality level of the account. We will discuss our analytical variances

with the District and obtain documentation that provides support for the accounts.

PREPARED BY CLIENT LIST

We anticipate that District staff would provide us with the following schedules and documents to be used as audit support: bank and investment statements and reconciliations, detailed general ledgers, payable and receivable reconciliations, inventory reconciliations, capital asset addition and deletions ledgers, long-term debt and compensated absences activity ledgers, pension calculations and journal entries, and net position reconciliations.

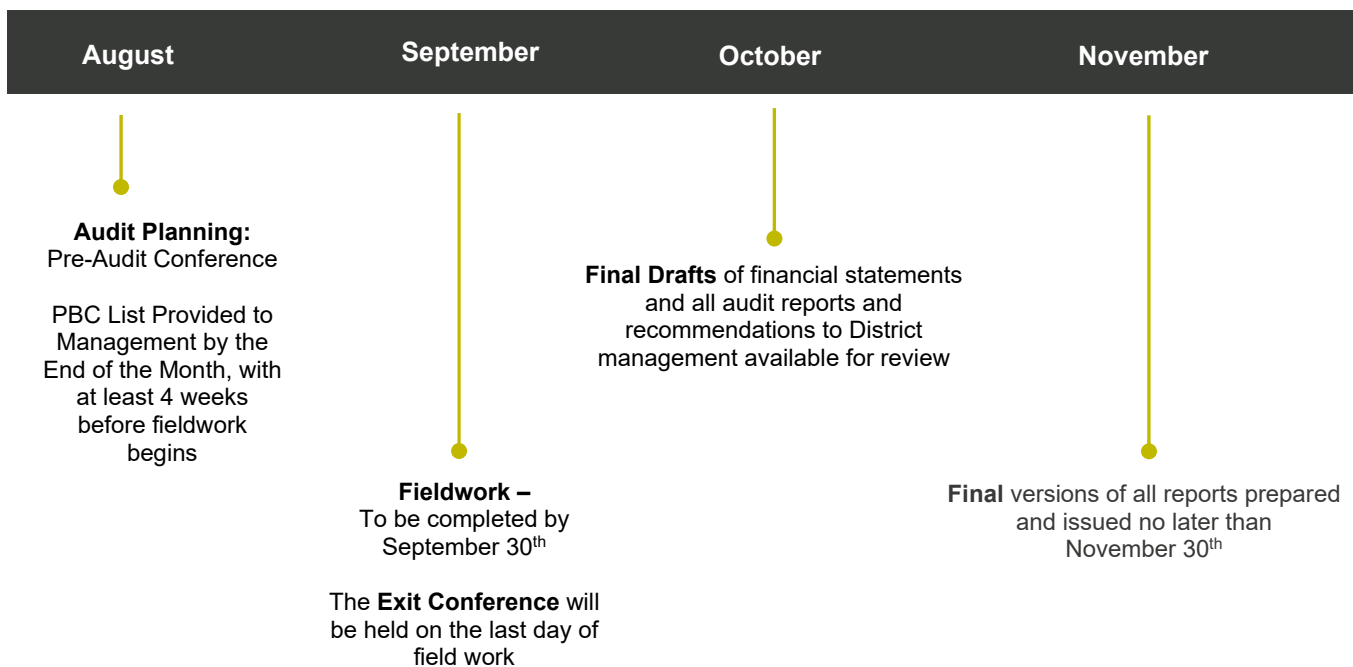
We do not require PBC items to be in a specific format and will work with whichever format is in common use by the District.



8. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

With our familiarity with similar governments, we do not anticipate unusual audit problems, except for the implementation challenges offered by the upcoming GASB Pronouncements No. 84, 86, and 87. To address these, we offer training, our experience with similar governments, and implementation experts within the firm and the engagement team. Also, our familiarity with the local government and water district operations will assist in implementation concerns with new lease pronouncement (GASB 87).

9. PROPOSED AUDIT SCHEDULE





10. COST PROPOSAL

ALL-INCLUSIVE MAXIMUM FEE (3 FISCAL YEARS)

Service	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Total
District CAFR Audit and Related Reports	\$ 30,200	\$ 31,110	\$ 32,040	\$ 93,350
State Controllers' Annual Financial Transactions Report	1,130	1,160	1,190	3,480
Review of Capital Asset Valuation Report	3,300	3,400	3,500	10,200
Total (Not-To-Exceed) ¹	\$ 34,630	\$ 35,670	\$ 36,730	\$ 107,030

ALL-INCLUSIVE MAXIMUM FEE (5 FISCAL YEARS)

Service	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Optional Years		Total
				Fiscal Year 2022-23	Fiscal Year 2023-24	
District CAFR Audit and Related Reports	\$ 30,200	\$ 31,110	\$ 32,040	\$ 33,000	\$ 33,990	\$ 160,340
State Controllers' Annual Financial Transactions Report	1,130	1,160	1,190	1,230	1,270	5,980
Review of Capital Asset Valuation Report	3,300	3,400	3,500	3,610	3,720	17,530
Total (Not-To-Exceed) ¹	\$ 34,630	\$ 35,670	\$ 36,730	\$ 37,840	\$ 38,980	\$ 183,850

¹ Total cost includes all direct and indirect costs including travel, lodging, meals, and all other out of pocket expenses.

Fees are determined based on estimated hours to complete the scope of work, and standard billing rates. Each year is subject to a fee escalation of three (3) percent.

HOURLY RATES FOR SERVICES INCLUDED IN THE SCOPE OF THE RFP

The hourly rates LSL utilized for the scope of work in the RFP are as follows:

Position	Hourly Rate
Partners	\$290
Manager	\$180
Senior Auditor	\$130
Staff Auditors	\$110
Clerical	\$70

Should the District require additional services, LSL will utilize the rates above.

Audit RFP Review

4/13/2020

Audit Firm	Past Experience	CAFR	State Controllers Report	Investment Policy Review	Fixed Asset Review	Professional Personnel	Planning	Availability	Years of Service	Similar Engagements	References Provided	Personnel Hours	Notes
Jacobson Jarvis	X	Yes	Yes	Yes	No	8	X	X	15	Specializes in Sma	X	X	Review CAFR Only
Vasquez	X	Yes	Yes	Yes	No	4	X	X		Yes	X	X	No mention of Fixed Assets review
Fecher & Company	X	Yes	Yes	Yes	No	4	X-Unclear	X	20	Yes	X	X	Spelled contact's name wrong. Words cut off on page 18.
Fecher proposal has numerous errors. In restating their understanding of the services to be rendered, the services were different than what was in our RFP													
Lance, Soll & Lunghart	X	Yes	Yes	Yes	Yes	17	X	X	30		X	X	Addressed all items
Fedak & Company	X	Unclear	Yes	No	Yes	4	X	X	15	Annual Update Cl	X	X	Not to exceed amount is "contingent"

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-02, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 3730 FIRE ROAD, FALLBROOK, CA 92028

BACKGROUND

Rainbow Municipal Water District (District) has significant pressure issues with its water system stemming from the topography of the District. The recent condition assessment study indicated that system pressure is one of the key causal factors in pipeline failures. In recent years, the District has been developing better ways to both replace old pressure reducing (PR) stations and install new ones in key areas of the system.

One of the sites selected for the installation of a PR station is located adjacent to Fire Road on real property owned by Roberto and Maura Ochoa and located at 3730 Fire Road, Fallbrook, CA 92028 (Attachment 1). In order to install the PR station (hereinafter, the "Project"), the District must acquire a 351 square foot permanent easement from Roberto and Maura Ochoa. District staff contacted the owner in late 2019 seeking purchase of the aforementioned easement and received a positive verbal response.

During 2019, District staff hired a surveyor to prepare a legal description of the proposed easement and plat map (Exhibits A & B). On December 3, 2019, an offer to purchase the easement was presented to Roberto Ochoa, which was above fair market value based on a November 2019 appraisal of a similar property, and Mr. Ochoa verbally accepted the offer.

Roberto and Maura Ochoa met with District staff on January 3, 2020 to sign the easement document but during the meeting Maura Ochoa asked if the compensation would be paid annually and District staff re-stated that it was a one-time payment. Thereafter, Roberto and Maura Ochoa were not in agreement with the District on the compensation offer. Another offer letter was sent to both parties on February 19, 2020 re-stating the District's willingness to continue negotiations, but staff did not receive a response.

Thereafter, an appraiser was hired to determine the value of the easement and the full appraised value of \$600.00 was presented to Roberto and Maura Ochoa as an offer to purchase the easement. The District did not receive a response. To date the District and Roberto and Maura Ochoa have not come to agreement on the easement.

DESCRIPTION

The Board of Directors is being asked to consider the adoption of a Resolution of Necessity to acquire the property interested described below for the Project. The Project is required to ensure that the District can continue to provide reliable water service to its customers. In order to construct and operate the Project, the District must acquire an interest in a portion of the property commonly known as 3730 Fire Road, located in Fallbrook, California, as follows:

Resolution of Necessity	Property Owner	Assessor Parcel Number	Property Interests To Be Acquired By the District
20-02	Roberto & Maura Ochoa	124-340-39	351 square foot Permanent Easement Acquisition

The property interest sought is more fully described and depicted in the Exhibits attached to Resolution of Necessity No. 20-02.

Pursuant to applicable requirements of law, the District had the easement interest it proposes to acquire appraised. The appraisal resulted in an offer being sent to Owner for the full appraisal amount, the sum of \$600.00, along with a summary of information from the appraisal. The power of eminent domain is used by the District only as a last resort to obtain the property interest necessary for the Project. The District has attempted to negotiate with Owner and will continue to do so throughout the process. However, a negotiated purchase has not been achieved and the District must adopt a Resolution of Necessity and file an eminent domain action as expeditiously as possible.

California eminent domain law provides that a public entity may not commence an eminent domain proceeding on a property until its governing body has adopted a Resolution of Necessity. That resolution may only be adopted after the governing body has given each party with an interest in the affected property, or its representatives, a reasonable opportunity to appear and be heard on the following matters, and the governing body makes the following findings:

- Whether the public interest and necessity require the project for which the property is sought to be acquired
- Whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury
- Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project
- Whether the offer required by Section 7267.2 of the California Government Code has been made to the property owner

A notice of this hearing was sent by certified mail to the property owner(s) as prescribed by law. The notice stated the District's intent to consider the adoption of a Resolution of Necessity, the right of the property owner to appear and be heard on the issues set forth above, and that failure to file a written request to appear would result in a waiver of the right to appear and be heard.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Installation of PR stations will reduce pressure related breaks. An easement is required to install a PR station.

Strategic Focus Area Five: Customer Service. Installation of PR station will reduce pressure related breaks for District customers.

ENVIRONMENTAL

The pursuit of the eminent domain process does not constitute a project subject to CEQA guidelines.

BOARD OPTIONS/FISCAL IMPACTS

Pursuit of the eminent domain process and associated expenses are considered part of the District's Pressure Reducing Stations/CIP and is budgeted in the 5-Year Capital Fund with sufficient funds currently allocated in the Water Capital Fund Budget.

Option 1:

- Receive public testimony
- Make a determination that the eminent domain process does not constitute a project that is subject to CEQA guidelines
- Adopt a Resolution of Necessity, Resolution No. 20-02, by a two-thirds vote for the acquisition by eminent domain an easement at 3730 Fire Road, Fallbrook, Ca 92028
- Authorize the General Manager to proceed with all condemnation filings and proceedings necessary to acquire the interests in the subject parcel

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends Option 1.



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

April 28, 2020

RESOLUTION NO. 20-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT FINDING AND DETERMINING THAT THE
PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN
OF AN INTEREST IN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND
DIRECTING CONDEMNATION OF A PORTION OF SAN DIEGO COUNTY ASSESSOR
PARCEL NUMBER 124-340-39**

WHEREAS, the Rainbow Municipal Water District (“District”) is organized and operates pursuant to the Municipal Water District Law of 1911 commencing with Section 71000 of the California Water Code; and

WHEREAS, public safety, welfare, convenience, interest and necessity require the acquisition by the District of the property hereinafter described for public use, to wit: Acquisition of property in Fallbrook, an unincorporated community within the County of San Diego, for the Pressure Reducing Station Project (the “Project”); and

WHEREAS, the property interest described hereinafter is to be acquired for public use, namely, for public water system purposes, pursuant to the authority conferred upon the District to acquire property by eminent domain by Article I, Section 19, of the California Constitution, California Water Code section 71693 and 71694, and California Code of Civil Procedure sections 1240.010-1273.050; and

WHEREAS, the property to be acquired represents an interest in a portion of the property commonly known as 3730 Fire Road, located in Fallbrook, an unincorporated community within the County of San Diego, State of California, which bears San Diego County Assessor’s Parcel Number 124-340-39, which is legally described in Exhibit A attached hereto and incorporated herein by this reference, and consists of a 351 square foot permanent easement interest, as described and depicted more specifically in Exhibit B attached hereto (the “Property”), for the purposes of all necessary and convenient activities associated with the construction and operation of the Project; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235 and the Executive Order N-29-20 Issued by Governor Gavin Newsom, the District scheduled a hearing for April 28, 2020, at 1:00 pm to take place via Zoom (accessible by videoconference and teleconference), and on April 7, 2020, mailed a Notice of Hearing to the owner or owners of the Property in order to provide them a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by the District and the owners of the Property to be acquired by eminent domain were afforded an opportunity to be heard on those matters specified in the District’s Notice of Hearing as referred to in section 1240.030 of the California Code of Civil Procedure.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the Rainbow Municipal Water District as follows:

1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

2. The Exhibits attached hereto legally describing and depicting the Property and the parcel of which the Property is a part, are incorporated herein by reference.
3. The District has complied with the requirements of California Code of Civil Procedure Section 1245.235 regarding notice and hearing.
4. In accordance with California Code of Civil Procedure Section 1245.230, the District finds, determines and declares each of the following:
 - a. The public interest and necessity require the proposed Project;
 - b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
 - c. The above-described Property, legally described and depicted in Exhibit B, is necessary for the proposed Project;
 - d. The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.
5. Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent the Property is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property, or any portion thereof, is already devoted.
6. The District is hereby authorized and empowered to acquire the Property by eminent domain for the Project.
7. Legal Counsel for the District ("Counsel") is hereby authorized, empowered and directed to take all steps necessary to acquire the Property in the name of and on behalf of the District by eminent domain, and is authorized to institute and prosecute to completion such legal proceedings as may be required in connection therewith. Counsel is also authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court and to permit the District to take possession of and use the Property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the Property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property. Counsel is further authorized, subject to the approval of the District, to compromise and settle such eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including entering into stipulations as to judgment and other matters, and cause all payments to be made.
8. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of April 2020 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn M. Washburn, Board Secretary

ATTACHMENT 1: LOCATION MAP



1" = 171 ft

3730 Fire Road,
Fallbrook, CA 92028

03/02/2020



This map may represents a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.
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PERMANENT EASEMENT

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

APN: 124-340-39

GRANT OF EASEMENT (Exclusive Only)

NO FEE REQUIRED PER GOVERNMENT CODE SECTION 6103
DEED TRANSFER TAX: \$ 0
EXEMPT UNDER SEC. 11922 OF REVENUE TAXATION CODE

For valuable consideration **Roberto Ochoa and Maura Ochoa, Husband and Wife as Joint Tenants**, (hereinafter "GRANTOR"), hereby grants to Rainbow Municipal Water District (hereinafter "GRANTEE"), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as GRANTEE, its successors and assigns, an easement and right of way, upon, over, under, and across the lands hereinafter described, to erect, install, construct, reconstruct, replace, repair, alter, operate, maintain, inspect and use a pressure-reducing station, pipeline or pipelines for any and all purposes, together with any easement roads and appurtenances within the right-of-way including but not limited to conduits and cables for communication purposes, at such location and elevations, upon, along, over and under the hereinafter described right-of-way as GRANTEE may now or hereafter deem convenient and necessary from time to time, together with right of ingress thereto and egress therefrom to and along said right-of-way by a practical route or routes, in, upon, over, and across the hereinafter described lands, together with the right to clear and keep clear said right-of-way from buildings and structures.

The land in which said easement is hereby granted is situated at 3730 Fire Road, Fallbrook, California, 92028, in the County of San Diego, State of California, and is particularly described as follows:

(SEE ATTACHED LEGAL DESCRIPTION EXHIBIT A, AND PLAT EXHIBIT B
MADE A PART HEREIN)

GRANTOR hereby also grants to GRANTEE the temporary use of such adjacent land of GRANTOR as is necessary to install the facilities provided for under the terms of the easement granted herein.

It is further understood and agreed that no other easement or easements shall be granted on, under, over said strip of land by the GRANTOR to any person, firm or corporation without the previous consent of said GRANTEE.

GRANTOR, his/her heirs, successors and assigns shall not erect or construct, or permit to be erected or constructed, any building, fences, walls, or other structures of any kind and no trees shall be installed, constructed, erected, placed, planted or maintained in any portion of the easement, and no shrubs or other, plants or vegetation shall be placed, planted or maintained in the portion of the easement which is included within any road, and that no changes in the alignment or grading of any such road will be made without prior written consent of GRANTEE. It is further understood and agreed the GRANTOR shall not drill any well or wells within the limits of said easement.

GRANTEE may at any time increase its use of the easement, change the location of pipelines or other facilities within the boundaries of this easement, or modify the size of existing pipelines or other improvements as it may determine in its sole discretion from time to time without paying any additional compensation to GRANTOR or GRANTOR'S heirs, successors, or assigns, provided GRANTEE does not expand its use of the easement beyond the easement boundaries described above.

GRANTEE shall have the right to construct and utilize an access road within said easement and shall have the right to erect, maintain and use gates in all of GRANTOR'S fences which now cross or shall hereafter cross said route or routes, and to trim and cut and clear away any trees and brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights hereby granted, the right to transfer and assign this easement in whole or in part being hereby granted to the GRANTEE.

It is also understood and agreed by the parties hereto that the GRANTOR and successors or assigns, shall not increase or decrease, or permit to be increased or decreased the existing ground elevations of the above described right-of-way, existing at the time this document is executed, without the previous written consent of the GRANTEE.

GRANTOR expressly warrants and represents that GRANTOR has the power to grant this easement in accordance with his terms.

IN WITNESS WHEREOF, the GRANTOR executed this instrument this _____ day of _____ 2020.

Owners: **Roberto Ochoa and Maura Ochoa**

By: _____
Roberto Ochoa _____
Date

By: _____
Maura Ochoa _____
Date

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Counsel

Date

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, _____, Notary Public

personally appeared Roberto Ochoa and Maura Ochoa 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 this 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 of Notary Public

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant of Right of Way

dated _____ from Roberto Ochoa and Maura Ochoa

to the Rainbow Municipal Water District, formed pursuant to the Municipal Water District Act of 1911, is hereby accepted by order of Board of Director's Resolution No.02-13, dated July 3, 2002, authorizing the General Manager to accept and record Grants of Right of Way on behalf of said District.

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____

By _____
Tom Kennedy, General Manager

Project Name: _____
Water Atlas Page No. _____ Checked by: _____ Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION

ASSESSOR PARCEL NUMBER: 124-340-39

VESTING: ROBERTO OCHOA AND MAURA OCHOA, HUSBAND AND WIFE AS JOINT TENANTS

EASEMENT

THAT PORTION OF LOT 24 OF MAP 6526, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY OCTOBER 27, 1969 AS FILE NO. 197454 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY END OF A LINE ON THE WESTERLY BOUNDARY OF SAID LOT 24 AS SHOWN ON SHEET 10 OF 12 OF SAID MAP 6526, SAID LINE HAVING A BEARING OF NORTH 28°31'25" WEST AND A DISTANCE OF 17.92 FEET;

THENCE NORTHERLY ALONG SAID WESTERLY BOUNDARY NORTH 28°31'25" WEST 17.92 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 270.00 FEET;

THENCE NORTHERLY ALONG SAID TANGENT CURVE AND SAID WESTERLY BOUNDARY THROUGH A CENTRAL ANGLE OF 0°49'28" AN ARC LENGTH OF 3.89 FEET;

THENCE LEAVING SAID CURVE AND SAID WESTERLY BOUNDARY NORTH 57°34'22" EAST 13.15 FEET;

THENCE SOUTH 32°25'38" EAST 25.00 FEET;

THENCE SOUTH 57°34'22" WEST 14.62 FEET TO SAID WESTERLY BOUNDARY OF LOT 24, BEING A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 20.00 FEET, A RADIAL LINE TO WHICH BEARS SOUTH 52°09'40" WEST;

THENCE NORTHERLY ALONG SAID NON-TANGENT CURVE AND SAID WESTERLY BOUNDARY THROUGH A CENTRAL ANGLE OF 9°18'55" AN ARC LENGTH OF 3.25 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 351 SQUARE FEET MORE OR LESS.

ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT "B".

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

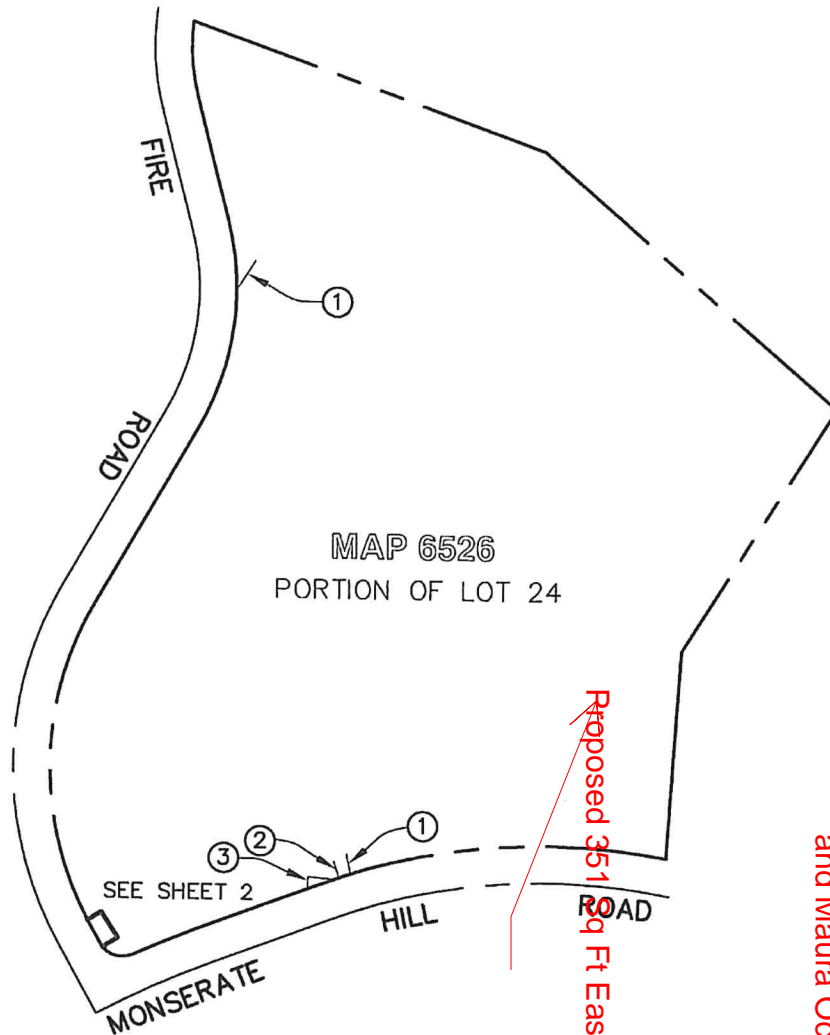

MICHAEL SCHLUMPBERGER, LS 7790
RIGHT-OF-WAY ENGINEERING SERVICES, INC.

December 19, 2019
DATE



EXHIBIT "B"

Page 83 of 650



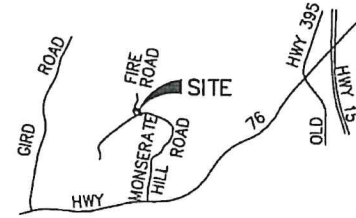
MAP 6526
PORTION OF LOT 24

Proposed 351 29 Ft Easement Area

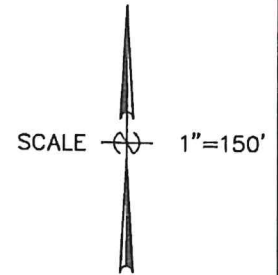
APN 124-340-39 Roberto and Maura Ochoa

Right-Of-Way Engineering Services, Inc.
815 South Tremont Street · Oceanside, CA 92054
(760) 637-2700 row@roweng.net
Job No.: 1909-0027-11

SEE SHEET 2 FOR EXISTING EASEMENT DESCRIPTIONS



VICINITY MAP
NO SCALE



THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT

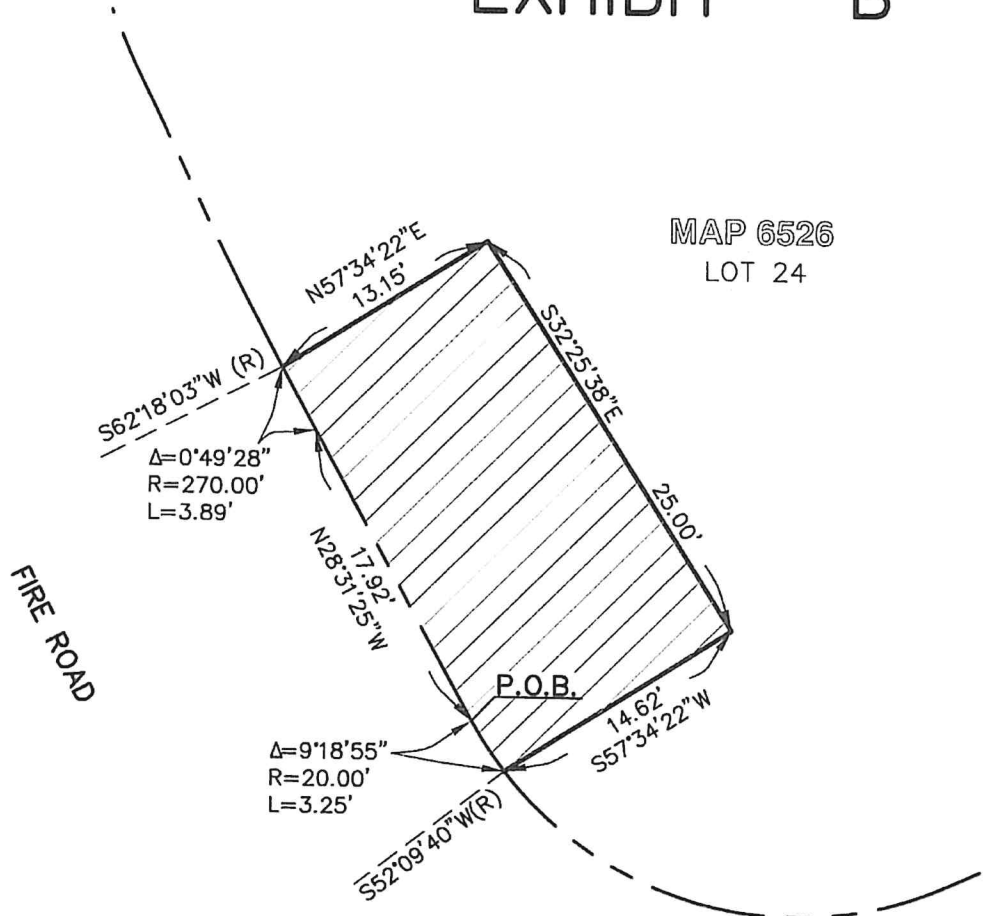
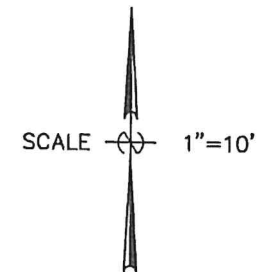
Michael L. Schlumberger
December 19, 2019
MICHAEL L. SCHLUMBERGER, PLS 7790

BEARINGS AND DIMENSIONS SHOWN HEREON ARE BASED ON RECORD DATA FROM MAP 6526
ASSESSORS' PARCEL NO.: 124-340-39

RAINBOW MUNICIPAL WATER DISTRICT	
VESTING: ROBERTO OCHOA AND MAURA OCHOA, HUSBAND AND WIFE AS JOINT TENANTS	
DATE: DECEMBER 12, 2019	SHEET 1 OF 2

EXHIBIT "B"

MAP 6526
LOT 24



EXISTING EASEMENT

- ① 6' WIDE EASEMENT TO PACIFIC TELEPHONE AND TELEGRAPH COMPANY RECORDED MARCH 25, 1982 AS 82-080964
- ② 10' WIDE ANCHORAGE EASEMENT TO SDG&E RECORDED MARCH 20, 1979 AS FILE/PAGE NO. 79-114601
- ③ DRAINAGE EASEMENT DEDICATED ON MAP 6526

BEARINGS AND DIMENSIONS SHOWN HEREON
ARE BASED ON RECORD DATA FROM MAP 6526
ASSESSORS' PARCEL NO.: 124-340-39



DENOTES AREA OF EASEMENT
351 SQ.FT. MORE OR LESS

Right-Of-Way Engineering Services, Inc.
815 South Tremont Street · Oceanside, CA 92054
(760) 637-2700 row@roweng.net
Job No.: 1909-0027-11

RAINBOW MUNICIPAL WATER DISTRICT

VESTING: ROBERTO OCHOA AND MAURA OCHOA, HUSBAND AND WIFE AS JOINT TENANTS

DATE: DECEMBER 12, 2019

SHEET 2 OF 2

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-05, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 7650 CAMINO DEL REY, BONSALL, CA 92003

BACKGROUND

On April 25, 2017, the Rainbow Municipal Water District (District) Board of Directors approved the award of a professional services agreement for design services for the San Diego County Water Authority Emergency Pump Station Project. One of the identified and approved projects included a future permanent pump station at Moosa Creek crossing off Camino Del Rey. The permanent facility is intended to eliminate the labor and cost required to setup temporary pumps every year and streamline the process of moving water during shutdowns.

The proposed permanent pump station site is located adjacent to Camino Del Rey on real property owned by EWM Investments, LLC, a Nevada Limited Liability Company and located at 7650 Camino Del Rey, Bonsall, CA 92003 (Attachment 1). In order to install the permanent pump station (hereinafter, the "Project"), the District must acquire a 15,000 square foot permanent easement from EWM Investments, LLC. District staff contacted Mr. Ernest W. Moody, principle of EWM Investments, LLC, on December 12, 2019 seeking purchase of the aforementioned easement and received through his representatives a positive response.

On November 6, 2019, District staff hired a surveyor to prepare a legal description of the proposed easement and plat map (Exhibits A & B). An appraiser was also hired to determine the value of the easement and on March 12, 2020, the full appraised value of \$6,000 was presented to Mr. Moody as an offer to purchase the easement. Mr. Moody disagrees with the fair market value of the easement and to date, the District and Mr. Moody have not come to an agreement on the easement.

DESCRIPTION

The Board of Directors is being asked to consider the adoption of a Resolution of Necessity to acquire the property interest described below for the Project. The Project is required to ensure that the District can continue to provide reliable water service to its customers. In order to construct and operate the Project, the District must acquire an interest in a portion of the property commonly known as 7650 Camino Del Rey, located in Bonsall, California, as follows:

Resolution of Necessity	Property Owner	Assessor Parcel Number	Property Interests To Be Acquired By the District
20-05	EWM Investments, LLC	127-511-03	15,000 square foot Permanent Easement Acquisition

The property interest sought is more fully described and depicted in the Exhibits attached to Resolution of Necessity No. 20-05.

Pursuant to applicable requirements of law, the District had the easement interest it proposes to acquire appraised. The appraisal resulted in an offer being sent to Owner for the full appraisal amount, the sum of \$6,000.00, along with a summary of information from the appraisal. The power of eminent domain is used by the District only as a last resort to obtain the property interest necessary for the Project. The District has attempted to negotiate with Owner and will continue to do so throughout the process. However, a negotiated purchase has not been achieved and the District must adopt a Resolution of Necessity and file an eminent domain action as expeditiously as possible.

California eminent domain law provides that a public entity may not commence an eminent domain proceeding on a property until its governing body has adopted a Resolution of Necessity. That resolution may only be adopted after the governing body has given each party with an interest in the affected property, or its representatives, a reasonable opportunity to appear and be heard on the following matters, and the governing body makes the following findings:

- Whether the public interest and necessity require the project for which the property is sought to be acquired
- Whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury
- Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project
- Whether the offer required by Section 7267.2 of the California Government Code has been made to the property owner

A notice of this hearing was sent by certified mail to the property owner(s) as prescribed by law. The notice stated the District's intent to consider the adoption of a Resolution of Necessity, the right of the property owner to appear and be heard on the issues set forth above, and that failure to file a written request to appear would result in a waiver of the right to appear and be heard.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Installation of the pump station will allow the District to move water from northern zone to southern zone, which is crucial during San Diego County Water Authority aqueduct shut down. An easement is required to install the pump station.

Strategic Focus Area Five: Customer Service. Installation of pump station will allow the District to reliably serve the District's southern zone during San Diego County Water Authority aqueduct shutdowns.

ENVIRONMENTAL

The pursuit of the eminent domain process does not constitute a project subject to CEQA guidelines.

BOARD OPTIONS/FISCAL IMPACTS

Pursuit of the eminent domain process and associated expenses are considered part of the District's CIP and is budgeted in the 5-Year Capital Fund with sufficient funds currently allocated in the Water Capital Fund Budget.

Option 1:

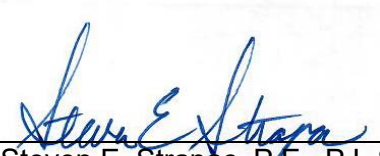
- Receive public testimony
- Make a determination that the eminent domain process does not constitute a project that is subject to CEQA guidelines
- Adopt a Resolution of Necessity, Resolution No. 20-05, by a two-thirds vote for the acquisition by eminent domain an easement at 7650 Camino Del Rey, Bonsall, CA 92003
- Authorize the General Manager to proceed with all condemnation filings and proceedings necessary to acquire the interests in the subject parcel

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends Option 1.



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

April 28, 2020

RESOLUTION NO. 20-05

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND DIRECTING CONDEMNATION OF A PORTION OF SAN DIEGO COUNTY ASSESSOR PARCEL NUMBER 127-511-03

WHEREAS, the Rainbow Municipal Water District (“District”) is organized and operates pursuant to the Municipal Water District Law of 1911 commencing with Section 71000 of the California Water Code; and

WHEREAS, public safety, welfare, convenience, interest and necessity require the acquisition by the District of the property hereinafter described for public use, to wit: Acquisition of property in Bonsall, an unincorporated community within the County of San Diego, for the Moosa Creek Pump Station Project (the “Project”); and

WHEREAS, the property interest described hereinafter is to be acquired for public use, namely, for public water system purposes, pursuant to the authority conferred upon the District to acquire property by eminent domain by Article I, Section 19, of the California Constitution, California Water Code section 71693 and 71694, and California Code of Civil Procedure sections 1240.010-1273.050; and

WHEREAS, the property to be acquired represents an interest in a portion of the property commonly known as 7650 Camino del Rey, located in Bonsall, an unincorporated community within the County of San Diego, State of California, which bears San Diego County Assessor’s Parcel Number 127-511-03, which is legally described in Exhibit A attached hereto and incorporated herein by this reference, and consists of a 15,000 square foot permanent easement interest, as described and depicted more specifically in Exhibit B attached hereto (the “Property”), for the purposes of all necessary and convenient activities associated with the construction and operation of the Project; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235 and the Executive Order N-29-20 Issued by Governor Gavin Newsom, the District scheduled a hearing for April 28, 2020, at 1:00 pm to take place via Zoom (accessible by videoconference and teleconference), and on April 7, 2020, mailed a Notice of Hearing to the owner or owners of the Property in order to provide them a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by the District and the owners of the Property to be acquired by eminent domain were afforded an opportunity to be heard on those matters specified in the District’s Notice of Hearing as referred to in section 1240.030 of the California Code of Civil Procedure.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the Rainbow Municipal Water District as follows:

1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
2. The Exhibits attached hereto legally describing and depicting the Property and the parcel of which the Property is a part, are incorporated herein by reference.
3. The District has complied with the requirements of California Code of Civil Procedure Section 1245.235 regarding notice and hearing.
4. In accordance with California Code of Civil Procedure Section 1245.230, the District finds, determines and declares each of the following:
 - a. The public interest and necessity require the proposed Project;
 - b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
 - c. The above-described Property, legally described and depicted in Exhibit B, is necessary for the proposed Project;
 - d. The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.
5. Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent the Property is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property, or any portion thereof, is already devoted.
6. The District is hereby authorized and empowered to acquire the Property by eminent domain for the Project.
7. Legal Counsel for the District (“Counsel”) is hereby authorized, empowered and directed to take all steps necessary to acquire the Property in the name of and on behalf of the District by eminent domain, and is authorized to institute and prosecute to completion such legal proceedings as may be required in connection therewith. Counsel is also authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court and to permit the District to take possession of and use the Property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the Property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property. Counsel is further authorized, subject to the approval of the District, to compromise and settle such

eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including entering into stipulations as to judgment and other matters, and cause all payments to be made.

8. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of April 2020 by the following vote, to wit:

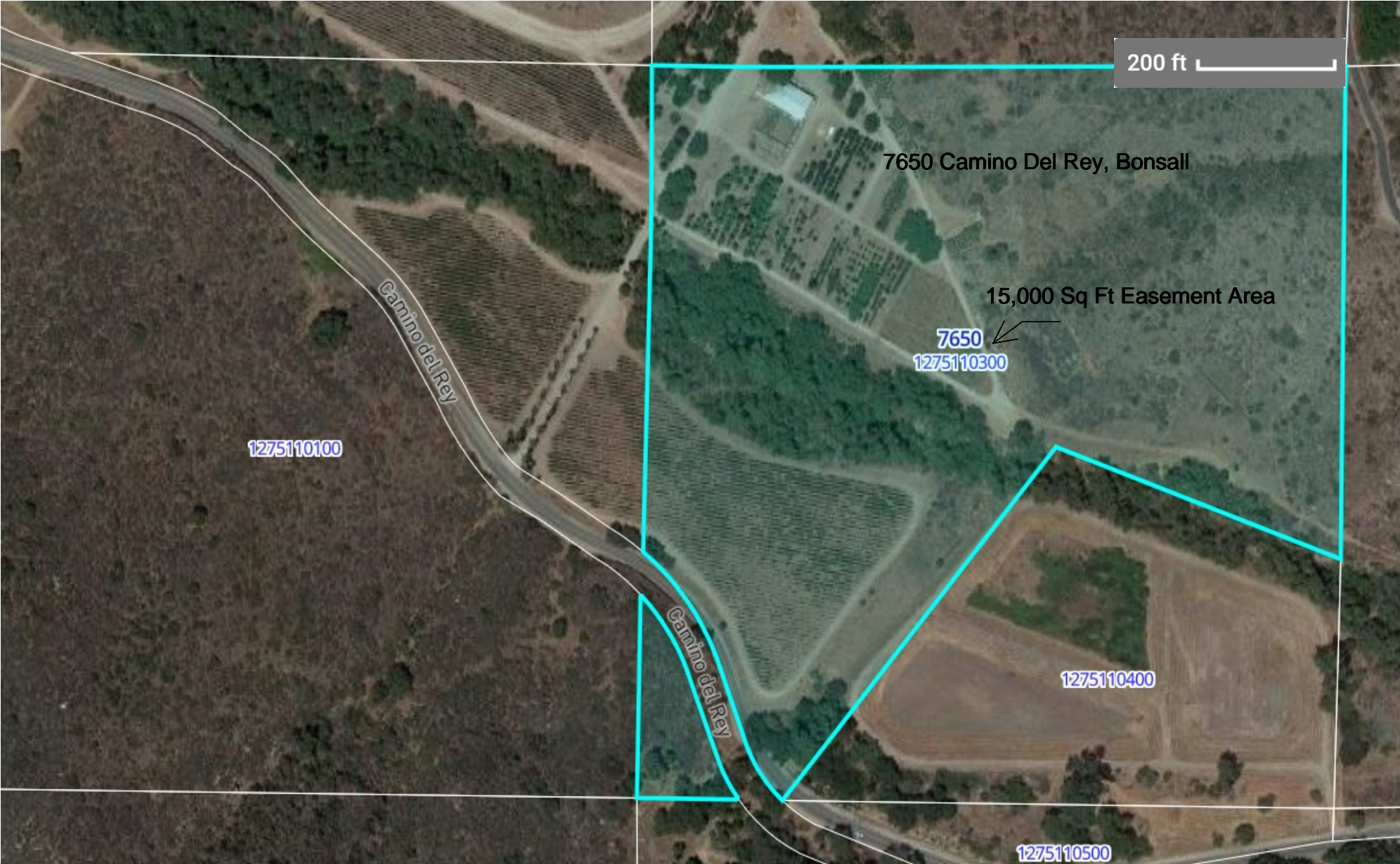
AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

ATTACHMENT 1: LOCATION MAP



1" = 308 ft	7650 Camino Del Rey, Bonsall		
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This map may represents a visual display of related geographic information. Data provided here on is not guarantee of acutual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.
Page 91 of 650

PERMANENT EASEMENT

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

APN: 127-511-03

GRANT OF EASEMENT (Exclusive Only)

NO FEE REQUIRED PER GOVERNMENT CODE SECTION 6103
DEED TRANSFER TAX: \$ -0-
EXEMPT UNDER SEC. 11922 OF REVENUE TAXATION CODE

For valuable consideration **EWM Investments, LLC. A Nevada Limited Liability Company** (hereinafter "GRANTOR"), hereby grants to Rainbow Municipal Water District (hereinafter "GRANTEE"), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as GRANTEE, its successors and assigns, an easement, upon, over, under, and across the lands hereinafter described, to erect, install, construct, reconstruct, replace, repair, alter, operate, maintain, inspect and use a pressure-reducing station, pipeline or pipelines for any and all purposes, together with any easement roads and appurtenances within the easement including but not limited to conduits and cables for communication purposes, at such location and elevations, upon, along, over and under the hereinafter described easement as GRANTEE may now or hereafter deem convenient and necessary from time to time, together with right of ingress thereto and egress therefrom to and along said easement by a practical route or routes, in, upon, over, and across the hereinafter described lands, together with the right to clear and keep clear said easement from buildings and structures.

The lands in which said easement is hereby granted are situated in the County of San Diego, State of California, more commonly known as 7650 Camino Del Rey, Bonsall, California, 92003 and are particularly described as follows:

(SEE ATTACHED LEGAL DESCRIPTION EXHIBIT A, AND PLAT EXHIBIT B
MADE A PART HEREIN)

GRANTOR hereby also grants to GRANTEE the temporary use of such adjacent land of GRANTOR as is necessary to install the facilities provided for under the terms of the easement granted herein.

It is further understood and agreed that no other easement or easements shall be granted on, under, over said land by the GRANTOR to any person, firm or corporation without the previous consent of said GRANTEE.

GRANTOR, his/her heirs, successors and assigns shall not erect or construct, or permit to be erected or constructed, any building, fences, walls, or other structures of any kind and no trees shall be installed, constructed, erected, placed, planted or maintained in any portion of the easement, and no shrubs or other, plants or vegetation shall be placed, planted or maintained in the portion of the easement which is included within any road, and that no changes in the alignment or grading of any such road will be made without prior written consent of GRANTEE. It is further understood and agreed the GRANTOR shall not drill any well or wells within the limits of said easement.

GRANTEE may at any time increase its use of the easement, change the location of pipelines or other facilities within the boundaries of this easement, or modify the size of existing pipelines or other improvements as it may determine in its sole discretion from time to time without paying any additional compensation to GRANTOR or GRANTOR's heirs, successors, or assigns, provided GRANTEE does not expand its use of the easement beyond the easement boundaries described above.

GRANTEE shall have the right to construct and utilize an access road within said easement and shall have the right to erect, maintain and use gates in all of GRANTOR's fences which now cross or shall hereafter cross said route or routes, and to trim and cut and clear away any trees and brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights hereby granted, the right to transfer and assign this easement in whole or in part being hereby granted to the GRANTEE.

It is also understood and agreed by the parties hereto that the GRANTOR and successors or assigns, shall not increase or decrease, or permit to be increased or decreased the existing ground elevations of the above described easement, existing at the time this document is executed, without the previous written consent of the GRANTEE.

GRANTOR expressly warrants and represents that GRANTOR has the power to grant this easement in accordance with his terms.

IN WITNESS WHEREOF, the GRANTOR(s) executed this instrument this _____ day of _____ 2020.

Owner: _____
EWM Investments, LLC.

By: _____
Ernest W. Moody Date

Its: Owner

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Counsel

Date

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, _____, 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 this 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 of Notary Public

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant of Easement

dated _____ from _____

to the Rainbow Municipal Water District, formed pursuant to the Municipal Water District Act of 1911, is hereby accepted by order of Board of Director's Resolution No.02-13, dated July 3, 2002, authorizing the General Manager to accept and record Grants of Easement on behalf of said District.

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____

By _____

Tom Kennedy, General Manager

Project Name: _____

Water Atlas Page No. _____ Checked by: _____ Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION

ASSESSOR PARCEL NUMBER: 127-511-03

VESTING: EWM INVESTMENTS, LLC. A NEVADA LIMITED LIABILITY COMPANY

EASEMENT

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35 TOWNSHIP 10 SOUTH RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 35 AS SHOWN ON RECORD OF SURVEY 15336, RECORDED OCTOBER 18, 1996 AS FILE NO. 1996-530048 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER SOUTH 88°52'42" EAST 208.27 FEET;

THENCE LEAVING SAID SOUTH LINE NORTH 25°01'01" EAST 813.62 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE NORTH 59°08'35" WEST 79.25 FEET;

THENCE NORTH 30°51'25" EAST 121.05 FEET;

THENCE NORTH 77°57'51" EAST 124.10 FEET;

THENCE SOUTH 28°33'37" EAST 54.30 FEET;

THENCE SOUTH 77°57'51" WEST 79.73 FEET;

THENCE SOUTH 30°51'25" WEST 123.62 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 15,000 SQUARE FEET MORE OR LESS.

ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT "B".

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.



MICHAEL SCHLUMPBERGER, LS 7790
RIGHT-OF-WAY ENGINEERING SERVICES, INC.

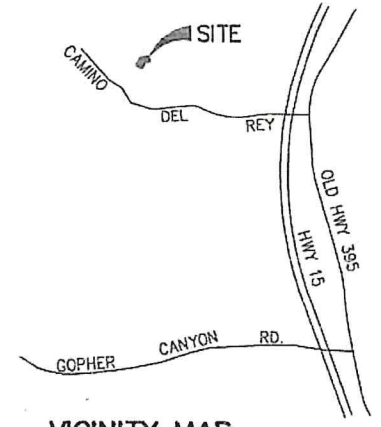
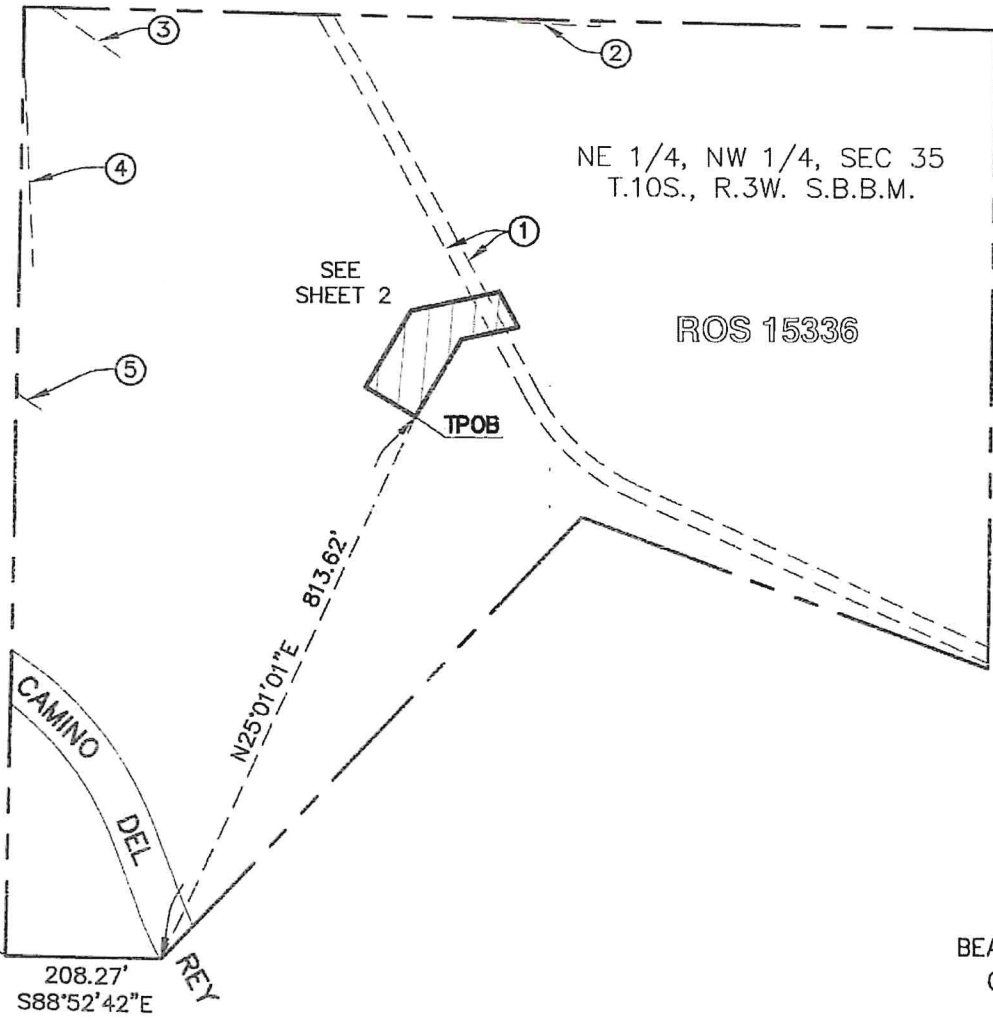
March 12, 2020
DATE



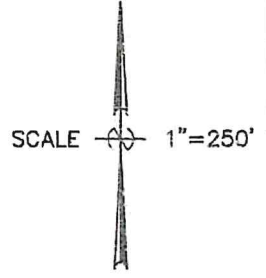
7650 Camino Del Rey,

15,000 Sq Ft

EXHIBIT "B"



VICINITY MAP
NO SCALE



THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT

Michael L. Schlumberger March 12, 2020
MICHAEL L. SCHLUMBERGER, PLS 7790

BEARINGS AND DIMENSIONS SHOWN HEREON ARE BASED ON RECORD DATA FROM RECORD OF SURVEY 15336 ASSESSORS' PARCEL NO.: 127-511-03

POC
SW COR,
NE 1/4,
NW 1/4,
SEC 35

DENOTES AREA OF EASEMENT
15,000 SQ.FT. MORE OR LESS



○ SEE SHEET 2 FOR EXISTING EASEMENT DESCRIPTIONS

Right-Of-Way Engineering Services, Inc.
815 South Tremont Street - Oceanside, CA 92054
(760) 637-2700 row@roweng.net
Job No.: 1911-0035-11

RAINBOW MUNICIPAL WATER DISTRICT

VESTING: EWM INVESTMENTS, LLC. A NEVADA LIMITED LIABILITY COMPANY

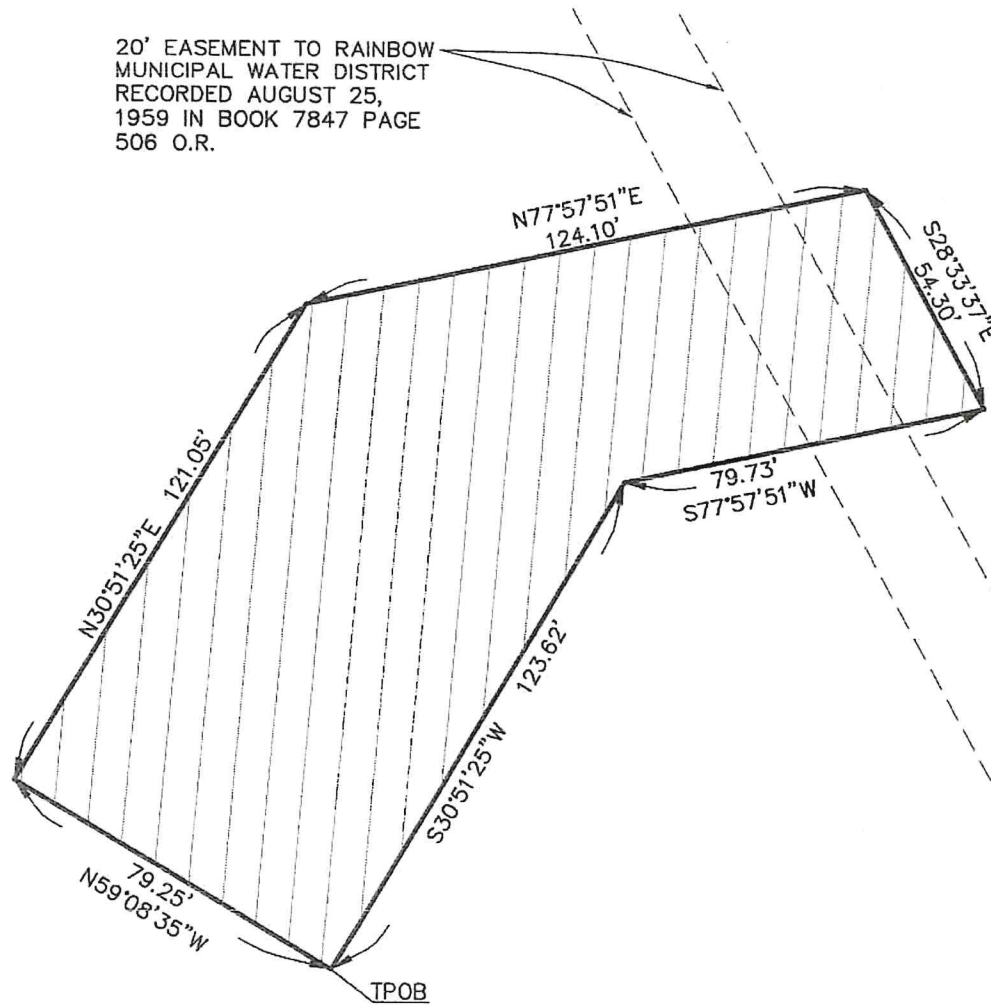
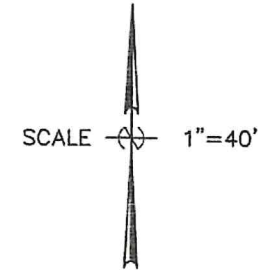
DATE: MARCH 12, 2020

SHEET 1 OF 2

Page 97 of 650

EXHIBIT "B"

20' EASEMENT TO RAINBOW MUNICIPAL WATER DISTRICT RECORDED AUGUST 25, 1959 IN BOOK 7847 PAGE 506 O.R.



EXISTING EASEMENTS

- ① 20' EASEMENT TO RAINBOW MUNICIPAL WATER DISTRICT RECORDED AUGUST 25, 1959 IN BOOK 7847 PAGE 506 O.R.
- ② \odot 12' WIDE ELECTRIC AND ACCESS EASEMENT TO SDG&E RECORDED AUGUST 14, 1961 AS FILE/PAGE NO. 139156
- ③ \odot 12' WIDE ELECTRIC AND ACCESS EASEMENT TO SDG&E RECORDED NOVEMBER 7, 1978 AS FILE/PAGE NO. 78-482114
- ④ \odot ELECTRIC AND ACCESS EASEMENT TO SDG&E (NO WIDTH SPECIFIED) RECORDED APRIL 27, 1950 IN BOOK 3599 PAGE 362 O.R.
- ⑤ \odot 12' WIDE ELECTRIC AND ACCESS EASEMENT TO SDG&E RECORDED APRIL 19, 1984 AS 84-144175 O.R.

BEARINGS AND DIMENSIONS SHOWN HEREON ARE BASED ON RECORD DATA FROM RECORD OF SURVEY 15336 ASSESSORS' PARCEL NO.: 127-511-03



DENOTES AREA OF EASEMENT
15,000 SQ.FT. MORE OR LESS

Right-Of-Way Engineering Services, Inc.

615 South Tremont Street - Oceanside, CA 92054
(760) 637-2700 row@roweng.net
Job No.: 1911-0035-11

RAINBOW MUNICIPAL WATER DISTRICT

VESTING: EWM INVESTMENTS, LLC. A NEVADA LIMITED LIABILITY COMPANY

DATE: MARCH 12, 2020

SHEET 2 OF 2

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE OLIVE HILL ESTATES TRANSMISSION LINE RECONNECTION PROJECT

BACKGROUND

Rainbow Municipal Water District (District) has been researching opportunities to increase flow from the northern Metropolitan Water District aqueduct connections to the south pressure zone (Hutton zone). The increase in flow from the north to the south is critical to providing customers with reliable water during San Diego County Water Authority (SDCWA) aqueduct shutdowns. Working closely with the District’s consultant HDR and our hydraulic model, staff determined that construction of a new 14-inch transmission line within the Olive Hills Estates subdivision would help the District meet the demands of the southern zone during shutdowns.

The project scope includes the construction of approximately 2,550 lineal feet of 14-inch diameter ductile iron pipe (DIP) and fittings and approximately 30 lineal feet of 12-inch diameter DIP and fittings from Olive Hill Road west of Highway 76 to Via Del Caballero within Olive Hill Estates. A portion of the work (along Olive Hill Road and along Triple Crown Drive) is in the public right-of-way. The work within the public right-of-way will require Excavation and Traffic Control permits from the County of San Diego Department of Public Works. The portion of the work outside of the public right-of-way will be performed within an existing Rainbow Municipal Water District public easement through the private Olive Hill Estates community.

Exhibit 1 of this report shows the location of the proposed project.

DESCRIPTION

Staff prepared a bid package and advertised for a formal bid only to contractors on the District’s prequalified contractor’s list. The bid document was emailed to the list of contractors and posted on the District’s website on March 13, 2020. The bid opening was held at 1:30 pm on April 1, 2020 through a Zoom teleconference from the District’s Board Room. Instructions on how to attend the bid opening via teleconference was provided in an email to the prequalified list of contractors and posted on the District’s website. The results were as follows:

Contractor	Bid Amount
1. T.E. ROBERTS, INC.	\$1,128,075
2. ORTIZ CORPORATION	\$1,282,157
3. MURRIETA DEVELOPMENT	\$1,369,851
4. TK CONSTRUCTION	\$1,445,185
5. SCW CONTRACTING	\$1,620,420

The Engineer's Opinion of Probable Cost was \$1,300,000 with the lowest bid being \$171,925 under the estimated cost for this project. Staff has evaluated bids and there were no irregularities with the lowest bidder T.E. Roberts, Inc. The bid was complete, and the licenses and bonding were correct and in place. Staff recommends award to the lowest bidder, T.E. Roberts, Inc. Legal counsel has reviewed these items and concurs with staff's recommendation.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Installation of the 14-inch transmission line will increase flow from the northern Metropolitan Water District aqueduct connections to the south pressure zone (Hutton zone), which is a necessity during the SDCWA aqueduct shutdown.

Strategic Focus Area Five: Customer Service. Installation of the 14 -inch transmission line will provide more flow from the northern Metropolitan Water District aqueduct connections to the south pressure zone (Hutton zone) to help the District continue to provide reliable water to its customers in the south zone during SDCWA aqueduct shutdown.

ENVIRONMENTAL

In accordance with CEQA Statute, Public Resources Code Section 21080.21(a), the action before the Board is exempt from CEQA. "This division does not apply to any project of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline. For purposes of this section, "pipeline" includes subsurface facilities but does not include any surface facility related to the operation of the underground facility."

Above-ground structures included as part of the action are anticipated to be subject to a categorical exemption in accordance with CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures, which consists of "the construction and location of limited numbers of new small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only small modifications are made in the exterior of the structure."

BOARD OPTIONS/FISCAL IMPACTS

This project has been identified and budgeted in the 5-Year Capital Fund and sufficient funds currently exist in the Water Capital Fund Budget.

Option 1:

- Allocate funding and award the construction contract for the Olive Hill Estates Transmission Line Reconnection Project to T.E Roberts, Inc. in accordance with the California Public Contracting Code for a not to exceed amount of \$1,128,075
- Make a finding that the project is Statutorily and Categorically Exempt from CEQA
- Authorize General Manager to execute contract for the construction of the Olive Hill Estates Transmission Line Reconnection Project to T.E Roberts, Inc.

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

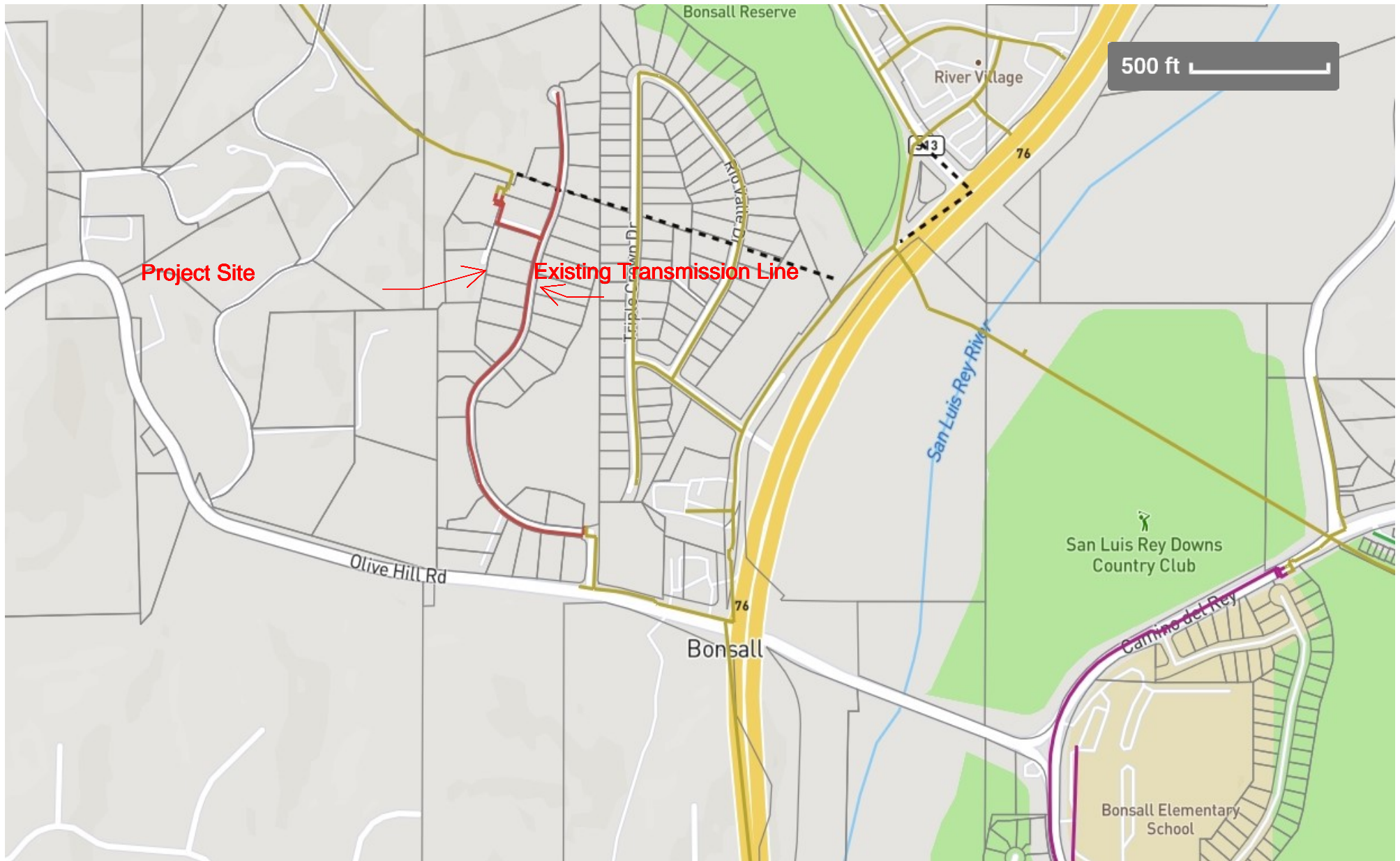
Staff recommends Option 1.



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

April 28, 2020

EXHIBIT 1: PROJECT LOCATION MAP



1" = 761 ft

**OLIVE HILL ESTATES
PROJECT SITE**



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) AND BECOME A PARTICIPATING MEMBER AGENCY, AND ADOPT A RESOLUTION “FORM OF RESOLUTION OF INTENTION TO BE ADOPTED BY CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”)

BACKGROUND

CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 391 cities and 56 counties throughout California, including the Rainbow Municipal Water District (the “District”).

SCIP was initially created by CSCDA in 2002 to allow owners of property in participating CSCDA member agencies to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and/or the development impact fees owed to the District will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner’s property to repay the portion of the bonds issued to finance the fees paid with respect to the property. With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued; or the fees will be funded directly from the proceeds of the SCIP bonds. Since its inception, SCIP has financed approximately \$600 million of bonds for local projects.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.
- Instead of paying cash for public capital improvements and/or development impact fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- The property owner can choose to pay off the special assessments at any time. Because SCIP is a fixed lien, assessment payments will not escalate over time and no property owner is in any way responsible for another property’s assessment.
- Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or communities facilities district had access to tax-exempt financing. SCIP can finance project amounts as low as \$500,000.

The benefits to the District include:

- As in conventional assessment financing, the District is not liable to repay the bonds issued by CSCDA or the assessments imposed on the participating properties.
- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. As a participating member of SCIP, the District can provide tax-exempt financing to property owners through SCIP while committing very little staff time to administer the program. At its discretion, the District can charge an administrative fee to cover staff time taken to review the SCIP application and request for funding.
- The availability of financing can encourage developers to pull permits and pay fees in larger blocks, giving the participating district immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the special assessments on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing will be directed back to the participating county for use on public infrastructure, or credits to property owners, subject to applicable federal tax limitations.
- SCIP is an important tool for developers in determining the overall feasibility of a project and in certain instances the decision to purchase land.

The proposed resolution (Attachment 1) authorizes CSCDA to accept applications from owners of property to apply for tax-exempt financing of public capital improvements and development impact fees through SCIP. It also authorizes CSCDA to form assessment districts within the District's boundaries, conduct assessment proceedings and levy assessments against the property of participating owners. It approves the form of an Acquisition Agreement, attached to the resolution as Exhibit B, to be entered into between the District and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law. Attachment 2 is the CSCDA SCIP manual.

One developer project has expressed an interest in this – a small (78 units) DR Horton project “Fairview” located in Bonsall near the elementary school. We have also been discussing the formation of an assessment district for a raw water distribution system to serve agricultural properties south of Gopher Canyon Road. An engineering feasibility study was performed for this project a few years ago and at least one of the property owners, Rick Carey, has expressed continuing interest in getting an assessment district established for the project. Whether there are enough property owners in that area who would be open to an assessment remains to be seen, but by joining the SCIP program we will be able to easily form such an assessment district should the property owners decide to move forward.

Attached to the resolution as Exhibit A is a “Form of Resolution of Intention to be Adopted by CSCDA”. This is for informational purposes and does not require action by this Board.

DESCRIPTION

This item includes a brief staff presentation regarding participation in the Statewide Community Infrastructure Program (“SCIP”), which is sponsored by the California Statewide Communities Development Authority (“CSCDA”), followed by Board discussion, a public hearing to take public testimony on SCIP and bonds to be issued by CSCDA, and consideration of a resolution making certain findings and authorizing certain matters necessary to participate in SCIP.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. By taking this action, the SCIP program will provide another financing mechanism for facilitating new projects. This will allow the District more flexibility in addressing the pipe rehabilitation and pressure reduction programs.

Strategic Focus Area Four: Fiscal Responsibility. This action will help bring additional water and sewer customers to the District, increasing revenue needed for maintenance and CIP.

Strategic Focus Area Five: Customer Service. This action will ease impacts on developers or groups of property owners constructing projects in the District. Additional water and sewer accounts will benefit all RMWD ratepayers by increasing District revenues from fixed charges.

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

Joining SCIP will have minimal direct costs to the District, mainly the costs associated with preparing this action item. Should a group of customers or a developer wish to engage the program they would pay the staff costs related to that action.

Option 1:

- Make a determination that becoming a participant in SCIP does not constitute a project that is subject to CEQA guidelines
- Adopt a Resolution of Intention, Resolution No. 20-06, by a simple majority vote for the membership in SCIP
- Authorize the General Manager to proceed with all documentation and filings to authorize membership in SCIP

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends Option 1.



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

April 28, 2020

RESOLUTION NO. 20-06

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RAINBOW MUNICIPAL WATER DISTRICT
AUTHORIZING THE DISTRICT TO JOIN THE STATEWIDE COMMUNITY
INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT
APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL
ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS WITHIN THE TERRITORY
OF THE RAINBOW MUNICIPAL WATER DISTRICT; APPROVING FORM OF
ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE;
AND AUTHORIZING RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the Rainbow Municipal Water District (the "District"); and

WHEREAS, the Authority has established the Statewide Community Infrastructure Program ("SCIP") to allow the financing of certain development impact fees (the "Fees") levied in accordance with the Mitigation Fee Act (California Government Code Sections 66000 and following) and other authority providing for the levy of fees on new development to pay for public capital improvements (collectively, the "Fee Act") through the levy of special assessments pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the "1913 Act") and the issuance of improvement bonds (the "Local Obligations") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid special assessments; and

WHEREAS, SCIP will also allow the financing of certain public capital improvements to be constructed by or on behalf of property owners for acquisition by the District or another public agency (the "Improvements"); and

WHEREAS, the District desires to allow the owners of property being developed within its jurisdiction ("Participating Developers") to participate in SCIP and to allow the Authority to conduct assessment proceedings under the 1913 Act and to issue Local Obligations under the 1915 Act to finance Fees levied on such properties and Improvements, provided that such Participating Developers voluntarily agree to participate and consent to the levy of such assessments; and

WHEREAS, in each year in which eligible property owners within the jurisdiction of the District elect to be Participating Developers, the Authority will conduct assessment proceedings under the 1913 Act and issue Local Obligations under the 1915 Act to finance Fees payable by such property owners and Improvements and, at the conclusion of such proceedings, will levy special assessments on such property within the territory of the District;

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by the Authority in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for SCIP (provided that each Participating Developer consents to such assessment) shall be coterminous with the District's official boundaries of record at the time of adoption of each such ROI (the "Proposed Boundaries"), and reference is hereby made to such boundaries for the plat or map required to be included in this Resolution pursuant to Section 10104 of the Streets and Highways Code; and

WHEREAS, there has also been presented to this meeting a proposed form of Acquisition Agreement (the "Acquisition Agreement"), a copy of which is attached hereto as Exhibit B, to be approved as to form for use with respect to any Improvements to be constructed and installed by a Participating Developer and for which the Participating Developer requests acquisition financing as part of its SCIP application; and

WHEREAS, the District will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Local Obligations or any other bonds issued in connection with SCIP; and

WHEREAS, pursuant to Government Code Section 6586.5, notice was published at least five days prior to the adoption of this resolution at a public hearing, which was duly conducted by this Board concerning the significant public benefits of SCIP and the financing of the Improvements and the public capital improvements to be paid for with the proceeds of the Fees;

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

Section 1. The District hereby consents to the conduct of special assessment proceedings by the Authority in connection with SCIP pursuant to the 1913 Act and the issuance of Local Obligations under the 1915 Act on any property within the Proposed Boundaries; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI; and

(2) The Participating Developers, who shall be the legal owners of such property, execute a written consent to the levy of assessment in connection with SCIP by the Authority and execute an assessment ballot in favor of such assessment in compliance with the requirements of Section 4 of Article XIID of the State Constitution.

Section 2. The District hereby finds and declares that the issuance of bonds by the Authority in connection with SCIP will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and the more efficient delivery of local agency services to residential and commercial development within the District.

Section 3. The Authority has prepared and will update from time to time the "SCIP Manual of Procedures" (the "Manual"), and the District will handle Fee revenues and funds for Improvements for properties participating in SCIP in accordance with the procedures set forth in the Manual.

Section 4. The form of Acquisition Agreement presented to this meeting is hereby approved, and the [Board President] is authorized to execute and the Board Secretary is authorized to attest the execution of a completed Acquisition Agreement in substantially said form and pertaining to the Improvements being financed on behalf of the applicable Participating Developer.

Section 5. The appropriate officials and staff of the District are hereby authorized and directed to make SCIP applications available to all property owners who are subject to Fees for new development within the District and/or who are conditioned to install Improvements and to inform such owners of their option to participate in SCIP; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The staff persons listed on the attached Exhibit C, together with any other staff persons chosen by the [Board President] from time to time, are hereby designated as the contact persons for the Authority in connection with the SCIP program.

Section 6. The appropriate officials and staff of the District are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by Bond Counsel in connection with the participation in SCIP of any districts, authorities or other third-party entities entitled to own Improvements and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the District, as are reasonably required by the Authority in accordance with the Manual to implement SCIP for Participating Developers and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the Local Obligations and any other bonds for SCIP. To that end, and pursuant to Treasury Regulations Section 1.150-2, the staff persons listed on Exhibit C, or other staff person acting in the same capacity for the District with respect to SCIP, are hereby authorized and designated to declare the official intent of the District with respect to the public capital improvements to be paid or reimbursed through participation in SCIP.

Section 7. This Resolution shall take effect immediately upon its adoption. The Board Secretary is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of April 2020 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

EXHIBIT A TO THE RESOLUTION

FORM OF RESOLUTION OF INTENTION
TO BE ADOPTED BY CSCDA

RESOLUTION NO. __ SCIP-

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL
IMPROVEMENTS AND/OR THE PAYMENT OF DEVELOPMENT IMPACT
FEES FOR PUBLIC CAPITAL IMPROVEMENTS IN THE PROPOSED
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT
DISTRICT NO. __ (RAINBOW MUNICIPAL WATER DISTRICT, COUNTY OF
SAN DIEGO, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP,
MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS
CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public improvements (the “Improvement Fees”) and/or to finance certain public capital improvements to be constructed by or on behalf of the property owner(s) and to be acquired by the Rainbow Municipal Water District or another local agency (the “Improvements”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the property within the proposed Statewide Community Infrastructure Program Assessment District No. __ (Rainbow Municipal Water District, County of San Diego, California) (the “Assessment District”);

WHEREAS, the Commission finds that the land specially benefited by the Improvements and/or the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. __ (Rainbow Municipal Water District, County of San Diego,) State of California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. __ (Rainbow Municipal Water District, County of San Diego,) State of California”;

WHEREAS, the District is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

NOW, THEREFORE, BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIII D of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Diego within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the Improvements and/or the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and/or the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and/or the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed Assessment District to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after acquisition of the Improvements and/or payment of Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this ___ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on _____, 20__.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A TO THE RESOLUTION OF INTENTION

DESCRIPTION OF WORK

The payment of development impact fees levied within the Assessment District and/or public capital improvements to be acquired and owned by the Rainbow Municipal Water District or another local agency upon or for the benefit of parcels within the Assessment District, for the project known as [Project Name], which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels within the Assessment District have applied for participation in SCIP, as more particularly described below.

PAYMENT OF IMPACT FEES

CAPITAL IMPROVEMENTS*

**Capital improvements includes funding for incidental costs associated with the capital improvements, including but not limited to, contingency, design, engineering, and construction management*

[End of Form of Resolution of Intention]

EXHIBIT B TO THE RESOLUTION
FORM OF ACQUISITION AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

ACQUISITION AGREEMENT

BY AND BETWEEN
RAINBOW MUNICIPAL WATER DISTRICT
AND
[DEVELOPER]

Dated as of _____, 20__

ACQUISITION AGREEMENT

Recitals

A. The parties to this Acquisition Agreement (the “Agreement”) are the RAINBOW MUNICIPAL WATER DISTRICT, (the “Local Agency”), and [DEVELOPER], a [here indicate type of legal entity] (the “Developer”).

B. The effective date of this Agreement is _____, 20__.

C. The Developer has applied for financing of certain public capital improvements (the “Acquisition Improvements”) and capital facilities fees through the Statewide Community Infrastructure Program (“SCIP”) administered by the California Statewide Communities Development Authority (the “Authority”) and such application has been approved by the Local Agency.

D. The administration, payment and reimbursement of the capital facilities fees is agreed to be governed by the provisions of the SCIP Manual of Procedures as it may be amended from time to time. The administration, payment and reimbursement of the Acquisition Improvements shall be as provided herein.

E. Under SCIP, the Authority intends to issue bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements, and the portion of the proceeds of such bonds allocable to the cost of the Acquisition Improvements to be constructed and installed by the Developer, together with interest earned thereon prior to such acquisition, is referred to herein as the “Available Amount”.

F. SCIP will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A are descriptions of the Acquisition Improvements, which descriptions are subject to modification by written amendment of this Agreement, subject to the approval of the Authority.

G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire such completed Acquisition Improvements with the Available Amount.

H. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor.

I. In consideration of Recitals A through H, inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.

Agreement

ARTICLE I

DEFINITIONS; ASSESSMENT DISTRICT FORMATION AND
FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the Local Agency Engineer in his sole discretion not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition Improvements” shall have the meaning assigned to such term in Recital C and are described in Exhibit A.

“Acquisition Price” means the amount paid to the Developer upon acquisition of all of the Acquisition Improvements as provided in Section 2.03.

“Actual Cost” means the cost of construction of all of the Acquisition Improvements, as documented by the Developer to the satisfaction of the Local Agency, as certified by the Local Agency Engineer in an Actual Cost Certificate.

“Actual Cost Certificate” shall mean a certificate prepared by the Developer detailing the Actual Cost of all of the Acquisition Improvement to be acquired hereunder, as revised by the Local Agency Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of _____, 20__.

“Assessment District” means the assessment district established by the Authority pursuant to SCIP which includes the Developer's property for which the Acquisition Improvements are being funded.

“Authority” means the California Statewide Communities Development Authority.

“Available Amount” means the amount of funds deposited in the Developer Acquisition Account by the Authority pursuant to SCIP, together with any interest earnings thereon.

“Code” means the Streets and Highways Code of the State of California.

“Developer” means [Developer], a [here indicate type of legal entity].

“[Developer] Acquisition Account” means the account by that name established by the Authority pursuant to SCIP for the purpose of paying the Acquisition Price of the Acquisition Improvements.

“Local Agency” means the Rainbow Municipal Water District.

“Local Agency Engineer” means the Director of Public Works of the Local Agency (the “Director”) or the designee of the Director, who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the land development program of the Developer pertaining to the Developer’s property in the Assessment District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within or adjacent to the Assessment District.

“SCIP” means the Statewide Community Infrastructure Program of the Authority.

“SCIP Requisition” means a requisition for payment of funds from the [Developer] Acquisition Account in substantially the form attached hereto as Exhibit B.

“SCIP Trust Agreement” means the Trust Agreement entered into by the Authority and the SCIP Trustee in connection with the financing for the Acquisition Improvements.

“SCIP Trustee” means Wilmington Trust, National Association, as trustee under the SCIP Trust Agreement.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements) necessary or convenient to the operation, maintenance, rehabilitation and improvement by the Local Agency of that Acquisition Improvement (including, if necessary, easements for ingress and egress) and a Bill of Sale or similar instrument evidencing transfer of title to that Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

Section 1.02. Participation in SCIP. Developer has applied for financing through SCIP of the Acquisition Improvements, and such application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Developer Acquisition Account, neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of SCIP financing for the Acquisition Improvements.

Section 1.03. Deposit and Use of Available Amount.

(a) Upon completion of the SCIP financing, the Available Amount will be deposited by the Authority in the [Developer] Acquisition Account.

(b) The Authority will cause the SCIP Trustee to establish and maintain the [Developer] Acquisition Account for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the [Developer] Acquisition Account shall remain in the [Developer] Acquisition Account for use as provided herein and pursuant to SCIP. The amounts in the [Developer] Acquisition Account shall be withdrawn by the Local Agency in

accordance with SCIP procedures upon completion of the Acquisition Improvements within 30 days (or as soon thereafter as reasonably practicable) of receipt by the Local Agency of the certification of the Local Agency Engineer required by Section 2.03 of this Agreement, and subject to satisfaction of all other conditions precedent to such acquisition pursuant to Section 2.04 of this Agreement, to pay the Acquisition Price of such completed Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the [Developer] Acquisition Account (less any amount determined by the Local Agency as necessary to reserve for claims against such account) (i) shall be applied to pay the costs of any additional improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, thereafter (ii) shall be applied by the Authority as provided in Section 10427.1 of the Code to pay a portion of the assessments levied on the Project property in the Assessment District.

Section 1.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to SCIP subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the Local Agency's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the Local Agency's rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the design consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts. State law requires that all Acquisition Improvements shall be constructed as if they were constructed under the direction and supervision of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the guidelines of the Local Agency for letting and administering said contracts. The Developer agrees that all such contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency the Acquisition Improvements to be constructed by Developer (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvements, to the extent not already publicly owned) when such Acquisition Improvements are completed to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvements. Exhibit A, attached hereto and incorporated herein, contains a list of each Acquisition Improvement. At the time of completion of each Acquisition Improvement, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate and executed Title Documents for the transfer of the Acquisition Improvement, where necessary. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and the related Acquisition Improvement, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If such further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items, and such determination shall be final and conclusive.

In the event that the Actual Cost is in excess of the Available Amount, the Local Agency shall withdraw the Available Amount from the [Developer] Acquisition Account and transfer said amount to the Developer. In the event that the Actual Cost is less than the Available Amount, the Local Agency shall withdraw an amount from the [Developer] Acquisition Account equal to the Actual Cost, and shall transfer said amount to the Developer. Any amounts then remaining in the [Developer] Acquisition Account shall be applied as provided in Section 1.03.

In no event shall the Local Agency be required to pay the Developer more than the amount on deposit in the [Developer] Acquisition Account at the time such payment is requested.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment by the Local Agency to the Developer from the [Developer] Acquisition Account of the Acquisition Price for an Acquisition Improvement shall be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that such Acquisition Improvement is all complete and ready for acceptance by the Local Agency, and shall be further conditioned upon prior satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency as evidence that the property which is subject to the special assessment liens of the Assessment District is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) All due and payable property taxes, and installments of special assessments shall be current on property owned by the Developer or under option to the Developer that is subject to the special assessment liens of the Assessment District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the Local Agency (or applicable governmental agency) and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to or greater than the Acquisition Price.

Section 2.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

ARTICLE III

MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority, and each of its respective officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees in the performance of this Agreement, or arising out of any contract for the design, engineering and construction of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the SCIP financing (provided that the Developer shall have been furnished a copy of such official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of its respective officers,

directors, employees or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

Section 3.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the SCIP financing for the Acquisition Improvements. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the Local Agency:

Rainbow Municipal Water District
[Address to Come]

If to the Developer:

[Developer]
[Address to Come]

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section 3.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

RAINBOW MUNICIPAL WATER DISTRICT

By _____
[Board President]

ATTEST:
Board Secretary

By _____

[DEVELOPER],
a [here indicate type of legal entity]

By _____
(Signature)

(Print Name)

EXHIBIT A TO THE ACQUISITION AGREEMENT

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

<u>ACQUISITION IMPROVEMENTS</u>	<u>BUDGETED AMOUNTS</u>
1.	\$
2.	
3.	
4.	

EXHIBIT B TO THE ACQUISITION AGREEMENT

FORM OF SCIP REQUISITION

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the RAINBOW MUNICIPAL WATER DISTRICT hereby requests a withdrawal from the [DEVELOPER] ACQUISITION ACCOUNT, as follows:

Request Date: [Insert Date of Request]
Name of Developer: [Developer]
Withdrawal Amount: [Insert Acquisition Price]
Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]
Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

1. The Withdrawal is being made in accordance with a permitted use of such monies pursuant to the Acquisition Agreement, and the Withdrawal is not being made for the purpose of reinvestment.
2. None of the items for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Withdrawal Amount is greater than the funds held in the [Developer] Acquisition Account, the SCIP Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the Withdrawal is being made prior to the date bonds have been issued on behalf of SCIP, this withdrawal form serves as the declaration of official intent of the RAINBOW MUNICIPAL WATER DISTRICT, pursuant to Treasury Regulations 1.150-2, to reimburse with respect expenditures made from the Developer Acquisition Account listed above in the amount listed above.

RAINBOW MUNICIPAL WATER DISTRICT

By : _____

Title: _____

EXHIBIT C TO THE RESOLUTION

RAINBOW MUNICIPAL WATER DISTRICT CONTACTS FOR SCIP PROGRAM

Primary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

Secondary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

[Add additional contacts as needed]

CERTIFICATION OF RESOLUTION

I, the undersigned, the duly appointed and qualified Secretary of the Board of Directors of the Rainbow Municipal Water District, do hereby certify that the foregoing Resolution No. _____ was duly adopted at a regular meeting of the Board of Directors of the Rainbow Municipal Water District duly and regularly held at the regular meeting place thereof on the _____ day of _____, 20____, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

An agenda of said meeting was posted at least 72 hours before said meeting at _____, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 20__

Board Secretary

RAINBOW MUNICIPAL WATER
DISTRICT

By: _____

[Seal]



CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
“SCIP”

MANUAL OF PROCEDURES

Version 3.0

[Last Revised January 2019]



STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM CONTACT INFORMATION

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Executive Summary

Introduction

Capitalized terms used in this Manual have the meanings given under the tab, “Glossary of Terms.”

The Statewide Community Infrastructure Program (“SCIP”) is a program of the California Statewide Communities Development Authority (the “Authority”). The Authority is a joint powers authority. Membership in the Authority is open to every California city, county and local agency, and most are already members. If your city, county or local agency is not yet a member, the necessary membership materials can be obtained by contacting the Authority (see “Contact Information” preceding this Executive Summary).

SCIP financing is available for development projects (“Projects”) situated within cities or counties which have elected to become SCIP participants (each, a “Local Agency”). Eligibility to become a Local Agency requires only (a) membership in the Authority, and (b) adoption of a resolution making the election (the “SCIP Resolution”).

Participation in SCIP entails the submission of an application (an “Application”) by the property owner (the “Applicant”) of a Project for which development entitlements either have been obtained or are being obtained from a Local Agency. For Projects determined to be qualified, SCIP provides non-recourse financing of either (a) eligible development impact fees payable to the Local Agency (or, in certain circumstances, payable to another local agency) (the “Fees”) or (b) eligible public capital improvements (the “Improvements”) or both.

Applicants benefit from SCIP because it allows them to obtain low-cost, long-term financing of Fees and Improvements, which can otherwise entail substantial cash outlays. The Local Agencies benefit from SCIP because it encourages developers to pay Fees sooner and in larger blocks than they otherwise would. The availability of low-cost, long-term financing also softens the burden of rising Fee amounts and Improvement costs, benefiting both the Applicants and the Local Agencies.

General Structure of SCIP

In general terms, this is how SCIP works. Upon receipt of a completed Application, including the Landowner Information Form (with attachments), the SCIP team reviews it to determine (a) eligibility of the Fees and Improvements for which the Applicant seeks financing and (b) creditworthiness of the Applicant and the Project. Once approved by the SCIP team, the Application is acknowledged by the Local Agency. Approved Applications are aggregated for inclusion in the next round of financing. Periodically, as warranted by the accumulation of approved Applications, the Authority issues tax-exempt revenue bonds (the “Bonds”). The proceeds from the Bonds are used to finance Fees and/or Improvements for qualifying Projects located throughout the state. For projects involving a sufficient amount of financing (generally \$5 million or more) a special standalone series of bonds may be issued to fund the Project



separately if the timing of issuance of a pooled financing does not suit the Project, subject to approval of the Authority.

Revenues to pay debt service on the Bonds are derived by the Authority in one of two ways – namely (1) through the levy of special assessments on the parcels which comprise the participating Projects by establishing one or more assessment districts (each, an “Assessment District”) pursuant to the Municipal Improvement Act of 1913 (the “Assessment Act”) or (2) through the levy of special taxes on the Project parcels by establishing a community facilities district (a “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “CFD Act”). Absent circumstances which warrant a CFD, the Assessment District format has been and is expected to continue to be the customary format for SCIP financing.

This Manual is generally devoted to the Assessment District format, though many of the topics covered apply to the CFD format as well. Considerations which are specific to the CFD format are not covered and will need to be discussed among the participants for any given proposed use of that format.

Assessment District Format

Under the Assessment District format, the Authority will levy assessments on the parcels in each Assessment District, with a separate Assessment District for each Project. The assessments will be payable in annual installments (“Assessment Installments”) billed and collected on the applicable county property tax roll, and the Assessment Installments will be calculated to be sufficient to pay annual debt service on the Bonds, together with certain administrative costs of SCIP.

The assessment payment obligation is non-recourse to the property owner and follows the parcel upon change of ownership. As with a conventional assessment district, each property owner retains the right to pay off the assessment at any time and thereby discharge the lien which secures payment of the Assessment Installments.

A major advantage of SCIP for Local Agencies is that the Authority handles all of the proceedings for the formation of the Assessment Districts, levy of the assessments, issuance of the Bonds and administration of the Assessment Installment collection and enforcement. Furthermore, in order to facilitate tax compliance, the proceeds of sale of the Bonds are administered by a trustee bank (the “Trustee”) until requisitioned by the Local Agency to pay Fees or to acquire completed Improvements, as the case may be.

The duties of staff of Local Agencies are correspondingly reduced and relate primarily to making developers aware of the availability of the SCIP program, making application forms available to interested developers, confirming the status of Projects for which Applications have been submitted, confirming the Fee and Improvement obligations for qualified Projects, determining when Improvements are completed and therefore ready for acquisition, and submitting requests to the Trustee for disbursement of SCIP funds to pay Fees and to acquire completed Improvements for Projects which have been funded. In addition, when Improvements will be financed, the Local Agency will be required to enter into an “Acquisition Agreement” with the



Applicant to provide the terms and conditions governing the acquisition of completed Improvements.

When an Application seeks financing of Fees payable to local agencies other than the Local Agency, staff of the Local Agency, together with the Applicant, will usually need to serve as liaison to the other local agency to establish eligibility of such Fees for SCIP financing and to establish procedures for monitoring investment earnings on the Fees until expended for purposes authorized by the applicable Fee Statute.

CFD Format

For larger-scale Projects with planned phasing of the Project and the related Improvements, the CFD format may be more suitable, given the added flexibility of the special tax calculated annually to reflect the development status of each taxable parcel, as opposed to the more rigid fixed lien assessment of the Assessment District format, and the related flexibility of phasing the financing through multiple series of bonds to match the phases of Project development and Improvements. Any determination to utilize the CFD format will be made on a case by case basis, in consultation among the SCIP team, the Local Agency and the Applicant. Projects financed with the CFD format are not pooled with projects financed with the Assessment District format.

Financing Eligible Impact Fees

To be eligible for SCIP financing, Fees must (1) be payable as conditions of development approval for the Project or otherwise provide special benefit to the Project, and (2) proceeds of the Fees must be expended for public improvements which themselves would be eligible for SCIP financing, though the public improvements need not be related to or required for the Project. In addition, there are certain timing limitations that apply to Fees financed through SCIP, in particular that the Fees must not have been paid to the Local Agency more than 60 days prior to the submission of a completed Application and the Authority's issuance of a Declaration of Official Intent to Reimburse for the particular Project.

Within SCIP, there are two programs for funding eligible Fees, and either or both may be applicable for a given Project. The two programs are (1) the Fee Reimbursement Program and (2) the Fee Prefunding Program. In each case, for federal income tax purposes, the proceeds of the Bonds will be allocated to the public improvements actually financed by the Local Agency with the fee amounts received.

Under the Fee Reimbursement Program, payment of the Fees by the Applicant precedes the issuance of the Bonds, usually in connection with obtaining a building permit. In general, in order to include Fees in the Fee Reimbursement Program, the Fees must have been paid by the Applicant to the Local Agency (or other local agency, as applicable) no more than 60 days prior to submission of a completed Application and the Authority's issuance of a Declaration of Official Intent to Reimburse. In order to ensure compliance with the federal income tax requirements for the Bonds, when the Fees that are intended to later be reimbursed by the Bonds are paid to the Local Agency, the Local Agency transfers those Fees to SCIP for deposit in the Local Agency Account. That money is immediately available for requisition by the Local



Agency to make authorized fee expenditures, even before the Bonds are issued. But by holding and investing the unspent Fees until spent, the Authority is able to monitor the investment earnings (which accrue to the Local Agency) for federal tax law arbitrage purposes and track the timing requirements for allocating the proceeds of the later-issued Bonds to the public improvements financed by the Fees. SCIP encourages the Local Agency to spend those amounts as quickly as possible, and before any other fee revenues of the Local Agency. Once the proceeds of sale of the Bonds are available, the Applicant applies for reimbursement of the amount of eligible Fees which have been paid. If the Local Agency transfers paid fees to SCIP but Bonds are not issued the Fees are returned to the Local Agency by SCIP. In this way, the Local Agency is never at risk for the receipt of the Fees.

Under the Fee Prefunding Program, the Fees are funded from proceeds of the Bonds without the need for the Applicant to pay the Fees. For arbitrage rebate purposes, SCIP will invest and hold the proceeds representing the Fees. Again, those moneys are immediately available for requisition by the Local Agency to make authorized fee expenditures. Thus the full amount of Fees funded is immediately available to the Local Agency, irrespective of whether any portion of such Fees has yet become payable with respect to the Project. The advantage to the Applicant is that it never has to pay out of pocket any portion of the Fees, and the advantage to the Local Agency is that the full amount of Fees funded is immediately available to spend on qualified public improvements without waiting for any portion of the prefunded Fees to become due from the Applicant. The landowner receives a credit for fees paid from Bond proceeds in this way. Each Local Agency is encouraged but not required to develop procedures to track the amounts of such credits to the landowners.

Financing Eligible Improvements

To be eligible for SCIP financing, Improvements must meet three conditions – namely, (1) they must be required as conditions of development approval for the Project or otherwise provide special benefit to the Project, (2) they must not have been accepted by and the ownership of them already transferred to the Local Agency or other local agency prior to issuance of the Bonds and (3) they must be the kinds of public improvements authorized to be financed under the Assessment Act. In practice, most of the public improvements which are required as conditions of Project approvals are eligible under the Assessment Act (e.g., roads, street lights, landscaping, storm drains, water and sewer facilities, and parks).

