



BOARD MEETING

RAINBOW MUNICIPAL WATER DISTRICT
Tuesday, May 26, 2015
Open Session - Time: 1:00 p.m.

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

District Office

3707 Old Highway 395

Fallbrook, CA 92028

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 on CD's 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 CD's. Recordings will be kept for two years. 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 Open Session at 1:00 p.m. Tuesday, May 26, 2015, 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. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL: Sanford_____ Griffiths_____ Lucy_____ Walker_____ Brazier_____**
4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
5. **ORAL/Written COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. *No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*

Time Certain: 1:00 p.m. Public Hearing

- *6. **PUBLIC HEARING ON IMPROVEMENT DISTRICT NO. 1 WATER STANDBY CHARGES AND DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 15-07, ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE RAINBOW MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1**
*(This Ordinance establishes water availability charges for all of the Rainbow Municipal Water District Improvement District – Improvement District No. 1.)
(Staff Recommendation: The Board of Directors approve Ordinance 15-07.)*
- *7. **APPROVAL OF MINUTES**
 - A. April 28, 2015 - Regular Board Meeting
8. **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 Sanford)
 - B. Representative Report (Appointed Representative)
 1. SDCWA
 2. CSDA
 3. LAFCO
 4. San Luis Rey Watershed Council
 5. Santa Margarita Watershed Council

(*) - Asterisk indicates a report is attached.

- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
- D. Directors Comments

***9. COMMITTEE REPORTS (Approved Minutes have been attached for reference only.)**

- A. Budget and Finance Committee
 - 1. April 14, 2015 Minutes
- B. Communications Committee
- C. Engineering Committee
 - 1. April 1, 2015 Minutes

BOARD ACTION ITEMS

10. APPOINTMENT OF NEW MEMBER TO THE ENGINEERING COMMITTEE

(On May 6, 2015 the Engineering Committee voted to recommend that the Board of Directors appoint Lee Kirby to serve as a member of this committee.)

(Staff Recommendation: Appoint Lee Kirby as a member of the Engineering Committee.)

***11. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE GENERAL MANAGER TO EXECUTE GROUND LEASE AGREEMENT**

(In 2012 the District entered into a lease agreement (Contract 2012-02) with West-Tech Contracting for the lower yard of the District headquarters. West-Tech Contracting Inc. uses the property for processing concrete, asphalt, and other non-hazardous aggregate into crushed miscellaneous base and began the process using materials from the Pala Mesa Tank site. This lease was negotiated in conjunction with the Pala Mesa tank construction with a lease payment of \$1 per year which was in consideration of other work performed by the lessee as part of the Pala Mesa Tank Project. This lease expires in February 2015. District staff have been working with interested contractors to negotiate a lease extension on the property and an appraisal was performed. A draft lease agreement for two years at a monthly rate of \$7,000 per month will be provided for review.)

(Staff Recommendation: Authorize the General Manager to execute the ground lease agreement.)

12. DISCUSSION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER TO CONTRACT WITH CALTRANS FOR CASING UNDERCROSSING WORK ASSOCIATED WITH HIGHWAY 76 EAST SEGMENT

(Caltrans has begun work on improvements to the Highway 76 East Segment from Mission Road to Old Highway 395. Staff has worked diligently with Caltrans to have the District facilities included with the Caltrans work. In order to take advantage of the construction of the highway, staff would like to install four (4) 36-inch casings perpendicular to the highway for future use. The cost associated with the additional District work for the Highway 76 casings is estimated to be an additional \$200,000. A recommendation was given by the Engineering Committee to approve the casings on the May 6, 2015 meeting.)

(Staff Recommendation: Approve staff's negotiation and execution of Caltrans change order. Fiscal impact is estimated to be \$200,000 for four casings.)

***13. DISCUSSION AND POSSIBLE ACTION REGARDING ACCEPTANCE OF TERMS FOR QUITCLAIM OF EASEMENTS IN EXCHANGE FOR WIDER EASEMENTS IN THE PROPOSED MOOSA MITIGATION BANK PHASE I PORTION**

(The District has been negotiating with the Conservation Land Group regarding our easements and our concerns since the closure of the golf courses. The District has water and wastewater facilities located along the golf course in easements of various lengths giving the District the right to access, maintain and repair District facilities when necessary. The owner is requesting that the District quitclaim an easement for wastewater facilities. This has been on the Engineering Committee agenda on three different occasions. The Engineering Committee approved the recommendation to the Board to exchange this quitclaimed easement for wider easements for the Phase I portion of the mitigation bank on the May 6, 2015 meeting with special considerations for the location of the wider easement with respect to the location of the existing facility.)