As mentioned above, the Authority will require that an Acquisition Agreement be entered into between the Local Agency and the Applicant to provide the terms and conditions governing the acquisition of completed Improvements. The Acquisition Agreement is prepared by the SCIP team, in the form approved by the Local Agency as part of its SCIP Resolution, as modified to suit the particular circumstances and Local Agency requirements.

Conclusion

The information and materials which follow in this Manual are intended to assist interested persons in further understanding SCIP and how it might be utilized to finance Fees and Improvements associated with a given Project. As indicated above in this Executive Summary, the focus in this Manual is on the Assessment District format. Upon request of an Applicant who



may have a preference for the CFD format, the SCIP team will review the Applicant's Project and determine, in consultation with the Applicant and the Applicant's consultants, whether the CFD format will be suitable.

Interested parties are invited to contact one or more of the persons listed in "Contact Information" preceding this Executive Summary with questions or requests for clarification.



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Glossary of Terms

Appendices A through W, Inclusive



I Local Agency Participation in SCIP

1.01 Eligibility

Any California city, county, city and county, or a special district (a “Local Agency”) may participate in SCIP if it meets the following requirements:

- (a) The Local Agency must be or must become a member in good standing of the Authority prior to or concurrently with joining SCIP.
- (b) The Local Agency must have in place a development fee program pursuant to a Fee Statute (for fee financing) and/or desire to allow the financing of Improvements for eligible Projects.
- (c) If the Local Agency is not itself a city, county or city and county, the city or, if in unincorporated territory, the county in which each Project is located must be a SCIP participating Local Agency.

1.02 SCIP Resolution

To participate in SCIP, the Local Agency must adopt a SCIP Resolution in substantially the form attached in Appendix G and must send a certified copy of such resolution to the Program Administrator. The Resolution must remain in full force and effect so long as the Local Agency wishes to participate in SCIP. A sample staff report and form of Notice of Hearing are also included in Appendix G.

1.03 Withdrawal from SCIP

Any Local Agency may elect to withdraw from SCIP at any time by repealing the SCIP Resolution; provided, that such repeal shall not be effective as to any completed Application duly filed with the Program Administrator and not yet funded, without the consent of the Applicant. Upon withdrawal from SCIP, the Local Agency shall send a certified copy of the withdrawal resolution to the Program Administrator.



II General Eligibility Requirements

2.01 General

The following criteria determine threshold eligibility for SCIP financing. Each Application is also subject to review for certain underwriting criteria, as described in Article III.

2.02 Eligible Impact Fees

In order to be eligible for financing under SCIP, Fees must meet the following criteria:

- (a) Fees must be levied under a Fee Statute (except that in limited circumstances, other fees payable as a condition of development may be eligible).
- (b) Fees must be collected by a Local Agency and levied by either the Local Agency or another governmental entity as a condition of new development or otherwise provide special benefit to the Project as determined by the Assessment Engineer, and be payable at time of (i) granting of entitlements, (ii) issuance of a building permit, (iii) connection to a utility system, or (iv) issuance of a certificate of occupancy. If fees are levied by another government entity and not a Local Agency SCIP participant, the Local Agency and the other government entity must enter into a fee collection agreement in substantially the form attached as **Appendix W**.
- (c) Fees must only be for the payment of Capital Costs of improvements to be owned by the Local Agency or another governmental entity.
- (d) The Local Agency (or other government agency collecting the Fee, as applicable) must reasonably expect to spend the Bond-funded Fees within 3 years of the date Bonds are issued.
- (e) Improvements to be funded with the Fees must be improvements that could be financed under the Assessment Act.

2.03 Eligible Improvements

In order to be eligible for financing under SCIP, Improvements must meet the following criteria:

- (a) The Improvements must be required as a condition of the development project which is the subject of the Application or otherwise provide special benefit to the Project as determined by the Assessment Engineer.
- (b) The Improvements must be authorized under the Assessment Act.



- (c) The Improvements must not have been completed and ownership transferred to the Local Agency or another governmental entity prior to submission of a completed Application and issuance, in connection therewith, of a Declaration of Official Intent to Reimburse pertaining thereto.
- (d) Improvements must be owned by the Local Agency or another government entity upon completion.

2.04 Eligible Property Owners

In order to apply for participation in SCIP, a Property Owner must meet the following criteria:

- (a) The Property Owner must be a natural person, partnership, limited liability company, or corporation in good standing holding, or with a contractual right to acquire, fee simple title in the proposed Assessed Parcel(s).
- (b) If property is held as community property, tenants in common, or joint tenants, the Application must be signed by all owners or their authorized representative(s).
- (c) The Property Owner may not be any governmental or quasi-governmental entity; provided that on a case by case basis the Authority may approve participation by Projects that are in governmental ownership but intended to be sold to private parties after completion of Improvements and/or funding of fees.
- (d) The Property Owner may not be the subject of any bankruptcy proceeding.

2.05 Eligible Property

In order for property to be eligible for SCIP, it must meet the following criteria:

- (a) The property must consist of one or more parcels each of which must be a legal parcel in compliance with the Subdivision Map Act.
- (b) The application must be approved by each governmental entity whose Fees or Improvements will be funded and the application must be approved by a city or city and county or, if within unincorporated territory, a county, that is also a Local Agency SCIP participant. This applies even if no Fees or Improvements of such Local Agency will be funded.
- (c) The property must not be subject to any judgment lien, mechanics lien, or tax lien (other than for taxes levied but not yet due).



III Application Process & Review

3.01 Application

An Applicant who wishes to finance either Eligible Impact Fees or Eligible Improvements (or both) must complete and submit a SCIP Application and a Landowner Information Form (samples of the forms are attached as Appendix A).^{*} The Applicant must submit the completed Application with all attachments and Landowner Information Form (together, the “Application”) to the Program Administrator, along with payment of the application fee as provided in Section 3.02 below. The Program Administrator will confer with Authority staff and if the Application is approved, the Program Administrator will coordinate with the Local Agency to have the Local Agency review and countersign the Application and issue the Declaration of Official Intent to Reimburse.

The Local Agency shall have no responsibility for determining the sufficiency of the Application except to verify (i) the accuracy of the amounts and categories of the Eligible Impact Fees and the items of Eligible Improvements and related estimated costs, as set forth in the Application, and (ii) that the Project approvals and entitlements described in the Application have been granted by the Local Agency.

^{*} Applicants may also apply on-line at <http://www.cscda.org> (follow “Statewide Community Infrastructure Program (SCIP)” hyperlink).

3.02 Application Fees

In order to apply for SCIP, Applicants must pay a non-refundable application fee (\$1,500 as of January 2019). The Application Fee may be adjusted from time to time by the Authority and the current fees are available upon request. The application fee must be included with the Application, with the check made payable to “Statewide Community Infrastructure Program,” and is non-refundable. Application fees will be deposited by the Program Administrator in the fund or account established for the payment of Program Administration Costs.

3.03 Application Review and Underwriting Criteria.

Completed Applications will be reviewed by SCIP Counsel and the SCIP Underwriter in accordance with the SCIP Timetable for the applicable Program Series. An Application can be approved, disapproved, or approved for partial funding. Approval of an application does not guarantee that bonds will be issued in the amount stated in the Application.

In addition to demonstrating that all criteria are met for Eligible Impact Fees, if any, Eligible Improvements, if any, eligible Property Owners and eligible property, the Application shall demonstrate the following:



- (a) Compliance with the California Environmental Quality Act must be established for the Project.
- (b) If the Application seeks participation in the Fee Reimbursement Program, the Applicant must be aware that at the time it applies for reimbursement of Fees paid, a copy of each building permit obtained upon payment of the related Fees will be required.

If the Application seeks participation in the Fee Prefunding Program, all discretionary entitlements must be in place, i.e. there must be an approved vesting tentative subdivision map (if the Project involves a major subdivision under the Subdivision Map Act), and/or conditional use permit (if required for the Project), including improvements design plans, as applicable. In addition, the Applicant must provide evidence that all other discretionary permits, such as Army Corps of Engineers Section 404 permits, Fish and Game permits, and Fish and Wildlife permits and any other required permits for the development of the Project have been obtained.

- (c) The Application must be submitted by the Property Owner (developers, contractors or other persons who are not Property Owners may not submit Applications unless they are signed by the Property Owner).
- (d) Applications should be accompanied by a copy of the most recent property tax bill, if available. The Applicant must certify that it has not been more than 30 days delinquent in the payment of any assessment or special tax securing a bond within the last 5 years.
- (e) If there are any fixed lien assessments on any Assessed Parcel at the time the Application is submitted or if any such assessments are levied at any time prior to the adoption of the Resolution Confirming Assessment, either (i) the prepayment cost of such fixed lien assessments will be added to the Assessment and SCIP will prepay such prior assessments on behalf of the Property Owner or (ii) the Property Owner will prepay such assessments in cash no later than the date fixed by the Assessment Administrator.
- (f) Each Assessed Parcel must have a minimum Assessed Value or Appraised Value of at least 3 times the total Assessment. In most cases, the SCIP Underwriter will require an Appraisal by a certified MAI appraiser chosen by the SCIP Underwriter and approved by the Authority, using a bulk sale “as is” valuation, including the value of the Eligible Impact Fees and Eligible Improvements being financed. All Appraisal costs must be paid by the Applicant in advance to the Program Administrator. Appraisal costs may be refunded from Bond proceeds if Bonds are issued.
- (g) The Property Owner must not be the subject of any bankruptcy proceeding and must not have been adjudged bankrupt within the last 5 years.



- (h) The Authority, on recommendation from the SCIP Underwriter and SCIP Counsel, reserves the right to reject any Application if it believes, in its sole discretion, that the Assessed Parcel(s), the Project or the Property Owner poses undue credit risks. Each Applicant must authorize the Program Administrator to obtain a copy of a credit report from one or more nationally recognized credit reporting agencies, and may be required to provide copies of banking statements and/or tax returns.
- (i) If the Project will include the funding of Improvements, the Applicant may be required to pay costs of preparation of the Engineer's Report in advance as determined by the Authority and any such payments shall be non-refundable.

3.04 Approval, Partial Approval and Rejection of Applications

Applications may either be approved or rejected.

- (a) If an Application is approved, the Program Administrator will arrange for the applied-for reimbursement to the Property Owner (to the extent of the Impact Fee Reimbursement Program) and the applied-for funding (to the extent of the Impact Fee Prefunding Program) of all Eligible Impact Fees and the applied-for funding of the estimated cost and expense of Eligible Improvements upon the issuance of the applicable Program Series.
- (b) If an Application is rejected, the Program Administrator will send a notice of rejection to the Applicant. Any application fees or other charges paid in connection with the Application are non-refundable.

If an approved Application includes Eligible Improvements, SCIP Counsel will initiate the preparation of an Acquisition Agreement substantially in the form attached to the SCIP Resolution of the Local Agency. See Appendix G for the form of SCIP Resolution, to which the form of Acquisition Agreement is attached as Exhibit B. SCIP Counsel will coordinate with the Assessment Engineer to obtain the description and estimated costs pertaining to the Eligible Improvements (Exhibit A to the Acquisition Agreement) and will coordinate with the Applicant and the Local Agency to approve and execute the final form of the Acquisition Agreement.

After the application is approved, the exact dollar amount of funds the Bond issuance will provide is dependent upon a number of factors, including federal income tax requirements, Local Agency limitations, value to lien ratio, effective tax rate, and other credit factors.



IV Assessment Proceedings

4.01 Local Agency Requirements

Once the Local Agency has adopted a SCIP Resolution, normally it will not be necessary for the City Council or the Board of Supervisors of the Local Agency, as the case may be, to take any further action. Designated staff of the Local Agency will need to (a) review the Application to perform the verification described in 3.01 above, followed by execution of the Application, (b) coordinate review, finalization and execution on behalf of the Local Agency of the Acquisition Agreement when Eligible Improvements are being financed, (c) monitor progress and completion of construction of Eligible Improvements for purposes of submitting reimbursement requisitions pursuant to the Acquisition Agreement, if any, (d) sign a closing certificate in substantially the form of Appendix N (upon the issuance of each applicable Program Series) and (e) administer the requisition process for disbursement of those Eligible Impact Fees which have been financed by the applicable Program Series.

It may be necessary due to special circumstances or changes in law or in the SCIP procedures for the Local Agency to take some further action to facilitate financing of Eligible Impact Fees and/or Improvements. In such case, all documentation and proceedings will be prepared by SCIP Counsel at no cost to the Local Agency and will be forwarded to the Local Agency for review and approval. It is possible that further information will be needed from Local Agencies beyond the information in the Application, and by adopting its SCIP Resolution, the Local Agency agrees to cooperate with the Program Administrator, SCIP Underwriter, SCIP Counsel and Assessment Engineer with respect to developing such additional information.

4.02 Property Owner Requirements

Upon satisfaction of the Application requirements of Article III, each Applicant will be sent an Assessment Ballot in substantially the form attached hereto as Appendix B and a Consent and Waiver in substantially the form attached hereto as Appendix C, accompanied by a copy of the preliminary Engineer's Report showing (a) the Eligible Impact Fees, Eligible Improvements and related program costs being financed and (b) the amount of the Assessment being imposed on each of the Applicant's Assessed Parcels. The Assessment Ballot must be marked "Approve" and executed by the Property Owner and the Consent and Waiver must be executed by the Property Owner and returned to the Program Administrator by the deadline indicated in the transmittal letter. Failure to properly complete or return either of these documents will result in the rejection of the Application.

4.03 Assessment Proceedings – General

All proceedings for the establishment of Assessment Districts and the issuance of Local Obligations and Bonds will be conducted by the Authority. Assessment proceedings are conducted by the Authority in full compliance with the requirements of Article XIID of the California Constitution (Proposition 2018). Upon determining which Applications have satisfied



the requirements of Article III for a Program Series, the Authority will commence the proceedings to establish the Assessment Districts. For each Program Series, the Authority will create a separate Assessment District for each Project being financed by such Program Series.

4.04 Engineer's Reports

For each Assessment District, the Assessment Engineer will prepare an Engineer's Report containing the items required by Section 10204 of the Assessment Act. The Engineer's Report must be signed by a California registered professional engineer and must be filed with the Authority. Each Local Agency will be required to cooperate with the Assessment Engineer to finalize the amounts and descriptions of Fees and Improvements included in the Engineer's Report.

4.05 Assessment Amount

The Assessment for each Assessed Parcel will be calculated as set forth in the Engineer's Report as the sum of the following amounts:

- (a) Total Eligible Impact Fees financed for such Assessed Parcel; plus
- (b) Benefit Share of Estimated Cost and Expense of Eligible Improvements for the Project of which the Assessed Parcel is a part; plus
- (c) Pro-Rata Share of Costs of Issuance; plus
- (d) Pro-Rata Share of Reserve Requirement; plus
- (e) Pro-Rata Share of Capitalized Interest, if any; plus
- (f) Prior assessment liens, if any.

Prior to the mailing of the Notice of Hearing and the Assessment Ballot (see Section 4.06(c) below) the Assessment Engineer will determine the not-to-exceed Assessment amount, which will be included in the Assessment Ballot. The actual amount of the Assessment will ultimately be less than or equal to the Assessment amount shown in the ballot.

4.06 Sequence of Events

Assessment Proceedings will consist of the following legal actions to be taken by the Authority and the Program Administrator, in accordance with the SCIP Timetable for such Program Series:

- (a) Adoption of resolution of intention in substantially the form shown in Appendix I.
- (b) Adoption of resolution preliminarily approving Engineer's Report and calling public hearing in substantially the form shown in Appendix J.



- (c) Mail the Notice of Hearing to each Property Owner at the address shown on the most recent equalized assessment roll of the County or as otherwise known to the Assessment Engineer, in substantially the form attached as Appendix K. The Notice of Hearing will include a transmittal letter, the Assessment Ballot, the Consent and Waiver and a copy of the applicable preliminary Engineer's Report.
- (d) Assessment Ballots and Consents and Waivers must be returned to the Program Administrator no later than the deadline identified in the transmittal letter.
- (e) No earlier than 45 days after mailing of the notices, the Authority will conduct a joint public hearing for all Assessment Districts in the Program Series. Any Property Owner, Local Agency representative or member of the general public will be given the opportunity to testify at the hearing. Any Property Owner may withdraw their Assessment Ballot and Consent and Waiver at the hearing, and in such event, the Property Owner will not be included in the Assessment District and the Program Series.
- (f) At the conclusion of the hearing, the Authority will customarily adopt the following Resolutions:
 - (i) Resolution Confirming Assessment in substantially the form attached as Appendix D.
 - (ii) Local Obligation Resolution in substantially the form attached as Appendix E.
 - (iii) Revenue Bond Resolution in substantially the form attached as Appendix F. (See Article V – Bonds.)

However, in some circumstances the Authority may need to defer adoption of the Local Obligation Resolution and the Revenue Bond Resolution to a later date, in which case the resolutions will be considered at such time as circumstances permit. For example, the condition of the municipal bond market in general may warrant deferral of these actions until a later time.

- (g) Within approximately 5 days after the hearing and adoption of the above resolutions, the Assessment Engineer will record the assessment diagram and a notice of assessment against each Assessed Parcel in substantially the form attached as Appendix L and will publish a notice of recording of assessment in newspapers of general circulation within each County containing an Assessment District in substantially the form attached as Appendix M.
- (h) The statute of limitations to challenge any Assessment runs 30 days after the levy of the Assessment, which is the date on which the Resolution Confirming Assessment is adopted.



- (i) In the event the Authority determines to refinance any Program Series, such refinancing shall not have any effect on the Local Obligations or the Assessment Installments levied for such Program Series.



V Bonds

5.01 Financing Structure

Funding of SCIP will be accomplished through a two-step process involving first, the issuance of the Local Obligations under the Assessment Bond Act and second, the issuance by the Authority of Bonds under the Revenue Bond Act. The Bonds for each Program Series will be secured by the Local Obligations issued for each separate Assessment District in the Program Series. By using this approach, the Authority will be pooling all of the Assessments into a blended security which will provide benefits through diversification of credit risk as well as economies of scale. The Local Obligations will be registered in the name of the SCIP Trustee and held as security for the Revenue Bonds. Assessment Installment payments will be applied to the payment of debt service on the Local Obligations, which will in turn be applied by the SCIP Trustee, as holder of the Local Obligations, to the payment of debt service on the Bonds.

5.02 Bond Documents

The Authority will approve a set of Bond Documents for each Program Series. Copies of the draft Bond Documents for each Program Series will be made available for review by any Local Agency or Applicant participating in the Program Series at least 15 days prior to the adoption thereof by the Authority; provided, that the Authority reserves the right to modify such Bond Documents thereafter.

5.03 Local Agency Closing Certificate

Each Local Agency which has Assessments in its jurisdiction for a Program Series will be required to execute and deliver to the Authority a closing certificate, dated as of the Closing Date, in substantially the form attached hereto as Appendix N.

5.04 Arbitrage Rebate

As set forth in Appendix O, the Program Administrator will provide all required arbitrage rebate and yield restriction reporting services with respect to the Bonds, including preparing the necessary Internal Revenue Service (“IRS”) documentation and instructing the SCIP Trustee to make any required arbitrage rebate or yield reduction payments to the IRS.

5.05 Continuing Disclosure

As set forth in Appendix P, the Program Administrator will provide the services necessary to ensure that the Authority will meet its continuing disclosure obligation with respect to the Bonds.



5.06 Refunding Dividend Program

The Authority reserves the right to refinance the Bonds for any Program Series if the Authority determines in its sole discretion that market conditions will allow the Authority to achieve significant savings from such refinancing after payment of all costs of issuance as determined by the Authority. Local Agencies may be asked to provide certain certifications or agreements in connection with such refunding. Subject to applicable federal tax limitations, all net savings generated from a refunding shall be monetized in the refunding and each Local Agency will receive a pro rata credit for such savings in the appropriate SCIP Trustee account, and such credited amount may be withdrawn by the Local Agency to pay Capital Costs as provided in Article VI. Because all savings are monetized and paid out to Local Agencies (subject to applicable federal tax limitations), no refunding will result in a reduction of any Assessment or Assessment Installment. In certain circumstances, subject to the discretion of the Authority or if so directed by the Local Agencies, the net savings generated from the refunding shall be applied to provide a credit to property owners for application against the next year's assessments.



VI Funds Management & Administration

6.01 Deposits to SCIP

Payments from the Local Agency to SCIP of Fees paid to it by the Applicants to be reimbursed, and Bond proceeds received by SCIP for prefunded Fees or for acquisition of Improvements, will be deposited with the SCIP Trustee into the Custody Account. The Custody Account will contain a subaccount for each separate Local Agency. That subaccount is known as the “Local Agency Account.” Each Local Agency Account will contain separate Fee Accounts (e.g., water, sewer, roadway, etc.) into which moneys allocable to the Local Agency’s Fees will be deposited, as described in Section 6.03 and 6.04, below.

6.02 Access to SCIP Funds

Each Local Agency will access its Local Agency Account by submitting a disbursement request to the Program Administrator for Capital Costs. Disbursement requests should be submitted no earlier than the time of payment by the Local Agency for the Capital Costs. The form of disbursement request is as set forth in Appendix Q. All disbursement requests shall be forwarded either by facsimile or e-mail to the Program Administrator. Upon receipt of a disbursement request, the Program Administrator will instruct the SCIP Trustee to disburse the requested funds in accordance with the instructions provided by the Local Agency. For disbursements by wire, each Local Agency will provide the Program Administrator with contact information for the appropriate financial institution, including wire instructions. Disbursements generally will occur within two business days of receipt of a completed disbursement request.

6.03 Account Statements

The Program Administrator will provide each Local Agency with statements identifying the balance in its Local Agency Account and the portion thereof which is allocable to each Fee Account therein (e.g., water, sewer, roadway, etc.), the current market value of its Local Agency Account, interest earnings credited and accrued during the statement period, current investment holdings and cash flow activity. Such statements may be provided monthly or quarterly at the election of the Local Agency.

6.04 Fee Account Allocation

The Program Administrator will record the allocation of funds held for each Local Agency to each Fee Account based on directions provided by each Local Agency upon entering SCIP.

6.05 Management of SCIP Funds

Funds held in SCIP accounts, including Local Agency Accounts, will be invested appropriately at the direction of the Program Administrator. Investment instructions provided to the SCIP Trustee by the Program Administrator will at all times conform with SCIP’s investment policy as



set forth in Appendix R. Investment earnings will be credited to each SCIP Account and subaccount therein for the benefit of the respective Local Agencies.

6.06 Rejected Applications

Any Applicant whose application for Fee reimbursement is rejected will be notified by the Program Administrator that the Fee reimbursement applied for is not eligible for reimbursement. When an application is rejected, the Fees transferred to SCIP by the Local Agency, if any, held in the applicable Local Agency Account, will be returned to the Local Agency and the Local Agency will be responsible for accounting for such funds in the appropriate capital accounts established for the Local Agency's fee programs. Property Owners shall not be entitled to any refund of Fee payments or costs paid in connection with any rejected Application other than as approved by the Local Agency.

6.07 SCIP Record Retention Policy

The Program Administrator will maintain SCIP accounting records on site for not less than 2 years after a Local Agency closes its Local Agency Account and not less than 3 years thereafter at an appropriate off-site location.

6.08 Inspection of SCIP Accounting Records

The Program Administrator will comply with reasonable requests of the Local Agencies to inspect SCIP accounting records during normal business hours and, upon the request of a Local Agency, will provide a Local Agency with a statement of the Local Agency Account.



VII Collection of Assessments

7.01 Annual Posting

For each Assessment District, the Assessment Administrator will annually transmit to each County, no later than the County's deadline, the auditor's record required by Section 8682 of the Assessment Bond Act for posting on the tax roll. The Assessment Installments will appear on the property tax bill mailed by the County to each Property Owner as a separate line item in substantially the following form:

“CSCDA SCIP Assessment District No. [20__-__] – \$_____”

7.02 Administrative Cost Assessment

Pursuant to Section 10204(f) of the Assessment Act, the Authority will annually levy an additional assessment to defray the costs of collection and administration of the assessments and the Local Obligations which are not otherwise reimbursed in an amount not to exceed 10% of the Assessment Installment for such year. Such amounts will be applied by the Authority to pay Program Administration Costs and a full accounting will be provided each year upon request to any Local Agency or Property Owner participating in a Program Series. In addition, each County will add up to \$8 per parcel to each semi-annual Assessment Installment pursuant the Assessment Bond Act as an administrative charge to defray the County's costs of collecting assessments on the tax roll.

7.03 Payment of Assessment Collections to Authority

Each County will pay the Assessment Installments (net of the County's administrative charge) collected each year to the Authority and the Authority will immediately deposit such funds as follows:

- (a) Amounts representing Program Administration Costs will be deposited in the Expense Fund held under the Trust Agreements for the appropriate Program Series.
- (b) Amounts representing principal and interest installments of the Assessments will be transferred to the SCIP Trustee for deposit in the Revenue Fund held under the Trust Agreements for the appropriate Program Series.

7.04 Interest Earnings on Funds and Accounts and Assessment Credits

- (a) Expense Fund. Earnings on amounts held in the Expense Fund will be retained in such fund and applied as a credit against Program Administration Costs.



- (b) Local Agency Accounts. Earnings on amounts in each Local Agency Account shall be retained in each Local Agency Account and will be available for withdrawal by the Local Agency as provided in Section 6.02. At the direction of the Local Agency, such earnings may be applied as a credit against future Assessment Installments.

- (c) Revenue Fund. Earnings on amounts in the Revenue Fund for each Program Series held by the SCIP Trustee under each Trust Agreement shall be retained in such Revenue Fund and applied as a credit on the annual Assessment Installments in the next succeeding fiscal year, except:
 - (i) In the case of Refunding Bonds issued pursuant to the Refunding Dividend Program, such earnings may be applied to pay debt service on the Refunding Bonds in the event that prepayments of Assessments require such earnings to be applied to maintain cash-flow balance between the revenue from the Local Obligations and the debt service payments on the Refunding Bonds;
 - (ii) To the extent the portion of the Assessment Installments actually collected by the Authority for Program Administration Costs together with the amounts available in the Program Administration Fund is less than the Program Administration Costs, such earnings may be transferred to the Authority for deposit in the Program Administration Fund to pay Program Administration Costs; and
 - (iii) Notwithstanding the above, to the extent amounts are required to be deposited in the Rebate Fund to pay arbitrage rebate with respect to any Program Series, earnings on amounts in the Revenue Fund and any Local Agency Accounts in excess of the applicable bond yield (calculated pursuant to the Internal Revenue Code and the regulations issued thereunder) may be transferred to the Rebate Fund.

7.05 Prepayment of Assessments

Property Owners shall have the right at any time to prepay their Assessment in part or in full. Payoff quotes may be obtained from the Assessment Administrator. Payoff quotes will be calculated in accordance with the Assessment Bond Act, and assuming that the applicable Assessment is not then delinquent, the payoff quote shall include the unpaid principal amount of the Assessment, plus accrued interest at the rate of interest on the Local Obligations, plus a prepayment premium not to exceed 3% of the unpaid principal amount plus an administrative charge for the prepayment. In the event that the applicable Assessment is then delinquent, an additional amount will be payable with respect to reinstatement of such delinquencies. The Property Owner may be entitled to a credit for a proportionate share of any reserve fund. Payoff quotes and prepayments will require payment of administrative charges as established by the Assessment Administrator.



7.06 Delinquent Assessment Installments

The Assessment Administrator will monitor the payment of all Assessment Installments and will track any delinquencies in the payment of such Assessment Installments by Property Owners (regardless of the remittance of such installments to the Authority by any County pursuant to the provisions of Revenue & Taxation Code Sections 4717 and following (the so-called “Teeter Plan”)). In the event an Assessment Installment is not paid on or prior to December 10 or April 10 of any fiscal year, as the case may be, the Assessment Administrator will take the following steps and any additional steps as directed by the Authority:

- (a) Within 90 days after the December 10 or April 10 due date of such Assessment Installment, the Assessment Administrator shall send a demand letter to the Property Owner in substantially the form set forth in Appendix S. An administrative fee for sending the letter will be charged. If the parcel goes to foreclosure it will be charged to the parcel; if the delinquency is paid before it is stripped from the roll, the fee will simply be an administrative expense of the Authority.
- (b) If the Assessment Installment has not been paid, including any penalties, within 30 days of the date of the initial demand letter, the Assessment Administrator shall send a second letter by certified mail, in substantially the form set forth in Appendix T, indicating that (i) the Assessment Installment remains delinquent and (ii) the Authority will direct Foreclosure Counsel to commence foreclosure proceedings on the Assessed Parcel if payment is not received within 30 days of the receipt of the second letter.
- (c) Concurrently with sending the second demand letter to the Property Owner, the Assessment Administrator shall determine whether there is a mortgage lien on the Assessed Parcel and, if so, shall send a demand letter by certified mail to the lender in substantially the form set forth in Appendix U.
- (d) If the Assessment Installment is not paid within the period specified in the demand letters prescribed by the foregoing steps (b) and (c), then unless the property owner is in bankruptcy or on active military duty, the Assessment Administrator shall, after April 10 (in order to include both installments if both are delinquent), cause a Notice of Intent to Remove Delinquent Assessment Installment(s) from the Tax Roll to be recorded in the office of the appropriate County Recorder, pursuant to Section 8833(a)(1) of the Assessment Bond Act, and then proceed to cause the delinquent installments to be stripped from the County tax roll and submit the delinquent installment information to Foreclosure Counsel (with a copy to the SCIP Underwriter, the Program Administrator and SCIP Counsel) to commence and prosecute, to the fullest extent permitted by law, Superior Court judicial foreclosure proceedings against the Assessed Parcel in accordance with the Assessment Bond Act, the Local Obligation Resolution and the Trust Agreement



- (e) Upon notification by the Assessment Administrator and receipt from the Assessment Administrator and SCIP Counsel of the information required for the foreclosure complaint, Foreclosure Counsel may contact the property owner and lender in an additional attempt to collect the stripped assessment installments, penalties, interest, and all costs and expenses, but will, prior to any applicable deadline set forth in the Trust Agreement or otherwise, take all steps necessary to prepare and file a complaint for judicial foreclosure of the lien of the Assessment and will diligently prosecute such action to judgment and a sheriff's sale.
- (f) Once step (b) of this Section has been reached, the Property Owner shall be required to pay the fees and expenses of the Assessment Administrator and Foreclosure Counsel incurred with respect to the Assessed Parcel, in addition to any delinquent Assessment Installment, penalties and interest assessed by the applicable County, in order to bring the Assessed Parcel current. In addition, if step (b) of this Section has been reached with respect to any Property Owner, such Property Owner will be barred from further participation in SCIP absent a specific waiver approved by the Legislative Body.

7.07 Tenders of Bonds Not Permitted

All of the Local Obligations will be held by the SCIP Trustee for the benefit of the holders of the Bonds. Although Section 8688 of the Assessment Bond Act allows owners of property within assessment districts to tender bonds issued under the Assessment Bond Act for payment of assessment installments, the Bonds are not issued under the Assessment Bond Act and Property Owners who may hold Bonds will not be permitted to tender such Bonds in the payment of Assessment Installments.



VIII Property Owner Information

8.01 Balance and Payoff Information

The Assessment Administrator will maintain a database of information with respect to each Assessed Parcel which will allow the Property Owner or any other interested person to obtain either a current balance or a payoff quote for the Assessment on such parcel. The Assessment Administrator will be permitted to charge a reasonable fee for providing such information as provided in the current schedule of fees of the Assessment Administrator on file with the Program Administrator.

8.02 Disclosure of Assessment

Each Property Owner shall comply with the requirements of applicable law with respect to the disclosure of the Assessment to any purchaser of an Assessed Parcel. The form of disclosure notice to subsequent purchasers is attached as Appendix V. For a reasonable fee in accordance with the schedule of fees maintained by the Assessment Administrator, the Assessment Administrator will supply a completed notice for any individual Assessed Parcel upon request.

8.03 Billing Questions

The Assessment Administrator will maintain a toll free telephone number to respond to inquiries from Property Owners concerning billing of Assessment Installments.



IX Miscellaneous

9.01 Use of this Manual

This Manual is intended to provide guidance to Local Agencies, Applicants, Property Owners and SCIP consultants in the implementation of SCIP's programs. It is not intended to supersede or replace the legal documents which are used in the SCIP programs. In case of any inconsistency between the provisions of this Manual and such legal documents, the legal documents will control. Capitalized terms used in this Manual have the meanings given under the tab, "Glossary of Terms."

9.02 Contact Information

The contact information for SCIP is provided at the beginning of this Manual. Any notice or other correspondence must be sent by first-class mail to the addresses listed and any communication by facsimile or e-mail will not be considered effective unless a copy is also sent by first class mail.

9.03 Limited Liability

In no event will any Local Agency or any of its officers, employees or agents be liable for the payment of Assessments, Assessment Installments, Program Administration Costs, Costs of Issuance or any other fees or expenses in connection with SCIP. Neither the Authority nor any of its members, officers, employees or agents will be liable for the payment of Assessments, Assessment Installments, Program Administration Costs, Costs of Issuance or any other fees or expenses in connection with SCIP except from the Assessment Installments or other funds and accounts established pursuant to SCIP.

9.04 Legal Representation

SCIP Counsel will represent only the Authority in connection with the SCIP program and shall not be deemed to have an attorney-client relationship with any Local Agency, Applicant or other participant or party in connection with SCIP or any Program Series. By participating in SCIP, each Local Agency, Applicant or other participant or party agrees that there is no conflict of interest with respect to any other relationship with SCIP Counsel on other matters and, to the extent such conflict is deemed to exist, waives the conflict.

9.05 Interpretation

This Manual is intended to be an operating guide for SCIP, to be used by the Authority, the program consultants and Local Agency participants in implementing and administering SCIP. Interpretation of this Manual will be controlled by the Program Administrator in consultation with SCIP Counsel, subject to final approval by the Legislative Body, whose determinations shall be final and conclusive.



9.06 Revisions to this Manual

SCIP is an ongoing program, and from time to time the Authority may determine that revisions are required to SCIP and this Manual for the purpose of improving the program in the interests of the Authority, the Local Agencies and other parties. This Manual will be updated and revised from time to time as approved by the Legislative Body and revised editions will be posted on the Authority's website at <http://www.cscda.org> (follow "Statewide Community Infrastructure Program (SCIP)" hyperlink).

9.07 Waivers of Policy

The Legislative Body may, in its discretion, require additional measures and procedures, enhanced security, and higher standards in certain circumstances. Further, the Legislative Body may, in its discretion, waive any of the policies and procedures set forth herein to the extent permitted by law. Such waivers may only be granted by action of the Legislative Body. Any action taken by the Legislative Body that is inconsistent with these policies and procedures shall be deemed to constitute a waiver of such policy or procedure.



Glossary of Terms

Capitalized terms used in this Manual have the meanings given below, unless the context requires otherwise.

Acquisition Agreement means the agreement between the Local Agency and the Applicant, in substantially the form attached as Exhibit A to the SCIP Resolution, the form of which is attached hereto as Appendix G, and providing the terms and conditions upon which the Applicant will be reimbursed all or a portion of the cost and expense of Eligible Improvements completed by the Applicant, all as more fully provided by and subject to the limitations set forth in the agreement.

Applicant means a person who applies for financing of Eligible Impact Fees and/or Eligible Improvements through SCIP.

Application means a completed application for financing of Eligible Impact Fees and/or Eligible Improvements, submitted by a Property Owner to the Program Administrator. The two forms which must be completed and submitted, together with applicable attachments, to constitute a completed Application, are entitled “SCIP Application” and “SCIP Landowner Information Form,” respectively, and are set forth in Appendix A.

Appraisal means an appraisal of one or more Assessed Parcels prepared by an independent professional appraiser who is a Member of the Appraisal Institute (MAI), and is selected by the Authority from an approved list on file with the Authority.

Appraised Value means the market value of an Assessed Parcel as shown in an Appraisal.

Assessed Parcel means a parcel of land subject to or proposed to be subject to an Assessment. Each Assessed Parcel must be a legal parcel in compliance with the Subdivision Map Act. Individual condominium units in a condominium project will be deemed legal parcels for this purpose once a separate Assessor’s Parcel Number has been assigned to each condominium unit in the condominium project by the County Assessor for the County in which the condominium project is located.

Assessed Value means the assessed value (land and improvements) of an Assessed Parcel as shown on the most recent equalized assessment roll (including any supplemental roll) of the County in which the Assessed Parcel is located.

Assessment means a special assessment levied by the Authority on property pursuant to the Assessment Act.

Assessment Act means the Municipal Improvement Act of 1913, being Division 12 of the Streets & Highways Code of the State.



Assessment Administrator means David Taussig & Associates, LLP or any successor firm appointed by the Authority as the Assessment Administrator for SCIP.

Assessment Ballot means a Property Owner assessment ballot with respect to a proposed Assessment in substantially the form set forth in Appendix B.

Assessment Bond Act means the Improvement Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State.

Assessment District means an assessment district formed by the Authority pursuant to the Assessment Act for the purpose of financing Eligible Impact Fees and/or Eligible Improvements through the issuance of Local Obligations.

Assessment Engineer means David Taussig & Associates LLP or any successor firm appointed by the Authority as the Assessment Engineer for SCIP.

Assessment Installment means an annual installment payable with respect to an unpaid Assessment and consisting of principal, interest and administrative charges.

Authority means the California Statewide Communities Development Authority, a joint exercise of powers authority duly established pursuant to the laws of the State.

Bond Documents means, with respect to each Program Series, the Revenue Bond Resolution, Trust Agreement, Local Obligation Resolution, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary and final Official Statement, Escrow Agreement (in the case of refundings), and any and all other documents deemed necessary by SCIP Counsel to the authorization, sale and issuance of Bonds.

Bonds means bonds issued by the Authority for SCIP under the Revenue Bond Act, the proceeds of sale of which are applied to the purchase of the Local Obligations of the applicable Program Series.

Capital Costs means costs properly chargeable to a capital account pursuant to generally accepted accounting principles incurred for either (1) public capital improvements legally payable from Eligible Impact Fees or (2) Eligible Improvements.

Closing Date means the date on which the Bonds for a Program Series are initially delivered to the SCIP Underwriter.

Consent and Waiver means a consent and waiver of a Property Owner in substantially the form set forth in Appendix C.

Costs of Issuance means, with respect to each Program Series, all costs of issuing the Bonds and the Local Obligations, including without limitation costs of appraisals, engineer's reports, apportionment fees, absorption studies, credit enhancement (such as bond insurance), rating agency fees, underwriter's discount, legal fees and expenses, Authority fees and expenses, trustee fees and expenses, printing, publication, document



reproduction, filing and recording costs and any other cost related to the issuance of the Bonds or the Local Obligations. Costs of issuance may also include an amount calculated by the Authority as the amount necessary to pay Program Administration Costs through the first full fiscal year of each Program Series.

Custody Account means the account established by the SCIP Trustee pursuant to the Trust Agreement for each Program Series and into which is deposited that portion of the proceeds of sale of the Bonds for such Program Series representing (1) Eligible Impact Fees financed from such Program Series and (2) amounts financed on account of Eligible Improvements.

Declaration of Official Intent to Reimburse means the written statement of the Local Agency or of the Authority, received in connection with the Application, declaring the intention to reimburse expenditures made by or on behalf of a Property Owner with respect to Eligible Impact Fees or Eligible Improvements prior to issuance of Bonds of the applicable Program Series.

Eligible Impact Fee means a fee levied or collected by a Local Agency pursuant to a Fee Statute and otherwise meeting the requirements of Section 2.02.

Eligible Improvement means a public capital improvement authorized by the Assessment Act, together with authorized incidental expenses associated therewith, and otherwise meeting the requirements of Section 2.02.

Engineer's Report means the report prepared by the Assessment Engineer for each Assessment District, which shall contain the information required by Section 10204 of the Assessment Act and shall be signed by a California registered professional engineer.

Fee Account means the separate account for each category of Eligible Impact Fees established by the SCIP Trustee for each Local Agency pursuant to Article VI.

Fee Prefunding Program means that component of SCIP pertaining to the financing of Eligible Fees on behalf of an Applicant, with payment being made directly to the Local Agency or other governmental entity to which the Eligible Fees are payable.

Fee Reimbursement Program means that component of SCIP pertaining to the financing of Eligible Fees which have been paid by an Applicant prior to the Closing Date of the Bonds of a given Program Series.

Fee Statute means the Mitigation Fee Act (California Government Code Sections 66000 and following) or any other State law or local legislation imposing fees on new development to pay for the Capital Costs of public capital improvements.

Foreclosure Counsel means an attorney or firm of attorneys designated from time to time by the Legislative Body to act as counsel to the Authority in prosecuting foreclosure actions in connection with SCIP.



Legislative Body means the commission of the Authority.

Local Agency means a city, county, city and county or special district which is a member of the Authority and has an effective SCIP Resolution in place.

Local Agency Account means the subaccount established by the SCIP Trustee within the Custody Account, as described in Section 6.01.

Local Obligation Resolution means a resolution of the Authority in substantially the form set forth in Appendix E.

Local Obligations means limited obligation improvement bonds issued by the Authority under the Assessment Bond Act for SCIP and pledged as security for Bonds of a given Program Series.

Program Administration Costs means all costs of administering each Program Series, including fees and expenses of the Program Administrator, Assessment Administrator, SCIP Counsel, Foreclosure Counsel and any other costs or expenses of administering each Program Series.

Program Administration Fund means the fund established by the SCIP Trustee for the payment of Program Administration Costs.

Program Administrator means BLX Group LLC, or any successor firm appointed by the Authority as the Program Administrator for SCIP.

Program Series means an individual series of Bonds to be issued to fund an Application or a group of Applications, as shall be determined by the Authority, or a series of Bonds issued to refund any Program Series.

Project means a development project being undertaken by an Applicant within a Local Agency which has been conditioned upon either (a) payment of impact fees or (b) construction and installation of public capital improvements or both and for which an Application for SCIP financing of Eligible Impact Fees and/or Eligible Improvements has been submitted by an Applicant.

Property Owner means the legal owner(s) of property subject to an Assessment or for which an Application has been filed.

Pro-Rata Share means a percentage determined by dividing the amount of the assessment for an Assessed Parcel by the total amount of assessment being financed in the applicable Program Series.

Rebate Fund means the fund by that name established by the SCIP Trustee for each Program Series for the purposes of holding amounts payable to the United States Treasury pursuant to the requirements of Section 148 of the Internal Revenue Code and the regulations issued thereunder.



Refunding Bonds means Bonds issued pursuant to the Refunding Dividend Program.

Refunding Dividend Program is the SCIP program described in Section 5.06.

Reserve Requirement means, with respect to the Bonds issued for any Program Series, the amount required to be maintained in the Reserve Account within the Revenue Fund for such Program Series. The Reserve Requirement will normally be equal to the maximum annual debt service on the Bonds for the Program Series; however the Authority may determine to establish a lower Reserve Requirement for any Program Series if feasible.

Resolution Confirming Assessment means a resolution of the Authority in substantially the form set forth in Appendix D.

Revenue Bond Act means Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State.

Revenue Bond Resolution means a resolution of the Authority in substantially the form set forth in Appendix F.

Revenue Fund means the fund by that name established by the SCIP Trustee under each Trust Agreement for a Program Series, including the following subaccounts: the Interest Account, the Principal Account and the Reserve Account.

SCIP means the Authority's development impact fee and public capital improvement financing program known as the "Statewide Community Infrastructure Program."

SCIP Counsel means Orrick, Herrington & Sutcliffe LLP, or such other attorney or firm of attorneys who are nationally recognized bond counsel selected and appointed by the Authority.

SCIP Resolution means a resolution of the governing body of a Local Agency in substantially the form attached as Appendix G.

SCIP Timetable means the time schedule for each Program Series as approved by the Authority. A sample SCIP Timetable is provided in Appendix H and a specific SCIP Timetable will be established by the Authority, in consultation with the SCIP Underwriter, for each Program Series.

SCIP Trustee means Wilmington Trust National Association, or any successor appointed by the Authority as Trustee for SCIP.

SCIP Underwriter means RBC Capital Markets, LLC or any successor firm(s) appointed by the Authority as the underwriter(s) for SCIP.

State means the State of California.



Subdivision Map Act means the provisions of Division 2 of Title 7 of the Government Code of the State, commencing at Section 66410.

Trust Agreement means a trust agreement, indenture, or similar instrument which secures and provides the terms for issuance and administration of a given Program Series.



Appendices

<u>Appendix</u>	<u>Description</u>
A	Form of Application and Landowner Information
B	Form of Assessment Ballot
C	Form of Property Owner Consent and Waiver
D	Form of Resolution Confirming Assessment
E	Form of Local Obligation Resolution
F	Form of Revenue Bond Resolution
G-1	Form of SCIP Resolution, with attachments: <ul style="list-style-type: none">• Form of CSCDA Resolution of Intention• Form of Acquisition Agreement• SCIP Contacts
G-2	Sample Staff Report
G-3	Form of Notice of Public Hearing
H	Sample SCIP Timetable
I	Form of Resolution of Intention
J	Form of Resolution Preliminarily Approving Engineer's Report
K	Form of Notice of Hearing
L	Form of Recorded Notice of Assessment
M	Form of Published Notice of Recording of Assessment
N	Form of Local Agency Closing Certificate
O	Arbitrage Rebate Services
P	Continuing Disclosure Services
Q	SCIP Disbursement Form
R	SCIP Investment Policy
S	Form of Initial Demand Letter of Delinquent Property Owner
T	Form of Second Letter of Delinquent Owner
U	Form of Lender Demand Letter
V	Form of Disclosure Notice to Subsequent Purchasers
W	Form of Fee Collection



APPENDIX A Form of Application and Landowner Information



CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM



NEWSLETTER

SCIP APPLICATION

Applicant Information

Name of Project: _____

Location/Address of Project Site: _____

Project Proceeds Requested: _____

Name of Developer: _____

Contact Information

Name: _____ Title: _____

Address: _____ City: _____

Zip Code: _____ Telephone: _____

Email: _____ FAX: _____

Applicant Acknowledgment and Certification

One of the following is true and correct: (A) The undersigned represents the owner(s) of the project, including a joint owners by tenancy in common, community property, joint tenancy or otherwise, or (B) the undersigned has this project under option. The undersigned Applicant acknowledges and agrees that it shall comply with all applicable provisions of the California Labor Code, including, as applicable, the payment of prevailing wage. As respects any and all claims related to prevailing wage, the undersigned assumes all responsibility for the payment of prevailing wage and the compliance with prevailing wage laws, if required, and specifically waives any and all rights against the California Statewide Communities Development Authority and each participating local agency with respect to the project that is a subject of this application, as well as their agents, employees, agencies and consultants (the "Indemnified Parties") pursuant to Labor Code Section 1726(c) and any analogous federal law and agrees to defend and fully indemnify the Indemnified Parties for damages, claims, fines, penalties, litigation expenses, costs, attorney's fees and interest relating to the project.

Signed: _____ Dated: _____

Social Security Number or Taxpayer ID Number: _____



Local Agency Information (Include Each Applicable Local Agency)

Local Agency Name: _____

Mailing Address
(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: _____ Dated: _____

Local Agency Name: _____

Mailing Address
(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: _____ Dated: _____



Local Agency Name: _____

Mailing Address
(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: _____ Dated: _____

Local Agency Name: _____

Mailing Address
(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: _____ Dated: _____



SCIP LANDOWNER INFORMATION

THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”) INTENDS TO ISSUE TAX-EXEMPT BONDS (THE “BONDS”) TO FINANCE CERTAIN IMPACT FEES FOR THE CITY/COUNTY. UNDER FEDERAL AND STATE SECURITIES LAWS, THE CITY/COUNTY IS REQUIRED TO DISCLOSE ALL MATERIAL FACTS TO THE PURCHASERS OF THE BONDS. FOR THIS REASON, IT IS IMPORTANT THAT YOU ANSWER EACH OF THE FOLLOWING QUESTIONS COMPLETELY AND ACCURATELY. YOUR PROMPT AND COMPLETE RESPONSE TO THIS QUESTIONNAIRE IS CRITICAL TO THE CSCDA’S ABILITY TO ISSUE BONDS TO FINANCE YOUR DEVELOPMENT IMPACT FEES.

OWNERSHIP

Name of Landowner:

Please describe the ownership structure of the Landowner (i.e., individuals, family trust, partnership, corporation, etc.). Please include resumes of key individuals responsible for making decisions for Landowner. Please include a copy of relevant formation documents (partnership agreement, articles of incorporation and bylaws, family trusts, etc.)

Name of Developer: (if different from Landowner).

Evidence of Legal Title (please include copy of a grant deed or title report)

PROPERTY INFORMATION

For the (the “Property”) within the proposed Assessment District, please list the following:

Number of gross acres owned:

Number of acres proposed for development:

Number of acres developed to date, if any:

List the Assessor’s Parcel Numbers for the Property:

How long have you owned the Property?



DEVELOPMENT IMPACT FEES TO BE FINANCED BY SCIP

(Attach Fee Schedule or list below)

Type (water, sewer, road, etc.)	Local Agency	Amount of Fee (specify per unit, equivalent dwelling unit or other calculation method and total)
TOTAL:		



IMPROVEMENTS TO BE FINANCED BY SCIP

Type (water, sewer, road, etc.)	Local Agency	Budgeted Cost
TOTAL:		

Have you entered into any option or other form of agreement to sell all or a portion of the Property?

YES ____ NO ____ . If YES, please describe the arrangement and attach a copy of agreements describing the arrangement.

Describe the proposed land use of the Property:

Is the Property proposed for residential, commercial retail, industrial or a combination of different land uses?

Please state the total number of residential units proposed (single family or multi family), and the total land acreage and building square footage for commercial, retail, or industrial development proposed.

Describe the expected timing for development of the Property: If available, please list projected sales or leasing information.



What is the status of land use approvals, maps and EIR's for the Property (i.e., briefly describe the current zoning and the status of any Development Agreements, Specific Plans, tentative maps or final maps for the Property)? **What is the status of recordation of a final map?**

What is the status of recordation of a final map (circle one)?

- None** **Tentative Map** **Recorded Final Large Lot Map**
- Recorded Final Subdivision Map** **Other (explain)**

Will any impact fees be owing after funding by SCIP as a condition to develop the Property? YES____ NO____. If YES, please explain and provide an estimated amount.

Please list all discretionary approvals (including vesting tentative subdivision map, conditional use permits, Section 404 permits, fish and wildlife permits, and any other governmental permits) that are still needed for development of the Project.

Is any development currently underway on the Property? YES____ NO____. If YES, please give a general description and provide information as to estimated construction or permit value.

Are there any existing trust deeds/loans on the Property? Please state the name, address and telephone number of the lending institution and the approximate loan amount.

Has construction financing been obtained? YES____ NO____. If YES, please describe the source and amount of such loan. Please provide any other information on how the project is to be financed.

Has the developer or any partner or related entity of the landowner ever filed for bankruptcy or been declared bankrupt? YES____ NO____. If YES, specify date and location of court where bankruptcy action took place:



Are there any other foreseeable circumstances not described above that could prevent or significantly delay the proposed development of the Property? YES_____ NO_____. If YES, please explain. Please attach a copy of the most recent tax bill for the Property and evidence that current installments due have been paid.

PAYMENT OF TAXES/ASSESSMENTS

What is the current status of property taxes, special taxes and assessments on the Property (paid/owing/delinquent)? If any property taxes or assessments on the Property are delinquent or have been delinquent at any time during the past 3 years? If YES, please explain. Attach a copy of the latest tax bill.

Describe the source of funds that you will use to pay any taxes/assessments to be levied on your Property in connection with the Assessment District (i.e., bank savings, land sale proceeds, loan proceeds, etc.).

Do you foresee any difficulty in your ability to make timely payment of your taxes/assessments? YES_____ NO_____. If YES, please explain.

EXPERIENCE OF LANDOWNER AND DEVELOPMENT GROUP

Describe the development experience of the Landowner developer or affiliated construction entity. Briefly describe any current or recently completed developments undertaken by the Landowner. Please provide corporate literature and sales brochures, if available.



CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM



NOTICE REGARDING DISCLOSURE

In 1994, the Securities and Exchange Commission adopted amendments (the “Amendments”) to Rule 15c2-12 under the Securities Exchange Act of 1934 relating to certain required disclosure information that must be made available to prospective purchasers of municipal bonds. Under the Amendments and other federal and state securities laws, certain material information must be disclosed (i) in connection with the initial offering of bonds with respect to material persons”; and (ii) on an ongoing basis with respect to obligated persons.”

Whether a property owner/developer might be a material person or an obligated person will depend on all of the facts and circumstances. If the information you provide in response to this questionnaire indicates this might be the case, the financing team will review with you the information that may need to be disclosed to potential Bond investors in order to satisfy the Amendments and other federal and state securities laws.

If information on the proposed development of your property is disclosed in connection with the sale of the Bonds, you will be required to certify at that time that the information is true and correct and does not omit to state any material fact.

If we have additional questions regarding your Property, who is the appropriate person to contact?

Name: _____

Title: _____

Address: _____

Phone Number: _____

Thank you for your assistance in providing the above information, which is essential to enable SCIP to move forward with the proposed financing.



SUBMITTAL INSTRUCTIONS

Please mail a copy of this Landowner information with the Application to the following people. Also, please mail the \$1,500 application fee to CSCDA-SCIP, Attn: Vo Nguyen. The application and landowner information form can also be filled out and sent by going online to SCIP at www.cscda.org

Statewide Community
Infrastructure Program
c/o Orrick, Herrington & Sutcliffe
400 Capitol Mall, Suite 3000
Sacramento, CA 95814
Attention: Patricia Eichar
Phone: (916) 329-7917
Fax: (916) 329-4900
Email: peichar@orrick.com

Statewide Community
Infrastructure Program
RBC Capital Markets, LLC
345 California Street, Suite 2800
San Francisco, California 94111
Attention: Bob Williams
Phone: (415) 445-8674
Fax: (415) 445-8679
Email: bob.williams@rbccm.com

Statewide Community
Infrastructure Program
c/o BLX Group LLC
777 South Figueroa Street,
Suite 800
Los Angeles, California 90017
Phone: (213) 612-2152
Fax: (213) 612-2499
Email: vnguyen@blxgroup.com

**APPENDIX B
Form of Assessment Ballot**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. _____
(COUNTY OF _____, CALIFORNIA)

OFFICIAL PROPERTY OWNER ASSESSMENT BALLOT

This assessment ballot is for the use of the property owner of the parcel identified below, which parcel is located within the proposed Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California). Please advise _____, Assessment Administrator for SCIP, at (____) ____-____ if the name set forth below is incorrect or if the entity set forth below is no longer the owner of one or more of these parcels.

This assessment ballot may be used to express either support for or opposition to the proposed assessment district. **In order to be counted, this assessment ballot must be marked (“Yes” or “No”), dated and signed below by an authorized representative of the owner.** The ballot must then be delivered to the California Statewide Communities Development Authority (the “Authority”) either by mail or in person, as follows:

Mail Delivery: If by mail, return by overnight parcel service delivery to _____, Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco, CA 94105.

Personal Delivery: If in person, to California Statewide Communities Development Authority, in care of _____ at the above address in San Francisco, at any time up to 4:30 p.m. on _____, 20__ (the day before the _____ hearing) , or at the protest hearing itself scheduled for _____.m. on _____ or any further continuation thereof at the offices of _____, _____ Street, Suite _____, Sacramento, California.

However delivered, this ballot must be received by the California Statewide Communities Development Authority prior to the close of the public hearing, whether on _____, 20__, or any other date to which the public hearing is continued, to be counted.

TO CAST THIS BALLOT, PLEASE RETURN THIS ENTIRE PAGE.

OFFICIAL ASSESSMENT BALLOT

Property Owner Name: _____

Assessment No.

Parcel No.

Amount of Assessment

_____ \$ _____



ASSESSMENT BALLOT MEASURE

Shall the California Statewide Communities Development Authority establish the proposed Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California), levy an assessment not to exceed the amount set forth above on the parcel identified, issue bonds in the amount of the unpaid assessment(s), and proceed with the proposed funding of eligible development impact fees and/or public capital improvements?

Yes _____

No _____

Date: _____

Owner Signature(s): _____

APPENDIX C
Form of Property Owner Consent and Waiver

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. _____
(COUNTY OF _____, CALIFORNIA)

CONSENT AND WAIVER

The undersigned hereby certifies, consents and waives as follows:

1. The undersigned acknowledges receipt of (a) the Notice of Public Hearing and Assessment Ballot Procedure, (b) the Official Property Owner Assessment Ballot and (c) the Engineer's Report pertaining to the Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California), for which the public hearing is scheduled for _____, 20__, at the time and place set forth in the notice.
2. The undersigned is/are the owner(s) or an authorized representative of the owner(s) of the parcel(s) identified in the section entitled "Assessment Roll" of the Engineer's Report as Assessment No. _____, with a proposed assessment to be levied on said property in the aggregate amount of \$_____.
3. The undersigned hereby consents to the levy of the assessment(s) upon the above-mentioned parcel(s) in said amount by action of the California Statewide Communities Development Authority following the close of the public hearing on _____, 20__.
4. The undersigned hereby expressly acknowledges that the assessment installments payable with respect to the above-mentioned parcel(s) shall not be subject to reduction, offset, or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.
5. The undersigned expressly waive each of the following:
 - (a) any and all defects in notice or procedure in the conduct of the public hearing and the assessment ballot procedure, whether known or unknown;
 - (b) the entitlement to pay all or any portion of the assessment(s) levied upon the above-mentioned parcel(s) in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of the unpaid assessment(s);
 - (c) the entitlement to file any lawsuit or other proceeding to challenge any aspect of the proceedings of the California Statewide Communities Development Authority relative to Statewide Community Infrastructure



Program Assessment District No. _____ (County of _____, California), including without limitation, the assessment ballot proceeding, the levy of the assessment(s) or the issuance, sale and delivery of bonds, which entitlement would otherwise extend 30 days beyond levy of the assessment(s) (currently scheduled to occur on _____, 20__) pursuant to Section 10400 of the California Streets and Highways Code;

- (d) the right to notice and a hearing on any modifications or changes to the Engineer's Report between the preliminary approval thereof on _____, 20__, and the final approval thereof following the close of the public hearing on _____, 20__;
- (e) in the case of any changes in configuration of the parcel(s) between the preliminary approval of the Engineer's Report on _____, 20__ and the final approval thereof on _____, 20__, which results in increase in the assessment(s) to be levied on the above-mentioned parcel(s), the undersigned hereby consents to such increased assessment(s) and hereby waives any and all mailed notice or further hearing which would otherwise be required by law in order for the California Statewide Communities Development Authority to consider such increase in assessment; and
- (f) mailed notice of recording of assessment(s).

This waiver and each part of it is given for the express purpose of enabling and inducing the California Statewide Communities Development Authority to expedite the issuance, sale and delivery of bonds.

Executed at _____, California, on _____, 20__.

[NAME OF PROPERTY OWNER]

By _____
(signature)

(print name and title of signer)

NOTE: If this form is signed by an authorized representative (other than an officer) of the property owner(s) of the parcel(s), please attach evidence of authorization to sign on behalf of the property owner(s).



APPENDIX D
Form of Resolution Confirming Assessment

RESOLUTION NO. _____

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
APPROVING THE FINAL ENGINEER'S REPORTS, LEVYING
ASSESSMENTS, ORDERING THE FINANCING OF SPECIFIED
DEVELOPMENT IMPACT FEES AND CAPITAL IMPROVEMENTS,
CONFIRMING THE AMOUNT OF UNPAID ASSESSMENTS, AND
DIRECTING RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain public capital improvements and of certain development impact fees, the proceeds of which will be used to pay the cost of other public capital improvements (the "Fees and Improvements"), in each case eligible to be funded under the 1913 Act, which development impact fees and capital improvements are described in the Final Engineer's Reports (defined herein) approved by this Resolution, said fees and capital improvements and related incidental expenses allocable thereto to be charged to the parcels of land with respect to which the Fees and Improvements are payable or are to be located, as applicable, in connection with the proposed development of said parcels of land which are situated within one of a number of assessment districts (the "Districts") to be designated as set forth in Exhibit A attached hereto and by this reference incorporated into this Resolution; and

WHEREAS, the program of the Authority providing for the financing of eligible development impact fees and public capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP;" and

WHEREAS, on _____, 20__, this Commission approved the boundary maps for the Districts and adopted its Resolutions of Intention (the "Resolutions of Intention") relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

WHEREAS, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on _____, 20__, _____ separate reports for each of the Districts containing the information regarding such



Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

WHEREAS, this Commission, by separate resolutions duly adopted on _____, 20__ (the “Resolutions of Preliminary Approval”), corresponding to the _____ proposed Districts, preliminarily approved the reports, and fixed ____ [a.m./p.m.], or as soon thereafter as the matter might be heard, on _____, 20__, at the offices of the _____, _____, Suite ____, _____, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the “Assessments”); and

WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer’s reports (the “Final Engineers Reports”) for all of the Districts due to requests from certain property owners to reduce the assessment amount, remove parcels, reflect subdivision of parcels, and/or effect certain ministerial modifications; and

WHEREAS, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIID of the California Constitution (“Article XIID”), together with the property owner assessment ballots themselves; and

WHEREAS, there have been filed with the Authority separate certificates with respect to each District setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIID; and

WHEREAS, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the form and manner required by Article XIID; and

WHEREAS, said public hearing was duly convened by this Commission as a consolidated public hearing for such of the Districts at said time and place specified in the notice of public hearing and was at such time continued to the date hereof, and this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of any of the proposed Districts; and

WHEREAS, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessment for the parcel to which each such assessment ballot pertains; and



WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer's reports due to certain changes to some of the parcels in the Districts and/or the Fees and Improvements to be financed by the Assessments; and

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the "1931 Act"), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each Final Engineer's Report, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure including the timing of receipt of the notice of the public hearing, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to the modifications made to the applicable Engineer's Report between the preliminary approval thereof and approval of the Final Engineer's Reports by this Resolution; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a "majority protest," as said term is defined by Article XIID, and this Commission hereby overrules the protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Final Engineer's Reports and the component parts thereof, including each exhibit incorporated by reference in the reports.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.



Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer's Reports, has fairly and properly apportioned the cost of the financing of the Fees and Improvements to each parcel of land in the Districts in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees and Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer's Reports.

Section 6. Bonds representing unpaid Assessments, and bearing interest at a rate not to exceed twelve (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 7. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the administrator of SCIP (the "Program Administrator") a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer's Report between the preliminary approval thereof on _____, 20__ and the approval of the Final Engineer's Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30 day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount not to exceed the Assessments levied.

Section 8. The Program Administrator is hereby authorized and directed to prepare the auditors record for each District, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which each District is located. The assessment installments for the initial series of bonds issued for the District shall be apportioned among the parcels in each District having an unpaid Assessment.

Section 9. The Program Administrator is hereby directed to record the Final Engineer's Reports with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and the notices of assessment in the office of the County Recorder of the County within which each District is located in the time, form and manner as required by law.

Section 10. This Resolution shall take effect immediately upon its passage.



PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



EXHIBIT A

District Name (County)	Assessment/Local Obligation Amount
1.	
2. [List Separate Assessment Districts]	[Amount]
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	



APPENDIX E
Form of Local Obligation Resolution

RESOLUTION NO. _____

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
PROVIDING FOR THE ISSUANCE OF STATEWIDE
COMMUNITY INFRASTRUCTURE PROGRAM LIMITED
OBLIGATION IMPROVEMENT BONDS IN ONE OR MORE
SERIES; APPROVING THE FORM AND SUBSTANCE OF A
TRUST AGREEMENT AND AUTHORIZING CHANGES
THERE TO AND EXECUTION THEREOF; AND AUTHORIZING
RELATED ACTIONS AND THE EXECUTION OF RELATED
DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING
PROGRAM**

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

WHEREAS, this Commission, on _____, adopted its Resolutions of Intention (the “Resolutions of Intention”) relating to the financing of certain development impact fees and capital improvements in the separate assessment districts (the “Districts”) designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the Resolutions of Intention were adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) and provided that serial and/or term bonds to represent the unpaid assessments (the “Assessments”) would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), reference being hereby made to the Resolutions of Intention for further particulars of such bonds; and

WHEREAS, the written engineer’s reports relating to the proposed Districts (in their final form, the “Engineer’s Reports”) were thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and



WHEREAS, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Assistant to the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the Districts, and the assessment diagrams and related notices of assessment shall be recorded in the office of the County Recorder of the County in which each respective District is located, all in the time, form and manner required by law; and

WHEREAS, the Assessments have been levied in the total amounts set forth in Exhibit A to this Resolution upon the several subdivisions of land in the Districts in proportion to the estimated benefits to be received by such subdivisions, respectively, from the payment of certain development impact fees and from certain public capital improvements, as shown in the Engineer's Reports; and

WHEREAS, the owners of all of the property which has been assessed in the Districts or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of the unpaid Assessments for each District is as set forth in Exhibit A to this Resolution; and

WHEREAS, in connection with the financing of development impact fees and capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue one or more separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds, relating to each District (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement"), by and between the Authority and Wilmington Trust, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount not to exceed the principal amount of unpaid Assessments of the applicable District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission, is expected from time to time to authorize its Statewide Community Infrastructure Program Revenue Bonds in one or more series (the "Revenue Bonds") pursuant to the same Trust Agreement as the Local Obligations to be acquired; and



WHEREAS, the Authority has authorized the issuance of and sale of the Revenue Bonds, with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

WHEREAS, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

WHEREAS, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

WHEREAS, Government Code Section 5852.1 requires that the Commission of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Commission of the Authority has obtained from RBC Capital Markets, LLC, the underwriter, the required good faith estimates and such estimates have been disclosed at this meeting; and

NOW, THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the “SCIP Manual of Procedures” adopted by this Commission, as it may be amended from time to time.

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority, upon approval by the Authority of the issuance of the Revenue Bonds, shall be authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the



1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount not to exceed the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed __%, and shall be known as the “California Statewide Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority. The Local Obligations may be issued in one or more issuances and pursuant to the same or a separate Trust Agreement as other Local Obligations of the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Treasurer of the Authority and the Secretary of the Authority are hereby authorized and directed to execute the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 6. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Executive Director of the Authority, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.



PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



EXHIBIT A

District Name (County)	Local Obligation Amount
1.	
2.	
3. [List of Individual Assessment Districts]	[Amount]
4.	
5.	
6.	
7.	
8.	
9.	
10.	

APPENDIX F
Form of Revenue Bond Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$_____ OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REVENUE BONDS, SERIES ____; APPROVING THE FORMS OF A TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE CERTIFICATE, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

WHEREAS, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) in connection with the formation of certain assessment districts identified in said proceedings, as identified on Exhibit A attached hereto (the “Districts”); and

WHEREAS, this Commission is empowered under the provisions of the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”) to undertake legal proceedings for the issuance, sale and delivery of limited obligation improvement bonds (the “Local Obligations”) upon the security of the recorded and unpaid assessments (the “Assessments”) of the Districts; and

WHEREAS, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Law”) to issue bonds of the Authority for the purpose of acquiring certain local obligations issued by the Authority, including the Local Obligations; and



WHEREAS, this Commission has determined to issue one or more separate series of Local Obligations, for each District (collectively, the “Local Obligations”), to be issued pursuant to that certain Trust Agreement (the “Trust Agreement”) between the Authority and Wilmington Trust, National Association, as Trustee (the “Trustee”), to be registered in the name of the Trustee and to bear such series designations as set forth in the Trust Agreement, which Local Obligations will fund certain public capital improvements and the payment of certain development impact fees which will, in turn, fund public capital improvements (the “Fees and Improvements”); and

WHEREAS, by this Resolution, this Commission wishes to authorize and undertake the issuance of the Authority’s Statewide Community Infrastructure Program Revenue Bonds, Series ____ (the “Bonds”), to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance (the “Financing Program”); and

WHEREAS, this Commission has determined that the estimated amount necessary to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$_____; and

WHEREAS, this Commission has determined that all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in the Trust Agreement the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

WHEREAS, in furtherance of implementing the financing described above, there have been filed with the Secretary of the Authority and submitted to this Commission for consideration and approval at this meeting, forms of the following:

- (a) the Trust Agreement, described above; and
- (b) a Bond Purchase Agreement, under the terms of which, among other things, the Authority agrees to sell and RBC Capital Markets, LLC, the underwriter (the “Underwriter”) agrees to purchase the Bonds; and
- (c) a Continuing Disclosure Certificate, under the terms of which, among other things, the Authority agrees and covenants to provide certain annual financial information and notice of material events to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission; and
- (d) a Preliminary Official Statement, describing the Bonds and the Local Obligations.

WHEREAS, being fully advised in the matter of the financing, this Commission wishes to proceed with implementation of the Financing Program; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority



is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

WHEREAS, Government Code Section 5852.1 requires that the Commission of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Commission of the Authority has obtained from RBC Capital Markets, LLC, the underwriter, the required good faith estimates and such estimates have been disclosed at this meeting; and

WHEREAS, the requisite local agencies with jurisdiction over the areas encompassed by the Districts have determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$_____; provided, however, that (a) the true interest cost on the Bonds shall not exceed __%, and (b) the maximum term of any maturity shall not extend beyond _____, _____.

Section 3. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and substance of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve



in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and substance of the Continuing Disclosure Certificate is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Certificate in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 6. (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.

(b) Any Authorized Signatory is hereby authorized to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed “final” for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and such Member is hereby authorized to execute a certificate to such effect in the customary form.

(c) Any Authorized Signatory is hereby authorized in consultation with Disclosure Counsel to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by any member of the Commission as necessary to cause the information contained in the Preliminary Official Statement to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.

(d) The Underwriter is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority with respect to the transactions contemplated by this resolution are hereby ratified, confirmed and approved.

Section 8. This Resolution shall take effect immediately upon its passage.



PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



APPENDIX G -1
Form of SCIP Resolution

RESOLUTION NO. _____

RESOLUTION OF THE [CITY COUNCIL/BOARD OF SUPERVISORS] OF THE [CITY/COUNTY OF _____] AUTHORIZING THE CITY TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS WITHIN THE TERRITORY OF THE [CITY/COUNTY OF _____]; APPROVING FORM OF ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the [City/County of _____] (the “[City/County]”); and

WHEREAS, the Authority has established the Statewide Community Infrastructure Program (“SCIP”) to allow the financing of certain development impact fees (the “Fees”) levied in accordance with the Mitigation Fee Act (California Government Code Sections 66000 and following) and other authority providing for the levy of fees on new development to pay for public capital improvements (collectively, the “Fee Act”) through the levy of special assessments pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the “1913 Act”) and the issuance of improvement bonds (the “Local Obligations”) under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the “1915 Act”) upon the security of the unpaid special assessments; and

WHEREAS, SCIP will also allow the financing of certain public capital improvements to be constructed by or on behalf of property owners for acquisition by the [City/County] or another public agency (the “Improvements”); and

WHEREAS, the [City/County] desires to allow the owners of property being developed within its jurisdiction (“Participating Developers”) to participate in SCIP and to allow the Authority to conduct assessment proceedings under the 1913 Act and to issue Local Obligations under the 1915 Act to finance Fees levied on such properties and Improvements, provided that such Participating Developers voluntarily agree to participate and consent to the levy of such assessments; and



WHEREAS, in each year in which eligible property owners within the jurisdiction of the [City/County] elect to be Participating Developers, the Authority will conduct assessment proceedings under the 1913 Act and issue Local Obligations under the 1915 Act to finance Fees payable by such property owners and Improvements and, at the conclusion of such proceedings, will levy special assessments on such property within the territory of the [City/County];

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by the Authority in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for SCIP (provided that each Participating Developer consents to such assessment) shall be coterminous with the [City's/County's] official boundaries of record at the time of adoption of each such ROI (the "Proposed Boundaries"), and reference is hereby made to such boundaries for the plat or map required to be included in this Resolution pursuant to Section 10104 of the Streets and Highways Code; and

WHEREAS, there has also been presented to this meeting a proposed form of Acquisition Agreement (the "Acquisition Agreement"), a copy of which is attached hereto as Exhibit B, to be approved as to form for use with respect to any Improvements to be constructed and installed by a Participating Developer and for which the Participating Developer requests acquisition financing as part of its SCIP application; and

WHEREAS, the [City/County] will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Local Obligations or any other bonds issued in connection with SCIP; and

WHEREAS, pursuant to Government Code Section 6586.5, notice was published at least five days prior to the adoption of this resolution at a public hearing, which was duly conducted by this [Council/Board] concerning the significant public benefits of SCIP and the financing of the Improvements and the public capital improvements to be paid for with the proceeds of the Fees;

NOW, THEREFORE, BE IT RESOLVED by the [City Council/Board of Supervisors] of the [City/County of _____] as follows:

Section 1. The [City/County] hereby consents to the conduct of special assessment proceedings by the Authority in connection with SCIP pursuant to the 1913 Act and the issuance of Local Obligations under the 1915 Act on any property within the Proposed Boundaries; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI; and

(2) The Participating Developers, who shall be the legal owners of such property, execute a written consent to the levy of assessment in connection with SCIP by the Authority and



execute an assessment ballot in favor of such assessment in compliance with the requirements of Section 4 of Article XIID of the State Constitution.

Section 2. The [City/County] hereby finds and declares that the issuance of bonds by the Authority in connection with SCIP will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and the more efficient delivery of local agency services to residential and commercial development within the [City/County].

Section 3. The Authority has prepared and will update from time to time the “SCIP Manual of Procedures” (the “Manual”), and the [City/County] will handle Fee revenues and funds for Improvements for properties participating in SCIP in accordance with the procedures set forth in the Manual.

Section 4. The form of Acquisition Agreement presented to this meeting is hereby approved, and the [Mayor/Board Chair] is authorized to execute and the [City Clerk/Clerk of the Board] is authorized to attest the execution of a completed Acquisition Agreement in substantially said form and pertaining to the Improvements being financed on behalf of the applicable Participating Developer.

Section 5. The appropriate officials and staff of the [City/County] are hereby authorized and directed to make SCIP applications available to all property owners who are subject to Fees for new development within the [City/County] and/or who are conditioned to install Improvements and to inform such owners of their option to participate in SCIP; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The staff persons listed on the attached Exhibit C, together with any other staff persons chosen by the [City Manager/County Administrator] from time to time, are hereby designated as the contact persons for the Authority in connection with the SCIP program.

Section 6. The appropriate officials and staff of the [City/County] are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by Bond Counsel in connection with the participation in SCIP of any districts, authorities or other third-party entities entitled to own Improvements and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the [City/County], as are reasonably required by the Authority in accordance with the Manual to implement SCIP for Participating Developers and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the Local Obligations and any other bonds for SCIP. To that end, and pursuant to Treasury Regulations Section 1.150-2, the staff persons listed on Exhibit C, or other staff person acting in the same capacity for the [City/County] with respect to SCIP, are hereby authorized and designated to declare the official intent of the [City/County] with respect to the public capital improvements to be paid or reimbursed through participation in SCIP.



Section 7. This Resolution shall take effect immediately upon its adoption. The [City Clerk/Clerk of the Board] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority.



* * *

PASSED AND ADOPTED this ____ day of _____, 20__ by the following vote, to wit:

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____



EXHIBIT A TO FORM OF SCIP RESOLUTION

**FORM OF RESOLUTION OF INTENTION
TO BE ADOPTED BY CSCDA
(SEE APPENDIX I)**



EXHIBIT B TO FORM OF SCIP RESOLUTION

FORM OF ACQUISITION AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

ACQUISITION AGREEMENT

BY AND BETWEEN

[CITY/COUNTY OF _____]

AND

[DEVELOPER]

Dated as of _____, 20__



ACQUISITION AGREEMENT

Recitals

A. The parties to this Acquisition Agreement (the “Agreement”) are the [CITY/COUNTY OF _____], (the “Local Agency”), and [DEVELOPER], a [here indicate type of legal entity] (the “Developer”).

B. The effective date of this Agreement is _____, 20__.

C. The Developer has applied for financing of certain public capital improvements (the “Acquisition Improvements”) and capital facilities fees through the Statewide Community Infrastructure Program (“SCIP”) administered by the California Statewide Communities Development Authority (the “Authority”) and such application has been approved by the Local Agency.

D. The administration, payment and reimbursement of the capital facilities fees is agreed to be governed by the provisions of the SCIP Manual of Procedures as it may be amended from time to time. The administration, payment and reimbursement of the Acquisition Improvements shall be as provided herein.

E. Under SCIP, the Authority intends to issue bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements, and the portion of the proceeds of such bonds allocable to the cost of the Acquisition Improvements to be constructed and installed by the Developer, together with interest earned thereon prior to such acquisition, is referred to herein as the “Available Amount”.

F. SCIP will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A are descriptions of the Acquisition Improvements, which descriptions are subject to modification by written amendment of this Agreement, subject to the approval of the Authority.

G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire such completed Acquisition Improvements with the Available Amount.

H. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor.

I. In consideration of Recitals A through H, inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.



Agreement

ARTICLE I

DEFINITIONS; ASSESSMENT DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the Local Agency Engineer in his sole discretion not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition Improvements” shall have the meaning assigned to such term in Recital C and are described in Exhibit A.

“Acquisition Price” means the amount paid to the Developer upon acquisition of all of the Acquisition Improvements as provided in Section 2.03.

“Actual Cost” means the cost of construction of all of the Acquisition Improvements, as documented by the Developer to the satisfaction of the Local Agency, as certified by the Local Agency Engineer in an Actual Cost Certificate.

“Actual Cost Certificate” shall mean a certificate prepared by the Developer detailing the Actual Cost of all of the Acquisition Improvement to be acquired hereunder, as revised by the Local Agency Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of _____, 20__.

“Assessment District” means the assessment district established by the Authority pursuant to SCIP which includes the Developer's property for which the Acquisition Improvements are being funded.

“Authority” means the California Statewide Communities Development Authority.

“Available Amount” means the amount of funds deposited in the Developer Acquisition Account by the Authority pursuant to SCIP, together with any interest earnings thereon.

“Code” means the Streets and Highways Code of the State of California.

“Developer” means [Developer], a [here indicate type of legal entity].

“[Developer] Acquisition Account” means the account by that name established by the Authority pursuant to SCIP for the purpose of paying the Acquisition Price of the Acquisition Improvements.



“Local Agency” means the [City/County of _____].

“Local Agency Engineer” means the Director of Public Works of the Local Agency (the “Director”) or the designee of the Director, who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the land development program of the Developer pertaining to the Developer’s property in the Assessment District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within or adjacent to the Assessment District.

“SCIP” means the Statewide Community Infrastructure Program of the Authority.

“SCIP Requisition” means a requisition for payment of funds from the [Developer] Acquisition Account in substantially the form attached hereto as Exhibit B.

“SCIP Trust Agreement” means the Trust Agreement entered into by the Authority and the SCIP Trustee in connection with the financing for the Acquisition Improvements.

“SCIP Trustee” means Wilmington Trust, National Association, as trustee under the SCIP Trust Agreement.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements) necessary or convenient to the operation, maintenance, rehabilitation and improvement by the Local Agency of that Acquisition Improvement (including, if necessary, easements for ingress and egress) and a Bill of Sale or similar instrument evidencing transfer of title to that Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

Section 1.02. Participation in SCIP. Developer has applied for financing through SCIP of the Acquisition Improvements, and such application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Developer Acquisition Account, neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of SCIP financing for the Acquisition Improvements.

Section 1.03. Deposit and Use of Available Amount.

(a) Upon completion of the SCIP financing, the Available Amount will be deposited by the Authority in the [Developer] Acquisition Account.

(b) The Authority will cause the SCIP Trustee to establish and maintain the [Developer] Acquisition Account for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the [Developer] Acquisition Account shall remain in the [Developer] Acquisition Account for use as provided herein and pursuant to SCIP. The amounts in the [Developer] Acquisition Account shall be withdrawn by the Local Agency in



accordance with SCIP procedures upon completion of the Acquisition Improvements within 30 days (or as soon thereafter as reasonably practicable) of receipt by the Local Agency of the certification of the Local Agency Engineer required by Section 2.03 of this Agreement, and subject to satisfaction of all other conditions precedent to such acquisition pursuant to Section 2.04 of this Agreement, to pay the Acquisition Price of such completed Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the [Developer] Acquisition Account (less any amount determined by the Local Agency as necessary to reserve for claims against such account) (i) shall be applied to pay the costs of any additional improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, thereafter (ii) shall be applied by the Authority as provided in Section 10427.1 of the Code to pay a portion of the assessments levied on the Project property in the Assessment District.

Section 1.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to SCIP subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the Local Agency's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the Local Agency's rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the design consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts. State law requires that all Acquisition Improvements shall be constructed as if they were constructed under the direction and supervision of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the guidelines of the Local Agency for letting and administering said contracts. The Developer agrees that all such contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California.



Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency the Acquisition Improvements to be constructed by Developer (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvements, to the extent not already publicly owned) when such Acquisition Improvements are completed to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvements. Exhibit A, attached hereto and incorporated herein, contains a list of each Acquisition Improvement. At the time of completion of each Acquisition Improvement, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate and executed Title Documents for the transfer of the Acquisition Improvement, where necessary. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and the related Acquisition Improvement, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If such further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items, and such determination shall be final and conclusive.

In the event that the Actual Cost is in excess of the Available Amount, the Local Agency shall withdraw the Available Amount from the [Developer] Acquisition Account and transfer said amount to the Developer. In the event that the Actual Cost is less than the Available Amount, the Local Agency shall withdraw an amount from the [Developer] Acquisition Account equal to the Actual Cost, and shall transfer said amount to the Developer. Any amounts then remaining in the [Developer] Acquisition Account shall be applied as provided in Section 1.03.

In no event shall the Local Agency be required to pay the Developer more than the amount on deposit in the [Developer] Acquisition Account at the time such payment is requested.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment by the Local Agency to the Developer from the [Developer] Acquisition Account of the Acquisition Price for an Acquisition Improvement shall be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that such Acquisition Improvement is all complete and ready for acceptance by the Local Agency, and shall be further conditioned upon prior satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency as evidence that the property which is subject to the special assessment liens of the Assessment District is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) All due and payable property taxes, and installments of special assessments shall be current on property owned by the Developer or under option to the Developer that is subject to the special assessment liens of the Assessment District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.



(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the Local Agency (or applicable governmental agency) and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to or greater than the Acquisition Price.

Section 2.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

ARTICLE III

MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority, and each of its respective officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees in the performance of this Agreement, or arising out of any contract for the design, engineering and construction of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the SCIP financing (provided that the Developer shall have been furnished a copy of such official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of its respective officers, directors, employees



or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

Section 3.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the SCIP financing for the Acquisition Improvements. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's, or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:



If to the Local Agency:

[City/County of _____]
[Address to Come]

If to the Developer:

[Developer]
[Address to Come]

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section 3.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.



In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

[CITY/COUNTY OF _____]

By _____
[Mayor/Board Chair]

ATTEST:

[City Clerk/Clerk of the Board]

By _____

[DEVELOPER],
a [here indicate type of legal entity]

By _____
(Signature)

(Print Name)



Exhibit A to the Acquisition Agreement

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

ACQUISITION IMPROVEMENTS

- 1.
- 2.
- 3.
- 4.

BUDGETED AMOUNTS



Exhibit B to The Acquisition Agreement

FORM OF SCIP REQUISITION

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the [CITY/COUNTY OF _____] hereby requests a withdrawal from the [DEVELOPER] ACQUISITION ACCOUNT, as follows:

Request Date: [Insert Date of Request]

Name of Developer: [Developer]

Withdrawal Amount: [Insert Acquisition Price]

Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

1. The Withdrawal is being made in accordance with a permitted use of such monies pursuant to the Acquisition Agreement, and the Withdrawal is not being made for the purpose of reinvestment.
2. None of the items for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Withdrawal Amount is greater than the funds held in the [Developer] Acquisition Account, the SCIP Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the Withdrawal is being made prior to the date bonds have been issued on behalf of SCIP, this withdrawal form serves as the declaration of official intent of the [CITY/COUNTY OF _____], pursuant to Treasury Regulations 1.150-2, to reimburse with respect expenditures made from the Developer Acquisition Account listed above in the amount listed above.

[CITY/COUNTY OF _____]

By : _____

Title: _____

Exhibit C to Form of SCIP Resolution

[CITY/COUNTY OF _____] CONTACTS FOR SCIP PROGRAM

Primary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

Secondary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

[Add additional contacts as needed]

APPENDIX G-2
Sample Staff Report
Resolution to Join SCIP

Note to Staff: The following is suggested language for use in a staff report to accompany the SCIP Resolution. Of course this is only a suggestion and you should feel free to edit as you see fit. This action requires a public hearing with notice published once in your regular official notice newspaper at least 5 days prior to the hearing. If you need assistance with this Notice, or if you would like SCIP to review your staff report, final resolution or agenda item, feel free to contact us and we will be happy to help.

Description: This item includes a brief staff presentation regarding participation in the Statewide Community Infrastructure Program (“SCIP”), which is sponsored by the California Statewide Communities Development Authority (“CSCDA”), followed by [Council/Board] discussion, a public hearing to take public testimony on SCIP and bonds to be issued by CSCDA, and consideration of a resolution making certain findings and authorizing certain matters necessary to participate in SCIP.

Background: CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 391 cities and 56 counties throughout California, including the [City/County of _____] (the “[City/County]”).

SCIP was instituted by CSCDA in 2002 to allow owners of property in participating cities and counties to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and the development impact fees owed to the [City/County] will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner’s property to repay the portion of the bonds issued to finance the fees paid with respect to the property. With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance, and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued; or the fees will be funded directly from the proceeds of the SCIP bonds. In the former case, the [City/County] is required to pay the fees over to SCIP, and in the latter case, SCIP holds the bond proceeds representing the fees. In both cases the fees are subject to requisition by the [City/County] at any time to make authorized fee expenditures. But by holding and investing the money until it is spent, SCIP is able to monitor the investment earnings (which come to the [City/County]) for federal tax law arbitrage purposes. SCIP encourages the [City/County] to spend those amounts before any other fee revenues of the [City/County]. If the fees are paid by the property owner and bonds are never issued, the fees are returned to the [City/County] by SCIP. In this way, the City is never at risk for the receipt of the impact fees.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.

- Instead of paying cash for public capital improvements and/or development impact fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- The property owner can choose to pay off the special assessments at any time.
- For home buyers, paying for the costs of public infrastructure through a special assessment is superior to having those costs “rolled” into the cost of the home. Although the tax bill is higher, the amount of the mortgage is smaller, making it easier to qualify. Moreover, because the special assessment financing is at tax-exempt rates, it typically comes at lower cost than mortgage rates.
- Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or communities facilities district had access to tax-exempt financing.

The benefits to the [City/County] include:

- As in conventional assessment financing, the [City/County] is not liable to repay the bonds issued by CSCDA or the assessments imposed on the participating properties.
- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. A participating [city/county] can provide tax-exempt financing to property owners through SCIP while committing virtually no staff time to administer the program.
- Providing tax-exempt financing helps participating cities and counties cushion the impact of rising public capital improvements costs and development impact fees on property owners.
- The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving the participating [city/county] immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the special assessments on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing will be directed back to the participating [city/county] for use on public infrastructure, subject to applicable federal tax limitations.

The proposed resolution authorizes CSCDA to accept applications from owners of property within our planning jurisdiction to apply for tax-exempt financing of public capital improvements and development impact fees through SCIP. It also authorizes CSCDA to form assessment districts within our [City’s/County’s] boundaries, conduct assessment proceedings and levy assessments against the property of participating owners. It approves the form of an Acquisition Agreement, attached to the resolution as Exhibit B, to be entered into between the

[City/County] and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

Attached to the resolution as Exhibit A is a “Form of Resolution of Intention to be Adopted by CSCDA.” This is for informational purposes and does not require action by this [Council/Board].

Recommended Action: After [Council/Board] discussion and questions, open the public hearing to order and invite any interested members of the public to provide testimony regarding SCIP and the proposed action. Upon the close of the hearing, if the [Council/Board] wishes to join SCIP and become a participating member agency in this program, it should adopt the proposed resolution. The resolution requires only a simple majority vote. If the resolution is approved, the Clerk should forward a certified copy to SCIP, c/o _____, Orrick, Herrington & Sutcliffe LLP, 405 Howard St., San Francisco, CA 94105.

APPENDIX G-3
Form of Notice of Public Hearing

[Instructions to Staff: a completed notice in this format (but with all blanks filled in and bracketed language deleted) must be published once in a newspaper of general circulation, at least 5 calendar days prior to the meeting date. SCIP will require the newspaper's affidavit confirming the date of its publication. If you need help completing the notice, please contact SCIP.]

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on _____ [*insert date of Council or Board meeting*], a public hearing will be held with respect to the proposed participation by the _____ [*insert name of City or County*] (the "_____" [*insert "City" or "County" as appropriate*]) in the Statewide Community Infrastructure Program of the California Statewide Communities Development Authority. Participation in said program will enable property owners to finance public capital improvements and/or development impact fees for public capital improvements imposed on new development. Said public capital improvements, if financed, will be among the public capital improvements required in connection with a given development project. Said development impact fees, if financed, will be used by the _____ [*insert "City" or "County" as appropriate*] to pay for public capital improvements which will serve the _____ [*insert "City" or "County" as appropriate*], and which will be of a type and nature authorized under the Municipal Improvement Act of 1913 (codified at California Streets and Highways Code Sections 10000 *et seq.*). Participation in said program does not itself authorize the _____ [*insert "City" or "County" as appropriate*] to impose additional public capital improvements or new or additional development impact fees on any property owner.

The hearing will commence at _____ [*insert time of hearing*], or as soon thereafter as the matter can be heard, and will be held at _____ [*insert street address and room number or name*], _____, California. Interested persons wishing to express their views on the participation in such program and the financing of public capital improvements and/or development impact fees as described above will be given an opportunity to do so at the public hearing or may, prior to the time of the hearing, submit written comments to _____ [*insert mailing address*], Attention: _____ [*insert title of person designated to receive written comments*].

Dated: _____ [*insert date of publication*].

[CITY/COUNTY] OF _____

[Name]
[City Clerk/Clerk of the Board]

APPENDIX H
Sample SCIP Timetable

Date	Action (Responsible Party)
January	Accept Applications for Funding (SCIP)
February/March	SCIP Due Diligence on Applications (SCIP)
April	Final Cut Off Date for SCIP Applications (SCIP) SCIP Consultants Approve Applications (SCIP)
May	Finalize Engineer's Reports (SCIP) CSCDA Adopts Resolution of Intention (SCIP) Notice Public Hearing (SCIP)
July (first two weeks)	Hold Public Hearing (SCIP) Conduct Landowner Protest Ballot Procedure (SCIP) Confirm Assessments (SCIP) Authorize the Sale of Bonds (SCIP)
July (last two weeks)	Sell and Close Bond Issue (SCIP)
August	Place on Tax Roll (SCIP)

APPENDIX I
Form of Resolution of Intention to be Adopted by CSCDA

RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE IMPROVEMENTS AND/OR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC CAPITAL IMPROVEMENTS IN THE PROPOSED ASSESSMENT DISTRICT NO. _____ (COUNTY OF _____, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public capital improvements (the “Improvement Fees”) and/or to finance certain public capital improvements to be constructed by or on behalf of the property owner(s) and to be acquired by the _____ or another local agency (the “Improvements”) as described in Exhibit A attached hereto and by this reference incorporated herein, and all of which are of benefit to the property within the proposed Assessment District No. _____ (County of _____, California) (the “Assessment District”);

WHEREAS, the Commission finds that the land specially benefited by the Improvements and/or the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. _____ (County of _____) State of California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. _____ (County of _____) State of California”;

WHEREAS, the [City/County] of _____ is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

NOW, THEREFORE, BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIII D of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of _____ within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the Improvements and/or the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and/or the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and/or the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed Assessment District to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after acquisition of the Improvements and/or payment of Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this __ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

[Attach Exhibit A – description of development impact fees and public capital improvements. This exhibit will be prepared by Developer’s Engineer, subject to SCIP review.]

APPENDIX J
Form of Resolution Preliminarily Approving Engineer's Report

RESOLUTION NO. _____

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND
PROVIDING FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. __-__ (CITY OF _____, COUNTY OF
_____, CALIFORNIA)**

WHEREAS, at the direction of this Commission, _____, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. __-__ (City of _____, County of _____, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as the "Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets _:__ p.m., or as soon thereafter as the matter may be heard, on _____, _____, at the office of the California State Association of Counties, _____, _____, California 95814, as the time and place for a public hearing of protests to the proposed financing of development impact fees and/or public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of development impact fees and/or public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. _____, Engineer of Work, _____, _____, _____, (____) ____-____, is hereby designated to answer inquiries regarding the report and the protest proceedings.

Section 6. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this __ day of _____, ____.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____ __, ____.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

[Attach Exhibit A -- description of development impact fees and public capital improvements. This exhibit will be derived from and possibly identical to Exhibit A of the CSCDA Resolution of Intention, Appendix I herein]

APPENDIX K
Form of Notice of Hearing

**California Statewide Communities Development
Authority
Statewide Community Infrastructure Program
Assessment District No. _____
(County of _____, California)**

NOTICE OF PUBLIC HEARING AND ASSESSMENT BALLOT PROCEDURE

Pursuant to the provisions of the Municipal Improvement Act of 1913 (California Streets and Highways Code Sections 10000 and following, hereafter referred to as the "1913 Act"), Section 53753 of the California Government Code, and Section 4 of Article XIID of the California Constitution, the California Statewide Communities Development Authority (the "Authority") hereby gives notice as follows:

1. At ____ __.m. on _____, at _____, the Commission of the Authority (the "Commission") will hold a public hearing respecting the proposed Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California) (the "Assessment District") to hear and consider objections and protests respecting (a) a program for the financing of certain development impact fees and public capital improvements (the "Program") imposed upon parcels of land within the Assessment District by levying special assessments upon such parcels, which receive special benefit from the financing of such fees and improvements, (b) the extent of the Assessment District, (c) the estimated cost and expense of the Program, (d) the amounts of the assessments proposed to be levied upon the benefited parcels, and (e) the method or formula by which benefit has been estimated and any other aspect of the proposed Assessment District to which any interested person may want to object or protest.
2. The applicable development impact fees, public capital improvements and the incidental costs and expenses of Program implementation, legal proceedings, and bond financing which are the subject of the proposed Assessment District are described in the enclosed Engineer's Report for the proposed Assessment District. Said Engineer's Report is on file with the Assessment Engineer, _____ at _____, (____) _____. The estimated cost and expense to be assessed to the benefited parcels also includes related engineering expenses, fees for various professional services related to formulation and implementation of the Assessment District, and costs of issuance respecting the proposed tax-exempt improvement bonds. Please refer to the enclosed report for further information on the details of the Program and the estimated cost and expense.
3. A brief description of the development impact fees and public capital improvements to be financed through the Program is set forth on pages ____ of the enclosed report. Please see the section entitle "Assessment Roll" on page ____ of the enclosed report for the

amount of the assessment proposed for your parcel or parcels. The reason that an assessment is proposed for your parcel or parcels is that the Authority has determined, preliminarily, that such property is specially benefited by the financing of the public capital improvements and the development impact fees imposed upon your parcel or parcels through participation in the Program. The basis upon which the amount of the proposed assessment was calculated is set forth in the section entitled "Method of Assessment" of the enclosed report.