(Staff Recommendation: Authorize the General Manager to execute quitclaim for easement once the District receives the additional easements.)

(*) - Asterisk indicates a report is attached.

14. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS RELATED TO THE FPUD REORGANIZATION AND DISSOLUTION APPLICATION TO LAFCO

A. Ad Hoc Committee Update

BOARD INFORMATION ITEMS

***15. DROUGHT UPDATE**

16. INITIAL REVIEW OF FISCAL YEAR 2015-2016 BUDGET

***17. RECEIVE AND FILE INFORMATION ITEMS FOR APRIL 2015**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Ratepayer Letters

C. Construction & Maintenance Comments

1. Construction and Maintenance Report
2. Valve Maintenance Report
3. Garage/Shop Repair

D. Water Operations Comments

1. Water Operations Report
2. Electrical/Telemetry Report

E. Wastewater Comments

1. Wastewater Report

F. Operations Comments

1. Water Quality Report
2. Cross Connection Control Program Report

G. Engineering Comments

1. Engineering Report

H. Customer Service

1. Field Customer Service Report
2. Meters Report

I. Human Resource & Safety Comments

1. Safety Report

***18. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR APRIL 2015**

A. Finance Manager Comments


1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
6. Office Petty Cash
7. Water Usage Report
8. Projected CIP Cash Flow Report
9. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

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

(*) - Asterisk indicates a report is attached.

20. ADJOURNMENT - To Tuesday, June 23, 2015 at 1:00 p.m.

ATTEST TO POSTING:



Helene Brazier
Secretary of the Board

5-14-15 @ 12:15 P.M.
Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.



BOARD ACTION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

ID 1 Ordinance for Standby Charges

DESCRIPTION

This Ordinance establishes water availability charges for all of the Rainbow Municipal Water District Improvement District – Improvement District No. 1.

POLICY

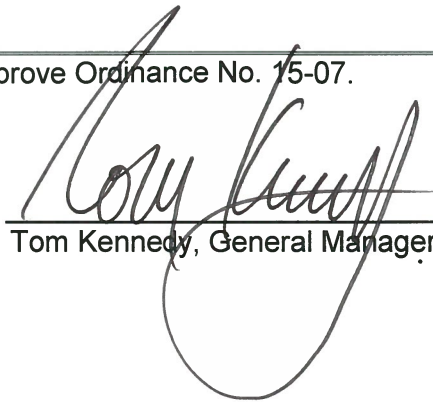
N/A

BOARD OPTIONS/FISCAL IMPACTS

N/A

STAFF RECOMMENDATION

It is recommended that the Board of Directors approve Ordinance No. 15-07.



Tom Kennedy, General Manager

05/26/15

ORDINANCE NO. 15-07

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING READINESS TO SERVE WATER SERVICE STANDBY
ASSESSMENTS OR AVAILABILITY CHARGES FOR ALL OF THE
RAINBOW MUNICIPAL WATER DISTRICT
IMPROVEMENT DISTRICT NO. 1**

WHEREAS, the increasing costs of importing water and, in particular, a Readiness to Serve Charge imposed upon the Rainbow Municipal Water District (the "District") by the Metropolitan Water District; and the need for continuing improvement, construction and reconstruction of the District's water storage, treatment and transmission facilities to insure a safe and continuing supply of water to the residents and taxpayers of the District must be met; and

WHEREAS, it is in the best interests of the District that, in addition to taxes and water revenues, certain monies be raised through the imposition of Readiness to Serve Water Service standby availability charges on certain lands within Improvement District No. 1 of the District, whether or not water service is actually being used thereon, and

WHEREAS, such charges are specifically authorized by the Municipal Water District Law of 1911; and

WHEREAS, the Board of Directors ("Board") of the District has previously ordered the formation of an improvement district designated as Improvement District No. 1 of Rainbow Municipal Water District ("Improvement District No. 1") for the purpose of establishing water service standby or availability charges for water and water delivery availability and readiness to serve charges collected from all lands within the District which, when added to rates and charges for water service and capital facility charges collected from newly developing lands within the District, will produce revenues sufficient to meet the cost of importing water as well as ensuring future availability of water supplies to serve the District and to finance the construction and reconstruction of water facilities; and

WHEREAS, a duly noticed public hearing was held by the Board on May 26, 2015, to hear and consider all objections or protests to said readiness to serve water service standby availability charge for Improvement District No. 1, at which time all persons were given an opportunity to be heard.