Reference is made to the section entitled "Assessment Diagram/Boundary Map" of the enclosed report for a map showing the individual parcels proposed to be assessed.

4. Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Authority intends to comply with the requirements of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code ("Part 7.5"). Please see the section entitled "Debt Limitation Report" of the enclosed report for the information required by Part 7.5. As set forth in the Debt Limitation Report section, this component of the report will be revised upon receipt of an appraisal report which will establish that the total true value of the parcels of land and improvements which are proposed to be assessed is at least twice the total amount of (i) unpaid assessments already levied against the property to be assessed, together with (ii) the amount of the proposed assessment for that property.
5. The Authority intends, pursuant to subparagraph (f) of Section 10204 of the 1913 Act, to authorize an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto, in an amount not to exceed ten percent (10.0%) of the annual principal and interest amount levied upon each parcel in said assessment district. This annual assessment shall be in addition to any fee charged pursuant to Sections 8682 and 8682.1 of the Streets and Highways Code. Please see the section entitled "Administration" of the enclosed report on this topic.
6. It is the intention of the Authority that any delinquent assessment installment shall be subject to the same penalties and interest as are applicable to general property taxes, and that the Tax Collector of the County of _____ shall collect such penalties with and as a part of such delinquent assessment installments, and all penalties collected shall be deposited into the bond redemption fund for such bonds.
7. Assuming the Authority levies assessments as intended, property owners will be provided an opportunity to pay all or any part of such assessments in cash unless, as presently expected, this entitlement is waived in writing by 100% of such property owners. Following the termination of the cash payment period, bonds representing unpaid assessments and bearing interest at a rate not to exceed twelve percent (12.0%) per annum shall be issued by the Authority pursuant to the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall

mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date. These estimates are subject to change, and the actual duration of payments and interest rate will be determined only at the time of the bond sale.

8. For further particulars, you may refer to the Resolution of Intention and the enclosed Engineer's Report, both of which are on file with the Assessment Engineer. Inquiries about the assessment proceedings will be answered by _____, Assessment Administrator, at (____) _____.
9. As provided by Section 4 of Article XIID of the California Constitution and Section 53753 of the California Government Code, an Official Property Owner Assessment Ballot has been enclosed with this notice, along with a self-addressed, return envelope by which the assessment ballot may be returned to the _____ of Orrick, Herrington & Sutcliffe LLP. Please note that **THIS IS THE OFFICIAL ASSESSMENT BALLOT AND NOT A SAMPLE BALLOT**. No further assessment ballot will be provided to you. This assessment ballot may be used by the owner or owners of the subject parcel to express either support for or opposition to the proposed assessment. Please see the assessment ballot for instructions respecting the alternative methods for submitting the ballot either by mail (which may be done using the enclosed envelope) or by personal delivery, either prior to or at the time of the public hearing of protests, including continuations of said public hearing. See the enclosed ballot for further instructions.

Immediately following the close of the public hearing of protests, whether on _____ or at the conclusion of any continuation of said hearing to a later date or to later dates, the returned assessment ballots will be opened and tabulated, both in support of and in opposition to the assessment, with assessment ballots being weighted in accordance with the amount of the proposed assessment, and the results will be announced; provided that, in the event the Authority requires opportunity to determine (a) whether any assessment ballot has been properly signed by an owner or authorized representative of an owner or (b) any other matter respecting any assessment ballot and its proper treatment in the assessment ballot procedure, the Authority reserves entitlement to continue the matter of announcing results to provide the Authority with such opportunity.

In the event that assessment ballots in opposition exceed assessment ballots in support, there will be a "majority protest," and the Authority will be precluded from proceeding with the proposed assessment.

10. Property owners wishing to preserve the opportunity to file a lawsuit challenging the assessment, if levied, are required by law to file a written protest with the Authority (in care of the Program Administrator) and to state therein the specific grounds of protest. Any grounds of protest not stated in a written protest filed with the Authority (in care of the Program Administrator) prior to the close of the public hearing of protests are deemed waived in any subsequent lawsuit and may not be raised in such lawsuit.

DATED: _____

Secretary, California Statewide
Communities Development Authority

Enclosures: Preliminary Engineer's Report
Official Property Owner Assessment Ballot

APPENDIX L
Form of Recorded Notice of Assessment

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

_____, Secretary
California Statewide Communities
Development Authority
c/o David Taussig & Associates, Inc.
110 West San Fernando Street, Suite 430
San Jose, CA 95113
Attention: _____

NOTICE OF ASSESSMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ASSESSMENT DISTRICT NO. _____
FOR THE COUNTY OF _____
(STATE OF CALIFORNIA)

Pursuant to the requirements of Section 3114 of the Streets and Highways Code of the State of California, the undersigned Secretary of the California Statewide Communities Development Authority (the "Authority") hereby gives notice that a Diagram and Assessment were recorded in the office of the Superintendent of Streets of said Authority, as provided in said Section, and relating to the following described property:

The lots, pieces or parcels of land as shown on the Assessment Diagram for the California Statewide Communities Development Authority Assessment District No. _____ for the County of _____, State of California, which was filed for record in the office of the County Recorder of the County _____ on _____, 20__, in Book _____ of Maps of Assessment and Community Facilities Districts at Page(s) _____ thereof.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the several assessments assessed upon the lots, pieces or parcels of land shall become a lien upon the lots or portions of lots assessed, respectively.

Reference is made to the Assessment Diagram hereinabove referred to and the Assessment Roll recorded in the office of the Superintendent of Streets of said Authority on _____, 20___. Said Assessment Roll recorded in the office of the Superintendent of Streets is referred to determine the amount of each assessment levied against each parcel of land shown upon the assessment diagram.

A list of the names of the assessed owners as they appear on the latest secured assessment roll, or as known to the undersigned Secretary, is attached hereto and made a part hereof.

NOTICE IS FURTHER GIVEN that, pursuant to Section 10204(f) of said Streets and Highways Code, the Authority has reserved entitlement to impose an annual assessment, which is in addition to the installment otherwise payable on account of each unpaid assessment, to pay costs incurred by the Authority and not otherwise reimbursed which result from the administration and collection of assessments or from the administration or registration of any associated bonds and the reserve fund or other related funds; provided that such additional annual assessment shall not exceed the maximum amount prescribed therefor in the written engineer's report for these assessment proceedings.

Dated: _____

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
_____, Secretary

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ASSESSMENT DISTRICT NO. _____
FOR THE COUNTY OF _____
STATE OF CALIFORNIA

<u>Assessment No.</u>	<u>Assessor Parcel Number</u>	<u>Name of Property Owner</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		

APPENDIX M
Form of Published Notice of Recording of Assessment

NOTICE OF ASSESSMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ASSESSMENT DISTRICT NO. _____
FOR THE COUNTY OF _____
STATE OF CALIFORNIA

On _____, special assessments for the financing of public improvement districts in the California Statewide Communities Development Authority (the "Authority") Assessment District No. ___ for the County of _____, State of California (the "Assessment District"), were recorded in the office of the Superintendent of Streets of the Authority. The property owners within the Assessment District have waived their entitlement to pay all or any portion of the assessments levied upon their property in cash within thirty days after the recordation of the assessments in the office of the County Recorder of the County of _____. These assessments affect only certain property, the owners of which have voluntarily participated in the Authority's Statewide Community Infrastructure Program. Bonds will be issued according to the Improvement Bond Act of 1915 representing unpaid assessments and bearing interest at a rate not to exceed 12% per year. Thereafter, unpaid assessments will be payable in installments of principal and interest over a period of not to exceed thirty (30) years.

Dated: _____

_____, Secretary
California Statewide Communities
Development Authority

APPENDIX N
Form of Local Agency Closing Certificate

LOCAL AGENCY CLOSING CERTIFICATE
([Local Agency])

California Statewide Communities Development Authority
Statewide Community Infrastructure Program Revenue Bonds
Series 20____

This Local Agency Closing Certificate is executed and delivered by the undersigned on behalf of the [Local Agency] (the “Local Agency”) with respect to the financing pursuant to the Statewide Community Infrastructure Program (“SCIP”) of certain capital improvements required (the “Improvements”) and certain development impact fees levied by the Local Agency (the “Eligible Impact Fees”) for certain development projects (the “Projects”) located on real property within the planning jurisdiction of the Local Agency (the “Assessed Parcels”), all as described in Schedule I.

The undersigned is an authorized representative of the Local Agency, and is acting for and on behalf of the Local Agency in executing this Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the certifications and expectations as set forth herein, and said certifications and expectations are reasonable.

In connection with the issuance of the above referenced bonds (the “Bonds”), the Local Agency hereby represents, warrants and certifies as follows:

1. With respect to each Assessed Parcel and the Projects to be constructed thereon, each of the following is true to the best knowledge of the undersigned without undertaking any investigation or inquiry:
 - a. The Projects have been approved by the Local Agency and have received all discretionary development permits and approvals (including, as applicable, general and specific plans, zoning, tentative or final subdivision maps, development agreements, use permits and other discretionary permits, but not including design review and approval related to architectural features, landscaping or similar items) required to be issued by the Local Agency.
 - b. There is no legal impediment or limitation which would prevent the Projects from going forward as approved in a timely fashion.
 - c. The provisions of the California Environmental Quality Act have been complied with in connection with the approvals described in subparagraph (a) above.

- d. There is no litigation pending or to the knowledge of the Local Agency threatened which challenges the development of the Projects or the Local Agency's participation in SCIP nor is there any basis therefor.
 - e. The owners of the Assessed Parcels are not delinquent in the payment of any tax, assessment, fee or charge levied by the Local Agency on or as a result of the ownership or development of the Assessed Parcels.
2. The resolution of the Local Agency by which it joined SCIP and the resolution of the Local Agency by which it approved the form of acquisition agreement were duly adopted by the governing body of the Local Agency, have not been amended, modified, repealed or rescinded and are in full force and effect as of the date hereof.
 3. The Local Agency is a member in good standing of the California Statewide Communities Development Authority.
 4. The Tax Certifications attached hereto as Exhibit A are true and correct.
 5. The Improvements to be acquired by the Local Agency were either (i) in existence and installed in place on or before [Adoption Date of Resolution of Intention], the date the California Statewide Communities Development Authority adopted its resolution of intention for the above referenced district, or (ii) were constructed as if they had been constructed under the direction and supervision or under the authority of the Local Agency.

Dated: [Program Series Closing Date]

[LOCAL AGENCY]

Authorized Representative

SCHEDULE I

Name of Local Agency: [City of ____/County of ____]

SCIP Program Series: Series 20__

County Location: [County]

<u>Property Owner Name(s)</u>	<u>Assessed Parcel (APN)</u>	<u>Assessment Liens Imposed*</u>
		\$
	TOTAL:	\$

Allocation Between Improvement Costs and Eligible Impact Fees (per Exhibit B of the Engineer's Report for the County of [County]):

1. Improvement Costs \$
2. Eligible Impact Fees \$

* Not to exceed

EXHIBIT A

LOCAL AGENCY TAX CERTIFICATION

The Local Agency hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the Statewide Community Infrastructure Program (the "Program") Revenue Bonds, Series 20 __, in an aggregate amount \$ _____ (the "Participation"). The representations and covenants contained in this Tax Certification are in furtherance of the requirements of the Program and are designed to support the conclusion that the interest paid on the bonds issued to fund the Program and the Participation (the "Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

1.1 Use of Facilities. The proceeds of the Participation (the "Proceeds") will be used to finance the construction or acquisition of certain public improvements (the "Facilities"). The Local Agency or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the procedures outlined in the SCIP Reference Manual will be followed. The Local Agency will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Local Agency or another state or local government agency.

The average expected useful life of the Facilities is at least ____ years.

1.2 Timing of Expenditures. The Local Agency reasonably expects that all of the Proceeds will be spent for the governmental purpose of the Participation within three years. In addition, the Local Agency reasonably expects that at least 5% of the Proceeds will be spent, or that the Local Agency will incur a binding obligation to a third party involving an expenditure of such amount, within six months. The Local Agency reasonably expects that construction or acquisition of the Facilities will proceed with due diligence to completion and that the allocation of proceeds to expenditures for the Facilities will proceed with due diligence. None of the Proceeds will be used to pay principal of or interest on any obligations.

1.3 Expenditure of Proceeds. Proceeds and other deposits under the Program are not treated as spent on the Facilities until the Local Agency makes a transfer to a person unrelated to the Local Agency and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits under the Program are transferred from the Local Agency Account (as defined in the Trust Agreement relating to the Participation) either (a) to the Local Agency and actually used to make a payment to a person unrelated to the Local Agency no later than three days

after the transfer or (b) directly to a third party at the direction of the Local Agency to pay the cost of the Facilities, or (c) to the Local Agency to reimburse the Local Agency for costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits under the Program are transferred to the Local Agency to reimburse the Local Agency for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before the date of the reimbursement declaration related to such transfer attached hereto as Exhibit B, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service (whichever is later), but in no case more than 3 years after the date the costs were paid by the Local Agency.

APPENDIX O
Arbitrage Rebate and Yield Restriction Services

The Program Administrator will provide the following services (the “Arbitrage Services”) to the Authority, subject to the conditions and limitations set forth herein.

The Program Administrator will calculate the amount of arbitrage rebate and yield restriction liability with respect to the Bonds once per year as of the end of each bond year and as of the final maturity or redemption of the Bonds (each such date on which an arbitrage rebate and/or yield restriction calculation is performed is referred to herein as a “Calculation Date”) applying regulations of the United States Department of the Treasury in effect on such Calculation Date.

Within 60 days of each Calculation Date, the Program Administrator will prepare or cause to be prepared schedules reflecting the relevant calculations and the assumptions involved and will deliver a rebate liability report (“Rebate Report”) and a yield restriction report (“Yield Restriction Report”), if applicable, addressed to the Authority, as to the amount of the rebate liability and yield restriction liability as of such Calculation Date. Each Rebate Report and Yield Restriction Report will include a legal opinion provided by SCIP Counsel to the effect that such report is based on calculations performed in accordance with applicable federal law and regulations.

The Program Administrator is not obligated to undertake any of the following: (1) independently determine whether there were “prohibited payments” or “imputed receipts” within the meaning of the Treasury Regulations; (2) perform calculations or other research as to the desirability of elections or selections that may be available under applicable federal tax law; (3) review the tax-exempt status of interest on the Bonds or any other aspect of the Bonds except to the extent of the Arbitrage Services set forth in this Appendix; and (4) except as otherwise set forth herein, update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report.

In addition, the Program Administrator will be entitled to rely entirely on information provided by the Authority and/or its agents and assigns without independent verification for the purpose of providing the Arbitrage Services.

APPENDIX P
Continuing Disclosure Services

SERVICES PROVIDED BY AUTHORITY

The Authority will provide or cause to be provided to the Program Administrator prompt notice of any one of the following Specified Events as and when they occur: (1) non-payment related defaults; (2) adverse tax opinions or events affecting the tax-exempt status of the Bonds (provided, however, that notice to bond counsel of information regarding any Internal Revenue Service inquiry regarding the Bonds shall be sufficient transmission of information regarding this specified event); and (3) modifications to rights of bondholders (provided, however, that notice to bond counsel of information regarding such proposed modifications to rights of bondholders regarding the Bonds shall be sufficient transmission of information regarding this specified event).

The Authority will also provide to the Program Administrator all information required by the Continuing Disclosure Agreement or requested by the Program Administrator in order to provide the services specified herein; any certifications the Program Administrator may request regarding the accuracy, completeness and fairness of such information or of any Disclosure; and any other assistance reasonably requested by the Program Administrator. Whether or not any such certifications are requested or cover any specified information, the Authority represents that all information provided to the Program Administrator will be accurate, complete and fair, and the Program Administrator shall be entitled to rely, without independent investigation, entirely on the accuracy, completeness and fairness of all information provided by the Authority and/or its officers, employees, agents, attorneys, accountants, engineers and consultants.

SERVICES TO BE PROVIDED BY PROGRAM ADMINISTRATOR

The Program Administrator will provide the following services on behalf of the Authority, subject to the conditions and limitations set forth herein.

I. With respect to each Annual Report:

- (1) Determine from the Continuing Disclosure Agreement what categories of information are required to be included in the Annual Report, about which obligated persons, by whom and by when it must be provided to the Municipal Securities Rulemaking Board (the “MSRB”).
- (2) Assist the officers or employees of the Authority designated with responsibility for continuing disclosure to assemble information necessary for the Annual Report.

- (3) Review material compiled to determine whether it covers the categories referred to in (1) above. Make appropriate follow-up inquiries based on the information compiled.
- (4) Circulate proposed form of Annual Report to the SCIP Trustee and the Authority for review and comment; make appropriate revisions.
- (5) Prepare and circulate for execution appropriate certifications of the Authority and others regarding information included in the Annual Report.
- (6) Submit or confirm submission of the Annual Report to the MSRB.
- (7) Maintain, or cause to be maintained, for at least six (6) years, a record of the Annual Report submitted to the MSRB.

II. With respect to each of the events specified in the Continuing Disclosure Agreement (each, a "Specified Event") requiring timely reporting and subject to the provisions contained in the introductory part of this Appendix regarding the transmission of prompt notice of certain specified events to the Program Administrator:

- (1) Upon request by the Authority or SCIP Trustee, assist in determining whether an event brought to the attention of the Program Administrator by the Authority or the SCIP Trustee is a Specified Event requiring reporting pursuant to the Continuing Disclosure Agreement if material and, if so, whether such Specified Event is material.
- (2) Provide appropriate instructions to the SCIP Trustee or other person designated by the Continuing Disclosure Agreement to provide notice of Specified Events determined to be material.
- (3) Assist in preparation of the notice concerning any Specified Event determined to be material.
- (4) After appropriate execution by the Authority, submit or confirm submission of the material Specified Event notice to the MSRB.
- (5) Maintain, or cause to be maintained, for at least six (6) years, a record of the Specified Event notice submitted to the MSRB.

**APPENDIX Q
SCIP Disbursement Form**

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Phone: 213-612-2152
Fax: 213-612-2499

Re: 20[] Statewide Community Infrastructure Program ("SCIP") Financing

Project Name: _____
Assessment District: _____

The undersigned, a duly authorized officer of the [LOCAL AGENCY] hereby requests a disbursement from the [LOCAL AGENCY] Fees Subaccounts associated with the above captioned financing and certifies that the amounts of development impact fees financed thereby and listed below have been or will be spent by the [LOCAL AGENCY] for public capital improvements as of the date indicated below or within 5 days thereafter:

Subaccount(s)	Amount
Total:	

Wiring Instructions:

The undersigned hereby additionally certifies as follows:

1. The use to which these funds have been or will be put is a permitted use pursuant to the fees indicated for public capital improvements, and this disbursement is not being made for the purpose of reinvestment.
2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Total amount above is greater than the funds held by SCIP on behalf of the [LOCAL AGENCY], the Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.

4. To the extent the disbursement is being made prior to the date the bonds have been issued, this disbursement form serves as the declaration of official intent of the [LOCAL AGENCY], pursuant to Treasury Regulations 1.150-2, to reimburse itself with respect to expenditures made from the Fees Sub-accounts referenced above in the amount requested.

Unless amended by prior written notice to the Program Administrator, the disbursement amount shall be forwarded to the financial institution and account provided to the Program Administrator as part of the [Local Agency] SCIP enrollment materials.

Dated: _____

[LOCAL AGENCY]

Signature: _____

Print Name: _____

Title: _____

APPENDIX R

SCIP Investment Policy

Introduction

The purpose of this Investment Policy (the “Policy”) is to establish cash management and investment guidelines for the Program Administrator, who is responsible for the prudent investment of public funds held in SCIP. All investments will comply with Federal and State investment regulations and bond covenants applicable to any debt issued as part of SCIP.

Scope

This Policy applies to all SCIP-related funds.

Standard of Care

California Government Code Section 53600.3 states that “... all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The Program Administrator in the management of SCIP funds shall use the “Prudent Investor” standard. The Program Administrator acting in accordance with this Policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for individual security’s credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment reports to the Authority, and appropriate action is taken to control adverse developments.

The Program Administrator and its employees shall refrain from all personal business activity that could conflict with the management of the investment program. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing SCIP funds, the Program Administrator shall act with the care, skill, prudence and diligence to meet the aims of the Investment Objectives listed in order in “Investment Objectives,” below.

Investment Objectives

SCIP funds shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific investment objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk. The Program Administrator may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions.

2. Liquidity

Investments shall provide sufficient liquidity and flexibility to enable the Program Administrator to provide funds to the participating Local Agencies for permissible governmental purposes on an as requested basis. Flexibility may be achieved in a number of ways, which may include purchasing sufficient short-maturity investments, purchasing investments that are readily marketable to a large number of securities dealers, etc.

3. Yield

The Program Administrator will take prudent steps to maximize the retainable earnings of all SCIP monies after meeting the requirements of safety and liquidity.

Permitted Investments

1. Direct Obligations of the United States of America

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. Federal Agency Obligations

Federal Agency obligations shall be limited to obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, the Federal Home Loan Bank Board, the Tennessee Valley District, or in obligations, participations, or other instruments of, or issued by, or guaranteed as to principal and interest by the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises which may be created.

3. Negotiable Certificates of Deposit

Negotiable Certificates of Deposits shall be limited to issuers with the highest short-term ratings by both Standard & Poor's and Moody's rating agencies with a maximum maturity of one year.

4. Commercial Paper

Commercial paper rated in the highest short-term rating category, as provided by Moody's Investors Service, Inc. and Standard & Poor's Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.

Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 15 percent of SCIP's portfolio; provided, however, that an additional 15 percent, or a total of 30 percent of the SCIP's investment portfolio, may be invested only if the dollar-weighted average of the entire amount does not exceed 31 days.

5. Bankers' Acceptances

Bankers' Acceptances shall be limited to issuers with the highest short-term ratings by both Standard & Poor's and Moody's. The maximum maturity shall be 180 days or less. A maximum of 40% of SCIP's funds may be invested in Bankers' Acceptances, with a maximum of 20% of SCIP's funds in Bankers' Acceptances of any one commercial bank.

6. Money Market Mutual Funds

Shares of beneficial interest shall be limited to shares issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) as long as the company shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

7. Repurchase Agreements

Repurchase Agreements shall be limited to the following conditions:

- With any domestic bank the long term debt of which is rated "AA" or better by S&P and "Aa2" by Moody's (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank rated at least "AA" by S&P and "Aaa" by Moody's or "AAA" by S&P and at least "Aa" by Moody's.

- With (i) any broker-dealer with “retail customers” which has, or the parent company of which has, long-term debt rated at least “AA” by S&P and “Aa” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investor’s Protection Corp. (SIPC);
- With any corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company the claims paying ability of the guarantor, is rated at least “AA” by S&P and “Aa” by Moody’s; provided that;
- The market value of the collateral is maintained for United States Treasury Obligations and Government National Mortgage Association Obligations at 104% of the invested balance, and for Federal National Mortgage Association Senior debt obligations and Federal Home Loan Mortgage Corporation Senior debt obligations at 105% of the invested balance, such collateral must also meet the Further Collateral Requirements below;
- Failure to maintain the requisite collateral percentage will require the Program Administrator or the SCIP Trustee to liquidate the collateral;
- The SCIP Trustee, or a third party acting solely as agent therefor (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- The repurchase agreement states, and an opinion of counsel is rendered to the effect, that the SCIP Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in case of bearer securities, this means the Holder of the Collateral is in possession);
- The transferor represents that the collateral is free and clear of any third-party liens or claims;
- An opinion is rendered that the repurchase agreement is a “repurchase agreement” as defined in the United States Bankruptcy Code;
- There is or will be a written agreement governing every repurchase transaction;
- The SCIP Trustee represents that it has no knowledge of any fraud involved in the repurchase transaction; and
- The SCIP Trustee receives an opinion of counsel (which opinion shall be addressed to the SCIP Trustee) that such repurchase agreement is legal, valid and binding and enforceable against the provider in accordance with its terms.

8. Local Agency Investment Fund (LAIF)

9. State Obligations

State obligations shall be limited to the following:

- Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A2” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
- Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated “A-1+” by S&P and “Prime-1” by Moody’s.
- Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above rated “AA” or better by S&P and “Aa2” or better by Moody’s.

10. Forward Purchase Agreements

With regard solely to the investment of proceeds of the Bonds, the Program Administrator may direct the SCIP Trustee to enter into Forward Purchase Agreements subject to the following requirements:

- Each Forward Purchase Agreement shall comply with any applicable provisions of law or of the bond documents;
- The Program Administrator may provide letters of direction and representation to the SCIP Trustee and to the provider of each Forward Purchase Agreement; and
- Each Forward Purchase Agreement shall only provide for the purchase by the SCIP Trustee of investments described under paragraphs 1, 2 and 4 of Permitted Investments above, at the times and in the amounts appropriate for the applicable bond reserve or debt service fund.

11. Investment Agreements

With regard solely to the investment of proceeds of the Bonds, the Program Administrator may direct the SCIP Trustee to enter into Investment Agreements subject to the following requirements:

- Each Investment Agreement will limited to agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or in the case of a guaranteed corporations the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company t the claims paying ability of the guarantor, is rated at lest “AA” by S&P and” Aa2” by Moody’s; provided, that prior written notice of an investment in the investment agreement is provided to S&P and Moody’s and, provided, further, by the terms of the investment agreement.

- Interest payments are to be made to the SCIP Trustee at times and amounts as necessary to pay debt service on the Bonds;
- the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in the SCIP Manual of Procedures other than acquisition of alternative investment property upon not more than seven days prior notice;
- the Investment Agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
- the SCIP Trustee and the Authority shall receive the opinion of domestic counsel (which opinion shall be addressed to the Authority) that such Investment Agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);
- the Investment Agreement shall provide that if during its terms (a) the provider's or the guarantor's rating by either S&P or Moody's is withdrawn or suspended or falls below "AA" or "Aa2", respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Authority or the SCIP Trustee within 10 days of receipt of such direction, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the SCIP Trustee or a Holder of the Collateral, United States Treasury Obligations at 104% of the invested balance which are free and clear of any third-party liens or claims and which meets the Further Collateral Requirements below; or (2) repay the principal of and accrued but unpaid interest on the investment (the choice of (1) or (2) above shall be that of the SCIP Trustee), and (B) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "A", or, with respect to a foreign bank, below, "AA" or "Aa2" by S&P or Moody's, as appropriate, the provider must, at the direction of the Program Administrator or the SCIP Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Program Administrator or SCIP Trustee.
- The investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the SCIP Trustee has perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the SCIP Trustee is in possession); and
- The investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the Program Administrator or the SCIP Trustee, be accelerated and amounts invested and

accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate.

Prohibited Investments

This Policy specifically prohibits the investment of any funds in the following derivative securities as defined in Gov. Code Sec. 53601.6:

Any security that derives its value from an underlying instrument, index, or formula. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, and mortgage derived interest or principal only strips.

Reporting Requirements

The Program Administrator shall submit quarterly investment reports to the Authority. The Reports shall include, at a minimum, the following information for each individual investment:

- Description of investment instrument
- Issuer Name
- Yield on cost
- Purchase Date
- Maturity Date
- Purchase Price
- Par Value
- Current market value and the source of the valuation

The quarterly report shall also state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance. The quarterly report shall be submitted within thirty days following the end of the quarter.

The Program Administrator shall also provide quarterly reports to the Local Agencies detailing each Local Agency’s funds on deposit with SCIP.

Safekeeping and Custody

The assets of SCIP shall be secured through the third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. All securities transactions shall settle “delivery versus payment” through the safekeeping agent.

Review of Policy

The Policy and compliance of the investment portfolio with the Policy shall be reviewed annually by the Authority.

Delegation of Authority

Responsibility for the implementation of the investment program is hereby delegated to the Program Administrator, who shall establish and act in accordance with written procedures and internal controls for the operation of the investment program consistent with this investment policy. The Program Administrator shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of any subordinate officials, including the establishment of an investment committee. The Program Administrator may also retain and consult with legal, financial and other investment professionals and advisors.

APPENDIX S
Form of Initial Demand Letter of Delinquent Property Owner

Date

Property Owner Name
Address
City, State ZIP

Re:

California Statewide Communities Development Authority
Statewide Community Infrastructure Program
CSCDA SCIP Assessment District No. _____
County of _____ Assessor's Parcel Number _____

Dear Property Owner:

Your property identified by the referenced assessor's parcel number (the "Parcel") is part of the referenced Assessment District. The **California Statewide Communities Development Authority** (the "Authority") formed the Assessment District under the *Municipal Improvement Act of 1913* and sold bonds under the *Revenue Bond Act* to finance improvements benefiting the Parcel, and each year your assessment for these improvements is placed on your **County** (the "County") property tax bill. Please notify this office immediately if you no longer own the Parcel.

According to data obtained from the County Tax Collector's Office, the first [and/or second] installment of the _____ tax year assessments for the Parcel were not paid as of _____. If you have recently paid this installment to the County, please disregard this reminder.

If, however, this installment is still unpaid, kindly remit payment of same to the County Tax Collector's Office, [Address] [, or you may pay on-line at www._____]. For information about your tax bill, please contact the County Tax Collector at [Phone Number]. If you have any other questions, please contact the undersigned at (____) _____.

Very truly yours,

[Assessment Administrator]

Delinquency Management

APPENDIX T
Form of Second Letter of Delinquent Owner

Date _____

Property Owner Name _____
Address _____
City, State ZIP _____

Re: California Statewide Communities Development Authority
Statewide Community Infrastructure Program
CSCDA SCIP Assessment District Number _____
County of _____ Assessor's Parcel Number _____

Dear Property Owner:

Your property, identified by the referenced assessor's parcel number (the "Parcel"), is part of the referenced Assessment District. The **California Statewide Communities Development Authority** (the "Authority") formed the Assessment District under the *Municipal Improvement Act of 1913* and sold bonds under the *Revenue Bond Act* to finance improvements benefiting the Parcel, and each year your assessment for these improvements is placed on your **County** (the "County") property tax bill. Please notify this office immediately if you no longer own the Parcel.

According to data obtained from the County Tax Collector's Office, the installment(s) of your Tax Bill for the Parcel for the _____ tax year, were not paid as of _____. If you have recently paid these installment(s) to the County Tax Collector, please disregard this demand. If, however, these installment(s) are still unpaid, you are being advised that if payment is not made to the County Tax Collector within **thirty (30) days** from the date of this letter, the Authority may authorize the removal of the delinquent special assessment portion of your Tax Bill from the County tax roll in order to start a judicial foreclosure action against the Parcel to collect the special assessment portion of your Tax Bill, in accordance with applicable law. The costs of the removal and the legal fees and expenses occasioned by the judicial foreclosure action are substantial, and will be added to the amounts required for you to redeem (cure) the delinquent special assessments. It is to your advantage to pay your taxes promptly so that you will not incur these expenses.

You can prevent the removal and foreclosure from taking place by paying your entire Tax Bill to the County Tax Collector within **thirty (30) days** from the date of this letter. Kindly remit your tax payment to the County Tax Collector's Office, [Address] [Address], [City, State ZIP], [Phone Number], [or you may pay on-line at www._____]. For information about your tax bill, please contact the County Tax Collector at [Phone Number].

Your immediate attention to this matter is urged. Should you need further assistance, please contact the undersigned at (____) _____.

Very truly yours,

[Assessment Administrator]

Delinquency Management

APPENDIX U
Form of Lender Demand Letter

Date

Lender Name
Address
City, State ZIP

Re: *California Statewide Communities Development Authority*
Statewide Community Infrastructure Program
CSCDA SCIP Assessment District Number _____
County of _____, *Assessor's Parcel Number* _____

Ladies and Gentlemen:

Our firm is the special assessment administrator of the California Statewide Communities Development Authority (the "Authority") with respect to the [name of assessment district] (the "District"). The property described above is subject to a lien in the District that is delinquent in the amount of \$_____. The Authority has issued bonds secured by this lien, and has covenanted for the benefit of the bondholders to foreclose any delinquent assessment liens in order to provide funds to pay debt service on the bonds.

Official records show that you have made a loan to the owner of this property, which is secured by a mortgage or deed of trust on the property. We have sent reminder and demand letters to the owner of record of this property on [dates] and the delinquency remains unpaid. We hereby inform you that if the delinquent amount is not cured within 30 days of the date of this letter, the Authority will engage counsel and commence a foreclosure action in Superior Court to enforce the lien. **This assessment lien is senior to your mortgage or deed of trust by operation of law, and if the lien is foreclosed, your mortgage or deed of trust will be extinguished.** If the Authority is forced to commence foreclosure, there will be immediate legal, title and filing costs attached to this lien in an amount estimated to be approximately \$_____, and further legal and other costs will be incurred as the foreclosure process continues. All of these costs are recoverable in the foreclosure judgment and will be added to the delinquent assessment amount. In addition, the delinquent assessment bears interest at the rate of 1.5% per month (18% per year).

Should you wish to cure this delinquency and forestall the actions described above, you can pay the delinquent amount and remain free to proceed against your borrower. For information about your borrower's tax bill, please contact the County Tax Collector at [Phone Number]. If you have any other questions, please contact the undersigned at (____) _____.

Please take prompt action in order to avoid additional fees and expenses and protect your security interest in the property.

Sincerely,

[Assessment Administrator]

Cc: [Property Owners]

APPENDIX V
Form of Disclosure Notice to Subsequent Purchasers

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. _____
(COUNTY OF _____, CALIFORNIA)

TO: The prospective purchaser of the real property known as:
Lot No. _____ Tract No. _____.

THIS IS A NOTIFICATION TO YOU PROVIDED PRIOR TO, OR AT THE TIME OF, PURCHASE OF THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE, AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

The California Statewide Communities Development Authority has established an Assessment District which includes the area in which the new home you are considering purchasing is located. The purpose of the Assessment District is to pay for certain public capital improvements and certain development impact fees imposed as a condition to the development of your prospective new home. Those fees have paid or will pay for the design and construction of major infrastructure such as streets, sewers, storm drain improvements, water systems, parks, a fire station, utilities, and other improvements which benefit the community in general, and the property you are considering purchasing in particular. These improvements may not yet have been constructed or acquired and it is possible that some may not be constructed or acquired.

The amount of the Assessment District lien is directly proportional to the estimated benefit your property receives from the public capital improvements plus the amount of the development impact fees which were imposed on your prospective new home and which were financed through the Assessment District. The Assessment District lien is in addition to the regular property taxes and other charges and benefit assessments on the parcel. The Assessment District lien will be added to the real estate property tax bill distributed annually to each property owner within the Assessment District boundary. The maximum annual amount of this assessment in fiscal years 20__ to 20__ and following will be approximately \$_____. If you fail to pay the Assessment District lien when due, the property may be foreclosed upon and sold.

The estimated total principal amount of Assessment District lien applicable to your home (approximately \$_____) will be fully amortized over a period of _____ years through payments on your real estate tax bill with interest at a rate equal to approximately ____% per year [insert bond rate]. This assessment is used to finance the above mentioned public capital improvements and development impact fees, which were required to be paid in order to allow development on your parcel and which were used to pay for public capital improvements. **YOU SHOULD TAKE THIS LIEN AND THE BENEFITS FROM THE**

PAYMENT OF THE DEVELOPMENT IMPACT FEES, PUBLIC CAPITAL IMPROVEMENTS AND THE PUBLIC FACILITIES INTO ACCOUNT IN DECIDING WHETHER TO PURCHASE THIS PROPERTY.

You have the option to pay off the total amount of the Assessment District lien at any time, plus a bond redemption fee. If you wish to pay off the lien in total prior to escrow closing, please notify your escrow officer. If an impound account for taxes and assessments is a requirement of your home loan, you should notify your lender of the total annual amount of the assessment. The annual cost of the special assessments when added to other amounts on your consolidated property tax bill, may exceed the amount collected for the impound account.

You may contact the Authority by calling its Assessment Administrator, _____ at telephone number (____) _____ for information concerning the Assessment District or about early assessment district lien retirement after escrow closing.

Please acknowledge receipt of this information at or prior to the time of purchase by signing your name in the space provided below.

Acknowledged:

Date

Prospective Buyer

Date

Prospective Buyer

Lot No. _____

Tract No. _____

APPENDIX W
Form of Fee Collection Agreement

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

This FEE COLLECTION AND DISBURSEMENT AGREEMENT (this “Agreement”), dated as of _____ 1, 20__ , by and among the [FEE RECIPIENT] (“Fee Recipient”), a California special district, the [SCIP PARTICIPANT LOCAL AGENCY], a municipal corporation of the State of California (the “SCIP Participant”) and the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”);

W I T N E S S E T H:

WHEREAS, the Fee Recipient is entitled to receive from time to time certain amounts paid by developers of real property (each a “Developer”) within the jurisdiction of the SCIP Participant as impact fees, connection fees or other capital charges;

WHEREAS, the SCIP Participant is a participant in CSCDA’s Statewide Community Infrastructure Program (“SCIP”);

WHEREAS, as a participant in SCIP, the SCIP Participant has established an account with CSCDA held by Wilmington Trust, National Association, as trustee (the “SCIP Trustee”) and administered by BLX Group LLC (the “SCIP Program Administrator”) in which certain amounts collected on behalf of the SCIP Participant in connection with SCIP are held (the “SCIP Participant SCIP Account”);

WHEREAS, certain fees or capital charges collected by Fee Recipient (the “Fees”) are eligible for financing through SCIP, subject to approval of Bond Counsel (as defined herein);

WHEREAS, the Fees may be paid to Fee Recipient by Developers, for subsequent reimbursement from the proceeds of bonds (the “Bonds”) issued through SCIP, or the Fees may be paid directly to Fee Recipient from proceeds of the Bonds;

WHEREAS, in order to allow the Fees to be financed through SCIP, Fee Recipient has requested that for any Developer which applies for SCIP financing with respect to Fees payable with respect to a development project within the SCIP Participant, SCIP Participant collect the Fees and remit them to CSCDA for deposit in a separate subaccount within the SCIP Participant SCIP Account;

WHEREAS, in accordance with Fee Recipient’s request, and in order to allow the Fees to be financed through SCIP, the SCIP Participant has determined to collect the Fees on Fee Recipient’s behalf and to remit the Fees to CSCDA to be held in a separate subaccount within the SCIP Participant SCIP Account, and to make or cause to be made disbursements from such subaccount in accordance with properly executed requisitions of the Fee Recipient in the form attached as Exhibit B hereto;

NOW, THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:

Section 1. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Authorized Officer” means (a) when used with respect to CSCDA, any member of the governing board of CSCDA and such additional person or persons, if any, duly designated by CSCDA in writing to act on its behalf, and (b) when used with respect to Fee Recipient, any person or persons duly designated by Fee Recipient in writing to act on its behalf.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP, or any other nationally recognized firm appointed by CSCDA to serve as bond counsel in connection with the issuance of Bonds.

“Bonds” means bonds issued by CSCDA to finance development impact fees, including the Fees, in connection with SCIP.

“CSCDA” means the California Statewide Communities Development Authority, its successors and assigns.

“Fee Recipient” means the [Fee Recipient], a California special district.

“Fees” means those certain development-related fees to be financed through SCIP, approved by Bond Counsel and payable from time to time to Fee Recipient.

“SCIP” means the Statewide Community Infrastructure Program, a program of CSCDA.

“SCIP Participant” means the [SCIP Participant Local Agency], California.

“SCIP Participant SCIP Account” means the SCIP Participant’s account with CSCDA held by the SCIP Trustee and administered by the SCIP Program Administrator in which certain amounts collected on behalf of the SCIP Participant in connection with SCIP are held.

“SCIP Funds” means payments of Fees received by Fee Recipient, as more fully described in Section 3, together with all of the investment earnings on such Fees.

“SCIP Program Administrator” means BLX Group LLC, its successors and assigns or any other administrator appointed by CSCDA as the administrator of SCIP.

“SCIP Trustee” means Wilmington Trust, National Association, its successors and assigns.

Section 2. Collection of Fees; SCIP Financing.

(a) Fee Recipient acknowledges that it has the authority to collect and use the Fees for its own benefit. Fee Recipient acknowledges that, subject to approval as set forth in Section 3, the Fees may be financed through SCIP, and agrees to allow the SCIP Participant to collect the Fees from time to time with respect to Developers applying for SCIP financing on the Fee Recipient’s behalf (i) from such Developers prior to the issuance of a particular series of

Bonds, or (ii) from proceeds of a particular series of Bonds following the issuance of such Bonds.

(b) For any Developer applying for SCIP financing of Fees pertaining to a project within the jurisdiction of the SCIP Participant, the SCIP Participant agrees to collect the Fees from time to time for the Fee Recipient's benefit. Upon collection, the SCIP Participant shall remit the Fees to CSCDA, to be deposited as set forth in Section 4.

Section 3. Approval of Fees. The Authorized Officers of Fee Recipient, or their designees, are authorized under this Agreement to approve the financing of Fees through SCIP. No Fee may be financed through SCIP except with the written approval of an Authorized Officer of Fee Recipient or his designee, which approval shall be evidenced by the signature of such Authorized Officer next to each such Fee shown on Exhibit A attached hereto or in such other written form as may be acceptable to the parties hereto. The written approval of an Authorized Officer shall be required only once rather than on a project-by-project basis, and such approval shall constitute approval for the financing of such authorized fees for any and all applications which may be received by CSCDA requesting financing of such authorized fees for a given project.

Section 4. Agreement to Hold Fees in SCIP Participant SCIP Account. CSCDA agrees to receive or cause to be received by the SCIP Trustee the Fees collected by the SCIP Participant on behalf of the Fee Recipient. CSCDA shall establish or cause to be established within the SCIP Participant SCIP Account a separate subaccount (the "[Fee Recipient] Subaccount"). The Fees financed using Bond proceeds shall be deposited in the [Fee Recipient] Subaccount and held there by the SCIP Trustee and segregated from all other funds within the SCIP Participant SCIP Account, and except for investment purposes, shall not be commingled with any other funds held by the SCIP Trustee. Investment earnings on the [Fee Recipient]Subaccount shall be retained in the such subaccount for the benefit of the Fee Recipient except to the extent a portion of such earnings are requested to pay rebate or yield reduction payments to the U.S. Treasury pursuant to the Internal Revenue Code. Amounts on deposit in the [Fee Recipient]Subaccount shall be disbursed only in accordance with Section 5 of this Agreement. All Fees funded through Bond proceeds shall be deemed paid by the Developer in the amount of the Bond proceeds on the date that such Bond proceeds are deposited in the SCIP Participant SCIP Account.

Section 5. Disbursements from SCIP Participant SCIP Account. CSCDA shall disburse or cause to be disbursed moneys on deposit in the [Fee Recipient]Subaccount only as provided herein. Moneys on deposit in the [Fee Recipient]Subaccount shall be disbursed pursuant to written requisitions of the Fee Recipient, in substantially the form attached hereto as Exhibit B and executed by an Authorized Officer of the Fee Recipient. CSCDA, the SCIP Program Administrator and the SCIP Trustee may conclusively rely on such requisitions for purposes of making such disbursements.

All disbursements from the [Fee Recipient] Subaccount to the Fee Recipient shall be made by wire transfer of immediately available funds or by check payable to the Fee Recipient's bank account number at a bank located within the United States on file with the SCIP Trustee, unless another method of payment is requested in writing by the Fee Recipient.

Section 6. Term of this Agreement. This Agreement shall be in full force and effect from this date to and including its termination by mutual written agreement of the parties hereto. CSCDA agrees to terminate this agreement upon request of Fee Recipient upon delivery to CSCDA of an opinion Bond Counsel to the effect that the termination of this Agreement will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 7. Amendment of this Agreement. This Agreement may be amended only by a written instrument executed by the parties hereto; provided that any such amendment shall be conditioned upon delivery to CSCDA of an opinion of Bond Counsel to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 8. Successors in Interest. This Agreement and all of the provisions hereof shall be binding on the parties hereto and their successors and assigns.

Section 9. Third Party Beneficiaries. The SCIP Program Administrator is expressly declared to be a third party beneficiary of this Agreement. No other third party beneficiary of this Agreement is intended or implied. Except as to the express third party beneficiary identified herein, nothing contained in the Agreement shall give or allow any claim or right of action whatsoever by any other third party.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

Section 11. Choice of Law; Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any legal action arising out of this Agreement shall be filed in and adjudicated by a court of competent jurisdiction in the [SCIP Participant Local Agency], State of California.

Section 12. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

Section 13. Notices. Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to this Agreement shall be addressed to the appropriate party at the addresses set forth below.

Fee Recipient: [Fee Recipient Address]

SCIP Participant: [SCIP Participant Local Agency Address]

CSCDA: California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, CA 95814
Attention: Treasurer

IN WITNESS WHEREOF, each Party has executed this Agreement as of the date set forth beside their signatures below.

Dated: _____, 20__

[FEE RECIPIENT]

Authorized Officer

[LOCAL AGENCY SCIP PARTICIPANT]

Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

Authorized Signatory

EXHIBIT A TO FORM OF AGREEMENT

Approved Fees

Fee	Project	Expected Amount	Approved by Authorized Officer	Date
		\$		

EXHIBIT B TO FORM OF AGREEMENT

SCIP Disbursement Form

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Phone: 213-612-2152
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the [Fee Recipient] hereby requests a disbursement from the [Fee Recipient] Subaccount associated with the above captioned financing and certifies that the amounts of development impact fees financed thereby and listed below have been or will be spent by the [Fee Recipient] for public capital improvements as of the date indicated below or within 5 days thereafter:

Subaccount(s)	Amount
----------------------	---------------

Total:

Wiring Instructions:

The undersigned hereby additionally certifies as follows:

1. The use to which these funds have been or will be put is a permitted use pursuant to the fees indicated for public capital improvements, and this disbursement is not being made for the purpose of reinvestment.

2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.

3. If the Total amount above is greater than the funds held by SCIP on behalf of the [Fee Recipient], the Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.

4. To the extent the disbursement is being made prior to the date the bonds have been issued, this disbursement form serves as the declaration of official intent of the [Fee Recipient], pursuant to Treasury Regulations 1.150-2, to reimburse itself with respect to expenditures made from the Fees Sub-accounts referenced above in the amount requested.

5. The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Improvements"). [Fee Recipient] will own, and for the entire useful life of such Improvements reasonably expects to own, all of such Improvements. To the extent any of such Improvements are sold to an entity that is not a state or local government agency, [Fee Recipient] will seek the advice and approval of bond counsel to the Authority prior to any such sale. [Fee Recipient] will not allow any of such Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Improvements will be used in the performance of essential governmental functions of [Fee Recipient] or another state or local government agency. The average expected useful life of such Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

Dated: _____

Signature: _____

Print Name: _____

EXHIBIT C TO FORM OF AGREEMENT

SCIP Tax Representations

The Fee Recipient hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the Statewide Community Infrastructure Program (the "Program") Revenue Bonds, Series ____, in an aggregate amount (including allocable costs, capitalized interest, reserve fund and original issue premium) of \$_____ (the "Participation"). The representations and covenants contained in this Tax Certification are in furtherance of the requirements of the Program and are designed to support the conclusion that the interest paid on the bonds issued to fund the Program and the Participation (the "Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

1.1 Use of Facilities. The proceeds of the Participation (the "Proceeds") will be used to finance the construction or acquisition of certain public improvements (the "Facilities"). The Fee Recipient or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the procedures outlined in the SCIP Reference Manual will be followed. The Fee Recipient will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Fee Recipient or another state or local government agency.

The average expected useful life of the Facilities is at least 20 years.

1.2 Timing of Expenditures. The Fee Recipient reasonably expects that all of the Proceeds will be spent for the governmental purpose of the Participation within three years. In addition, the Fee Recipient reasonably expects that at least 5% of the Proceeds will be spent, or that the Fee Recipient will incur a binding obligation to a third party involving an expenditure of such amount, within six months. The Fee Recipient reasonably expects that construction or acquisition of the Facilities will proceed with due diligence to completion and that the allocation of proceeds to expenditures for the Facilities will proceed with due diligence. None of the Proceeds will be used to pay principal of or interest on any obligations.

1.3 Expenditure of Proceeds. Proceeds and other deposits under the Program are not treated as spent on the Facilities until the Local Agency makes a transfer to a person unrelated to the Local Agency and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits under the Program are transferred from the Local Agency Accounts (as defined in the Trust Agreement relating to the Participation) either (a) to the Local Agency and actually used to make a payment to a person unrelated to the Local Agency no later than three days after the transfer or (b) directly to a third party at the direction of the Local Agency to pay the cost of the Facilities, or (c) to the Local Agency to reimburse the

Local Agency of costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits under the Program are transferred to the Local Agency to reimburse the Local Agency for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before the date of the respective reimbursement declaration related to such transfer attached hereto as Schedule I, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service (whichever is later), but in no case more than 3 years after the date the costs were paid by the Local Agency.

[Instructions to Staff: a completed notice in this format (but with all blanks filled in and bracketed language deleted) must be published once in a newspaper of general circulation, at least 5 calendar days prior to the meeting date. SCIP will require the newspaper's affidavit confirming the date of its publication. If you need help completing the notice, please contact SCIP.]

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on _____, 20__, a public hearing will be held with respect to the proposed participation by the Rainbow Municipal Water District (the "District") in the Statewide Community Infrastructure Program of the California Statewide Communities Development Authority. Participation in said program will enable property owners to finance public capital improvements and/or development impact fees for public capital improvements imposed on new development. Said public capital improvements, if financed, will be among the public capital improvements required in connection with a given development project. Said development impact fees, if financed, will be used by the District to pay for public capital improvements which will serve the District, and which will be of a type and nature authorized under the Municipal Improvement Act of 1913 (codified at California Streets and Highways Code Sections 10000 *et seq.*). Participation in said program does not itself authorize the District to impose additional public capital improvements or new or additional development impact fees on any property owner.

The hearing will commence at _____ [*insert time of hearing*], or as soon thereafter as the matter can be heard, and will be held at _____ [*insert street address and room number or name*], Fallbrook, California. Interested persons wishing to express their views on the participation in such program and the financing of public capital improvements and/or development impact fees as described above will be given an opportunity to do so at the public hearing or may, prior to the time of the hearing, submit written comments to _____ [*insert mailing address*], Attention: _____ [*insert title of person designated to receive written comments*].

Dated: _____ [*insert date of publication.*]

RAINBOW MUNICIPAL WATER DISTRICT

SECRETARY OF THE BOARD OF DIRECTORS



BOARD ACTION

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

REVIEW AND CONSIDER RESOLUTION 20-07 WHICH RELATES TO THE ENVIRONMENTAL IMPACT REPORT (AND 2020 ADDENDUM) FOR THE PARDEE "MEADOWOOD" DEVELOPMENT AND AUTHORIZE GENERAL MANAGER TO EXECUTE 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 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 I-15. 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 No. 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 2008, 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 Agency Service agreement with VCMWD (See Exhibit A).

DESCRIPTION

This agenda item has two main components, an Out of Agency Service 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 in March 2020. 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 needed 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 capacity fees to RMWD.
- Sewer Capacity fees are set at \$10.5 Million
- 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
- As part of this action, the Board will need to review and consider the Meadowood Project FEIR that was certified by the County of San Diego and review and consider the subsequent Rice Canyon Tank pipeline Addendum to the FEIR, make formal CEQA findings regarding the environmental impacts of the Annexation agreement, and determine whether to adopt the Addendum and approve the Out of Agency Service agreement. District staff and legal counsel have reviewed the materials related to the FEIR approved by the County as well as the 2020 Addendum that the Board will consider as part of this action item.

Annexation Agreement (Exhibit C)

This agreement contains a great deal more detail about the annexation process and responsibilities and is between RMWD 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.
- Pardee will be responsible for all SDLAFCO processing fees (with a cap of \$50,000) and the costs to prepare the materials for the application
- RMWD will ensure CEQA compliance for its portion of the process. Pardee has already completed full CEQA compliance for the construction of the project, and has completed an addendum to their County approved Final Environmental Impact Report (FEIR) to cover the addition of the Rice Canyon Tank pipeline. As part of this action, the Board will need to review and consider the Meadowood Project FEIR that was certified by the County of San Diego and review and consider the subsequent Rice Canyon Tank pipeline Addendum to the FEIR, make formal CEQA findings regarding the environmental impacts of the Annexation agreement, and determine whether to adopt the Addendum and approve the Annexation agreement. District staff and legal counsel have reviewed the materials related to the FEIR approved by the County as well as the 2020 Addendum that the Board will consider as part of this action item.
- 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 fixed capacity fees 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/I-15 area is currently estimated to be between \$20 and \$21 Million. The District's wastewater capital reserve plus the capacity fees from Pardee together approximately equal that amount. It is anticipated that the formation of the CFD should be able to be completed in time for the funds to be available to complete construction of the wastewater facilities.

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. The District will also be taking certain actions and making expenditures as a result of this agreement. Based on this, the agreement has a mutually applied provision that if either party decides to unilaterally terminate the agreement there will be a payment of \$5 Million to the other party 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 \$16 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 \$16 Million in capacity fees. 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 have been extensively negotiated by the District’s General Counsel and legal team. A series of discussions and negotiations that have taken place over the last month have been successful in developing the agreements under consideration today.

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.
 - a. Adopt Resolution 20-07 (Exhibit D) which ratifies the CEQA findings included in the resolution as well as the 2020 Addendum to the Pardee Final Environmental Impact Report. A Notice of Determination will be filed within five days of the Board’s actions.
 - b. Approve the Agreement for Out of Agency Service between the Rainbow Municipal Water District and the Valley Center Municipal Water District and authorize the General Manager to execute the agreement
 - c. Approve the Annexation Agreement among Rainbow Municipal Water District, a California Municipal Water District, and Pardee Homes and authorize the General Manager to execute said agreement
2. Provide direction to staff for other options

ENVIRONMENTAL

The County of San Diego, in its role as lead agency pursuant to CEQA, certified a Final Environmental Impact Report for the Meadowood Project (Project) on January 11, 2012. The FEIR assumed that LAFCO approval would be required to annex the Project to the service area of either RMWD or VCMWD and analyzed the impacts of the infrastructure needed to connect to RMWD’s system, with the exception of a new 18” pipeline connecting the Project with RMWD’s Rice Canyon Water Tank. An Addendum to the FEIR has been prepared that analyzes the Rice Canyon Water Tank pipeline, dated April 6, 2020 (2020 Addendum). The 2020 Addendum also identifies RMWD as the preferred water and sewer service provided to the Project. The new 18” underground pipeline is proposed to be 4,500 linear feet in length and to be located within a RMWD easement. Public Resources Code section 21080.21, provides:

"[CEQA] does not apply to any project of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline. For purposes of this section, "pipeline" includes subsurface facilities but does not include any surface facility related to the operation of the underground facility."

Because the pipeline will be underground, is located in a public right-of-way, and is less than one mile in length, CEQA does not require an environmental analysis of the pipeline. The 2020 Addendum nevertheless documents that all impacts associated with the provision of water service to the Project by RWMD were adequately evaluated in the FEIR, and would not result in any new or more severe impacts than were disclosed in the FEIR.

Staff recommends adoption of Resolution 20-07 and approval of the two agreements.

STAFF RECOMMENDATION

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



Tom Kennedy
General Manager

April 28, 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 MAIL 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 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”). Said water will be provided from RMWD’s allocation of water from the San Diego County Water Authority.
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 Homes, Inc. (“Pardee”), as property owner and/or 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 and/or 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.

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5. Upon the issuance of building permit(s), RMWD shall charge Pardee, as the Property owner, all current connection fees or other fees as may be charged to similar businesses within RMWD boundaries until RMWD and Pardee have entered into an annexation agreement, provisions of which shall then control such fee assessments. 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, and shall not charge Pardee, as the Property owner, any service 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 shall reasonably cooperate with the detachment of the Property from the VCMWD service area and annexation into the RMWD service area (the "Reorganization").
9. In conjunction with this Agreement, or as soon as reasonably possible, VCMWD and RMWD shall adopt Resolutions of Support for the Reorganization.
10. This Agreement shall automatically terminate upon annexation of the Property to RMWD.
11. This Agreement may be assigned to any successors-in-interest without the consent of the other party.
12. 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.

[Signatures on following page]

IN WITNESS THEREOF, the parties have hereto caused this Agreement for Out-Of-Agency Service 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: _____
General Manager

By: _____
General Manager

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

VCMWD General Counsel

RMWD General Counsel

EXHIBIT A
Legal Description

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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 RANCHO 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 ¼ 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 1120.10 FEET TO **THE POINT OF BEGINNING;**

1. THENCE LEAVING SAID EASTERLY LINE NORTH 72°47'22" WEST 369.00 FEET;
2. THENCE NORTH 47°47'22" WEST 536.00 FEET;
3. THENCE SOUTH 44°12'00" WEST 703.00 FEET;
4. THENCE SOUTH 15°13'42" EAST 228.00 FEET;
5. THENCE SOUTH 81°12'38" WEST 93.00 FEET;
6. THENCE SOUTH 55°42'38" WEST 93.00 FEET;
7. THENCE NORTH 67°47'22" WEST 760.00 FEET;
8. THENCE SOUTH 64°12'38" WEST 823.59 FEET TO THE WESTERLY SIDELINE OF THE 60.00 FOOT WIDE EASEMENT DESCRIBED IN DEED RECORDED APRIL 13, 1981 AS FILE NO. 81-112046 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY;
9. 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;
10. THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37°23'00" A DISTANCE OF 110.92 FEET;
11. 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;
12. THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°02'00" A DISTANCE OF 32.25 FEET;
13. 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;
14. THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°46'00" A DISTANCE OF 99.42 FEET;
15. 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;

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16. THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°19'48" A DISTANCE OF 30.65 FEET;
17. THENCE SOUTH 10°25'44" EAST 301.07 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230.00 FEET;
18. THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°09'59" A DISTANCE OF 44.82 FEET;
19. THENCE SOUTH 21°35'43" EAST 1098.52 FEET TO THE NORTHERLY SIDELINE OF COUNTY HIGHWAY COMMISSION ROUTE 18, DIVISION 1 (PALA ROAD);
20. 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;
21. THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°45'45" A DISTANCE OF 323.55 FEET;
22. THENCE NON-TANGENT TO SAID CURVE NORTH 15°00'00" WEST 21.19 FEET;
23. THENCE SOUTH 83°00'00" WEST 51.00 FEET;
24. THENCE SOUTH 05°00'00" EAST 21.00 FEET;
25. 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;
26. THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°09'14" A DISTANCE OF 124.88 FEET;
27. THENCE NON-TANGENT TO SAID CURVE NORTH 04°34'32" WEST 6.57 FEET;
28. THENCE SOUTH 85°25'28" WEST 143.14 FEET;
29. 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;
30. THENCE ALONG SAID WESTERLY BOUNDARY NORTH 03°49'38" WEST 2480.11 FEET;
31. 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;
32. THENCE ALONG THE BOUNDARY OF SAID PARCEL 1A NORTH 26°41'47" WEST 32.19 FEET;
33. THENCE NORTH 00°02'58" EAST 1328.09 FEET;
34. 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;
35. THENCE ALONG THE EASTERLY BOUNDARY OF DAON CORPORATION PROPERTY THE FOLLOWING COURSES: NORTH 06°12'08" WEST 239.82 FEET;
36. THENCE NORTH 14°06'59" EAST 123.37 FEET;
37. THENCE NORTH 49°12'04" EAST 664.01 FEET
38. THENCE NORTH 47°46'04" EAST 221.11 FEET;

39. THENCE NORTH 24°37'43" WEST 1588.78 FEET TO THE NORTHERLY BOUNDARY OF RANCHO MONSERATE;
40. THENCE LEAVING SAID BOUNDARY OF DAON CORPORATION PROPERTY, AND ALONG THE NORTHERLY BOUNDARY OF RANCHO MONSERATE SOUTH 87°28'07" EAST 83.69;
41. THENCE LEAVING SAID NORTHERLY BOUNDARY SOUTH 24°50'26" EAST 211.82 FEET;
42. THENCE SOUTH 41°21'02" EAST 325.65 FEET;
43. THENCE SOUTH 36°24'13" EAST 65.36 FEET;
44. THENCE SOUTH 01°11'40" EAST 74.70 FEET;
45. THENCE SOUTH 12°08'24" EAST 184.62 FEET;
46. THENCE SOUTH 02°57'41" EAST 52.62 FEET;
47. THENCE SOUTH 24°42'16" EAST 135.96 FEET;
48. THENCE NORTH 60°55'02" EAST 543.16 FEET;
49. THENCE NORTH 10°05'56" EAST 213.68 FEET;
50. THENCE NORTH 54°29'09" EAST 39.24 FEET;
51. THENCE NORTH 13°57'35" EAST 227.25 FEET;
52. THENCE SOUTH 81°00'42" EAST 306.31 FEET;
53. THENCE SOUTH 43°25'25" EAST 195.38 FEET;
54. THENCE SOUTH 08°45'22" WEST 181.25 FEET;
55. THENCE SOUTH 51°37'59" EAST 130.66 FEET;
56. THENCE SOUTH 06°33'25" EAST 263.91 FEET
57. THENCE SOUTH 18°50'50" WEST 225.70 FEET;
58. THENCE SOUTH 37°43'08" WEST 144.16 FEET;
59. THENCE SOUTH 04°58'13" WEST 229.66 FEET;
60. THENCE SOUTH 19°37'26" EAST 181.55 FEET;
61. THENCE SOUTH 39°57'08" EAST 149.31 FEET;
62. THENCE SOUTH 74°23'30" EAST 360.80 FEET;
63. THENCE SOUTH 39°27'16" EAST 104.27 FEET;
64. THENCE NORTH 47°44'11" EAST 154.49 FEET;
65. THENCE NORTH 81°11'35" EAST 30.32 FEET;
66. THENCE SOUTH 06°43'27" EAST 235.00 FEET;
67. THENCE NORTH 87°10'13" EAST 101.01 FEET;
68. THENCE SOUTH 03°53'00" EAST 442.76 FEET;
69. THENCE SOUTH 81°23'41" EAST 200.27 FEET;
70. THENCE SOUTH 01°42'24" EAST 178.15 FEET;
71. THENCE SOUTH 16°27'33" WEST 81.56 FEET;
72. THENCE SOUTH 04°24'51" WEST 7.93 FEET;
73. THENCE SOUTH 07°38'10" EAST 331.12 FEET;
74. THENCE SOUTH 47°14'35" WEST 156.53 FEET;
75. THENCE SOUTH 06°57'11" WEST 201.93 FEET;
76. THENCE SOUTH 60°30'31" EAST 358.64 FEET;
77. THENCE SOUTH 11°43'16" EAST 65.63 FEET;
78. THENCE NORTH 75°17'30" EAST 89.34 FEET;
79. THENCE NORTH 43°06'44" EAST 217.42 FEET;
80. THENCE NORTH 38°04'39" WEST 153.54 FEET;
- SN 81. THENCE NORTH 19°20'33" WEST 87.97 FEET;
- 5; 82. THENCE NORTH 86°24'00" WEST 194.59 FEET;

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- 83. THENCE NORTH 00°00'06" WEST 583.43 FEET;
- 84. THENCE NORTH 89°59'54" EAST 243.50 FEET;
- 85. THENCE SOUTH 08°06'39" EAST 541.42 FEET;
- 86. THENCE SOUTH 19°24'11" EAST 388.03 FEET;
- 87. THENCE SOUTH 80°23'38" EAST 208.46 FEET TO THE EASTERLY LINE OF FRACTIONAL SECTION 36;
- 88. 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



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ANNEXATION AGREEMENT

among

RAINBOW MUNICIPAL WATER DISTRICT

a California municipal water district,

and

PARDEE HOMES,

a California Corporation.

[Dated as of **4/20/2020** 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 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: Rainbow Municipal Water District (“RMWD”), a California municipal water district, and Pardee Homes (“Pardee”), a California Corporation. 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 RMWD; and (ii) 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 certain uninhabited real property located in the undeveloped area of the County of San Diego (“County”) within the adopted Fallbrook Community Plan Area, certain areas of which are within the Valley Center Municipal Water District (“VCMWD”) services area, adjacent to the jurisdictional boundaries of RMWD (“Project Site”). Such areas, which are the subject of this Agreement, are as described in Exhibit A and depicted on Exhibit B, attached hereto.

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

2.3 Pardee intends to develop a residential project on the Project Site with single-family and multi-family residential units, a park and recreation center, and approximately fifty (50) acres retained for agricultural usage, as well as an option to provide an elementary school (“Project”). If the Project Build-Out (as defined below) includes the elementary school, the Project will not exceed 844 dwelling units. If the elementary school is not provided at Project Build-Out, the Project will not exceed 886 dwelling units. The details of the Project are described and depicted in exhibits to the Project’s vesting tentative map (VTM 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 the Environmental Impact Report (SCH

No. 2004051028) (“EIR”), as approved and certified by the County on January 11, 2012. The EIR identifies RMWD as a responsible agency with discretionary authority over the Project.

2.4 The Project Site was annexed into VCMWD for sewer and water service on April 7, 2014.

2.5 In connection with the Project, on September 11, 2018, Pardee received a Section 404 Permit from the U.S. Army Corps of Engineers, which included consultation with the State Historic Preservation Office and U.S. Fish & Wildlife Service. Pardee was then issued a Section 1602 Streambed Alteration Agreement from the California Department of Fish & Wildlife on September 12, 2019 and a Section 401 Permit from the State Regional Water Quality Control Board on October 1, 2019.

2.6 Subsequent to the County’s approvals identified in Section 2.3, the Project has undergone minor modifications to address and protect tribal and cultural resources. These modifications were the subject of a substantial conformance review and EIR addendum (“Addendum”), which were approved by the County on October 15, 2019.

2.7 On October 31, 2019, the County issued Pardee a grading permit for the Project Site upon satisfaction of the condition(s) of approval requiring issuance of all necessary resource agency permits.

2.8 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.

2.9 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. Additional sewer system expansion several miles further from the Project is necessary to serve the ultimate needs of the Project. The Project will, subsequently, be able to make use of this expanded water and sewer system.

2.10 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.”

2.11 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.

2.12 Due to the complexity and magnitude of the Project, as well as the substantial financial investment associated with the development, Pardee desires for RMWD to provide a sufficient degree of certainty regarding the provision of municipal services to the Project Site.

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” or “CFD” means a district created under the Mello-Roos Community Facilities Act of 1982 (Govt. Code § 53311 *et seq.*) 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 Project certified by the County pursuant to CEQA, technical studies in

support of the EIR, CEQA Findings of Fact, Statement of Overriding Considerations, the Mitigation Monitoring and Reporting Program and all subsequently approved addenda.

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

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

3.18 “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.

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

3.20 “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.

3.21 “LAFCO Applicant” shall refer to RMWD and its efforts to process the Reorganization through LAFCO.

3.22 “Pardee” shall mean Pardee Homes, a California corporation with its principal place of business located at Los Angeles, California.

3.23 “Parties” shall mean, collectively, RMWD and Pardee.

3.24 “Party” shall mean, individually, RMWD or Pardee.

3.25 “Project” shall mean the Meadowood project proposed by Pardee for construction on the Project Site, as is more particularly defined in Sections 2.3 through Section 2.7 of this Agreement.

3.26 “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.

3.27 “Project Entitlements” shall mean the discretionary approvals issued by the County as part of the approval of the 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), EIR, and the Addendum approved by the County on October 15, 2019, substantial conformance review, Section 1602 Streambed Alternation Agreement, Section 404 Permit, Section 401 Permit, grading permit(s) and any facilities financing mechanisms.

3.28 “Project Site” shall mean the 374.7 acres upon which the Project will be 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 and Exhibit B, 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 actions, 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.

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

3.32 “RMWD” shall mean the Rainbow Municipal Water District, a California municipal water district organized pursuant to California Water Code sections 71010 *et seq.*

3.33 “RMWD Service Agreement” shall mean an agreement between RMWD and the Valley Center Municipal Water District, as defined in section 3.35 below, for the provision of water and sewer service to the Project Site.

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

3.35 “VCMWD” shall mean the Valley Center Municipal Water District, a California municipal water district organized pursuant to California Water Code sections 71010 *et seq.*

ARTICLE 4

THE REORGANIZATION

4.1 Reorganization Proceedings.

4.1.1 **RMWD as Proponent of Reorganization.** As identified in the application process attached hereto as Exhibit C, RMWD, as the LAFCO Applicant, shall adopt a Resolution of Application for Reorganization, in substantially the form described in Exhibit D, attached hereto, within sixty (60) calendar days of the Effective Date of this Agreement or concurrent with a hearing to approve this Agreement. 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. 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 has fully complied with their obligations set forth in this Agreement, RMWD shall reasonably cooperate with the requests of Pardee, 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 and RMWD shall be liable for damages as discussed in Section ____ below, provided the delay is attributable to RMWD actions and not due to the actions or inaction of any other party or Affected Agency. Pardee shall retain the right to be directly involved in the Reorganization and may utilize its attorneys and consultants to process the Reorganization in its sole and absolute discretion.

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 E, attached hereto. Pardee shall review and approve in writing all modifications to the attached Application prior to submission to LAFCO. 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 **Purpose of Resolution.** It is the intent of the Parties that the resolution called for in this Section 4.1 of the Agreement shall satisfy the provisions of Government Code sections 56751(d) and 56857(e) and make the provisions of Government Code section 56857(a) – (d) inapplicable to the Reorganization.

4.1.4 **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 RMWD has fully complied with their obligations set forth in this Agreement, Pardee shall cooperate in every reasonable way with the requests of 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.

4.1.5 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 F, attached hereto, shall be submitted as part of RMWD's Application. Pardee shall review and approve in writing all modifications to the attached Plan for Providing Services prior to submission to LAFCO.

4.1.6 Environmental Document. The Parties intend that the EIR and subsequent addendum processed concurrently with this Agreement shall be the environmental documentation used by RMWD, LAFCO, or other Affected Local Agency to comply with CEQA in the consideration of the Reorganization. Pardee shall be responsible for the preparation of any additional CEQA analysis that may be required by any agency exercising discretionary authority with respect to the Reorganization. This responsibility shall not extend to CEQA analysis required for any infrastructure or improvements not contemplated in this Agreement or that is not required to serve the Project Site. CEQA documentation prepared by Pardee shall be subject to the independent review and analysis of the acting public agency. RMWD shall be responsible for causing the appropriate number of copies of the EIR 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.

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

4.1.8 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.

4.1.9 Timing. The timing of the actions identified in this Section 4.1 and in Exhibit C may be extended by mutual written agreement and amendment to this Agreement.

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.** Except as otherwise provided herein, each Party shall be solely responsible for all costs and fees, including attorneys' fees or other obligations incurred by it for the Project and the Reorganization. Except as may otherwise be expressly provided herein, the Parties shall have no obligation for the costs and fees incurred by the other Party in connection with the Project or the Reorganization.

4.4 **Pardee.** Pardee shall be solely responsible for all costs and fees, including attorneys' fees or other obligations incurred by it for the 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 Project and the Reorganization and other obligations of RMWD in connection with processing the Project and the Reorganization, including without limitation, attorneys' fees and costs associated with contract preparation and review and processing the annexation and detachment through LAFCO. The aforementioned obligation shall not exceed Fifty Thousand Dollars (\$50,000.00) and any amount incurred by RMWD related to Project and the Reorganization in excess of Fifty Thousand Dollars (\$50,000.00) shall be the sole responsibility of RMWD. Additionally, such costs and fees to be paid by Pardee shall not include any costs and fees related to any challenge initiated or joined in by RMWD to the issuance of any Project permits or approvals. Pardee shall establish or maintain throughout the term of this Agreement refundable deposit accounts with RMWD, respectively, against which 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 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.

4.5 **RMWD.** Except as may be otherwise expressly provided herein, RMWD shall be entitled to be reimbursed by Pardee as provided in Section 4.4 for its reasonable costs and fees incurred in connection with processing the 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 in connection with the 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 Project After the Reorganization Effective Date.**

5.2.1 **Role of RMWD.** RMWD has adopted a Water and Sewer Master Plan ("Master Plan") dated March 2016 prepared by Atkins that identifies facilities that are needed to

serve the ultimate build out of the RMWD service area. The Master Plan identified the Project needs and fees have been established to fund additional future projects. RMWD has commenced the planning and design of initial projects identified in the Master Plan and has sufficient monies available to construct these projects. Fees from the Project to be funded by the “CFD” (as defined and discussed in further detail below) will provide funding for future projects identified in the Master Plan. RMWD plans to proceed with immediate implementation of the Master Plan to allow for the ultimate development of the RMWD service area, including the construction of improvements to expand the sewer system several miles away from the Project site, as depicted and described in Exhibit J (the “Phase 1 Sewer Improvements”), which are necessary for RMWD to have sufficient sewer system capacity including treatment, storage and conveyance to serve the ultimate needs of the Project. These additional facilities are required for RMWD to provide service to the Project Site, subject to the provisions of Section 5.2.1.4. Additionally, certain facilities to be constructed by Pardee in the immediate vicinity of the Project or within the Project Site are needed to begin service to the Project Site; these facilities are shown in Exhibit G. RMWD acknowledges that time is of the essence, and RMWD shall review and approve the improvement plans and provide sewer and water commitment letters for the Project no later than _____, 2020 to allow Pardee to bond for improvements to permit Pardee to record any or all necessary final maps.

5.2.1.1 RMWD shall be provided with reasonable access to the Project Site in order to monitor the construction and testing of infrastructure being installed within the Project Site for compliance with RMWD’s standards.

5.2.1.2 RMWD shall undertake CEQA review of an eighteen-inch (18”) waterline from the northerly end of the Meadowood Road cul-de-sac to the RMWD-installed eighteen-inch (18”) stub at the Rice Canyon Reservoir. If following the completion of CEQA review, including but not limited to the determination that the action is exempt from CEQA pursuant to Public Resources Code section 21080.21, RMWD selects a build alternative and approves the eighteen-inch (18”) waterline from the northerly end of the Meadowood Road cul-de-sac to the RMWD-installed eighteen-inch (18”) stub at the Rice Canyon Reservoir, RMWD shall complete final design of and CEQA compliance for the adopted alternative. Consistent with the design of this waterline, RMWD will quitclaim the existing easement through the Project Site related to the prior route of this pipeline and accept an easement for the pipeline route identified on Exhibit G.

5.2.1.3 RMWD, in its sole discretion, may elect to permit joint metering and private waterline(s) in private streets. RMWD shall not unreasonable deny, condition or withhold election to permit said metering and waterline(s).

5.2.1.4 RMWD shall allow Pardee to obtain certificates of occupancy for a maximum of 422 residential units within the Project until the completion of all Phase 1 Sewer Improvements. If RMWD believes they will not be able to complete the Phase 1 Sewer Improvements prior to completion of 422 units available for occupancy, RMWD shall provide two (2) years prior notice to Pardee. The rate of occupancy shall be based on information provided by Pardee. Once given notice, Pardee may elect, in its sole discretion, to engage in self-help to construct the outstanding Phase 1 Sewer Improvements needed to serve the Project Site and obtain additional occupancies. In the event Pardee exercises such self-help, the actual cost incurred by

Pardee to construct the Phase 1 Sewer Improvements shall be reimbursable to Pardee from CFD bond proceeds and special taxes pursuant to Section 5.3, and the amount payable to RMWD for the Sewer Fee Obligation (defined below) shall be commensurately reduced.

5.2.1.5 RMWD shall use existing funds on hand of approximately Nine Million Dollars (\$9,000,000) to implement the offsite sewer improvements recommended in the Master Plan. Specifically, RMWD shall apply such funds to the construction of the Phase 1 Sewer Improvements, which are currently estimated to cost Eight Million Five Hundred Thousand Dollars (\$8,500,000.00). RMWD shall proceed with construction of the Phase 1 Sewer Improvements following completion of CEQA review. Nothing in this Agreement is intended to limit RMWD's discretion to adopt mitigation measures or alternatives to reduce or avoid the environmental effects of such Phase 1 Sewer Improvements in any CEQA-compliant environmental documentation required for the Master Plan, including RMWD's discretion to adopt a No Project alternative as long as the alternative including the No Project alternative provides ultimate capacity for Meadowood as contemplated in this Agreement and analyzed in the related addendum.

5.2.1.6 Existing water pipelines in Horse Ranch Creek Road have sufficient pressure to allow occupancy of units with pad elevations below 600 feet. When the eighteen-inch (18") waterline described in 5.2.1.2 is constructed, connected, and integrated into the water supply system units with pad elevations above 600 feet may be occupied.

5.2.2 Pardee's Obligation; Property Maintenance. Pardee shall make reasonable efforts to process the Project with RMWD with regard to well water, sewer and 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.

5.2.2.1 Pardee shall be responsible for RMWD sewer capacity fees in the total amount of Ten Million Five Hundred Thousand Dollars (\$10,500,000.) for the Project ("Sewer Fee Obligation"). The Sewer Fee Obligation shall be payable from proceeds of the CFD under terms and conditions to be set forth in the Acquisition Agreement (defined below) to be entered into between Pardee, RMWD and CSCDA (as defined below). RMWD shall not require the payment of any other fees for sewer capacity or connection beyond the Sewer Fee Obligation.

5.2.2.2 Pardee shall authorize the CFD applicable to the Project Site to pay for fees and facilities pursuant to Section 5.3 below.

5.2.2.3 Pardee shall cause to be constructed all facilities identified in Exhibit G and shall be reimbursed from bond proceeds and special taxes of the CFD pursuant to the Acquisition Agreement to be entered into between Pardee, RMWD and CSCDA.

5.2.2.4 Pardee shall grant the required easement in favor of RMWD as described in Section 5.2.1.3.

5.2.2.5 Pardee shall retain all rights and exclusive access to groundwater within the Project Site to be used in accordance with its Project Entitlements.

5.2.3 Pardee Obligation; RMWD Reimbursement. Subject to the conditions and limitations specified in section 5.2.1.2 of this Agreement, Pardee shall cause the eighteen-inch (18”) pipeline described in Section 5.2.1.2 to be constructed. Pardee shall competitively bid this project and RMWD shall approve the final construction bid. RMWD shall retain funds currently available and make payments to Pardee during construction to reimburse Pardee for the full cost of this water line within 30-days of reimbursement requests submitted in writing and substantiated with supporting documentation.

5.3 Bonding and Other Financing.

5.3.1 Community Facilities District. Pardee and RMWD shall cooperate to establish a community facilities district (“CFD”) pursuant to the Mello-Roos Community Facilities District Act of 1982 (Govt. Code § 53311 *et seq.*) through the California Statewide Communities Development Authority (“CSCDA”). The CFD boundaries shall encompass the Project. To this end, RMWD shall adopt a resolution (“JCFA Resolution”) (i) authorizing CSCDA to form the CFD and embodying a joint community facilities agreement with respect to the CFD and (ii) approving an acquisition agreement (“Acquisition Agreement”) between Pardee, RMWD and CSCDA related thereto. The Parties shall cooperate to accomplish adoption of the JCFA Resolution within ninety (90) days of execution of this Agreement. The JCFA Resolution shall approve the use of CSCDA’s adopted Local Goals and Policies (“Goals and Policies”) in connection with the CFD, including an annual special tax escalator and the maximum annual special tax permitted by the Goals and Policies. The JCFA Resolution and Acquisition Agreement shall authorize the following fees and facilities to be funded with the proceeds of the special taxes and bonds of the CFD:

1. The Sewer Fee Obligation.
2. Offsite water improvements consisting of the installation of an eighteen-inch (18”) waterline from the Project Site’s northerly cul-de-sac to Horse Ranch Creek Road at Andalusian Way and a twelve-inch (12”) waterline in Horse Ranch Creek Road to Pankey Place (including design, permitting, construction, inspection and as-built completion) in an amount estimated at no less than Two Million Eight Hundred Sixty-Eight Thousand Dollars (\$2,868,000).
3. RMWD water capacity fees, including meter material fees (as identified in Exhibit H attached hereto) net of Water Fee Credits actually received pursuant to Section 5.4.1.
4. Public “in-tract” sewer and water improvements (including design, permitting, construction, inspection and as-built completion) within the Project Site.
5. Phase 1 Sewer Improvements to the extent paid for by Pardee pursuant to Section 5.2.1.4 and/or Section 5.3.4.
6. Private dry utility costs. A limit of five percent (5%) of the CFD net bond proceeds, pursuant to federal law, shall apply to the extent funded with bond

proceeds. No limit shall apply to the extent private dry utility costs are funded with CFD special tax funds.

7. Costs incurred as identified in Section 4.1.7, Section 4.1.8 and Section 5.3.3.

5.3.2 The provision of CFD funding for the Sewer Fee Obligation shall constitute full satisfaction of the Project's obligation to pay any and all RMWD sewer and/or water capacity and/or connection fees. RMWD shall cooperate with Pardee and CSCDA to comply with applicable requirements and provide applicable documentation or certifications for the purpose of allowing all of the CFD bonds to be issued on a tax-exempt basis. RMWD in coordination with Pardee shall use best efforts to maximize the amount of CFD bonds issued on a tax-exempt basis but in the event all or a portion of the CFD bonds cannot be issued on a tax-exempt basis, the CFD shall alternatively issue such portion of bonds on a taxable basis.

5.3.3 **Landowner-Owner Consent to Financing.** At such time as written consent is necessary to complete the formation of a CFD, 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 CFD and agrees to not in any way object to, protest, delay, frustrate or otherwise impede the formation of a CFD. Pardee shall cause to be prepared at its sole cost and expense all legal descriptions, maps and plans required for formation of a CFD. In addition, in the event that RMWD requires financing of infrastructure before funds are available from the CFD, RMWD may obtain such financing as may be necessary to proceed with the construction, and Pardee agrees to advance funds to RMWD as provided in Section 5.3.4.

5.3.4 **Interim or Bridge Financing.** All sewer system improvements necessary to serve the Project will be competitively bid at the same time to obtain economies of scale. In the event the Phase 1 Sewer Improvements are expected to cost more than Nine Million Five Thousand Dollars (\$9,500,000.00) based on actual bids received by RMWD from qualified contractors, and after RMWD has pursued other funding opportunities in the order of: (1) other financing options available to RMWD; (2) funding or capacity fees from other development; (3) CFD "paygo" funds consisting of special taxes levied on developed property (i.e., parcels with a building permit issued) prior to the issuance of bonds, net of CFD administrative expenses, Pardee agrees to advance the estimated amount in excess of Nine Million Five Thousand Dollars (\$9,500,000.00) to RMWD in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) ("Sewer Advance"). RMWD shall use the Sewer Advance solely for the construction of Phase 1 Sewer Improvements. The Sewer Advance shall be payable to RMWD within thirty (30) days of written demand and presentation of the applicable bid documents to Pardee, but in no event shall be payable earlier than the date of CFD formation and first production home occupancy related to the Project. The Sewer Advance shall not be required to the extent the CFD has already provided funds to RMWD for the Sewer Fee Obligation. If CFD "pay-go" funds are used for the Phase 1 Sewer Improvements, the Sewer Fee Obligation shall be commensurately reduced. Additionally, in the event Pardee is responsible for the Sewer Advance, it shall be reimbursable to Pardee from CFD special taxes and/or bond proceeds and the amount payable to RMWD for the Sewer Fee Obligation shall be commensurately reduced.

5.4 Provision of Municipal Services to the Project Site.

5.4.1 Water and Sewer Services. Upon the Reorganization Effective Date, RMWD shall provide water and sewer services to the Project Site. Except as may be otherwise expressly provided herein, Pardee shall construct or cause the construction of all Project Site public improvements and such other public water improvements as are necessary to connect to RMWD's water and sewer services as required by the Project Entitlements and RMWD's standards and approved material requirements including but not limited to 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 and sewer shall be inspected and tested in accordance with the rules and regulations adopted by RMWD. RMWD shall provide Pardee with fee credits ("Water Fee Credits") for RMWD water capacity fees in amount equivalent to the actual cost of the offsite water improvements identified in Section 5.3.1(2). RMWD shall issue the Water Fee Credits to Pardee upon receipt of supporting documentation from Pardee evidencing the actual costs incurred. Pardee shall be responsible for paying (i) RMWD water capacity fees net of the Water Fee Credits and (ii) San Diego County Water Authority fees, to RMWD in accordance with Exhibit H, attached hereto. RMWD shall recover all of its other expenses not associated with the sewer and water capacity fee through monthly water and sewer rates charged to users in accordance with rules and regulations applicable to RMWD. Upon the Reorganization Effective Date, RMWD shall provide permanent water and sewer 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 and sewer rates in accordance the rules and regulations applicable to RMWD.

5.5 Full Faith and Credit Given to Right to Develop the Project in Accordance with the Project Entitlements.

5.5.1 Full Faith and Credit of Development Rights. The Parties agree that Pardee shall have the right to develop the Project in accordance with the Project Entitlements, and RMWD agrees 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 Project in accordance with the Project Entitlements, RMWD agrees 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 Project in accordance with the Project Entitlements. The full faith and credit created herein is intended to provide Pardee with the assurance that 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.

5.5.2 RMWD: Reserved Authority, Changes in Federal or State Law. 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 ___ shall be of the minimum scope, effect, and duration necessary to accommodate the health and safety issue or higher law.

5.6 **Additional Terms and Conditions.**

5.6.1 **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.

5.6.2 **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 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 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 RMWD.** 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 from Pardee.

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 Pardee would not have entered into this Agreement without RMWD's assurances set forth in this Agreement, and that Pardee will invest substantial money and effort in reliance upon 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). 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 monetary damages in the amount of Five Million Dollars (\$5,000,000.00). In the event Pardee willfully or negligently defaults on any material terms of this Agreement, and if Pardee fails to cure any such default in a reasonable period of time, Pardee shall be liable to provide RMWD monetary damages in the amount of Five Million Dollars (\$5,000,000.00). Notwithstanding this exception, pursuant to Section ___ of this Agreement, the prevailing Party 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 given the size, nature and scope of the Project, it is not possible to determine the sum of money that would adequately compensate Pardee for development of the Project. Therefore, the Parties acknowledge and agree that specific performance is the preferred remedy for any default under this Agreement.

6.5 Mortgagee 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.

6.5.2 Notice of Default. If 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 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 RMWD subsequently makes a determination of noncompliance hereunder, concurrent with service to Pardee, RMWD shall likewise serve notice of noncompliance on any Mortgagee who Pardee has identified in writing to 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 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), 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 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 and costs and attorneys' fees that may be awarded against RMWD by a court of law indemnify and hold harmless RMWD, its agents, officers and employees from any claim, action or proceeding against RMWD, their agents, officers or employees to attack, set aside, void or annul the approval of this Agreement and the RMWD Service Agreement, LAFCO in connection with LAFCO's decisions or approvals relating to the Reorganization, 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. RMWD shall promptly notify Pardee of any such claim, action or proceeding, and RMWD shall cooperate in the defense. If RMWD fails to cooperate in

the defense, Pardee shall not thereafter be responsible to defend, indemnify, or hold 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 Project, the Parties assume that Pardee's legal fees and costs will generally exceed the legal fees and costs incurred by RMWD, reflecting Pardee's assumption of the greater legal workload in the defense. The Parties also assume, however, that 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 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 Project, save and except for liability or claims arising through (i) the negligence or willful misconduct of RMWD; (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 RMWD willful or negligent breach of this Agreement, which is not cured in a reasonable period of time; or (v) a challenge initiated or joined in by RMWD regarding the approval of or issuance of permits for the Project. Pardee shall defend with counsel mutually acceptable to the Parties, at its expense, including attorneys' fees, RMWD, its 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 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 RMWD willful material breach of this Agreement, which is not cured in a reasonable period of time; or (v) a challenge initiated or joined in by RMWD regarding the approval of or issuance of permits for the 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 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 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 RMWD or its designee 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

GENERAL PROVISIONS

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

9.2 **Project as Private Undertaking.** It is specifically understood by the Parties that the Project is a private development and that RMWD does not have an interest in or responsibilities for or duty to third parties concerning the Project. The Parties make no guarantees regarding 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.

9.3 **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 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.

9.4 **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.

9.5 **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.

9.6 **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 RMWD: 3707 Old Highway 395
Fallbrook, CA 92028
Attn: Tom Kennedy, General Manager
Email: tkennedy@rainbowmwd.com

With a Copy to: Nossaman LLP
777 S. Figueroa Street, 34th Floor

Los Angeles, CA 90017
Attn: Alfred Smith, II, General Counsel
Email: asmith@nossaman.com

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

With a Copy to: Sheppard Mullin Richter & Hampton, LLP
501 West Broadway, 19th Floor
San Diego, California 92101
Attn: Whitney A. Hodges, Esq.
Email: whodges@sheppardmullin.com

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

9.8 **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.

9.9 **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.

9.10 **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.

9.11 **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 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.

9.12 **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; 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.

9.13 **Recordation.** RMWD shall cause a Memorandum of Agreement in a form substantially similar to Exhibit I attached hereto 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.

9.14 **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.

9.15 **Prohibition Against Assignment.** Pardee may not assign this Agreement or any interest in it without the prior written consent of RMWD. 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 Project. Upon assignment in accordance with this Section ____, Pardee shall be released of all liability and obligations related to the Project.

9.16 **Operating Memorandum.** The Parties acknowledge that the provisions of this Agreement require a close degree of cooperation between RMWD and Pardee, and that the refinements and further development of the 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 RMWD or its respective designee 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.

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

9.18 **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.

9.19 **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.

9.20 **Covenant Running With The Land.** 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.

9.21 **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: Legal Description
- Exhibit B: Project Site Depiction
- Exhibit C: Annexation Application Schedule
- Exhibit D: Resolution of Application for Reorganization
- Exhibit E: Application for Reorganization
- Exhibit F: Plan for Providing Services
- Exhibit G: Improvements
- Exhibit H: RMWD Fee Schedule
- Exhibit I: Memorandum of Agreement
- Exhibit J: Phase 1 Sewer Improvements

[Signatures on following page]

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:

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 ¼ 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;

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;

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;

SMRH:4837-0140-9716.11

EXHIBIT A

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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°43'27" 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;

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EXHIBIT A

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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

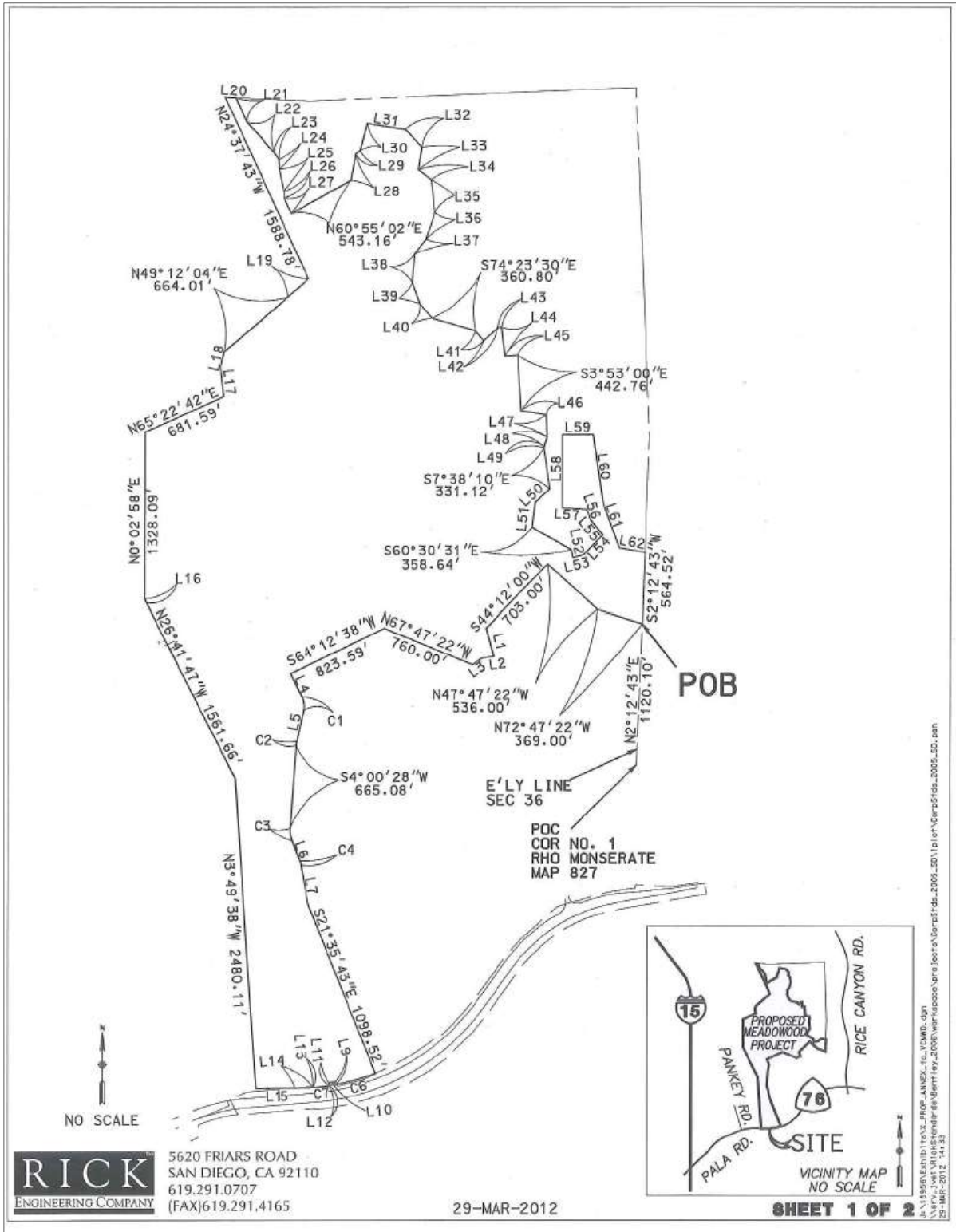
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EXHIBIT B

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EXHIBIT B

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LINE TABLE				CURVE TABLE			
NAME	DIRECTION		LENGTH	NAME	DELTA	RADIUS	ARC
L1	S 15° 13' 42"	E	228.00	C1	37° 23' 00"	170.00	110.92
L2	S 81° 12' 38"	W	93.00	C2	8° 02' 00"	230.00	32.25
L3	S 55° 42' 38"	W	93.00	C3	24° 46' 00"	230.00	99.42
L4	S 25° 20' 32"	E	208.85	C4	10° 19' 48"	170.00	30.65
L5	S 12° 02' 28"	W	248.63	C5	11° 09' 59"	230.00	44.82
L6	S 20° 45' 32"	E	174.56	C6	10° 45' 45"	1722.44	323.55
L7	S 10° 25' 44"	E	301.07	C7	4° 09' 14"	1722.44	124.88
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				



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)		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, 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

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.

PASSED AND ADOPTED by the Board of Directors of the Rainbow Municipal Water District, County of San Diego, State of California, by the following vote:

AYES: DIRECTORS -

NOES: DIRECTORS -

ABSENT: DIRECTORS -

STATE OF CALIFORNIA)
)

COUNTY OF SAN DIEGO)

I, _____, Secretary of the Board of Directors of the Rainbow Municipal Water District, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Directors, by vote of the members present as the same appears in the Official Minutes of said Board at its meeting _____, 2020, Item No. _____.

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 ¼ 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 D

SMRH:4837-0140-9716.11

-1-

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;

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to EXHIBIT D

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-2-

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;

EXHIBIT A
to EXHIBIT D

SMRH:4837-0140-9716.11

-3-

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°43'27" 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;

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EXHIBIT A
to EXHIBIT D

-4-

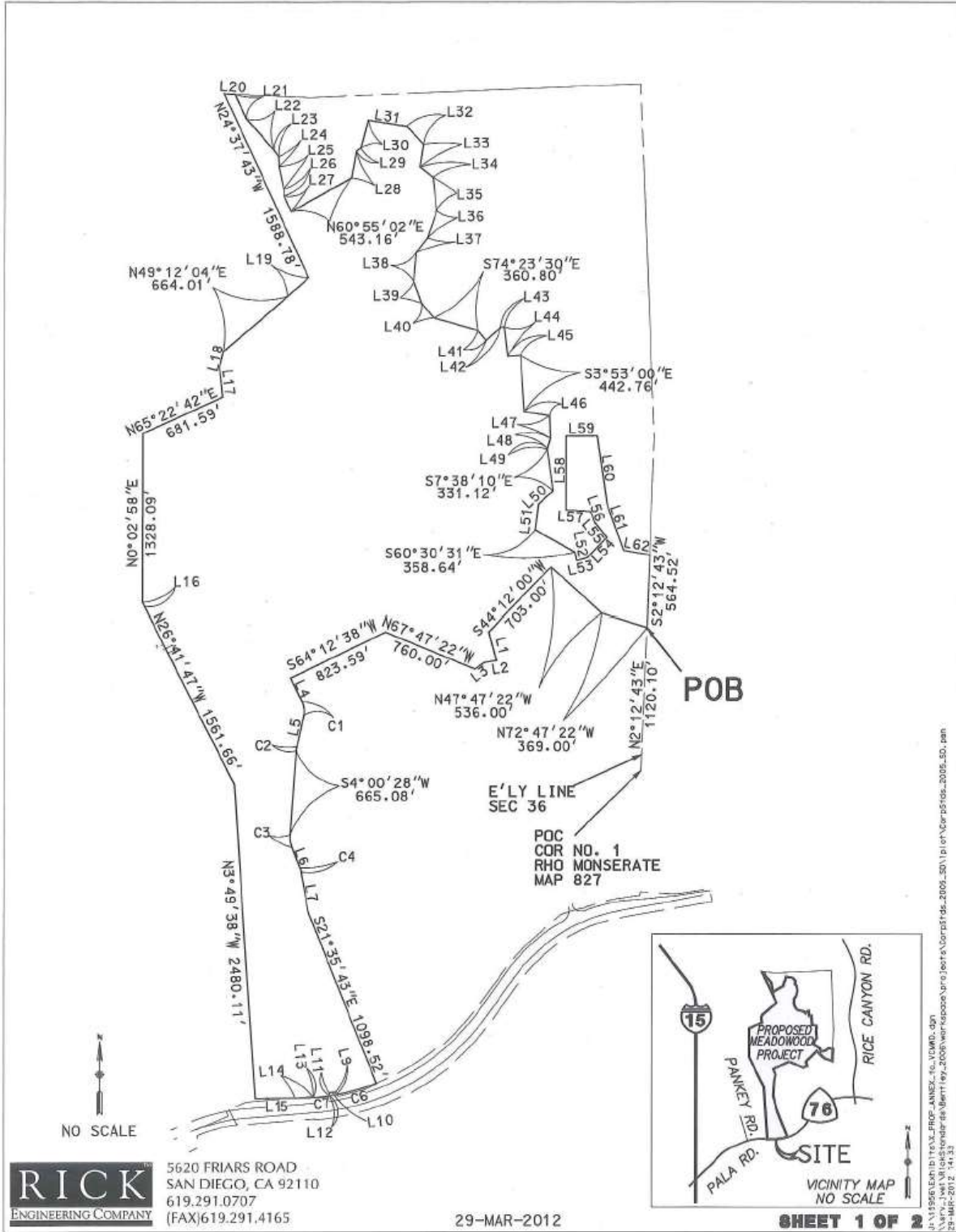
THENCE SOUTH 06°57'11" WEST 201.93 FEET;
THENCE SOUTH 60°30'31" EAST 358.64 FEET;
THENCE SOUTH 11°43 '16" EAST 65 .63 FEET;
THENCE NORTH 75°17'30" EAST 89.34 FEET;
THENCE NORTH 43°06'44" EAST 217.42 FEET;
THENCE NORTH 38°04'39" WEST 153.54 FEET;
THENCE NORTH 19°20'33" WEST 87.97 FEET;
THENCE NORTH 86°24'00" 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



SMRH:4837-0140-9716.11

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

SMRH:4837-0140-9716.11

EXHIBIT E

-1-

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 rezoning 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 Rezoning			<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):

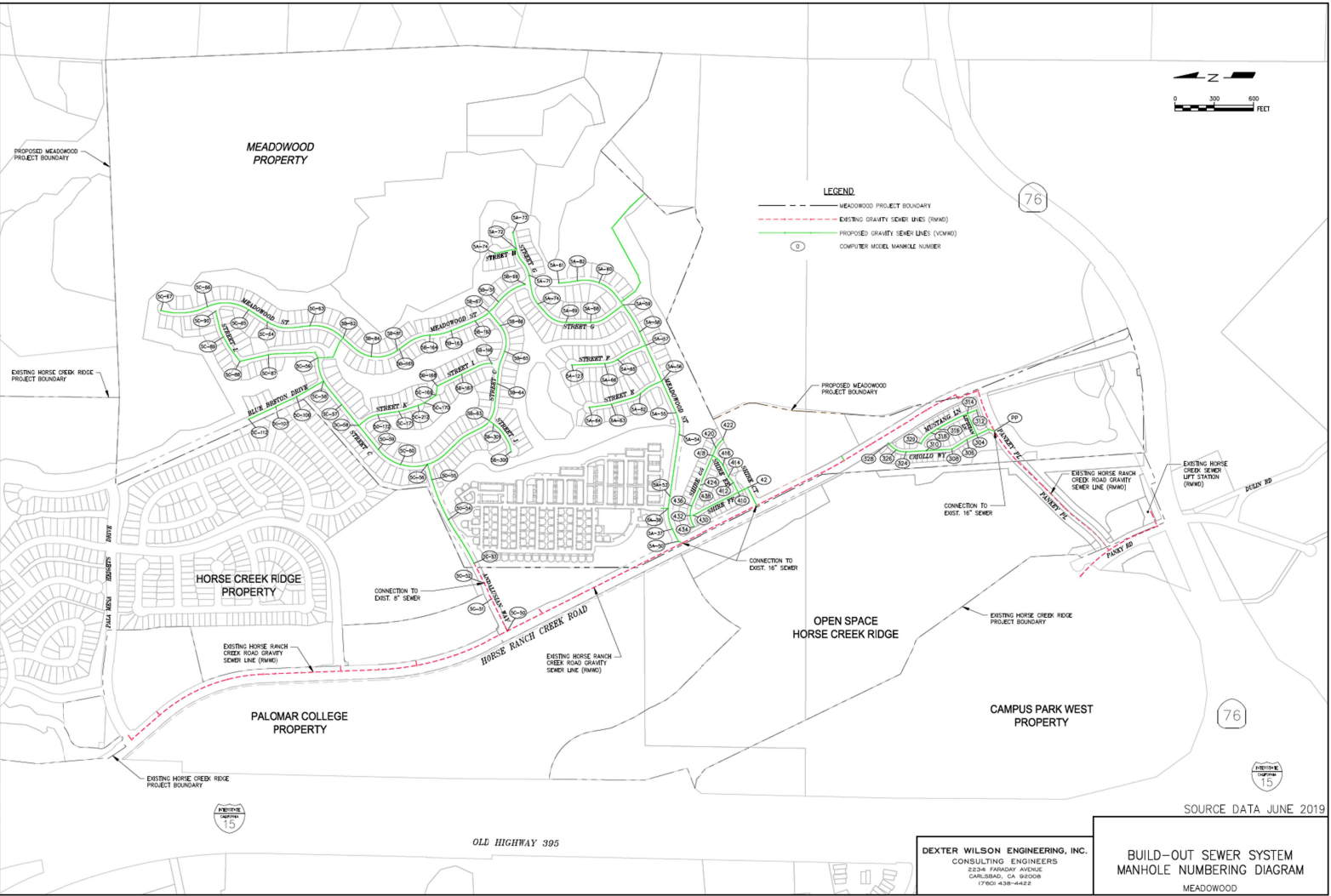
- (c) The distance for connection of the proposal territory to the agency's existing reclaimed water system is _____ feet.
- (d) Describe the location of the connection to the agency's existing reclaimed water system: _____
- (e) **If no**, has the agency considered availability of reclaimed water to 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 G
Improvements



DEXTER WILSON ENGINEERING, INC.
CONSULTING ENGINEERS
2224 PARADAY AVENUE
CARLSBAD, CA 92008
760.438-4422

BUILD-OUT SEWER SYSTEM
MANHOLE NUMBERING DIAGRAM
MEADOWOOD

SOURCE DATA JUNE, 2019

SMRH:4837-0140-9716.11

EXHIBIT G

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57432239.V1

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EXHIBIT G

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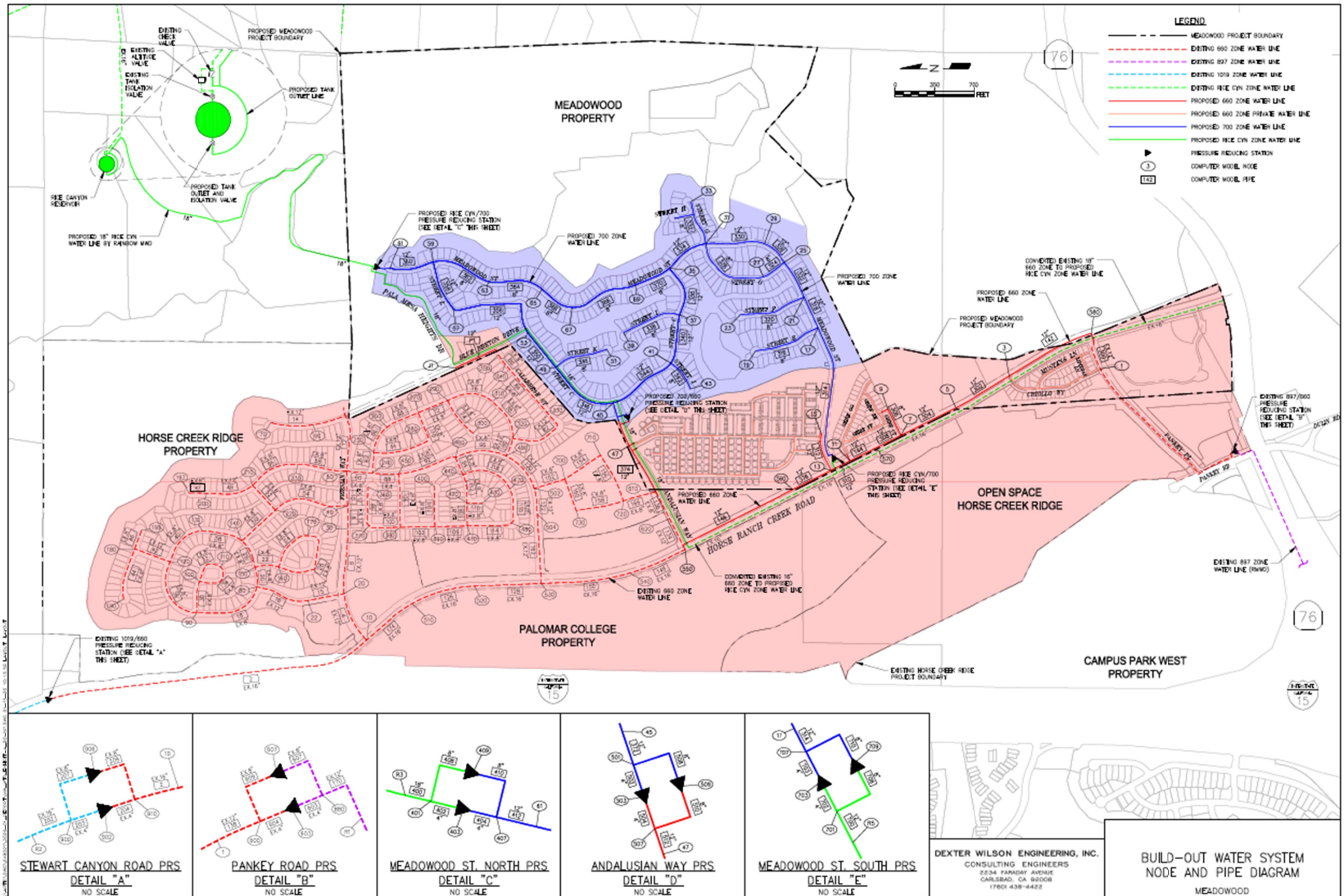


EXHIBIT H
RMWD Fee Schedule

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
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
\$55,096,498				
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
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
\$2,625, 294				
Notes: * irrigation fees will be reconciled based on actual meter needs.				

EXHIBIT I

Memorandum of Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Empty rectangular box for recording information.

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. The Annexation Agreement is a covenant running with the land and all rights and obligations inure to the subsequent owners of the Property.

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.

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.

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

RMWD: 3707 Old Highway 395
Fallbrook, CA 92028
Attn: Tom Kennedy, General Manager
Email: tkennedy@rainbowmwd.com

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 ¼ 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;

EXHIBIT A
to EXHIBIT I

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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;

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

EXHIBIT A
to EXHIBIT I

SMRH:4837-0140-9716.11

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;

EXHIBIT A
to EXHIBIT I

-3-

SMRH:4837-0140-9716.11

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°43'27" 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;

EXHIBIT A
to EXHIBIT I

-4-

SMRH:4837-0140-9716.11

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

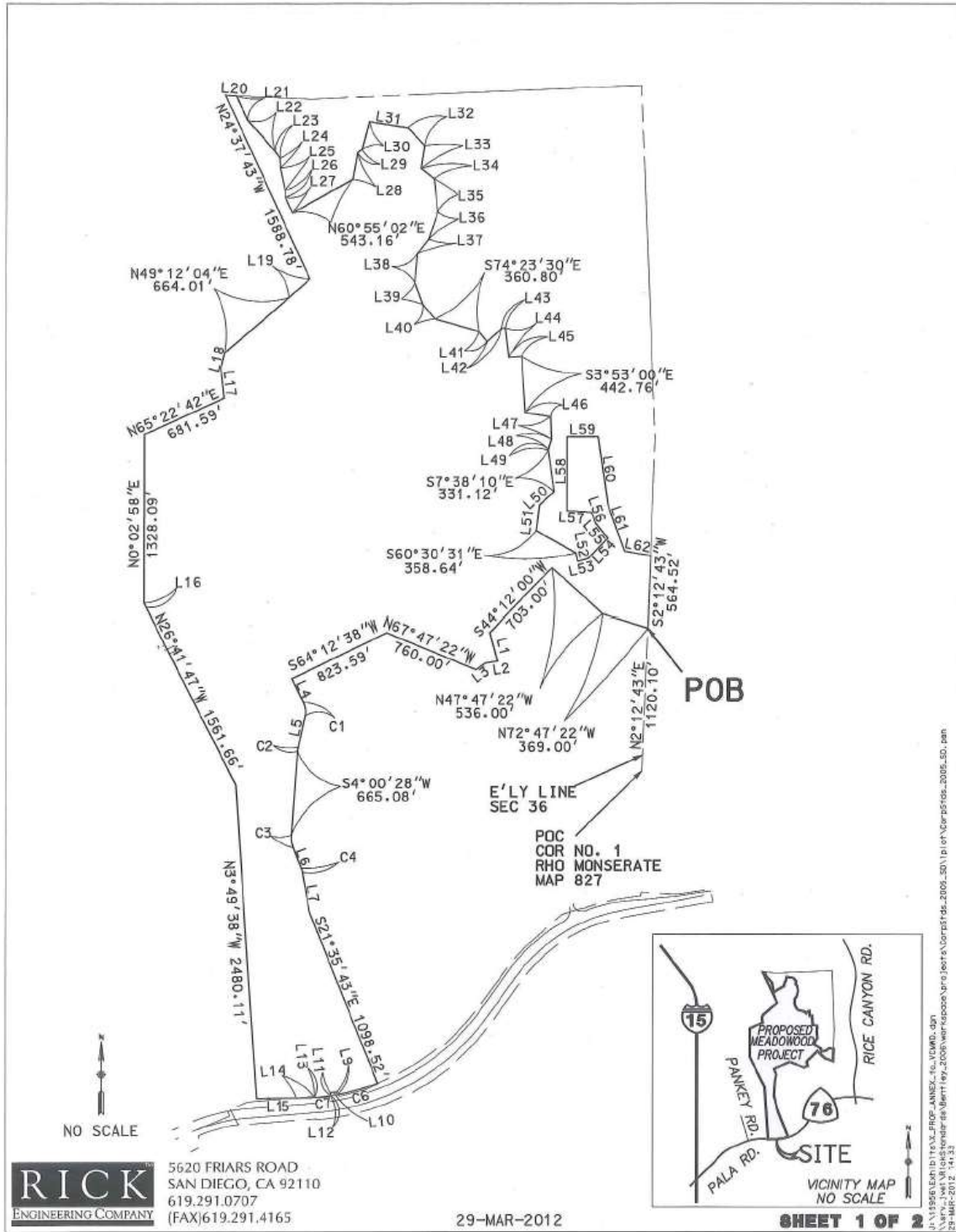


EXHIBIT B
to EXHIBIT I

-1-

SMRH:4837-0140-9716.11

57432239.v1

EXHIBIT J
Phase 1 Sewer Improvements

NEEDED IMPROVEMENTS

Starting with Reach 7 of the gravity conveyance system shown in Figure 2-1 all downstream reaches of gravity sewer and LS1 need to be improved. This chapter describes the needed improvements and breaks them into four phases. These phases are Thoroughbred Lift Station gravity sewers and force main, LS1 to LS2 gravity sewers, Schoolhouse Lift Station, and the gravity sewer from LS2 to Stallion Lift Station.

THOROUGHbred LIFT STATION

The Thoroughbred Lift Station improvements are actually four different projects that need to be done to replace existing infrastructure that currently causes the greatest operational and maintenance concerns to the District. This includes replacement of pipe Reaches 7 and 8 and reducing flows to Reaches 9, 10, 11, and LS1. These improvements will reduce the existing PWW flow to LS1 from, 1,100 gpm to 183 gpm. This will require pump changes at LS1. Figure 4-1 shows each of the Thoroughbred Lift Station projects.

Thoroughbred Lift Station

The Thoroughbred Lift Station in conjunction with the future Schoolhouse Lift Station will take the place of Lift Station 1. The Thoroughbred Lift Station will be located at the corner of Thoroughbred Lane and Mission Road. The design will be based on the Horse Ranch Lift Station with a building. Figure 4-2 shows a proposed layout. Table 4-1 shows the initial and ultimate design criteria for the station. The initial flow will be restricted to 1,100 gpm until downstream sewers are improved. In order to accommodate PWWF with the restricted flow, an equalization volume of 170,000 gallons is needed. This volume is based on estimated I&I from the 2016 Master Plan. Table 4-2 shows how this volume was calculated. This volume is less than the needed emergency storage so the required emergency storage can accommodate the equalization needs.

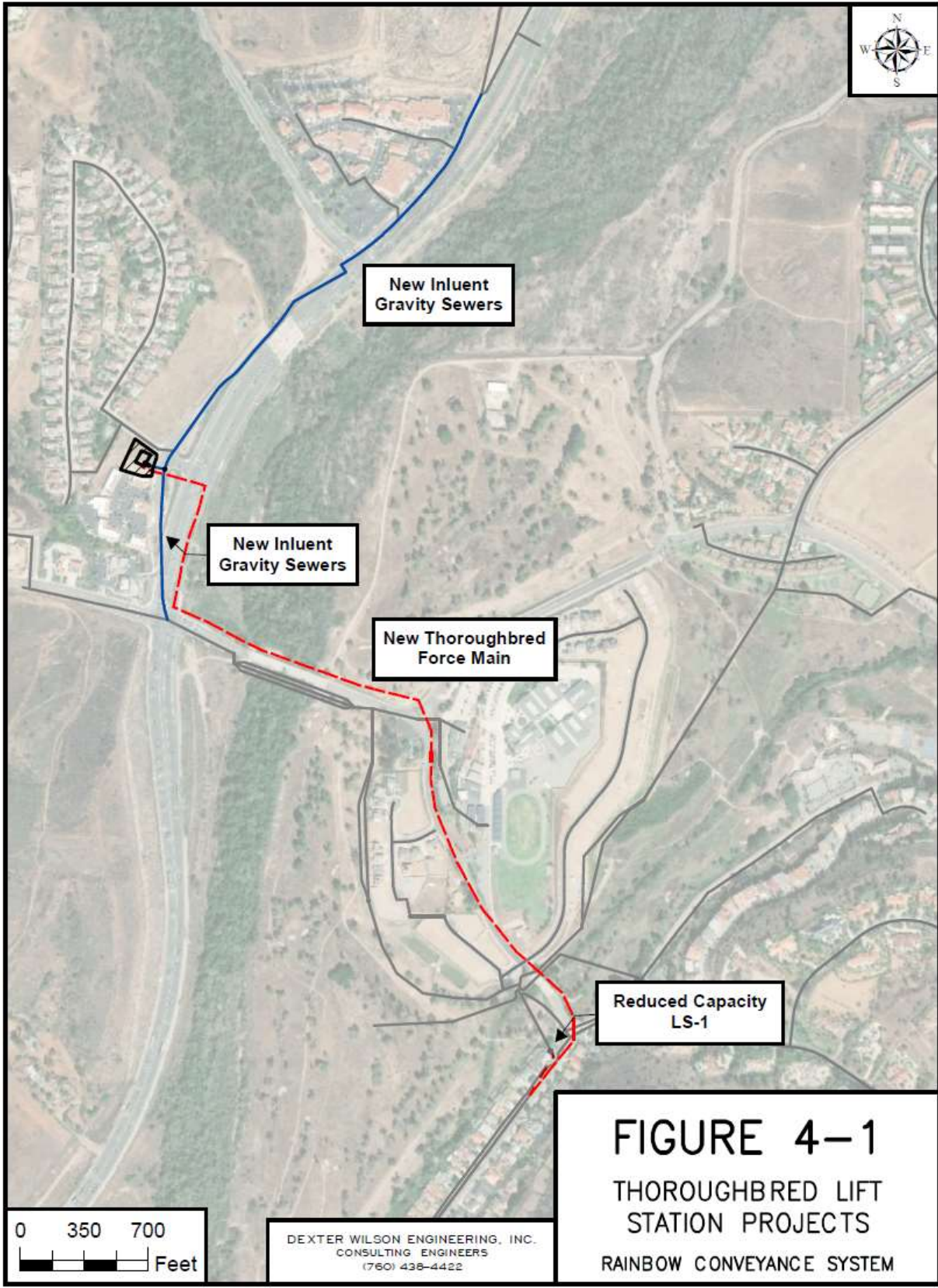
**TABLE 4-1
THOROUGHbred LIFT STATION
DESIGN CRITERIA**

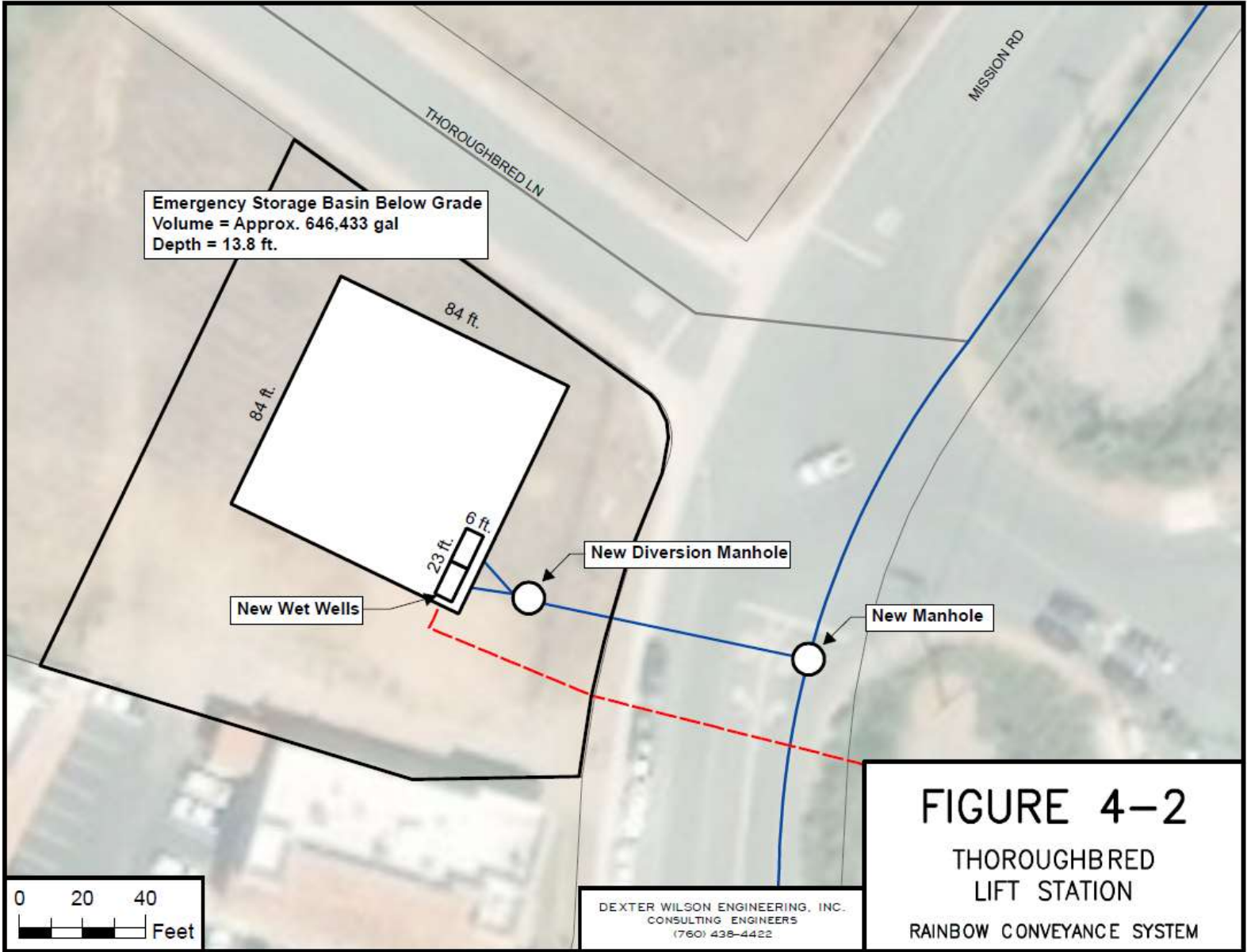
	Criteria
Ultimate Flow	2,242 gpm
Static Lift	3.62 feet
Design Pressure	45 feet
Number of Pumps	4 (2 duty, 2 standby)
Flow each pump	1,120 gpm
Needed Control Volume	Approximately 6,000 (6 starts per hour)
Needed Storage Volume (Greater of Emergency or Equalization need)	650,000 gallons
Emergency Need	(12 hours ADWF) 650,000 gallons
Equalization Need	170,000 gallons
Interior Flow Restriction	1,100 gpm

**TABLE 4-2
PWWF EQUALIZATION VOLUME**

From Atkins Report Page 6-10 the maximum volume of I & I is 0.65 MG. This was measured at Stallion meter. The estimated PWWF at the Thoroughbred Lift Stallion site is 1,100 gpm. Thus, if Thoroughbred Lift Station was limited to 1,100 gpm equalization storage would need to accommodate Meadowood flows. If we assumed a need for 24 hour storage of Meadowood flow the equalization storage.

$$850 \text{ units} \times 200 \text{ gpd/edu} = 170,000 \text{ gallons}$$





SMRH:4837-0140-9716.11

EXHIBIT J

Influent Sewers

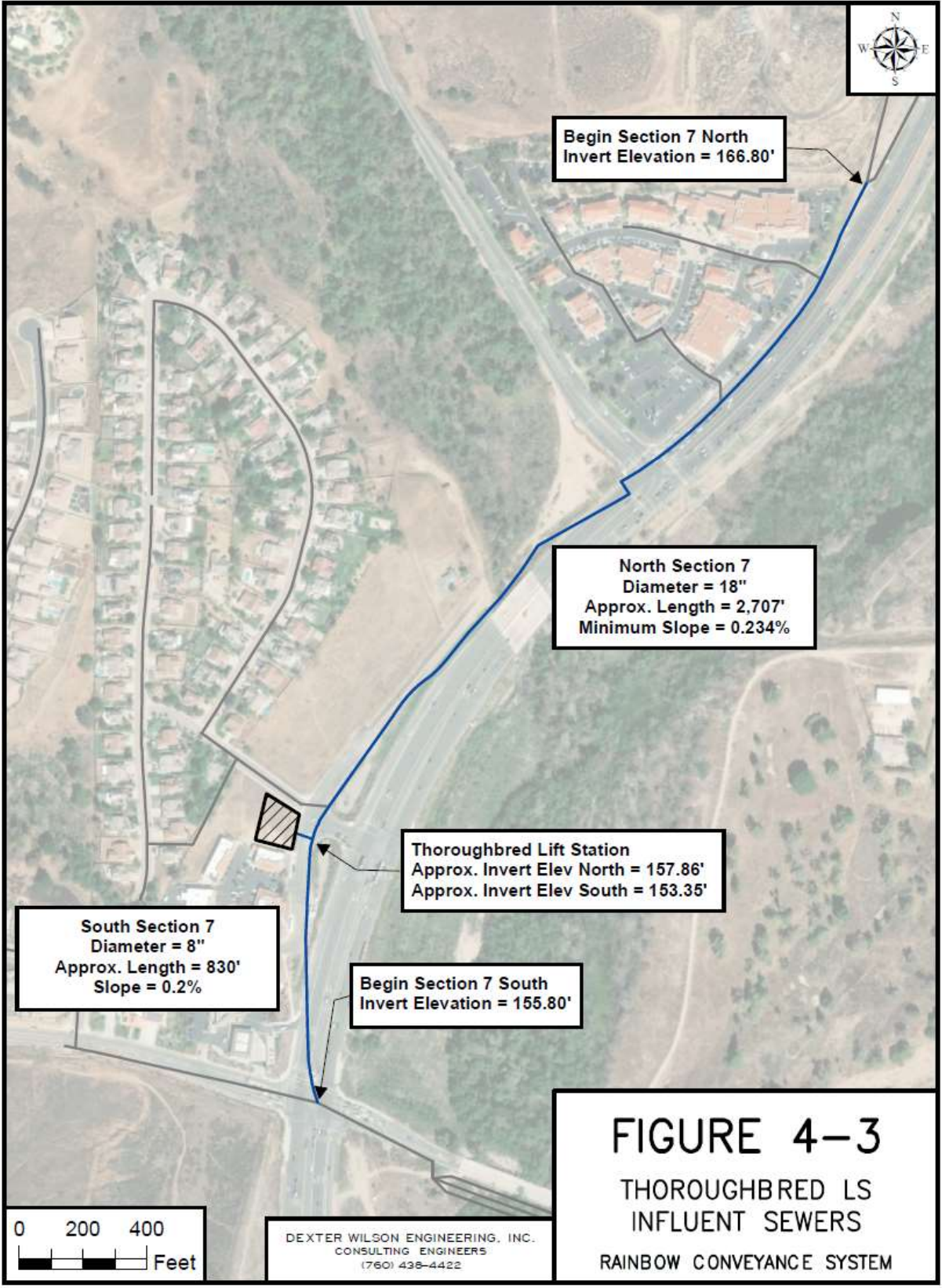
In order to direct sewage to the new Thoroughbred Lift Station and provide future capacity the sewers upstream and downstream of the Thoroughbred Lift Station will need to be replaced. Figure 4-3 shows the sewer lines to be replaced and Table 4-3 shows the length, sites slopes and capacity.

North	
Size	18"
Length	2,707'
South	
Size	8"
Length	830'

Force Main

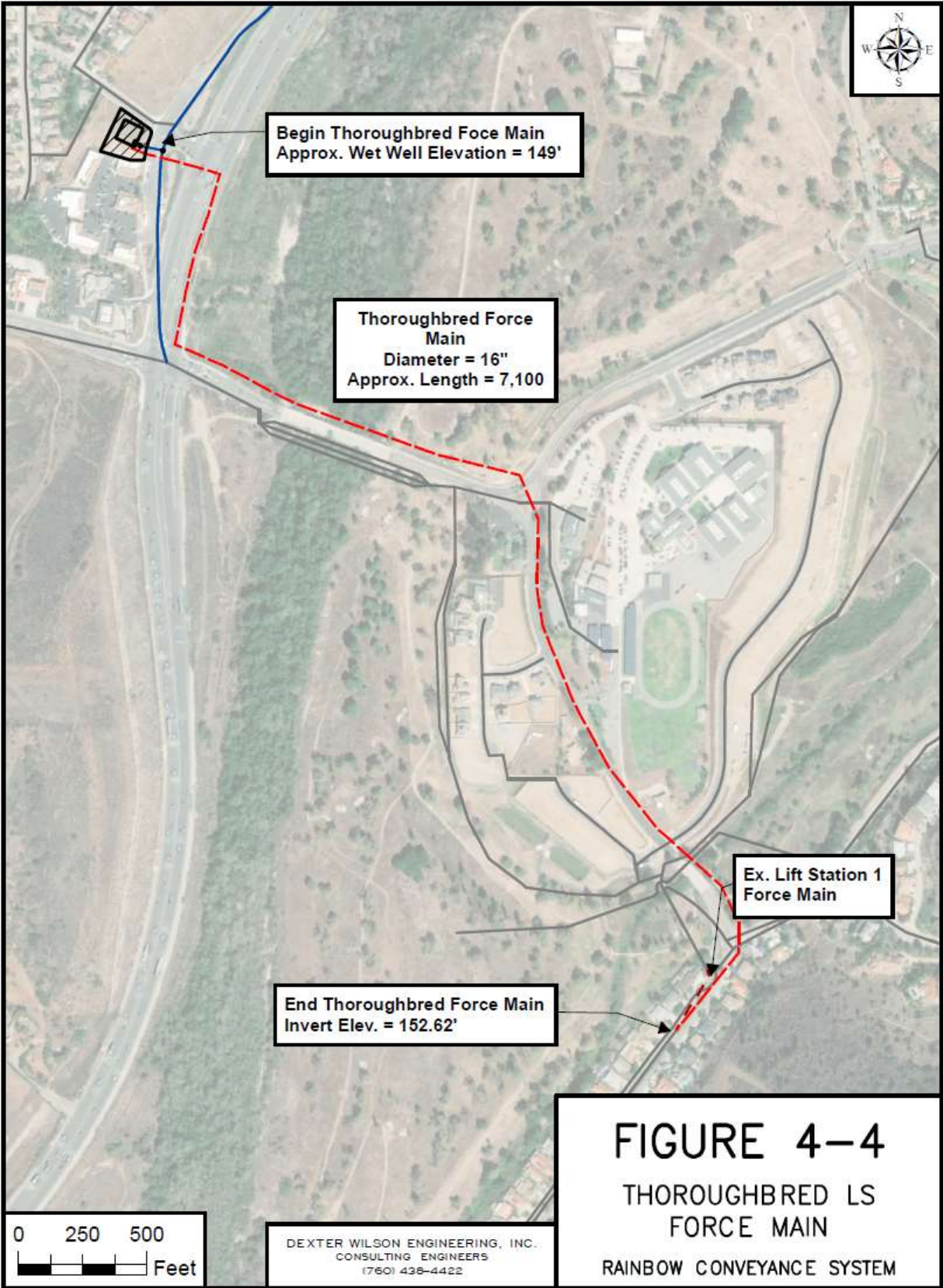
A new force main will be constructed from the thoroughbred lift station to the current discharge point of LS1. This force main will be 16-inch. Figure 4-4 shows the route of this force main. This force main is 7,100 feet.

\\ms01\shared\02\020200\312\001\111\Document Path: \\ms01\shared\02\020200\312\001\111\Figure 4-3 Thoroughbred Influent Sewer.mxd



SMRH:4837-0140-9716.11

TABLE J



**TABLE 4-4
THOROUGHbred LIFT STATION
FORCE MAIN**

	Criteria
Flow	
Interim	1,100 gpm
Ultimate	2,242 gpm
Size	16-Inches
Velocity	
Interim	1.76 fps
Ultimate	3.58 fps
Length	7,100 feet

MISCELLANEOUS IMPROVEMENTS

In order for the Phase 1 improvements to secure addition conveyance capacity for as long as possible additional minor improvements are needed. These include reduction of the capacity of LS1, gravity sewer improvements near LS1, and improvements at the discharge point of the LS2 force main. Each of these projects is discussed below.

LS1 Flow Reduction and Rehabilitation

After the Thoroughbred Lift Station is constructed and the force main from the new Thoroughbred Lift Station is relocated to downstream of LS1, the flow to LS1 will be greatly reduced. This would increase the existing emergency storage at LS1 and reduce risk associated with this existing station. The existing capacity of LS1 is 1,800 gpm. The pumps and valving should be replaced, and the capacity reduced to 183 gpm on an interim basis. At this time the wet well will also need to be repaired. Ultimately this station would need to convey 533 gpm. This flow could be accommodated on the existing site or a new station could be built on the Schoolhouse site. A more detailed report should be done to make a final recommendation.

RESOLUTION NO. 20-07

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RAINBOW MUNICIPAL WATER DISTRICT
FOR CONSIDERATION OF THE ENVIRONMENTAL IMPACT REPORT FOR THE
MEADOWOOD MASTER PLANNED COMMUNITY AND SUBSEQUENT ADDENDUM**

WHEREAS, the County of San Diego prepared an environmental impact report (“EIR”), State Clearinghouse Number 2004051028, pursuant to the California Environmental Quality Act, Public Resources Codes Sections 21000 et seq. (“CEQA”) and the State CEQA Guidelines, title 14 California Code of Regulations, Sections 1500 et seq. (“CEQA Guidelines”), for the Meadowood Master Planned Community (“Project”).

WHEREAS, the County of San Diego certified the Project EIR and adopted CEQA findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program on January 11, 2012.

WHEREAS, the EIR consists of the EIR evaluating the Project and a reasonable range of alternatives, the summary of changes to the Draft EIR, a List of Persons, Organizations, and Public Agencies commenting on the DEIR, Comment Letters, and Responses to Comments on the Draft EIR and a series of 27 volumes containing Technical Appendices to the EIR;

WHEREAS, The EIR identifies RMWD as a potential responsible agency with respect to the provision of potable water and sewer service to the Project;

WHEREAS, on October 15, 2019, the County of San Diego adopted an Addendum to the EIR for the Purposes of Consideration of Meadowood Major Grading and Improvement Plans and Site Plan Minor Deviations (“2019 Addendum”);

WHEREAS, on April 6, 2020, a further Addendum to the EIR was prepared for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline (“2020 Addendum”);

WHEREAS, the Board of Directors of the Rainbow Municipal Water District (“RMWD”) has reviewed and considered the environmental effects of the Project as shown in the EIR, the 2019 Addendum, and the 2020 Addendum;

WHEREAS, Public Resources Code section 21002.1, subdivision (d), provides that before taking action on a project, a responsible agency must consider the environmental effects identified in the EIR of the activities that it is required to approve or carry out.

WHEREAS, California Code of Regulations, title 14, sections 15041, subdivision (b) and 15096, subdivision (g)(1) provide that when deciding whether to approve a project, a responsible agency must also consider whether to adopt mitigation measures or alternatives, but only for the significant impacts, if any, of the activities it is approving.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Rainbow Municipal Water District:

1. Has independently reviewed and considered the EIR and the 2019 Addendum, as described above.
2. Has independently reviewed and considered the 2020 Addendum, attached hereto as Exhibit A, and hereby adopts the 2020 Addendum; and

Hereby adopts the Findings in their entirety as set forth in Exhibit B attached hereto.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of April 2020 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn M. Washburn, Board Secretary

EXHIBIT A



**Addendum to an
Environmental Impact Report for the
Meadowood Water Pipeline
Infrastructure Project:
Rice Canyon Transmission Pipeline
San Diego County, California**

Prepared for
Pardee Homes
13400 Sabre Springs Parkway, Suite 200
San Diego, CA 92128
Contact; Mr. Jimmy Ayala

Prepared by
RECON Environmental, Inc.
1927 Fifth Avenue
San Diego, CA 92101
P 619.308.9333

RECON Number 3706-1
April 6, 2020

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- D: Cultural Resources Report (Under Separate Cover)

1.0 Introduction

California Environmental Quality Act (CEQA) Guidelines Sections 15162 through 15164 set forth the criteria for determining the appropriate additional environmental documentation, if any, to be completed when there is a previously adopted Negative Declaration (ND) or a previously certified Environmental Impact Report (EIR) for the project.

CEQA Guidelines Section 15162(a) and 15163 state that when an ND has been adopted or an EIR certified for a project, no Subsequent or Supplemental EIR or Subsequent Negative Declaration shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole public record, one or more of the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or ND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or ND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the ND was adopted, shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR or ND; or
 - b. Significant effects previously examined will be substantially more severe than shown in the previously adopted ND or previously certified EIR; or
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous ND or EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

CEQA Guidelines, Section 15164(a) states that an Addendum to a previously certified EIR may be prepared if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a Subsequent or Supplemental EIR have occurred.

CEQA Guidelines, Section 15164(b) states that an Addendum to a previously adopted ND may be prepared if only minor technical changes or additions are necessary.

If the factors listed in CEQA Guidelines Sections 15162, 15163, or 15164 have not occurred or are not met, no changes to the previously certified EIR or previously adopted ND are necessary.

2.0 Project Description

2.1 Project Location

The Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Line (project) is associated with the previously approved Meadowood Specific Plan (Meadowood project) located in northern San Diego County within the community of Fallbrook, approximately 45 miles north of downtown San Diego, 20 miles east of the Pacific Ocean and five miles south of Riverside County line (Figure 1). The Meadowood project area is generally located east of Interstate 15 (I-15) and north of State Route 76 (SR-76)/Pala Road and the San Luis Rey River (Figure 2). The proposed pipeline infrastructure extends north from the Meadowood project site within a Rainbow Municipal Water District (RMWD) easement and connecting to an existing RMWD water tank approximately 2,030 feet north of the Meadowood Project boundary.

2.2 Environmental Setting and Surrounding Land Uses

The proposed water pipeline would be located within the Fallbrook community planning area (CPA) within unincorporated San Diego County. The proposed water pipeline is proposed to follow the path of the existing disturbed road, Pala Mesa Heights Drive, within an undeveloped area comprised of steep slopes. The ground surface of the alignment includes some paved areas; areas with, broken, dilapidated paving; and bare dirt. The existing environment surrounding the proposed water pipeline generally consists of steep slopes, and low-density rural agricultural land uses, and preserved land. To the south and southeast are a predominance of estate residential development associated with the Campus Park project and active grading associated with development of the Meadowood residential development. Surrounding land use designations as identified in the Fallbrook Community Plan Land Use Maps consist of Specific Plan Areas, Rural Residential Lands, Public/Semi-Public Facilities, and Open Space areas (Figure 3).

2.3 Project Background

An EIR for the Meadowood project, San Diego County document numbers GPA04-002; SP04-001; R04-004; TM5354; S04-005, S04-006, S04-007; P08-023 and Log No. ER 04-02-004 (2012 Final EIR) was certified by the County of San Diego (County) Board of Supervisors on January 11, 2012. The primary goal of the Meadowood project is to accommodate housing demand based on projected population increases while retaining the existing rural atmosphere in the area. Overall, the Meadowood project seeks to balance population and housing needs with open space, agricultural land use, and the development of infrastructure for the community.

The original Meadowood project evaluated in the 2012 EIR entailed the development of a residential community of up to 844 units with an overall density of 2.3 dwelling units per

acre (du/ac). Residential density within the planning areas ranged from 2.7 du/ac for the single-family units, to 13.5 du/ac for a portion of the multi-family units. Higher density planning areas were clustered in the flatter, western portions of the property, adjacent to the more urban uses proposed in the Campus Park and Campus Park West projects. Single-family residences were proposed in the higher elevations below the surrounding agricultural orchards and open space to the east.

Development of the Meadowood project was anticipated to be phased over several years and would be coordinated with the availability of water, sewer, fire protection, and school services. The 2012 EIR assessed impacts associated with water utility lines as proposed for the original Meadowood project, a discussion of which follows.

Water Service

The original Meadowood project proposed water service infrastructure consisting of two 2.5-million-gallon circular steel water storage tanks, located on the southern portion of the eastern ridgeline of the Meadowood site. On-site water infrastructure improvements were to include access roads, water storage tanks, and a recycled water tank. Off-site water improvements were to include a new aqueduct connection and pipeline extensions. The preferred aqueduct connection analyzed in the 2012 FEIR would have required a 22,000-foot-long pipeline construction located to the west of the Second Aqueduct system of the San Diego County Water Authority, within right-of-way of Reche Road, Stewart Canyon Road, and Pankey Road/Horse Ranch Creek Road. This alignment was considered the preferred alignment based on capacity availability and right-of-way available for the pipeline.

The original Meadowood project included an assessment of potential water service and infrastructure for two water service provider possibilities: Valley Center Municipal Water District/San Luis Rey Municipal Water District and Rainbow Municipal Water District.

Valley Center Municipal Water District and San Luis Rey Municipal Water District

Facilities analyzed for service provided by Valley Center Municipal Water District (VCMWD) and San Luis Rey Municipal Water District (SLRMWD) consisted of a new turnout and flow control facility along the San Diego County Water Authority aqueduct system, transmission pipeline from the aqueduct to the Meadowood project site, on-site water storage tanks, and appurtenant facilities. Based on projected demands and phasing considerations, the water supply facilities for the VCMWD and SLRMWD were anticipated to include:

- a 2.5 cubic feet per second (cfs) flow control facility;
- a 12-inch diameter water transmission pipeline from an aqueduct;
- 5 million gallons of treated potable tank storage on-site; and
- on-site pressure reducing stations.

The treated water storage tank was to be sited at sufficient elevation to allow gravity service from the water storage tank to the zones served without need for pumping.

Rainbow Municipal Water District

Facilities analyzed for service provided by Rainbow Municipal Water District (RMWD) consisted of new transmission pipelines connecting to existing transmission pipelines, and included the same water storage tanks on the project site as for the other two districts. Service supplied by the RMWD would not require new connections to the first or second aqueducts. Instead, water would be supplied to the development from existing RMWD facilities, including existing aqueduct connections. The recommended water supply facilities included:

- a 12-inch-diameter water supply pipeline connected to the existing RMWD water system;
- 5 million gallons of potable on-site tank storage;
- off-site pressure reducing station, if necessary; and
- on-site pressure reducing stations.

The 2012 FEIR also discussed recycled water use for the Meadowood project site. The 2012 EIR assessed impacts based on the construction of recycled water production and distribution facilities for irrigation of common area landscaping, slopes, parks, school fields, and as the primary method for irrigation of the retained groves, thereby reducing the need for imported water. Wastewater would be treated to recycled water quality standards at the on-site wastewater treatment plant (WWTP), which was planned to be located at the southern end of Planning Area 1, adjacent to SR-76. The recycled water infrastructure was to consist of a conveyance pump station located at the WWTP site, a transmission pipeline, a recycled water storage tank, and recycled water distribution pipelines.

Since adoption of the 2012 EIR, the proposed plan for providing water service to the project has been further refined. The water service provider is proposed to be the RMWD instead of the VCMWD. The result of this change is a reduction in the required construction of off-site water pipelines to serve the project. The 2012 FEIR analyzed construction of 22,000 linear feet of off-site water pipeline improvements to allow VCMWD to serve the project. With the change to RMWD as the service provider, the project would construct 4,500 linear feet of off-site water line improvements resulting in a reduction of 17,500 linear feet of pipeline construction. The proposed RMWD water line would connect to water line facilities located within the Meadowood development footprint. All on-site impacts associated with water service are adequately evaluated in the 2012 FEIR; thus, this analysis focuses on the new off-site water line component. While the linear feet of water line would be reduced with this change in water service providers, the new off-site water pipeline alignment north of the Meadowood project site requires additional environmental analysis. This Addendum evaluates the potential changes in the environmental analysis as it relates to the proposed RMWD off-site water line alignment.

Additional changes to the project related to water and sewer service include the removal of the on-site WWTP and the on-site water storage tanks. These changes were addressed through a separate addendum to the previously certified EIR for the Meadowood Specific Plan and Vesting Tentative Map approved by the County of San Diego on October 15, 2019

(Reference project numbers PDS2004 3810-04-001, PDS2004-VTM-5354RPL4, PDS2004-VSTP-04-006; PDS2016-LDGRMJ-30100, PDS2016-LDMJIP-50028).

2.4 Project Characteristics

The project consists of the construction of 4,500 linear feet of 18-inch water main pipeline within an existing RMWD easement. The water main would connect proposed RMWD facilities within the Meadowood project footprint north along Monserate Mountain generally west of Rice Canyon to an existing RMWD water tank. The water line would follow an existing disturbed paved and dirt road within the RMWD easement (see Figure 3).

RMWD currently owns and operates the Rice Canyon Water Tank located approximately 2,000 feet north of the Meadowood project boundary. The proposed Rice Canyon Transmission Pipeline would deliver water from the Rice Canyon Water Tank to the southwest portion of the RMWD. Design and construction of this line was included on the RMWD Capital Improvement Program (CIP) list in the 2016 Water and Wastewater Master Plan Update. While the facilities and service to Meadowood would be provided by RMWD, the proposed project is located within both RMWD and VCMWD. Ultimately, a Local Agency Formation Commission reorganization is proposed so that the entire project would be within RMWD.

Installation of the water pipeline will involve a maximum 30-foot limit of disturbance through the RMWD easement. Minimal grading will be completed to achieve a flat work area for installation of pipeline within this disturbance limit. Staging, pipe laydown, and storage would occur within the previously disturbed area associated with the Meadowood grading operation, at disturbed areas at the Rice Canyon Water Tank, and along the disturbed areas associated with pipeline construction.

The pipeline would be pressurized and consist of 4,500 linear feet of 18-inch pipe. Pipeline materials to be used would include polyvinyl chloride (PVC) pipe and ductile iron pipe (DIP). The DIP would be used at the Meadowood end of the project, if needed, due to the internal pressure of the pipe.

2.5 Project Construction

Construction activities associated with pipeline installation are proposed to start in 2021 and last for up to 3 months. The project's construction phases include:

- Vegetation Clearing
- Minor grading to create flat work area
- Trenching
- Pipeline Installation
- Backfill
- Paving

Construction would proceed at approximately 100 feet per day. The following pieces of equipment would be anticipated to be utilized during construction:

- Dump truck
- Backhoe or Excavator
- Small Handheld Trench Compactor
- Semi-truck (to deliver the pipe material to the installation site)
- Fork Lift or Loader (to move the pipe off the semi-truck)

3.0 Environmental Checklist for Projects with Previously Approved Environmental Documents

1. **Project Title:** Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline

2. **Lead Agency Name and Address:**

Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

3. **Contact Person and Phone Number:**

Steve Strapac, PE, PLS, District Engineer
Rainbow Municipal Water District
(760) 728-1178 x199
sstrapac@rainbowmwd.com

4. **Project Location:**

The proposed water pipeline is located within APNs 108122080, 1081221500, 1084210600, 1084211300, 1084211400, 1084211500, 1084211800, and 1084211900 within the community of Fallbrook, east of Interstate 15 and north of State Route 76 (see Figure 1) within Township 09 South Range 03 West of the U.S. Geological Survey (USGS) 7.5-minute topographic map, Bonsall quadrangle (see Figure 2). The water pipeline alignment is located at the north end of the Meadowood Specific Plan Area; within an existing RMWD easement extending approximately 2,030 feet north of the Meadowood development footprint along Pala Mesa Heights Road to an existing RMWD water tank (see Figure 3).

5. **Project Sponsors Name and Address:**

Pardee Homes
13400 Sabre Springs Parkway, Suite 200
San Diego, CA 92128
(858) 794-2571

6. General Plan Designation:

Specific Plan (Meadowood project); Rural Lands-20; Public/Semi-Public Facilities (RMWD water tank)

7. Zoning:

Special Purpose (S-80); Limited Agricultural Use (A-70)

8. Background on the Previously Certified EIR:

An EIR for the Meadowood project, GPA04-002; SP04-001; R04-004; TM5354; S04-005, S04-006, S04-007; P08-023 and Log No. ER 04-02-004 (2012 FEIR) was certified by the County Board of Supervisors on January 11, 2012. The certified EIR found significant effects to air quality (construction), biology, cultural resources, noise, and geology. These effects were determined to be mitigated or avoided to a level below significance. The 2012 FEIR also determined that significant impacts to aesthetics, air quality (operational), and traffic would remain significant and unavoidable. A Statement of Overriding Considerations pursuant to CEQA Guidelines Section the CEQA Guidelines Section 15091 (a)(3) was adopted.

9. Description of Project: Please see Section 2.0 for project description.

10. Surrounding Land Use(s) and Project Setting: Please see Section 2.0 for information on surrounding land uses and setting.

11. Other Required Agency Approvals or Permits Required:

County of San Diego: Grading Plan, Improvement Plan

12. Subject Areas Determined to have New or Substantially More Severe Significant Environmental Effects Compared to those Identified in the Previous EIR:

The subject areas checked below were determined to be new significant environmental effects or to be previously identified effects that have a substantial increase in severity either due to a change in project, change in circumstances or new information of substantial importance, as indicated by the checklist and discussion on the following pages:

- | | | |
|--|---|--|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agricultural Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality |
| <input type="checkbox"/> Land Use/Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Paleontological Resources | <input type="checkbox"/> Population/Housing | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Tribal Cultural Resources |
| <input type="checkbox"/> Utilities/Service Systems | <input type="checkbox"/> Mandatory Findings of Significance | |

DETERMINATION:

On the basis of this analysis, the Lead Agency has determined that:

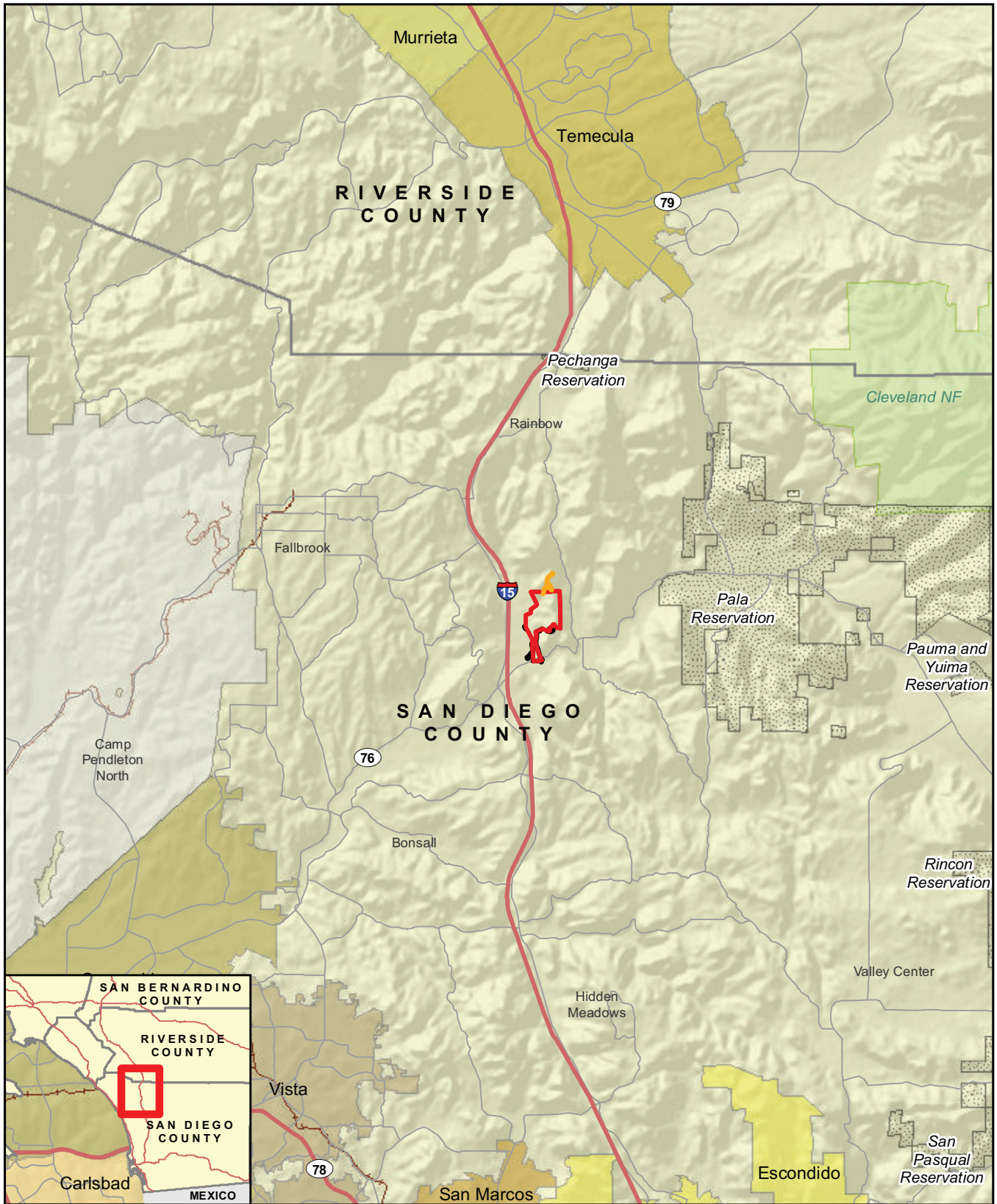
- No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previously certified EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously certified EIR is adequate upon completion of an ADDENDUM.
- No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous EIR or ND due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, because the project is a residential project in conformance with, and pursuant to, a Specific Plan with an EIR completed after January 1, 1980, the project is exempt pursuant to CEQA Guidelines Section 15182.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous ND due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However all new significant environmental effects or a substantial increase in severity of previously identified significant effects are clearly avoidable through the incorporation of mitigation measures agreed to by the project applicant. Therefore, a SUBSEQUENT ND is required.
- Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous ND or EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, a SUBSEQUENT or SUPPLEMENTAL EIR is required.

Signature

Date

Printed Name

Title



- Meadowood Project Boundary
- Meadowood Off-site Features
- Water Pipeline Limits of Disturbance

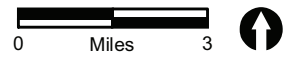
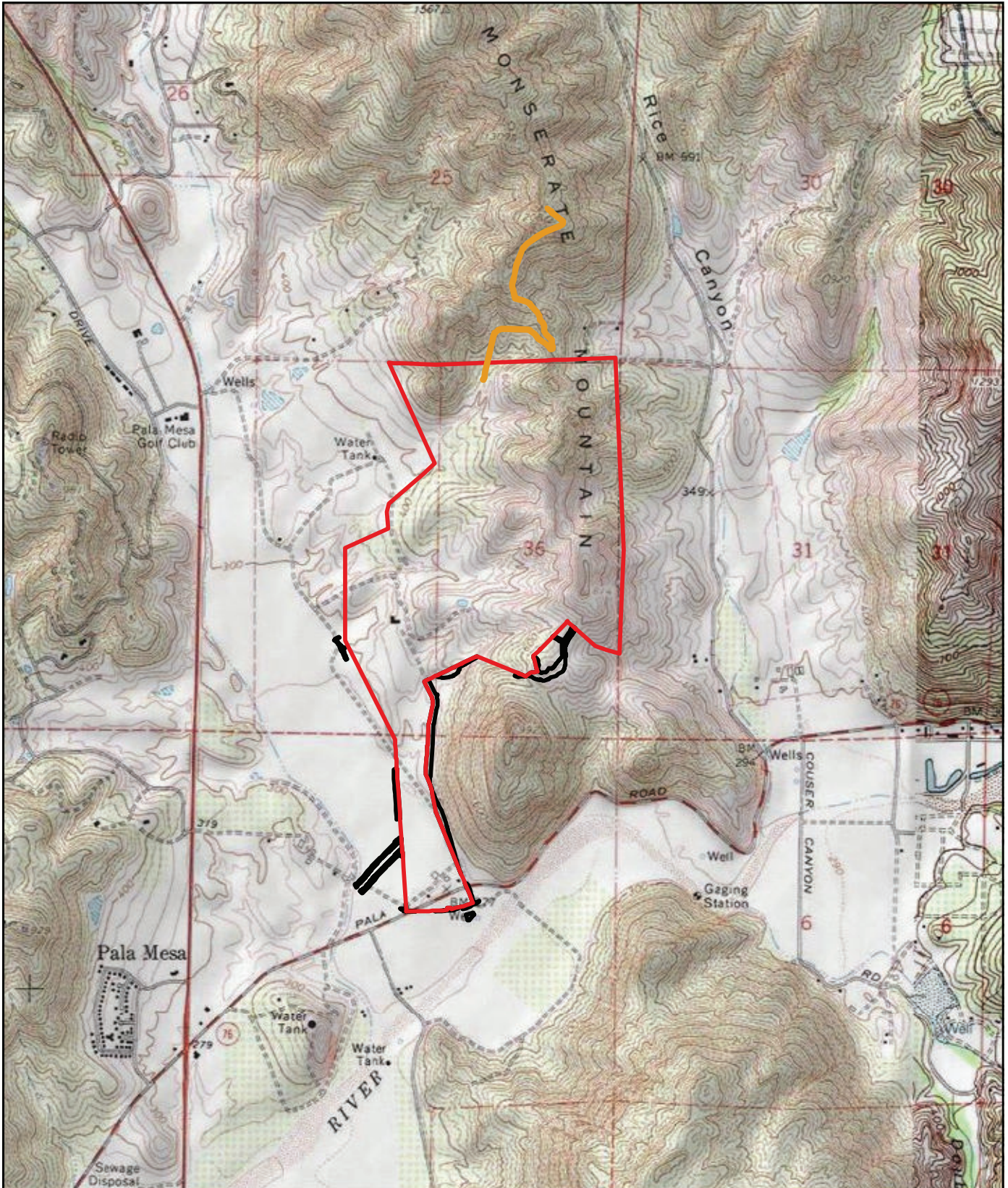





FIGURE 1
Regional Location



-  Meadowood Project Boundary
-  Meadowood Off-site Features
-  Water Pipeline Limits of Disturbance

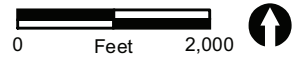


FIGURE 2

Project Location on USGS Map






-  Meadowood Project Boundary
-  Water Pipeline Limits of Disturbance
-  RMWD Easement

FIGURE 3

Proposed Project

4.0 Impact Analysis

The following includes the project-specific environmental review pursuant to the CEQA. The analysis in this document evaluates the adequacy of the EIR relative to the project. Table 1 below provides a summary of the impacts assessed in this addendum in comparison to the impacts assessed in the 2012 FEIR.

Environmental Issues	2012 FEIR Finding	2020 Addendum Finding
Aesthetics	Significant and Unmitigated	No new impacts
Agricultural Resources	Less than Significant	No new impacts
Air Quality	Significant and Unmitigated	No new impacts
Biological Resources	Less than Significant with Mitigation	Less than Significant with Mitigation
Cultural Resources	Less than Significant with Mitigation	Less than Significant
Geology and Soils	Less than Significant with Mitigation	No new impacts
Greenhouse Gas Emissions	Less than Significant	No new impacts
Hazards and Hazardous Materials	Less than Significant with Mitigation	No new impacts
Hydrology and Water Quality	Less than Significant	No new impacts
Land Use and Planning	Less than Significant	No new impacts
Mineral Resources	Less than Significant	No new impacts
Noise	Less than Significant with Mitigation	Less than Significant
Population and Housing	Less than Significant	No new impacts
Public Services	Less than Significant	No new impacts
Recreation	Less than Significant	No new impacts
Transportation/Traffic	Significant and Unmitigated	No new impacts
Utilities and Service Systems	Less than Significant	No new impacts

I. AESTHETICS – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to aesthetic resources including: scenic vistas; scenic resources including, but not limited to, trees, rock outcroppings, or historic buildings within a state scenic highway; existing visual character or quality of the site and its surroundings; or day or nighttime views in the area?

YES

NO

Section 2.1.3 of the 2012 FEIR provides an analysis of visual impacts associated with the approved project.

Change in Visual Patterns (Issue 1): The 2012 FEIR determines that while the proposed patterns of development would contrast with the existing agricultural and rural setting surrounding the project site, the approved project would result in less than significant visual impacts through implementation of the Community Design Guidelines included in the Meadowood Specific Plan Amendment. Specifically, the Specific Plan includes site planning, architectural guidelines, and a landscape plan, the implementation of which would reduce potential significant impacts associated with the visual inconsistency of the built-out project site compared to surrounding lands. Visual quality impacts associated with buildout of the project were, therefore, determined to be less than significant. Impacts associated with short-term construction of the project were found to be significant (Impact A-1). While the approved project incorporates features to enhance the visual quality of development and avoid inconsistency with the existing visual character of the project area, the 2012 FEIR determines that there is no mitigation available to lessen the short-term effects of project construction and impacts would remain significant and unmitigable.

Change in Visual Quality (Issue 2): The 2012 FEIR determines that due to the conservation of 122.4 acres of existing natural habitat as permanent open space, sensitive grading, clustering of homes, conservation of major drainages, and retention of 49.3 acres of existing groves, project impacts to the quality of the existing visual resources would be less than significant.

Change in Visual Environment of Scenic Highway/Vista (Issue 3): The 2012 FEIR includes a visual assessment of Key Observation Points to determine whether construction of the project would degrade views of I-15 (County designated Third Priority Scenic Route and a State "Eligible" Scenic Highway), and other public roadways and trails. As reflected in visual simulations (2012 FEIR Figures 2.1-20 through 2.1-26) public views would not be adversely affected due to implementation of the architectural and design guidelines contained within the Specific Plan.

Light and Glare (Issues 4 and 5): The project site is located within Zone B, as it is outside of a 15-mile radius of the Palomar Observatory and the Mount Laguna Observatory. The 2012 FEIR determines that through project compliance with County regulations (Light Pollution

Code) and design guidelines contained within the Specific Plan, lighting impacts would be less than significant.

Conformance with Regulations (Issue 6): The 2012 FEIR determines that the project would comply with all applicable visual goals and policies, including the applicable state and County Scenic Highway policies, the Fallbrook Community Plan and Community Beautification and Design Goals, the I-15 Corridor Scenic Preservation Guidelines, and the County Resource Protection Ordinance (RPO) requirements. Table 2.1-1 of the 2012 FEIR outlines the proposed project's conformance with the I-15 Corridor Scenic Preservation Guidelines. Through such conformance, impacts associated with noncompliance would be less than significant.

Cumulative Impacts: The cumulative study area for aesthetic impacts is comprised of the project site's viewshed, which was determined through the analysis of aerial photographs and topographic maps. Details of the project viewshed are discussed in the 2012 FEIR subsection 2.1.4. Overall, the 2012 FEIR determines that the construction of the project along with other known cumulative projects within the cumulative project area would result in the introduction of a suburban element into the primarily agricultural area. This change in the composition of the project area would result in significant cumulative impact (Impact A-2). Additionally, the cumulative effects of the proposed project along with the other identified cumulative project would result in a significant impact to views from public trails (Impact A-3). While the approved project incorporates features to enhance the visual quality of development and avoid inconsistency with the existing visual character of the project area, the 2012 FEIR determines that there is no mitigation available to lessen the cumulative effects of project construction and impacts would remain significant and unmitigable.

Meadowood Water Pipeline Infrastructure

The proposed water pipeline would be installed underground, and would not add any permanent features to the visual landscape. The presence of construction equipment may disrupt views from private property locations as well as along roadways; however, this disruption would be temporary and not substantially different than what was analyzed in the 2012 FEIR. Impacts associated with a change in visual patterns associated with the water pipeline would be less than significant. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The project involves the installation of a water pipeline within existing dirt paths surrounded by native vegetation, while some vegetation clearing and grading would be required to create a stable, flat surface for installation, the clearing would be a minor expansion of the existing disturbance along the roadway. The maximum width of disturbance would be 30 feet along the water pipeline alignment. After construction, the pipeline would not be visible. The additional graded area would expand the width of the current road; however, due to the steep terrain and surrounding topography the additional disturbance along the RMWD easement would be minimally visible. The dominant view around the project area would remain native habitat, as in the existing condition.

Therefore, the installation of the water pipeline would not substantially degrade the visual character or quality of the site and its surroundings, resulting in a less than significant impact.

The proposed water pipeline is not be located within a state scenic highway, per the Caltrans State Scenic Highway Program, and would therefore not damage scenic resources within a state scenic highway, resulting in no impact. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The project does not propose the construction, operation, or use of infrastructure that would create a new source of substantial light or glare which would adversely affect day or nighttime views in the area. There would be no operational lighting resulting from the underground water pipeline. Any potential project-related nighttime construction lighting would be temporary and would not represent a permanent new source of substantial light or glare, resulting in no impact. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Therefore, there would be no overall increase in the severity of impacts to aesthetics beyond that previously discussed in the 2012 FEIR. No new mitigation would be required

II. AGRICULTURE AND FORESTRY RESOURCES – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to agriculture or forestry resources including: conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance to a non-agricultural use, conflicts with existing zoning for agricultural use or Williamson Act contract, or conversion of forest land (as defined in Public Resources Code (PRC) Section 12220(g)), timberland (as defined by PRC Section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?

YES

NO

Section 4.7.3 of the 2012 FEIR provides an analysis of agricultural and forestry resources associated with the approved project.

Conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Issue 1): Although impacts to agricultural resources were identified as potentially significant during the Initial Study or Notice of Preparation process, it was concluded after further analysis that no impacts to agricultural resources would result. Specifically, the Land Evaluation and Site Assessment Model analysis prepared for the project resulted in a score that indicates that the project site does not represent a significant agricultural resource, and impacts were determined to be less than significant.

Conflict with existing zoning for agricultural use or a Williamson Act Contract (Issue 2): the 2012 FEIR determined that the proposed rezoning of the entire site to the S-88 Specific Planning Area Use Regulation would not represent a significant impact to agriculture

because it would not result in a conflict with zoning for agricultural use, as agriculture is allowed in any zone within the county. In addition, there were no Williamson Act Contract lands within or adjacent to the project site. Impacts were determined to be less than significant.

Involve other changes in the existing environment (Issue 3): The 2012 FEIR determined that while the project could result in “edge effect” impacts to adjacent agriculture, these impacts are reduced through the implementation of project design measures, including the creation of a buffer composed of both agricultural and biological open space. Impacts were determined to be less than significant.

Conflict with an applicable plan, policy, or regulation (Issue 4): The 2012 FEIR determined that the project would not conflict with any applicable plans. Policies, or regulations pertaining to agricultural resources, including the Williamson Act, the San Diego County General Plan Policies, San Diego County General Plan, Regional Land Use Element, Conservation Element, Open Space Element, the San Diego County Agricultural Enterprises and Consumer Information Ordinance, and Local Agency Formation Commission Policy L-101.

Cumulative Impacts

The 2012 FEIR determined that, since the project site would not have a direct impact on significant cultural resources, it would not have the potential to contribute to a cumulative impact.

Meadowood Water Pipeline Infrastructure

The water pipeline would be installed within an existing RMWD easement surrounded by undeveloped natural habitat. The project would not affect any existing agricultural resources as none are present in the location of the water pipeline alignment. The impact area is mostly identified as Other Land according to the Farmland Mapping and Monitoring Program except the first 100 feet of impact area in the southern end is identified as Grazing Land. Other land includes low density rural developments and areas not suitable for livestock grazing. The 100-foot portion mapped as grazing land has not been used for grazing or other agricultural use.

The project would not conflict with existing zoning, as the project does not propose a change in zoning for this parcel. The project area is not under a Williamson Act Contract, and the project would therefore not conflict with a Williamson Act Contract. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

No components of the project would be located on forest lands as defined in PRC Section 12220(g). There are no existing forest lands, timberlands, or timberland zoned for timberland production within the water pipeline alignment, or within the immediate vicinity. The project would not result in the loss of forest land or conversion of forest land to non-forest use. Therefore, the project would not conflict with existing zoning of forest land

or cause the rezoning of any forest land, nor would it result in the loss of forest land or conversion of forest land to non-forest use.

Therefore, there would be no overall increase in the severity of impacts to agricultural resources beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

III. AIR QUALITY – Since the previous EIR was certified or previous Negative Declaration was adopted, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to air quality including: conflicts with or obstruction of implementation of the San Diego Regional Air Quality Strategy (RAQS) or applicable portions of the State Implementation Plan (SIP); violation of any air quality standard or substantial contribution to an existing or projected air quality violation; a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard; exposure of sensitive receptors to substantial pollutant concentrations; or creation of objectionable odors affecting a substantial number of people?

YES

NO

Section 2.2 of the 2012 FEIR provides an analysis of air quality impacts associated with the approved project.

RAQS/SIP Impacts (Issue 1): The 2012 FEIR determined that the project would conflict with the RAQS for the San Diego Air Basin, as the densities included in the project were not consistent with the adopted County General Plan or Fallbrook Community Plan, and the project was not considered in the development of the RAQS for the San Diego Air Basin. Thus, impacts associated with conflicts with the RAQS and SIP were determined to be significant (AQ-1). The 2012 FEIR determined that there were no feasible mitigation measures to mitigate this impact, and impacts would be significant and unmitigable.

Air Quality Standards (Issue 2): The 2012 FEIR analyzed air quality impacts and concluded that operational impacts would occur from traffic and on-site source emissions (Impact AQ-3), requiring adoption of Mitigation Measure M-AQ-3. However, even with implementation of this mitigation measure, impacts were determined to remain significant and unmitigable. Additionally, temporary significant impacts would occur as a result of project construction; however, these significant impacts would be reduced to less than significant levels through project design features and mitigation measures.

As shown in the 2012 FEIR Table 2.2-7, the project's incorporation of standard construction measures would assure that maximum daily construction emissions of nitrogen oxide (NO_x), carbon monoxide (CO), particulate matter less than or equal to 2.5 microns (PM_{2.5}), particulate matter less than or equal to 10 microns (PM₁₀), and reactive organic gases (ROG) would be less than significant. The standard construction measures are listed in the 2012 FEIR Section 2.2.3 and Table 1-5. The implementation of these project design

measures is a condition of project approval. With respect to construction related emissions of volatile organic compounds, project impacts were found to be significant requiring adoption of Mitigation Measure M-AQ-2. Implementation of mitigation measures, as conditions of project approval, would reduce significant impacts to less than significant. Overall, the 2012 FEIR determined that all identified construction-related impacts would be avoided through design measures or reduced to less than significant through implementation of mitigation measures.

Sensitive Receptors (Issue 3): The 2012 FEIR assessed small-scale, localized concentrations of CO for the project site. As shown in the 2012 FEIR Table 2.2-9, the estimated of one-hour CO concentrations at the intersections within the project area would range from 6.5 to 7.2 parts per million and the eight-hour CO concentrations would range from 4.6 to 5.0 parts per million. These estimated concentrations were below the state and national standards, and impacts were determined to be less than significant. In addition, the 2012 FEIR determined that impacts associated with toxic air emissions would be less than significant, as the project site lies outside of the land use avoidance guidelines established by California Air Resources Board.

In regards to diesel particulate matter (DPM), the 2012 FEIR included a health risk evaluation in order to determine whether DPM emissions presented a health risk to sensitive receptors. The 2012 FEIR determined that a cancer risk of 7.7 in one million for children and 5.1 in one million for adults would result with implementation of the project, which is less than the applied threshold of 10 in one million. However, the 2012 FEIR concluded that should the construction fleet not meet the required California Air Resources Board regulations regarding emissions from in-use heavy-duty diesel equipment, impacts associated with exposure to toxic air contaminants would be significant (AQ-4), requiring adoption of Mitigation Measure M-AQ-4. Implementation of mitigation measures, as conditions of project approval, would reduce significant impacts to less than significant.

Odors (Issue 4): The 2012 FEIR determined that impacts associated with odors would be less than significant, as odor control would be provided to reduce any potential impacts to the surrounding area associated with use of the WWTP located on-site. In addition, it was determined that the use of recycled water to irrigate the agricultural land within the project site would not result in significant impacts, as recycled water is commonly used throughout San Diego County and is not associated with odor impacts.

Cumulative Impacts: The 2012 FEIR determined that significant cumulative air quality impacts would result from implementation of the project. Significant cumulative air quality impacts were identified for conflicts with the RAQS/SIP (AQ-5), DPM emissions (AQ-6), on-site operation and area source emissions (AQ-7). The 2012 FEIR included Mitigation Measures M-AQ-5, M-AQ-6, and M-AQ-7. It was determined that even with adoption of M-AQ-5 and M-AQ-7, these cumulative impacts would remain significant and unavoidable, while adoption of M-AQ-6 would reduce this cumulative impact to a less than significant level. All other issue areas regarding cumulative air quality impacts were determined to be less than significant.

Meadowood Water Pipeline Infrastructure

The project would not change the General Plan land uses in the vicinity of the proposed water pipeline. The project would not result in an increase in growth projections as anticipated by the San Diego Association of Governments. Additionally, the water line alignment would not result in operational emissions. All impacts associated with on-site and off-site facility improvements were addressed as part of the original project as a whole in the Air Quality section of the 2012 FEIR. As such, the construction of the proposed water pipeline would not result in the release of emissions beyond what was anticipated or analyzed in the 2012 FEIR. As detailed in Section 2.3, the proposed project would result in a reduction of approximately 17,500 linear feet of water pipeline construction compared to what was analyzed in the 2012 FEIR, which would reduce construction emissions associated with off-site water line construction. The project would not obstruct or conflict with implementation of the San Diego RAQS. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

In regards to air quality standards, emissions due to construction of the project were quantified and compared to the County’s significance thresholds by RECON Environmental, Inc. (Appendix A). Construction emissions were calculated using the Sacramento Metropolitan Air Quality Management District’s (SMAQMD) Road Construction Emissions Model, Version 8.1.0 (SMAQMD 2016). The Road Construction Emissions Model calculates fugitive particulate matter (PM) dust, exhaust, and off-gas emissions from grubbing/land clearing, grading/excavation, and drainage/utilities/sub-grade, and paving activities associated with construction projects that are linear in nature (e.g., road or levee construction, pipeline installation, transmission lines).

As shown in Table 2, air emissions associated with project construction would not exceed the County’s thresholds of significance. Therefore, project construction would not result in regional emissions that would exceed the National Ambient Air Quality Standards or California Ambient Air Quality Standards or contribute to existing violations, and construction-related air quality impacts would be less than significant. Once construction is complete, the project would not be a source of operational emissions. No impacts from operational emissions would occur. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Table 2 Summary of Worst-case Construction Emissions (pounds per day)						
	Pollutant					
	ROG	NO _x	CO	SO _x	PM ₁₀	PM _{2.5}
Maximum Daily Emissions	2	19	18	1	2	0
<i>Significance Threshold</i>	<i>75</i>	<i>250</i>	<i>550</i>	<i>250</i>	<i>100</i>	<i>55</i>
SOURCE: Appendix A. ROG = reactive organic gas; NO _x = oxides of nitrogen; CO = carbon monoxide; SO _x = oxides of sulfur; PM ₁₀ = 10-micron particulate matter; PM _{2.5} = 2.5-micron particulate matter						

The region is classified as attainment for all criterion pollutants except ozone, PM₁₀, and PM_{2.5}.

As discussed above, emissions of ozone precursors (ROG and NO_x), 10-micron (PM₁₀), and 2.5-micron (PM_{2.5}) from construction would be below the County's thresholds of significance. Therefore, the project would not result in a cumulatively considerable net increase in emissions of ozone, PM₁₀, or PM_{2.5}. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Construction of the project is expected to occur over a 3-month period and would result in the generation of diesel-exhaust DPM emissions from the use of off-road diesel equipment required for site grading and excavation, and other construction activities and on-road diesel equipment used to bring materials to and from the project site. However, DPM generated by project construction is not expected to create conditions that expose sensitive receptors to substantial pollutant concentration over an extended period of time. In addition, once construction is complete, the project would not be a source of emissions and would, therefore, not expose sensitive receptors to substantial pollutant concentrations. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Construction activity could generate airborne odors from exhaust emissions. However, odors generated from vehicles and/or equipment exhaust during construction would be temporary, localized, and occur at levels that would not affect a substantial number of people. Operation of the water pipeline would not create objectionable odors. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Therefore, there would be no overall increase in the severity of impacts associated with air quality beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

IV. BIOLOGICAL RESOURCES – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to biological resources including: adverse effects on any sensitive natural community (including riparian habitat) or species identified as a candidate, sensitive, or special status species in a local or regional plan, policy, or regulation, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service; adverse effects to federally protected wetlands as defined by Section 404 of the Clean Water Act; interference with the movement of any native resident or migratory fish or wildlife species or with wildlife corridors, or impeding the use of native wildlife nursery sites; and/or conflicts with the provisions of any adopted Habitat Conservation Plan, Natural Communities Conservation Plan, or other approved local, regional or state habitat conservation plan, policies or ordinances?

YES

NO

Section 3.1 of the 2012 FEIR provides an analysis of biological resource impacts associated with the approved project.

Special Status Species (Issues 1 through 10): The 2012 FEIR analyzed biological impacts and concluded that development of the 389.5-acre project site would result in significant direct and indirect impacts to a number of special status species, including the arroyo toad (*Anaxyrus californicus*) (Impact BR-1), California gnatcatcher (*Polioptila californica*) (Impacts BR-2 and BR-3), least Bell's vireo (*Vireo bellii pusillus*) (Impacts BR-4 and BR-5), and southwestern willow flycatcher (*Empidonax traillii extimus*) (Impacts BR-6 and BR-7), requiring adoption of Mitigation Measures M-BR-1, M-BR-2, M-BR-3a, M-BR-3b, M-BR-4, M-BR-5a, M-BR-5b, M-BR-6, and M-BR-7a, and M-BR-7b. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

Special Status Wildlife Species Issues 2, 3, and 6): The 2012 FEIR analyzed biological impacts and concluded that development of the 389.5-acre project site would result in significant impacts to a number of special status wildlife species, including raptors (Impact BR-8), the western spadefoot toad (Impact BR-9), and vegetation communities including coastal sage scrub, southern mixed chaparral, non-native grasslands and pastureland, and southern arroyo willow riparian forest, willow/mule fat scrub and southern willow scrub (Impact BR-10), requiring adoption of Mitigation Measures M-BR-8, M-BR-9, and M-BR-10. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

Nesting Birds (Issue 10): The 2012 FEIR analyzed biological impacts and concluded that development of the 389.5-acre project site would result in a significant impact to a nesting birds (Impact BR-11), requiring adoption of Mitigation Measure M-BR-11. Implementation of the measure, as conditions of project approval, would reduce significant impacts to less than significant.

General Indirect Impacts (Issue 7): The 2012 FEIR analyzed biological impacts and concluded that development of the 389.5-acre project site would result in a significant impact due to lighting near the edge of open space (Impact BR-12), requiring adoption of Mitigation Measure M-BR-12. In addition, the 2012 FEIR determined that development of the project site would result in a significant impact due to increased noise levels near breeding and nesting least Bell's vireo (Impact BR-5), requiring adoption of Mitigation Measure M-BR-5. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

Riparian Habitat and Sensitive Natural Communities (Issues 10-15): The 2012 FEIR analyzed biological impacts and concluded that development of the 389.5-acre project site would result in a significant impact to coastal sage scrub and disturbed coastal sage scrub (Impact BR-13), southern mixed chaparral (Impact BR-14), coast live oak woodland (Impact BR-15), non-native grassland (Impact BR-16), pastureland (Impact BR-17), wetland habitat (Impact BR-18), requiring adoption of Mitigation Measures M-BR-13, M-BR-14, M-BR-15, M-BR-16, M-BR-17 and M-BR-18. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant. All other impacts associated with impacts to riparian habitat and sensitive natural communities were determined to be less than significant.

Jurisdictional Waters including Wetlands (Issues 11 through 15): The 2012 FEIR analyzed biological impacts and concluded that development of the 389.5-acre project site would result in a significant impact to jurisdictional areas totaling a maximum of 0.93 on-site acre, 2.29 off-site acres, and temporary off-site impacts to 2.04 acres, for a total of 3.22 permanently impacted acres (Impact BR-19) and a total of 2.04 temporary impact acres (Impact BR-20) requiring adoption of Mitigation Measures M-BR-19 and M-BR-20. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

Wildlife Movement Corridors (Issues 16 through 21): The 2012 FEIR determined that impacts to wildlife movement corridors would be less than significant, as the project would not prevent wildlife access to foraging habitat, breeding habitat, water sources, or other areas necessary for their reproduction, and was designed to avoid the three mapped wildlife movement corridors in the area.

Local Policies, Ordinances, and Adopted Plans (Issues 22 through 33): The 2012 FEIR determined that the project would result in a less than significant impact associated with conflicts to the Natural Community Conservation Plan (NCCP), the Habitat Loss Permit, the Resource Protection Ordinance, to other local ordinances, and to eagles. A significant impact was identified in regards to conflicts with the Multiple Species Conservation Plan (MSCP), as identified in Impacts BR-1, BR-2, BR-3, BR-4, BR-5, BR-6, and BR-7. A significant impact was identified for conflicts with the Migratory Bird Treaty Act, as identified by Impact BR-11, requiring adoption of Mitigation Measures M-BR-1, M-BR-2, M-BR-3, M-BR-4, M-BR-5, M-BR-6, and M-BR-7. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

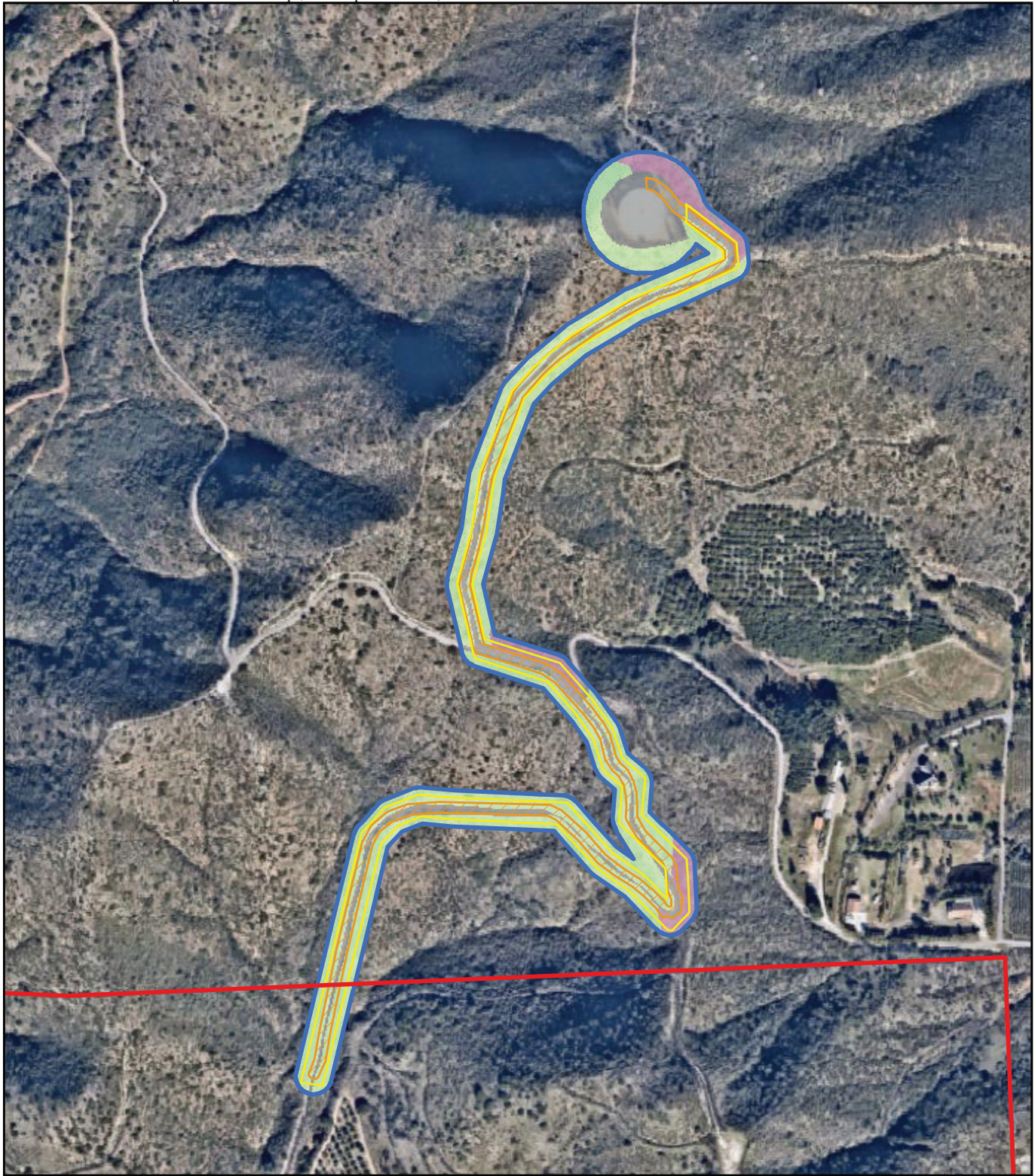
Cumulative Impacts: The 2012 FEIR analyzed cumulative biological impacts associated with the impact areas identified above, and concluded that cumulative impacts would be less than significant.





Meadowood Water Pipeline Infrastructure

RECON conducted a field survey and prepared a project-specific biological report dated April 3, 2020 (Appendix B). The survey area included a 30-foot buffer to each side of the centerline of the proposed water pipeline for a total of a 60-foot-wide area. Biological resources are identified within Figure 4. The following discussion is based on the findings of this report.

Habitats

Two sensitive vegetation communities were identified within the survey area. These include coastal sage scrub and southern mixed chaparral. Implementation of the project would result in direct impacts to 1.55 acres of coastal sage scrub and 0.08 acre of southern mixed chaparral.



-  Meadowood Project Boundary
-  Water Pipeline Limits of Disturbance
-  RMWD Easement
-  Survey Area

Vegetation Communities




-  Southern Mixed Chaparral
-  Coastal Sage Scrub
-  Developed Land

FIGURE 4
Biological Resources

The 2012 FEIR addressed habitat impacts associated with implementation of the preferred water alignment that will no longer be implemented. Table 3.1-3 of the 2012 FEIR identifies permanent off-site vegetation community impacts associated with the 2nd CWA Pipeline Preferred to include 0.31 acre of coastal sage scrub and zero acres of impact to southern mixed chaparral. As this pipeline alignment would not be constructed, the 0.31 acre of coastal sage scrub impact would not occur. Thus, the 1.55 acres of coastal sage scrub impact under the proposed project is reduced by the 0.31 acre of coastal sage scrub impact identified in the 2012 FEIR for proposed off-site water pipeline alignments. Compared to the 2012 FEIR, the proposed project would result in an additional impact of 1.24 acres of coastal sage scrub and 0.08 acre of southern mixed chaparral.

Mitigation for impacts to coastal sage scrub and southern mixed chaparral were accomplished through on-site preservation within the Meadowood project's biological open space. The project has dedicated 74.5 acres of coastal sage scrub and 17.5 acres of southern mixed chaparral into a biological open space, although only 29 acres of coastal sage scrub and 1.1 acres of southern mixed chaparral were required (Natural Resource Consultants 2009). The excess 45.5 acres of coastal sage scrub and 16.4 acres of southern mixed chaparral allow the current project impacts to be mitigated through the preservation of sensitive habitats within the biological open space. These excess preserved habitats would mitigate for the additional 1.24 acres of coastal sage scrub and 0.08 acre of southern mixed chaparral associated with installation of the water pipeline. An Open Space Easement for the preservation of this habitat was recorded on October 30, 2014 (Appendix C).

While the project would result in a small increase in the amount of sensitive vegetation that would be disturbed, no new vegetation communities would be impacted and similar impacts were anticipated associated with off-site water pipeline construction in the 2012 FEIR. Therefore, there would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Sensitive Species

No sensitive plant species were observed within the survey area. No state listed or federally listed species occur within the survey area. Therefore, no direct impacts to sensitive plant species are anticipated to result from project implementation.

One sensitive wildlife species, red diamond rattlesnake, was detected at the time of the survey. Four sensitive wildlife species have moderate potential to occur due the presence of suitable coastal sage scrub and southern mixed chaparral habitat: coast horned lizard (*Phrynosoma blainvillii*), Coronado skink (*Eumeces skiltonianus interparietalis*), Belding's orange-throated whiptail (*Aspidoscelis hyperythra beldingi*), coastal whiptail (*Aspidoscelis tigris stejnegeri*). One sensitive wildlife species, Cooper's hawk (*Accipiter cooperii*), has moderate potential to nest in the non-native pine trees adjacent to the Rice Canyon Water Tank. One sensitive wildlife species, coastal California gnatcatcher, has high potential to occur due to the presence of suitable coastal sage scrub.