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

1. The Board of Directors hereby finds and determines that Readiness to Serve Water Availability service is made available to all lands within Improvement District No. 1, and hereby establishes readiness to serve water service standby assessments or availability charges which shall be assessed against all such lands whether water service is actually presently utilized on such lands or not.

2. The water availability charges hereby established in said Improvement District No. 1 for the fiscal year commencing July 1, 2015, and ending June 30, 2016, shall be as follows:

Ten Dollars and Fifty-Four Cents (\$10.54) per acre per year for each acre of land within Improvement District No. 1.

Ten Dollars and Fifty-Four Cents (\$10.54) per year for each parcel of land of less than one acre within Improvement District No. 1.

3. The officers of this District shall, on or before August 1, 2015, furnish in writing to the Board of Supervisors of San Diego County and to the San Diego County Auditor-Controller, a description of each parcel of land within said District upon which said readiness to serve water availability charge is to be levied and collected for the fiscal year 2015-16, together with the amount of water availability charge fixed on each parcel of land.
4. The Board of Directors, pursuant to Section 71635 of the Municipal Water District Law of 1911, hereby directs the Board of Supervisors of the County to levy, in addition to any other taxes it levies, the readiness to serve water service availability charge in the amounts of the respective parcels as fixed by the Board of Directors.
5. Certified copies of this Ordinance shall be delivered to the Board of Supervisors of the County of San Diego and to said County Auditor-Controller by the Clerk of the Board of this District.
6. The President of the Board of Directors shall sign this ordinance and the Clerk of the Board of Directors shall attest thereto and shall within fifteen days of its adoption cause it or a summary of it to be published in a newspaper of general circulation; and thereupon and thereafter this ordinance shall take effect and be in force upon the effective date of the resolution ordering the formation of Improvement District No. 1 pursuant to California Water Code Section 72014.
7. Ordinance 14-03 is hereby canceled.

Adopted this 26th day of May 2015.

AYES:
NOES:
ABSENT:
ABSTAIN:

Dennis Sanford, Board President

ATTEST:

Dawn Washburn, Board Secretary

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**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 28, 2015**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 28, 2015 was called to order by Vice President Lucy at 12:04 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Lucy presiding.

2. **ROLL CALL**

Present: Director Lucy
Director Walker
Director Sanford (*Arrived at 1:27 p.m.*)
Director Brazier
Director Griffiths

Absent: None

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Legal Counsel Moser
Finance Manager Thomas
Operations Manager Atilano
Acting District Engineer Kirkpatrick
Superintendent Maccarrone
Superintendent Zuniga
Superintendent Walker

No members of the public were present for Closed Session. Eight members of the public were present for Open Session.

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

There were no changes to the agenda.

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

There were no comments

Meeting adjourned to Closed Session at 12:05 p.m.

(*) - Asterisk indicates a report is attached.

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5. CLOSED SESSION

- A. Conference with Legal Counsel – Personnel (Government Code §54957(b)(1))
- B. Conference with Legal Counsel-Existing Litigation (Government Code §54956.9(d)(2))
 - Sotero Ruiz Olvera v. Rainbow Municipal Water District
San Diego Superior Court Case No. 37-2015-00005687.CU-PO-NC
- C. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(4))
 - 2 Potential Cases

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #8 herein.

The meeting reconvened at 1:03 p.m.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel stated there was no reportable action.

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

There were no changes to the agenda.

10. ACKNOWLEDGEMENTS AND RECOGNITIONS

A. ANNIVERSARY ACKNOWLEDGEMENT

Thomas Sjuneson (15 Years)

Mr. Kennedy mentioned Mr. Sjuneson works in construction and maintenance as well as one of the representatives for the bargaining units for the employee group. He stated Mr. Sjuneson has a Class A license and other certifications for Water Distribution and Treatment respectively. He presented Mr. Sjuneson with a plaque and check for his years of service.

B. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK

Mr. Kennedy talked about the Water Poster Contest for fourth graders for which there were a couple of submissions. He mentioned the contestants and their parents were invited to attend the meeting today. He showed the Board and audience the winning entries as well as talked about the program RMWD does in cooperation with the other water districts to produce the calendar.

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Mr. Kennedy said he and staff will make other arrangements to present them with their respective certificates and prizes.