Potential indirect impacts to coastal California gnatcatcher may occur from noise generated from construction activities. These potential impacts would have a substantial adverse

effect on these sensitive wildlife species and would be considered significant without mitigation. In addition, there are potential impacts related to nesting birds, as there is potential for raptors and migratory birds to nest in the trees and low-lying vegetation within the survey area. There is potential for direct impacts to migratory or nesting birds should vegetation clearing activities occur during the raptor breeding season (January 15 to September 15) or typical bird breeding season (February 1 to September 15), resulting in a potentially significant impact. These impacts were also identified in the 2012 FEIR.

Significant impacts to these sensitive wildlife species would be reduced through conformance with existing breeding season avoidance and/or pre-construction surveys as detailed in Mitigation Measures M-BR-11, M-BR-3b, M-BR-5b, and M-BR-7b of the 2012 EIR and included in Section 5.0 below. With implementation of these mitigation measures, impacts would be reduced to a less than significant level.

No construction activities shall occur within any portion of the site where construction activities would result in noise levels exceeding 60 A-weighted decibels hourly average [dB(A) L_{eq}] at the edge of occupied gnatcatcher habitat during the breeding seasons listed above. An analysis showing that noise generated by construction activities would not exceed 60 dB(A) hourly average at the edge of occupied habitat must be completed by a qualified acoustician (possessing current noise engineer license or registration with monitoring noise level experience with listed animal species) and approved by the RMWD at least two weeks prior to the commencement of construction activities. Prior to the commencement of construction activities during the breeding season, areas restricted from such activities shall be staked or fenced under the supervision of a qualified biologist.

At least two weeks prior to the commencement of construction activities, under the direction of a qualified acoustician, noise attenuation measures (e.g., berms, walls) may also be implemented to ensure that noise levels resulting from construction activities would not exceed 60 dB(A) hourly average at the edge of habitat occupied by the coastal California gnatcatcher (if species is present or presence is assumed). Concurrent with the commencement of construction activities and the construction of necessary noise attenuation facilities, noise monitoring¹ shall be conducted at the edge of the occupied habitat area to ensure that noise levels do not exceed 60 dB(A) hourly average. If the noise attenuation techniques implemented are determined to be inadequate by the qualified acoustician or biologist, then the associated construction activities shall cease until such time that adequate noise attenuation is achieved or until the end of the breeding seasons.

¹Construction noise monitoring shall continue to be monitored at least twice weekly on varying days, or more frequently depending on the construction activity, to verify that noise levels at the edge of occupied habitat are maintained below 60 dB(A) hourly average or to the ambient noise level if it already exceeds 60 dB(A) hourly average. If not, other measures shall be implemented in consultation with the biologist and the County staff, as necessary, to reduce noise levels to below 60 dB(A) hourly average or to the ambient noise level if it already exceeds 60 dB(A) hourly average. Such measures may include, but are not limited to, limitations on the placement of construction equipment and the simultaneous use of equipment.

Jurisdictional Waters

No jurisdictional waters of the United States and California, including wetlands, are present within the project area. No impact would occur.

Wildlife Movement Corridors

The proposed work would be temporary and would be completed within a maximum 3-month timeframe. After construction, the project area would be returned to substantially its original condition and not result in barriers to wildlife. Therefore, the project would not interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites. Impacts would be less than significant. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Local Policies, Ordinances, and Adopted Plans

The project site is located within the draft North County MSCP (County of San Diego 2009). Once adopted, this plan would serve as a multiple species Habitat Conservation Plan pursuant to Section 10(a)(1)(B) of the federal Endangered Species Act, as well as a NCCP under the California NCCP Act of 1991. The overall MSCP goal is to maintain and enhance biological diversity in the region and conserve populations of endangered, threatened, and key sensitive species and their habitats. Although not adopted, the draft North County MSCP designates the project area as Preserve Area and Pre-Approved Mitigation Area (PAMA).

Although the project site located within the Draft North County MSCP Preserve and PAMA, the construction of the pipelines would occur within an existing RMWD easement that allows for installation and maintenance of RMWD facilities. The pipelines would be installed following the alignment of an existing road/disturbed trail to minimize vegetation impacts. Additionally, the Meadowood project addressed consistency with the Draft North County MSCP within the Meadowood project site through implementation of Mitigation Measures M-BR-1 through M-BR-20, as identified in the 2012 FEIR, thereby ensuring any construction occurring within the Meadowood project boundary would not result in significant impacts associated with conflicts with the North County MSCP. As such, the project will not conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance, or conflict with the provisions of an adopted Habitat Conservation Plan, NCCP, or other approved local, regional, or state habitat conservation plan.

While additional vegetation impacts would occur with the proposed project, these impacts would be mitigated within the Biological Open Space Preserve within the Meadowood project site, and no new impacts beyond those anticipated in the 2012 FEIR would occur. Impacts would be reduced to less than significant levels. Therefore, there would be no overall increase in the severity of impacts to biological resources beyond that previously discussed in the 2012 FEIR.

V. CULTURAL RESOURCES – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to cultural resources including: causing a change in the significance of a historical or archaeological resource as defined in State CEQA Guidelines Section 15064.5; destroying a unique paleontological resource or site or unique geologic feature; and/or disturbing any human remains, including those interred outside of formal cemeteries?

YES

NO

Section 3.3 of the 2012 FEIR provides an analysis of cultural resource impacts associated with the approved project.

Historic Resources (Issue 1): The 2012 FEIR analyzed impacts to historic resources, specifically the Rancho Monserrate Adobe, and determined that the Monserrate Adobe could be a significant historical resource. The 2012 FEIR concluded that implementation of the project could impact subsurface deposits associated with the adobe, resulting in a significant impact (Impact CR-1), requiring adoption of Mitigation Measure M-CR-1. Implementation of this mitigation measure reduced this impact to less than significant.

Archeological Resources and Human Remains (Issues 2, 3, and 4): The 2012 FEIR analyzed impacts to archaeological resources and concluded that development of the project site could result in potentially significant impacts as follows: the loss of a known archaeological site (CA-SDI-682) and/or the loss of previously unrecorded archaeological resources or human remains (Impacts CR-2, CR-3, CR-4, and CR-5). The 2012 FEIR required adoption of Mitigation Measures M-CR-1 through M-CR-4. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

Cumulative Impacts: The 2012 FEIR determined that cumulative impacts to cultural resources would be less than significant. The 2012 FEIR concluded that because the project and the impacts associated with the cumulative impact area were examined for their significance, there would be no cumulative loss of information associated with their development. Additionally, if new resources are discovered during development within the cumulative impact area, site-specific measures necessary to evaluate and collect relevant information would occur. Cumulative impacts were therefore determined to be less than significant.

Meadowood Water Pipeline Infrastructure

RECON conducted a Cultural Resource Survey for the project and documented the findings in a letter report dated April 6, 2020 (Appendix D). A record search with a 1-mile-radius buffer was completed from the South Coastal Information Center at San Diego State University. The record search results are contained within Appendix D, Confidential Attachment 1.

No historic or archaeological resources were identified during the field survey of the water pipeline alignment. Based on the information derived from the records search and field surveys, the installation of the water pipeline would not significantly impact known historical or archaeological resources or result in substantial changes to historical or archaeological resources, thereby ensuring there would be no overall increase in the severity of impacts to historical or archaeological resources beyond that previously discussed in the 2012 FEIR.

No cemeteries, formal or informal, have been identified within the proposed water alignment. There is a very low possibility of encountering human remains during subsequent project construction activities, as the alignment would be located within disturbed areas and/or on steep slopes. However, all grading activities would be required to comply with state regulations that are intended to preclude impacts to human remains. Per CEQA Section 15064.5(e), the California PRC (Section 5097.98) and Health and Safety Code (Section 7050.5), if human remains are discovered during construction, work would be required to halt in that area and no soil would be exported off-site until a determination could be made regarding the provenance of the human remains via the County Coroner and other authorities as required.

While the 2012 FEIR identified the need for archaeological monitoring during project construction, the project area is too steep to lend itself to having the potential to encounter significant historical resources and no mitigation measures are recommended.

Overall, impacts to cultural resources would not be increased by the proposed water pipeline as no resources exist in the area and the likelihood of encountering significant buried resources would not be considered low due to the steep terrain. Therefore, there would be no overall increase in the severity of impacts to cultural resources beyond that previously discussed in the 2012 FEIR.

VI. GEOLOGY AND SOILS – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that result in one or more effects from geology and soils including: exposure of people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, seismic-related ground failure, including liquefaction, strong seismic ground shaking, or landslides; result in substantial soil erosion or the loss of topsoil; produce unstable geological conditions that will result in adverse impacts resulting from landslides, lateral spreading, subsidence, liquefaction or collapse; being located on expansive soil creating substantial risks to life or property; and/or having soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

YES

NO

Section 3.2 of the 2012 FEIR provides an analysis of geology and soil impacts associated with the approved project.

Faults and Liquefaction (Issue 1): The 2012 FEIR analyzed impacts associated with faults and liquefaction and concluded that since there are no known active faults on the project site, and that development of the project would be required to conform to the Uniform Building Code, California Building Code, and the County Zoning Ordinance, as well as the recommendations provided for in the geotechnical study prepared for the project, impacts associated with faults would be less than significant. In addition, the 2012 FEIR determined that impacts associated with liquefaction would be significant, as there are areas within the project site that could be subject to liquefaction in the southwestern and western areas of the project site (Impact GE-1), thereby requiring adoption of mitigation measure M-GE-1, as conditions of approval, which would reduce this significant impact to less than significant.

Rockfall (Issue 2): The 2012 FEIR analyzed impacts associated with rockfall hazards and concluded that potential exists on the project site for rockfall from the west-facing slope of Rosemary's Mountain due to seismic or erosional events (Impact GE-2), resulting in a significant impact. The 2012 FEIR required adoption of Mitigation Measure M-GE-2, as conditions of approval, which would reduce this significant impact to less than significant.

Erodibility (Issue 3): The 2012 FEIR analyzed impacts associated with erodibility and concluded that since the project included erosion control measures and a landscaping plan that complied with current San Diego County and Fallbrook community rules and regulations, impacts associated with erosion would be less than significant.

Expansive Soils (Issue 4): The 2012 FEIR analyzed impacts associated with expansive soils and concluded that since the project would implement specific design measures to reduce potential for hazards associated with both cut and fill slopes and seepage and perched water, impacts associated with expansive soils would be less than significant.

Meadowood Water Pipeline Infrastructure

The project is located in a seismically active area, but there are no known active faults that the proposed water pipelines would be constructed within. In addition, the water pipeline is not located in or immediately adjacent to an Alquist-Priolo (A-P) Earthquake Fault Zone. The potential for liquefaction and seismically induced settlement occurring along the water is considered to be high, as portions of the pipeline alignment is within "Potential Liquefaction Areas" per the County General Plan Update EIR Figure 2.6-3. Portions of the alignment are located within hillsides with slopes that are greater than 25 percent, as well as within gabbroic soils within a slope greater than 15 percent, which the County identifies as slide-prone potential, as identified in Figure 2.6-4 of the County General Plan EIR. Therefore, the portions of the water pipelines located within these areas could be subject to risk of loss due to landslides. The project would not result in a significant impact to soil erosion because best management practices (BMPs) including erosion control practices would be implemented throughout construction of the water pipeline, as required under the 2012 FEIR.

The RMWD would require preparation of a Geotechnical Report prior to grading, which would require all pipelines to be constructed with proper engineering design and standard

construction practices in order to ensure impacts associated with geology and soils are less than significant. Therefore, there would be no overall increase in the severity of impacts to geology and soils beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

VII. GREENHOUSE GAS EMISSIONS – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that result in one or more effects related to environmental effects associated with greenhouse gas (GHG) emissions or compliance with applicable plans, policies or regulations adopted for the purpose of reducing greenhouse gas emissions?

YES

NO

Section 4.7.3 of the 2012 FEIR provides an analysis of GHG emission impacts associated with the approved project.

The 2012 FEIR analyzed impacts related to GHG emissions. Emissions were analyzed based on the project’s consistency with Assembly Bill (AB) 32, which requires the state to reduce GHG emissions to 1990 levels by 2020. GHG emissions were calculated for business as usual (BAU) conditions and for conditions with implementation of GHG emission reduction measures proposed by the project. With respect to construction emissions, the 2012 FEIR calculated that the project would result in 16,526 metric tons (MT) of carbon dioxide equivalent (CO₂E) per year, which would be 34 percent reduction from the BAU condition. Because the project would achieve greater than a 33 percent reduction from the BAU condition, the project would meet the County’s goal of achieving a 33 percent reduction in BAU GHG emissions by 2020 and thereby support the state’s ability to achieve 2020 reduction goals identified by AB 32. The 2012 FEIR concluded that climate change impacts would be less than significant.

Meadowood Water Pipeline Infrastructure

Construction emission calculations are included in Appendix A. Construction is anticipated to occur over a 3-month period. As calculated, over the 3-month construction period, the project would emit 129 MT CO₂E. Once construction activities are complete, GHG emissions would cease and the project would not be an operational source of emissions. For comparison to the 900 MT CO₂E annual screening threshold, construction emissions were amortized over a 20-year lifetime of a project. When amortized over 20 years, the project would result in a total of 25 MT CO₂E annually. This is less than the identified 900 MT CO₂E per year screening threshold used by the County in the 2012 FEIR. Additionally, emissions associated with construction of the new pipeline would be substantially less than the construction emissions associated with the originally contemplated off-site water pipelines. identified in the 2012 FEIR. As the project would not exceed the 900 MT CO₂E screening threshold for GHG emissions, GHG impacts associated with the project would be less than significant. Therefore, there would be no change in the

severity of climate change impacts beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

VIII. HAZARDS AND HAZARDOUS MATERIALS – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that result in one or more effects from hazards and hazardous materials including: creation of a significant hazard to the public or the environment through the routine transport, storage, use, or disposal of hazardous materials or wastes; creation of a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment; production of hazardous emissions or handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school; location on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 creating a hazard to the public or the environment; location within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport; within the vicinity of a private airstrip resulting in a safety hazard for people residing or working in the project area; impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan; and/or exposure of people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

YES

NO

Section 3.5 of the 2012 FEIR provides an analysis of hazards and hazardous material impacts associated with the approved project.

Dam Inundation (Issue 1): The 2012 FEIR determined that the proposed school site would be located outside of any dam inundation zone. Impacts were determined to be less than significant.

Emergency Air Support (Issue 2): The 2012 FEIR determined that since no structure would be 100 feet or greater in height, there would be no interference with emergency response missions utilizing low flying aircraft. Impacts were determined to be less than significant.

Hazardous Substance Use (Impact 3): The 2012 FEIR determined that since the project would not include the handling of hazardous substances as part of a business subject to hazardous material regulations, and that the proposed land uses would not result in the transport, emission, or disposal of hazardous materials, generate hazardous waste, or store hazardous waste, and would comply with the California Health and Safety Code, impacts would be less than significant.

Hazardous Substances within One-Quarter Mile of a School/Day Care Facility (Issue 4): The 2012 FEIR determined that the project would not include any potential for facilities that handle regulated substances, resulting in a less than significant impact. In addition,

the EIR concluded that while the project could include a school site, it would be located farther than one-quarter mile away from any potential future commercial uses associated with the Campus Park development and from the on-site WWTP. Impacts were determined to be less than significant.

Hazardous Materials Site/Site Subject to Release of Hazardous Substances (Issue 5): Potentially significant impacts associated with hazards were identified in the 2012 FEIR as a result of two irrigation ponds and smudge pots located on-site, as well as potential release of asbestos from proposed demolition of existing buildings (Impact HZ-1, HZ-2, and HZ-3). The 2012 FEIR required adoption of Mitigation Measures M-HZ-1 through M-HZ-3. Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

Hazardous Site Location (Issues 6 and 7): The 2012 FEIR determined that since the project site is not located within 1,000 feet of a landfill or within 250 feet of a burn site, impacts would be less than significant.

Fire Hazard (Issues 8 and 9): The 2012 FEIR determined that with implementation of a Fire Protection Plan, along with project design features related to fuel modification zones, the use of ignition resistant building materials, road design requirements, construction of fire hydrants, and provision of fire access would ensure impacts associated with fire hazards would be less than significant.

Emergency Response (Issue 10): The 2012 FEIR determined that the furthest dwelling unit from the nearest fire station could be reached within five minutes, which was determined to comply with the General Plan fire response time. Thus, the 2012 FEIR concluded that the project would meet emergency response objectives and impacts associated with emergency response time would be less than significant.

Vectors (Issues 11 through 13): The 2012 FEIR determined that since the storm water system within the project site would be designed to ensure that existing vectors are excluded from storm water facilities and that habitat for vector breeding would be minimized, along with appropriate pond design and application of larvicides within the WWTP wet weather ponds would ensure impacts associated with vectors would be less than significant.

Cumulative Impacts: The 2012 FEIR determined that there would be no cumulative impacts associated with hazards and hazardous materials as a result on implementing the project.

Meadowood Water Pipeline Infrastructure

Construction activities typically involve the transport of fuels, lubricants, and various other liquids needed for operation of construction equipment at the site. Materials hazardous to humans, wildlife, and sensitive environments would be present during construction activities associated with the project. These materials may include diesel fuel, gasoline, equipment fluids, concrete, cleaning solutions and solvents, and lubricant oils. However,

project operation would not involve the routine transport, use, or disposal of hazardous materials. The project would comply with all applicable hazardous materials regulations during project construction and operation, thereby ensuring there would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

According to the California Department of Toxic Substances Control EnviroStor Database, State Water Board GeoTracker database, and other resources compiled pursuant to Government Code Section 65962.5, no record of leaking Underground Storage Tank cleanup sites, permitted Underground Storage Tank, or other hazardous sites were identified on the project site. However, the potential exists for direct impacts to human health and the environment from accidental spills of small amounts of hazardous materials during construction activities associated with the project. If construction activities encounter underground contamination, or accidental spills of small amounts of hazardous materials during construction activities occur, existing federal and state standards are in place for the handling storage, and transport of these materials. Since compliance with these standards is required through federal, state, and local regulations, no significant impacts are anticipated due to the accidental spill and release of hazardous materials, thereby ensuring there would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The closest proposed school is planned within the Meadowood project site. There are no other schools within one-quarter mile from the proposed water pipeline. Operation of the water pipeline would not involve the routine transport, use, or disposal of hazardous materials. In addition, the project would comply with all applicable hazardous materials regulations during project construction and operation, thereby ensuring there would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The proposed water pipeline is not located within an airport land use plan or within 2 miles of a public airport or public use airport. Therefore, the project would not result in a safety hazard for people residing or working in the project area, thereby ensuring there would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The County currently has an Operational Area Recovery Plan and an Operational Area Evacuation Plan. These plans have been established to outline the appropriate actions to respond to extraordinary emergency situations associated with natural disasters, technological incidents, and nuclear defense operations. During installation of the pipelines, emergency access would be provided at all times during construction and no extensive changes to the existing circulation system are anticipated. The project would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The water pipeline would be located within or adjacent to areas identified as High and Very High Fire Hazard Severity Zones, per the County of San Diego General Plan EIR Figure 2.7-5. As such, the project has the potential to expose construction workers and the pipeline

structures to a risk of loss, injury, or death involving wildfires. However, construction of the pipelines would be temporary, and the pipelines would be installed underground primarily within existing dirt paths. No habitable structures are proposed, and the risk of loss, injury, or death is considered less than significant. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

IX. HYDROLOGY AND WATER QUALITY – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to hydrology and water quality including: violation of any waste discharge requirements; an increase in any listed pollutant to an impaired water body listed under section 303(d) of the Clean Water Act ; cause or contribute to an exceedance of applicable surface or groundwater receiving water quality objectives or degradation of beneficial uses; substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level; substantially alter the existing drainage pattern of the site or area in a manner which would result in substantial erosion, siltation or flooding on- or off-site; create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems; provide substantial additional sources of polluted runoff; place housing or other structures which would impede or redirect flood flows within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map, including County Floodplain Maps; expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam; and/or inundation by seiche, tsunami, or mudflow?

YES

NO

Section 3.5 of the 2012 FEIR provides an analysis of hazards and hazardous material impacts associated with the approved project.

Local Surface and Ground Water Quality (Issue 1, 2 and 3): Although hydrology and water quality were identified as potentially significant impacts during the Initial Study or Notice of Preparation process, it was concluded after further analysis that no impacts would result. Specifically, the Storm Water Management Plan and Drainage and Hydromodification Study (Appendices L-1 and L-3 of the 2012 FEIR) prepared in accordance with County regulations concluded that the project would not significantly alter overall drainage patterns associated with the surrounding area. With respect to construction activities, the project would include BMPs that would be put in place as part of the project design to protect water quality. Specific construction BMPs are identified in 2012 FEIR Section 4.2.4.

Flooding (Issue 4): The 2012 FEIR assessed impacts associated with flooding, concluding that the project would not result in significant impacts. The 2012 FEIR determined that portions of PA1 and Street R were located within the Horse Ranch Creek floodplain, but that improvements would be designed along Street R so that flow would not be impeded

and would be conveyed downstream, thereby not resulting in an adverse impact to the floodplain. The 2012 FEIR determined that with the implementation of the improvements associated with Street R and the grading of PA1, impacts associated with flooding would be less than significant.

Runoff and Drainage (Issues 5 and 6): The 2012 FEIR analyzed impacts associated with runoff and drainage and concluded that the project would not increase runoff velocities resulting in erosion or siltation on or off-site. Post-project runoff would be detained to pre-project levels with the inclusion of detention basins and an underground vault, in addition to hydromodification management incorporated into these detention basins and the underground vault. Impacts were determined to be less than significant.

Regarding storm drain capacities, the project would include design measures, including appropriate erosion control measures at discharge points and construction of storm drain facilities that would result in placement of outfalls consistent with pre-project discharge locations. Impacts associated with exceeding the existing of planned storm water facilities was determined to be less than significant.

Groundwater (Issue 7): The 2012 FEIR analyzed impacts associated with groundwater levels and concluded that the proposed use of 140.2 acre-feet of groundwater per year would result in a reduction of approximately 77 percent of groundwater use for the project area when compared to the existing condition. Impacts were determined to be less than significant.

Cumulative Impacts: The 2012 FEIR determined that since the project would incorporate on-site detention facilities and BMPs to managing flood control, hydro modification, and water quality, the project would have a less than significant impact to local drainage patterns, runoff volumes and velocities. In addition, the 2012 FEIR determined that cumulative impacts would be less than significant in regards to runoff and drainage, as all identified project-level water quality impacts would be reduced to below a level of significance through site and project specific design features and conformance with existing regulatory requirements. All applicable past, present and future developments within the watershed are subject to water quality standards identified in the noted National Pollutant Discharge Elimination System Permit, with those requirements implemented through the County regulations. Additionally, since the project would result in a substantial overall net decrease in the amount of groundwater pumped from the project site, cumulative impacts to groundwater resources would be less than significant.

Meadowood Water Pipeline Infrastructure

The project would not violate any water quality standards or waste discharge requirements. No new sources of point discharge water pollution would result from the project. A Stormwater Pollution Prevention Plan (SWPPP) would be prepared prior to project grading, as required by the NPDES regulations as part of Section 402 of the Clean Water Act. The SWPPP would implement BMPs to control and abate the discharge of pollutants in storm water discharges during construction and operational phases. Storm water discharges from construction activities would be controlled with applicable construction BMPs outlined in

the SWPPP prepared under the Construction General Permit. Implementation of SWPPP requirements would ensure hydrology and water quality impacts were less than significant. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

In regards to flooding, the project would not involve the construction of new or the redevelopment of housing, and would therefore not place housing within a 100-year flood hazard area. Based on the Federal Emergency Management Agency Flood Insurance Rate Map Number 06073C0485G, none of the project area is located within a 100-year flood hazards area. The project area is also not located within a Dam Inundation Zone, per Figure S-6 of the County General Plan. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

In regards to runoff and drainage issues, the proposed water pipeline would be installed primarily within existing dirt pathways. Following construction, all trenches would be backfilled and required erosion control measures implemented to ensure soil stabilization. Thus, construction activity impacts would be temporary, minimal, and would not substantially alter the existing drainage patterns within the construction footprint. In addition, no component of the project would alter the course of a stream or river, as the existing topography and drainage conditions of the site would be the same as the existing condition after construction is complete. Construction activities would be subject to the BMPs outlined in the project Storm Water Quality Management Plan. As a result, implementation of the project would not change the absorption rates, drainage patterns, or the rate and amount of surface water runoff from existing conditions. During construction, BMPs would minimize potential temporary impacts related to erosion, flooding, or runoff. Therefore, impacts would be less than significant. There would be no overall increase in severity of impacts beyond that previously discussed in the 2012 FEIR.

In regards to groundwater supplies, the project would not require groundwater supplies. Additionally, the project does not result in the addition of impermeable surfaces to the existing environment, as all pipelines would be installed underground. As such, the project would not deplete groundwater supplies nor interfere substantially with groundwater recharge such that there would be a net deficit in aquifer or a lowering of the local groundwater table level, resulting in a less than significant impact. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Therefore, the project would not result in an overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

X. LAND USE AND PLANNING – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to land use and planning including: physically dividing an established community; and/or conflicts with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect?

YES

NO

Section 4.1 of the 2012 FEIR provides an analysis of land use and planning impacts associated with the approved project.

Inconsistencies with Land Use Plans, Policies and Regulations (Issue 1): The 2012 FEIR analyzed impacts associated with conflicts with land use plans and concluded that impacts associated with inconsistencies with the County General Plan, County Zoning Ordinance, Fallbrook Community Plan, the I-15 Corridor Subregional Plan, the I-15/SR-76 Master Specific Plan, the County Subdivision Ordinance, the Resource Protection Ordinance, and the Natural Community Conservation Plan would be less than significant. In addition, the County General Plan was updated and approved on August 3, 2011. The project was approved on January 11, 2012, which was after the General Plan adoption. The project was "pipelined," based on the August 6, 2003, Board of Supervisors Pipeline Policy. Therefore, the project may be processed as approved within the framework of the pre-2011 General Plan.

Community Division (Issue 2): The 2012 FEIR determined that because there is not an established community within the project area that would be subject to division, and no impact would occur.

Meadowood Water Pipeline Infrastructure

The project would not conflict with any applicable land use plans, policies, or regulations. No land use or zoning change is proposed as part of the project. The installation of the water pipeline would not physically divide an established community. Improvements would be installed underground within existing dirt pathways and/or paved road. Because the pipelines would be installed underground, there would be no change in the severity of land use impacts beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

XI. MINERAL RESOURCES – Since the previous EIR was certified, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to mineral resources including: the loss of availability of a known mineral resource that would be of value to the region and the residents of the state; and/or loss of locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

YES

NO

Section 4.5 of the 2012 FEIR provides an analysis of mineral resource impacts associated with the approved project.

On-site Impacts from Proposed On-Site Land Uses (Issue 1): The 2012 FEIR determined that the entire 39 acres of on-site floodplain deposits are located on or within 1,300 feet of existing residential properties on the project site and as a result are already lost to future mining. Therefore, implementation of the project would not result in any additional impacts to these resources: on-site impacts would be less than significant.

On-site Impacts from Off-site Land Uses (Issue 2): The 2012 FEIR determined that since all on-site mineral resources were determined to be incompatible or lost to future mining due to the presence of existing residences on the project site, impacts would be less than significant.

Off-site MRZ-2 Impacts from Proposed On-site Land Uses (Issue 3): The 2012 FEIR determined that the project would impact approximately 13 acres of off-site MRZ-2 designated land on Rosemary's Mountain. However, the proposed quarry on Rosemary's Mountain would conduct all mining activities on the east-facing slope of the mountain, which shields it from the project site. Therefore, the 2012 FEIR determined impacts to the permitted mining activities on Rosemary's Mountain would be less than significant.

Marketability and Minimum Dollar Value (Issue 4): The 2012 FEIR determined that the entire 39 acres of the project site mapped as Qa and off-site MRZ-2 designated land is located on or within 1,300 feet of existing residential properties on the project site. Therefore, it was considered incompatible or lost to future mining. Implementation of the project would not result in any additional impacts to these resources. As such, there would be no economic impact to mineral resources; impacts would be less than significant.

Meadowood Water Pipeline Infrastructure

The project area has not been mapped for mineral resources according to the County General Plan Figure C-4. However, the pipeline improvement would be installed within existing dirt and paved road, in areas that are not in use for mineral resource extraction. Therefore, the project would not result in the loss of mineral resources, and there would be no overall increase in the severity of impacts to mineral resources beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

XII. NOISE – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that result in one or more effects from noise including: exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies; exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels; a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project; a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project; for projects located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or for projects within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

YES

NO

Section 3.4 of the 2012 FEIR provides an analysis of noise impacts associated with the approved project.

Traffic Generated Noise (Issue 1): The 2012 FEIR analyzed impacts associated with traffic-generated noise and concluded that exterior noise levels adjacent to the major roadways were projected to exceed the County's standard of 60 community noise equivalent level (CNEL), resulting in a significant impact (Impact N-1). In addition, interior noise levels at the multi-family units were projected to exceed 60 CNEL, and exterior noise levels on second-floor balconies were projected to exceed 60 CNEL, resulting in a significant impact (Impact N-2). The 2012 FEIR required adoption of Mitigation Measures M-N-1 and M-N-2, as conditions of approval for the project, which would mitigate these impacts to less than significant. All other areas were not projected to be subject to noise levels in excess of County standards.

Stationary Noise (Issue 2): The 2012 FEIR analyzed impacts related to on-site land use noise compatibility, construction noise, and noise generated at Rosemary's Mountain Rock Quarry and the then proposed wastewater treatment plant. Noise impacts associated with Rosemary's Mountain Rock Quarry, and construction noise were found to be less than significant. Additionally, Mitigation Measure M-N-3 requiring the construction of a noise barrier was required to reduce noise levels associated with the proposed wastewater treatment plant.

As far as on-site land use noise compatibility, the 2012 FEIR included mitigation measures requiring noise barriers (Mitigation Measure M-N-1) and interior noise analyses (Mitigation Measure M-N-2) for uses that would be exposed to noise levels in excess of the County's standards. Since certification of the 2012 FEIR, two subsequent noise analyses were prepared. The noise analysis dated May 29, 2014 (2014 Noise Letter) re-evaluated future exterior noise levels based on updated General Plan Noise Element standards. The noise analysis dated October 28, 2017 (2017 Noise Letter) re-evaluated noise levels at Planning Area 1 due to revisions to the proposed grading and site plans. The 2014 Noise

Letter found that noise levels at the multi-family residential, park, and school uses would not exceed County compatibility standard of 65 CNEL, and mitigation at these uses would not be required. It was also found that barriers ranging from 3 to 4 feet would be required to reduce noise levels to the single-family residential compatibility standard of 60 CNEL for several single family lots located at the western edge of Planning Area 5. Construction of these barriers would reduce future noise levels to 60 CNEL or less, and impacts would be mitigated to a level less than significant. The 2017 Noise Letter found that an 8-foot-high barrier would be required on the eastern edge of Planning Area 1 to reduce future noise levels to 65 CNEL at the multi-family uses.

Meadowood Water Pipeline Infrastructure

Regarding traffic-generated noise, the project, as a utility line construction project, would not generate additional roadway traffic associated with an increase in population. As such, the project would not generate traffic related noise impacts that would exceed the County's standard of 60 CNEL, for exterior or interior noise levels, resulting in a less than significant impact. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

In regards to stationary noise associated with construction of the project, construction noise levels were estimated based on anticipated equipment and construction activity for pipeline installation. Construction of the pipeline would require the equipment discussed in Section 2.5. As discussed in the 2012 FEIR, ground-clearing activities generally generate the greatest average construction noise levels. These activities are estimated to generate average noise levels of 83 to 84 dB(A) L_{eq} 50 feet from the site of construction. The nearest residential uses are located 400 feet east of the alignment and 1,200 feet to the west of the alignment. A construction noise level of 84 dB(A) L_{eq} at 50 feet would attenuate to 66 dB(A) L_{eq} at 400 feet and 56 dB(A) L_{eq} at 1,200 feet. Noise levels would not exceed 75 dB(A) L_{eq} . Impacts would be less than significant. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The project may require blasting in certain locations along the alignment. However, noise levels due to blasting are not anticipated to exceed the construction noise level limit of 75 dB(A) L_{eq} at the adjacent residential receivers. Additionally, as the total time for a blast would be less than a minute and only one blasting event would occur on any given day, impulsive noise levels would not exceed the limit of 25 percent or more of an hour; thus, impulsive noise would not exceed the County's threshold. In addition, blasting operations would be consistent with the limitations for "Minor Blasting" in accordance with the County Consolidated Fire Code, Section 96.1.3301.2 (County of San Diego 2011), and blasting operations would be limited to the hours between 7:00 a.m. and 6:00 p.m., or one-half hour before sunset, whichever occurs first, per County regulations. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

In regards to vibration impacts, construction operations have the potential to result in varying degrees of temporary ground vibration. Vibration perception would occur at structures, as people do not perceive vibrations without vibrating structures. According to the Federal Transit Administration, vibration levels due to typical heavy construction equipment would be 0.089 inch per second peak particle velocity at 25 feet. The nearest

residences are located more than 25 feet from the proposed water pipeline alignment, with the nearest residence located 400 feet to the east of the alignment. As construction vibration levels associated with typical construction equipment would be below the distinctly perceptible threshold, groundborne vibration and noise impacts from construction equipment would be less than significant. For blasting, given the distances between residential structures and the water line alignment, blasting vibration would not generate substantial groundborne vibration or noise impacts. Once construction is complete, the water pipeline would not be a source of groundborne vibration or groundborne noise levels. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

In regards to operation of the project, the water pipeline is not expected to generate a substantial amount of operational noise, as all pipelines would be located underground. There would be no overall increase in the severity of noise levels beyond that previously discussed in the 2012 FEIR.

XIII. POPULATION AND HOUSING – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that result in one or more effects to population and housing including displacing substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere?

YES

NO

The 2012 FEIR analyzed population and housing impacts and concluded that the San Diego County General Plan, Fallbrook Community Plan, and the Meadowood Specific Plan Amendment acknowledge the Campus Park, Campus Park West, and Palomar College developments in conjunction with the project. All of this development is addressed in these planning documents, which consider the population growth and housing concerns in relation to development proposed by the project. As the project would provide 886 single- and multi-family housing units, and would not displace any housing, impacts to population and housing were determined to be less than significant. Likewise, the 2012 FEIR determined that the cumulative introduction of housing proposed by the Campus Park and Campus Park West projects would be less than significant.

Meadowood Water Pipeline Infrastructure

The project would construct a water pipeline alignment that would facilitate delivery of water from the Rice Canyon Water Tank to the southwest portion of the RMWD. Design and construction of this line was included on the RMWD CIP list in the 2016 Water and Wastewater Master Plan Update. This pipeline extension does not increase water service to any unserved areas, rather it improves water delivery efficiencies by RMWD. As such, the installation of the pipelines would not induce substantial population growth directly or indirectly.

The water pipeline would be installed within an undeveloped area along a disturbed road. No housing exists within the proposed alignment and no people reside within the project footprint. Therefore, the project would not displace substantial numbers of people or existing housing. Therefore, there would be no overall increase in the severity of impacts to mineral resources beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

XIV. PUBLIC SERVICES – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that result in one or more substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services: fire protection, police protection, schools, parks, or other public facilities?

YES

NO

Public Services (Issue 1): The 2012 FEIR analyzed impacts related to the project's effect on schools, fire and police protection, and solid waste services. The 2012 FEIR concluded that the project would not add demands on public safety and service providers requiring the construction or alteration of existing facilities. Specifically, all school districts that serve the project site have indicated that they would be able to serve the projected student population associated with the project. In addition, the project includes 12.7 acres designated as a school site to serve the projected increase in student population within the Bonsall Union Elementary School District. Likewise, fire protection and law enforcement services are adequate to serve the proposed build-out of the project. With respect to solid waste, the 2012 FEIR concluded that there would be sufficient existing permitted solid waste service capacity to accommodate the project's needs for solid waste disposal.

Meadowood Water Pipeline Infrastructure

The project would not include the addition of housing, schools, or other community facilities that might require additional public services. Construction of the water line would not affect fire or police protection response times, as the pipeline is not located within a road that would be used for emergency response. As such, the project would not require any new or additional fire or police protection facilities. In addition, the project would not result in population growth, and therefore would not induce the need for additional school or park space, or other public facilities. Therefore, there would be no overall increase in the severity of demands on public services beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

XV. RECREATION – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that result in an increase in the use of existing neighborhood and regional parks or other recreational facilities such that substantial

physical deterioration of the facility would occur or be accelerated; or that include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

YES

NO

The 2012 FEIR evaluated whether the project would meet all General Plan or other County requirements for parks. As detailed in the San Diego County General Plan Compliance Report for the Proposed Project (Appendix K of the 2012 FEIR) the project would be consistent with all recreational goals and policies contained within the Fallbrook Community Plan, I-15/SR-76 Master Specific Plan, and County General Plan.

Meadowood Water Pipeline Infrastructure

Development of housing is not proposed as part of the project. The project would not increase population or generate an increase in demand on existing public or private parks or other recreational facilities that would result in or increase physical deterioration of the existing facilities. The project does not include the construction of recreational facilities, nor would it require the expansion of existing recreational facilities, as the project does not include the development of residential or other land uses that would result in an increase in population. Therefore, there would no change to the conclusions in the 2012 FEIR associated with recreation. No new mitigation would be required.

XVI. TRANSPORTATION/TRAFFIC – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause effects to transportation/traffic including: an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system; exceedance, either individually or cumulatively, of a level of service standard established by the county congestion management agency for designated roads or highways; a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks; substantial increase in hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment); inadequate emergency access; inadequate parking capacity; and/or a conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?

YES

NO

Section 2.3 of the 2012 FEIR provides an analysis of transportation/traffic impacts associated with the approved project.

The 2012 FEIR identified that the project would generate a worst-case scenario of 8,740 average daily traffic (ADT). As a result of increased trips, operation of the project was determined to result in direct traffic-related impacts at one intersection at Old Highway 395/Reche Road, and along two segments of SR-76 from Via Monserate to Gird Road and

SR-76 from the I-15 southbound ramp to the I-15 northbound ramp. The project required adoption of Mitigation Measure M-TR-1, which reduced the intersection impact to a less than significant level. In addition, the 2012 FEIR required adoption of Mitigation Measure M-TR-2, which identifies that the Caltrans SR-76 project includes the construction of an additional lane of travel on the SR-76 that would alleviate the impact. Additionally, it was noted that the Caltrans SR-76 project included the widening of this segment of SR-76. However, because the County has no control over the timing of these improvements, the 2012 FEIR determined that traffic impacts along these two road segments would remain significant and unmitigable. As discussed in Chapter 1 and Section 2.3 of the 2012 FEIR, construction-related trips would be managed in a TCP that is required to be approved by the County Department of Public Works prior to the start of grading activity. The approval of a TCP would assure that construction-related traffic impacts would be less than significant.

Cumulative Impacts: The 2012 FEIR determined that cumulative traffic impacts would result at 19 intersections and 14 roadway segments. The 2012 FEIR determined that payment of traffic impact fees would mitigate these cumulative impacts to the 19 intersections and 14 roadway segments to less than significant. However, the 2012 FEIR determined that since multiple projects are proposing development that would change the existing land usages to urban land usage, there would be an increase in traffic related impacts. Although each project would provide design measures, like the project, both direct and cumulative impacts within the region would be unavoidable. Therefore, significant direct and cumulative impacts would remain, and a Statement of Overriding Considerations was required to be adopted to address this significant and unmitigated impact.

Meadowood Water Pipeline Infrastructure

As the project involves construction of a water pipeline, it would not result in additional population growth and any associated increase in ADT levels beyond that anticipated by the 2012 FEIR. As such, operation of the project would not result in direct traffic-related impacts to any roadway segments or intersections, and impacts would be less than significant. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Regarding construction-related traffic impacts, the location of construction activities are remote and would not affect roadways in the surrounding area. The addition of temporary construction-related traffic would not cause a substantial increase in traffic in relation to existing traffic. These trips would be temporary and short-term during project construction. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The project is not located within an airport land use plan or within two miles of a public airport or public use airport, and would not result in a change in air traffic patterns or cause substantial safety risks.

The project does not propose changes to the project area's circulation system that could substantially increase traffic hazards, resulting in a less than significant impact.

The project would not result in an increase in ADT or any unanticipated construction activity beyond that previously discussed in the 2012 FEIR. No new impacts associated with transportation/traffic would occur, and no new mitigation would be required.

XVII. TRIBAL CULTURAL RESOURCES -- Since the previous EIR was certified or previous ND was adopted, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause one or more effects to tribal cultural resources including: causing a change in the significance of a tribal cultural resource as defined in Public Resource Code §21074?

YES

NO

Since the EIR for the Meadowood Specific Plan (PDS2004-3800-04-002 [GPA], PDS2004-3810-04-001 [SP], PDS2004-3600-04-004 [REZ], PDS2004-3100-5354 [TM], PDS2008-3300-08-023 (MUP), PDS2004-3500-04-005 [STP], PDS2004-3500-04-006 [STP], PDS2004-3500-04-007 [STP], PDS2004-3910-04-02-004 [ER]) was certified, there has been a change in circumstances. AB 52 became effective on July 1, 2015. AB-52 requires that tribal cultural resources (TCR) be evaluated under CEQA. The proposed project was evaluated for tribal cultural resources and tribal consultation has occurred. As the proposed off-site water line would not increase the severity of impacts to tribal cultural resources, additional consultation is not required.

Section 3.3 of the 2012 FEIR provides an analysis of cultural resource impacts associated with the approved project.

Archeological Resources and Human Remains (Issues 2, 3, and 4): The 2012 FEIR analyzed impacts to archaeological resources and concluded that development of the project site could result in potentially significant impacts as follows: the loss of a known archaeological site (CA-SDI-682) and/or the loss of previously unrecorded archaeological resources or human remains (Impacts CR-2, CR-3, CR-4, and CR-5). The 2012 FEIR required adoption of Mitigation Measures M-CR-1 through M-CR-4 (capping, temporary fencing, and archaeological monitoring). Implementation of the measures, as conditions of project approval, would reduce significant impacts to less than significant.

Cumulative Impacts: The 2012 FEIR determined that cumulative impacts to cultural resources would be less than significant. The 2012 FEIR concluded that because the project and the impacts associated with the cumulative impact area were examined for their significance, there would be no cumulative loss of information associated with their development. Additionally, if new resources are discovered during development within the cumulative impact area, site-specific measures necessary to evaluate and collect relevant information would occur. Cumulative impacts were therefore determined to be less than significant.

Post approval, site CA-SDI-682 was identified as a TCR. However, as discussed above, AB 52 consultation does not apply to the project. Section 106 consultation was conducted as part of the 404 permit process. Additional measures as part of the 404 permit are required to address the site as a TCR.

Meadowood Water Pipeline Infrastructure

As the project would not result in the potential to increase the severity of impacts to tribal cultural resources, no further consultation is required. The project would not increase the severity of impacts to tribal cultural resources beyond that previously discussed in the 2012 FEIR.

XVIII. UTILITIES AND SERVICE SYSTEMS – Since the previous EIR was certified, are there any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause effects to utilities and service systems including: exceedance of wastewater treatment requirements of the applicable Regional Water Quality Control Board; require or result in the construction of new water or wastewater treatment facilities, new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects; require new or expanded entitlements to water supplies or new water resources to serve the project; result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments; be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs; and/or noncompliance with federal, state, and local statutes and regulations related to solid waste?

YES

NO

Section 4.6 of the 2012 FEIR provides an analysis of utilities associated with the approved project.

Public Utilities (Issue 1): The previously certified 2012 FEIR analyzed impacts related to the project's effect on the provision of water and wastewater services required for project development, as well as service providers and facilities needed to meet this demand. The 2012 FEIR concluded that the project would not add demands on public utilities requiring the construction or alteration of existing facilities. Specifically, the Water Supply and Verification Report, and Wastewater Service Alternative Study prepared for the project (Appendices N-2 and N-3 of the 2012 FEIR) determined there would be adequate water supply and wastewater services to support the project.

Meadowood Water Pipeline Infrastructure

The project includes the construction of a water pipeline. No additional off-site facilities are proposed to serve the Meadowood development that would result in additional significant environmental effects. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The project is not anticipated to generate a significant increase in the amount of runoff water as no new impervious surfaces are proposed. The pipelines would be installed underground, and all disturbed areas would be returned to their existing condition. Water would continue to percolate into the ground and therefore, the project would not require additional storm drain

facilities. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

The project would require minimal water for dust control during construction, and does not include any landscaping. Therefore, no new or expanded entitlement would be needed. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

No additional demand would be placed on solid waste facilities compared to that anticipated under the 2012 FEIR. Construction and demolition waste would be deposited at a permitted waste facility in compliance with federal, state, and local statutes and regulations related to solid waste. All solid waste facilities, including landfills, require solid waste facility permits to operate. In San Diego County, the County Department of Environmental Health, as the Local Enforcement Agency, issues solid waste facility permits with concurrence from the California Integrated Waste Management Board under the authority of the PRC (Sections 44001-44018) and California Code of Regulations Title 27, Division 2, Subdivision 1, Chapter 4 (Section 21440 et seq.). There are four permitted active landfills in San Diego County with remaining capacity. Therefore, there is sufficient existing permitted solid waste capacity to accommodate the project's solid waste disposal needs. There would be no overall increase in the severity of impacts beyond that previously discussed in the 2012 FEIR.

Therefore, there would not be an overall increase in the severity of demands on public services beyond that previously discussed in the 2012 FEIR. No new mitigation would be required.

5.0 Mitigation, Monitoring, and Reporting Program Incorporated into the Project

The Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Line shall be required to comply with applicable mitigation measures outlined within the MMRP of the previously certified EIR (EIR No. 04-02-004; SCH No. 2004051028). The following MMRP identifies measures that specifically apply to this project. Where measures are shown with strikeout, those portions of the original mitigation measure are not applicable either because they were already implemented or not applicable to installation of the water pipeline.

Biological Resources

M-BR-3b: Direct impacts on the California gnatcatcher shall be mitigated by the following measures to be implemented by the project applicant:

- ~~a. Direct impacts to California gnatcatcher shall be mitigated in accordance with M-BR-2.~~
- ~~b. A qualified biologist shall supervise the placement of orange construction fencing or equivalent along the boundary of the development area as shown on the approved grading plans. The location and design for fencing shall be recommended and subsequently installed by a qualified biologist.~~

c. To avoid impacts to nesting gnatcatchers, vegetation clearing and grubbing within 500 feet of coastal sage scrub shall not occur in potential nesting habitat during the breeding season from February 15 through August 31. If project construction (other than clearing and grubbing of sensitive habitats) is necessary adjacent to preserved on and off-site habitat during the gnatcatcher breeding (or sooner if a Wildlife Agency-approved biologist demonstrates to the satisfaction of the Wildlife Agencies that all nesting is complete), a Wildlife Agency approved biologist shall conduct pre-construction surveys in the adjacent habitat to determine the location of any active gnatcatcher nests in the area. The survey shall begin not more than three days prior to the beginning of construction activities. The Agencies shall be notified if any nesting gnatcatchers are found. During construction, no activity shall occur within 500 feet (152.4 meters) of active gnatcatcher nesting territories, unless measures are implemented to minimize the noise and disturbance to those adjacent birds. Exceptions to this measure include cases where surveys confirm that adjacent habitat is not occupied or where noise studies confirm that construction noise levels are below 60 A-weighted decibels hourly noise level [dB(A) L_{eq}] along the edge of adjacent habitat. If construction activities are not completed prior to the breeding season and noise levels exceed this threshold, noise barriers shall be erected to reduce noise impacts to occupied habitat to below 60 dBA hourly L_{eq} and/or the culpable activities will be suspended.

M-BR-11: Impacts to nesting birds shall be mitigated through the following measures:

a. Native and naturalized vegetation clearing shall not occur during the breeding season from February 15 to September 15; However, Project construction activities may occur within this period with written concurrence from the RMWD Director of the Department of Planning and Land Use (DPLU), the USFWS, and the CDFW that nesting birds would be avoided. If vegetation removal is to take place during the nesting season, a biologist shall be present during vegetation clearing operations to search for and flag active nests so that they can be avoided.

b. To avoid impacts to nesting raptors, any vegetation clearing or grubbing within 500 feet of trees suitable for raptor nesting shall not occur from February 1 to July 15. However, Project construction activities may occur within this period with written concurrence from the RMWD the Director of the Department of Planning and Land Use (DPLU), the USFWS, and the CDFW that nesting birds would be avoided. A RMWD County-approved biologist shall conduct pre-construction surveys in the adjacent habitat to determine the location of any active raptor nests in the area. The survey shall begin not more than ten days prior to the beginning of construction activities. During construction, no activity shall occur within 500 feet (152.4 meters) of active raptor nests, unless measures are implemented to minimize the noise and disturbance to those adjacent birds. The project proponent may seek approval from the RMWD Director of DPLU if nesting activities cease prior to July 15.

~~e. Potential impacts to nesting California gnatcatcher, least Bell's vireo, and southern willow flycatcher will be implemented through agency permitting and with M-BR-3b(e), M-BR-5b(e), and M-BR-7b(e).~~

6.0 Sources Consulted

California Air Pollution Control Officers (CAPCOA)

- 2008 CEQA & Climate Change. Accessed February 26, 2020 at:
<http://www.capcoa.org/wp-content/uploads/downloads/2010/05/CAPCOA-White-Paper.pdf>.

California Department of Resources Recycling and Recovery

- 2017 SWIS Facility/Site Search. Accessed February 26, 2020 at:
<http://www.calrecycle.ca.gov/swfacilities/directory/search.aspx>.

Natural Resource Consultants (NRC)

- 2009 Biological Technical Report – Meadowood, San Diego, San Diego County, California. July.

Office of Environmental Health Hazard Assessment (OEHHA)

- 2015 Air Toxics Hot Spots Program Guidance Manual for the Preparation of Risk Assessments (Guidance Manual). Accessed February 26, 2020 at:
<https://oehha.ca.gov/media/downloads/crnrr/2015guidancemanual.pdf>.

Sacramento Metropolitan Air Quality Management District (SMAQMD)

- 2016 Road Construction Emissions Model, Version 9.0.

San Diego, County of

- 2009 Multiple Species Conservation Program, North County Plan. Accessed March 26, 2020 at: <https://www.sandiegocounty.gov/content/sdc/pds/mscp/nc.html>.
- 2011 County of San Diego 2011 Consolidated Fire Code, 6th Edition. Accessed February 26, 2020 at: <http://www.sandiegocounty.gov/pds/docs/cosd-fire-code.pdf>.
- 2014 Farmland Mapping and Monitoring Program, Important Farmland Mapping Series GIS Data.

U.S. Fish and Wildlife Service (USFWS)

- 1997 Coastal California Gnatcatcher (*Poliophtila californica californica*) Presence/Absence Survey Protocol. July 28.

APPENDICES

APPENDIX A

Air Quality

Road Construction Emissions Model, Version 9.0.0

Daily Emission Estimates for -> Rice Canyon Transmission Pipeline														
Project Phases (Pounds)	ROG (lbs/day)	CO (lbs/day)	NOx (lbs/day)	Total PM10 (lbs/day)	Exhaust PM10 (lbs/day)	Fugitive Dust PM10 (lbs/day)	Total PM2.5 (lbs/day)	Exhaust PM2.5 (lbs/day)	Fugitive Dust PM2.5 (lbs/day)	SOx (lbs/day)	CO2 (lbs/day)	CH4 (lbs/day)	N2O (lbs/day)	CO2e (lbs/day)
Grubbing/Land Clearing	2.06	16.12	18.16	1.02	0.89	0.14	0.83	0.80	0.03	0.04	3,897.07	1.20	0.04	3,938.68
Grading/Excavation	2.17	17.80	18.52	1.09	0.96	0.14	0.86	0.83	0.03	0.05	4,469.04	1.21	0.07	4,520.28
Drainage/Utilities/Sub-Grade	2.12	17.00	18.24	1.06	0.92	0.14	0.84	0.81	0.03	0.04	4,139.35	1.20	0.05	4,183.16
Paving	2.09	16.67	18.21	0.91	0.91	0.00	0.81	0.81	0.00	0.04	4,048.50	1.20	0.04	4,091.48
Maximum (pounds/day)	2.17	17.80	18.52	1.09	0.96	0.14	0.86	0.83	0.03	0.05	4,469.04	1.21	0.07	4,520.28
Total (tons/construction project)	0.07	0.57	0.61	0.03	0.03	0.00	0.03	0.03	0.00	0.00	140.25	0.04	0.00	141.79

Notes: Project Start Year -> 2021
 Project Length (months) -> 3
 Total Project Area (acres) -> 3
 Maximum Area Disturbed/Day (acres) -> 0
 Water Truck Used? -> No

Phase	Total Material Imported/Exported Volume (yd ³ /day)		Daily VMT (miles/day)			
	Soil	Asphalt	Soil Hauling	Asphalt Hauling	Worker Commute	Water Truck
Grubbing/Land Clearing	0	0	0	0	280	0
Grading/Excavation	20	0	30	0	880	0
Drainage/Utilities/Sub-Grade	0	0	0	0	600	0
Paving	0	0	0	0	480	0

PM10 and PM2.5 estimates assume 50% control of fugitive dust from watering and associated dust control measures if a minimum number of water trucks are specified.

Total PM10 emissions shown in column F are the sum of exhaust and fugitive dust emissions shown in columns G and H. Total PM2.5 emissions shown in Column I are the sum of exhaust and fugitive dust emissions shown in columns J and K.

CO2e emissions are estimated by multiplying mass emissions for each GHG by its global warming potential (GWP), 1, 25 and 298 for CO2, CH4 and N2O, respectively. Total CO2e is then estimated by summing CO2e estimates over all GHGs.

Total Emission Estimates by Phase for -> Rice Canyon Transmission Pipeline														
Project Phases (Tons for all except CO2e. Metric tonnes for CO2e)	ROG (tons/phase)	CO (tons/phase)	NOx (tons/phase)	Total PM10 (tons/phase)	Exhaust PM10 (tons/phase)	Fugitive Dust PM10 (tons/phase)	Total PM2.5 (tons/phase)	Exhaust PM2.5 (tons/phase)	Fugitive Dust PM2.5 (tons/phase)	SOx (tons/phase)	CO2 (tons/phase)	CH4 (tons/phase)	N2O (tons/phase)	CO2e (MT/phase)
Grubbing/Land Clearing	0.01	0.05	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.86	0.00	0.00	11.79
Grading/Excavation	0.03	0.26	0.28	0.02	0.01	0.00	0.01	0.01	0.00	0.00	66.37	0.02	0.00	60.90
Drainage/Utilities/Sub-Grade	0.02	0.17	0.18	0.01	0.01	0.00	0.01	0.01	0.00	0.00	40.98	0.01	0.00	37.57
Paving	0.01	0.08	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.04	0.01	0.00	18.37
Maximum (tons/phase)	0.03	0.26	0.28	0.02	0.01	0.00	0.01	0.01	0.00	0.00	66.37	0.02	0.00	60.90
Total (tons/construction project)	0.07	0.57	0.61	0.03	0.03	0.00	0.03	0.03	0.00	0.00	140.25	0.04	0.00	128.63

PM10 and PM2.5 estimates assume 50% control of fugitive dust from watering and associated dust control measures if a minimum number of water trucks are specified.

Total PM10 emissions shown in column F are the sum of exhaust and fugitive dust emissions shown in columns G and H. Total PM2.5 emissions shown in Column I are the sum of exhaust and fugitive dust emissions shown in columns J and K.

CO2e emissions are estimated by multiplying mass emissions for each GHG by its global warming potential (GWP), 1, 25 and 298 for CO2, CH4 and N2O, respectively. Total CO2e is then estimated by summing CO2e estimates over all GHGs.

The CO2e emissions are reported as metric tons per phase.

Road Construction Emissions Model
Data Entry Worksheet

Note: Required data input sections have a yellow background.
Optional data input sections have a blue background. Only areas with a yellow or blue background can be modified. Program defaults have a white background.
The user is required to enter information in cells D10 through D24, E28 through G35, and D38 through D41 for all project types.
Please use "Clear Data Input & User Overrides" button first before changing the Project Type or begin a new project.

Input Type

Project Name: Rice Canyon Transmission Pipeline

Construction Start Year: 2021

Project Type: 4

Project Construction Time: 3.00 months

Working Days per Month: 22.00 days (assume 22 if unknown)

Predominant Soil/Site Type: Enter 1, 2, or 3
(for project within "Sacramento County", follow soil type selection instructions in cells E18 to E20 otherwise see instructions provided in cells J18 to J22)

Project Length: 0.85 miles


Total Project Area: 3.10 acres

Maximum Area Disturbed/Day: 0.01 acres

Water Trucks Used?: 2

Version 9.0.0

To begin a new project, click this button to clear data previously entered. This button will only work if you opted not to disable macros when loading this spreadsheet.



Enter a Year between 2014 and 2040 (inclusive)

1) New Road Construction : Project to build a roadway from bare ground, which generally requires more site preparation than widening an existing roadway
2) Road Widening : Project to add a new lane to an existing roadway
3) Bridge/Overpass Construction : Project to build an elevated roadway, which generally requires some different equipment than a new roadway, such as a crane
4) Other Linear Project Type: Non-roadway project such as a pipeline, transmission line, or levee construction

1) Sand Gravel : Use for quaternary deposits (Delta/West County)
2) Weathered Rock-Earth : Use for Laguna formation (Jackson Highway area) or the lone formation (Scott Road, Rancho Murieta)
3) Blasted Rock : Use for Salt Springs Slate or Copper Hill Volcanics (Folsom South of Highway 50, Rancho Murieta)

1. Yes
2. No

Please note that the soil type instructions provided in cells E18 to E20 are specific to Sacramento County. Maps available from the California Geologic Survey (see weblink below) can be used to determine soil type outside Sacramento County.

http://www.conservation.ca.gov/cgs/information/geologic_mapping/Pages/googlemaps.aspx#regionalseries

Material Hauling Quantity Input

Material Type	Phase	Haul Truck Capacity (yd ³) (assume 20 if unknown)	Import Volume (yd ³ /day)	Export Volume (yd ³ /day)
Soil	Grubbing/Land Clearing			
	Grading/Excavation	20.00		20.00
	Drainage/Utilities/Sub-Grade			
	Paving			
Asphalt	Grubbing/Land Clearing			
	Grading/Excavation			
	Drainage/Utilities/Sub-Grade			
	Paving			

Mitigation Options

On-road Fleet Emissions Mitigation:

Off-road Equipment Emissions Mitigation:

Select "2010 and Newer On-road Vehicles Fleet" option when the on-road heavy-duty truck fleet for the project will be limited to vehicles of model year 2010 or newer
Select "20% NOx and 45% Exhaust PM reduction" option if the project will be required to use a lower emitting off-road construction fleet. The SMAQMD Construction Mitigation Calculator can be used to confirm compliance with this mitigation measure (<http://www.airquality.org/Businesses/CEQA-Land-Use-Planning/Mitigation>).
Select "Tier 4 Equipment" option if some or all off-road equipment used for the project meets CARB Tier 4 Standard

The remaining sections of this sheet contain areas that require modification when 'Other Project Type' is selected.

Note: The program's estimates of construction period phase length can be overridden in cells D50 through D53, and F50 through F53.

Construction Periods	User Override of Construction Months	Program Calculated Months	User Override of Phase Starting Date	Program Default Phase Starting Date
Grubbing/Land Clearing		0.30		1/1/2021
Grading/Excavation		1.35		1/11/2021
Drainage/Utilities/Sub-Grade		0.90		2/22/2021
Paving		0.45		3/22/2021
Totals (Months)		3		

Note: Soil Hauling emission default values can be overridden in cells D61 through D64, and F61 through F64.

Soil Hauling Emissions		User Override of Miles/Round Trip	Program Estimate of Miles/Round Trip	User Override of Truck Round Trips/Day	Default Values Round Trips/Day	Calculated Daily VMT				
User Input										
Miles/round trip: Grubbing/Land Clearing		30.00			0	0.00				
Miles/round trip: Grading/Excavation		30.00		1	1	30.00				
Miles/round trip: Drainage/Utilities/Sub-Grade		30.00			0	0.00				
Miles/round trip: Paving		30.00			0	0.00				
Emission Rates										
	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
Grubbing/Land Clearing (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Grading/Excavation (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Drainage/Utilities/Sub-Grade (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Paving (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Grubbing/Land Clearing (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grading/Excavation (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Drainage/Utilities/Sub-Grade (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paving (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hauling Emissions										
Pounds per day - Grubbing/Land Clearing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tons per const. Period - Grubbing/Land Clearing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pounds per day - Grading/Excavation	0.00	0.03	0.21	0.01	0.00	0.00	117.68	0.00	0.02	123.20
Tons per const. Period - Grading/Excavation	0.00	0.00	0.00	0.00	0.00	0.00	1.75	0.00	0.00	1.83
Pounds per day - Drainage/Utilities/Sub-Grade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tons per const. Period - Drainage/Utilities/Sub-Grade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pounds per day - Paving	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tons per const. Period - Paving	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total tons per construction project	0.00	0.00	0.00	0.00	0.00	0.00	1.75	0.00	0.00	1.83

Note: Asphalt Hauling emission default values can be overridden in cells D91 through D94, and F91 through F94.

Asphalt Hauling Emissions		User Override of Miles/Round Trip	Program Estimate of Miles/Round Trip	User Override of Truck Round Trips/Day	Default Values Round Trips/Day	Calculated Daily VMT				
User Input										
Miles/round trip: Grubbing/Land Clearing					0	0.00				
Miles/round trip: Grading/Excavation					0	0.00				
Miles/round trip: Drainage/Utilities/Sub-Grade					0	0.00				
Miles/round trip: Paving					0	0.00				
Emission Rates										
	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
Grubbing/Land Clearing (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Grading/Excavation (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Drainage/Utilities/Sub-Grade (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Paving (grams/mile)	0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69
Grubbing/Land Clearing (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grading/Excavation (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Drainage/Utilities/Sub-Grade (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paving (grams/trip)	0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Emissions										
Pounds per day - Grubbing/Land Clearing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tons per const. Period - Grubbing/Land Clearing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pounds per day - Grading/Excavation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tons per const. Period - Grading/Excavation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pounds per day - Drainage/Utilities/Sub-Grade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tons per const. Period - Drainage/Utilities/Sub-Grade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pounds per day - Paving	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tons per const. Period - Paving	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total tons per construction project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note: Worker commute default values can be overridden in cells D121 through D126.

Worker Commute Emissions		User Override of Worker Commute Default Values		Default Values		Calculated					
User Input						Daily Trips	Daily VMT				
Miles/ one-way trip		20									
One-way trips/day		2									
No. of employees: Grubbing/Land Clearing		7				14	280.00				
No. of employees: Grading/Excavation		22				44	880.00				
No. of employees: Drainage/Utilities/Sub-Grade		15				30	600.00				
No. of employees: Paving		12				24	480.00				
Emission Rates											
		ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
Grubbing/Land Clearing (grams/mile)		0.02	1.10	0.10	0.05	0.02	0.00	339.80	0.00	0.01	342.28
Grading/Excavation (grams/mile)		0.02	1.10	0.10	0.05	0.02	0.00	339.80	0.00	0.01	342.28
Drainage/Utilities/Sub-Grade (grams/mile)		0.02	1.10	0.10	0.05	0.02	0.00	339.80	0.00	0.01	342.28
Paving (grams/mile)		0.02	1.10	0.10	0.05	0.02	0.00	339.80	0.00	0.01	342.28
Grubbing/Land Clearing (grams/trip)		1.18	2.95	0.34	0.00	0.00	0.00	72.81	0.08	0.04	85.39
Grading/Excavation (grams/trip)		1.18	2.95	0.34	0.00	0.00	0.00	72.81	0.08	0.04	85.39
Drainage/Utilities/Sub-Grade (grams/trip)		1.18	2.95	0.34	0.00	0.00	0.00	72.81	0.08	0.04	85.39
Paving (grams/trip)		1.18	2.95	0.34	0.00	0.00	0.00	72.81	0.08	0.04	85.39
Emissions											
		ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
Pounds per day - Grubbing/Land Clearing		0.05	0.77	0.07	0.03	0.01	0.00	212.00	0.01	0.01	213.92
Tons per const. Period - Grubbing/Land Clearing		0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	0.71
Pounds per day - Grading/Excavation		0.15	2.42	0.22	0.09	0.04	0.01	666.29	0.02	0.02	672.33
Tons per const. Period - Grading/Excavation		0.00	0.04	0.00	0.00	0.00	0.00	9.89	0.00	0.00	9.98
Pounds per day - Drainage/Utilities/Sub-Grade		0.10	1.65	0.15	0.06	0.03	0.00	454.29	0.01	0.01	458.41
Tons per const. Period - Drainage/Utilities/Sub-Grade		0.00	0.02	0.00	0.00	0.00	0.00	4.50	0.00	0.00	4.54
Pounds per day - Paving		0.08	1.32	0.12	0.05	0.02	0.00	363.43	0.01	0.01	366.73
Tons per const. Period - Paving		0.00	0.01	0.00	0.00	0.00	0.00	1.80	0.00	0.00	1.82
Total tons per construction project		0.00	0.06	0.01	0.00	0.00	0.00	16.89	0.00	0.00	17.04

Note: Water Truck default values can be overridden in cells D153 through D156, I153 through I156, and F153 through F156.

Water Truck Emissions		User Override of Program Estimate of		User Override of Truck		Default Values		Calculated		User Override of		Default Values		Calculated	
User Input		Default # Water Trucks	Number of Water Trucks	Round Trips/Vehicle/Day	Round Trips/Vehicle/Day	Trips/day	Miles/Round Trip	Miles/Round Trip	Daily VMT	Miles/Round Trip	Miles/Round Trip	Daily VMT			
Grubbing/Land Clearing - Exhaust									0.00						
Grading/Excavation - Exhaust									0.00						
Drainage/Utilities/Subgrade									0.00						
Paving									0.00						
Emission Rates															
		ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e				
Grubbing/Land Clearing (grams/mile)		0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69				
Grading/Excavation (grams/mile)		0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69				
Drainage/Utilities/Sub-Grade (grams/mile)		0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69				
Paving (grams/mile)		0.04	0.42	3.06	0.11	0.05	0.02	1,779.29	0.00	0.28	1,862.69				
Grubbing/Land Clearing (grams/trip)		0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Grading/Excavation (grams/trip)		0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Drainage/Utilities/Sub-Grade (grams/trip)		0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Paving (grams/trip)		0.00	0.00	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Emissions															
		ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e				
Pounds per day - Grubbing/Land Clearing		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Tons per const. Period - Grubbing/Land Clearing		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Pounds per day - Grading/Excavation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Tons per const. Period - Grading/Excavation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Pounds per day - Drainage/Utilities/Sub-Grade		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Tons per const. Period - Drainage/Utilities/Sub-Grade		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Pounds per day - Paving		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Tons per const. Period - Paving		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Total tons per construction project		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				

Note: Fugitive dust default values can be overridden in cells D183 through D185.

Fugitive Dust		User Override of Max		Default		PM10		PM2.5	
		Acreage Disturbed/Day	Maximum Acreage/Day	pounds/day	tons/per period	pounds/day	tons/per period		
Fugitive Dust - Grubbing/Land Clearing				0.14	0.00	0.03	0.00		
Fugitive Dust - Grading/Excavation				0.14	0.00	0.03	0.00		
Fugitive Dust - Drainage/Utilities/Subgrade				0.14	0.00	0.03	0.00		

Values in cells D195 through D228, D246 through D279, D297 through D330, and D348 through D381 are required when 'Other Project Type' is selected.

Off-Road Equipment Emissions													
Grubbing/Land Clearing	Default	Mitigation Option	Default	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
	Number of Vehicles	Override of											
Override of Default Number of Vehicles	Program-estimate	Default Equipment Tier (applicable only when "Tier 4 Mitigation" Option Selected)	Equipment Tier	Type	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day
		Model Default Tier	Aerial Lifts		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Air Compressors		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Bore/Drill Rigs		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Cement and Mortar Mixers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Concrete/Industrial Saws		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Cranes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Crawler Tractors		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Crushing/Proc. Equipment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00		Model Default Tier	Excavators		0.23	3.27	2.15	0.10	0.10	0.01	500.19	0.16	505.59
		Model Default Tier	Forklifts		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Generator Sets		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Graders		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Off-Highway Tractors		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.00		Model Default Tier	Off-Highway Trucks		1.21	7.21	10.53	0.39	0.36	0.03	2,557.05	0.83	2,584.59
		Model Default Tier	Other Construction Equipment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Other General Industrial Equipm		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Other Material Handling Equipm		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Pavers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Paving Equipment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Plate Compactors		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Pressure Washers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Pumps		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Rollers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Rough Terrain Forklifts		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Rubber Tired Dozers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Rubber Tired Loaders		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Scrapers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Signal Boards		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Skid Steer Loaders		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Surfacing Equipment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Model Default Tier	Sweepers/Scrubbers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00		Model Default Tier	Tractors/Loaders/Backhoes		0.19	2.26	1.90	0.11	0.10	0.00	300.90	0.10	304.14
1.00		Model Default Tier	Trenchers		0.38	2.61	3.51	0.25	0.23	0.00	326.92	0.11	330.44
		Model Default Tier	Welders		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
User-Defined Off-road Equipment													
If non-default vehicles are used, please provide information in 'Non-default Off-road Equipment' tab													
Number of Vehicles	Equipment Tier	Type	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Grubbing/Land Clearing	pounds per day	2.01	15.35	18.09	0.86	0.79	0.04	3,685.06	1.19	0.03	3,724.76	
	Grubbing/Land Clearing	tons per phase	0.01	0.05	0.06	0.00	0.00	0.00	12.16	0.00	0.00	12.29	

Grading/Excavation		Default Number of Vehicles	Mitigation Option Override of	Default	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
Override of Default Number of Vehicles	Program-estimate	Default Equipment Tier (applicable only when "Tier 4 Mitigation" Option Selected)	Equipment Tier	Type	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day
			Model Default Tier	Aerial Lifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Air Compressors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Bore/Drill Rigs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Cement and Mortar Mixers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Concrete/Industrial Saws	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Cranes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Crawler Tractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Crushing/Proc. Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00			Model Default Tier	Excavators	0.23	3.27	2.15	0.10	0.10	0.01	500.19	0.16	0.00	505.59
			Model Default Tier	Forklifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Generator Sets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Graders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Off-Highway Tractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.00			Model Default Tier	Off-Highway Trucks	1.21	7.21	10.53	0.39	0.36	0.03	2,557.05	0.83	0.02	2,584.59
			Model Default Tier	Other Construction Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Other General Industrial Equipm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Other Material Handling Equipm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pavers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Paving Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Plate Compactors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pressure Washers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pumps	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rollers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rough Terrain Forklifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rubber Tired Dozers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rubber Tired Loaders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Scrapers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Signal Boards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Skid Steer Loaders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Surfacing Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Sweepers/Scrubbers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00			Model Default Tier	Tractors/Loaders/Backhoes	0.19	2.26	1.90	0.11	0.10	0.00	300.90	0.10	0.00	304.14
1.00			Model Default Tier	Trenchers	0.38	2.61	3.51	0.25	0.23	0.00	326.92	0.11	0.00	330.44
			Model Default Tier	Welders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
User-Defined Off-road Equipment					ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
Number of Vehicles		Equipment Tier			pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day
0.00		N/A			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		N/A			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		N/A			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		N/A			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		N/A			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		N/A			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		N/A			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Grading/Excavation				pounds per day	2.01	15.35	18.09	0.86	0.79	0.04	3,685.06	1.19	3,724.76
	Grading/Excavation				tons per phase	0.03	0.23	0.27	0.01	0.01	0.00	54.72	0.02	55.31

Drainage/Utilities/Subgrade		Default Number of Vehicles	Mitigation Option Override of Default	Default	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
Override of Default Number of Vehicles	Program-estimate	Default Equipment Tier (applicable only when "Tier 4 Mitigation" Option Selected)	Equipment Tier		pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day
			Model Default Tier	Aerial Lifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Air Compressors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Bore/Drill Rigs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Cement and Mortar Mixers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Concrete/Industrial Saws	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Cranes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Crawler Tractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Crushing/Proc. Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00			Model Default Tier	Excavators	0.23	3.27	2.15	0.10	0.10	0.01	500.19	0.16	0.00	505.59
			Model Default Tier	Forklifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Generator Sets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Graders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Off-Highway Tractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.00			Model Default Tier	Off-Highway Trucks	1.21	7.21	10.53	0.39	0.36	0.03	2,557.05	0.83	0.02	2,584.59
			Model Default Tier	Other Construction Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Other General Industrial Equipm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Other Material Handling Equipm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pavers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Paving Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Plate Compactors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pressure Washers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pumps	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rollers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rough Terrain Forklifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rubber Tired Dozers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rubber Tired Loaders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Scrapers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Signal Boards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Skid Steer Loaders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Surfacing Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Sweepers/Scrubbers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00			Model Default Tier	Tractors/Loaders/Backhoes	0.19	2.26	1.90	0.11	0.10	0.00	300.90	0.10	0.00	304.14
1.00			Model Default Tier	Trenchers	0.38	2.61	3.51	0.25	0.23	0.00	326.92	0.11	0.00	330.44
			Model Default Tier	Welders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
User-Defined Off-road Equipment				<i>If non-default vehicles are used, please provide information in 'Non-default Off-road Equipment' tab</i>										
Number of Vehicles	Equipment Tier	Type	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	Drainage/Utilities/Sub-Grade	pounds per day	2.01	15.35	18.09	0.86	0.79	0.04	3,685.06	1.19	0.03	3,724.76		
	Drainage/Utilities/Sub-Grade	tons per phase	0.02	0.15	0.18	0.01	0.01	0.00	36.48	0.01	0.00	36.88		

Paving	Default		Mitigation Option		ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e
	Number of Vehicles	Override of	Default	Equipment Tier										
Override of Default Number of Vehicles	Program-estimate	Default Equipment Tier (applicable only when "Tier 4 Mitigation" Option Selected)	Equipment Tier	Type	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day	pounds/day
			Model Default Tier	Aerial Lifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Air Compressors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Bore/Drill Rigs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Cement and Mortar Mixers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Concrete/Industrial Saws	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Cranes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Crawler Tractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Crushing/Proc. Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00			Model Default Tier	Excavators	0.23	3.27	2.15	0.10	0.10	0.01	500.19	0.16	0.00	505.59
			Model Default Tier	Forklifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Generator Sets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Graders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Off-Highway Tractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.00			Model Default Tier	Off-Highway Trucks	1.21	7.21	10.53	0.39	0.36	0.03	2,557.05	0.83	0.02	2,584.59
			Model Default Tier	Other Construction Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Other General Industrial Equipm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Other Material Handling Equipm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pavers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Paving Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Plate Compactors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pressure Washers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Pumps	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rollers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rough Terrain Forklifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rubber Tired Dozers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Rubber Tired Loaders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Scrapers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Signal Boards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Skid Steer Loaders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Surfacing Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Model Default Tier	Sweepers/Scrubbers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00			Model Default Tier	Tractors/Loaders/Backhoes	0.19	2.26	1.90	0.11	0.10	0.00	300.90	0.10	0.00	304.14
1.00			Model Default Tier	Trenchers	0.38	2.61	3.51	0.25	0.23	0.00	326.92	0.11	0.00	330.44
			Model Default Tier	Welders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
User-Defined Off-road Equipment					<i>If non-default vehicles are used, please provide information in 'Non-default Off-road Equipment' tab</i>									
Number of Vehicles	Equipment Tier	Type	ROG	CO	NOx	PM10	PM2.5	SOx	CO2	CH4	N2O	CO2e		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	N/A		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	Paving	pounds per day	2.01	15.35	18.09	0.86	0.79	0.04	3,685.06	1.19	0.03	3,724.76		
	Paving	tons per phase	0.01	0.08	0.09	0.00	0.00	0.00	18.24	0.01	0.00	18.44		
Total Emissions all Phases (tons per construction period) =>			0.07	0.51	0.60	0.03	0.03	0.00	121.61	0.04	0.00	122.92		

Equipment default values for horsepower and hours/day can be overridden in cells D403 through D436 and F403 through F436.

Equipment	User Override of Horsepower	Default Values Horsepower	User Override of Hours/day	Default Values Hours/day
Aerial Lifts		63		8
Air Compressors		78		8
Bore/Drill Rigs		221		8
Cement and Mortar Mixers		9		8
Concrete/Industrial Saws		81		8
Cranes		231		8
Crawler Tractors		212		8
Crushing/Proc. Equipment		85		8
Excavators		158		8
Forklifts		89		8
Generator Sets		84		8
Graders		187		8
Off-Highway Tractors		124		8
Off-Highway Trucks		402		8
Other Construction Equipment		172		8
Other General Industrial Equipment		88		8
Other Material Handling Equipment		168		8
Pavers		130		8
Paving Equipment		132		8
Plate Compactors		8		8
Pressure Washers		13		8
Pumps		84		8
Rollers		80		8
Rough Terrain Forklifts		100		8
Rubber Tired Dozers		247		8
Rubber Tired Loaders		203		8
Scrapers		367		8
Signal Boards		6		8
Skid Steer Loaders		65		8
Surfacing Equipment		263		8
Sweepers/Scrubbers		64		8
Tractors/Loaders/Backhoes		97		8
Trenchers		78		8
Welders		46		8

END OF DATA ENTRY SHEET

APPENDIX B
Biological Resources Report
(Under Separate Cover)

APPENDIX C

Meadowood Project Open Space Easement

RECORDING REQUESTED BY DEPARTMENT OF GENERAL SERVICES FOR THE BENEFIT OF THE COUNTY OF SAN DIEGO PER GOVERNMENT CODE SECTION 27383

WHEN RECORDED, PLEASE RETURN THIS INSTRUMENT TO:

(MAIL STATION A45)

Clerk, Board of Supervisors
San Diego County Administration Center
1600 Pacific Highway
San Diego, California 92101

THE ORIGINAL OF THIS DOCUMENT
WAS RECORDED ON OCT 30, 2014
DOCUMENT NUMBER 2014-0472865
Ernest J. Dronenburg, Jr., COUNTY RECORDER
SAN DIEGO COUNTY RECORDER'S OFFICE
TIME: 2:50 PM

SPACE ABOVE FOR RECORDER'S USE ONLY

OPEN SPACE EASEMENT (Biological Resources)

NO TRANSFER TAX DUE
Assessor's Parcel No.: 108-120-52: 108-122-03, 08, 09, 15 & 19

Project: VTM 5354 RPL⁴ Meadowood
W.O. No.: Manded 1018019-2014-0166
Parcel No.: 2014-0166-A
Log No.: E14-051

PARDEE HOMES, a California Corporation,

the undersigned, herein designated **GRANTOR**, owner of the hereinafter described lands, for a valuable consideration, the receipt of which is hereby acknowledged, hereby grants to the **COUNTY OF SAN DIEGO**, a political subdivision of the State of California, its successors and assigns hereinafter designated **GRANTEE**, a perpetual open space easement for the protection of sensitive biological resources and prohibits all of the following on any portion of the land subject to said easement: grading; excavation; placement of soil, sand, rock, gravel, or other material; clearing of vegetation; construction, erection, or placement of any building or structure; vehicular activities; trash dumping; or use for any purpose other than as open space. The Property shall be maintained in its natural state that is not now and will not in the future be supplied water, including any water use for landscaping or irrigation purposes; Grantor represents that no water service has been provided and no water has been delivered by any public or private water purveyor for use on the Property; and that Grantor has no plans, intentions or expectations to obtain water service or delivery of water from a public water system, publicly or privately owned, for use on the Property (the "Water Use Prohibition"). Granting of this open space authorizes the County and its agents to periodically access the land to perform management and monitoring activities for the purposes of species and habitat conservation.

The exceptions to this prohibition are:

1. Selective clearing of vegetation by hand to the extent required by written order of the fire authorities for the express purpose of reducing an identified fire hazard. While clearing for fire management is not anticipated with the creation of this easement, such clearing may be deemed necessary in the future for the safety of lives and property. All fire clearing shall be pursuant to the Uniform Fire Code and the Memorandum of Understanding dated February 26, 1997 between the wildlife agencies and the fire districts and any subsequent amendments thereto.
2. Activities conducted pursuant to a revegetation or habitat management plan approved in writing by the Director of Planning & Development Services or the Director of the Department of Parks and Recreation (related to Trails) or the Director of the Department of Public Works for the County of San Diego.
3. Vegetation removal or application of chemicals for vector control purposes where expressly required by written order of the Department of Environmental Health of the County of San Diego.
4. Construction, use and maintenance of multi-use, non-motorized trails, as shown on VTM 5354 RPL⁴.
5. Activities for the maintenance and repairs of landscaping pursuant to the approved Landscaping Plan. Such activities shall be approved in advance by the Director of Planning & Development Services and the Director of Parks and Recreation.

6. Construction, use and maintenance of underground storm drainage facilities, underground utilities, those certain easements for right-of-way, and that certain easement for water tank and related water pipelines, appurtenant to the adjacent property as reserved to Pankey Ranch, L.P. per document recorded October 19, 2007 as document no. 2007-0673087, of official records of San Diego County.

None of the exceptions set forth in 1 through 6 above if and when implemented shall allow, or be construed to allow, the use of water as described in the "Water Use Prohibition" set forth herein, within any portion of the Property.

The real Property referred to herein and made subject to said easement by this grant is situated in the County of San Diego, State of California, and is more particularly described as follows:

Parcel No. 2014-0166-A

(10/01/2014)

(ENG:ERL:tgh)

PARCEL 1:

That portion of Fractional Section 36, Township 9 South, Range 3 West, San Bernardino Base and Meridian, according to the official plat thereof, together with a portion of Rancho Monserate, according to Map thereof recorded in Book 1, Page 108 of Patents, in the Office of the County Recorder of San Diego County, all as described in Grant Deed to Pardee Homes in Document No. 2007-0673087, recorded October 19, 2007 in the Office of the County Recorder of San Diego County, in the County of San Diego, State of California more particularly described as follows:

Beginning at a 2" iron pipe with disc stamped "SD CO ENG" per Record of Survey No. 8832, recorded October 22, 1981 in the Office of said County Recorder, said pipe marking the East Quarter corner of said fractional Section 36 and bearing North 02°12'41" East 2612.25 feet (North 02°12'13" East 2612.29 feet per said Record of Survey) from a 2" iron pipe with disc stamped "SD CO ENG" marking Corner No. 1 as shown on the Map of a portion of Rancho Monserate, according to Map thereof No. 827, on file in the Office of said County Recorder, also being the Southeast corner of said Fractional Section 36;

Thence along the East line thereof North 02°17'19" West 2777.66 feet to a 1" iron pipe with plastic plug per said Record of Survey No. 8832, said pipe marking the Northeast Corner of said Fractional Section 36;

Thence along the North line thereof South 87°38'24" West 2591.99 feet to a 2" iron pipe with disc stamped "SD CO ENG" per said Record of Survey No. 8832, said pipe marking the Northwest corner of said Fractional Section 36 and also being the Southeast corner of Parcel 3 of Parcel Map No. 21006, recorded September 26th, 2012 in the Office of said County Recorder;

Thence along the South line of said Parcel 3 North 87°27'47" West 486.42 feet;

Thence leaving said line South 12°09'19" East 139.19 feet;

Thence South 28°13'00" East 36.39 feet;

Thence South 22°26'00" East 193.04 feet;

Thence South 41°21'02" East 115.58 feet;

Thence South 36°24'13" East 64.64 feet;

Thence South 01°11'40" East 74.26 feet;

Thence South 12°08'24" East 122.86 feet;

Thence South 23°13'00" East 37.66 feet;

Thence South 25°14'00" East 207.66 feet;

Thence North 60°55'02" East 512.21 feet;

Thence North 10°05'56" East 213.82 feet;

Thence North 54°29'09" East 39.16 feet;
 Thence North 13°57'35" East 226.16 feet;
 Thence South 81°00'42" East 303.80 feet;
 Thence South 43°25'25" East 193.72 feet;
 Thence South 08°45'22" West 181.43 feet;
 Thence South 51°37'59" East 130.99 feet;
 Thence South 06°33'25" East 262.63 feet;
 Thence South 18°50'50" West 224.92 feet;
 Thence South 37°43'08" West 144.41 feet;
 Thence South 04°58'13" West 230.68 feet;
 Thence South 19°37'26" East 182.35 feet;
 Thence South 39°57'08" East 150.28 feet;
 Thence South 74°23'36" East 360.77 feet;
 Thence South 39°27'16" East 105.76 feet;
 Thence North 47°44'19" East 156.00 feet;
 Thence North 81°10'49" East 27.63 feet;
 Thence South 06°43'43" East 234.80 feet;
 Thence North 87°09'58" East 100.90 feet;
 Thence South 03°53'00" East 442.41 feet;
 Thence South 81°23'50" East 200.20 feet;
 Thence South 01°42'24" East 157.33 feet;
 Thence North 89°59'54" East 125.94 feet;
 Thence North 89°59'54" East 243.50 feet;
 Thence South 08°06'39" East 541.42 feet;
 Thence South 19°22'25" East 390.20 feet;
 Thence South 80°23'37" East 207.85 feet to a point on the East line of said Fractional Section 36;
 Thence along said East line North 02°12'41" East 929.62 feet to the **Point of Beginning**.

Said parcel contains 5,102,245 square feet or 117.131 acre, more or less.

As shown on exhibit 'A' attached hereto for reference only.

PARCEL 2:

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 official plat thereof, as described in Grant Deed to Pardee Homes in Document No. 2007-0673087, recorded October 19, 2007 in the Office of said County Recorder, more particularly described as follows:

Commencing at a 2 inch iron pipe with disc stamped "SD CO ENG" per Record of Survey No. 8832, recorded October 22, 1981 in the Office of said County Recorder, said pipe marking the East Quarter Corner of said Section 36 and bearing North 02°12'41" East, 2612.25 feet (North 02°12'13" East, 2612.29 feet per said Record of Survey) from a 2 inch iron pipe with disc stamped "SD CO ENG" marking Corner No. 1 as shown on Map of a portion of Rancho Monserate, according to Map thereof No. 827 on file in the Office of said County Recorder, also being the Southeast Corner of said Fractional Section 36;

Thence along the East line thereof South 02°12'41" West 929.62 feet;

Thence leaving said East line and along the following courses:

North 80°23'37" West 207.84 feet;

Thence North 19°22'25" West 390.20 feet;

Thence North 08°06'39" West 541.42 feet;

Thence South 89°59'54" West 243.50 feet to the **True Point of Beginning**;

Thence South 00°00'06" East 583.43 feet;

Thence South 86°24'00" East 194.59 feet;

Thence South 19°20'33" East 87.97 feet;

Thence South 38°04'39" East 153.54 feet;

Thence South 43°06'44" West 217.42 feet;

Thence South 75°17'30" West 91.35 feet;

Thence North 11°43'16" West 64.82 feet;

Thence North 60°30'31" West 359.07 feet;

Thence North 06°57'18" East 203.25 feet;

Thence North 47°03'52" East 156.81 feet;

Thence North 07°20'34" West 338.46 feet;

Thence North 16°27'58" East 81.42 feet;

Thence North 01°42'24" West 18.87 feet;

Thence North 89°59'54" East 125.94 feet to the **True Point of Beginning**.

Said parcel contains 223, 589 square feet or 5.133 acre, more or less.

As shown on exhibit 'B' attached hereto for reference only.

This Grant of Easement is being offered and recorded as a Condition of approval for VTM 5354 RPL⁴. If VTM 5354 RPL⁴ expires or is otherwise abandoned, upon the request of the Grantor, its successors or assigns, or Grantee, its successors or assigns, and upon the approval of the Director of Planning & Development Services of the County of San Diego, the Grant may be extinguished. The Department of General Services will prepare execute and record a Quitclaim document acknowledging the extinguishment of the Grant upon payment of the fee required to review and process the request.

The County of San Diego shall have the right, but not the obligation, to enter upon the land subject to this easement and remove any material, structure or other thing placed or maintained contrary to the terms of this easement, and to do any work necessary to eliminate the effects of any violation of this easement. This easement shall not authorize any member of the public to use or enter upon the land subject to this easement, it being understood that the purpose of this easement is solely to restrict the use of said land. The terms of this easement may be specifically enforced or enjoined by proceedings in a court of competent jurisdiction, and shall be binding upon the Grantor(s) and its or their successors and assigns.

Dated this 27th day of October, 2014.

PARDEE HOMES, a California Corporation

By: *Ben Fischer* *Ben Fischer*
Its: Division President - San Diego

By: _____

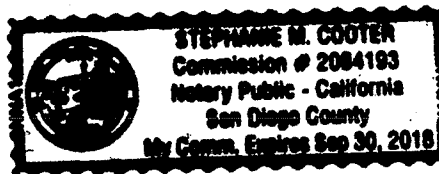
Its: _____

STATE OF California)
COUNTY OF San Diego) } SS

On October 27, 2014 before me, Stephanie M. Cooter, a Notary Public in and for said State, personally appeared Beth Fischer, Division President, San Diego

FOR NOTARY SEAL OR STAMP

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 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: *S. M. Cooter*

Stephanie M. Cooter
Name (typed or printed), Notary Public in and for said County and State

This is to certify that the interest in real property conveyed by the foregoing deed or grant to the County of San Diego, a political subdivision, is hereby accepted on behalf of the Board of Supervisors of said County of San Diego pursuant to authority conferred by Resolution No. 12-159 of said Board adopted on **October 10, 2012 (08)** and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: 10-30-14

[Signature]
102 ADAM S. WEINBERG, CCIM
Chief, Real Estate Services Division
Department of General Services
County of San Diego

BASIS OF BEARINGS

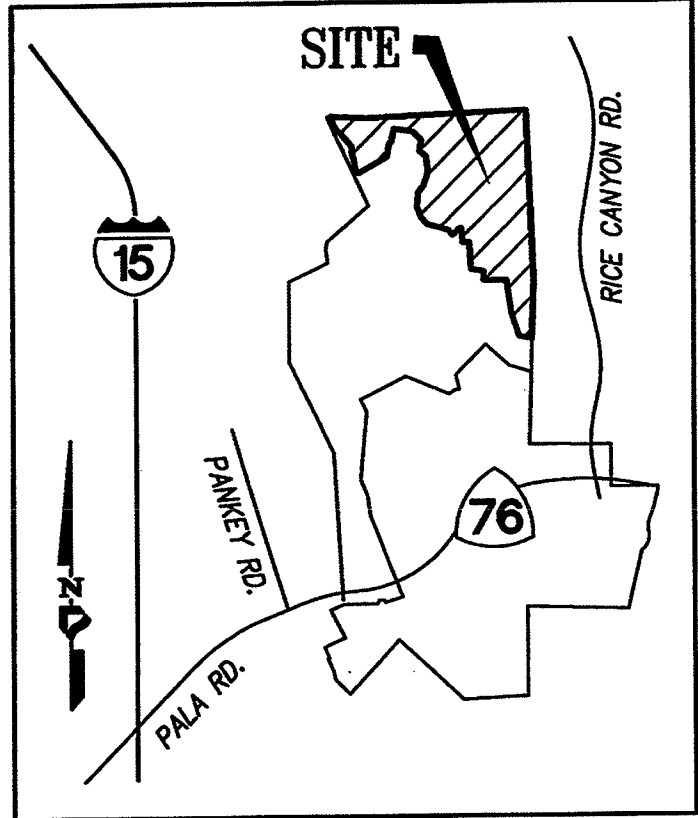
THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6, 1991.35 EPOCH GRID BEARING BETWEEN STATION NO. "SDGPS 03" AND STATION "VITA 2" PER RECORD OF SURVEY NO. 16810.

I,E, NORTH 04°38'24" WEST

THE COMBINED SCALE FACTOR AT STATION NO. SDGPS 03 IS 0.9999444684. DISTANCES SHOWN HEREON ARE GROUND DISTANCES.

ASSESSOR'S PARCEL NO.'S

108-122-03, 08, 09, 14, 15, 17; 125-061-04, 07; 108-120-15, 52, 53, 54.



VICINITY MAP

LEGEND

PARCEL 1

INDICATES BIOLOGICAL OPEN SPACE EASEMENT - LOT 'P' OF VTM 5354
AREA = 117.131 ACRES

P.O.C.

INDICATES POINT OF COMMENCEMENT

T.P.O.B.

INDICATES TRUE POINT OF BEGINNING



INDICATES FOUND 2" IRON PIPE W/DISC STAMPED "SD CO ENG" PER ROS 8832 UNLESS OTHERWISE NOTED



INDICATES 40' ROAD EASEMENT RESERVED TO PANKEY RANCH FOR RIGHT OF WAY PER DOC. NO. 2007-0673087, REC. OCT. 19, 2007, EXHIBIT "D"



INDICATES 40' EASEMENT RESERVED TO PANKEY RANCH PER DOC. NO. 2007-0673087, REC. OCT. 19, 2007, EXHIBIT "C"

**BIOLOGICAL OPEN SPACE EASEMENT -
LOT 'P' OF VTM 5354**

PREPARED BY: PROJECT DESIGN CONSULTANTS

701 B STREET SUITE 800

SAN DIEGO, CALIFORNIA 92101

**EXHIBIT 'A'
SHEET 1 OF 4**



INTERSTATE 15

PARCEL 3
PM 21006

RANCHO CORNER NO. 21,
RANCHO MONSERATE,
MAP NO. 827

POR.
PARCEL 1
PM 21006

S.E. 1/4 SECTION 25

FOUND 1" IRON PIPE
W\PLASTIC PLUG,
ILLEGIBLE. ACCEPTED AS
MONUMENT PER ROS
8419.

S87°38'24"W 2591.99'

SEE SHEET 3
LOT 'P'
BIOLOGICAL
OPEN
SPACE
EASEMENT

N.E. 1/4
FRACTIONAL
SECTION 36

PORTION OF
RHO MONSERATE

S.E. 1/4
FRACTIONAL
SECTION 36

HORSE
CREEK
RANCH
ROAD

T. 9 S. R. 3 W.

T. 10 S. R. 3 W.

PROPERTY QUITCLAIMED
TO PANKEY RANCH
PER DOC. NO.
2004-0154825, REC.
FEB. 26, 2004.

CORNER NO. 1
PER MAP OF A
PORTION OF
RANCHO
MONSERATE, MAP
NO. 827

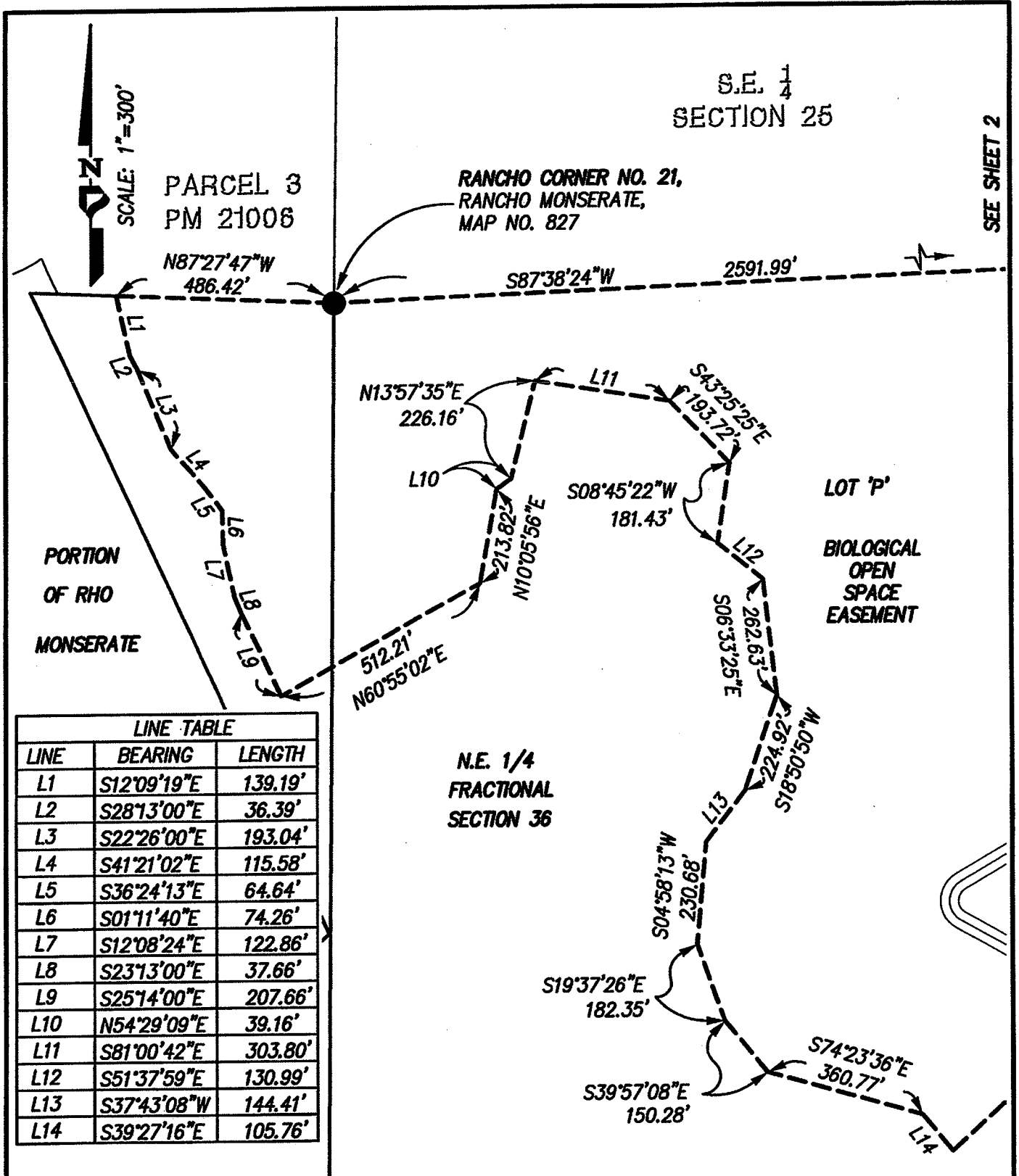
BIOLOGICAL OPEN SPACE EASEMENT -
LOT 'P' OF VTM 5354

PREPARED BY: PROJECT DESIGN CONSULTANTS

701 B STREET SUITE 800

SAN DIEGO, CALIFORNIA 92101

EXHIBIT 'A'
SHEET 2 OF 4



PARCEL 3
PM 21006

S.E. 1/4
SECTION 25

RANCHO CORNER NO. 21,
RANCHO MONSERATE,
MAP NO. 827

SEE SHEET 2

PORTION
OF RHO
MONSERATE

LOT 'P'
BIOLOGICAL
OPEN
SPACE
EASEMENT

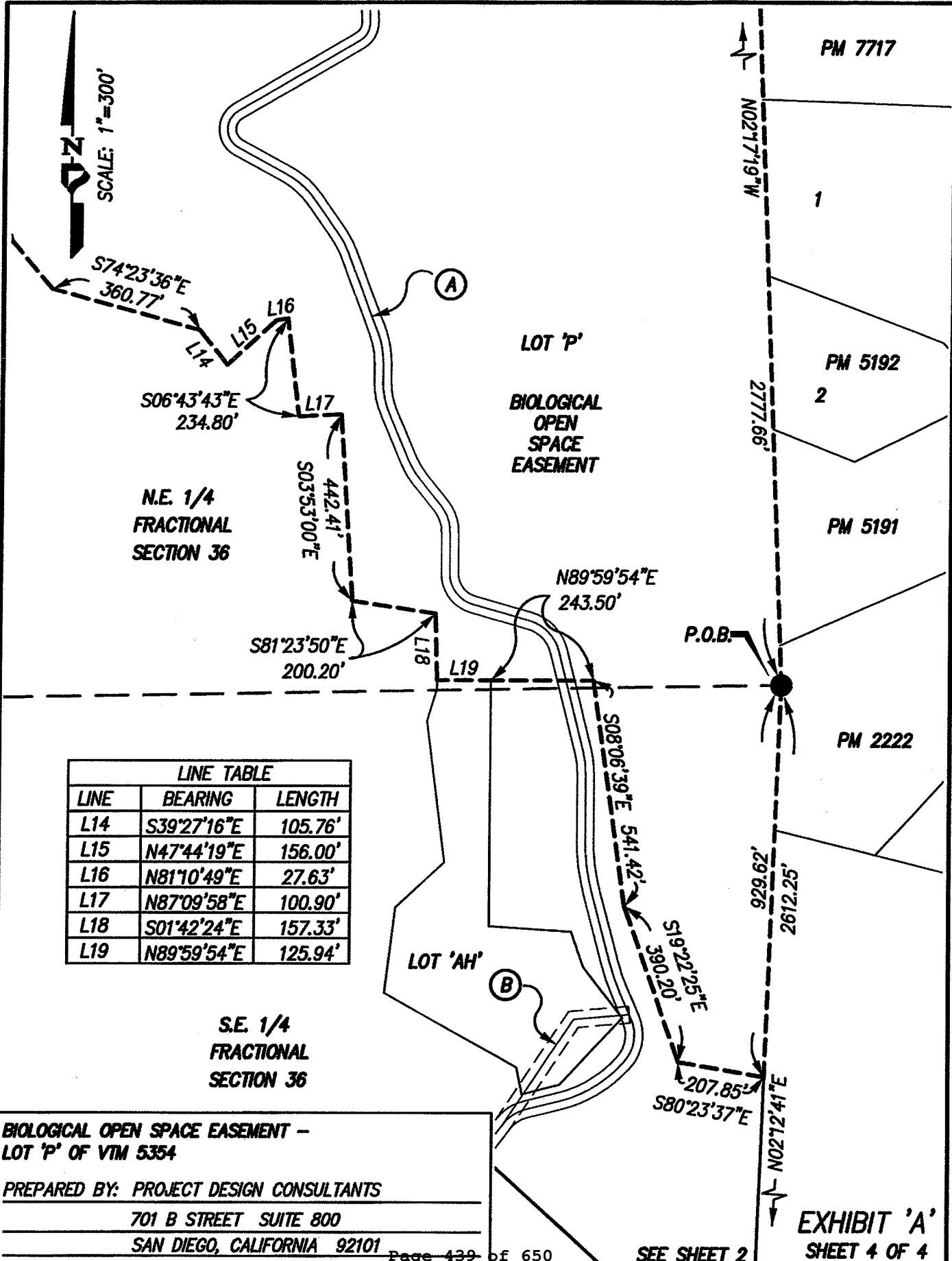
N.E. 1/4
FRACTIONAL
SECTION 36

LINE TABLE		
LINE	BEARING	LENGTH
L1	S12°09'19"E	139.19'
L2	S28°13'00"E	36.39'
L3	S22°26'00"E	193.04'
L4	S41°21'02"E	115.58'
L5	S36°24'13"E	64.64'
L6	S01°11'40"E	74.26'
L7	S12°08'24"E	122.86'
L8	S23°13'00"E	37.66'
L9	S25°14'00"E	207.66'
L10	N54°29'09"E	39.16'
L11	S81°00'42"E	303.80'
L12	S51°37'59"E	130.99'
L13	S37°43'08"W	144.41'
L14	S39°27'16"E	105.76'

**BIOLOGICAL OPEN SPACE EASEMENT -
LOT 'P' OF VTM 5354**

PREPARED BY: PROJECT DESIGN CONSULTANTS
701 B STREET SUITE 800
SAN DIEGO, CALIFORNIA 92101

EXHIBIT 'A'
SHEET 3 OF 4



LINE TABLE		
LINE	BEARING	LENGTH
L14	S39°27'16"E	105.76'
L15	N47°44'19"E	156.00'
L16	N81°10'49"E	27.63'
L17	N87°09'58"E	100.90'
L18	S01°42'24"E	157.33'
L19	N89°59'54"E	125.94'

N.E. 1/4
FRACTIONAL
SECTION 36

S.E. 1/4
FRACTIONAL
SECTION 36

LOT 'P'
BIOLOGICAL
OPEN
SPACE
EASEMENT

LOT 'AH'

PM 7717

1

PM 5192

2

PM 5191

P.O.B.

PM 2222

**BIOLOGICAL OPEN SPACE EASEMENT -
LOT 'P' OF VTM 5354**

PREPARED BY: PROJECT DESIGN CONSULTANTS

701 B STREET SUITE 800
SAN DIEGO, CALIFORNIA 92101

EXHIBIT 'A'
SHEET 4 OF 4

BASIS OF BEARINGS

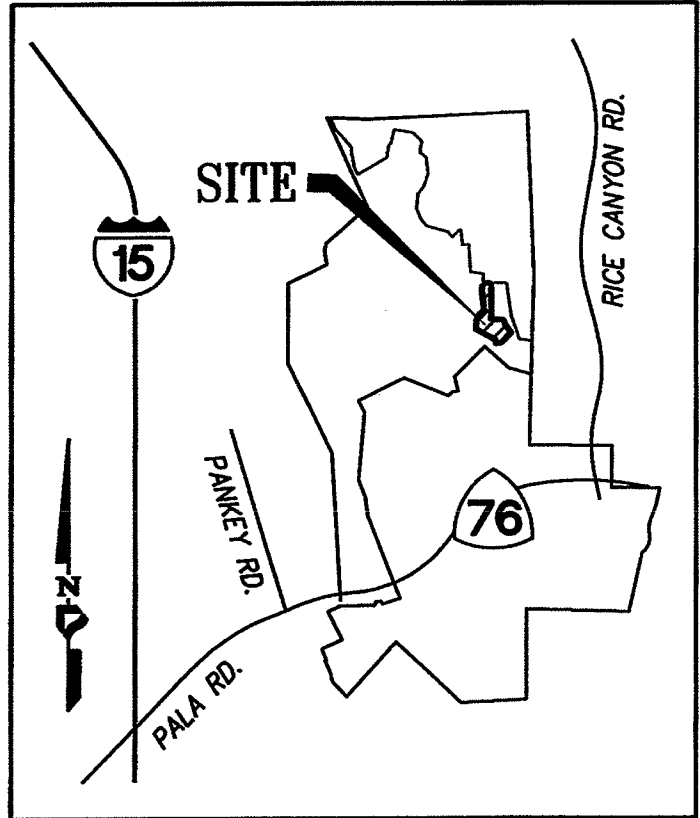
THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6, 1991.35 EPOCH GRID BEARING BETWEEN STATION NO. "SDGPS 03" AND STATION "VITA 2" PER RECORD OF SURVEY NO. 16810.

I.E. NORTH 04°38'24" WEST

THE COMBINED SCALE FACTOR AT STATION NO. SDGPS 03 IS 0.9999444684. DISTANCES SHOWN HEREON ARE GROUND DISTANCES.

ASSESSOR'S PARCEL NO.'S

108-122-15 & 19.



VICINITY MAP

LEGEND



PARCEL 2
INDICATES BIOLOGICAL OPEN SPACE EASEMENT
- LOT 'AH' OF VTM 5354
AREA = 5.133 ACRES

P.O.C. INDICATES POINT OF COMMENCEMENT

T.P.O.B. INDICATES TRUE POINT OF BEGINNING

● INDICATES FOUND 2" IRON PIPE W/DISC
STAMPED "SD CO ENG" PER ROS 8832

Ⓐ INDICATES 40' ROAD EASEMENT RESERVED TO
PANKEY RANCH FOR RIGHT OF WAY PER
DOC. NO. 2007-0673087, REC. OCT. 19, 2007,
EXHIBIT "D"

Ⓑ INDICATES 40' EASEMENT RESERVED TO
PANKEY RANCH PER DOC. NO.
2007-0673087, REC. OCT. 19, 2007,
EXHIBIT "C"

**BIOLOGICAL OPEN SPACE EASEMENT -
LOT 'AH' OF VTM 5354**

PREPARED BY: PROJECT DESIGN CONSULTANTS

701 B STREET SUITE 800

SAN DIEGO, CALIFORNIA 92101

EXHIBIT 'B'
SHEET 1 OF 3



INTERSTATE 15

PARCEL 3
PM 21006

S.E. 1/4 SECTION 25

POR.
PARCEL 1
PM 21006

HORSE CREEK RANCH ROAD

PORTION OF
RHO MONSERATE

N.E. 1/4
FRACTIONAL
SECTION 36

LOT 'P'

BIOLOGICAL
OPEN
SPACE
EASEMENT

P.O.C.

SEE SHEET 3

LOT 'AH'

S.E. 1/4
FRACTIONAL
SECTION 36

N02°12'41"E 2612.25'
T. 9 S. R. 2 W.

T. 9 S. R. 3 W.
T. 10 S. R. 3 W.

PROPERTY QUITCLAIMED
TO PANKEY RANCH
PER DOC. NO.
2004-0154825, REC.
FEB. 26, 2004.

CORNER NO. 1
PER MAP OF A
PORTION OF
RANCHO
MONSERATE, MAP
NO. 827

BIOLOGICAL OPEN SPACE EASEMENT -
LOT 'AH' OF VTM 5354

PREPARED BY: PROJECT DESIGN CONSULTANTS
701 B STREET SUITE 800 Page 441 of 650
SAN DIEGO, CALIFORNIA 92101

EXHIBIT 'B'
SHEET 2 OF 3

SR 76

PM 7717

1
PM 5192

2
PM 5191

PM 2222

25 30

36

36 31

6



SCALE: 1"=200'

EAST-WEST CENTERLINE OF FRACTIONAL SECTION 36

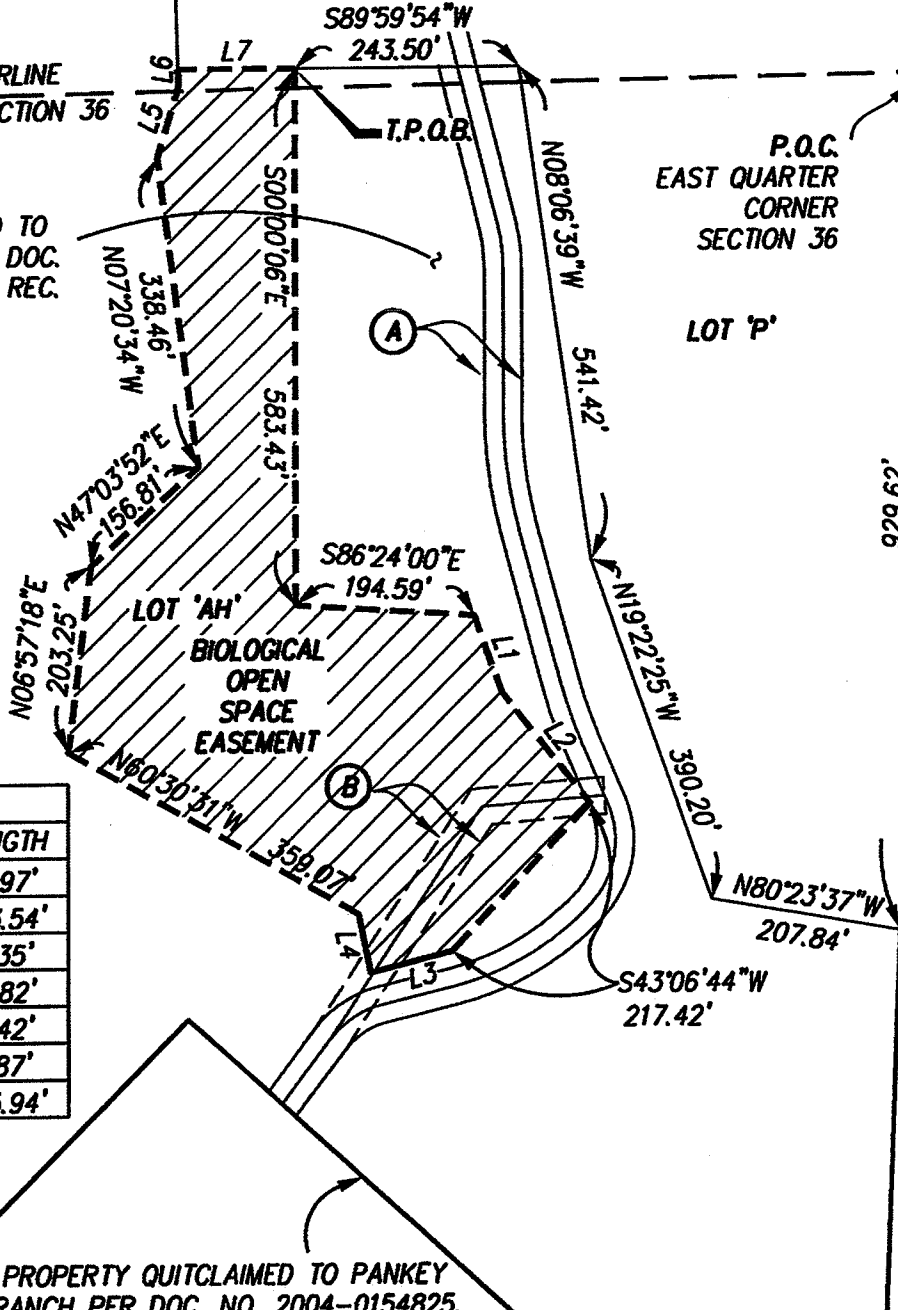
PROPERTY GRANTED TO PARDEE HOMES PER DOC. NO. 2007-0673087, REC. OCT. 19, 2007.

S.E. 1/4 FRACTIONAL SECTION 36

N.E. 1/4 FRACTIONAL SECTION 36

P.O.C. EAST QUARTER CORNER SECTION 36

LOT 'P'



LINE TABLE		
LINE	BEARING	LENGTH
L1	S19°20'33"E	87.97'
L2	S38°04'39"E	153.54'
L3	S75°17'30"W	91.35'
L4	N11°43'16"W	64.82'
L5	N16°27'58"E	81.42'
L6	N01°42'24"W	18.87'
L7	N89°59'54"E	125.94'

PROPERTY QUITCLAIMED TO PANKEY RANCH PER DOC. NO. 2004-0154825, REC. FEB. 26, 2004.

BIOLOGICAL OPEN SPACE EASEMENT - LOT 'AH' OF VTM 5354
 PREPARED BY: PROJECT DESIGN CONSULTANTS
 701 B STREET SUITE 800
 SAN DIEGO, CALIFORNIA 92101

CORNER NO. 1 PER MAP OF A PORTION OF RANCHO MONSERATE, MAP NO. 827

EXHIBIT 'B'
 SHEET 3 OF 3

APPENDIX D
Cultural Resources Survey
(Under Separate Cover)



**Biological Resources Report for the
Meadowood Water Pipeline
Infrastructure Project:
Rice Canyon Transmission Pipeline
San Diego County, California**

Prepared for
Pardee Homes
13400 Sabre Springs Parkway, Suite 200
San Diego, CA 92128
Contact; Mr. Jimmy Ayala

Prepared by
RECON Environmental, Inc.
1927 Fifth Avenue
San Diego, CA 92101
P 619.308.9333

RECON Number 3706-1
April 6, 2020

A handwritten signature in black ink, appearing to read "Anna Leavitt".

Anna Leavitt, Associate Biologist

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- 1: Plant Species Observed
- 2: Wildlife Species Observed
- 3: Sensitive Plant Species Observed or with the Potential to Occur
- 4: Sensitive Wildlife Species Occurring or with the Potential to Occur

Acronyms and Abbreviations

BMO	Biological Mitigation Ordinance
CDFW	California Department of Fish and Wildlife
CIP	Capital Improvement Program
CNDDDB	California Native Diversity Database
CNPS	California Native Plant Society
County	County of San Diego
CRPR	California Rare Plant Rank
DIP	ductile iron pipe
ESRI	Environmental Systems Research Institute
HLP	Habitat Loss Permit
MBTA	Migratory Bird Treaty Act
MSCP	Multiple Species Conservation Program
NCCP	Natural Community Conservation Planning
PAMA	Pre-Approved Mitigation Area
project	Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline
PVC	polyvinyl chloride(
RAA	Resource Avoidance Area
RECON	RECON Environmental, Inc.
RMWD	Rainbow Municipal Water District
RPO	Resource Protection Ordinance
USFWS	U.S. Fish and Wildlife Service
USGS	U.S. Geological Survey

Executive Summary

The Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline (project) is located east of Interstate 15 and north of State Route 76 in San Diego County. The survey area included a 50-foot buffer on the centerline of an approximately 4,500-linear-foot existing Rainbow Municipal Water District (RMWD) easement, for a total of a 100-foot-wide area.

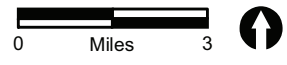
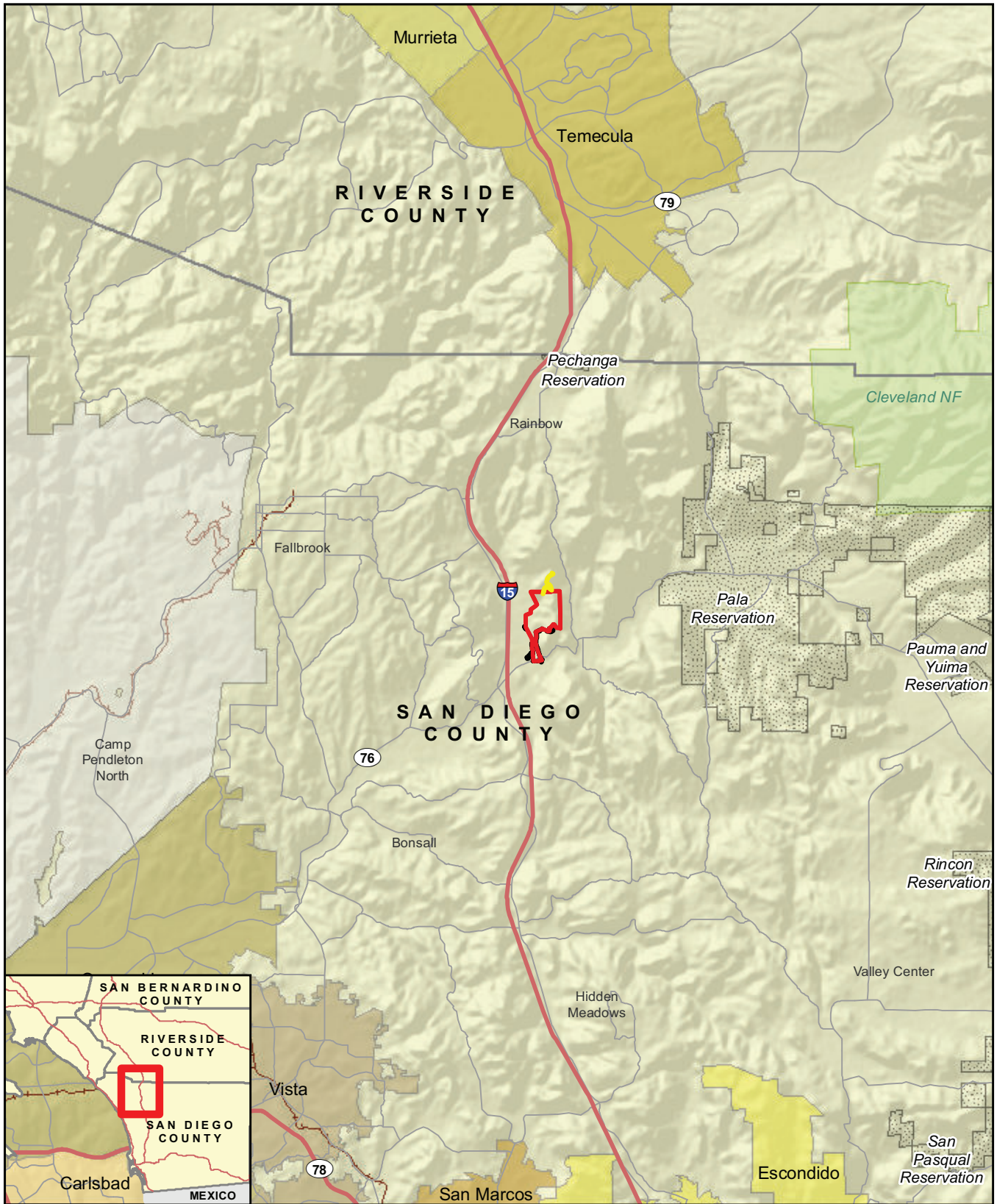
Three vegetation communities/land cover types were identified within the survey area: coastal sage scrub, southern mixed chaparral, and developed land. Coastal sage scrub and southern mixed chaparral are considered sensitive by the County of San Diego.

No sensitive or narrow endemic plant or wildlife species were observed within the survey area. The project may directly impact migratory or nesting birds on-site if construction occurs during the raptor breeding season (February 1–July 15) or typical bird breeding season (February 15–September 15).

To avoid direct impacts to nesting and migratory birds, a pre-construction survey would be conducted within the development footprint during the typical bird breeding season listed above to determine the presence or absence of breeding birds and ensure that no impacts occur to any nesting birds or their eggs, chicks, or nests. If construction is proposed during the breeding season for the coastal California gnatcatcher (February 15 – August 31), three focused surveys will take place for coastal California gnatcatcher, on separate days to determine the presence of nesting birds..

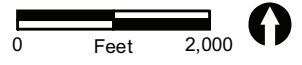
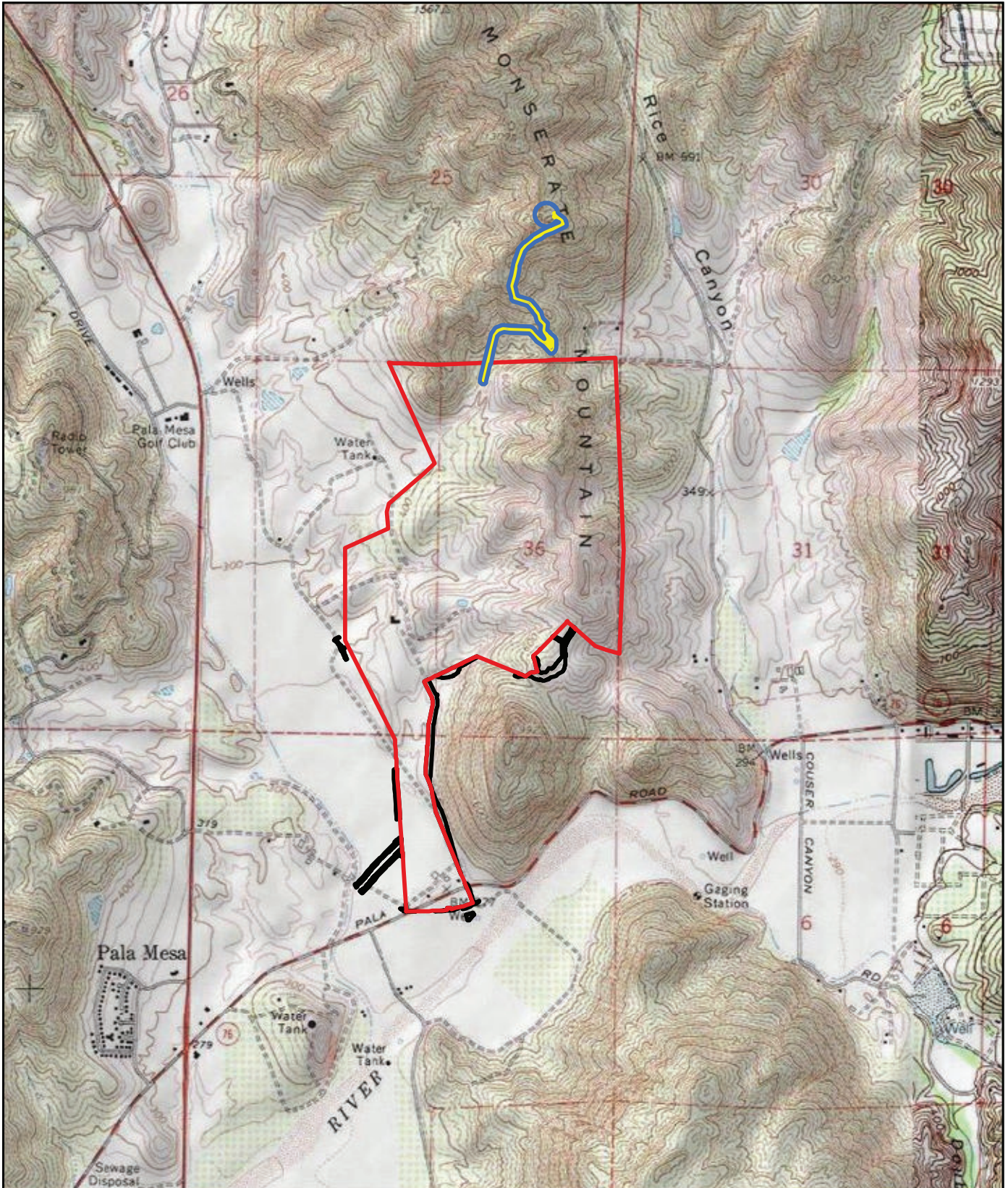
1.0 Introduction

This report describes the results of the biological survey conducted within the survey area for the proposed Rice Canyon Transmission Pipeline associated with the Meadowood development project. The survey area is located in the community of Fallbrook, east of Interstate 15 and north of State Route 76 (Figure 1). The survey area occurs within Township 09 South Range 03 West of the U.S. Geological Survey (USGS) 7.5-minute topographic map, Bonsall quadrangle (Figure 2; USGS 1975). An aerial photograph of the survey area is shown on Figure 3. The survey area occurs within coastal California gnatcatcher (*Polioptila californica californica*) Critical Habitat, and the County of San Diego (County) Draft North County Multiple Species Conservation Program (MSCP) Subarea Plan Pre-Approved Mitigation Area (PAMA), Preserve Area, and Special Districts (Figure 4).



- Meadowood Project Boundary
- Meadowood Off-site Features
- RMWD Easement

FIGURE 1
Regional Location







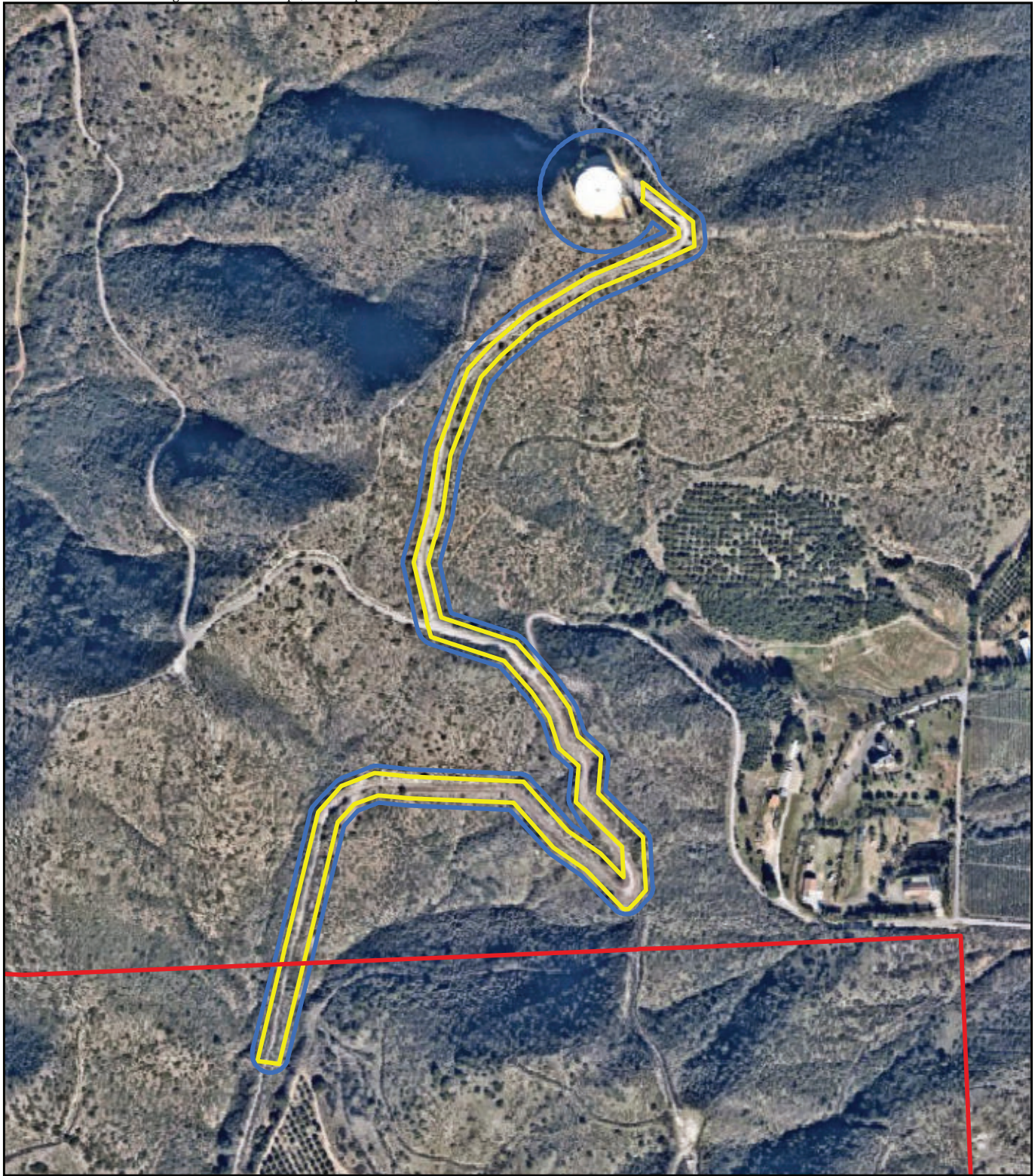
-  Meadowood Project Boundary
-  RMWD Easement
-  Meadowood Off-site Features
-  Survey Area

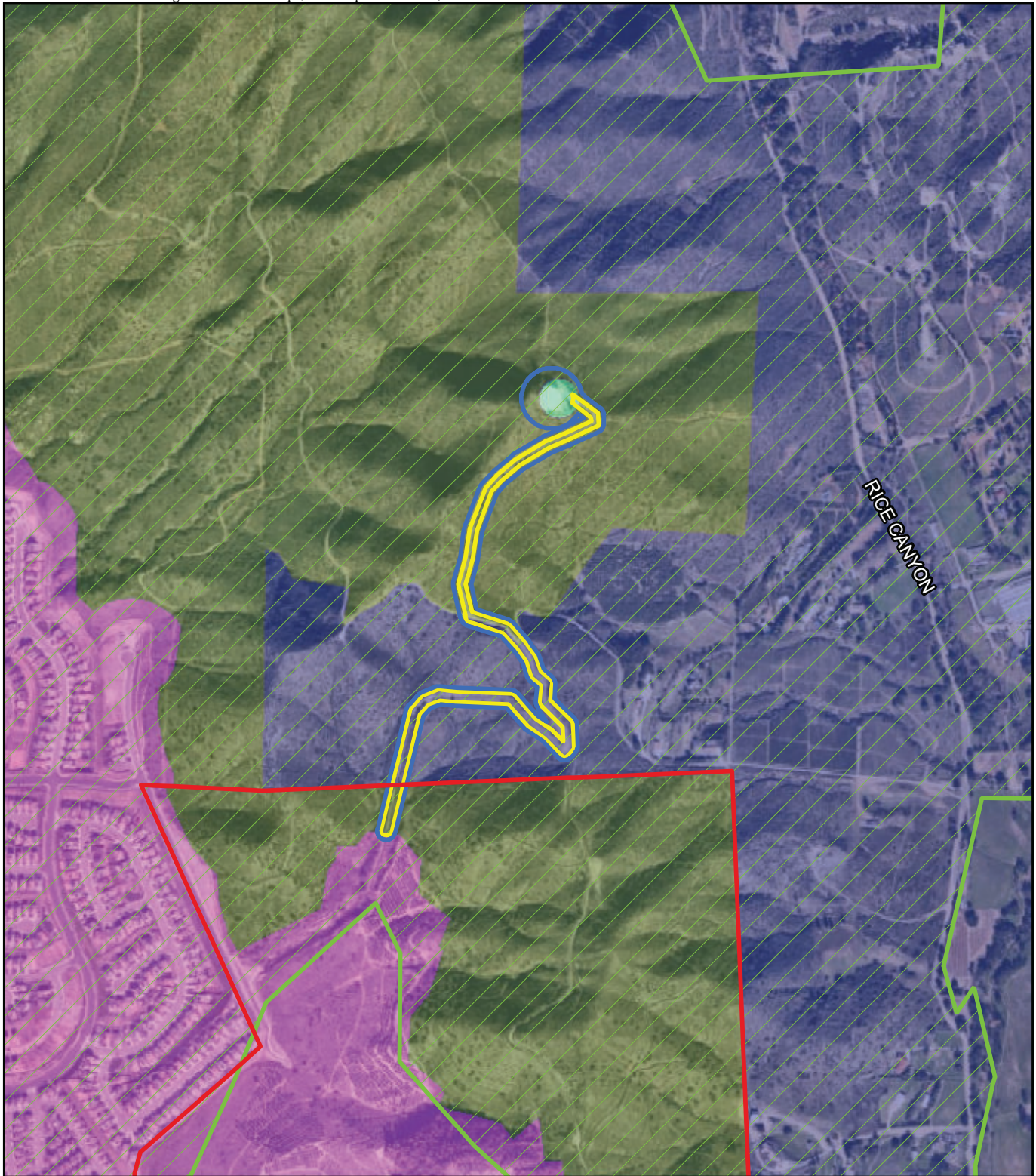
FIGURE 2



- Meadowood Project Boundary
- RMWD Easement
- Survey Area

FIGURE 3

Rice Canyon Transmission Pipeline
Project on Aerial Photograph












- | | | | | | |
|---|--|---|------|-----|---|
|  Meadowood Project Boundary | Draft North County MSCP | 0 | Feet | 800 |  |
|  RMWD Easement |  Pre-Approved Mitigation Area (PAMA) | | | | |
|  Survey Area |  Pre-negotiated (Hardlined) Take Authorized Areas | | | | |
|  Coastal California Gnatcatcher Critical Habitat |  Preserve Area | | | | |
| |  Special Districts | | | | |

FIGURE 4

Project in Relation to Draft MSCP Preserve

Areas and USFWS Critical Habitat

Water service for the Meadowood project would be provided by the Rainbow Municipal Water District (RMWD). In order to provide a potable water supply to the Meadowood development, construction of 4,500 linear feet of 18-inch water main pipeline is proposed. The water main would connect proposed RMWD facilities within the Meadowood project footprint following a disturbed road located generally west of Rice Canyon and north of the Meadowood development area to an existing RMWD water tank.

This report provides the necessary biological data and background information required to identify biological resources impacts associated with the Rice Canyon Transmission Pipeline in relation to the certified Environmental Impact Report for the Meadowood Project. The report assumes compliance according to guidelines set forth in the draft North County MSCP Subarea Plan, if it is adopted.

1.1 Project Description

The project consists of the construction of 4,500 linear feet of 18-inch water main pipeline within an existing RMWD easement shown in Figure 3. The water main would connect proposed RMWD facilities within the Meadowood project footprint north along Monserate Mountain generally west of Rice Canyon to an existing RMWD water tank. The water line would follow an existing disturbed paved and dirt road within the RMWD easement.

RMWD currently owns and operates the Rice Canyon Water Tank located approximately 2,000 feet north of the Meadowood project boundary. The proposed Rice Canyon Transmission Pipeline would deliver water from the Rice Canyon Water Tank to the southwest portion of the RMWD. Design and construction of this line was included on the RMWD Capital Improvement Program (CIP) list in the 2016 Water and Wastewater Master Plan Update. While the facilities and service to Meadowood would be provided by RMWD, the proposed project is located within both RMWD and Valley Center Municipal Water District. Ultimately, a Local Agency Formation Commission reorganization is proposed so that the entire project would be within RMWD.

Installation of the water pipeline will involve a maximum 30-foot limit of disturbance through the RMWD easement. Minimal grading will be completed to achieve a flat work area for installation of pipeline within this disturbance limit. All work would be contained within the existing RMWD easement. Staging, pipe laydown, and storage would occur within the previously disturbed area associated with the Meadowood grading operation, at disturbed areas at the Rice Canyon Water Tank, and along the pipeline alignment.

The pipeline would be pressurized and consist of 4,500 linear feet of 18-inch pipe. Pipeline materials to be used would include polyvinyl chloride (PVC) pipe and ductile iron pipe (DIP). The DIP would be used at the Meadowood end of the project, if needed, due to the internal pressure of the pipe.

2.0 Survey Methods

2.1 Biological Resources Survey

RECON Environmental, Inc. (RECON) biologist Kevin Israel conducted a general biological survey on March 25, 2020, within the survey area. Vegetation communities were mapped on an aerial photograph viewed through the Environmental Systems Research Institute (ESRI) Collector application. All dominant plant species observed on-site were noted. Limitations to the compilation of a comprehensive floral checklist were imposed by seasonal factors, such as drought and blooming period. Animal species observed directly or detected from calls, tracks, scat, nests, or other sign were noted.

Floral nomenclature for common plants follows the Jepson Online Herbarium (University of California 2020), for ornamental plants Brenzel (2001), and for sensitive plants California Native Plant Society (CNPS; 2020). Vegetation community classifications follow Oberbauer et al (2008), which is based on Holland's 1986 Preliminary Descriptions of the Terrestrial Natural Communities of California. Zoological nomenclature for birds is in accordance with the American Ornithological Society Checklist (Chesser et al. 2018) and Unitt (2004); for mammals with Baker et al. (2003); and for reptiles with Crother (2008). Determination of the potential occurrence for listed, sensitive, or noteworthy species is based upon known ranges and habitat preferences for the species (Jennings and Hayes 1994; Unitt 2004; CNPS 2020; Reiser 2001), and species occurrence records from the California Natural Diversity Database (CNDDDB; State of California 2020a).

3.0 Existing Conditions

Elevations in the project site range from 538 feet above mean sea level to 1,172 feet above mean sea level. Table 1 lists the two soil types that are mapped in survey area (USDA 1973).

Soil Type/Soil Description	Acres
Las Posas stony fine sandy loam, 30 to 65 percent slopes	10.90
Wyman loam, 9 to 15 percent slopes	0.98

3.1 Survey Results

3.1.1 Botany

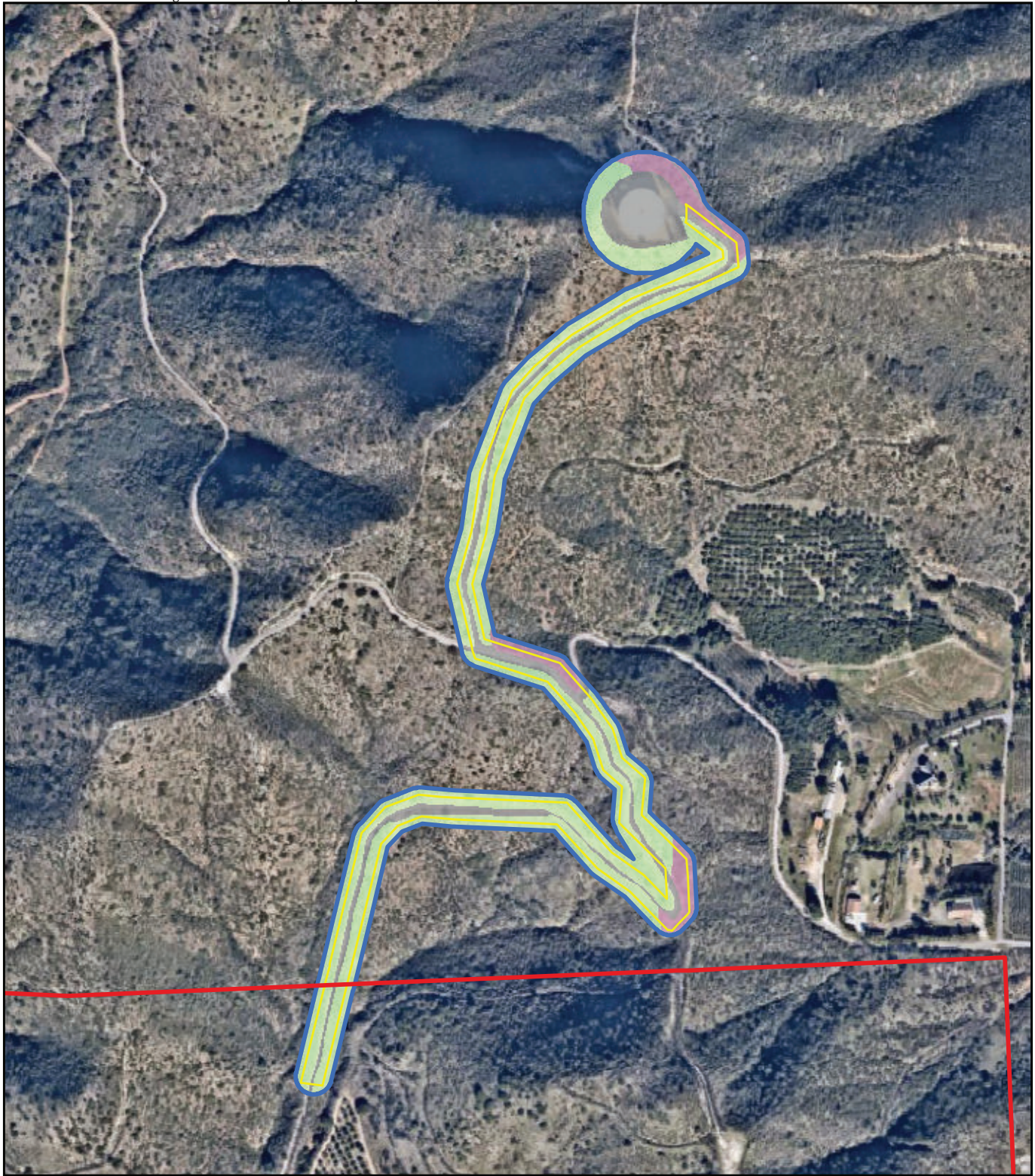
A total of three vegetation communities/land cover types occur within the survey area: coastal sage scrub, southern mixed chaparral, and developed land. The locations of these vegetation communities are shown on Figure 5. The dominant plant species per vegetation community are listed below. A complete list of plant species detected during the survey is detailed in Attachment 1. Table 2 lists the acreage for each vegetation community and land cover type.

Vegetation Communities/ Land Cover Types	Survey Area
Coastal sage scrub	8.42
Southern mixed chaparral	1.07
Developed	2.39
TOTAL	11.88

3.1.1.1 Coastal Sage Scrub

Coastal sage scrub, the southern form of coastal sage scrub, is a plant community consisting of low-growing, aromatic, drought-deciduous soft-woody shrubs that have an average height of approximately 3 to 4 feet. The plant community is typically dominated by facultatively drought deciduous species such as California sagebrush (*Artemisia californica*), California buckwheat (*Eriogonum fasciculatum*), laurel sumac (*Malosma laurina*), and white sage (*Salvia apiana*). The community typically is found on low moisture-availability sites with steep, xeric slopes or clay rich soils that are slow to release stored water. These sites often include drier south- and west-facing slopes and occasionally north-facing slopes, where the community can act as a successional phase of chaparral development. Coastal sage scrub intergrades at higher elevations with several types of chaparrals, or in drier more inland areas with Riversidean sage scrub. Coastal sage scrub is found in coastal areas from Los Angeles County south into Baja California, Mexico (Oberbauer et al. 2008).

Coastal sage scrub within the survey area is dominated by California sagebrush, California buckwheat, laurel sumac, saw-toothed goldenbush (*Hazardia squarrosa*), and deerweed (*Acmispon glaber*). Non-native grass species, such as red brome (*Bromus madritensis rubens*) occurs within the understory.









- | | |
|--|--|
|  Meadowood Project Boundary | Vegetation Communities |
|  RMWD Easement |  Southern Mixed Chaparral |
|  Survey Area |  Coastal Sage Scrub |
| |  Developed Land |

FIGURE 5

Existing Biological Resources

3.1.1.2 Southern Mixed Chaparral

Southern mixed chaparral is a plant community typically dominated by broad-leaved sclerophyllous shrubs or small trees which characteristically occupies protected north-facing and canyon slopes or ravines where more mesic conditions are present. Dominant shrubs in this community are typically 5 to 10 feet tall and may include manzanita (*Arcostaphylos* spp.), toyon (*Heteromeles arbutifolia*), ceanothus (*Ceanothus* spp.), mission manzanita (*Xylococcus bicolor*), and mountain mahogany (*Cercocarpus minutiflorus*). The vegetation is usually dense, with little or no understory cover, but may include patches of bare soil. This community typically is found in sites that are moister than those supporting chamise chaparral. Many species in this vegetation community are adapted to repeated fires by their ability to stump sprout. Southern mixed chaparral typically is found in coastal foothills of San Diego County and northern Baja California, usually at elevations below 3,000 feet (Oberbauer et al. 2008).

Southern mixed chaparral within the survey area is dominated by California sagebrush, mission manzanita, chamise (*Adenostoma fasciculatum*), California buckwheat, and black sage (*Salvia mellifera*). The shrub canopy is not continuous; herbs and grasses, including golden tarplant (*Deinandra fasciculata*) and red brome, grow in the interspaces between shrubs.

3.1.1.3 Developed Land

Areas mapped as developed land represent locations where existing developments occur and unvegetated areas like paved and dirt roads. The developed land areas within the survey area occur at and near the Rice Canyon Water Tank and on paved and dirt roads. There are several non-native pine (*Pinus* sp.) trees that occur near the Rice Canyon Water Tank that are mapped within the developed land.

3.1.2 Zoology

A total of 10 wildlife species were observed in the survey area. Sensitive species observed or potentially occurring on-site are discussed in Section 4.0, Sensitive Biological Resources. A complete list of wildlife species detected during the survey is detailed in Attachment 2.

3.1.2.1 Amphibians

Most amphibians require moisture for at least a portion of their lifecycle, with many requiring a permanent water source for habitat and reproduction. Terrestrial amphibians have adapted to more arid conditions and are not completely dependent on a perennial or standing source of water. These species avoid desiccation by burrowing beneath the soil or leaf litter during the day and during the dry season. No amphibians were detected during the field survey.

3.1.2.2 Reptiles

The diversity and abundance of reptile species vary with habitat type. Many reptiles are restricted to certain plant communities and soil types, although some of these species will also forage in adjacent communities. Other species are more ubiquitous, using a variety of vegetation types for foraging and shelter. Reptiles may use survey area for basking and foraging. One reptile species was detected during the field survey: red diamond rattlesnake (*Crotalus ruber*).

3.1.2.3 Birds

The diversity of bird species varies with respect to the character and quality of vegetation communities within the survey area. The mature pine trees near the Rice Canyon Water Tank provide perching, nesting, and shelter opportunities for bird species, particularly raptors. The coastal sage scrub and southern mixed chaparral provide foraging opportunities for a wide variety of bird species.

The most commonly observed species within the survey area include mourning dove (*Zenaida macroura marginella*), wrenit (*Chamaea fasciata henshawii*), Bewick's wren (*Thryomanes bewickii*), and lesser goldfinch (*Spinus [=Carduelis] psaltria hesperophilus*).

3.1.2.4 Mammals

Most mammal species are nocturnal; therefore, their presence is detected during daytime surveys by observing their sign, such as tracks, scat, and burrows. No mammals were detected during the field survey.

4.0 Sensitive Biological Resources

4.1 Sensitivity Criteria/Regulatory Setting

For purposes of this report, species will be considered sensitive if they are (1) covered species under the draft North County MSCP Subarea Plan; (2) listed by state or federal agencies as threatened or endangered or are proposed for listing (State of California 2020b, 2020c, 2020d); (3) on California Rare Plant Rank (CRPR) 1B (considered endangered throughout its range), CRPR 2 (considered endangered in California but more common elsewhere) of the CNPS Inventory of Rare and Endangered Vascular Plants of California, CRPR 3 (more information about the plant's distribution and rarity needed), and CRPR 4 (plants of limited distribution) of the CNPS Inventory (2001); or (4) designated by the North County MSCP as a narrow endemic species (County of San Diego 2009). Sensitive vegetation communities are those identified by the County of San Diego (2009). The project is expected to comply with all the following state, federal, and local regulations.

State Regulations: Under Section 3503 of the California Fish and Game Code, it is unlawful to take, possess, or needlessly destroy the nest or eggs of any bird, except as otherwise provided by this code or any regulation made pursuant thereto. Section 3503.5 of the California Fish and Game Code prohibits take, possession, or destruction of any birds in the orders Falconiformes (raptors) or Strigiformes (owls), or of their nests and eggs (State of California 1991).

The Natural Community Conservation Planning (NCCP) Act of 1991 is designed to conserve natural communities at the ecosystem scale while accommodating compatible land use. The California Department of Fish and Wildlife (CDFW) is the primary state agency that implements the NCCP. The NCCP plan provides for the comprehensive management and conservation of multiple wildlife species. It identifies and provides for regional protection of natural wildlife diversity while allowing for compatible and appropriate development and growth.

Federal Regulations: The Migratory Bird Treaty Act (MBTA) was established to provide protection to the breeding activities of migratory birds throughout the United States. The MBTA protects migratory birds and their breeding activities from take and harassment. Pursuant to U.S. Department of the Interior Memorandum M-37050, the federal MBTA is no longer interpreted to cover incidental take of migratory birds (U.S. Department of the Interior 2017). Therefore, impacts that are incidental to implementation of an otherwise lawful project would not be considered significant.

Local Regulations: The project site is located within the draft North County MSCP (County of San Diego 2009). The draft North County MSCP is a comprehensive program that would, when adopted, implement the guidelines of the existing San Diego County MSCP Subarea Plan. The draft North County MSCP was developed in cooperation with federal and state wildlife agencies in order to preserve the diversity of habitat and protect sensitive biological resources within the North County while allowing for additional development. The draft North County MSCP would accomplish the preservation and protection goals through the implementation of development constraints within defined Preserve Areas. It also identifies a series of open space areas within which some lands will be dedicated for preservation of native habitats. These areas contain both “hardline” Take-Authorized/Preserve Areas, which include both development and open space, and “softline” areas, referred to as the PAMA, which connect Preserve Areas. The proposed project occurs within County PAMA, Preserve Area, and Special Districts as designated in the draft North County MSCP (see Figure 4).

The County is currently in the process of creating a MSCP Plan for the unincorporated areas of northern San Diego County. This plan, if adopted, will be regulated by the Biological Mitigation Ordinance (BMO), which outlines the specific criteria (i.e., project design, impact allowances, mitigation requirements) for projects within an MSCP boundary. The BMO would only be applicable if the draft North County MSCP is adopted.

A hardline is a designation that has been agreed upon between landowners, the wildlife agencies, and the County. In such areas, preservation and development area decisions are

made during MSCP development with respect to the location of open space and development.

The Resource Protection Ordinance (RPO) limits impacts to several sensitive natural resources found throughout San Diego County. These sensitive resources include wetlands, wetland buffers, floodplains, steep slopes, sensitive habitat lands, and prehistoric and historic sites. Under the RPO, impacts to wetlands are restricted and a wetland buffer is required where development is adjacent to wetland areas. In addition, encroachment into RPO steep slopes lands (25 percent or greater grade for 50 or more feet) must be minimized. RPO also limits impacts to sensitive habitat lands, which include unique vegetation communities and/or the habitat that is either necessary to support a viable population of sensitive species, is critical to the proper functioning of a balanced natural ecosystem, or which serves as a functioning wildlife corridor.

The County regulates coastal sage scrub habitat loss through the Habitat Loss Permit (HLP) Ordinance. An HLP is a process that enables the County to issue "take" permits for the federally listed coastal California gnatcatcher, as allowed through the federal Endangered Species Act. An HLP application must be filed with the County, and approval requires concurrence from U.S. Fish and Wildlife Service (USFWS) and CDFW. Approval is based on Findings made pursuant to the County's HLP Ordinance (County of San Diego 1995) as required by the NCCP Process Guidelines. Until the draft North County MSCP is approved, the HLP is required for all coastal sage scrub impacts, whether or not the coastal California gnatcatcher occupies the habitat. An HLP also requires a mitigation plan for impacts to coastal sage scrub and disturbed coastal sage scrub.

4.2 Sensitive Vegetation Communities

Two sensitive vegetation communities were identified within the survey area. These include coastal sage scrub and southern mixed chaparral.

4.3 Sensitive Plants

No sensitive plant species were observed at the time of the survey and none have the potential to occur within the survey area. Sensitive plant species known to occur in the vicinity of the survey area (within one mile of the survey area) that are federally listed threatened or endangered are addressed in Attachment 3.

4.4 Sensitive Wildlife Species

One sensitive wildlife species, red diamond rattlesnake, was detected at the time of the survey. Four sensitive wildlife species have moderate potential to occur due the presence of suitable coastal sage scrub and southern mixed chaparral habitat: coast horned lizard (*Phrynosoma blainvillii*), Coronado skink (*Eumeces skiltonianus interparietalis*), Belding's orange-throated whiptail (*Aspidoscelis hyperythra beldingi*), coastal whiptail (*Aspidoscelis tigris stejnegeri*). One sensitive wildlife species, Cooper's hawk (*Accipiter cooperii*), has

moderate potential to nest in the non-native pine trees adjacent to the Rice Canyon Water Tank. One sensitive wildlife species, coastal California gnatcatcher, has high potential to occur due to the presence of suitable coastal sage scrub. The survey area occurs within coastal California gnatcatcher Critical Habitat. Sensitive wildlife species known to occur in the vicinity of the survey area (within one mile of the survey area) that are federally listed threatened or endangered or that have potential to occur based on species range are addressed in Attachment 4.

4.5 Jurisdictional Waters of the U.S./State

No jurisdictional waters of the U.S./State were observed within or adjacent to the survey area.

4.6 Wildlife Movement Corridor

Wildlife movement corridors are defined as areas that connect suitable wildlife habitat areas in a region otherwise fragmented by rugged terrain, changes in vegetation, or human disturbance. Natural features such as canyon drainages, ridgelines, or areas with vegetation cover provide corridors for wildlife travel. Wildlife movement corridors are important because they provide access to mates, food, and water; allow the dispersal of individuals away from high population density areas; and facilitate the exchange of genetic traits between populations (Beier and Loe 1992). Wildlife movement corridors are considered sensitive by resource and conservation agencies.

Although it is reasonable to assume that wildlife movement may occur locally through the survey area, the work will occur in phases and any obstructions to wildlife movement will be temporary and allow wildlife to move around the current work.

5.0 Project Impacts

Impacts to biological resources due to the proposed project are discussed below. Mitigation would be required for impacts that are considered significant. All impacts to sensitive biological resources should be avoided to the maximum extent feasible and minimized when possible.

This section of the report discusses the direct and indirect impacts to biological resources from the proposed project. Direct impacts are those incurred during the construction of the project that would result in the loss of biological resources (e.g., vegetation clearing, staging areas). Indirect impacts are those incurred both during construction (i.e., noise) and post-construction (i.e., edge effects due to noise, lighting, drainage, etc.).

5.1 Vegetation Communities

Guidelines for the determination of significance are applied to the proposed impacts anticipated by the project to determine significance under the California Environmental Quality Act and County guidelines (County of San Diego 2010). The impacts to vegetation communities/land cover types from the proposed project are shown on Figure 6 and listed in Table 3.

Direct impacts to coastal sage scrub and southern mixed chaparral would be considered significant and would require mitigation (County of San Diego 2010). Impacts to developed land do not require mitigation.

Vegetation Communities/ Land Cover Types	Survey Area	Impacts
Coastal sage scrub	8.42	1.55
Southern mixed chaparral	1.07	0.08
Developed	2.39	1.41
TOTAL	11.88	3.04

5.2 Sensitive Plants Species

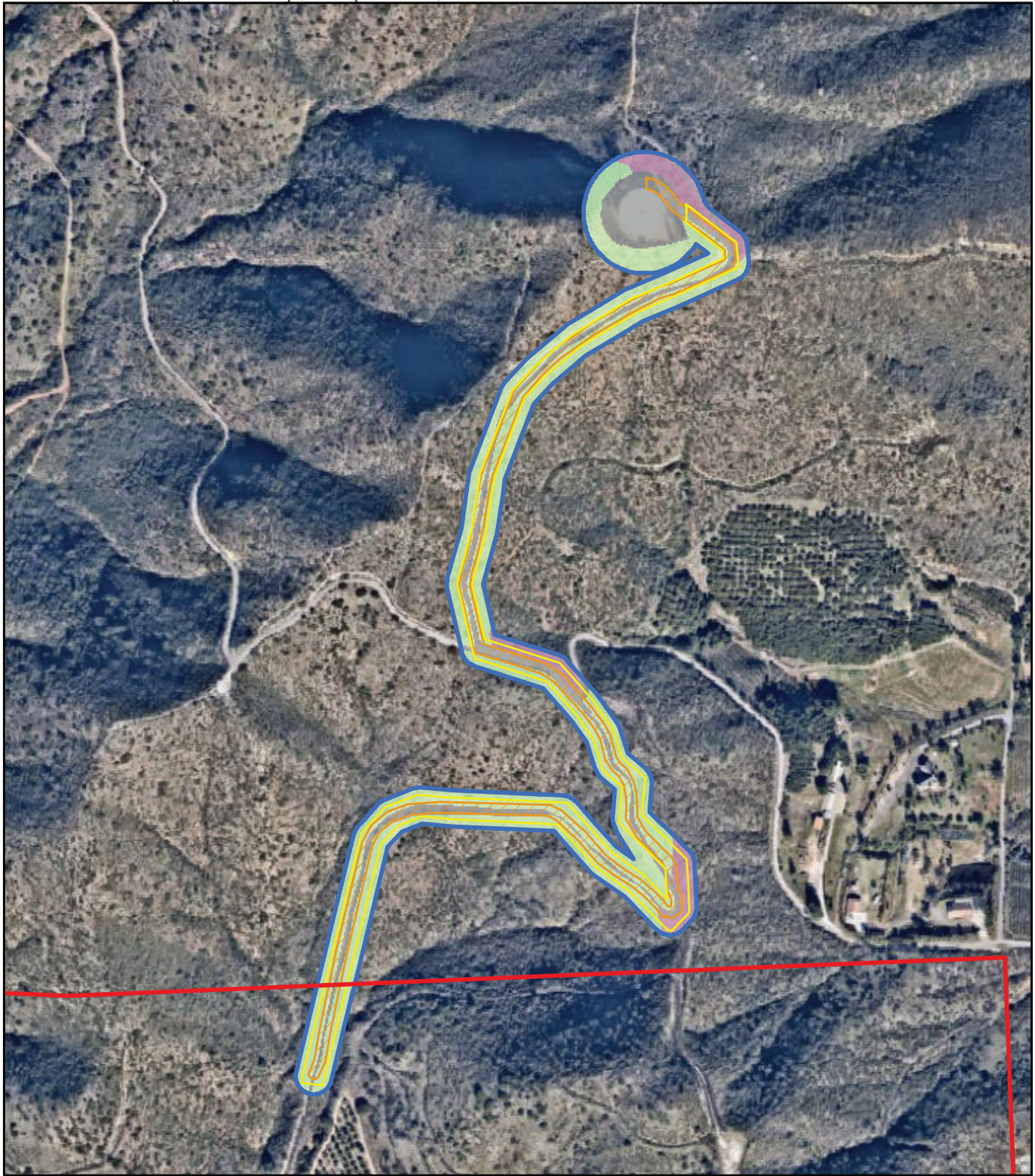
No state listed or federally listed species occur within the survey area. Therefore, no direct impacts to sensitive plant species are anticipated to result from project implementation.

5.3 General and Sensitive Wildlife Species

General wildlife. There are no potential biological constraints related to common wildlife species within the survey area. Small mammals, amphibians, and reptiles with low mobility could be inadvertently killed during the trenching operation. Most birds would be able to move out of the way during grading. Impacts to general wildlife would be considered less than significant, and mitigation would not be required.

Nesting birds. There are potential impacts related to nesting birds, as there is potential for raptors and migratory birds to nest in the trees and low-lying vegetation within the survey area. There is potential for direct impacts to migratory or nesting birds should vegetation clearing activities occur during the raptor breeding season (February 1– July 15) or typical bird breeding season (February 15–September 15). Direct impacts to nesting birds would be considered significant and require mitigation.

Sensitive wildlife. Potential indirect impacts to coastal California gnatcatcher may occur from noise generated from construction activities or excess lighting, if present. These potential impacts would have a substantial adverse effect on these sensitive wildlife species and would be considered significant without mitigation.










- | | | | |
|---|----------------------------|---|--------------------------|
|  | Meadowood Project Boundary | Vegetation Communities | |
|  | RMWD Easement |  | Southern Mixed Chaparral |
|  | Survey Area |  | Coastal Sage Scrub |
|  | Project Impacts |  | Developed Land |

FIGURE 6

Rice Canyon Transmission Pipeline

Project Impacts to Biological Resources

Avoidance measures would be required to prevent direct impacts to active coastal California gnatcatcher and Copper's hawk nests. Direct impacts to coastal California gnatcatcher and Copper's hawk would be considered significant and would require mitigation

Direct impacts may occur to the coast horned lizard, Coronado skink, Belding's orange-throated whiptail, and coastal whiptail, if present, during project activities. Any potential impacts to these species are not expected to reduce these species' overall populations below self-sustaining levels; thus, project impacts would be considered less than significant.

Coastal California Gnatcatcher Critical Habitat. Direct impacts to coastal sage scrub within the coastal California gnatcatcher Critical Habitat would be considered significant and would be mitigated through on-site preservation through the Meadowood project's biological open space.

5.4 Jurisdictional Waters of the U.S./State

No jurisdictional waters of the U.S./State occur within or adjacent to the survey area.

5.5 Wildlife Movement Corridor

The proposed work will occur in phases. Therefore, the project will not interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.

5.6 Conformance with the Draft County of San Diego Subarea Plan

The project will not conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance, or conflict with the provisions of an adopted Habitat Conservation Plan, NCCP, or other approved local, regional, or state habitat conservation plan.

6.0 Mitigation

Mitigation measures to be applied to reduce significant impacts to special status species to below a level of significance are presented in this section of the report.

Mitigation for impacts to coastal sage scrub and southern mixed chaparral would be accomplished through on-site preservation through the Meadowood project's biological open space. The Meadowood project has dedicated 74.5 acres of coastal sage scrub and 17.5 acres of southern mixed chaparral into a biological open space, although only 29 acres of coastal sage scrub and 1.1 acres of southern mixed chaparral were required (Natural Resource Consultants 2009). The excess 45.5 acres of coastal sage scrub and 16.4 acres of southern

mixed chaparral allow for the impacts to be mitigated through the preservation of sensitive habitats within the biological open space. Table 4 shows the mitigation requirements for the project.

Vegetation Community	Impact	Mitigation Ratio	Mitigation Requirement	On-site Preservation
Coastal sage scrub	1.55	1:1*	1.55	1.55
Southern mixed chaparral	0.08	0.5:1	0.04	0.04
TOTAL	1.63		1.59	1.59

*Per the County of San Diego guidelines, 1:1 is acceptable mitigation ratio

To avoid direct impacts to sensitive bird species, including birds covered by the federal MBTA and/or California Fish and Game Code 3503.5, vegetation removal should not occur during the general bird breeding season (February 15 to September 15). If vegetation removal must take place during the breeding season, a biologist shall be present during the vegetation clearing activities and conduct a nest search so nests can be flagged and avoided.

The following mitigation measures from the Meadowood EIR are recommended to avoid or mitigate potential impacts to nesting birds:

M-BR-3b: Direct impacts on the California gnatcatcher shall be mitigated by the following measures:

- To avoid impacts to nesting gnatcatchers, vegetation clearing and grubbing within 500 feet of coastal sage scrub shall not occur in potential nesting habitat during the breeding season from February 15 through August 31. If project construction (other than clearing and grubbing of sensitive habitats) is necessary adjacent to preserved on- and off-site habitat during the gnatcatcher breeding season (or sooner if a Wildlife Agency-approved biologist demonstrates to the satisfaction of the Wildlife Agencies that all nesting is complete), a Wildlife Agency-approved biologist shall conduct pre-construction surveys in the adjacent habitat to determine the location of any active gnatcatcher nests in the area. The survey shall begin not more than three days prior to the beginning of construction activities. The Agencies shall be notified if any nesting gnatcatchers are found. During construction, no activity shall occur within 500 feet (152.4 meters) of active gnatcatcher nesting territories, unless measures are implemented to minimize the noise and disturbance to those adjacent birds. Exceptions to this measure includes cases where surveys confirm that adjacent habitat is not occupied or where noise studies confirm that construction noise levels are below 60 A-weighted decibels hourly noise level [dB(A) L_{eq}] along the edge of adjacent habitat. If construction activities are not completed prior to the breeding season and noise levels exceed this threshold, noise barriers shall be erected to reduce noise impacts to occupied habitat to below 60 dBA hourly L_{eq} and/or the culpable activities will be suspended.

M-BR-11: Impacts to nesting birds shall be mitigated through the following measures:

- Native and naturalized vegetation clearing shall not occur during the breeding season from February 15 to September 15; However, Project construction activities may occur within this period with written concurrence from the RMWD, the USFWS, and the CDFW that nesting birds would be avoided. If vegetation removal is to take place during the nesting season, a biologist shall be present during vegetation clearing operations to search for and flag active nests so that they can be avoided.
- To avoid impacts to nesting raptors, any vegetation clearing or grubbing within 500 feet of trees suitable for raptor nesting shall not occur from February 1 to July 15. However, Project construction activities may occur within this period with written concurrence from the RMWD, the USFWS, and the CDFW that nesting birds would be avoided. A RMWD-approved biologist shall conduct pre-construction surveys in the adjacent habitat to determine the location of any active raptor nests in the area. The survey shall begin not more than ten days prior to the beginning of construction activities. During construction, no activity shall occur within 500 feet (152.4 meter) of active raptor nests, unless measures are implemented to minimize the noise and disturbance to those adjacent birds. The project proponent may seek approval from the RMWD if nesting activities cease prior to July 15.

The following notes are recommended to be placed on construction plans in order to implement the mitigation measures identified above:

- In order to avoid impacts to nesting coastal California gnatcatcher, no grading shall occur during the breeding season (between February 15 and August 31) until three focused surveys have taken place for coastal California gnatcatcher, on separate days to determine the presence of nesting birds. Surveys will begin a maximum of 7 days prior to initiating the vegetation clearing and grubbing and one shall be conducted the day immediately prior to initiation of work. If no nests are found, then clearing and grubbing within coastal sage scrub can proceed during the breeding season. If a nest is found then a 300 foot buffer will be established around the nest until the young have fledged, wherein no project activities will occur. A pre-construction nest survey shall be conducted for all avian species pursuant to Section 3503 of the California Fish and Game Code. No project activities shall occur within 300 feet of an active nest during the breeding season until it has been determined by the monitoring biologist that the young have fledged.
- In order to avoid impacts to nesting raptors, a pre-construction survey will be required and if present, a Resource Avoidance Area (RAA) shall be implemented on all plans. There shall be no brushing, clearing and/or grading allowed within 300 feet of documented raptor nests during the breeding season. The breeding season is defined as occurring between February 1 and July 15. The RMWD may waive this condition, through written concurrence from the USFWS and the CDFW, provided that no gnatcatchers or raptors are present in the vicinity of the brushing, clearing or grading based on a survey done within 10 days of the habitat clearing. No project activities shall occur in the RAA during the specified dates, unless a concurrence from the RMWD is received.

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ATTACHMENTS

ATTACHMENT 1
Plant Species Observed

**Attachment 1
Plant Species Observed**

Scientific Name	Common Name	Habitat	Origin
GYMNOSPERMS			
PINACEAE	PINE FAMILY		
<i>Pinus</i> sp.	pine	DEV	I
ANGIOSPERMS: MONOCOTS			
AGAVACEAE	AGAVE FAMILY		
<i>Hesperoyucca</i> [= <i>Yucca</i>] <i>whipplei</i> (Torr.) Trel.	chaparral candle	CSS	N
POACEAE (GRAMINEAE)	GRASS FAMILY		
<i>Avena</i> sp.	oats	CSS, SMC	I
<i>Bromus madritensis</i> L. ssp. <i>rubens</i> (L.) Husn.	red brome	CSS, SMC	I
<i>Stipa</i> [= <i>Achnatherum</i>] <i>coronata</i> Thurb.	crested needle grass	CSS	N
ANGIOSPERMS: DICOTS			
ANACARDIACEAE	SUMAC OR CASHEW FAMILY		
<i>Malosma laurina</i> Nutt. ex Abrams	laurel sumac	CSS	N
ASTERACEAE	SUNFLOWER FAMILY		
<i>Artemisia californica</i> Less.	California sagebrush	CSS, SMC	N
<i>Deinandra</i> [= <i>Hemizonia</i>] <i>fasciculata</i> (DC.) Greene	fascicled tarweed	SMC	N
<i>Eriophyllum confertiflorum</i> (DC.) A. Gray var. <i>confertiflorum</i>	long-stem golden-yarrow	CSS	N
<i>Hazardia squarrosa</i> (Hook. & Arn.) Greene	saw-toothed goldenbush	CSS	N
<i>Sonchus asper</i> (L.) Hill ssp. <i>asper</i>	prickly sow thistle	CSS	I
BORAGINACEAE	BORAGE FAMILY		
<i>Cryptantha</i> sp.	cryptantha	CSS	N
BRASSICACEAE (CRUCIFERAE)	MUSTARD FAMILY		
<i>Hirschfeldia incana</i> (L.) Lagr.-Fossat	short-pod mustard	CSS, SMC, DEV	I
CISTACEAE	ROCK-ROSE FAMILY		
<i>Crocantemum</i> [= <i>Helianthemum</i>] <i>scoparium</i> Nutt. Millsp.	peak rush-rose	CSS	N
CONVOLVULACEAE	MORNING-GLORY FAMILY		
<i>Cuscuta</i> sp.	dodder	CSS	N
ERICACEAE	HEATH FAMILY		
<i>Xylococcus bicolor</i> Nutt.	mission manzanita	SMC	N

**Attachment 1
Plant Species Observed**

Scientific Name	Common Name	Habitat	Origin
FABACEAE (LEGUMINOSAE)	LEGUME FAMILY		
<i>Acmispon glaber</i> (Vogel) Brouillet [= <i>Lotus scoparius</i>]	deerweed, California broom	CSS	N
LAMIACEAE	MINT FAMILY		
<i>Salvia mellifera</i> Greene	black sage	CSS, SMC	N
MYRTACEAE	MYRTLE FAMILY		
<i>Eucalyptus</i> sp.	gum tree	DEV	I
POLYGONACEAE	BUCKWHEAT FAMILY		
<i>Eriogonum fasciculatum</i> Benth.	California buckwheat	CSS, SMC	N
ROSACEAE	ROSE FAMILY		
<i>Adenostoma fasciculatum</i> Hook. & Arn.	chamise, greasewood	CSS	N
<i>Heteromeles arbutifolia</i> (Lindl.) M. Roem.	toyon, Christmas berry	CSS	N
<p><i>Notes:</i> Scientific and common names were primarily derived from the Jepson Online Interchange (University of California 2020). In instances where common names were not provided in this resource, common names were obtained from Rebman and Simpson (2014). Additional common names were obtained from the USDA maintained database (USDA 2013) or the <i>Sunset Western Garden Book</i> (Brenzel 2001) for ornamental/horticultural plants.</p>			
HABITATS		ORIGIN	
CSS = Coastal sage scrub		N = Native to locality	
DEV = Developed land		I = Introduced species from outside locality	
SMC = Southern Mixed Chaparral			

ATTACHMENT 2

Wildlife Species Observed

**Attachment 2
Wildlife Species Observed**

Scientific Name	Common Name	Occupied Habitat	On-Site Abundance/Seasonality (Birds Only)	Evidence of Occurrence
INVERTEBRATES (Nomenclature for fairy shrimp from Eriksen and Belk 1999; for spiders and insects from Evans 2008; for butterflies from San Diego Natural History Museum 2002)				
RIODINIDAE	METALMARKS			
<i>Apodemia mormo virgulti</i>	Behr's metalmark	SMC		O
REPTILES (Nomenclature from Crother 2008)				
CROTALIDAE	RATTLESNAKES			
<i>Crotalus ruber</i>	red diamond rattlesnake	DEV		C
BIRDS (Nomenclature from Chesser et al. 2019 and Unitt 2004)				
COLUMBIDAE	PIGEONS & DOVES			
<i>Zenaida macroura marginella</i>	mourning dove	DEV	C / Y	O, V
TYRANNIDAE	TYRANT FLYCATCHERS			
<i>Sayornis nigricans semiatra</i>	black phoebe	DEV	C / Y	O, V
TROGLODYTIDAE	WRENS			
<i>Thryomanes bewickii</i>	Bewick's wren	CSS, SMC	C / Y	O, V
TIMALIIDAE	BABBLERS			
<i>Chamaea fasciata henshawi</i>	wrentit	SMC	C / Y	V
MIMIDAE	MOCKINGBIRDS & THRASHERS			
<i>Mimus polyglottos polyglottos</i>	northern mockingbird	CSS	C / Y	O, V
EMBERIZIDAE	EMBERIZIDS			
<i>Melospiza [=Pipilo] crissalis</i>	California towhee	CSS	C / Y	O, V
<i>Pipilo maculatus</i>	spotted towhee	CSS	C / Y	O, V
FRINGILLIDAE	FINCHES			
<i>Spinus [=Carduelis] psaltria hesperophilus</i>	lesser goldfinch	SWRW, CSS	C / Y	O, V
HABITATS		ABUNDANCE (birds only; based on Garrett and Dunn 1981)		
CSS = Coastal sage scrub		C = Common to abundant; almost always encountered in proper habitat, usually in moderate to large numbers		
DEV = Developed land				
SMC = Southern mixed chaparral				
EVIDENCE OF OCCURRENCE		SEASONALITY (birds only)		
C = Carcass		Y = Year-round resident; probable breeder on-site or in vicinity		
O = Observed				
V = Vocalization				

ATTACHMENT 3

Sensitive Plant Species Observed or with the Potential to Occur

Attachment 3
Sensitive Plant Species Observed or with the Potential to Occur

Scientific Name Common Name	Sensitivity Code & Status			Habitat Preference/ Requirements	Verified On-Site Yes/No (direct/indirect evidence)	Potential to Occur On-Site (Observed or L/M/H/U)	Factual Basis for Determination of Occurrence Potential
	State/ Federal Status	CNPS Rank	County of San Diego				
ERICACEAE HEATH FAMILY							
<i>Comarostaphylis diversifolia</i> ssp. <i>diversifolia</i> summer holly	--	1B.2	List A	Perennial evergreen shrub; chaparral; blooms April–June; elevation 100–2,600 feet.	No	U	This perennial shrub would have been apparent, if present.
FAGACEAE OAK FAMILY							
<i>Quercus engelmannii</i> Engelmann oak	--	4.2	List D	Perennial deciduous tree; cismontane and riparian woodland, valley and foothill grasslands, chaparral; blooms March–May; elevation 150–4,300 feet.	No	U	This perennial tree species would have been apparent, if present.
PICRODENDRACEAE BITTER-TREE FAMILY							
<i>Tetracoccus dioicus</i> Parry’s tetracoccus	--	1B.2	MSCP List A	Perennial deciduous shrub; chaparral, coastal sage scrub; blooms April–May; elevation 500– 3,500 feet.	No	U	This perennial shrub would have been apparent, if present.
ANGIOSPERMS: MONOCOTS							
RUSACEAE BUTCHER’S-BROOM FAMILY							
<i>Nolina cismontana</i> chaparral nolina	--	1B.2	List A	Perennial evergreen shrub; coastal sage scrub and open chaparral; sandstone or gabbro soils; blooms May–July; elevation 460–4,200 feet. California endemic. Known from San Diego, Riverside, Orange, and Ventura Counties.	No	U	This perennial shrub would have been apparent, if present.

Attachment 3

Sensitive Plant Species Observed or with the Potential for Occurrence

FEDERAL CANDIDATES AND LISTED PLANTS

- FE = Federally listed endangered
- FT = Federally listed threatened
- FC = Federal candidate for listing as endangered or threatened

STATE LISTED PLANTS

- CE = State listed endangered
- CR = State listed rare
- CT = State listed threatened

CALIFORNIA NATIVE PLANT SOCIETY (CNPS): CALIFORNIA RARE PLANT RANKS (CRPR)

- 1A = Species presumed extinct.
- 1B = Species rare, threatened, or endangered in California and elsewhere. These species are eligible for state listing.
- 2A = Plants presumed extirpated in California, but more common elsewhere.
- 2B = Species rare, threatened, or endangered in California but more common elsewhere. These species are eligible for state listing.
- 3 = Species for which more information is needed. Distribution, endangerment, and/or taxonomic information is needed.
- 4 = A watch list of species of limited distribution. These species need to be monitored for changes in the status of their populations.
- .1 = Species seriously threatened in California (over 80% of occurrences threatened; high degree and immediacy of threat).
- .2 = Species fairly threatened in California (20-80% occurrences threatened; moderate degree and immediacy of threat).
- .3 = Species not very threatened in California (<20% of occurrences threatened; low degree and immediacy of threat or no current threats known).
- CBR = Considered but rejected

COUNTY OF SAN DIEGO

- NE = Narrow endemic
- MSCP = Multiple Species Conservation Program covered species
- List A = Plants rare, threatened or endangered in California and elsewhere
- List B = Plants rare, threatened or endangered in California but more common elsewhere
- List C = Plants which may be rare, but need more information to determine their true rarity status
- List D = Plants of limited distribution and are uncommon, but not presently rare or endangered

POTENTIAL TO OCCUR ON-SITE

- L = Low
- M = Medium
- H = High
- U = Unexpected

ATTACHMENT 4

Sensitive Wildlife Species Occurring or with the Potential to Occur

Attachment 4
Sensitive Wildlife Species Occurring or with the Potential to Occur

Species' Common Name/ Scientific Name	Listing Status	Habitat Preference/ Requirements	Detected within the Survey Area?	Potential to Occur within the Survey Area?	Basis for Determination of Occurrence Potential
AMPHIBIANS (Nomenclature from Crother et al. 2008)					
PELOBATIDAE SPADEFOOT TOADS					
Western spadefoot <i>Spea hammondi</i>	CSC	Vernal pools, floodplains, and alkali flats within areas of open vegetation.	No	None	This species was not observed and not expected to occur due to the absence of suitable vernal pool habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
BUFONIDAE TRUE TOADS					
Arroyo toad <i>Anaxyrus californicus</i>	FE, CSC, MSCP	Open streamside sand/gravel flats. Quiet, shallow pools along stream edges are breeding habitat. Nocturnal except during breeding season (March–July).	No	None	This species was not observed and not expected to occur due to the absence of suitable mesic habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
REPTILES (Nomenclature from Crother et al. 2008)					
IGUANIDAE IGUANID LIZARDS					
Coast horned lizard <i>Phrynosoma blainvillii</i> [= <i>P. coronatum</i> coastal population]	CSC, MSCP, *	Chaparral, coastal sage scrub with fine, loose soil. Partially dependent on harvester ants for forage.	No	Moderate	This species was not observed; however, there is a moderate potential for this species to occur within the coastal sage scrub and southern mixed chaparral within the Survey area. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).

**Attachment 4
Sensitive Wildlife Species Occurring or with the Potential to Occur**

Species' Common Name/ Scientific Name	Listing Status	Habitat Preference/ Requirements	Detected within the Survey Area?	Potential to Occur within the Survey Area?	Basis for Determination of Occurrence Potential
SCINCIDAE SKINKS					
Coronado skink <i>Eumeces skiltonianus interparietalis</i>	CSC	Grasslands, open woodlands and forest, broken chaparral. Rocky habitats near streams.	No	Moderate	This species was not observed; however, there is a moderate potential for this species to occur within the coastal sage scrub and southern mixed chaparral within the Survey area. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
TEIIDAE WHIPTAIL LIZARDS					
Belding's orange-throated whiptail <i>Aspidoscelis hyperythra beldingi</i>	CSC, MSCP	Chaparral, coastal sage scrub with coarse sandy soils and scattered brush.	No	Moderate	This species was not observed; however, there is a moderate potential for this species to occur within the coastal sage scrub and southern mixed chaparral within the Survey area. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
Coastal whiptail <i>Aspidoscelis tigris stejnegeri</i>	CSC	Coastal sage scrub, chaparral, woodlands, and streambanks where plants are sparsely distributed.	No	Moderate	This species was not observed; however, there is a moderate potential for this species to occur within the coastal sage scrub and southern mixed chaparral within the Survey area. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).

Attachment 4
Sensitive Wildlife Species Occurring or with the Potential to Occur

Species' Common Name/ Scientific Name	Listing Status	Habitat Preference/ Requirements	Detected within the Survey Area?	Potential to Occur within the Survey Area?	Basis for Determination of Occurrence Potential
ANNIELLIDAE LEGLESS LIZARDS					
California legless lizard <i>Anniella pulchra</i>	CSC	Herbaceous layers with loose soil in coastal scrub, chaparral, and open riparian. Prefers dunes and sandy washes near moist soil.	No	None	This species was not observed and not expected to occur due to the absence of suitable sandy soils. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
CROTALIDAE RATTLESNAKES					
Red diamond rattlesnake <i>Crotalus ruber</i>	CSC	Desert scrub and riparian, coastal sage scrub, open chaparral, grassland, and agricultural fields.	Yes	Occurs	This species was observed along the road in developed land.
BIRDS (Nomenclature from American Ornithological Society Checklist (Chesser et al. 2018) and Unitt 2004)					
ARDEIDAE HERONS & BITTERNS					
Western least bittern <i>Ixobrychus exilis hesperis</i>	CSC	Brackish and freshwater marshes in the coastal lowland. Rare summer resident, rare in winter.	No	None	This species was not observed and not expected to occur due to the absence of suitable marsh habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
THRESKIORNITHIDAE IBISES					
White-faced ibis (rookery site) <i>Plegadis chihi</i>	WL, MSCP	Freshwater ponds, irrigated fields, brackish lagoons. Migrant and winter visitor, rare in summer. Very localized breeding.	No	None	This species was not observed and not expected to occur due to the absence of suitable lagoon habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).

Attachment 4
Sensitive Wildlife Species Occurring or with the Potential to Occur

Species' Common Name/ Scientific Name	Listing Status	Habitat Preference/ Requirements	Detected within the Survey Area?	Potential to Occur within the Survey Area?	Basis for Determination of Occurrence Potential
ACCIPITRIDAE HAWKS, KITES, & EAGLES					
Cooper's hawk (nesting) <i>Accipiter cooperii</i>	WL, MSCP	Mature forest, open woodlands, wood edges, river groves. Parks and residential areas.	No	Moderate	This species was not observed; however, there is a moderate potential for this species to occur within the ornamental pine trees near the water tank within the Survey area. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
Golden eagle (nesting and wintering) <i>Aquila chrysaetos canadensis</i>	WL, CFP, BEPA, MSCP	Require vast foraging areas in grassland, broken chaparral, or sage scrub. Nest in cliffs and boulders. Uncommon resident.	No	Low	This species was not observed and although chaparral and coastal sage scrub habitats are available within the Survey area, there is low potential for foraging as the survey area does not offer large foraging spaces and does not contain cliffs for nesting. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
Swainson's hawk (nesting) <i>Buteo swainsoni</i>	CT, MSCP	Plains, range, open hills, sparse trees. Uncommon spring migrant. Local breeding population now extirpated.	No	None	This species was not observed and not expected to occur due to the absence of plains, range, or open hill habitats. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).

Attachment 4
Sensitive Wildlife Species Occurring or with the Potential to Occur

Species' Common Name/ Scientific Name	Listing Status	Habitat Preference/ Requirements	Detected within the Survey Area?	Potential to Occur within the Survey Area?	Basis for Determination of Occurrence Potential
TYRANNIDAE TYRANT FLYCATCHERS					
Southwestern willow flycatcher <i>Empidonax traillii extimus</i>	FE, CE, MSCP	Nesting restricted to willow thickets. Also occupies other woodlands. Rare spring and fall migrant, rare summer resident. Extremely localized breeding.	No	None	This species was not observed and not expected to occur due to the absence of suitable willow or woodland habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
VIREONIDAE VIREOS					
Least Bell's vireo (nesting) <i>Vireo bellii pusillus</i>	FE, CE, MSCP	Willow riparian woodlands. Summer resident.	No	None	This species was not observed and not expected to occur due to the absence of suitable willow or woodland habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
TROGLODYTIDAE WRENS					
Coastal cactus wren <i>Campylorhynchus brunneicapillus sandiegensis</i>	CSC, MSCP, *	Maritime succulent scrub, coastal sage scrub with <i>Opuntia</i> thickets. Rare localized resident.	No	None	This species was not observed and not expected to occur due to the absence of cactus. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
SYLVIIDAE GNATCATCHERS					
Coastal California gnatcatcher <i>Poliophtila californica californica</i>	FT, CSC, MSCP	Coastal sage scrub, maritime succulent scrub. Resident.	No	High	This species was not observed; however, there is a high potential for this species to occur within the coastal sage scrub within the Survey area. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).

Attachment 4
Sensitive Wildlife Species Occurring or with the Potential to Occur

Species' Common Name/ Scientific Name	Listing Status	Habitat Preference/ Requirements	Detected within the Survey Area?	Potential to Occur within the Survey Area?	Basis for Determination of Occurrence Potential
PARULIDAE WOOD WARBLERS					
Yellow warbler (nesting) <i>Setophaga [=Dendroica] petechia</i>	CSC	Breeding restricted to riparian woodland. Spring and fall migrant, localized summer resident, rare winter visitor.	No	None	This species was not observed and not expected to occur due to the absence of suitable riparian habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
Yellow-breasted chat (nesting) <i>Icteria virens auricollis</i>	CSC	Dense riparian woodland. Localized summer resident.	No	None	This species was not observed and not expected to occur due to the absence of suitable riparian habitat. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).
EMBERIZIDAE EMBERIZIDS					
Southern California rufous-crowned sparrow <i>Aimophila ruficeps canescens</i>	WL, MSCP	Coastal sage scrub, chaparral, grassland. Resident.	No	High	This species was not observed; however, there is a high potential for this species to occur within the coastal sage scrub within the Survey area. This species has been known to occur within a one-mile buffer of the survey area (State of California 2020a).

**Attachment 4
Sensitive Wildlife Species Occurring or with the Potential to Occur**

Species' Common Name/ Scientific Name	Listing Status	Habitat Preference/ Requirements	Detected within the Survey Area?	Potential to Occur within the Survey Area?	Basis for Determination of Occurrence Potential
<p>(I) = Introduced species</p> <p>STATUS CODES</p> <p><u>Listed/Proposed</u></p> <p>FE = Listed as endangered by the federal government CE = Listed as endangered by the state of California CT = Listed as threatened by the state of California</p> <p><u>Other</u></p> <p>BEPA = Bald and Golden Eagle Protection Act CFP = California fully protected species CSC = California Department of Fish and Wildlife species of special concern WL = California Department of Fish and Wildlife watch list species MSCP = City and County of San Diego Multiple Species Conservation Program covered species * = Taxa listed with an asterisk fall into one or more of the following categories:</p> <ul style="list-style-type: none"> • Taxa considered endangered or rare under Section 15380(d) of CEQA guidelines • Taxa that are biologically rare, very restricted in distribution, or declining throughout their range • Population(s) in California that may be peripheral to the major portion of a taxon's range but which are threatened with extirpation within California • Taxa closely associated with a habitat that is declining in California at an alarming rate (e.g., wetlands, riparian, old growth forests, desert aquatic systems, native grasslands) 					



An Employee-Owned Company

April 6, 2020

Mr. Jimmy Ayala
Pardee Homes
13400 Sabre Springs Parkway, Suite 200
San Diego, CA 92128

Reference: Cultural Resources Survey for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline, San Diego County, California (RECON Number 3706-1)

Dear Mr. Ayala:

This letter report summarizes the background, methods, and results of the cultural resources survey for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline (project). This project is associated with the previously approved Meadowood Specific Plan (Meadowood development) located in northern San Diego County within the community of Fallbrook (Figures 1 and 2). The Meadowood development entails the development of a residential community with a mix of single- and multi-family units, an elementary school site, a neighborhood park, pocket parks, multi-use trails, and supporting infrastructure. The proposed water pipeline project would serve to provide the necessary water service for the Meadowood development. The project area includes a 30-foot-wide limit of disturbance for installation of an approximately 4,500-linear-foot water pipeline within an existing Rainbow Municipal Water District (RMWD) easement. RECON archaeologists conducted a cultural resources survey of a 50-foot-wide area from the centerline of the RMWD easement, for a total of a 100-foot-wide survey area.