Arden Baur
Daniela Cruz

**11. 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).**

Mrs. Meadow commended the Board for no longer having bottle water.

***12. APPROVAL OF MINUTES**

A. March 24, 2015 - Regular Board Meeting

Action:

Moved by Director Brazier to approve the minutes of March 24, 2015. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, and Walker
NOES: None
ABSTAINED: None
ABSENT: Director Sanford

13. 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 Sanford)

There was no report given.

B. Representative Report (Appointed Representative)

1. SDCWA

Mr. Kennedy reported a great deal of discussion at the last meeting was about the drought.

2. CSDA

There was no meeting.

3. LAFCO

Mr. Kennedy reported there was no action at the last meeting.

(*) - Asterisk indicates a report is attached.

4. San Luis Rey Watershed Council

Director Walker reported Helen Medina from the Native American Environmental Protection Coalition was elected to fill the environmental seat and that the agricultural representative seat remains vacant. He stated most of the discussion focused on priority issues and goals set by the Council. He said although there was a great deal of discussion, it was agreed the members would come back with a list of priorities from a list of about twenty. He noted there was much discussion about the drought and also about one of the consequences of such including the Sustainable Groundwater Management Act recently implemented into law; therefore, there will be some interesting discussion on the possibility of forming a groundwater sustainability agency.

Director Lucy said he had someone in mind he will talk to about possibly filling the vacant agricultural seat.

5. Santa Margarita Watershed Council

There was no report given.

C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)

Mr. Kennedy reported he, Directors Lucy, Brazier, and Sanford, attended Governance training recently. Director Lucy noted this training was well done.

Director Walker reported he and Tom attended the Council of Water Utilities Meeting at which the topic of discussion was federal grants and federal money for water. Mr. Kennedy pointed out RMWD was producing letters in conjunction with the San Diego North County Reuse Association to 20 different legislatures influencing them to release the funds.

D. Directors Comments

Director Lucy welcomed the public present in the audience.

***14. COMMITTEE REPORTS (Approved Minutes have been attached for reference only.)**

A. Budget and Finance Committee

- 1. March 3, 2015 Minutes

Mr. Stitle reported the Committee was waiting to hear about back from Raftelis in order to get ready for the budget next year.

B. Communications Committee

- 1. March 2, 2015 Minutes

Director Brazier reported the Committee met on Monday, April 6th where Mr. Kennedy briefed the committee on the past Board meeting, gave an update on the strategic planning process and LAFCO as well as topics for the upcoming newsletter. She noted a discussion followed of recent news articles related to RMWD and the water situation; therefore, topics for the next meeting were suggested followed by meeting adjournment.

Discussion returned to Item #14B.

(*) - Asterisk indicates a report is attached.

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Ms. Washburn announced the Communications Committee meeting in May has been cancelled with the next meeting being held on June 1, 2015.

C. Engineering Committee

1. March 4, 2015 Minutes

Mrs. Kirkpatrick reported the Committee met in April where discussions took place regarding the mitigation bank. She noted Lee Kirby, a supervisory inspector at Vallecitos, was present at the meeting and expressed an interest in joining the committee. She stated the committee talked about the Morro Tank analysis and engineering fees which was on this agenda for Board consideration.

Discussion ensued regarding the Morro Tank project.

Director Griffiths asked what the plan will be should the drought get worse. Mr. Kennedy stated the plan would be people have to use less and less water if there is no more water. He explained how the water supply that transfers is pretty secure due to those that hold water rights and those rights being very solid. He talked about how MWD looks at their reserves and storage systems before deciding how much they want to take out.

Discussion returned to Item #14 B.

BOARD INFORMATION ITEMS

15. DROUGHT UPDATE

Mr. Kennedy gave a presentation entitled "Drought Update".

Director Sanford joined the meeting at 1:27 p.m.

Discussion ensued regarding agricultural and TSAWR customers.

Mr. Carlstrom asked about the availability of new meters for construction. Mr. Kennedy replied the Governor's proclamation specifically said that new construction should have water efficient irrigation. He explained since right now there was not a supply problem in San Diego, there was no hold on meters at this time.

It was confirmed RMWD was currently receiving applications for new meter service and the District was not curtailing new meters until the Board decides otherwise.

A public member inquired as to how RMWD will address domestic users who have already cut back on their water use voluntarily. Mr. Kennedy stated there was not much more those that already cut back on their usage can do. He said he does not anticipate RMWD having allocations on domestic customers at all after looking at the supply situation. He explained there was an allocation going to happen for the agricultural users who took cheap water in exchange for cuts.

Director Lucy suggested Mr. Kennedy set up a way to personally contact those participating in the TSWR customers and explain to them what is taking place. Mr. Kennedy noted that should it come to this, the Board can establish a decision as to how this should be handled.

(*) - Asterisk indicates a report is attached.

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Public Member asked about the process for homeowners who have some agriculture on their property to go through. Mr. Kennedy explained this was very new, but RMWD was working to put together a form that is consistent amongst the North County agencies with agricultural users. He stated he expects this to be ready as soon as the State Board makes the determination as to what the final rules are going to be. Discussion followed.

Mr. Kennedy noted the Board will be discussion possibly establishing a Rate Stabilization Fund for use in the future to draw from in the event another short term spikes as opposed to having to change the rates. He said right now there are no rate changes projected; however, this may change depending on how things boil down.

Ms. Rhyne asked about what to tell people when they water and it overflows down the street. Mr. Kennedy suggested telling them to water so they do not run off the property which may involve changing the watering timer.

Mrs. Meadow needed clarification that when Mr. Kennedy is talking about supply, he is only talking about RMWD's contractual supply. She also asked about the desalination plant. Mr. Kennedy explained the desalination plant was currently in commissioning and will not be full operation until the end of September. He assured the audience RMWD will get the supply.

Discussion ensued regarding MWD's allocations being guaranteed.

Mr. Carlstrom mentioned rate increases may come from MWD and SDCWA and encouraged everyone not to get too comfortable with the current water rates RMWD charges. Mr. Kennedy reiterated this was why everyone was waiting to see the final outcome at which time RMWD will have a better picture of where the District needs to go.

A public member asked if there was any political movement right now to renegotiate those secure water rights to break the contract to change the allocations. Mr. Kennedy stated although there may be people that want to attempt something like this, it would be extremely tricky. Discussion followed.

BOARD ACTION ITEMS

16. DISCUSSION AND POSSIBLE ACTION TO AWARD A CONTRACT FOR WATER RATE SETTING SERVICES

Mr. Kennedy noted the Budget and Finance Committee has met with Raftelis have met and reviewed the proposed contract with RMWD in two different meetings. He noted how in 2010 the District went through a Proposition 218 process to establish water rate changes and would have to go through this same process again to comply with Proposition 218. He talked about some recent changes in the law and how RMWD needs to be careful to follow these important new processes in order to set an appropriate rate structure. He noted Raftelis is aware of these processes and will give RMWD a fantastic financial forecasting tool where the District can see how different rate changes might impact fund balances rather quickly.

Mr. Stitle wanted to make it clear that the decision reached last week was not actually outlawing tiered structures but rather allows tiered structured rates; however, the tiered rates must be justified based on what the cost is of supplying water to each tier.

(*) - Asterisk indicates a report is attached.

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Mr. Kennedy mentioned part of the process was a cost of service study. He talked about RMWD's current rate system and how it could change due to additional residential customers coming the area.

Mr. Stitle confirmed the Budget and Finance Committee voted unanimously to approve this contract.

Mr. Kennedy showed a quick slide presentation on the information provided by Raftelis.

Mr. Kennedy noted the budget will come to the Board in May for review and then again at their June meeting for possible approval.

It was confirmed there was no annual charge associated with the model RMWD will receive.

Action:

Moved by Director Brazier to award the contract for the water rate setting services by Raftelis. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

17. DISCUSSION AND POSSIBLE ACTION TO AWARD A CONTRACT FOR STRATEGIC PLANNING FACILITATION SERVICES

Mr. Kennedy talked about his and Director Sanford's meeting with Michele Tamoya. He noted the one thing he and Dennis required was breakdown the contract into different phases with costs associated with the phases which would prevent RMWD from having to pay the entire contract should the Board decide not to proceed before completing each phase. He pointed out the costs of the contract depends on how deep RMWD has Ms. Tamoya meeting with more people than initially anticipated.

Director Lucy asked about strategic planning versus the master plan and which should be done first. Mr. Kennedy stated the master plan would add within it some fundamental questions related to water supply sources as well as the value RMWD places on renewable sources of supply; therefore, he believes having a strategic plan in place before the big policy questions derived from the master plan would be better. Director Sanford agreed RMWD needs to have a strategic plan in place first.

Director Lucy asked for the timeline for this process to begin. Mr. Kennedy said he would start scheduling with Ms. Tamoya as soon as possible. He suggested there be public outreach on RMWD getting a strategic plan in place.