Water service for the Meadowood development would be provided by the RMWD. In order to provide a potable water supply to the Meadowood development, construction of 4,500 linear feet of 18-inch water main pipeline is proposed. The water main would connect proposed RMWD facilities within the Meadowood development footprint north along Monserate Mountain generally west of Rice Canyon to an existing RMWD water tank (Figure 3). The water line would follow an existing disturbed paved and dirt road within the RMWD easement.

RMWD currently owns and operates the Rice Canyon Water Tank located approximately 2,000 feet north of the Meadowood development boundary. The proposed Rice Canyon Transmission Pipeline would deliver water from the Rice Canyon Water Tank to the southwest portion of the Rainbow District. Design and construction of this line was included on the RMWD Capital Improvement Program (CIP) list in the 2016 Water and Wastewater Master Plan Update. While the facilities and service to the Meadowood development would be provided by RMWD, the proposed project is located within both RMWD and Valley Center Municipal Water District. Ultimately, a Local Agency Formation Commission reorganization is proposed so that the entire project would be within RMWD.

Installation of the water pipeline will involve a maximum 30-foot limit of disturbance through the RMWD easement. Minimal grading will be completed to achieve a flat work area for installation of pipeline within this disturbance limit. All work would be contained within the existing RMWD easement. Staging, pipe laydown, and storage would occur within the previously disturbed area associated with the Meadowood grading operation, at disturbed areas at the Rice Canyon Water Tank, and along the pipeline alignment.

Project Personnel

RECON archaeologist Carmen Zepeda-Herman, M.A., served as principal investigator. Ms. Zepeda-Herman is a member of the Register of Professional Archaeologists (RPA) and meets the Secretary of the Interior Standards for Archaeology and Historic Preservation. Archaeologist Nathaniel Yerka participated as field crew. Donovan Pati from Saving Sacred Sites served as Native American monitor representing the San Luis Rey Band of Mission Indians. Stacey Higgins was in charge of copyediting. Frank McDermott managed the geographic information system (GIS) data and performed the GIS data analysis. Photographic figures were prepared by Jennifer Gutierrez and Carmen Zepeda-Herman.

Background and Existing Conditions

Natural Setting

The prehistoric cultural sequence in northern San Diego County is generally conceived as comprised of three basic periods: (1) the Paleoindian Period, dated between about 11,500 and 8,500 years ago; (2) the Archaic Period, lasting from about 8,500 to 1,500 years ago (A.D. 500); and (3) the Late Prehistoric Period, lasting from about 1,500 years ago to historic contact (i.e., 500 to 1769) and represented by the Cuyamaca and San Luis Rey complexes.

Cultural Setting

The Paleoindian Period in San Diego County is most closely associated with the San Dieguito Complex, as identified by Rogers (1938, 1939, and 1945). The San Dieguito assemblage consists of well-made scraper planes, choppers, scraping tools, crescentics, elongated bifacial knives, and leaf-shaped projectile points. The most thoroughly investigated San Dieguito component in San Diego County is found at CA-SDI-149 (the C.W. Harris site), located on a terrace overlooking the San Dieguito River. The San Dieguito Complex is thought to represent an early emphasis on hunting (Warren et al. 1993:III-33).

The Archaic Period in coastal San Diego County is represented by the La Jolla Complex, a local manifestation of the widespread Millingstone Horizon. Archaic assemblages in interior northern San Diego County have been designated as the Pauma Complex. The La Jolla and Pauma complexes have very similar assemblages and are thought to be different environmental adaptations of the same culture (True 1958).

Both La Jolla Complex and Pauma Complex assemblages suggest a generalized subsistence focus with an emphasis on hard seeds. This emphasis is indicated by the increased frequency of slab and basin metates and the adoption of a mixed cobble/core-based tool assemblage composed primarily of crudely made choppers, scrapers, and cobble hammerstones. For coastal La Jolla Complex sites, large deposits of marine shell argue for the importance of shellfish gathering to the coastal Archaic economy.

Pauma Complex sites are typically found on terraces or ridges above a water source such as a stream. They often do not have discernible midden development, but they may have subsurface deposits. While they typically have numerous portable metates and manos, they lack bedrock milling, and mortars and pestles (True and Waugh 1981).

There seems to have been some reorientation in settlement from coastal to inland settings during the latter portion of this period in northern San Diego County. This settlement shift appears to have occurred around 4,000 years ago, and is thought to relate to the final phases of Holocene sea level rise and the resulting siltation of coastal lagoons. Prior to this time, the lagoons had been highly productive sources of shellfish for La Jolla people (Gallegos 1987; Warren et al. 1993).

The late prehistoric archaeology of the San Diego coast and foothills, beginning approximately 1,500 years ago, is characterized by two major complexes: the Cuyamaca and the San Luis Rey. The Cuyamaca Complex is primarily known from the work of D. L. True at Cuyamaca Rancho State Park, southeast of the project. The Cuyamaca Complex is characterized by the presence of steatite arrowshaft straighteners, steatite

pendants (some of these steatite items are incised with crosshatching), steatite comales (heating stones), Tizon Brownware pottery, ceramic figurines reminiscent of Hohokam styles, ceramic “Yuman bow pipes,” ceramic rattles, miniature pottery, various cobble-based tools (e.g., scrapers, choppers, hammerstones), bone awls, manos and metates, mortars and pestles, and Desert Side-notched (more common) and Cottonwood Series projectile points (True 1970).

The definition of the San Luis Rey Complex was based primarily on excavations near Pala, about 3 miles east of the project area. The San Luis Rey Complex is thought to represent the ancestors of the ethnographic Luiseño (True 1966, 1970), who arrived in northern San Diego County as part of the large series of coastward migrations of Shoshonean speakers, sometimes called the Takic Wedge (Meighan 1954; Waugh 1986). San Luis Rey I is characterized by slab metates and mortars, both of which can be found in shaped and unshaped, bedrock and portable configurations. Cremations, bone awls, and stone and shell ornaments are also prominent in the material culture. In the San Luis Rey II assemblage, pottery cooking and storage vessels, cremation urns, and polychrome pictographs appear. Chipped stone arrowpoints are dominated by the Cottonwood Triangular series but Desert side-notched, Dos Cabezas serrated, leaf-shaped, and stemmed styles also occur.

Luiseño settlement systems have been carefully reconstructed on the basis of extensive ethnographic and ethnohistoric research (Bean and Shipek 1978; Kroeber 1925; Sparkman 1908; White 1963). White states that the Luiseño lived in units and that each unit contained at least one village, which was referred to by the Spanish term *rancheria*. White (1963: 116) estimates that each *rancheria* on average was 30 square miles and all parts could be reached within a half a day’s walk from the village.

Previous Research

Prior to the survey, an in-house record search completed in 2017 for the proposed water lines was reviewed (Confidential Attachment 1). The searches included a review of the National Register of Historic Places (NRHP) for San Diego County, National Historic Landmarks, California Register of Historical Resources, California Registered Historical Landmarks, California Points of Historical Interest, historic resources inventory files, archaeological inventory files, a bibliography of previous cultural resources investigations, and various historic maps. The information obtained from the record search was used to determine if previous surveys had been conducted in the area, what resources might be expected, and whether any cultural resources have been recorded within the project limits.

The record search identified 10 historic-era sites, 2 prehistoric sites, and 2 prehistoric isolated artifacts within the one-mile radius (see Confidential Attachment 1). Table 1 lists those sites. The historic sites include a pipe, 3 foundations, 3 trash scatters, an earthen dam, an adobe house, and a shed. The prehistoric sites include a bedrock milling feature and bedrock milling features with a lithic scatter. None of the cultural resources are within the water pipeline alignment.

Portions of the alignment were also surveyed by RECON in 2017. The results of the survey are documented in Cultural Resources Survey for the Meadowood Off-site Water Pipelines and Constraints for the Off-site Sewer Pipelines Project, San Diego County, California (RECON 2017). No cultural resources were identified during that survey.

Table 1			
Cultural Resources within One Mile of the Water Pipeline Alignment			
P-Number	Trinomial	Period	Site Type
P-37-033118	n/a	Historic	Foundation
P-37-033471	n/a	Prehistoric	Isolate: core
P-37-033472	SDI-021050	Historic	House foundations, trees
P-37-033474	n/a	Historic	Pipe
P-37-033475	SDI-021052	Historic	Trash scatter
P-37-033477	SDI-021053	Historic	Trash scatter
P-37-033478	SDI-021054	Historic	Trash scatter
P-37-033511	SDI-021069	Prehistoric	Bedrock milling feature, lithic scatter
P-37-035252	n/a	Historic	Adobe house
P-37-035253	n/a	Historic	Shed
P-37-035255	n/a	Historic	Well house foundation
P-37-035258	n/a	Historic	Earthen dam and pond
P-37-036299	SDI-22004	Prehistoric	Bedrock milling feature
P-37-036300	n/a	Prehistoric	Isolate: metate fragment

Methods

The primary goal of this investigation was to systematically survey the water pipeline alignment to determine if there are previously unrecorded cultural resources present and assess the current condition of area of potential effect (APE). A RECON archaeologist accompanied by a Native American monitor surveyed the APE on April 1, 2020. The project area was inspected for evidence of archaeological materials such as flaked and ground stone tools, ceramics, milling features, and human remains. The archaeologist and Native American monitor walked along road edges and surveyed approximately 10 meters beyond the road edges. A sub-meter global positioning system (GPS) unit provided the field team with sub-meter accuracy and real-time position correction and recording capability. Photographs were taken to document existing conditions on-site. A copy of this report will also be forwarded to the South Coastal Information Center at San Diego State University.

Results

No cultural resources were identified during the field survey of the water pipeline alignment. Conditions were clear, sunny, and warm. The access road, Pala Mesa Heights Drive, which is accessed from Blue Breton Drive via Horse Ranch Creek Road and leads to the southern end of the water pipeline alignment project boundary, is a narrow dirt-covered and dilapidated paved road that joins the paved and maintained Pala Mesa Mountain Drive approximately halfway through the project alignment. The project alignment continues for approximately 320 feet when it turns north on a gated and unnamed paved road which leads to the RMWD water tank. These roads are generally cut into steep slopes in excess of 25 degrees. Cut banks generally appear upslope and disturbed material is observed downslope. The road edges extending out to the disturbance buffer generally exhibit dense vegetation comprised of coastal sage scrub and present sparse pockets of bare dirt (Photograph 1). Small modern corrugated culverts are located along the paved road towards the RMWD water tank. The graded pad of the RMWD water tank was fenced and locked; therefore, no access was available to survey the area adjacent to the water tank. However, the disturbed area south of and along the southern fence line was surveyed for the presence of disturbed cultural material.

Management Recommendations

The regulatory framework and methods for determining impacts on cultural resources associated with the project include compliance with the requirements of California Environmental Quality Act (CEQA) as defined in Section 15064.5 of the CEQA Determining the Significance of Impacts to Archaeological and Historical Resources (CEQA Guidelines). The project is subject to state and RMWD environmental

Mr. Jimmy Ayala
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regulations. The RMWD is the lead for the CEQA guidelines and regulations. Thus, the project is also subject to CEQA guidelines. Significance criteria are found in CEQA Guidelines 15064.5(a) and Section 5024 of the Public Resources Code and CEQA Guidelines 15064.5(c).

A resource shall be considered historically significant if it meets one of the following criteria for listing on the California Register of Historical Resources (Public Resources Code Section 5024.1):

1. Associated with events that have made a significant contribution to the broad patterns of local or regional history or the cultural heritage of California or the United States;
2. Associated with the lives of persons important to local, California or national history;
3. Embodies the distinctive characteristics of a type, period, region or method of construction or represents the work of a master or possesses high artistic values; or
4. Has yielded, or has the potential to yield, information important to the prehistory or history of the local area, California or the nation.

In addition to meeting one of the above criteria, a resource must have integrity. Integrity is necessary for the property to convey its proposed significance. Enough integrity must remain to convey the reasons for the property's significance. Unless demonstrated otherwise, archaeological sites with only a surface component are not typically considered significant. The determination of an archaeological site's significance depends on a number of factors specific to that site including size, type, integrity, presence or absence of a subsurface deposit, soil stratigraphy, features, diagnostic artifacts, or datable material; artifact/ecofact density; assemblage complexity; cultural affiliation; association with an important person or event; and ethnic importance.

According to CEQA, a significant impact is a project effect that may cause a substantial adverse change in the significance of a historical resource. Adverse changes include physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings resulting in the impairment of the resource's significance (Section 15064.5.4b of the CEQA Guidelines). Mitigation measures are required for adverse effects on significant historical resources (Section 21083.2 of the CEQA Code).

Conclusion and Recommendations

The proposed project will not significantly impact known historical resources or result in substantial adverse changes to unknown historical resources; therefore, impacts would be less than significant under CEQA guidelines. The topography of the project area is too steep to lend itself to contain significant historical resources. No mitigation measures are recommended.

If you have any questions, please call me at 619-308-9333 extension 133 or e-mail me at czepeda@reconenvironmental.com.

Sincerely,



Carmen Zepeda-Herman
Project Archaeologist

CZH:sh

Confidential Attachment

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Waugh, M. Georgie

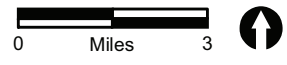
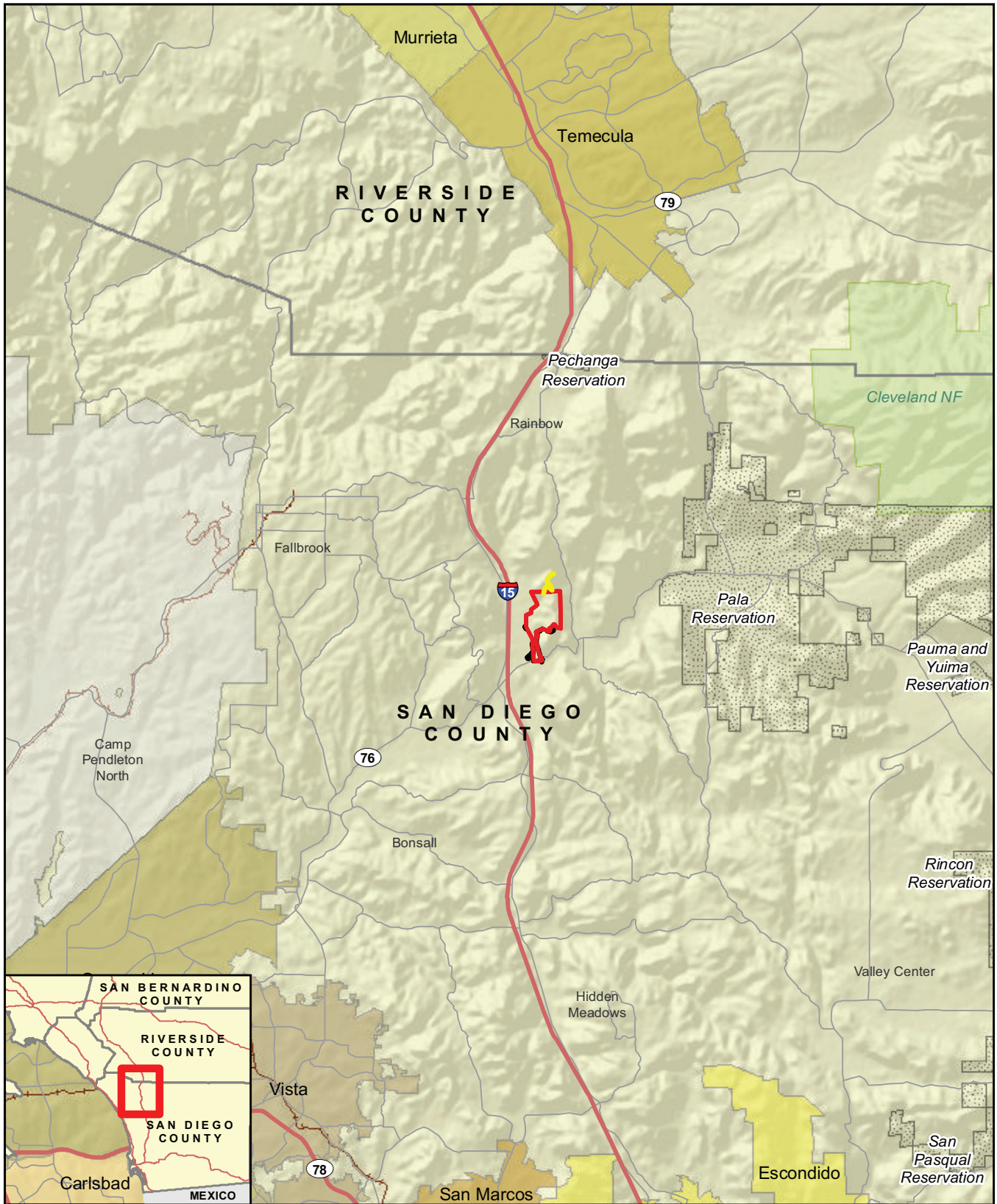
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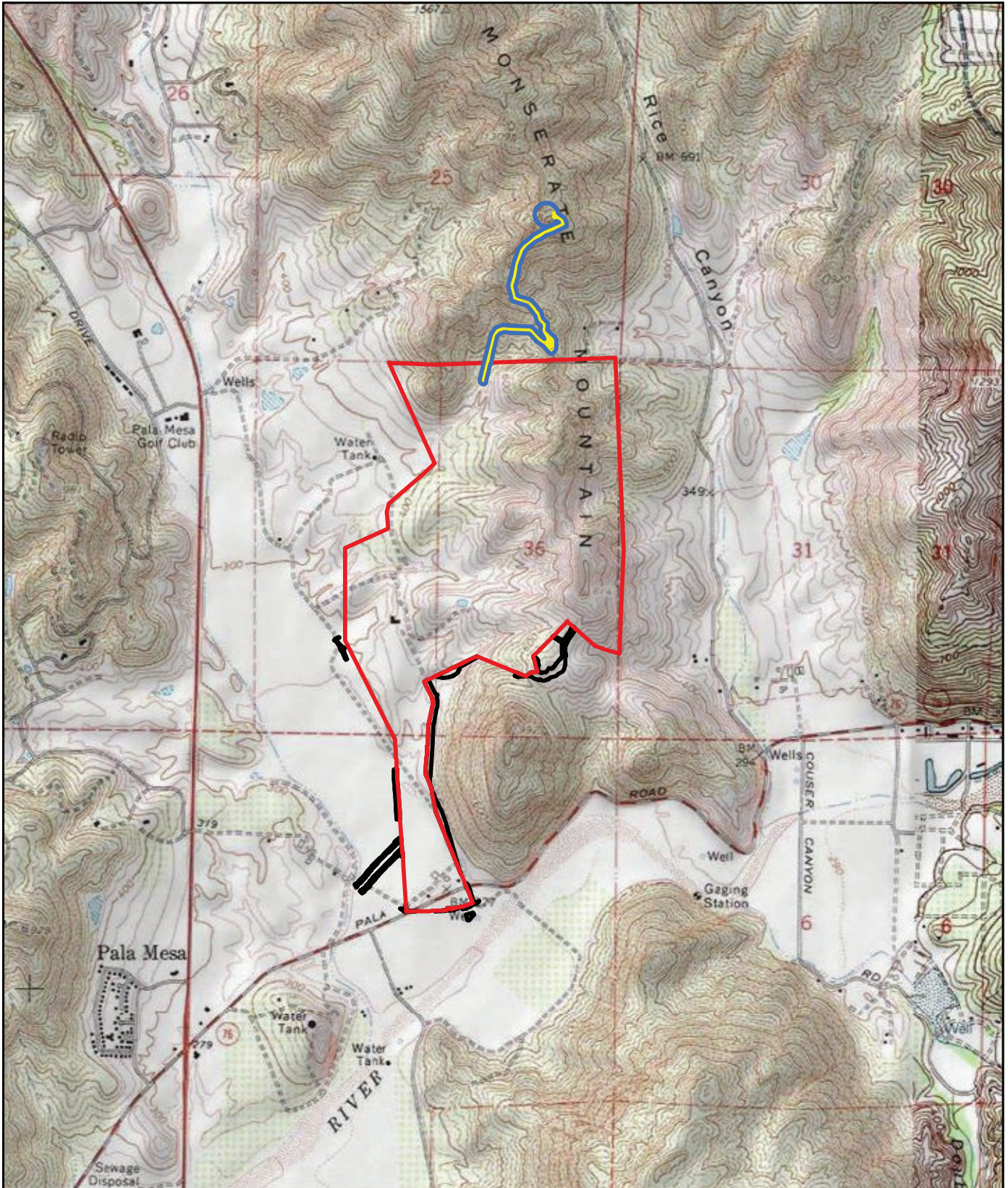
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- Meadowood Project Boundary
- Meadowood Off-site Features
- RMWD Easement

FIGURE 1
Regional Location







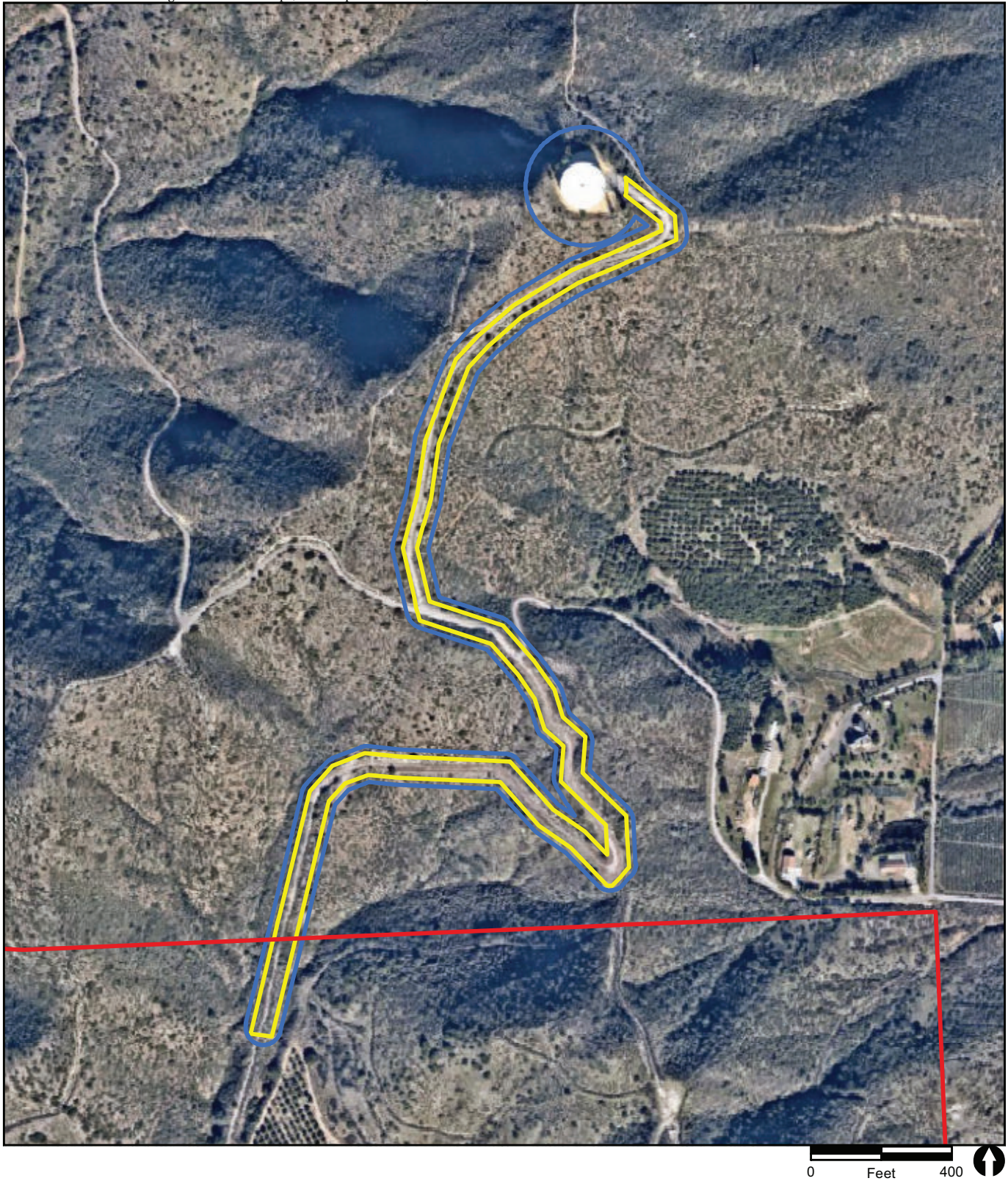
-  Meadowood Project Boundary
-  RMWD Easement
-  Meadowood Off-site Features
-  Survey Area

FIGURE 2

Project Location on USGS Map



- Meadowood Project Boundary
- RMWD Easement
- Survey Area

FIGURE 3

Rice Canyon Transmission Pipeline Project on Aerial Photograph



PHOTOGRAPH 1
Southern Terminus of Project Area, Looking North-Northeast

CONFIDENTIAL ATTACHMENTS
Not for Public Review

EXHIBIT B

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS OF THE RAINBOW MUNICIPAL WATER DISTRICT

I. CONSIDERATION OF THE ENVIRONMENTAL IMPACT REPORT FOR THE MEADOWOOD MASTER PLANNED COMMUNITY AND SUBSEQUENT ADDENDUM.

Pursuant to the California Environmental Quality Act, Public Resources Codes Sections 21000 et seq. (CEQA) and the State CEQA Guidelines, title 14 California Code of Regulations, Sections 1500 et seq. (CEQA Guidelines), the Board of Directors of the Rainbow Municipal Water District (“RMWD”) has considered the Final Environmental Impact Report (FEIR), State Clearinghouse Number 2004051028, which was certified by the County of San Diego on January 11, 2012 for the Meadowood Master Planned Community Project (“Project”), an Addendum to the FEIR prepared by the County of San Diego for the Purposes of Consideration of Meadowood Major grading and Improvement Plans and Site Plan Minor Deviations, dated October 15, 2019, and the Addendum to the FEIR prepared for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline, dated April 6, 2020.

The FEIR consists of:

The FEIR evaluating the Proposed Project and a reasonable range of alternatives, the summary of changes to the Draft EIR, a List of Persons, Organizations, and Public Agencies commenting on the DEIR, Comment Letters, and Responses to Comments on the Draft EIR;

A series of 27 volumes containing Technical Appendices to the FEIR;

Addendum to the FEIR prepared by the County of San Diego for the Purposes of Consideration of Meadowood Major grading and Improvement Plans and Site Plan Minor Deviations, dated October 15, 2019; and

Addendum to the FEIR prepared for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline, dated April 6, 2020.

The FEIR identifies RMWD as a responsible agency, under CEQA Guidelines section 15381, with respect to the provision of potable water and sewer service to the Project.

In its capacity as a responsible agency, the RMWD Board of Directors certifies that it has reviewed and considered the environmental effects of the Project as shown in the FEIR and subsequent addendums, and has determined to take the following actions:

1. Adopt the CEQA Findings in connection with the Annexation Agreement among Rainbow Municipal Water District and Pardee Homes and Agreement for Out of Agency Service between Valley Center Municipal Water District and RMWD;
2. Adopt Addendum to the FEIR prepared for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline, dated April 6, 2020.
3. Approve the Annexation Agreement among Rainbow Municipal Water District and Pardee Homes; and
4. Approve Agreement for Out of Agency Service between Valley Center Municipal Water District and RMWD.

II. BACKGROUND: ENVIRONMENTAL REVIEW PROCESS.

The County of San Diego, in its role as lead agency pursuant to CEQA, certified an Environmental Impact Report for the Meadowood Project (Project) on January 11, 2012. The Project proposes the development of a residential community of up to 844 units with an overall density of 2.3 dwelling units per acre (du/ac/). Residential density within the planning areas ranged from 2.7 du/ac for the single-family units, to 13.5 du/ac for a portion of the multi-family units. Higher density planning areas were clustered in the flatter, western portions of the property, adjacent to the more urban uses proposed in the Campus Park and Campus Park West projects. Single-family residences were proposed in the higher elevations below the surrounding agricultural orchards and open space to the west.

Development of the Meadowood Project was anticipated to be phased over several years and would be coordinated with the availability of water, sewer, fire protection, and school services.

The water service infrastructure proposed as part of the Project was to consist of two 2.5 million-gallon circular steel water storage tanks, located on the southern portion of the eastern ridgeline of the Project site. On-site water infrastructure improvements were to include access roads, water storage tanks, and a recycled water tank. The preferred aqueduct connection analyzed in the FEIR would have required a 22,000 foot-long pipeline located west of the Second Aqueduct system of the San Diego County Water Authority, within right-of-way of Reche Road, Stewart Canyon Road, and Pankey Road/Horse Ranch Creek Road. This alignment was the preferred alignment at the time of FEIR certification based on capacity availability and right-of-way availability for the pipeline.

The FEIR included an assessment of potential water service and infrastructure for two potential water service providers: Valley Center Municipal Water District/San Luis Rey Municipal Water District and RMWD.

The FEIR assumed and analyzed the impacts of the following infrastructure in the event that water service were to be provided by RMWD:

- A 12-inch-diameter water supply pipeline connected to the existing RMWD water system;
- 5 million gallons of potable on-site tank storage;
- Off-site pressure reducing station, if necessary; and
- On-site pressure reducing stations.

The RMWD facilities thus consisted of new transmission pipelines connecting to existing transmission pipelines, and included the above-referenced water storage tanks. Service supplied by the RMWD would not require new connections to the first or second aqueducts. Instead, water would be supplied to the development from existing RMWD facilities, including existing aqueduct connections.

The FEIR recycled water use for the Project and assessed impacts based on the construction recycled water production and distribution facilities for irrigation of common area landscaping, slopes, parks, school fields, as the primary method for irrigation of retained groves.

The FEIR further assumed that that wastewater would be treated to recycled water quality standards at the on-site wastewater treatment plant (WWTP), which was planned to be located at the southern end of Planning Area 1, adjacent to SR-76. The recycled water infrastructure was to consist of a conveyance pump station located at the WWTP site, a transmission pipeline, a recycled water storage tank, and recycled water distribution pipelines.

On October 15, 2019, the County of San Diego adopted an Addendum to the FEIR for Purposes of Consideration of Meadowood Major Grading and Improvement Plans and Site Plan Minor Deviations ("2019 Addendum"). Among the modifications analyzed in the 2019 Addendum were modifications of the lot layout and circulation within the approved Project footprint in addition to the construction of an off-site storm drain access road and storm drainpipe outside of the Project footprint; the redistribution of dwelling units within Planning Areas 1, 3, 4, and 5; and the removal of the WWTP.

The 2019 Addendum assumed that potable water would be delivered to the site from Valley Center Municipal Water District, that no WWTP would be constructed on-site, and that wastewater would be delivered to local water district-operated wastewater treatment plants and 100 percent of wastewater would be recycled and reused by the respective districts. Recycled water would no longer be used as an irrigation water supply source for the Project and common area landscape areas would require potable water use for irrigation. The 2019 Addendum concluded that the Project modifications would result in no new significant or more severe environmental impacts to utilities or service systems because, regardless of the wastewater supplier selected, 100 percent of the Project's wastewater would be reused or recycled by the respective water district. The reuse of the Project's wastewater, while not being reused on-site as identified in the original Project, would be consistent with the original plan to reuse 100 percent of the Project's wastewater. The 2019 Addendum further documented that while potable water would be required for on-site irrigation, new regulatory requirements and additional Project design changes would achieve a 52 percent reduction in irrigation demand as compared to the originally approved Project, and that the remaining Project water demand would be the same as originally assumed in the FEIR.

Pardee Homes has prepared Addendum to the FEIR prepared for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline, dated April 6, 2020 (2020 Addendum). The 2020 Addendum identifies RMWD as the preferred water and sewer service provided to the Project. With RMWD as the service provider, the Project would construct 4,500 linear feet of off-site water line improvements not analyzed in the FEIR. The proposed RMWD water line would connect to water line facilities located within the Project development footprint.

The new 18" underground pipeline is proposed to be 4,500 linear feet in length and to be located within a RMWD easement. Public Resources Code section 21080.21, provides:

"[CEQA] does not apply to any project of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline. For purposes of this section, "pipeline" includes subsurface facilities but does not include any surface facility related to the operation of the underground facility."

Accordingly, CEQA does not require an environmental analysis of the pipeline.

The 2020 Addendum nevertheless documents that all impacts associated with the provision of water and sewer service to the Project by RWMD were adequately evaluated in the FEIR, and would not result in any new or more severe impacts than were disclosed in the FEIR.

III. FINDINGS REGARDING PROJECT ENVIRONMENTAL REVIEW.

Public Resources Code section 21002.1, subdivision (d), provides that before taking action on a project, a responsible agency must consider the environmental effects identified in the FEIR of the activities that it is required to approve or carry out. When deciding whether to approve a project, a responsible agency must also consider whether to adopt mitigation measures or alternatives, but only for the significant impacts, if any, of the activities it is approving. (State CEQA Guidelines, §§ 15041, subd. (b), 15096, subd. (g)(1).)

The following findings are hereby adopted by the RMWD Board of Directors, as required by Public Resources Code sections 21081, 21081.5, 21002.1 and CEQA Guidelines section 15096, subdivision (h).

RMWD's action on the Project is limited to the provision of water and sewer service to the Project. The FEIR shows that the Project's impacts to utilities will be less than significant without mitigation. In particular, the Annexation Agreement and the Out-of-Agency Service Agreement (collectively, "the Agreements") were contemplated in the FEIR, which acknowledges that the provision of water and sewer service to the Project would require modification of the existing Sphere of Influence boundaries of the water districts in the Project. The FEIR and the 2019 Addendum document that adequate water supplies are available to serve the Project. The provision of water service to the Project by RMWD would require the construction of additional water infrastructure. The facilities necessary to connect the Project to RMWD were analyzed in the FEIR, the 2019 Addendum and the 2020 Addendum, and their impacts determined to be less than significant without mitigation. Accordingly, CEQA does not require the adoption of a Mitigation Monitoring and Reporting Program by RMWD.

II. ADDITIONAL FINDINGS: PUBLIC RESOURCES CODE SECTION 21166 AND CEQA GUIDELINES SECTION 15162

The RMWD Board of Directors further finds that the environmental impacts of the Agreements were evaluated in the FEIR and that under CEQA Guidelines section 15162 there would be no new impacts and no new mitigation measures are required. Therefore, further evaluation and documentation under CEQA are not required. The Agreements are a subsequent activity within the scope of the FEIR. None of the conditions or circumstances that would require preparation of subsequent or supplemental environmental review pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162 exists in connection with the Project.

III. RECORD OF PROCEEDINGS

Various documents and other materials constitute the record of proceedings upon which the RMWD Board of Directors bases its findings and decision contained herein. The custodian for these documents and materials is the Executive Assistant/Board Secretary.

IV. APPROVALS

The RMWD Board of Directors hereby takes the following actions:

A. The RMWD Board of Directors has reviewed and considered the FEIR, as described in Section I above.

B. The RMWD Board of Directors has independent reviewed and considered the 2020 Addendum.

C. The RMWD Board of Directors hereby adopts the 2020 Addendum.

D. The RMWD Board of Directors hereby adopts the Findings in their entirety as set forth in Section III, above.

E. Having independently reviewed and considered the FEIR, adopted the 2020 Addendum, and adopted the Findings, the RMWD Board of Directors hereby approves the Annexation Agreement among Rainbow Municipal Water District and Pardee Homes.

F. Having independently reviewed and considered the FEIR, adopted the 2020 Addendum, and adopted the Findings, the RMWD Board of Directors hereby approves the Agreement for Out of Agency Service between Valley Center Municipal Water District and RMWD.

BOARD OF DIRECTORS

April 28, 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

April 28, 2020

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-06 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 1 – GENERAL PROVISIONS

BACKGROUND

As part of the ongoing process of providing clarification as well as updates that are in line with current practices and procedures, staff conducted a thorough review of RMWD’s Administrative Code Title 1.

DESCRIPTION

Some of the proposed updates to the Administrative Code include:

- Clarifying the Code’s intent.
- Updating how the Code was initially adopted and amendments are to be made.
- Combining the claims policies and procedures into one section for easier reference.
- Combining the addressing public complaints processes into one section.
- Separating out the media relations procedures.
- Updating the variance procedures title.

The most impactful proposed changes are to Chapter 1.04 related to emergency authority and notification. These changes are designed to clarify the determination that needs to be made in order for the General Manager to declare an emergency condition. The previous version focused mainly on the issuance of contracts, but there are other aspects to an emergency declaration that were not included previously.

Other proposed minor changes are typographical, grammatical, or formatting updates.

All proposed changes have been reviewed by the General Manager with input provided by Legal Counsel where deemed necessary.

Both a redline version and non-redline version have been attached.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

As the foundation for all of our operations, the Administrative Code supports all of our Key Focus Areas. It is a living document that will continue to be reviewed and adapted to meet the policy and strategic needs of the District.

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

1. Adopt Ordinance No. 20-06 amending and updating Administrative Code Title 1 – General Provisions as proposed.
2. Adopt Ordinance No. 20-06 amending and updating Administrative Code Title 1 – General Provisions as proposed with revisions.
3. Do not approve Ordinance No. 20-06 and provide staff with direction.

STAFF RECOMMENDATION

Staff recommends Option 1.



Tom Kennedy, General Manager

April 28, 2020

Ordinance No. 20-06

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Title 1 – General Provisions and All Chapters and Sections and Subsections
Included in Administrative Code Title 1**

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:

Title 1:	General Provisions
Chapters:	1.01-1.05
Sections:	1.01.010 – 1.05.030
Subsections Under:	Sections 1.01.010 – 1.05.030

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 28th day of April 2020.

AYES:
NOES:
ABSTAIN:
ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

Title 1
GENERAL PROVISIONS

Chapters:

- 1.01 Administrative Code
- 1.02 Board Policies
- 1.03 Media Relations Policy
- 1.04 Emergency Authority
- 1.05 Variances ~~Procedures~~

**Chapter 1.01
ADMINISTRATIVE CODE**

Sections:

- 1.01.010** ~~Intent Code Adoption~~
- 1.01.020** **Administrative Code Adoption**
- 1.01.030** **Title, Citation and Reference**
- 1.01.040** **Reference Applies to All Amendments**
- 1.01.050** **Title, Chapter and Section Headings**
- 1.01.060** **Reference to Specific Ordinance and Resolutions**
- 1.01.070** **Effect on Past Actions and Obligations**
- 1.01.080** **Modification of Administrative Code**

Section 1.01.010

Intent Code Adoption

It is the intent of the Board of Directors of the Rainbow Municipal Water District to maintain an Administrative Code ~~containing. Contained herein shall be~~ a comprehensive ~~record~~ of the ~~District's Board's~~ current policies, rules and legally enforceable regulations enacted by the Board of Directors. The regulations contained herein are based on the authority granted to the Board of Directors by the Municipal Water District Act of 1911 as contained in Section 71000 et seq of the California Water Code and other applicable provisions of State Law. The ~~A~~administrative ~~C~~code will serve as a resource for Directors, staff and members of the public in determining the manner in which matters of District business are conducted.

Section 1.01.020
Administrative Code Adoption

Rainbow Municipal Water District ~~adopted hereby adopts~~ the "Rainbow Municipal Water District Administrative Code" in its entirety on August 3, 2005. The version of this Administrative Code in effect at any given time is inclusive of any modifications made after the adoption date by one or more ordinances passed by the Board of Directors.

Section 1.01.030
Title, Citation and Reference

This Code shall be known as the "Rainbow Municipal Water District Administrative Code" and it shall be sufficient to refer to this code as the "Rainbow Municipal Water District Code" in any prosecution for the violation of any provision thereof, or in any proceeding at law or equity. It shall be sufficient to designate any ordinance ~~or resolution~~ adding to, amending, correcting or repealing all or any part or portion thereof as an addition to, amendment to, correction or repeal of the "Rainbow Municipal Water District Administrative Code." Further, reference may be had to the titles, chapters, sections and subsections of the "Rainbow Municipal Water District Administrative Code" and such reference shall apply to that numbered title, chapter, section or subsection as it appears in the Code.

Section 1.01.040
Reference Applies to All Amendments

Whenever a reference is made to this Code as the "Rainbow Municipal Water District Administrative Code" or to any position thereof, or to any ordinance, resolution or policy of the Rainbow Municipal Water District codified in the Code, the reference shall apply to all amendments, corrections and additions heretofore, now or hereafter made.

In addition, from time to time the Board of Directors of the Rainbow Municipal Water District may adopt Ordinances that may not be chaptered into this Code directly. These Ordinances, once duly adopted by the Board of Directors, shall be incorporated into this Code as though fully set forth herein, and these Ordinances shall carry the full weight of this Code.

Section 1.01.050

Title, Chapter and Section Headings

Title, ~~c~~Chapter and ~~s~~Section ~~h~~Headings contained ~~in this Code~~herein shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of any title, chapter or section hereof.

Section 1.01.060
Reference to Specific Ordinance and Resolutions

The provisions of this Code shall not in any manner affect matters of record which refer to, or are otherwise connected with, ordinances, resolutions or policies which are therein specifically designated by number or otherwise, and which are included within the Code, but such reference shall be construed to apply to the corresponding provisions contained within this Code.

Section 1.01.070
Effect on Past Actions and Obligations

The adoption of this Code does not affect prosecutions for ordinance, resolution or policy violations committed before the effective date of this Code, does not waive any fee or penalty due and unpaid on the effective date of this Code, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any ordinance or resolution.

Section 1.01.080
Modification of Administrative Code

Consideration by the Board of Directors to modify this Code shall be accomplished by adoption of an ordinance ~~or resolution~~.

Chapter 1.02
BOARD POLICIES

Sections:

- 1.02.010 ——— Adoption/Amendment of Policies
- 1.02.020 ——— Conflict of Interest
- 1.02.030 ——— Public Complaints
- 1.02.030.01 ——— Method Used for Addressing Public Complaints of Serving
Complaint
- 1.02.040 ——— Claims Procedure Policy
- 1.02.040.01 ——— Purpose~~Claims Procedure Policy~~
- 1.02.040.02 ——— Claims Notification Procedure
- 1.02.040.03 ——— Presentation and Consideration of Claim
- 1.02.040.04 ——— Investigation of Claim
- 1.02.040.05 ——— Determination of Claim
- ~~1.02.040.06 ——— Claims Log~~
- 1.02.040.067 ——— Necessity of Written Claim; Limitations of Actions

Section 1.02.010
Adoption/Amendment of Policies

Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or ~~by~~ the General Manager. The proposed adoption or amendment is initiated by submitting a written draft of the proposed adoption or amendment to ~~each Director and the General Manager through the District office,~~ and requesting ~~that~~ the item be included for consideration on the agenda of the appropriate regular meeting of the Board of Directors.

Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors and shall require a ~~3/5 affirmative~~ majority vote of the ~~entire~~ Board of Directors.

Before considering ~~adoption of~~ to adopt or amendment to any policy, Directors shall have the opportunity to review the proposed adoption or amendment ~~at the regular Board of Directors meeting~~ prior to the meeting at which consideration for adoption or amendment is to be given. Copies of the proposed policy adoption or amendment shall be included in the agenda ~~information~~ packet for any meeting of consideration.

~~The agenda information packets with said copies shall be made available to each Director for review at least five (5) days prior to any meeting of consideration.~~

-Section 1.02.020
Conflict of Interest

1.02.020.01 _____ The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. Section 18730) that contains the terms of a standard conflict of interest code and may be incorporated by reference in any agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

1.02.020.02 _____ Therefore, the terms of 2 California Code of **Regulations Section 18730** and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating positions, and establishing disclosure requirements, shall constitute the conflict of interest code of the Rainbow Municipal Water District.

1.02.020.03 _____ Individuals holding designated and non-designated positions shall file their Statements of Economic Interest with Rainbow Municipal Water District, which will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.) Upon receipt of the statements for the Board Members and General Manager, the Board Secretary shall make and retain copies and forward the originals of these statements to the County Board of Supervisors. Statements for all other designated employees shall be retained by Rainbow Municipal Water District.

_____ Any public officials who manage public investments shall be considered non-designated positions under Government Code section 87200 and shall make the disclosures required by law. Originals of all Statements of Economic Interest filed by non-designated positions will be maintained at the District office.

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M:\Administration\Confidential\Administrative Code Working Docs\Board Secretary Administrative Code Working File\Board Admin Code 2005-2006\Conflict of Interest 1.02.020.docx \Approved 8-3-05 by Ordinance No. 05-07\Amended and Updated 7-21-06 by Resolution No. 06-10\Approved 11-17-06 by Ordinance No. 06-09\Amended and Updated 8-26-08 by Resolution No. 08-10\Approved 10-28-08 by Ordinance No. 08-11\Amended and Updated 06-26-12 by Ordinance No. 12-02\Amended and Updated 4-23-13 by Ordinance No. 13-04\Amended and Updated 4-22-14 by Ordinance No. 14-02\Amended and Updated 8-26-14 by Ordinance No. 14-06\Amended and Updated 2-24-15 by Ordinance No. 15-04\Amended and Updated 1-26-16 by Ordinance No. 16-02\Amended and Updated 3-22-16 by Ordinance No. 16-04\Amended and Updated 1-23-18 by Ordinance No. 18-02\Amended and Updated 3-27-18 by Ordinance No. 18-05\Amended and Updated 5-22-18 by Ordinance No. 18-12\Amended and Updated 8-28-18 by Ordinance No. 18-19\Amended and Updated 12-4-18 by Ordinance No. 18-27\Amended and Updated 6-25-19 by Ordinance No. 19-06\Amended and Updated 9-24-19 by Ordinance No. 19-12\Amended and Updated 1-28-20 by Ordinance No. 20-01\ **DRAFT**

Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

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Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
District Engineer	All
Operations Manager	All
Human Resources Manager	All
Information Technology Manager	All
Construction/Maintenance Supervisor	All
Water Operations Superintendent	All
Wastewater Superintendent	All
Associate Engineer	All
Senior Accountant	All
Purchasing & Inventory Control Specialist I/II	All
Risk Management Officer	All
Senior Engineering Inspector	All

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Cross Connection Control and Backflow Technician	All
Information Technology and Applications Analyst and Senior Information Technology and Applications Analyst	All
Information Systems Specialist I/II/III	All
Project Manager	All
Meter Services Supervisor	All
Customer Service and Communications Supervisor	All
¹ Consultants	2

Part II – Non-Designated Positions

Finance Manager	Pursuant to Applicable Laws
Standing District Committee Members	2
Auditor	2

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a “designated employee,” is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager’s determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

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Part III - Disclosure Categories

Category 1.

A designated employee or person in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee or person.

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Appendix B Statement of Duties of Employees of and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors is therefore designated.

General Manager

General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and is therefore designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and is therefore designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she is therefore not designated.

District Engineer

The District Engineer provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

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Operations Manager

The Operations Manager oversees the operation and maintenance of the water and wastewater lines and structures, participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

Human Resources Manager

The Human Resources Manager plans, directs and oversees the following programs and activities: human resources; risk management and safety; labor relations; workers' compensation, property and liability insurance and is therefore designated.

Information Technology Manager

The Information Technology Manager manages Rainbow Municipal Water District's information technology staff, services and systems, user support, specific applications support, hardware and software installation, troubleshooting and maintaining computer systems, telephony, and mobile services. This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.

Construction/Maintenance Supervisor

The Construction/Maintenance Supervisor has supervisory responsibilities to direct and oversee the Construction Division. This position coordinates and manages the installation, maintenance and repair of water mains, service lines, fire hydrants and other related appurtenances used in the District water distribution, treatment and storage facilities and is therefore designated.

Water Operations Superintendent

The Water Operations Superintendent has managerial responsibilities to direct and oversee the Water Operations Division. This position will coordinate and manage the installation, maintenance, repair and operation of District water distribution, treatment, pumping and storage facilities and is therefore designated.

Wastewater Superintendent

The Wastewater Superintendent has managerial responsibility to direct and oversee the Wastewater Division. This position coordinates and manages the repair, maintenance and operation of the wastewater pumping and collection system as well as may assist with installation, maintenance and repair of water distribution facilities and is therefore designated.

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Associate Engineer

The Associate Engineer performs a variety of routine and semi-routine professional level civil engineering work in the research, design and construction of water and sewer capital improvement and construction projects as well as reviews development plans and is therefore designated.

Senior Accountant

————The Senior Accountant performs highly complex and professional accounting and financial analysis to provide accurate and timely financial statements and reports to management, the Board, other government agencies, and the public and serves as a subject matter expert and is therefore designated.

Purchasing & Inventory Control Specialist I/II

The Purchasing & Inventory Control Specialist I/II has responsibility for all functions associated with the warehouse including purchasing, receiving and inventory control and administration of the office cleaning contract as well as maintaining inventory of parts and supplies and is therefore designated.

Risk Management Officer

The Risk Management Officer has responsibility for the planning and administration of the District programs and services related to safety, security, emergency preparedness, environmental compliance functions, and processing claims and is therefore designated.

Senior Engineering Inspector

The Senior Engineering Inspector performs highly specialized and complex public works construction inspection work. This position acts as the District's representative on the construction site for the expressed intent of enforcement of District construction standards and regulations and is therefore designated.

Cross-Connection Control and Backflow Technician

The Cross-Connection Control and Backflow Technician performs a variety of work in connection with implementing and enforcing the cross-connection control programs including the Backflow Prevention Program, inspects, tests, and repairs backflow devices, and creates and submits results, records, and related documentation and is therefore designated.

Information Technology and Applications Analyst /Senior IT and Applications Analyst

————The Senior Information Technology and Applications Analyst/Senior Information and Applications Analyst position monitors, maintains, troubleshoots, and diagnoses hardware, software, database and network problems and identifies courses of action and is therefore designated.

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Information Systems Specialist I/II/III

The Information Systems Specialist I/II/III provides technical assistance to end users of computer hardware, software, printers, and mobile devices and assists in configuring and administering Rainbow Municipal Water District's electronic records management system and is therefore designated.

Project Manager

The Project Manager manages Capital Improvement Projects (CIP) and development projects related to the design and construction of water and wastewater distribution and collection systems. Manages projects from start to finish, from project planning to final inspection. Coordinates with District staff, contractors, and other agencies to deliver projects and is therefore designated.

Meter Services Supervisor

_____The Meters Services Supervisor supervises and participates in work related to water services, oversees the cross-connection control and backflow testing programs, tests water services including pressure regulators, water meters, meter boxes, backflow devices and associated appurtenances, and responds to escalated customer service inquiries regarding customer water use and water service issues and is therefore designated.

Customer Service and Communications Supervisor

_____The Customer Service and Communications Supervisor oversees activities and staff in the Customer Service Department, handles complex and escalated customer service issues, administrative and professional activities in support of public relations, community outreach, and educational programs and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations; therefore, the Auditor(s) shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

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Standing District Committee Members

A member or alternate committee member of a Rainbow Municipal Water District standing committee serves at the pleasure of the Board. These committees are advisory to the Board with regard to matters within their respective areas of responsibility. A committee has jurisdiction to consider and make a recommendation to other committees and to the Board regarding any item of business within the responsibility of the committee. Committee recommendations shall be communicated to the Board. A committee may consider other matters referred to it by the Board. Therefore, standing district committee members shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

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Section 1.02.030 Public Complaints

A public complaint is an ~~allegation~~assertion by a member of the public ofthat the District has intentionally or unintentionally created a condition where a violation or misinterpretation of a District policy, state or federal statute of which the individual has been adversely affected.

The Board of Directors desires ~~all that~~ public complaints be resolved at the lowest possible administrative level, and that the method for resolution of complaints be logical and systematic.

~~A public complaint is an allegation by a member of the public of a violation or misinterpretation of a District policy, state or federal statute of which the individual has been adversely affected.~~

1.02.030.01 Method of ~~erving~~Used for Addressing Public Complaints

The individual with a complaint may discuss the matter with staff with the objective of resolving the matter informally.

If the individual registering the complaint is not satisfied by staff, a written complaint may be filed with the General Manager. Within ten (10) days, the General Manager may acknowledge the complaint and ~~may~~shall then ~~meet~~communicate with the person filing the complaint to resolve the matter. The General Manager is under no obligation to meet in person and may choose to communicate via phone, letter, or email to attempt to reach a resolution of the matter. At the option of the General Manager, ~~he/she~~he or she may conduct conferences and take testimony or written documentation in the resolution of the complaint. A written decision from the General Manager may be requested by the individual filing the complaint.

If the individual filing the complaint is not satisfied with the disposition of the matter by the General Manager, a written complaint may be filed with the Board of Directors within thirty (30) days of receiving the General Manager's decision. The Board may consider the matter at the next regular meeting or call a special meeting. The Board will ~~endeavor to~~expeditiously resolve the matter. In making the final decision, the Board may conduct conferences, hear testimony, as well as utilize the ~~transcripts~~record of written documentation. A written decision from the Board may be requested by the individual filing the complaint.

This policy in no way prohibits or is intended to deter a member of the community or staff member from appearing before the Board to present verbal testimony, a complaint, or statement in regard to actions of the Board, District programs and services.

Section 1.02.030.01
Method of Serving Public Complaint

The individual with a complaint may discuss the matter with staff with the objective of resolving the matter informally.

If the individual registering the complaint is not satisfied by staff, a written complaint may be filed with the General Manager. Within a ten (10) days, the General Manager may acknowledge the complaint and may then meet with the person filing the complaint to resolve the matter. At the option of the General Manager, he/she may conduct conferences and take testimony or written documentation in the resolution of the complaint. A written decision from the General Manager may be requested by the individual filing the complaint.

If the individual filing the complaint is not satisfied with the disposition of the matter by the General Manager, a written complaint may be filed with the Board of Directors within thirty (30) days of receiving the General Manager's decision. The Board may consider the matter at the next regular meeting, or call a special meeting. The Board will expeditiously resolve the matter. In making the final decision, the Board may conduct conferences, hear testimony, as well as utilize the transcripts of written documentation. A written decision from the Board may be requested by the individual filing the complaint.

This policy in no way prohibits or is intended to deter a member of the community or staff member from appearing before the Board to present verbally a testimony, complaint, or statement in regard to actions of the Board, District programs and services

Section 1.02.040
Claims Procedure Policy

~~Section 1.02.040.01~~
Purpose~~Claims Procedure Policy~~

The purpose of this policy is to provide the public, District staff and Board of Directors guidelines on how all claims for money or damages against the District are to be handled. Pursuant to Government Code sections 910 et seq., §935, claims against the District ~~which are excepted by Government Code §905~~ shall be governed by the procedures laid out in this policy, including all deadlines set forth herein.

1.02.040.02 Claims Notification Procedure

When an individual, corporation or entity, including another local public agency, first notifies District staff in person, by telephone, or in writing, damage has been done, or is being done, to their person, business or property, and describing a set of circumstances or facts as to how the District is responsible, the staff person receiving the information will do the following:

- A. Record the time and date of telephone calls or office visits and take notes as to the information provided by the claimant on the phone or in the office.
- B. ~~Not discuss guilt or innocence~~Refrain from discussing liability or responsibility and refrain from making or make any admissions that would implicate the District; staff should respond to questions, be cordial, but refrain from commenting on liability questions.
- C. Ask the claimant to fill out a District claim form which should always be available on request. The staff person should not assist in filling out the claim form. When completed and filed with the District, the claim form should be date stamped with the date the claim is actually received by the District.

If an individual sends a letter or written request appearing to be a claim, the letter or written request shall be date-stamped when received by the District. ~~a~~The District shall consider whether to send a notice of insufficiency pursuant to Government Code section 910.8; whether no response is required based on the content provided in the letter or written request; or whether to send a response letter requesting the following categories of information: ~~letter in response should be sent to the individual only if the following categories of information needs clarification:~~

- A. Name and address of claimant.
- B. Address where notices should be sent.
- C. Date, place and other circumstances of the occurrence or transaction which gave rise to the claim.
- D. A general description of the ~~alleged-~~inquiry or damage.
- E. Name(s) of the employee(s) who would be aware of the alleged~~causing the~~ inquiry or damage (if known).
- F. Estimated amount of loss (Gov. Code §910.).

The response letter should include a District claim form with a request that it be completed if the individual wishes to file a claim.

If the written request is not on a District claim form, but includes the name and address of claimant, an address where notices should be sent, the date, place and other circumstances of the occurrence or transaction which gave rise to the claim, a general description of the alleged injury or damage, the name(s) of the employee(s) causing who would be aware of the alleged the injury or damage (if known), and the estimated amount of loss, the written request should be treated like a formal claim, date-stamped and submitted to the General Manager.

Immediately upon receipt of a District claim form or any written request appearing to be a claim, will be submitted along with all details of the claim to the General Manager, who will determine the proper person to investigate the matter.

1.02.040.03 Presentation and Consideration of a Claim

All claims shall be presented and considered in the manner set forth herein and as required by Government Code Sections 910-915.4.

1.02.040.04 Investigation of Claim

Investigation of the claim should be done as soon as possible after it is filed. The investigation shall be conducted by the appropriate member of the District staff as determined by the General Manager.

Board members will not perform independent investigations of claims.

Investigations may include photos, interviews, and the use of outside experts if appropriate.

1.02.040.05 Determination of Claim

The General Manager is authorized by this section to perform the functions of the Board with respect to claims, including paying, settling, and rejecting claims in amounts ~~under~~not exceeding \$240,000, in accordance with Government Code Section 935.4. Claims ~~under~~not exceeding \$240,000 may be evaluated by the General Manager and either rejected or accepted based on his or her determination in accordance with Government Code Section 912.4. The General Manager may present smaller claims to the Board of Directors for consideration where the nature of the claim may warrant advice from the Board of Directors.

All claims in excess of \$240,000, and/or all claims that, based on existing facts and circumstances, present significant exposure to litigation against the District, shall be presented to the Board of Directors for consideration in Closed Session and shall be processed in accordance with Government Code Section 912.4 and 912.6. Staff shall present the Board with information related to the claim and carry out the direction of the Board related to the claim.

Claims determined to be justified should be resolved in the most direct and efficient manner possible.

In exchange for settlement of a claim, the claimant shall execute a Settlement and Release Agreement with the District. The District Counsel shall approve the form of this agreement before settlement is final.

The District will attempt to act on the claim within forty-five (45) days after it is presented pursuant to Government Code Section 912.4, unless this deadline is extended by written agreement under

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the terms of this section. The District's decision on how the claim is going to be handled will be communicated to the claimant as soon as is practicable. When possible and applicable, the District shall communicate rejections of claims consistent with Government Code Section 913.

~~The claims logs shall be prepared and maintained by the General Counsel.~~

1.02.040.06 Necessity of Written Claim; Limitations of Actions

A written claim for money or damages must be submitted to the District prior to the filing of any lawsuit for money or damages, as provided by Government Code Section 945.4, which section is specifically incorporated herein by reference. The limitation practices on claims required to be presented pursuant to this policy shall be governed by Government Code Section 945.6, which section is specifically incorporated herein by reference.

Section 1.02.040.02
Claims Notification Procedure

~~When an individual, corporation or entity, including another local public agency, first notifies District staff in person, by telephone, or in writing, that damage has been done, or is being done, to their person, business or property, and describing a set of circumstances or facts as to how the District is responsible, the staff person receiving the information will do the following:~~

- ~~A. Record the time and date of telephone calls or office visits, and take notes as to the information provided by the claimant on the phone or in the office.~~
- ~~B. Not discuss guilt or innocence or make any admissions that would implicate the District—staff should respond to questions, be cordial, but refrain from commenting on liability questions.~~
- ~~C. Ask the claimant to fill out a District claim form which should always be available on request. The staff person should not assist in filling out the claim form. When completed and filed with the District, the claim form should be date stamped with the date the claim is actually received by the District.~~

~~If an individual sends a letter or written request that appears to be a claim, a letter in response should be sent which asks for clarification and includes a claim form with a request that it be filled out if the individual wishes to file a claim. However, a response letter should only be sent if one of the following categories of information needs clarification: name and address of claimant, address where notices should be sent, the date, place and other circumstances of the occurrence or transaction which gave rise to the claim, a general description of the inquiry or damage, the name(s) of the employee(s) causing the inquiry or damage (if known), and the estimated amount of loss (Gov. Code §910.) If the written request is not on a District claim form, but includes the name and address of claimant, an address where notices should be sent, the date, place and other circumstances of the occurrence or transaction which gave rise to the claim, a general description of the injury or damage, the name(s) of the employee(s) causing the injury or damage (if known), and the estimated amount of loss, the written request should be treated like a formal claim, date stamped and submitted to the General Manager.~~

~~Immediately upon receipt of a claim form or any written request that appears to be a claim, submit the claim information on all claims to the General Manager, who will determine the proper person to investigate the claim.~~

Section 1.02.040.03

Presentation and Consideration of a Claim

All claims shall be presented and considered in the manner set forth herein, and as required by Government Code Sections 910-915.4.

Section 1.02.040.04
Investigation of Claim

~~Investigation of the claim should be done as soon as possible after it is filed. The investigation shall be conducted by the appropriate member of the District staff as determined by the General Manager.~~

~~Board members will not perform independent investigations of claims.~~

~~Investigations may include photos, interviews, and the use of outside experts if appropriate.~~

Section 1.02.040.05
Determination of Claim

~~The General Manager is authorized by this section to perform the functions of the Board with respect to claims, including paying, settling, and rejecting claims in amounts under \$10,000, in accordance with Government Code Section 935.4. Claims under \$10,000 may be evaluated by the General Manager and either rejected or accepted based on his/her determination in accordance with Government Code Section 912.4. The General Manager may present smaller claims to the Board of Directors for consideration where the nature of the claim may warrant advice from the Board of Directors.~~

~~All claims in excess of \$10,000, and/or all claims that, based on existing facts and circumstances, present significant exposure to litigation against the District, shall be presented to the Board of Directors for consideration in Closed Session and shall be processed in accordance with Government Code Section 912.4 and 912.6. Staff shall present the Board with information related to the claim and carry out the direction of the Board related to the claim.~~

~~The General Manager is authorized by this section to perform the functions of the Board with respect to claims, including paying, settling, and rejecting claims in amounts under \$10,000, in accordance with Government Code Section 935.4. Claims under \$10,000 may be evaluated by the General Manager and either rejected or accepted based on his/her determination in accordance with Government Code Section 912.4. The General Manager may present smaller claims to the Board of Directors for consideration where the nature of the claim may warrant advice from the Board of Directors.~~

~~Claims determined to be justified should be resolved in the most direct and efficient manner possible.~~

~~In exchange for settlement of a claim, the claimant shall execute a Settlement and Release Agreement with the District. The District Counsel shall approve the form of this agreement before settlement is final.~~

~~The District will attempt to act on the claim within 45 days after it is presented pursuant to Government Code Section 912.4, unless this deadline is extended by written agreement under the terms of this section. The District's decision on how the claim is going to be handled will be communicated to the claimant as soon as is practicable. When possible and applicable, the District shall communicate rejections of claims consistent with Government Code Section 913.~~

SECTION REMOVED

Section 1.02.040.06
Claims Log

The District shall maintain a Claims Log of all filed claims made against the District.

Section 1.02.040.07
Necessity of Written Claim; Limitations of Actions

A written claim for money or damages must be submitted to the District prior to the filing of any lawsuit for money or damages, as provided by Government Code Section 945.4, which section is specifically incorporated herein by reference. The limitation practices on claims required to be presented pursuant to this policy shall be governed by Government Code Section 945.6, which section is specifically incorporated herein by reference.

Chapter 1.03
MEDIA RELATIONS POLICY

Sections:

- 1.03.010 Media Relations
- 1.03.010.01 Purpose
- 1.03.010.02 Press Releases and Official Statements
- 1.03.010.03 Media Requests for Information
- 1.03.010.04 Handling of Media Relations
- 1.03.010.05 Personal Comments or Contact with Media

Chapter 1.03
MEDIA RELATIONS POLICY

Section 1.03.010
Media Relations ~~Policy~~

1.03.010.01 Purpose

Good media relations benefit the Rainbow Municipal Water District (RMWD). When RMWD helps the media with the job of gathering and reporting the news, we are also helping communicate our story to the public. Through good media relations, RMWD can strengthen community support and build a positive image in the community. Providing this kind of assistance also discharges our responsibility to be accountable to the public.

1.03.010.02 Press Releases and Official Statements

Generally speaking, all press releases or official statements regarding the policies of the RMWD or actions taken by its Board of Directors should be issued by the President of the Board of Directors or the General Manager. Press releases regarding the operational activities by RMWD or its staff should be issued by the District's General Manager.

1.03.010.03 Media Requests for Information

In order to assure compliance with this policy all requests for information from the media should be directed to the General Manager's office.

1.03.010.04 Handling of Media Relations

The RMWD Communications ~~Committee and Customer Service Committee~~ will provide resources, support, and assistance to the General Manager and Board President as requested in handling media relations, and will may assist in drafting and reviewing and editing information released to the media as necessary. Generally speaking, whenever practical, the Board President and/or General Manager will attempt to review general press releases with the Communications and Customer Service Committee; however, the need for timely response to the media may occasionally preclude this vetting practice. In those cases, the Board President and/or General Manager will forward their comments or press release to the Chair of the Communications and Customer Service Committee as soon as practical after the contact with the media.

1.03.010.05 Personal Comments or Contact with Media

Nothing within this policy is intended to restrict or prevent ~~District staff or~~ individual Board Members from making personal comments or contact with the media; it only applies to official comments from the RMWD or its Board of Directors. District staff should not make any comments to the media without prior approval from the General Manager.

Chapter 1.04
EMERGENCY AUTHORITY

Sections:

1.04.010 Emergency Policy

1.04.010.01 Authority

1.04.010.02 Procedure for Terminating Emergency

Chapter 1.04
EMERGENCY AUTHORITY

Section 1.04.010
Emergency Policy

1.04.010.01
Emergency Authority

An emergency is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services. In the event the General Manager determines that an emergency exists requiring immediate action, the General Manager shall have the power without prior Board action, (i) to enter into contracts and/or agreements and to expend funds on behalf of the District, provided that such expenditures or contracts do not exceed, in total, \$250,000 without competitive bidding; (ii) to control; limit, or redirect the delivery of water to District customers; (iii) to reassign District personnel and to employ additional personnel, (iv) to implement the District's emergency response plan; and (v) to perform all other acts deemed necessary or appropriate to alleviate the emergency and to protect the interests of the public and the District. Not later than 72 hours after determination by the General Manager of an emergency and that action must be taken pursuant to this section, the General Manager shall notify the Board President of the reasons necessitating such determination and the actions taken. If the President cannot be reached, then the General Manager must notify the Vice-President, and if the Vice-President cannot be reached, then the General Manager must notify the Secretary. The Board shall review the General Manager's emergency action not later than seven (7) days after the General Manager declares an emergency or at the next Board meeting if it occurs within fourteen (14) days of the emergency action.

~~The General Manager is hereby authorized to take immediate action and award contracts not exceeding \$250,000 (two hundred fifty thousand dollars) and take actions to repair or replace a public facility and directly related immediate actions required, when, in his opinion, an unforeseen event has resulted in an emergency as defined by Public Contract Code §1102, without seeking competitive bids. Following the use of this authority, the General Manager shall give notice of the emergency within 48 hours to the Board of Directors, and endeavor to set a special meeting to discuss the emergency as soon as practicable to review the actions taken in the manner required by Public Contract Code §22050. The General Manager's failure to give notice or schedule a meeting of the Board shall not affect the validity of any contract made under this paragraph.~~

~~The authorization granted herein shall only apply to emergency contracts for the repair or replacement of public facilities, and procurement or commitment of necessary equipment, services, and supplies required to address an unforeseen event resulting in an emergency. The General manager may delegate the authority granted by this resolution to the Assistant General Manager and/or Emergency Operation Center Manager (EOC Manager) during any period the General Manager is absent from the District or otherwise unavailable due to illness or other cause.~~

~~If the General Manager cannot be reached, the Assistant General Manager and/or Emergency Operation Center Manager (EOC Manager) shall determine that an emergency exists requiring immediate action, and shall have the power, without prior Board action, to enter into contracts and/or agreements and to expend funds on behalf of the District provided that such expenditures or contracts do not exceed, in total, \$250,000 (two hundred fifty thousand); to control, limit, or redirect the delivery of water to District~~

~~customers; to implement the District's emergency response plan; and to perform all other acts deemed necessary or appropriate to protect the interests of the Districts.~~

~~Not later than 72 hours after determination by the General Manager, if the General Manager cannot be reached, by the Assistant General Manager and/or EOC Manager of an emergency and that act must be taken pursuant to this section, the General Manager or Assistant General Manager and/or EOC Manager shall notify the President of the Board the reasons necessitating such determination and the actions taken.~~

~~If the President cannot be reached, the General Manager shall notify the Vice President and if the Vice President cannot be reached, the General Manager shall notify the Treasurer.~~

~~The President or the Vice President or the Treasurer may thereupon call a meeting of the Board to review the actions of the General Manager,~~

~~In the event no special meeting has been held pursuant to Paragraph 3 herein, and the General Manager has exercised his emergency authority under this resolution, the Board of Directors shall review the actions taken within seven (7) days, or at its next regularly scheduled meeting if that meeting will occur within fourteen (14) days of the making of the contract. At that meeting, the General Manager shall report the reasons justifying the emergency actions and why they could not be delayed by the competitive bidding process, and why the actions taken were necessary to respond to the emergency.~~

1.04.010.02 Procedure for Terminating Emergency

At every regularly scheduled meeting thereafter, the Board of Directors shall review the emergency actions in order to determine, by at ~~least a four-fifths (4/5)~~ a majority vote at each meeting, whether there is a need to continue the actions, until such time ~~that~~ the actions are terminated. The Board shall terminate the emergency actions at the earliest possible date ~~when that~~ conditions warrant so that the remainder of the emergency actions may be completed, ~~by the competitive bidding process.~~

Chapter 1.05
VARIANCES PROCEDURES

Sections:

- 1.05.010 Purpose**
- 1.05.020 Application**
- 1.05.030 Process**
- 1.05.030.01 Initiation**
- 1.05.030.02 Review for Completeness**
- 1.05.030.03 Committee Review and Recommendations**
- 1.05.030.04 Board Review and Final Decision**

Section 1.05.010
Purpose

The purpose of this policy is to provide flexibility in application of regulations necessary to achieve the purposes of this Administrative Code by establishing procedures for the approval, conditional approval, or disapproval of variance applications. Variances are intended to resolve practical difficulties or unnecessary physical hardships that may result from strict adherence to the policies contained in this Administrative Code.

The cost to the applicant of strict compliance with any provision of this Administrative Code shall not be the sole reason for granting a variance.

**Section 1.05.020
Application**

An application for variance may be submitted by a property owner or primary account holder. The application shall fully set forth the grounds for and facts necessary to support the required findings for granting a variance. Each application shall be submitted along with the Application Fee.

**Section 1.05.030
Process**

1.05.030.01 Initiation

The variance procedure will be initiated by the submittal of an application including Application Fee. The Application Fee will be established by the Board of Directors by Ordinance and shall not exceed the cost of processing the variance.

1.05.030.02 Review for Completeness

Staff will review submitted applications and related documents for completeness. Should the application be found to be incomplete, a request will be made to the applicant for additional information. Upon determination the application is complete, it will be brought to the appropriate committee for review and recommendations at the next regularly scheduled committee meeting for which the agenda is not already published and shall be within fifty (50) days of the date of the application.

1.05.030.03 Committee Review and Recommendations

Variance requests will be referred to the appropriate committee based on matters within the committee's respective areas of responsibility as stated in Administrative Code Chapter 2.09 by placing an item on the applicable committee's meeting agenda within the stipulated timeframe.

The responsible committee may request staff obtain additional information from the applicant prior to making a final recommendation to the Board of Directors or make a recommendation for approval, conditional approval, or denial of said application to the Board of Directors which shall have final decision-making authority over such applications.

1.05.030.04 Board Review and Final Decision

Upon recommendation from the responsible committee, an item for the variance application will be placed on the next Board of Directors' meeting agenda for a final decision.

If approved, variances will be recorded to property title when applicable.

**Title 1
GENERAL PROVISIONS**

Chapters:

- 1.01 Administrative Code**
- 1.02 Board Policies**
- 1.03 Media Relations Policy**
- 1.04 Emergency Authority**
- 1.05 Variances**

**Chapter 1.01
ADMINISTRATIVE CODE**

Sections:

- 1.01.010 Intent**
- 1.01.020 Administrative Code Adoption**
- 1.01.030 Title, Citation and Reference**
- 1.01.040 Reference Applies to All Amendments**
- 1.01.050 Title, Chapter and Section Headings**
- 1.01.060 Reference to Specific Ordinance and Resolutions**
- 1.01.070 Effect on Past Actions and Obligations**
- 1.01.080 Modification of Administrative Code**

Section 1.01.010
Intent

It is the intent of the Board of Directors of the Rainbow Municipal Water District to maintain an Administrative Code containing a comprehensive record of the District's current policies, rules and legally enforceable regulations enacted by the Board of Directors. The regulations contained herein are based on the authority granted to the Board of Directors by the Municipal Water District Act of 1911 as contained in Section 71000 et seq of the California Water Code and other applicable provisions of State Law. The Administrative Code will serve as a resource for Directors, staff and members of the public in determining the manner in which matters of District business are conducted.

Section 1.01.020
Administrative Code Adoption

Rainbow Municipal Water District adopted the "Rainbow Municipal Water District Administrative Code" in its entirety on August 3, 2005. The version of this Administrative Code in effect at any given time is inclusive of any modifications made after the adoption date by one or more ordinances passed by the Board of Directors.

Section 1.01.030
Title, Citation and Reference

This Code shall be known as the "Rainbow Municipal Water District Administrative Code" and it shall be sufficient to refer to this code as the "Rainbow Municipal Water District Code" in any prosecution for the violation of any provision thereof, or in any proceeding at law or equity. It shall be sufficient to designate any ordinance adding to, amending, correcting or repealing all or any part or portion thereof as an addition to, amendment to, correction or repeal of the "Rainbow Municipal Water District Administrative Code." Further, reference may be had to the titles, chapters, sections and subsections of the "Rainbow Municipal Water District Administrative Code" and such reference shall apply to that numbered title, chapter, section or subsection as it appears in the Code.

Section 1.01.040
Reference Applies to All Amendments

Whenever a reference is made to this Code as the "Rainbow Municipal Water District Administrative Code" or to any position thereof, or to any ordinance, resolution or policy of the Rainbow Municipal Water District codified in the Code, the reference shall apply to all amendments, corrections and additions heretofore, now or hereafter made.

In addition, from time to time the Board of Directors of the Rainbow Municipal Water District may adopt Ordinances that may not be chaptered into this Code directly. These Ordinances, once duly adopted by the Board of Directors, shall be incorporated into this Code as though fully set forth herein, and these Ordinances shall carry the full weight of this Code.

Section 1.01.050
Title, Chapter and Section Headings

Title, chapter and section headings contained in this Code shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of any title, chapter or section hereof.

Section 1.01.060
Reference to Specific Ordinance and Resolutions

The provisions of this Code shall not in any manner affect matters of record which refer to, or are otherwise connected with, ordinances, resolutions or policies which are therein specifically designated by number or otherwise, and which are included within the Code, but such reference shall be construed to apply to the corresponding provisions contained within this Code.

Section 1.01.070
Effect on Past Actions and Obligations

The adoption of this Code does not affect prosecutions for ordinance, resolution or policy violations committed before the effective date of this Code, does not waive any fee or penalty due and unpaid on the effective date of this Code, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any ordinance or resolution.

Section 1.01.080
Modification of Administrative Code

Consideration by the Board of Directors to modify this Code shall be accomplished by adoption of an ordinance.

**Chapter 1.02
BOARD POLICIES**

Sections:

- 1.02.010 Adoption/Amendment of Policies**
- 1.02.020 Conflict of Interest**
- 1.02.030 Public Complaints**
- 1.02.030.01 Method Used for Addressing Public Complaints**
- 1.02.040 Claims Procedure Policy**
- 1.02.040.01 Purpose**
- 1.02.040.02 Claims Notification Procedure**
- 1.02.040.03 Presentation and Consideration of Claim**
- 1.02.040.04 Investigation of Claim**
- 1.02.040.05 Determination of Claim**
- 1.02.040.06 Necessity of Written Claim; Limitations of Actions**

Section 1.02.010
Adoption/Amendment of Policies

Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or the General Manager. The proposed adoption or amendment is initiated by submitting a written draft of the proposed adoption or amendment to the General Manager and requesting the item be included for consideration on the agenda of the appropriate regular meeting of the Board of Directors.

Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors and shall require a majority vote of the Board of Directors.

Before considering adoption of or amendment to any policy, Directors shall have the opportunity to review the proposed adoption or amendment prior to the meeting at which consideration for adoption or amendment is to be given. Copies of the proposed policy adoption or amendment shall be included in the agenda packet for any meeting of consideration.

Section 1.02.020
Conflict of Interest

1.02.020.01 The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. Section 18730) that contains the terms of a standard conflict of interest code and may be incorporated by reference in any agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

1.02.020.02 Therefore, the terms of 2 California Code of **Regulations Section 18730** and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating positions, and establishing disclosure requirements, shall constitute the conflict of interest code of the Rainbow Municipal Water District.

1.02.020.03 Individuals holding designated and non-designated positions shall file their Statements of Economic Interest with Rainbow Municipal Water District, which will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.) Upon receipt of the statements for the Board Members and General Manager, the Board Secretary shall make and retain copies and forward the originals of these statements to the County Board of Supervisors. Statements for all other designated employees shall be retained by Rainbow Municipal Water District.

Any public officials who manage public investments shall be considered non-designated positions under Government Code section 87200 and shall make the disclosures required by law. Originals of all Statements of Economic Interest filed by non-designated positions will be maintained at the District office.

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Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

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Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
District Engineer	All
Operations Manager	All
Human Resources Manager	All
Information Technology Manager	All
Construction/Maintenance Supervisor	All
Water Operations Superintendent	All
Wastewater Superintendent	All
Associate Engineer	All
Senior Accountant	All
Purchasing & Inventory Control Specialist I/II	All
Risk Management Officer	All
Senior Engineering Inspector	All

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Cross Connection Control and Backflow Technician	All
Information Technology and Applications Analyst and Senior Information Technology and Applications Analyst	All
Information Systems Specialist I/II/III	All
Project Manager	All
Meter Services Supervisor	All
Customer Service and Communications Supervisor	All
¹ Consultants	2

Part II – Non-Designated Positions

Finance Manager	Pursuant to Applicable Laws
Standing District Committee Members	2
Auditor	2

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a “designated employee,” is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager’s determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

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Part III - Disclosure Categories

Category 1.

A designated employee or person in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee or person.

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Appendix B
Statement of Duties of Employees of
and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors is therefore designated.

General Manager

General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and is therefore designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and is therefore designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she is therefore not designated.

District Engineer

The District Engineer provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations Manager

The Operations Manager oversees the operation and maintenance of the water and wastewater lines and structures, participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

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Human Resources Manager

The Human Resources Manager plans, directs and oversees the following programs and activities: human resources; risk management and safety; labor relations; workers' compensation, property and liability insurance and is therefore designated.

Information Technology Manager

The Information Technology Manager manages Rainbow Municipal Water District's information technology staff, services and systems, user support, specific applications support, hardware and software installation, troubleshooting and maintaining computer systems, telephony, and mobile services. This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.

Construction/Maintenance Supervisor

The Construction/Maintenance Supervisor has supervisory responsibilities to direct and oversee the Construction Division. This position coordinates and manages the installation, maintenance and repair of water mains, service lines, fire hydrants and other related appurtenances used in the District water distribution, treatment and storage facilities and is therefore designated.

Water Operations Superintendent

The Water Operations Superintendent has managerial responsibilities to direct and oversee the Water Operations Division. This position will coordinate and manage the installation, maintenance, repair and operation of District water distribution, treatment, pumping and storage facilities and is therefore designated.

Wastewater Superintendent

The Wastewater Superintendent has managerial responsibility to direct and oversee the Wastewater Division. This position coordinates and manages the repair, maintenance and operation of the wastewater pumping and collection system as well as may assist with installation, maintenance and repair of water distribution facilities and is therefore designated.

Associate Engineer

The Associate Engineer performs a variety of routine and semi-routine professional level civil engineering work in the research, design and construction of water and sewer capital improvement and construction projects as well as reviews development plans and is therefore designated.

Senior Accountant

The Senior Accountant performs highly complex and professional accounting and financial analysis to provide accurate and timely financial statements and reports to management, the Board, other government agencies, and the public and serves as a subject matter expert and is therefore designated.

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Purchasing & Inventory Control Specialist I/II

The Purchasing & Inventory Control Specialist I/II has responsibility for all functions associated with the warehouse including purchasing, receiving and inventory control and administration of the office cleaning contract as well as maintaining inventory of parts and supplies and is therefore designated.

Risk Management Officer

The Risk Management Officer has responsibility for the planning and administration of the District programs and services related to safety, security, emergency preparedness, environmental compliance functions, and processing claims and is therefore designated.

Senior Engineering Inspector

The Senior Engineering Inspector performs highly specialized and complex public works construction inspection work. This position acts as the District's representative on the construction site for the expressed intent of enforcement of District construction standards and regulations and is therefore designated.

Cross-Connection Control and Backflow Technician

The Cross-Connection Control and Backflow Technician performs a variety of work in connection with implementing and enforcing the cross-connection control programs including the Backflow Prevention Program, inspects, tests, and repairs backflow devices, and creates and submits results, records, and related documentation and is therefore designated.

Information Technology and Applications Analyst /Senior IT and Applications Analyst

The Senior Information Technology and Applications Analyst/Senior Information and Applications Analyst position monitors, maintains, troubleshoots, and diagnoses hardware, software, database and network problems and identifies courses of action and is therefore designated.

Information Systems Specialist I/II/III

The Information Systems Specialist I/II/III provides technical assistance to end users of computer hardware, software, printers, and mobile devices and assists in configuring and administering Rainbow Municipal Water District's electronic records management system and is therefore designated.

Project Manager

The Project Manager manages Capital Improvement Projects (CIP) and development projects related to the design and construction of water and wastewater distribution and collection systems. Manages projects from start to finish, from project planning to final inspection. Coordinates with District staff, contractors, and other agencies to deliver projects and is therefore designated.

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Meter Services Supervisor

The Meters Services Supervisor supervises and participates in work related to water services, oversees the cross-connection control and backflow testing programs, tests water services including pressure regulators, water meters, meter boxes, backflow devices and associated appurtenances, and responds to escalated customer service inquiries regarding customer water use and water service issues and is therefore designated.

Customer Service and Communications Supervisor

The Customer Service and Communications Supervisor oversees activities and staff in the Customer Service Department, handles complex and escalated customer service issues, administrative and professional activities in support of public relations, community outreach, and educational programs and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations; therefore, the Auditor(s) shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

Standing District Committee Members

A member or alternate committee member of a Rainbow Municipal Water District standing committee serves at the pleasure of the Board. These committees are advisory to the Board with regard to matters within their respective areas of responsibility. A committee has jurisdiction to consider and make a recommendation to other committees and to the Board regarding any item of business within the responsibility of the committee. Committee recommendations shall be communicated to the Board. A committee may consider other matters referred to it by the Board. Therefore, standing district committee members shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

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**Section 1.02.030
Public Complaints**

A public complaint is an assertion by a member of the public that the District has intentionally or unintentionally created a condition where the individual has been adversely affected.

The Board of Directors desires all public complaints be resolved at the lowest possible administrative level and that the method for resolution of complaints be logical and systematic.

1.02.030.01 Method Used for Addressing Public Complaints

The individual with a complaint may discuss the matter with staff with the objective of resolving the matter informally.

If the individual registering the complaint is not satisfied by staff, a written complaint may be filed with the General Manager. Within ten (10 days), the General Manager may acknowledge the complaint and shall then communicate with the person filing the complaint to resolve the matter. The General Manager is under no obligation to meet in person and may choose to communicate via phone, letter, or email to attempt to reach a resolution of the matter. At the option of the General Manager, he or she may conduct conferences and take testimony or written documentation in the resolution of the complaint. A written decision from the General Manager may be requested by the individual filing the complaint.

If the individual filing the complaint is not satisfied with the disposition of the matter by the General Manager, a written complaint may be filed with the Board of Directors within thirty (30) days of receiving the General Manager's decision. The Board may consider the matter at the next regular meeting or call a special meeting. The Board will endeavor to expeditiously resolve the matter. In making the final decision, the Board may conduct conferences, hear testimony, as well as utilize the record of written documentation. A written decision from the Board may be requested by the individual filing the complaint.

This policy in no way prohibits or is intended to deter a member of the community or staff member from appearing before the Board to present verbal testimony, a complaint, or statement in regard to actions of the Board, District programs and services.

Section 1.02.040
Claims Procedure Policy

1.02.040.01 Purpose

The purpose of this policy is to provide the public, District staff and Board of Directors guidelines on how all claims for money or damages against the District are to be handled. Pursuant to Government Code sections 910 et seq., claims against the District shall be governed by the procedures laid out in this policy, including all deadlines set forth herein.

1.02.040.02 Claims Notification Procedure

When an individual, corporation or entity, including another local public agency, first notifies District staff in person, by telephone, or in writing, damage has been done, or is being done, to their person, business or property, and describing a set of circumstances or facts as to how the District is responsible, the staff person receiving the information will do the following:

- A.** Record the time and date of telephone calls or office visits and take notes as to the information provided by the claimant on the phone or in the office.
- B.** Refrain from discussing liability or responsibility and refrain from making any admissions that would implicate the District; staff should respond to questions, be cordial, but refrain from commenting on liability questions.
- C.** Ask the claimant to fill out a District claim form which should always be available on request. The staff person should not assist in filling out the claim form. When completed and filed with the District, the claim form should be date stamped with the date the claim is actually received by the District.

If an individual sends a letter or written request appearing to be a claim, the letter or written request shall be date-stamped when received by the District. The District shall consider whether to send a notice of insufficiency pursuant to Government Code section 910.8; whether no response is required based on the content provided in the letter or written request; or whether to send a response letter requesting the following categories of information:

- A.** Name and address of claimant.
- B.** Address where notices should be sent.
- C.** Date, place and other circumstances of the occurrence or transaction which gave rise to the claim.
- D.** A general description of the alleged injury or damage.
- E.** Name(s) of the employee(s) who would be aware of the alleged inquiry or damage (if known).
- F.** Estimated amount of loss (Gov. Code §910.).

The response letter should include a District claim form with a request that it be completed if the individual wishes to file a claim.

If the written request is not on a District claim form, but includes the name and address of claimant, an address where notices should be sent, the date, place and other circumstances of the occurrence or transaction which gave rise to the claim, a general description of the alleged injury or damage, the name(s) of the employee(s) who would be aware of the alleged injury or damage (if known), and the estimated amount of loss, the written request should be treated like a formal claim, date-stamped and submitted to the General Manager.

Immediately upon receipt of a District claim form or any written request appearing to be a claim, will be submitted along with all details of the claim to the General Manager, who will determine the proper person to investigate the matter.

1.02.040.03 Presentation and Consideration of a Claim

All claims shall be presented and considered in the manner set forth herein and as required by Government Code Sections 910-915.4.

1.02.040.04 Investigation of Claim

Investigation of the claim should be done as soon as possible after it is filed. The investigation shall be conducted by the appropriate member of the District staff as determined by the General Manager.

Board members will not perform independent investigations of claims.

Investigations may include photos, interviews, and the use of outside experts if appropriate.

1.02.040.05 Determination of Claim

The General Manager is authorized by this section to perform the functions of the Board with respect to claims, including paying, settling, and rejecting claims in amounts not exceeding \$20,000, in accordance with Government Code Section 935.4. Claims not exceeding \$20,000 may be evaluated by the General Manager and either rejected or accepted based on his or her determination in accordance with Government Code Section 912.4. The General Manager may present smaller claims to the Board of Directors for consideration where the nature of the claim may warrant advice from the Board of Directors.

All claims in excess of \$20,000, and/or all claims that, based on existing facts and circumstances, present significant exposure to litigation against the District, shall be presented to the Board of Directors for consideration in Closed Session and shall be processed in accordance with Government Code Section 912.4 and 912.6. Staff shall present the Board with information related to the claim and carry out the direction of the Board related to the claim.

Claims determined to be justified should be resolved in the most direct and efficient manner possible.

In exchange for settlement of a claim, the claimant shall execute a Settlement and Release Agreement with the District. The District Counsel shall approve the form of this agreement before settlement is final.

The District will attempt to act on the claim within forty-five (45) days after it is presented pursuant to Government Code Section 912.4, unless this deadline is extended by written agreement under the terms of this section. The District's decision on how the claim is going to be handled will be communicated to the claimant as soon as is practicable. When possible and applicable, the District shall communicate rejections of claims consistent with Government Code Section 913.

1.02.040.06 Necessity of Written Claim; Limitations of Actions

A written claim for money or damages must be submitted to the District prior to the filing of any lawsuit for money or damages, as provided by Government Code Section 945.4, which section is specifically incorporated herein by reference. The limitation practices on claims required to be presented pursuant to this policy shall be governed by Government Code Section 945.6, which section is specifically incorporated herein by reference.

**Chapter 1.03
MEDIA RELATIONS POLICY**

Sections:

- 1.03.010 Media Relations**
- 1.03.010.01 Purpose**
- 1.03.010.02 Press Releases and Official Statements**
- 1.03.010.03 Media Requests for Information**
- 1.03.010.04 Handling of Media Relations**
- 1.03.010.05 Personal Comments or Contact with Media**

Section 1.03.010
Media Relations

1.03.010.01 Purpose

Good media relations benefit the Rainbow Municipal Water District (RMWD). When RMWD helps the media with the job of gathering and reporting the news, we are also helping communicate our story to the public. Through good media relations, RMWD can strengthen community support and build a positive image in the community. Providing this kind of assistance also discharges our responsibility to be accountable to the public.

1.03.010.02 Press Releases and Official Statements

Generally speaking, all press releases or official statements regarding the policies of the RMWD or actions taken by its Board of Directors should be issued by the President of the Board of Directors or the General Manager. Press releases regarding the operational activities by RMWD or its staff should be issued by the District's General Manager.

1.03.010.03 Media Requests for Information

In order to assure compliance with this policy all requests for information from the media should be directed to the General Manager's office.

1.03.010.04 Handling of Media Relations

The RMWD Communications and Customer Service Committee will provide resources, support, and assistance to the General Manager and Board President as requested in handling media relations and may assist in drafting and reviewing and editing information released to the media as necessary. Generally speaking, whenever practical, the Board President and/or General Manager will attempt to review general press releases with the Communications and Customer Service Committee; however, the need for timely response to the media may preclude this vetting practice.

1.03.010.05 Personal Comments or Contact with Media

Nothing within this policy is intended to restrict or prevent individual Board Members from making personal comments or contact with the media; it only applies to official comments from the RMWD or its Board of Directors. District staff should not make any comments to the media without prior approval from the General Manager.

**Chapter 1.04
EMERGENCY AUTHORITY**

Sections:

- 1.04.010 Emergency Policy**
- 1.04.010.01 Authority**
- 1.04.010.02 Procedure for Terminating Emergency**

Section 1.04.010
Emergency Policy

1.04.010.01 Authority

An emergency is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services. In the event the General Manager determines that an emergency exists requiring immediate action, the General Manager shall have the power without prior Board action, (i) to enter into contracts and/or agreements and to expend funds on behalf of the District, provided that such expenditures or contracts do not exceed, in total, \$250,000 without competitive bidding; (ii) to control; limit, or redirect the delivery of water to District customers; (iii) to reassign District personnel and to employ additional personnel, (iv) to implement the District's emergency response plan; and (v) to perform all other acts deemed necessary or appropriate to alleviate the emergency and to protect the interests of the public and the District. Not later than 72 hours after determination by the General Manager of an emergency and that action must be taken pursuant to this section, the General Manager shall notify the Board President of the reasons necessitating such determination and the actions taken. If the President cannot be reached, then the General Manager must notify the Vice-President, and if the Vice-President cannot be reached, then the General Manager must notify the Secretary. The Board shall review the General Manager's emergency action not later than seven (7) days after the General Manager declares an emergency or at the next Board meeting if it occurs within fourteen (14) days of the emergency action.

1.04.010.02 Procedure for Terminating Emergency

At every regularly scheduled meeting thereafter, the Board of Directors shall review the emergency actions in order to determine, by at a majority vote at each meeting whether there is a need to continue the actions until such time the actions are terminated. The Board shall terminate the emergency actions at the earliest possible date when conditions warrant so that the remainder of the emergency actions may be completed.

Chapter 1.05 VARIANCES

Sections:

- 1.05.010 Purpose**
- 1.05.020 Application**
- 1.05.030 Process**
- 1.05.030.01 Initiation**
- 1.05.030.02 Review for Completeness**
- 1.05.030.03 Committee Review and Recommendations**
- 1.05.030.04 Board Review and Final Decision**

Section 1.05.010
Purpose

The purpose of this policy is to provide flexibility in application of regulations necessary to achieve the purposes of this Administrative Code by establishing procedures for the approval, conditional approval, or disapproval of variance applications. Variances are intended to resolve practical difficulties or unnecessary physical hardships that may result from strict adherence to the policies contained in this Administrative Code.

The cost to the applicant of strict compliance with any provision of this Administrative Code shall not be the sole reason for granting a variance.

Section 1.05.020
Application

An application for variance may be submitted by a property owner or primary account holder. The application shall fully set forth the grounds for and facts necessary to support the required findings for granting a variance. Each application shall be submitted along with the Application Fee.

**Section 1.05.030
Process**

1.05.030.01 Initiation

The variance procedure will be initiated by the submittal of an application including Application Fee. The Application Fee will be established by the Board of Directors by Ordinance and shall not exceed the cost of processing the variance.

1.05.030.02 Review for Completeness

Staff will review submitted applications and related documents for completeness. Should the application be found to be incomplete, a request will be made to the applicant for additional information. Upon determination the application is complete, it will be brought to the appropriate committee for review and recommendations at the next regularly scheduled committee meeting for which the agenda is not already published and shall be within fifty (50) days of the date of the application.

1.05.030.03 Committee Review and Recommendations

Variance requests will be referred to the appropriate committee based on matters within the committee's respective areas of responsibility as stated in Administrative Code Chapter 2.09 by placing an item on the applicable committee's meeting agenda within the stipulated timeframe.

The responsible committee may request staff obtain additional information from the applicant prior to making a final recommendation to the Board of Directors or make a recommendation for approval, conditional approval, or denial of said application to the Board of Directors which shall have final decision-making authority over such applications.