Director Griffiths requested a questionnaire be provided to the Directors prior to meeting with Ms. Tamoya individually. Mr. Kennedy agreed to make this request.

(*) - Asterisk indicates a report is attached.

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Director Lucy noted the importance of gathering input from the committee members as well as ratepayers.

Director Brazier stated she does not necessarily want to have an individual meeting with the facilitator. Mr. Kennedy said he would see if she would be willing to do group and individual meetings with the Board Members.

Action:

Moved by Director Brazier to award the contract for the services for strategic planning. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

AYES:	Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES:	None
ABSTAINED:	None
ABSENT:	None

***18. DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF ORDINANCE NO. 15-05 TO REVISE AND ESTABLISH ENGINEERING FEES AND DEPOSITS**

Mrs. Kirkpatrick noted Jeff Heden was hired for this item and had attended the Engineering Committee meeting. She pointed out due to the fact some engineering fees and deposits have not been updated for quite some time, they did not cover the cost for staff time; therefore, J.C. Heden & Associates was hired to look over RMWD's internal processes as well as interview six other North County Agencies regarding their processes, fees, and charges. She mentioned a copy of the report would be provided to anyone who would like to review it.

Mrs. Kirkpatrick pointed out and explained the changes being proposed.

Mr. Kennedy suggested the Board consider both Ordinance Nos. 15-05 and 15-06 together due to the fact they are related with Ordinance No. 15-05 establishing new engineering fees and Ordinance No. 15-06 will delete engineering fees from the water charges. He noted Mrs. Kirkpatrick tried to make the fees appropriately collect every sent from developers for their activity and no over collect as well.

It was confirmed the Engineering Committee reviewed this matter during two separate meetings.

Director Walker stated he was present at the Engineering Committee when this was presented and how he thought Mr. Heden did an excellent job.

Director Brazier asked if these could be approved with one vote. Legal Counsel stated the Ordinances could be voted on independent of each other or combined into one vote.

(*) - Asterisk indicates a report is attached.

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Director Lucy suggested these fees and deposits be looked at annually. Mrs. Kirkpatrick assured the Board these fees and deposits will be looked at regularly and anytime there is a discrepancy it will be brought before the Board for consideration. She also noted she put a blanket statement that these can be changed at the District's sole discretion.

Action:

Moved by Director Brazier to approve Ordinance No. 15-05 and Ordinance No. 15-06 which amends Ordinance No. 13-09. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

Discussion went to Item #20.

Discussion returned to Item #18.

Ms. Rhyne expressed concern about pumping charges. It was noted this was matter was not on the agenda for Board consideration.

Discussion went to Item #21.

***19. DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF ORDINANCE NO. 15-06 TO AMEND ORDINANCE NO. 13-09 TO EXCLUDE ENGINEERING SERVICE FEES AND DEPOSITS**

This item was addressed under Item #18.

***20. DISCUSSION AND POSSIBLE ACTION ON PROPOSITION 1 (2014 WATER BOND) AND BECK RESERVOIR UV PROJECT (GRIFFITHS)**

Director Griffiths suggested Beck Reservoir was a valuable asset in that it can be utilized in three different manners. He expressed his opinion that Beck Reservoir was necessary for drinking water purposes in the event of an emergency that impacts anywhere in the system. He pointed out although the liner needs to be rehabilitated, it believes this would be a tremendous investment for infrastructure. He recommended RMWD fix the reservoir with a UV system as is which would be the cheapest as well as provided for immediate use of that system.

Director Griffiths expressed concern RMWD was wasting time and possibly missing an opportunity to get 200 million gallons of drinking water. He stated although he has not discussed this with RMWD's Operations, transferring from Morro through Beck when necessary would help keep things going through the whole system. He said he would like this project restarted to avoid problems with supply and emergencies.

(*) - Asterisk indicates a report is attached.

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Director Lucy explained Mr. Kennedy was working on getting a master plan which includes an analysis of what the District's water needs are truly going to be in the next 5-10 years and put this project on hold until that plan is complete to avoid spending more money. Director Griffiths said he would be remiss acting as a Director to let Beck Reservoir go unused if a problem with supply or an emergency arises.

Mr. Kennedy pointed out, as noted in the memo, staff has put a great deal of thought and time into looking at the Beck Reservoir project and how in his opinion the emergency storage program the RMWD ratepayers have already invested in will supply the District with 4,000-5,0000 acre feet of drinking water during emergency conditions. He noted this was validated with SDCWA as well as tested the connections to ensure they are all in place. He stressed this infrastructure was all in place, paid for, and owned by RMWD. He said to spend an extra \$10M right now to counter those two situations would not be prudent.

Mrs. Kirkpatrick talked about the contract for Arcadis being put on a hold with no fees or penalties associated with the hold.

Director Brazier said she would rather wait for the Board to have discussions on the strategic planning and the master plan which will both be informative as to what the Board decides eventually to do with Beck Reservoir. She stated she does not want the Board to jump into something blindly just because the District was apparently not doing anything right now. Director Sanford agreed noting Beck Reservoir could be a very valuable asset for RMWD; however, he wants to see it be put to the best use which he does not believe has been identified yet.

Director Walker stated he thought it was prudent to keep the project on pause until the master plan has been reviewed and there is a source of solution recommended. He said after such the Board should analyze Beck in light of the master plan.

Director Lucy noted Director Griffiths' concerns are very common; however, he believes RMWD has to go through the strategic planning and master plan processes before revisiting the project. He reiterated this was a big ticket item and the Board should do it right.

Director Griffiths wanted clarification that the recommendation at this time was not to anything right now. It was confirmed this was the case. Discussion followed.

Mr. Kennedy recalled when he was hired the Board asked him to take a hard look at two large projects dominating RMWD's complete capital improvement plan which included Beck Reservoir. He noted Mr. Carlstrom also suggested the Board look at Beck Reservoir again.

Director Griffiths went on record to say he strongly recommends the Board consider the immediate and safest use of Beck Reservoir.

A public member said although she did not know the facts it appeared RMWD was in a much worse place as far as much water was available which was why she agreed with Director Griffiths. She stated she was at a loss as to why this project should be stopped.

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A public member expressed concern that with the recent Governor's proclamation being very serious, it did not make sense for RMWD to stop using what should be a very important local resource. Mr. Kennedy clarified Beck Reservoir was not a local resource and was completely dependent upon imported water to use it. He explained Beck was an uncovered reservoir that the State disallowed the use of unless it gets covered or treated. He talked about how the District invested tens of millions of dollars in covering three large reservoirs which provide adequate storage volumes to manage all day-to-day fire and emergency flow conditions at RMWD. He explained there were some plumbing issues with the relationship between those reservoirs and the geographic diversity of the area; however, these are minor costs to repair than it is to build a whole new UV system for Beck. He noted the memo provided points out very clearly Beck Reservoir has zero to do with supply, zero to do with emergency, and zero to do with drought.

Mr. Carlstrom reminded everyone that when the matter of Beck Reservoir first came up for consideration, RMWD was selling something like 35,000 acre feet of water per year at which time Beck Reservoir loomed much larger in importance for storage than it does today when the District is selling 22,000 acre feet per year. He stated if the drought continues, the storage already in place was more and more of an asset to get through shutdowns, emergencies, etc. He agreed with the sense of the Board and Mr. Kennedy at this point that Beck Reservoir was not as important as it was when it was first being considered.

Director Griffiths reiterated his opinion that RMWD has an asset that could be useful in the event of an emergency. Mr. Carlstrom stated that the risk of an emergency Director Griffiths was describing was a great deal less than the risk that the drought will continue. Director Griffiths said he does not like spending other people's money; however, he considers Beck Reservoir to be a safety factor.

Director Brazier stated she understands people have different points of views based on their interpretations of passed representations of RMWD's situation; however, she sees no harm in reevaluating and waiting for the master plan before going forward. It was noted the master plan could come back stating Beck Reservoir needs to be put back in use.

Discussion returned to Item #18.

Action:

Moved by Director Griffiths that RMWD restart the work on Beck Reservoir as soon as possible. There was no second.

The motion died for lack of a second.

21. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS RELATED TO THE FPUD REORGANIZATION AND DISSOLUTION APPLICATION TO LAFCO

- A. Ad Hoc Committee**
- B. Public Relations Consultant Update**
- C. LAFCO Consultant Update**

Director Sanford noted the committee has not met since the last Board meeting, but will meet again on May 7, 2015. Mr. Kennedy reported he had written a response back to LAFCO on the MALDEF issue.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy reported he and Director Sanford met with Assemblyman Maienschein.