1.05.030.04 Board Review and Final Decision

Upon recommendation from the responsible committee, an item for the variance application will be placed on the next Board of Directors' meeting agenda for a final decision.

If approved, variances will be recorded to property title when applicable.

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2020	MEETING	LOCATION	ATTENDEES	POST
May	14	SDCWA Special Board Meeting	SDCWA	GM	N/A
May	24	GSDA — San Diego Chapter	The Butcher Shop — 6:00 p.m. 5255 Kearny Villa Road San Diego, CA 92123	Mack	N/A
May	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
May	*	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
May	4	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
May	6	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	4/30
May	7	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	4/30
May	12	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	4/30
May	15	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
May	19	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
May	19	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
May	26	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	N/A
May	27	North County Work Group (NCWG)	Rincon Del Diablo, Escondido 7:30 a.m.	General Manager	N/A
May	27	San Luis Rey Watershed Council	Pala Administration Building 1:00 p.m.	Appointed Director	N/A
May	28	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

- **CHANGES – ADDITIONS - DELETIONS:**

~NOTE~ Some or all the meetings listed may be held via teleconference or cancelled due to the current COVID-19 situation. Please contact the District with any inquiries.

The CSDA Quarterly Dinner meeting scheduled for May 21, 2020 has been cancelled.

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

Operations Report for March,2020

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

	Repairs	Installations	Leaks
Mainline	4		4
Service			
Hydrants		4	
Valves		1	
Meters			
Blow-Offs			
Air Vacs		1	

SCW Completed repair of 12" CMLC on Twin Oaks
 Perrault has moved off of property
 RE Staite is 95% moved off of property
 Construction crew has begun to clean and re-organize lower yard

WATER OPERATIONS & VALVE MAINTENANCE DEPARTMENT:

Water Operations:

Successfully completed a 10-day SDCWA 2nd aqueduct shutdown without any issues.

Collected THM's/HAA5 1st quarter samples.

¾" rock delivered and spread at (2) pump stations and (1) tank site.

(15) Tank/Reservoirs/Pump station sites had the old warning signs replaced with the new Federal Statute (42 USC 3001-1) warning signs.

Started Dead End Flushing Program for 2020. Flushed (14) dead end mains.

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Appurtenances
Exercised	49	64	N/A
Inoperable		4	
Repaired			
Replaced			
Installed			

Valve Maintenance completed and/or oversaw the following:

- 139 utility locates completed
- Assisted with (5) shutdowns
- Raised (0) fire hydrants
- Replaced (3) air vacs / (1) wharf heads (3) fire hydrants
- Panted 364 appurtenances

METERS DEPARTMENT:

Current Projects:

- Water Service Upgrade Project
- Prepped 115 Meter Services in Route 11,49,34
- Backfilled 145 Meter Services in Route 11
- Concord has installed 233 meters to date

Future Projects:

- Prepping Meter Services in Route 34

Backflows:

- 328 devices tested

Customer Service Requests:

- 992 total resolved requests for the month of December

WASTEWATER DEPARTMENT:

Monthly, Semi Annual and Annual Reports:

California Integrated Water Quality System (CIWQS): Confirmation # 2567696 Reported "No Spill Report" for Month: March 2020.

SANITARY OVERFLOWS:

None for March 2020

PROJECTS:

March 4,2020 – Old River Road sewer Lift Station add 2 10 yards of ¾” rock to shoulder easement – rain preparation.

March 4,2020 – Repaired contractor work under submittals/punch list for Palomar College manhole connection.

March 16,2020 – Discontinued pump controls/ Upgraded new pump control unit. Removed and prepared pump and motor control and wiring through Xylem Flygt pump controls multistart.

Purchase Order # 10456

\$ 10,875.00

March 17,2020 – Set up and plug 8” sewer line and set up vaccon truck at upstream manhole per testing and installation of new control unit and wiring modifications.

March 18,2020 – Xylem Flygt & Freedom Automation troubleshooting SCADA and multistart unit not responding troubleshoot and test all pumping controls.

March 23,2020 – Emergency - Old River Road sewer manhole damaged public road hazard – Removed and replaced with new 24” frame and cover.

EAM w/o # 175881

Purchase order # 10536

Customer Service:

March 7,2020: Continue odor control monitoring at 211 Via Manzano Rancho Monserate customer odor complaint. Placed an Odalog sensor unit calculate H2s PPM.

Mutual Aid:

Mutual Aid/Contractors:

Rancho Viejo Lift Station – Global Power Systems generator failure won’t run – troubleshoot found mag pickups not responding.

EAM w/o # 175524

March 23,2020 – Horsecreek abandoned 1,000’ of 12” sewer line planning with Superior cement and Robertson cement in injecting concrete into 12” sewer line – Heavy infiltration.

Eam w/o # 175573

FLEET/GARAGE:

Projects:

- Unit # 71 New Truck waiting for delivery to install Radio and Decals (in progress)
- Equipment trailer # 111 Re-hab (In progress)
- Unit # 22 work tools rack system (completed) V-mac warranty repairs completed
- Unit # 10 all strobe lights installed, waiting on console to be delivered for completion of radio’s to be installed (in progress)

- Budget vehicles Specs & Quotes
- Budget Equipment Specs. & Quotes

Future Projects:

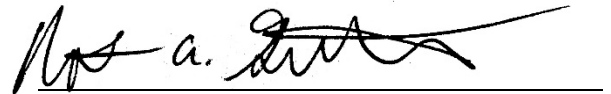
- Unit # 73 Camera's & Monitor to be installed
- Unit # 10 Radio Console and Detail
- Unit # 76 Camera's to be installed
- GOV Deals Old Unit # 71 Dump Truck
- Equipment # 137 Welder to be fabricated into trailer mounted portable use
- Shoring / Emergency Trailer # 109 fabrication ?
- Shop Work Bench REHAB
- Shop Tool Box UPFIT
- Shop Tool Box for diagnostic equipment etc.
- PM ALL Small Equipment PM weed trimmers, trash pumps, compactors, chain saws, saw cuts, generators, chop saws
- Emergency Equipment Inspection and Preventive Maintenance
- # 101 CAT 305E2 Excavator PM
- Truck Steps for # 22, 23, 3

Violations:

None for March 2020

Fleet:

Total Vehicles: **41**



Robert Gutierrez
Operations Manager

4/28/2020

BOARD OF DIRECTORS

April 28, 2020

SUBJECT

Engineering Report for March 2020

DESCRIPTION

CAPITAL PROJECTS:

Corrosion Protection Program (CPP): The District submitted comments on the 60 percent CPP document in March 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. The CPP document is scheduled to be completed in April 2020.

Dentro De Lomas Street Improvement Project: Preconstruction meeting was held with Toro Engineering (contractor) on March 3, 2020. The District met with County of San Diego staff to look at the project footprint. An additional 680 square feet of street improvement was added. Change Order 1 was executed on March 26, 2020 with additional cost of \$4,086.46 to increase the project budget from \$69,500 to \$73,586.46. Ninyo and Moore was also selected under the "As Needed" Geotechnical Services to provide material testing with a not to exceed budget of \$6,518.00

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: Project will go out for bid in April 2020. Staff has conducted meetings to inform the affected customers of the project's impact on their properties.

Pipeline Upgrade Project No. 2: Consultant has begun preliminary design. Customers were contacted to inform them of surveying activities on their properties.

Phase I PRS Project: Preconstruction meeting was held with M-Rae Engineering on March 5, 2020. M-Rae is working on the County Permits and ordering materials for the project. The Notice to Proceed will be issued on April 21st, 2020.

Pressure Reduction Optimization Plan: Engineering staff worked on identifying existing right of way and locations for future pressure reducing stations based on the discussion from the Engineering and Operations staff meeting on February 6, 2020. A final project list will be completed in April 2020.

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: Design is complete. The project will go out for Bid in April 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: Staff is notifying the contractor of the requirement to replace defective lining or offer the District a credit.

Thoroughbred Lift Station and Schoolhouse Lift Station: Design alternatives are being investigated to lower cost of sewer improvements necessary for expanding service, in conjunction with the Meadowood development.

Weese Filtration Plant Interconnect: District is investigating costs of expanding the capacity of the proposed pump station.

Olive Hill Estates Transmission Line Reconnection Project: Project includes the construction of 2,550 lineal feet of 14-inch ductile iron pipe and 30 lineal feet of 12-inch ductile iron pipe in the Olive Hill Estates community. The project is intended to increase flow from the Morro Zone to the Hutton Zone. The project went out to bid and the bid opening was conducted in March 2020. The Lowest Apparent Bidder was Roberts Inc. at \$1,128,075 dollars.

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 SFR/MF, 430 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	3	Water Meters Purchased	0
Sewer Availability Letters	1	Sewer EDUs Purchased	0
Water Commitment Letters	0	Developer Shutdowns	0
Sewer Commitment Letters	0	Jobs Closed: Via Ararat	1



Steven E. Strapac, PE, PLS
District Engineer

4/28/2020

**AS-NEEDED CONTRACT EXPENDITURES REPORT
MARCH 2020**

CONT #	EXP DATE	TITLE	CONSULTANT	FUND SOURCE	ASSIGNMENT LETTERS	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
18-16	8/29/2021	As-Needed Land Surveying Services	Johnson-Frank & Associates, Inc.	NON-CIP	2019-00A	Topography - Dentro De Lomas Road repair.		\$ 5,115.40	\$ 5,115.40	
				NON-CIP	2019-00B	Easement review - McDowell / Mead		\$ 4,100.00	\$ 1,404.25	
							\$ 50,000.00	\$ 9,215.40	\$ 6,519.65	\$ 43,480.35
18-14	8/29/2021	As-Needed Land Surveying Services	KDM Meridian, Inc.	NON-CIP	2018-01	Stake easement on Morro Hills due to 20" watermain failure.		\$ 7,280.00	\$ 7,278.75	
				CIP	2019-02	RMWD "Base Map" to perform in-house design of proposed water facilities on Via Ararat.		\$ 5,800.00	\$ 5,800.00	
				---	2019-03	Cancelled		\$ -	\$ -	
				CIP	2019-04	Stake easement on Gird Road for construction project.		\$ 5,400.00	\$ -	
				CIP	2019-05	Legal and Plat for Campbell - Via Ararat		\$ 1,195.00	\$ 1,195.00	
				NON-CIP	2019-06	Stake easement on Via Oeste Drive and Laketree Drive		\$ 10,900.00	\$ 7,725.00	
				CIP	2019-07	Easements for new PS on W. Lilac/Via Ararat		\$ 4,100.00		
				NON-CIP	2020-08	Linda Vista Drive - Mainline Break		\$ 5,563.00	\$ 4,177.50	
				CIP	2020-09	Gird Road - Winery easement anlysis an exhibit		\$ 7,680.00		
					\$ 50,000.00	\$ 47,918.00	\$ 26,176.25	\$ 23,823.75		
18-15	8/29/2021	As-Needed Land Surveying Services	Right-of-Way Engineering, Inc.	NON-CIP	2019-00A	Title Reports, Legals & Plats - Los Sicomoros		\$ 7,705.00	\$ 7,705.00	
				NON-CIP	2019-00B	Adams Property Easement - Ranger Road		\$ 1,885.00	\$ 1,885.00	
				CIP	2019-00C	Pardee Easement - North River		\$ 2,875.00	\$ 2,875.00	
				NON-CIP	2019-01	Easement Survey - Grove View Road		\$ 4,220.00	\$ 3,285.00	
				CIP	2019-02	Easement Survey-Pala Mesa/Tecalote/Fire Rd/Pala Lake		\$ 15,640.00	\$ 15,451.30	
				CIP	2019-03	Easement Survey-Moosa Creek Pump Station. Restake and reconfigure easement authorized additional \$525.		\$ 5,410.00	\$ 5,405.20	
					\$ 50,000.00	\$ 37,735.00	\$ 36,606.50	\$ 13,393.50		
19-16	6/25/2022	As-Needed Civil Engineering Services	Dudek	Both	2019-01	PRS and other Scehmatic Design/Drafting Services		\$ 10,000.00		
								\$ 150,000.00	\$ 10,000.00	\$ -
19-17	7/01/2022	As-Needed Civil Engineering Services	Omnis Consulting, Inc.	NON-CIP	2019-01	PS&E Pavement Repair - Dentro De Lomas		\$ 8,890.00	\$ 5,964.00	
				CIP	2019-02	Olive Hill Estates Transmission Water Main		\$ 73,700.00	\$ 65,020.00	
				CIP	2019-03	Vista Valley Retaining Wall Design		\$ 23,495.00	\$ 13,765.67	
				CIP	2019-04	Sarah Ann to Gird Road Force Main Replacement		\$ 22,790.00	\$ 10,730.00	
				CIP	2020-05	Gird Road Water Main Upsize		\$ 21,120.00	\$ -	
								\$ 150,000.00	\$ 149,995.00	\$ 95,479.67
19-18	6/25/2022	As-Needed Civil Engineering Services	HydroScience Engineers, Inc.	CIP	2019-01	Live Oak Park Road Bridge Crossing		\$ 42,020.00	\$ 27,145.00	
								\$ 150,000.00	\$ 42,020.00	\$ 27,145.00

**AS-NEEDED CONTRACT EXPENDITURES REPORT
MARCH 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		\$ 3,500.00	\$ 3,500.00	
							\$ 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	
				CIP	2020-02	Moosa Creek Pump Station Easement Appraisal		\$ 5,350.00	\$ 5,350.00	
							\$ 20,000.00	\$ 8,400.00	\$ 8,400.00	\$ 11,600.00
19-39	11/13/2022	As-Needed Geotechnical Services	Leighton Consulting, Inc.				\$ -	\$ -	\$ -	\$ -
							\$ -	\$ -	\$ -	\$ -
							\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
19-40	11/1/2022	As-Needed Geotechnical Services	Ninyo & Moore G.E.S. Consultants	NON-CIP	2020-01	Dentro De Lomas geotech observation and material testing.		\$ 6,518.00	\$ -	\$ -
							\$ -	\$ -	\$ -	\$ -
							\$ 100,000.00	\$ 6,518.00	\$ -	\$ 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	CIP	2020-01	CM support services for the WSUP project.		\$ 100,000.00	\$ -	\$ -
				CIP	2020-02	Constructability design review of PUP-1		\$ 6,270.00	\$ -	\$ -
							\$ -	\$ -	\$ -	\$ -
							\$ 150,000.00	\$ 106,270.00	\$ -	\$ 150,000.00
20-02	1/28/2023	Management & Insp. Services	Reilly Construction Mnmt.					\$ -	\$ -	\$ -
								\$ -	\$ -	\$ -
							\$ 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	3/24/2023	As-Needed Environmental Services	Michael Baker International					\$ -	\$ -	\$ -
								\$ -	\$ -	\$ -
							\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
							Total Authorized	Total Encumbrance	Total Expended	
							\$ 1,540,000	\$ 421,571	\$ 203,827	



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
FEBRUARY 2020 (Revised)**

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	4,863.00 *
EDUs Unconnected/Committed	208.08
Total EDUs Available for Purchase:	2,785.59

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



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
MARCH 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	4,920.92 *
EDUs Unconnected/Committed	208.08
Total EDUs Available for Purchase:	2,727.67

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 **
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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

April 28, 2020

SUBJECT

HUMAN RESOURCES REPORT FOR MARCH/APRIL 2020

DESCRIPTION

Personnel changes, human resources activities, and safety report for March/April 2020

PERSONNEL UPDATES:

Luis Martinez-Ledesma started as a Construction Utility Worker on March 26, 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.
- One employee in Customer Service is on Family First Coronavirus Response Act leave due to the closure of schools and day care centers.

RECRUITMENT:

We are currently in selection for a Construction Supervisor. Video interviews are scheduled for April 21.

An offer has been made for the I.T. Systems Specialist position and the background check is pending.

EMPLOYEE EVENTS/UPCOMING EVENTS:

Due to the COVID-19 pandemic, all employee events and classroom trainings have been cancelled or postponed.

SAFETY:

Incidents

There were no lost time or modified duty due to a work-related incident.

Safety Training

Target Solutions online training: 37 completions for March 2020

Future planning to increase safety awareness throughout the district to include:

Respirator Program training
Hearing Conservation

COVID-19 awareness

Claims

- Robert Stevens 4002 Pala Mesa Oaks
- Shawn Arthur at 5235 1st Str. Paid so far \$30,543.07
- Faramarz Jamshidi 2160 Peurto Del Mundo

Possible Future Claims claims against the District:

- Tenant at 4002 Pala Mesa Oaks damage to basement area due to mainline break



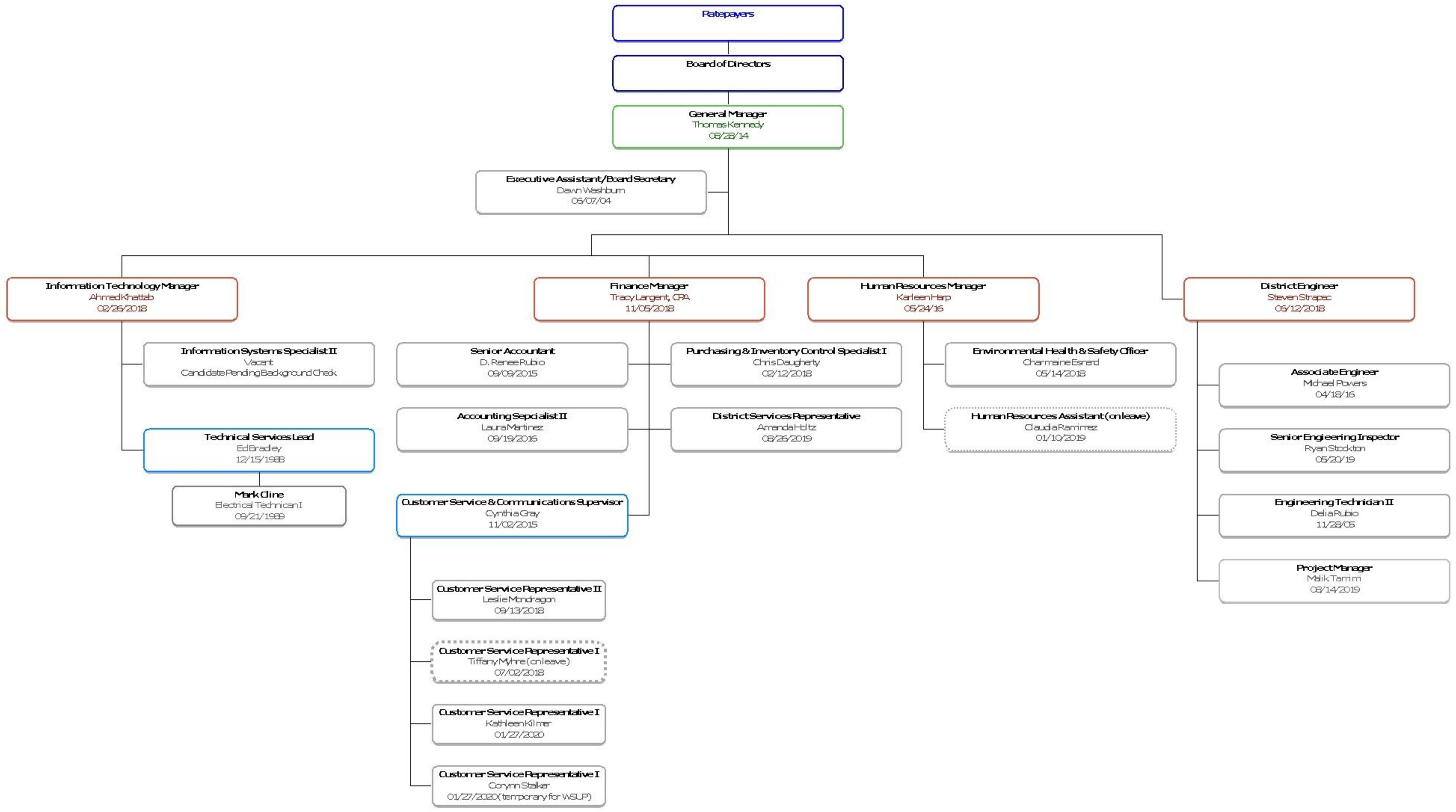
Karleen Harp, COSM
Human Resources Manager

04/28/2020

**RAINBOW MUNICIPAL WATER DISTRICT
ORGANIZATIONAL CHART
PAGE 1 of 2**

Creation Date 8/21/2014

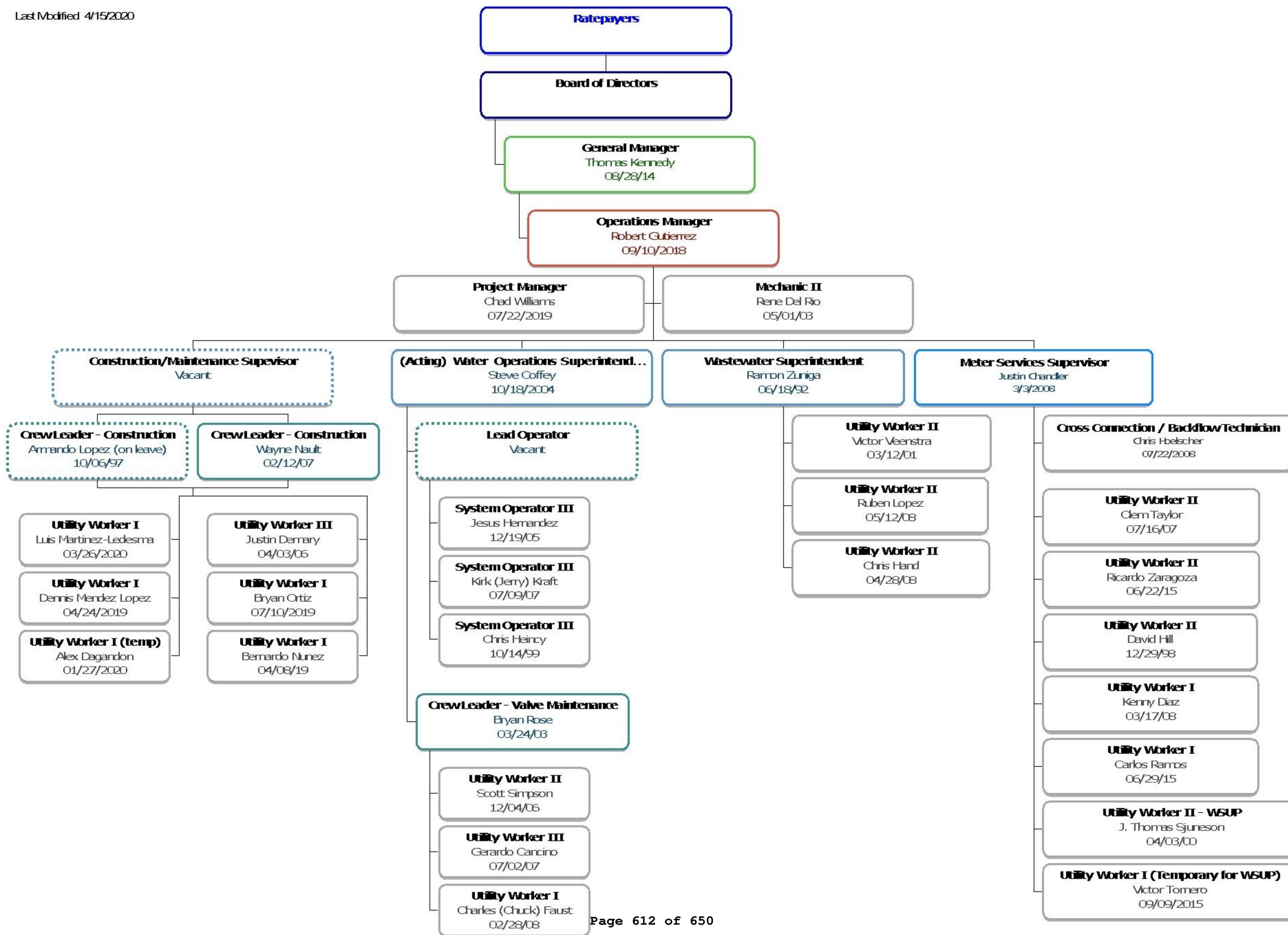
Last Modified 4/15/2020



RAINBOW MUNICIPAL WATER DISTRICT
 ORGANIZATIONAL CHART
 PAGE 2 of 2

Creation Date 8/21/2014

Last Modified 4/15/2020



BOARD OF DIRECTORS

April 28, 2020

SUBJECT

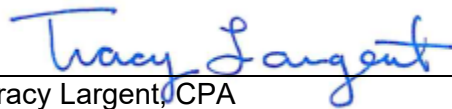
FINANCE REPORT FOR APRIL 2020

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 (JAN FYTD 19/20)
- B. Fund Balance Projections
- C. Treasury Report (FEB FY 19/20)
- D. Five Year Demand Chart (through 4/9/2020)
- E. Credit Card Breakdown (FEB FY 19/20)
- F. Directors' Expense Report (FEB FY 19/20)
- G. Check Register (FEB FY 19/20)
- H. Water Sales Summary (FEB FY 19/20)
- I. Developer Projections
- J. RMWD Properties



Tracy Largent, CPA
Finance Manager

April 28, 2020

Statement of Revenues & Expenses

Operating Funds (Water, Wastewater, & General Funds)

January 31, 2020



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	6,032,945	5,247,581	785,364	15%	8,995,853
41112-Sewer Charges-Established Acct	1,582,980	1,848,515	-265,534	-14%	3,168,882
42120-Monthly O & M Charges	4,714,902	4,801,641	-86,740	-2%	8,231,385
42121-Monthly O&M Charges - CWA	2,835,985	2,885,723	-49,738	-2%	4,946,955
43101-Operating Inc Turn On/Off Fees	0	6,417	-6,417	-100%	11,000
43106-Operating Inc-Sewer Letter Fee	0	1,167	-1,167	-100%	2,000
41120-Water Sales-Ag-Dom Non Cert	805,579	675,494	130,085	19%	1,157,990
41160-Water Sales-Ag. Non Discount	3,003,034	2,475,780	527,254	21%	4,244,195
41170-Water Sales-Construction	43,728	209,670	-165,942	-79%	359,434
41180-Water Sales - Tsawr Com	4,011,223	2,794,821	1,216,402	44%	4,791,121
41190-Water Sales-Sawr Ag/Dom	2,983,223	4,115,474	-1,132,251	-28%	7,055,098
42130-Readiness-To-Serve Rev Id#1	161,753	145,833	15,920	11%	250,000
42140-Pumping Charges	431,661	397,998	33,662	8%	682,283
-Water Sales	26,607,012	25,606,114	1,000,898	4%	43,896,195
43100-Operating Inc Oak Crest Service Charges	0	14,000	-14,000	-100%	24,000
43102-Operating Inc Penalty/Int Chgs	36,107	157,500	-121,393	-77%	270,000
43104-Operating Inc. R.P. Charges	148,087	160,417	-12,330	-8%	275,000
43108-Operating Inc Plan Check Rev.	0	43,750	-43,750	-100%	75,000
43110-Operating Inc Inspections	7,463	11,667	-4,204	-36%	20,000
43111-Operating Inc Install Fees Hyd	0	1,167	-1,167	-100%	2,000
43114-Operating Inc-Miscellaneous	0	4,083	-4,083	-100%	7,000
43116-New Meter Sales/Install Parts	8,550	23,333	-14,783	-63%	40,000
43117-Notice Delivery Revenue	80	35,000	-34,920	-100%	60,000
-Other Operating Revenue	200,287	450,917	-250,630	-56%	773,000
42200-Overhead Trs From Water Sewer	4,127,683	4,127,680	3	0%	7,076,023
-Transfers from Water & Waste Water	4,127,683	4,127,680	3	0%	7,076,023
REVENUE-Operating Revenue	30,934,982	30,184,711	750,272	2%	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	12,764,517	-1,527,004	-12%	21,882,029
50003-Water In Storage	-295,945	0	-295,945		0
50005-Ready To Serve Charge	251,877	287,035	-35,158	-12%	492,060
50006-Infrastructure Access Charge	257,628	338,142	-80,514	-24%	579,672
50008-Ag Credit-Sawr	-616,877	-943,222	326,345	-35%	-1,616,952
50010-Customer Service Charge	530,493	632,947	-102,454	-16%	1,085,052
50011-Capacity Reservation Charge	202,284	233,471	-31,187	-13%	400,236
50012-Emergency Storage Charge	778,616	943,058	-164,442	-17%	1,616,670
50013-Supply Reliability Charge	369,926	487,050	-117,124	-24%	834,942
-Cost of Purchased Water Sold	12,715,514	14,742,997	-2,027,483	-14%	25,273,709
56101-Regular Salaries	2,994,304	2,998,698	-4,394	0%	5,140,625
56103-Overtime Paid Comptime Earn.	228,855	180,396	48,460	27%	309,250
56202-Director's Compensation	7,050	8,167	-1,117	-14%	14,000
56518-Duty Pay	26,750	25,550	1,200	5%	43,800
56520-Deferred Comp-Employer Contrib	83,545	87,370	-3,825	-4%	149,777
-Salary & Labor Expenses	3,340,504	3,300,180	40,324	1%	5,657,452
56501-Employer's Share FICA SSI	184,063	174,628	9,435	5%	299,363
56502-Employer's Share Medicare	47,054	43,600	3,455	8%	74,742
56515-Worker's Compensation Ins	190,257	72,428	117,829	163%	124,163
56516-State Unemployment Ins E.T.T.	14,204	7,953	6,251	79%	13,633
-Taxes	435,578	298,609	136,970	46%	511,901
56503-Medical Ins ACWA Health Ben	487,717	512,012	-24,294	-5%	877,734
56504-Dental Insurance	47,064	52,822	-5,758	-11%	90,552
56505-Vision Ins ACWA	6,505	6,706	-201	-3%	11,496
56506-Life S/T L/T Disability Ins	36,324	30,698	5,626	18%	52,626
56507-Retirement-CalPERS	297,006	297,575	-569	0%	510,129
56511-Employee Uniform Allowance	13,148	11,667	1,481	13%	20,000
-Fringe Benefits	887,764	911,480	-23,716	-3%	1,562,537
52176-Overhead Transfer To Gen Fund	4,127,683	4,127,680	4	0%	7,076,022
-Transfers	4,127,683	4,127,680	4	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	10,773	15,458	-4,685	-30%	26,500
56513-Employee Relations	6,168	9,275	-3,107	-33%	15,900
56530-Gasb 68 Pension	294,574	244,948	49,626	20%	419,911
60000-Equipment	15,632	46,083	-30,451	-66%	79,000
60100-Computers	295,055	419,812	-124,757	-30%	719,678
63100-Equipment Maintenance	109,006	91,642	17,364	19%	157,100
63102-Equipment Maintenance Contract	12,824	31,967	-19,143	-60%	54,800
63200-Equipment Rental	133,119	69,690	63,430	91%	119,468
63400-Kitchen Supplies	9,548	9,333	215	2%	16,000
63401-Building Maintenance	116,672	81,317	35,355	43%	139,400
63404-Backflow Expenses	67,395	87,500	-20,105	-23%	150,000
63421-Fuel And Oil	109,364	81,667	27,697	34%	140,000
63422-Repair Supplies Auto	31,425	42,583	-11,159	-26%	73,000
65000-Property/Liability Insurance	283,569	164,777	118,792	72%	282,474
65100-District Paid Insurance Claims	104,582	160,417	-55,835	-35%	275,000
65200-Miscellaneous Expense	3,889	0	3,889		0
66000-Bad Debt Exp/Billing Adjust'S	0	2,917	-2,917	-100%	5,000
POSTAGE-Postage	19,174	27,125	-7,951	-29%	46,500
70000-Professional Services	494,541	498,721	-4,180	-1%	854,950
70100-Annual Audit Services	18,698	14,583	4,115	28%	25,000
70300-Legal Services	212,088	285,833	-73,746	-26%	490,000
70400-Bank Service Charges	23,837	29,167	-5,329	-18%	50,000
72000-Supplies & Services	816,086	801,004	15,082	2%	1,373,150
72001-Right Of Way Expenses	86,253	116,667	-30,414	-26%	200,000
72010-Tank Maintenance	361,301	448,690	-87,388	-19%	769,182
72150-Regulatory Permits	38,144	42,933	-4,789	-11%	73,600
72200-Books & Resources	0	1,517	-1,517	-100%	2,600
72400-Dues & Subscriptions	64,549	40,489	24,060	59%	69,410
72500-Safety Supplies	17,339	25,958	-8,619	-33%	44,500
72600-Sewer Line Cleaning	8,619	33,833	-25,215	-75%	58,000
72700-Printing & Reproductions	1,232	9,333	-8,101	-87%	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	1,409	4,958	-3,549	-72%	8,500
72900-Stationary & Office Supplies	2,124	5,833	-3,709	-64%	10,000
73000-Small Tools & Equipment	11,425	32,667	-21,242	-65%	56,000
74000-Communicatons & Phone Bills	5,248	4,958	290	6%	8,500
74100-Phone Bill	60,987	49,373	11,614	24%	84,640
75300-Travel, Conferences & Training	28,344	47,084	-18,739	-40%	80,715
75400-Workforce Development	28,571	43,167	-14,596	-34%	74,000
75500-Recruitment	9,282	13,358	-4,076	-31%	22,900
77000-Sewage Treat.-Oceanside Plant	0	484,167	-484,167	-100%	830,000
78000-Utilities - Electricity	331,656	336,875	-5,219	-2%	577,500
78300-Hazardous Waster Material Disposal	7,350	7,000	350	5%	12,000
78700-Utilities - Propane	2,886	9,042	-6,156	-68%	15,500
78900-Trash Pick-Up	5,381	6,271	-889	-14%	10,750
-Operating Expenses	4,260,119	4,979,991	-719,872	-14%	8,537,128
EXPENSE-Operating Expense	25,767,163	28,360,937	-2,593,774	-9%	48,618,749
49301-Property Tax Rev. - Ad Valorem	365,229	265,417	99,812	38%	455,000
-Property Tax Revenue	365,229	265,417	99,812	38%	455,000
49050-Revenue Billing Adjustments	2,277	0	2,277		0
49102-Non Oper Inc-Nsf Check Fees	0	1,750	-1,750	-100%	3,000
49107-Recycling Revenue	0	4,667	-4,667	-100%	8,000
49108-Non Oper Inc-Rents And Leases	0	99,167	-99,167	-100%	170,000
49109-Miscellaneous Revenue	13,187	21,000	-7,813	-37%	36,000
49114-Misc Revenue - Eng. Services	600	2,917	-2,317	-79%	5,000
57050-Expense Billing Adjustments	2,892	0	2,892		0
82000-Shop & Field Equipment	53,272	223,825	-170,553	-76%	383,700
83000-Vehicles	37,143	151,667	-114,524	-76%	260,000
-Other Nonoperating Revenue/Expense	-77,244	-245,992	168,748	-69%	-421,700
-Non Operating Revenue (Expenses)	287,985	19,425	268,560	1383%	33,300
Debt Service		1,427,879	-1,427,879	-100%	2,447,793
Current Year Net Revenue Less Expense*	\$ 5,455,805				\$ 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.

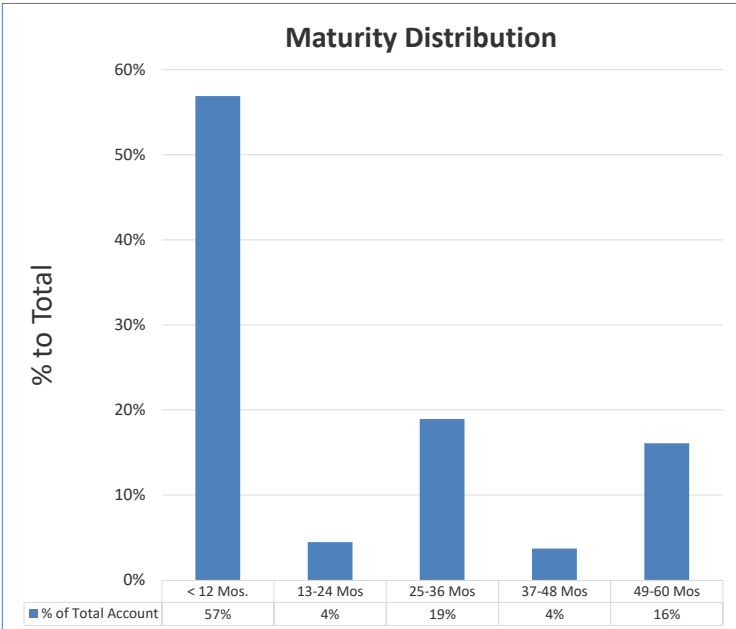
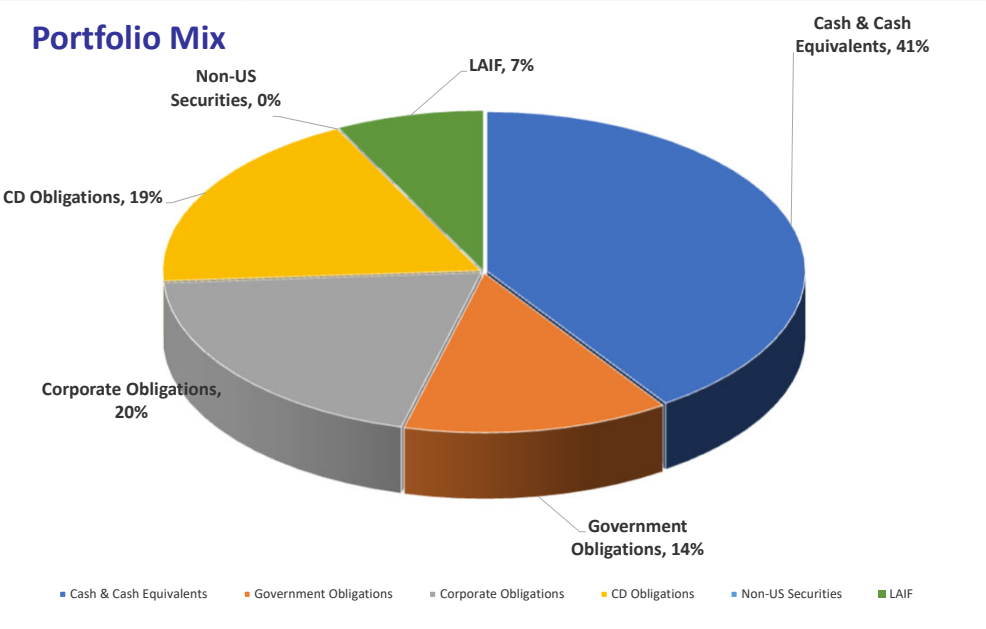
Capital Project Budgets (WW):

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
 2/9/2020



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 Trust	48125C068S	N/A		\$ 222,416	\$ 222,416					0	53	11508
	Willimington Trust	CSCDA 2017-01			\$ 2,750,000	\$ 2,750,000					0	53	10301
Money Market Funds	Zions Bank	7326251D			\$ 628,173	\$ 628,173	2.090%				0	60	10310
Money Market Funds	Zions Bank	7326250			\$ 5,658,189	\$ 5,658,189	2.060%				0	60	10311
Money Market Funds	Zions Bank	7326251E			\$ 2,009,116	\$ 2,009,116	2.090%				0	60	10309
Total Cash & Cash Equivalents					\$ -	\$ 11,267,894	\$ 11,267,894						
Non-Callable	FEDERAL HOME LOAN BANKS CONS BI	3130AECJ7	Aaa	05/28/20	\$ 985,000	\$ 987,906	\$ 987,985	2.610%	2.450%	\$ 12,892	89	38	11508
Non-Callable	FEDERAL HOME LOAN BANK BONDS	3130AD4X7	Aaa	12/11/20	\$ 500,000	\$ 494,905	\$ 503,020	2.000%	2.400%	\$ 4,949	286	60	11508
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,000	\$ 200,938	\$ 204,700	1.900%	1.800%	\$ 1,909	871	53	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 520,000	\$ 515,226	\$ 520,515	2.330%	2.575%	\$ 6,002	1055	38	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 480,000	\$ 480,034	\$ 520,515	2.330%	2.600%	\$ 5,592	1055	53	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 475,000	\$ 465,211	\$ 494,489	2.330%	2.600%	\$ 5,420	1055	38	11508
Non-Callable	FEDERAL HOME LOAN BANKS	3130ADRG9	Aaa	03/10/23	\$ 500,000	\$ 501,990	\$ 526,720	2.670%	2.660%	\$ 6,702	1105	53	11508
Total Government Obligations					\$ 3,660,000	\$ 3,646,208	\$ 3,757,944						
Make Whole	CITIBANK NA	17325FAQ1	Aa3	07/23/21	\$ 475,000	\$ 486,623	\$ 485,659	3.400%	2.150%	\$ 8,075	510	53	11508
Non-Callable	WELLS FARGO	95000U2B8	A2	07/22/22	\$ 980,000	\$ 989,232	\$ 1,004,559	2.610%	2.410%	\$ 12,909	874	38	11508
Callable 10/1/22	PNC BK N A PITTSBURG PA	69349LAG3	A3	11/01/22	\$ 980,000	\$ 999,179	\$ 1,009,821	2.700%	2.065%	\$ 13,489	976	60	11508
Bullet	Bank of America Corp	06051GEU9	A2	01/11/23	\$ 475,000	\$ 490,794	\$ 498,351	3.300%	2.300%	\$ 7,838	1047	53	11508
Bullet	JP Morgan Chase & CO	46625HJX98	A2	05/13/24	\$ 930,000	\$ 981,522	\$ 1,008,576	3.625%	2.400%	\$ 16,856	1535	60	11508
Callable 7/1/2024	BB&T CORPORATION %	05531FBH5	A2	08/01/24	\$ 1,000,000	\$ 1,020,170	\$ 1,032,620	2.500%	2.057%	\$ 12,500	1615	38	11508
Set Up/CBLE 9/18/20	BANK OF AMERICA CORP SR GLBL	06048WC99	A2	09/18/24	\$ 500,000	\$ 500,000	\$ 500,000	2.250%	2.346%	\$ 5,625	1663	38	11508
Total Corporate Obligations					\$ 5,340,000	\$ 5,467,519	\$ 5,539,586						
FDIC Ins. CD	UNITED BANKERS BK BLOOMINGTON	909557HQ6	N/A	09/16/20	\$ 230,000	\$ 230,000	\$ 230,212	2.590%	2.600%	\$ 2,979	200	53	11508
FDIC Ins. CD	BARCLAYS BK DEL	06740KJK4	Aaa	09/16/20	\$ 245,000	\$ 245,000	\$ 246,012	2.200%	2.200%	\$ 2,695	200	60	11508
FDIC Ins. CD	AMERICAN EXPRESS CENTRN	02587DB64	Aaa	09/23/20	\$ 250,000	\$ 250,000	\$ 251,088	2.300%	2.300%	\$ 2,875	207	53	11508
FDIC Ins. CD	ALLY BK MIDVAL UTAH	02007GFD0	N/A	09/28/20	\$ 245,000	\$ 245,000	\$ 246,857	2.780%	2.800%	\$ 3,406	212	38	11508
FDIC Ins. CD	DISCOVER BANK	254672F29	N/A	08/10/21	\$ 248,000	\$ 248,000	\$ 248,179	1.520%	1.500%	\$ 1,885	528	53	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 98,000	\$ 98,000	\$ 98,142	1.570%	1.550%	\$ 769	535	53	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 150,000	\$ 150,000	\$ 150,218	1.570%	1.550%	\$ 1,178	535	38	11508
FDIC Ins. CD	MB FINL BK NA CHIC IL	55266CZJ8	N/A	11/18/21	\$ 247,000	\$ 247,000	\$ 252,869	2.810%	2.850%	\$ 3,470	628	60	11508
FDIC Ins. CD	FLAGSTAR BK FSB TROY MICH	33847E2K2	N/A	06/13/22	\$ 245,000	\$ 246,749	\$ 250,363	2.440%	2.200%	\$ 3,010	835	53	11508
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3	N/A	06/14/22	\$ 245,000	\$ 245,000	\$ 249,817	2.340%	2.350%	\$ 2,867	836	53	11508
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RKL4	N/A	11/22/22	\$ 250,000	\$ 250,000	\$ 255,898	2.400%	2.400%	\$ 3,000	997	53	11508
FDIC Ins. CD	MORGAN STANLEY	61747MF63	N/A	01/11/23	\$ 246,000	\$ 246,000	\$ 253,729	2.630%	2.650%	\$ 3,235	1047	53	11508
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7	N/A	03/29/23	\$ 240,000	\$ 240,000	\$ 249,773	2.860%	2.900%	\$ 3,432	1124	53	11508
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 240,000	\$ 250,238	2.900%	2.950%	\$ 3,480	1137	60	11508
FDIC Ins. CD	CAPITAL ONE BANK (USA) NAT	1402TAW7	N/A	06/19/24	\$ 245,000	\$ 245,000	\$ 254,075	2.520%	2.500%	\$ 3,087	1572	53	11508
FDIC Ins. CD	MORGAN STANLEY PVT BK PURCHA	61760AL49	N/A	06/24/24	\$ 245,000	\$ 245,000	\$ 251,546	2.290%	2.250%	\$ 2,805	1577	53	11508
FDIC Ins. CD	FIRST NATL BK MCGREGOR TEX	32112UDA6	N/A	06/28/24	\$ 249,000	\$ 250,743	\$ 258,955	2.300%	2.150%	\$ 2,884	1581	53	11508
FDIC Ins. CD	ENERBANK USA UT	29278TJU5	N/A	07/10/24	\$ 249,000	\$ 249,000	\$ 249,182	2.200%	2.200%	\$ 2,739	1593	53	11508
FDIC Ins. CD	CITIBANK N A CD CLL	17294XUN4	N/A	07/31/24	\$ 159,000	\$ 159,000	\$ 159,587	2.200%	2.200%	\$ 1,749	1614	53	11508
FDIC Ins. CD	JPMORGAN CHASE BK NA COLUMBU	48128HY28	N/A	07/31/24	\$ 247,000	\$ 247,000	\$ 247,810	2.300%	2.300%	\$ 2,841	1614	53	11508
FDIC Ins. CD	MERRICK BK SOUTH JORDAN UTAH	59013KBV7	N/A	07/31/24	\$ 249,000	\$ 249,000	\$ 255,190	2.200%	2.200%	\$ 2,739	1614	53	11508
FDIC Ins. CD	HSBC BK USA NATIONAL ASSN	44329MBF9		11/04/24	\$ 247,000	\$ 247,000	\$ 248,092	2.125%	2.125%	\$ 2,624	1710	53	11508
Total CD Obligations					\$ 5,069,000	\$ 5,072,492	\$ 5,157,829						
Total Non-US Securities					\$ -	\$ -	\$ -						
Subtotal Long Term Pooled Investment	Local Agency Investment Fund (LAIF)**	1.001770298			\$ 14,069,000	\$ 25,454,113	\$ 25,723,253						
						\$ 2,074,377	\$ 2,078,049			\$ -			13103
Portfolio Totals						\$ 27,528,490	\$ 27,801,302						



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

4/14/2020

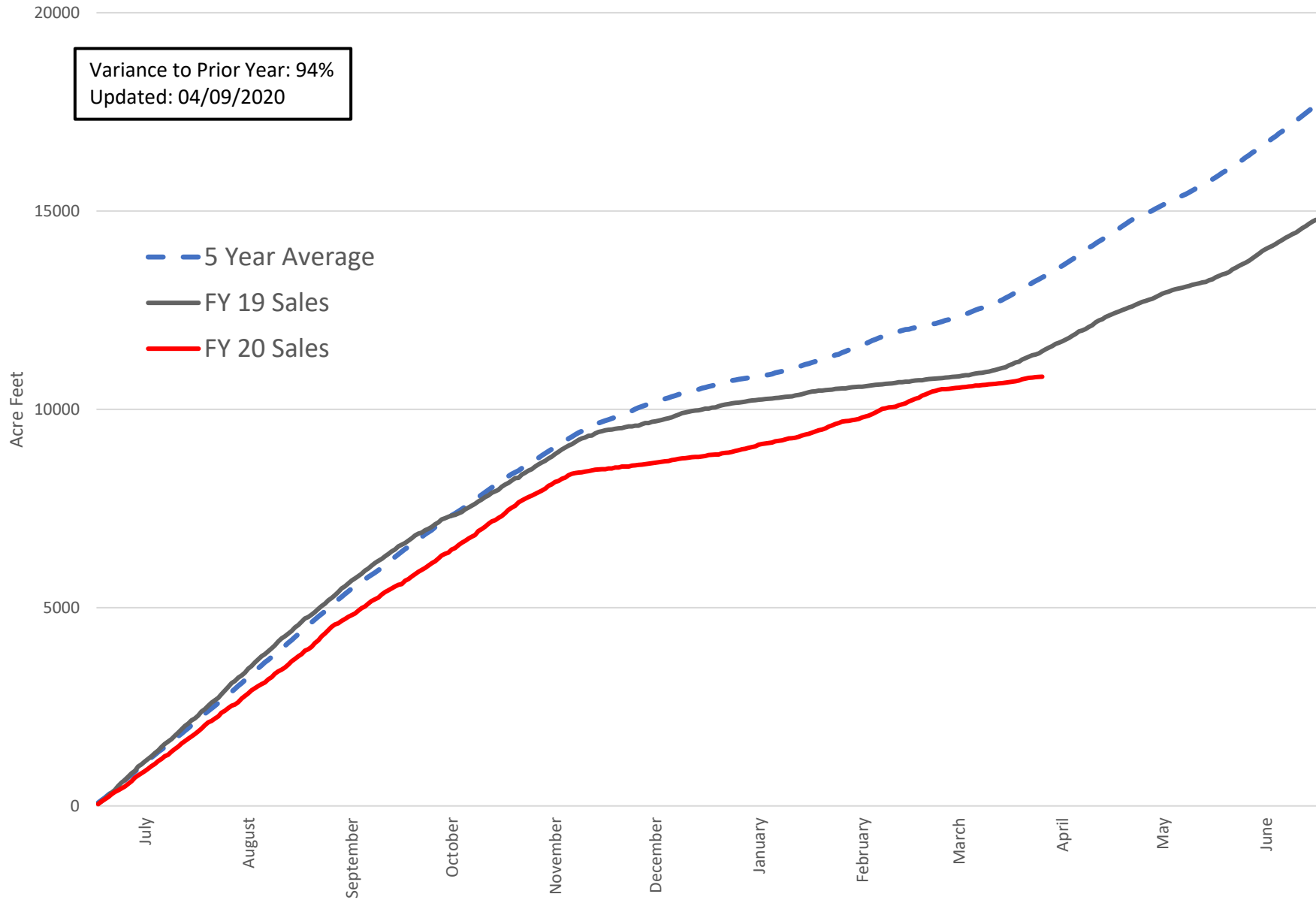
Tracy Largent, Treasurer

*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: 94%
Updated: 04/09/2020





AMERICAN EXPRESS
February 2020

GL Finance Code	GL Transaction Amount	Description
GL 01 35 63404	5,000.00	1ST CHOICE #5323
GL 03 20 75300	725.00	ACWA #INV-28373-SOK1M5
GL 03 20 75300	407.40	ALASKA AIRLINES #CRFYGS
GL 03 20 75300	54.00	ALASKA AIRLINES #CRFYGS
GL 03 41 63401	157.46	AMAZON #112-0084490-1718626/PO# 10485
GL 01 35 72000	110.93	AMAZON #112-0182300-7038622
GL 01 35 72000 600028	19.36	AMAZON #112-0423178-1680203
GL 03 43 72500	18.31	AMAZON #112-0690599-6972231
GL 03 43 72500	105.50	AMAZON #112-0690599-6972231
GL 03 41 63401	45.61	AMAZON #112-0744073-3668243
GL 03 43 72000	115.40	AMAZON #112-0901627-8859461
GL 01 34 72000	286.05	AMAZON #112-2192562-4977834
GL 03 41 63401	134.69	AMAZON #112-3217755-7757865
GL 01 34 72000	438.01	AMAZON #112-3893780-1413828
GL 03 41 63401	96.96	AMAZON #112-4794844-4234600
GL 03 41 63401	60.10	AMAZON #112-5226067-8571451
GL 03 41 63401	176.37	AMAZON #112-5755340-6777017
GL 02 61 72000	193.40	AMAZON #112-6645633-0139454
GL 03 43 72500	32.38	AMAZON #112-6682575-6633026
GL 03 43 63401	743.47	AMAZON #112-6862024-9799414
GL 01 35 73000	22.62	AMAZON #112-7751638-1367457
GL 01 35 73000	77.01	AMAZON #112-7751638-1367457
GL 01 34 72000	111.21	AMAZON #112-7909902-9302607
GL 03 43 72500	77.48	AMAZON #112-8402345-4373036
GL 03 41 63401	635.72	AMAZON #112-8808817-7662633/PO# 10485

GL Finance Code	GL Transaction Amount	Description
GL 02 61 72000	10.66	AMAZON #112-9972533-3609056
GL 03 41 60100	28.44	AMAZON #114-1428361-6388253
GL 03 41 72000	173.50	AMAZON #114-2777620-4321814
GL 01 32 72000	(118.36)	AMAZON #114-4333963-4892262
GL 03 41 60100	197.07	AMAZON #114-5683950-2884213
GL 03 41 60100	1,027.92	AMAZON #114-8078139-6290623
GL 03 41 60100	(71.64)	AMAZON #114-9732450-1601812/PO# 10304
GL 03 41 60100	0.17	AMAZON WEB SERVICES
GL 03 43 72000 800012	775.00	AMERICAN ENVIRONMENTAL #77998
GL 03 43 72000	224.95	AMERICAN SOCIETY #1001627018
GL 02 61 72150	455.77	APCD #04441-2001-RI-2020
GL 02 61 72150	455.77	APCD #04442-2001-RI-2020
GL 02 61 72150	455.77	APCD #04443-2001-RI-2020
GL 02 61 72150	470.07	APCD #05004-2003-RI-2020
GL 03 43 72000	2.99	APPLE.COM
GL 03 42 72400	415.00	APWA #AI3O9ACA9A1
GL 03 42 72000	83.58	AQUA TERRA #10156320200
GL 03 51 72000	73.42	AQUA TERRA #519748
GL 03 41 60100	10.00	ATLASSIAN #AT-93886299
GL 03 41 60100	225.40	AUTHORIZE.NET, 2-1-20
GL 01 34 72400	2,141.00	AWWA #7001753322
GL 01 32 72000	61.85	BAY CITY ELECTRIC #SOP254781
GL 03 42 75500	200.00	BROWN & CALDWELL #31099530052
GL 03 41 63400	201.75	COFFEE AMBASSADOR #837160
GL 01 34 72000	79.33	COMOSO #01270701
GL 03 36 72000	9.50	COMOSO #01279064
GL 03 36 72000	(9.50)	COMOSO #01279064
GL 03 36 63100	100.47	COMOSO #01279525
GL 03 36 63100	(100.47)	COMOSO #01279525
GL 03 41 60100	192.50	CORELOGIC #81996001
GL 03 41 60100	192.50	CORELOGIC #82000429
GL 03 41 60100	192.50	CORELOGIC #82005974

GL Finance Code	GL Transaction Amount	Description
GL 03 43 65200 800012	639.59	COURTYARD MARRIOT #76506470
GL 03 20 75300	600.00	CSDA #79671
GL 03 20 75300	625.00	CSDA #79672
GL 03 20 75300	550.00	CSDA #79673
GL 03 41 63401	82.04	CULLIGAN #013120
GL 03 41 72400	80.00	FALLBROOK VINTAGE #05481-2020
GL 03 43 63102	861.41	FIREHAWK FIRE #E200206881
GL 03 41 63400	76.50	FRUIT GUYS #5475401
GL 03 41 63400	38.25	FRUIT GUYS #5477984
GL 03 41 63400	76.50	FRUIT GUYS #5480597
GL 03 41 63400	38.25	FRUIT GUYS #5482625
GL 03 41 63400	76.50	FRUIT GUYS #5485543
GL 03 51 75300	25.00	GFOA #608212
GL 01 32 72000	325.14	GRAINGER #9411904668/PO# 10389
GL 03 36 63421	1,079.67	GRAINGER #9412556756
GL 03 43 72000	754.95	GRAINGER #9413938318/PO# 10391
GL 03 41 63401	19.29	GRAINGER #9416596196
GL 01 32 72000	52.80	GRAINGER #9416596204
GL 01 32 72000	122.64	GRAINGER #9423371856/PO# 10392
GL 03 43 72000	75.88	GRAINGER #9426168416
GL 03 43 72000	151.75	GRAINGER #9426962321
GL 03 43 72500	2,335.52	GRAINGER #9427736617/PO# 10412
GL 03 43 72500	114.98	GRAINGER #9427866588/PO# 10412
GL 03 43 72500	1,118.03	GRAINGER #9427911558/PO# 10412
GL 03 42 72500	112.34	GRAINGER #9429410641/PO# 10412
GL 03 41 56511	31.39	IMPACT DESIGN #60334
GL 03 91 72000	330.00	IRWA #562406
GL 03 91 72400	270.00	IRWA #562408
GL 03 41 74100	940.57	JIVE #IN6000599880
GL 03 36 72000	707.96	KIMBALL MIDWEST #7504418
GL 01 32 72000	235.97	KIMBALL MIDWEST #7507491/PO# 10225
GL 01 32 72000	299.55	KIMBALL MIDWEST #7539933/PO #10225

GL Finance Code	GL Transaction Amount	Description
GL 01 35 72000	252.99	MOUNT DEPOT #31112
GL 03 41 60100	293.92	MS AZURE #E0300AAS2G
GL 03 43 72400	2,349.00	MSDS VELOCITY #213513
GL 03 41 63401	841.98	NATIONAL BUSINESS #MK539551-TDQ
GL 03 41 63400	750.00	NATUREBOX #9421
GL 03 43 72400	175.00	NFPA #6354132
GL 03 43 72200	120.60	NFPA #654132
GL 03 42 70300	4,295.50	NOSSAMAN #505111
GL 60 99 70300 600007	1,526.50	NOSSAMAN #505111
GL 03 91 70300 700027	302.50	NOSSAMAN #505111
GL 03 91 70300 700034	426.00	NOSSAMAN #505111
GL 03 43 70300 800010	355.00	NOSSAMAN #505111
GL 03 41 70300	5,519.50	NOSSAMAN #505111
GL 03 41 70300 300005	5,773.32	NOSSAMAN #505113
GL 03 41 70300	45.00	NOSSAMAN #505115
GL 03 41 70300 300008	832.50	NOSSAMAN #505116
GL 03 41 70300	1,988.50	NOSSAMAN #505117
GL 60 99 70300 600007	617.50	NOSSAMAN #505117
GL 02 99 70300 200034	422.50	NOSSAMAN #505117
GL 03 91 70300 700034	130.00	NOSSAMAN #505117
GL 03 41 72900	255.92	OFFICE DEPOT #403069820001
GL 03 41 72900	81.53	OFFICE DEPOT #408325798001
GL 03 41 63401	(394.28)	OFFICE DEPOT #412291015001
GL 02 61 72000	136.96	OFFICE DEPOT #412610315001
GL 03 41 72900	172.06	OFFICE DEPOT #415001898001
GL 03 41 63401	(394.28)	OFFICE DEPOT #416243350001
GL 03 41 72900	68.59	OFFICE DEPOT #416706893001
GL 03 41 72900	4.04	OFFICE DEPOT #424416425001
GL 03 41 72900	16.15	OFFICE DEPOT #424418321001
GL 03 41 72900	97.36	OFFICE DEPOT #424418322001
GL 03 41 63401	1,143.01	OFFICE DEPOT #428191038001
GL 03 41 72900	60.22	OFFICE DEPOT #432551657001

GL Finance Code	GL Transaction Amount	Description
GL 03 41 72900	8.34	OFFICE DEPOT #432551657002
GL 03 41 72900	179.88	OFFICE DEPOT #434793568001
GL 03 41 72900	45.78	OFFICE DEPOT #434798437001
GL 03 41 63401	714.38	OFFICE DEPOT #436458281001
GL 03 41 72900	89.41	OFFICE DEPOT #437172002001
GL 03 41 72900	40.57	OFFICE DEPOT #437172389001
GL 03 41 72900	(21.54)	OFFICE DEPOT #440504692001
GL 03 41 72900	21.54	OFFICE DEPOT #440504693001
GL 03 41 72900	327.16	OFFICE DEPOT #440757457001
GL 03 41 63400	7.54	OFFICE DEPOT #440893878001
GL 02 61 72000	77.56	OFFICE DEPOT #441842776001
GL 03 41 63401	(142.88)	OFFICE DEPOT #442301011001
GL 03 41 63401	142.88	OFFICE DEPOT #442304555001
GL 03 43 72500	995.00	PACIFIC SAFETY #80300
GL 03 20 75300	39.74	PALA MESA INV #58
GL 03 41 75300	47.94	PALA MESA INV #59
GL 03 41 75300	65.71	PALA MESA INV# 40
GL 03 20 75300	34.96	PALA MESA INV# 41
GL 03 42 72000	29.96	PALA MESA MARKET #00000037
GL 03 42 72000	157.75	PALA MESA RESORT #10156320200
GL 03 43 65200 800012	374.76	PALOMAR MESA #R45766
GL 03 41 63401	244.69	POWELLS FURNITURE #11709
GL 03 41 63401	583.99	POWELLS OFFICE #11685/PO #10450
GL 03 41 75300	45.30	PREPASS #0303526M200131
GL 03 42 56513	79.71	PROFLOWERS #991331204567
GL 60 99 15566 600021	52.50	SD COUNTY #2020065553
GL 60 99 15566 600021	52.50	SD COUNTY #2020065592
GL 03 41 60100	325.55	SOLARWINDS #CN514973
GL 03 20 75300	25.00	SOUTHWEST AIRLINES - EARLY BIRD
GL 03 20 75300	25.00	SOUTHWEST AIRLINES - EARLYBIRD
GL 03 20 75300	25.00	SOUTHWEST AIRLINES #M648ET
GL 03 20 75300	199.96	SOUTHWEST AIRLINES #ML48ET

GL Finance Code	GL Transaction Amount	Description
GL 03 20 75300	199.96	SOUTHWEST AIRLINES #ML48ET
GL 03 20 75300	25.00	SOUTHWEST AIRLINES #ML48ET
GL 03 42 72000	156.91	TEKILA #73011000028
GL 03 51 75300	7.42	TOLL ROADS #2862854285
GL 03 51 69000	500.00	USPS #92350033823
GL 03 41 72000	665.74	VISTA PRINT #305514284
GL 03 41 63401	62.67	WALMART #3072065-395141
GL 03 41 60100	6.82	WASABI TECH #2/9504
GL 03 41 63401	902.03	WAXIE #78856134
GL 03 41 63401	245.00	WAXIE #78861018
GL 03 41 63401	11.62	WAXIE #78876651
GL 03 41 63401	6.97	WAXIE #78876841
GL 03 41 63401	27.89	WAXIE #78882194
GL 03 41 63401	114.06	WAXIE #78921876
GL 01 99 15260	18,496.37	WESTERN WATER #554028-00/PO #10303
GL 01 99 15260	263.77	WESTERN WATER #554400-00/PO #10309
GL 01 99 15260	258.60	WESTERN WATER #554876/PO #10321
GL 01 99 15260	7,474.40	WESTERN WATER #557667-00/PO# 10385
GL 01 32 72000	273.69	WESTERN WATER #558778-00/PO# 10398
GL 01 99 15260	8,816.32	WESTERN WATER #559064-00/PO# 10416
GL 01 99 15260	334.03	WESTERN WATER #559739-00/PO# 10424
GL 01 99 15260	668.05	WESTERN WATER #561191-00/PO# 10452
GL 03 42 75500	319.00	ZIPRECRUITER #D0S7GGFB
GL 01 35 72000	35.00	ZOHO #65667753
	103,880.87	American Express (February 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	\$ 150.00	\$ 1,306.53	\$ 1,299.44	\$ 1,454.20	\$ 2,555.82
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	\$ 150.00	\$ 450.00	\$ 232.36	\$ 1,452.01	\$ 330.74

**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		\$ 40.00			
	TRAVEL EXPENSES	\$ 150.00	\$ 15.00	\$ 150.00	\$ 150.00	\$ 450.00
	MILEAGE EXPENSE		\$ 47.15			\$ 109.83
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ 150.00	\$ 102.15	\$ 150.00	\$ 150.00	\$ 606.41
	REPORT TOTAL:	\$ 1,775.00	\$ 4,176.02	\$ 3,703.62	\$ 3,924.53	\$ 5,187.10



Check Register February 2020

Description	Bank Transaction Code	Issue Date	Amount
AIRGAS USA, LLC	ACH	02/06/2020	2,100.32
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	02/06/2020	2,484.32
ASTRA INDUSTRIAL SERV.INC	ACH	02/06/2020	3,033.93
ATLAS PUMPING SERVICE	ACH	02/06/2020	210.00
FLEET TRUCK & AUTO SHOP INC.	ACH	02/06/2020	3,219.69
FLYERS ENERGY LLC	ACH	02/06/2020	2,697.89
KEVIN MILLER	ACH	02/06/2020	726.00
MUNICIPAL MAINTENANCE EQUIPMENT	ACH	02/06/2020	98.14
PARADISE CHEVROLET CADILLAC	ACH	02/06/2020	29,862.72
PRINCIPAL LIFE INSURANCE COMPANY	ACH	02/06/2020	7,374.60
ARAMARK UNIFORM SERVICES	CHECK	02/06/2020	1,175.22
ASPIRE FINANCIAL SERVICES, LLC	CHECK	02/06/2020	300.00
AT&T LONG DISTANCE	CHECK	02/06/2020	21.53
AT&T MOBILITY	CHECK	02/06/2020	1,719.28
BONSALL PEST CONTROL	CHECK	02/06/2020	200.00
BOOT BARN INC	CHECK	02/06/2020	200.00
BRYAN ORTIZ	CHECK	02/06/2020	202.00
BRYAN ROSE	CHECK	02/06/2020	105.00
CARL RINDFLEISCH	CHECK	02/06/2020	109.25
CLAUDE HAMILTON	CHECK	02/06/2020	25.30
CLEMMON TAYLOR	CHECK	02/06/2020	81.00
COLONIAL LIFE & ACCIDENT INS.	CHECK	02/06/2020	60.71
CONTROLLED MOTION SOLUTIONS	CHECK	02/06/2020	7,541.45
CORE & MAIN LP	CHECK	02/06/2020	3,751.11
COSMIC SOLAR, INC.	CHECK	02/06/2020	1,250.00

Description	Bank Transaction Code	Issue Date	Amount
COUNCIL OF WATER UTILITIES	CHECK	02/06/2020	80.00
CRAIG SHOBE	CHECK	02/06/2020	810.00
CWEA	CHECK	02/06/2020	384.00
DESIGN SPACE MODULAR BUILDINGS	CHECK	02/06/2020	3,499.28
DIAMOND ENVIRONMENTAL SERVICES	CHECK	02/06/2020	297.64
FALLBROOK AUTO PARTS	CHECK	02/06/2020	2,350.63
FALLBROOK IRRIGATION SUPPLIES	CHECK	02/06/2020	184.07
RBC SERVICES, LLC	CHECK	02/06/2020	24.17
FALLBROOK PROPANE GAS CO.	CHECK	02/06/2020	1,942.44
FERGUSON WATERWORKS #1083	CHECK	02/06/2020	20,450.74
IMAGE SOURCE	CHECK	02/06/2020	2.16
INFOSEND, INC.	CHECK	02/06/2020	7,322.01
JOE'S HARDWARE	CHECK	02/06/2020	68.45
LINE-X OF ESCONDIDO	CHECK	02/06/2020	4,683.19
LORMAN EDUCATION SERVICES	CHECK	02/06/2020	299.00
METRON-FARNIER, LLC.	CHECK	02/06/2020	15,805.20
MOBILE MINI, INC	CHECK	02/06/2020	168.01
NEWMAN REPLACEMENT WINDOWS, INC	CHECK	02/06/2020	974.00
NORTHERN SAFETY CO., INC.	CHECK	02/06/2020	1,075.13
OMNIS CONSULTING INC.	CHECK	02/06/2020	6,160.00
DAVID FRANCIS O'CONNOR	CHECK	02/06/2020	2,200.00
PERRAULT CORPORATION	CHECK	02/06/2020	2,679.33
PUBLIC POLICY STRATEGIES, INC.	CHECK	02/06/2020	7,500.00
PURCHASE POWER PITNEY BOWES, INC	CHECK	02/06/2020	31.28
QTX MOBILE ACCESSORIES, INC.	CHECK	02/06/2020	8,049.08
RAMON FRANCISCO COTE	CHECK	02/06/2020	683.50
RHINO MARKING & PROTECTION S	CHECK	02/06/2020	1,818.98
RHO MONSERATE C.C.H.A.	CHECK	02/06/2020	298.83
RIGHT-OF-WAY ENGINEERING SERV	CHECK	02/06/2020	1,100.00
RUBEN LOPEZ	CHECK	02/06/2020	164.00
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	02/06/2020	40.00
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	02/06/2020	402.37
SAN DIEGO GAS & ELECTRIC	CHECK	02/06/2020	3,806.93

Description	Bank Transaction Code	Issue Date	Amount
TIME WARNER CABLE	CHECK	02/06/2020	1,250.00
TRAFFIC SUPPLY, INC.	CHECK	02/06/2020	209.99
ULINE	CHECK	02/06/2020	995.16
VERIZON WIRELESS	CHECK	02/06/2020	3,517.10
WHITE CAP CONSTRUCTION SUPPLY	CHECK	02/06/2020	1,278.13
WILLIAMS SCOTSMAN, INC.	CHECK	02/06/2020	2,196.79
WINZER CORP	CHECK	02/06/2020	139.13
XEROX FINANICAL SERVICES	CHECK	02/06/2020	618.34
AMERICAN EXPRESS - VM (JANUARY STATEMENT)	WIRE	02/11/2020	438.08
AMERICAN EXPRESS - TK (JANUARY STATEMENT)	WIRE	02/11/2020	26,269.66
SDCWA WATER PURCHASE- DECEMBER 2019	WIRE	02/11/2020	1,035,699.00
UNION BANK CC - KENNEDY, (JANUARY STATEMENT)	EFT	02/13/2020	861.85
UNION BANK CC - LARGENT, (JANUARY STATEMENT)	EFT	02/13/2020	178.87
UNION BANK CC - GUTIERREZ (JANUARY STATEMENT)	EFT	02/13/2020	1,000.93
UNION BANK CC - CHANDLER (JANUARY STATEMENT)	EFT	02/13/2020	684.67
UNION BANK CC - DEL RIO (JANUARY STATEMENT)	EFT	02/13/2020	441.87
UNION BANK CC - WILLIAMS (JANUARY STATEMENT)	EFT	02/13/2020	15.55
UNION BANK CC - STRAPAC, (JANUARY STATEMENT)	EFT	02/13/2020	129.33
NBS BENEFITS-ADMINISTRATION FEES	EFT	02/14/2020	625.00
AIRGAS USA, LLC	ACH	02/20/2020	587.48
CHRIS BROWN	ACH	02/20/2020	15,000.00
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	02/20/2020	1,016.68
BABCOCK LABORATORIES, INC	ACH	02/20/2020	111.00
RICHARD C. MICHAUD	ACH	02/20/2020	1,927.53
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	02/20/2020	12,548.16
FALLBROOK EQUIPMENT RENTAL	ACH	02/20/2020	524.84
FLEET TRUCK & AUTO SHOP INC.	ACH	02/20/2020	1,274.71
HAAKER EQUIPMENT CO.	ACH	02/20/2020	1,772.50
PATRIOT PORTABLE RESTROOMS-SD	ACH	02/20/2020	151.37
REM MECHANICAL, INC	ACH	02/20/2020	434.00
SONSRAY MACHINERY LLC.	ACH	02/20/2020	1,868.11
THE WELD SHOP, INC	ACH	02/20/2020	350.00
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	02/20/2020	507.15

Description	Bank Transaction Code	Issue Date	Amount
ACWA-JPIA	ACH	02/20/2020	80,842.42
AIRGAS USA, LLC	ACH	02/20/2020	695.02
BP BATTERY INC.	ACH	02/20/2020	226.75
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	02/20/2020	4,080.74
JOE'S PAVING CO, INC	ACH	02/20/2020	27,909.58
KNIGHT SECURITY & FIRE SYSTEMS	ACH	02/20/2020	242.00
MUNICIPAL MAINTENANCE EQUIPMENT	ACH	02/20/2020	736.55
APPLEONE EMPLOYMENT SERVICES	CHECK	02/20/2020	586.84
ARAMARK UNIFORM SERVICES	CHECK	02/20/2020	667.35
AZUGA, INC.	CHECK	02/20/2020	1,008.56
BAVCO	CHECK	02/20/2020	740.59
BOOT BARN INC	CHECK	02/20/2020	491.24
CERTIFIED AIR BALANCE CO., INC.	CHECK	02/20/2020	2,100.00
CHANDLER AGGREGATES, INC.	CHECK	02/20/2020	2,856.18
COFFEE AMBASSADOR	CHECK	02/20/2020	244.75
CONTROLLED MOTION SOLUTIONS	CHECK	02/20/2020	210.44
CORE & MAIN LP	CHECK	02/20/2020	1,808.58
COREDIAL, LLC	CHECK	02/20/2020	6,000.00
CRACKS & CORNERS CLEANING SERVICE	CHECK	02/20/2020	732.85
CRAIG SHOBE	CHECK	02/20/2020	390.00
DION INTERNATIONAL	CHECK	02/20/2020	1,253.98
FALLBROOK AUTO PARTS	CHECK	02/20/2020	346.30
RBC SERVICES, LLC	CHECK	02/20/2020	31.25
FALLBROOK PROPANE GAS CO.	CHECK	02/20/2020	1,469.44
FALLBROOK WASTE AND RECYCLING	CHECK	02/20/2020	446.85
GIL FRANCO, TIRE HAULER	CHECK	02/20/2020	209.00
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	02/20/2020	2,650.00
JOE'S HARDWARE	CHECK	02/20/2020	42.14
KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	CHECK	02/20/2020	9.00
METRON-FARNIER, LLC.	CHECK	02/20/2020	1,215.60
MITEL LEASING, INC.	CHECK	02/20/2020	1,657.11
MODULAR BUILDING CONCEPTS, INC	CHECK	02/20/2020	1,019.32
NATIONAL SAFETY COMPLIANCE, INC	CHECK	02/20/2020	260.00

Description	Bank Transaction Code	Issue Date	Amount
NUTRIEN AG SOLUTIONS, INC	CHECK	02/20/2020	473.65
PERRAULT CORPORATION	CHECK	02/20/2020	225.50
PITNEY BOWES INC.	CHECK	02/20/2020	164.84
RAMON FRANCISCO COTE	CHECK	02/20/2020	223.50
RHO MONSERATE C.C.H.A.	CHECK	02/20/2020	392.50
RICARDO ZARAGOZA	CHECK	02/20/2020	174.00
ROTARY CLUB OF BONSALL	CHECK	02/20/2020	20.00
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	02/20/2020	734.56
T S INDUSTRIAL SUPPLY	CHECK	02/20/2020	1,393.67
TEMECULA TROPHY CO.	CHECK	02/20/2020	76.29
ULINE	CHECK	02/20/2020	617.47
WHITE NELSON DIEHL EVANS LLP	CHECK	02/20/2020	7,675.00
WINZER CORP	CHECK	02/20/2020	243.22
ARAMARK UNIFORM SERVICES	CHECK	02/20/2020	397.85
AT&T	CHECK	02/20/2020	166.70
BONSALL PEST CONTROL	CHECK	02/20/2020	200.00
BRYAN ORTIZ	CHECK	02/20/2020	348.00
DEPARTMENT OF CONSUMER AFFAIRS	CHECK	02/20/2020	250.00
CHRIS WAITE	CHECK	02/20/2020	172.09
COLONIAL LIFE & ACCIDENT INS.	CHECK	02/20/2020	121.42
CORE & MAIN LP	CHECK	02/20/2020	64,076.51
CRAIG SHOBE	CHECK	02/20/2020	260.00
CSDA, SAN DIEGO CHAPTER	CHECK	02/20/2020	90.00
DAVID HILL	CHECK	02/20/2020	200.00
DELL BUSINESS CREDIT	CHECK	02/20/2020	7,469.63
DEPT OF FORESTRY & FIRE PROTEC	CHECK	02/20/2020	393.33
FALLBROOK AUTO PARTS	CHECK	02/20/2020	5.38
FALLBROOK IRRIGATION SUPPLIES	CHECK	02/20/2020	27.66
FALLBROOK WASTE AND RECYCLING	CHECK	02/20/2020	1,636.80
FEDEX	CHECK	02/20/2020	645.46
FERGUSON WATERWORKS #1083	CHECK	02/20/2020	642,015.76
HDR ENGINEERING, INC.	CHECK	02/20/2020	36,144.14
ICONIX WATERWORKS (US) INC	CHECK	02/20/2020	909.26

Description	Bank Transaction Code	Issue Date	Amount
IMPACT PACIFIC INC	CHECK	02/20/2020	31.39
JOE'S HARDWARE	CHECK	02/20/2020	36.21
LABORS TRAINING & COMMUNITY DEVELOPMENT ALLIANCE	CHECK	02/20/2020	80.00
LAURA MARTINEZ	CHECK	02/20/2020	71.99
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	02/20/2020	4,406.39
MOBILE MINI, INC	CHECK	02/20/2020	1,168.26
MODULAR BUILDING CONCEPTS, INC	CHECK	02/20/2020	296.31
O'CONNELL ENGINEERING & CONSTRUCTION, INC.	CHECK	02/20/2020	40,467.77
OMNIS CONSULTING INC.	CHECK	02/20/2020	13,765.67
ONESOURCE DISTRIBUTORS, LLC	CHECK	02/20/2020	2,282.16
PACIFIC PIPELINE SUPPLY	CHECK	02/20/2020	379.62
PALOMAR HEALTH	CHECK	02/20/2020	540.00
PERRAULT CORPORATION	CHECK	02/20/2020	2,183.88
RAMON FRANCISCO COTE	CHECK	02/20/2020	585.00
RINCON DEL DIABLO MWD	CHECK	02/20/2020	452.02
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	02/20/2020	20.00
SAN DIEGO GAS & ELECTRIC	CHECK	02/20/2020	31,392.62
SHRED-IT USA LLC	CHECK	02/20/2020	158.09
SMITH AND LOVELESS	CHECK	02/20/2020	4,878.91
T S INDUSTRIAL SUPPLY	CHECK	02/20/2020	61.54
TRAFFIC SUPPLY, INC.	CHECK	02/20/2020	467.29
US CALIBRATION INCORPORATED	CHECK	02/20/2020	575.00
UTILITY SERVICE CO.	CHECK	02/20/2020	198,214.83
ASTRA INDUSTRIAL SERV.INC	ACH	02/27/2020	3,989.70
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	02/27/2020	14,822.44
FLYERS ENERGY LLC	ACH	02/27/2020	6,652.37
SONSRAY MACHINERY LLC.	ACH	02/27/2020	442.79
STREAMLINE	ACH	02/27/2020	300.00
THE WELD SHOP, INC	ACH	02/27/2020	725.00
TRAFFIC SAFETY SOLUTIONS, LLC	ACH	02/27/2020	5,685.00
APPLEONE EMPLOYMENT SERVICES	CHECK	02/27/2020	2,071.20
ARAMARK UNIFORM SERVICES	CHECK	02/27/2020	387.47
ARENS GROUP INC.	CHECK	02/27/2020	5,350.00

Description	Bank Transaction Code	Issue Date	Amount
AT&T	CHECK	02/27/2020	363.79
BALTIC NETWORKS USA	CHECK	02/27/2020	2,359.52
BOOT BARN INC	CHECK	02/27/2020	384.62
CONTROLLED MOTION SOLUTIONS	CHECK	02/27/2020	35.28
CORE & MAIN LP	CHECK	02/27/2020	7,088.70
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	02/27/2020	452.50
COUNTY OF SAN DIEGO VECTOR	CHECK	02/27/2020	341.07
CRAIG SHOBE	CHECK	02/27/2020	325.00
RBC SERVICES, LLC	CHECK	02/27/2020	246.05
FREEDOM AUTOMATION, INC.	CHECK	02/27/2020	3,750.00
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	02/27/2020	875.00
HAWTHORNE MACHINERY COMPANY	CHECK	02/27/2020	1,032.11
HELIX ENVIRONMENTAL PLANNING INC	CHECK	02/27/2020	3,981.25
HELIX ENVIRONMENTAL PLANNING	CHECK	02/27/2020	1,350.00
ICONIX WATERWORKS (US) INC	CHECK	02/27/2020	2,329.59
IMPACT PACIFIC INC	CHECK	02/27/2020	720.01
INFOR (US), INC.	CHECK	02/27/2020	12,525.00
INFOSEND, INC.	CHECK	02/27/2020	11,592.91
INTEGRA CHEMICAL	CHECK	02/27/2020	10,505.63
JOE'S HARDWARE	CHECK	02/27/2020	152.58
JOSEPH LANYON	CHECK	02/27/2020	86.98
LANCE PICOTTE SAFETY CONSULT.	CHECK	02/27/2020	900.00
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	02/27/2020	4,406.39
MOBILE MINI, INC	CHECK	02/27/2020	168.01
MODULAR BUILDING CONCEPTS, INC	CHECK	02/27/2020	6,346.48
NULINE TECHNOLOGIES LLC	CHECK	02/27/2020	17,726.05
OMNIS CONSULTING INC.	CHECK	02/27/2020	24,996.00
PACIFIC PIPELINE SUPPLY	CHECK	02/27/2020	3,053.53
PERRAULT CORPORATION	CHECK	02/27/2020	2,586.00
PETTY CASH - ADMINISTRATION	CHECK	02/27/2020	340.95
RAMON FRANCISCO COTE	CHECK	02/27/2020	332.00
RICHARD D. MARKS	CHECK	02/27/2020	1,300.00
RICARDO ZARAGOZA	CHECK	02/27/2020	180.00

Description	Bank Transaction Code	Issue Date	Amount
RT LAWRENCE CORPORATION	CHECK	02/27/2020	642.70
SOFTCHOICE CORPORATION	CHECK	02/27/2020	2,071.53
SPECIALTY MOWING SERVICES, INC - W9	CHECK	02/27/2020	3,900.00
STETSON ENGINEERS INC.	CHECK	02/27/2020	8,019.94
T S INDUSTRIAL SUPPLY	CHECK	02/27/2020	604.66
TEMECULA VALLEY PAINT, INC.	CHECK	02/27/2020	1,407.58
TIME WARNER CABLE	CHECK	02/27/2020	1,250.00
TRAFFIC SUPPLY, INC.	CHECK	02/27/2020	6,346.91
ULINE	CHECK	02/27/2020	1,218.58
VERIZON WIRELESS	CHECK	02/27/2020	3,698.84
VISTA FENCE COMPANY INCORPORATED	CHECK	02/27/2020	3,823.00
ADP - ADVICE OF DEBIT #552031031	EFT	02/27/2020	744.91
NBS BENEFITS-DEP CARE FSA 227455	EFT	02/28/2020	700.00
	Total:		2,689,854.05

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
553	AD	28,018	36,530	36,506	32,640	37,164	15,379	6,577	12,803					472
400	AG	113,285	139,802	139,715	135,633	132,703	48,601	25,028	48,632					1,798
267	CM	35,561	46,750	44,883	40,374	29,303	16,496	13,155	7,715					538
19	CN	1,484	1,549	1,183	1,041	1,286	314	490	1,120					19
21	IS	3,060	1,799	1,946	2,046	2,048	927	643	1,011					31
114	MF	11,910	11,187	11,539	11,065	12,605	8,386	7,568	7,671					188
323	SC	135,069	157,307	156,337	136,485	152,308	47,287	10,146	50,873					1,942
1021	SD	164,817	213,262	218,596	179,714	207,689	77,699	21,552	63,607					2,633
5536	SF	150,907	188,769	182,811	153,331	174,251	89,028	52,276	68,964					2,434
8254	Total	644,111	796,955	793,516	692,329	749,357	304,117	137,435	262,396	-	-	-	-	10,056

FISCAL YEAR 2018-2019

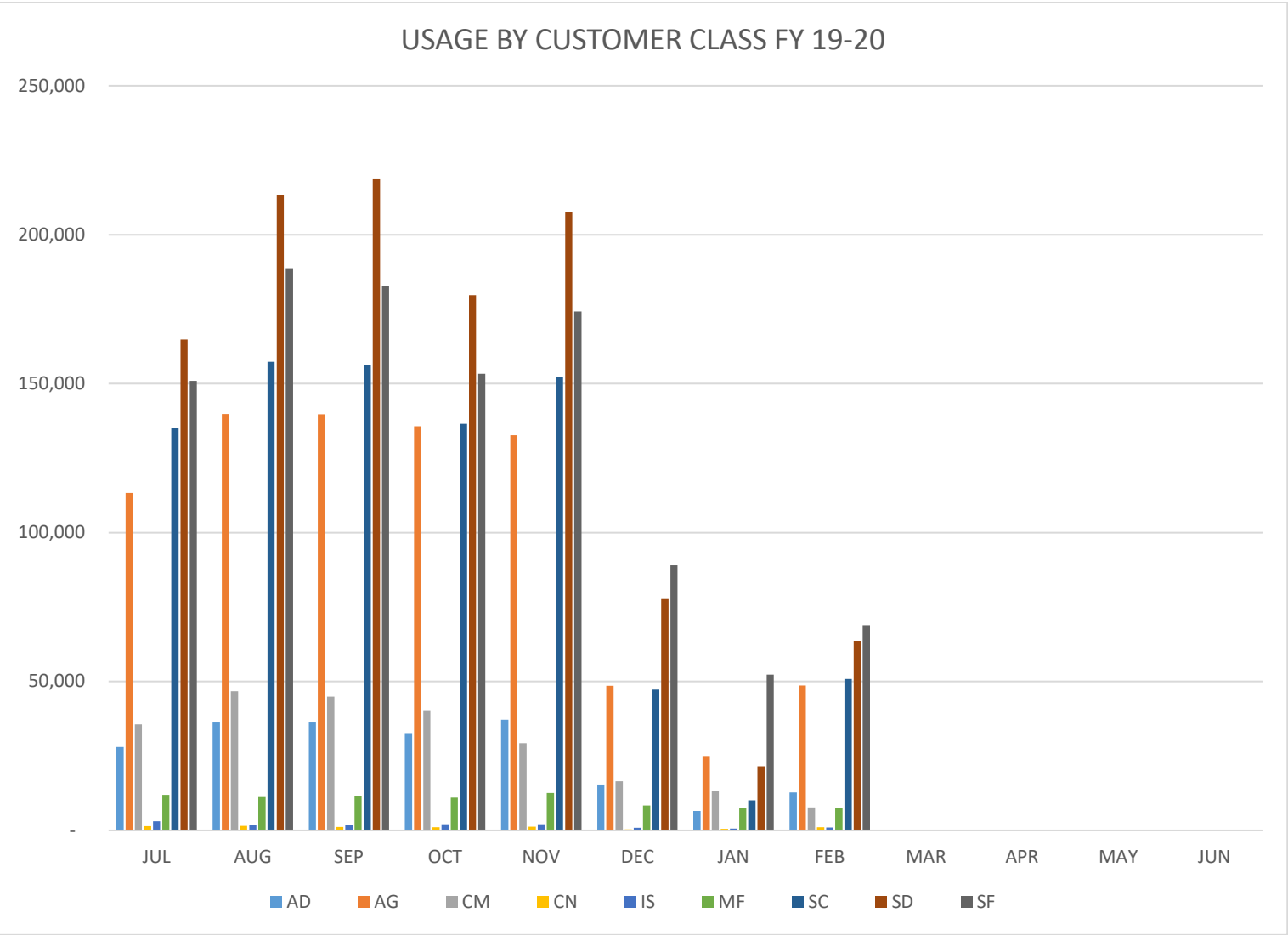
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	34,648	47,312	45,104	28,007	29,134	20,794	9,982	6,874					509
402	AG	129,946	149,080	154,084	110,908	93,077	70,762	33,893	21,947					1,753
264	CM	51,483	67,254	66,114	36,283	24,307	15,501	10,455	6,708					638
23	CN	3,982	27,189	4,915	2,545	3,115	2,815	2,831	829					111
21	IS	4,964	3,824	3,852	3,447	2,161	1,736	884	864					50
112	MF	11,653	12,856	13,798	11,513	11,816	10,461	8,551	7,929					203
323	SC	165,088	203,887	203,899	134,052	132,762	83,121	22,699	9,624					2,193
1024	SD	230,264	264,247	273,401	189,659	170,318	118,228	41,039	22,400					3,006
5468	SF	168,323	192,173	207,384	146,492	144,114	114,763	63,252	50,903					2,496
8199	Total	800,351	967,822	972,551	662,906	610,804	438,181	193,586	128,078	-	-	-	-	10,960

FISCAL YEAR 2017-2018

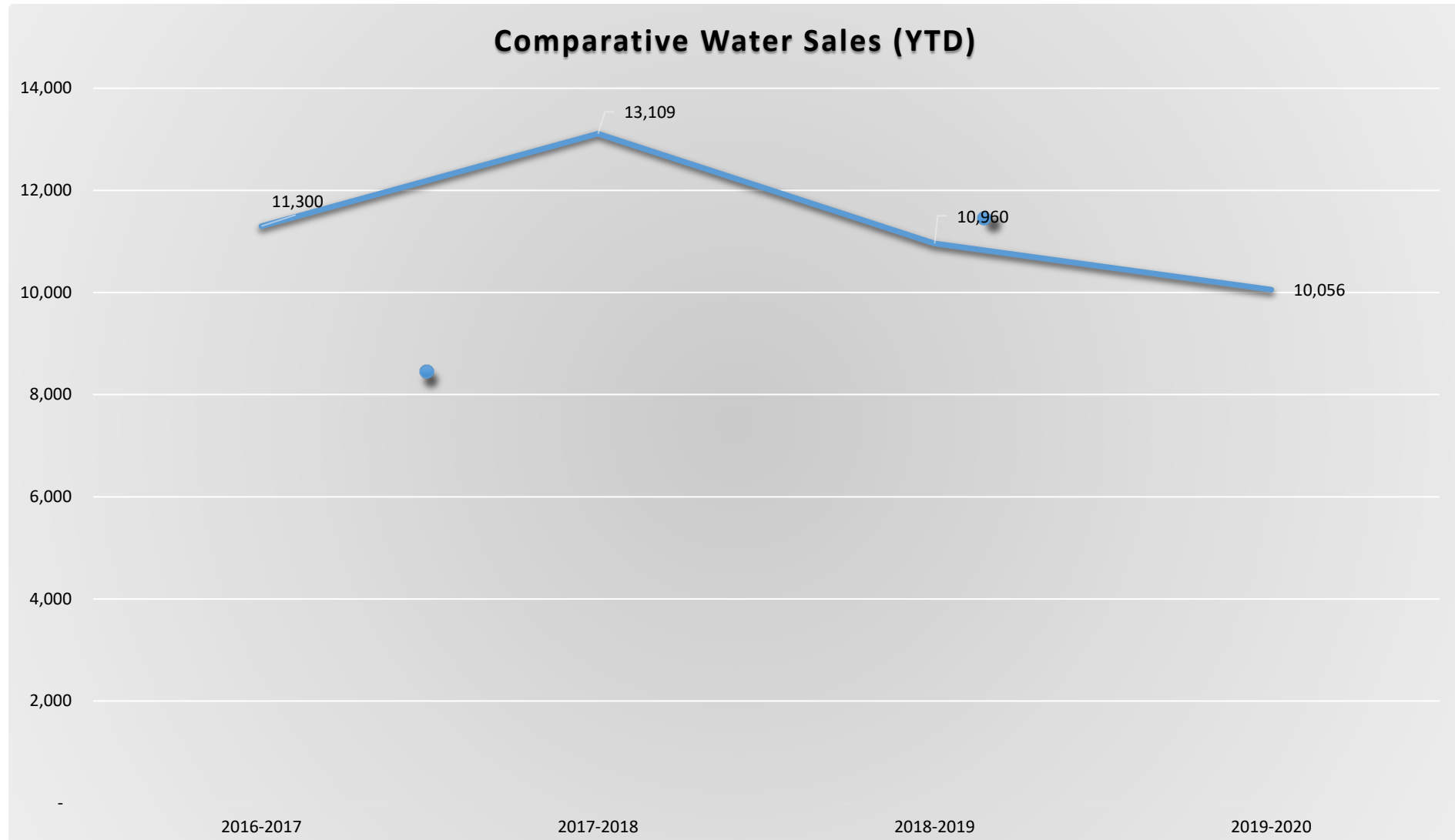
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
563	AD	33,310	29,712	36,164	31,255	32,514	30,935	27,243	19,989					554
395	AG	144,066	131,474	145,280	120,785	126,036	102,884	92,501	61,270					2,122
247	CM	33,715	42,488	33,812	26,189	24,168	16,762	18,502	48,862					561
32	CN	2,447	3,983	8,073	10,623	18,605	5,773	3,526	2,577					128
20	IS	2,320	2,440	2,793	2,488	2,335	1,700	1,339	1,038					38
96	MF	11,472	10,002	13,072	10,304	11,489	11,350	9,566	8,403					197
323	SC	179,822	156,120	202,103	148,336	176,307	145,994	119,086	84,941					2,784
1024	SD	244,799	223,157	271,457	222,398	243,725	210,020	185,162	112,432					3,933
5196	SF	174,946	165,760	194,809	155,004	162,664	146,096	120,654	96,800					2,793
7896	Total	826,897	765,136	907,563	727,382	797,843	671,514	577,579	436,312	-	-	-	-	13,109

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	5036					455
403	AG	156957	152359	172040	132882	104544	96050	31370	16829					1,981
231	CM	47830	45043	43040	26707	20970	21140	5876	4333					493
30	CN	4900	4950	7309	11456	7427	904	-	63					85
24	IS	3806	3701	3980	3061	2446	1653	1408	594					47
88	MF	11307	11657	13746	10597	8876	11213	7139	7047					187
326	SC	183744	166212	206354	150910	121456	115009	18861	6544					2,225
1034	SD	279246	253718	298226	222243	181674	171322	39596.7	18148.3					3,361
5122	SF	187516	175736	202555	154361	120520	133125	57385	42596					2,465
7849	Total	911,522	847,510	986,369	740,434	590,816	574,910	169,570	101,190	-	-	-	-	11,300



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