***22. RECEIVE AND FILE INFORMATION ITEMS FOR MARCH 2015**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
 - 2. Paperless Agenda Packets & District Issued Devices Survey
- B. Communications**
 - 1. Ratepayer Letters
- C. Construction & Maintenance Comments**
 - 1. Construction and Maintenance Report
 - 2. Valve Maintenance Report
 - 3. Garage/Shop Repair
- D. Water Operations Comments**
 - 1. Water Operations Report
 - 2. Electrical/Telemetry Report
- E. Wastewater Comments**
 - 1. Wastewater Report
- F. Operations Comments**
 - 1. Water Quality Report
 - 2. Cross Connection Control Program Report
- G. Engineering Comments**
 - 1. Engineering Report
- H. Customer Service**
 - 1. Field Customer Service Report
 - 2. Meters Report
- I. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Safety Report

Mr. Kennedy talked about the recent survey conducted by Vista Irrigation District regarding providing paperless agendas for the Board Members of the various local agencies. He said he wanted to poll the Board Members to see how they felt about starting to use paperless agendas at RMWD. He said he would bring back a more formal proposal for Board consideration.

Mrs. Kirkpatrick talked about the construction of the small section of sewer line for SR76 which has started.

Action:

Moved by Director Brazier to receive and file information items. Seconded by Director Sanford.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

(*) - Asterisk indicates a report is attached.

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***23. RECEIVE AND FILE FINANCIAL STATEMENTS AND INFORMATION FOR FEBRUARY/MARCH 2015**

A. Finance Manager Comments

1. Interim Financial Statement
2. Monthly Investment Report
3. Visa Breakdown
4. Directors' Expense
5. Check Register
6. Office Petty Cash
7. Monthly Water Usage Report
8. Projected CIP Cash Flow Report
9. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Action:

Moved by Director Brazier to receive and file financial statements and information. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Griffiths, Lucy, Sanford, and Walker
NOES: None
ABSTAINED: None
ABSENT: None

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

It was noted a cost analysis for the District to use paperless agendas would be on the next agenda.

25. ADJOURNMENT - To Tuesday, May 26, 2015 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Lucy to a regular meeting on May 26, 2015 at 1:00 p.m.

The meeting was adjourned at 3:39 p.m.

Bob Lucy, Board Vice President

Dawn M. Washburn, Board Secretary

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 14, 2015**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on April 14, 2015 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:03 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle
Member Hensley
Member Carlstrom
Alternate Thomas

Absent: Member Lucy
Member Clyde
Member Ross

Also Present: General Manager Kennedy
Executive Assistant Washburn
Director Brazier
FPUD General Manager Brady

No members of the public were present.

4. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

There were no comments.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*6. **APPROVAL OF MINUTES**

A. March 3, 2015

Action:

Moved by Member Hensley to approve the minutes. Seconded by Member Carlstrom.

9A1-1

After consideration, the motion CARRIED by the following vote:

AYES: Member Stitle, Member Hensley, Member Carlstrom, and Alternate Thomas
NOES: None
ABSTAINED: None
ABSENT: Member Lucy, Member Clyde, and Member Ross

7. RAFTELIS UPDATE

Mr. Kennedy gave a presentation on the financial position of the District at the end of the fiscal year. Discussion followed regarding the potential drought impacting RMWD's financials.

8. STRATEGIC PLAN UPDATE

Mr. Kennedy stated this will be going before the Board for consideration. He talked about the meeting he and Director Sanford had with Tamoya & Associates. He noted that should the Board approve the contract, workshops will commence after individual Board Members meet with the facilitator.

Discussion ensued regarding Governor Brown's drought declaration.

Mr. Kennedy stated he hoped the Board would approve the contract at the April 28th Board meeting and to get the process started in May. He said his goal was to have the Board go through all the processes in May, June, and July and have some product out by the time the master plan and other studies are complete. He confirmed September would need to be the estimated timeframe for completion.

9. BOARD MEETING REVIEW

Mr. Kennedy reported the Board approved the audit, some housekeeping items related to filling seats at CSDA and SDRMA respectively, and suggested changes to the committee appointments. He noted there was some discussion related to the LAFCO situation.

10. WATER PURCHASES AND SALES REPORT

Ms. Thomas explained each time this report is presented, it may be a little different due to the fact she was trying to figure out the true value of what RMWD is paying and selling. She briefed the committee on the information provided in the report.

Mr. Kennedy added the reports provided previously had some anomalies in them and staff was unable to identify the source; therefore, Ms. Thomas contacted other agencies to take a look at how to prepare these reports without breaks in them.

Discussion ensued.

11. LAFCO UPDATE

Mr. Kennedy mentioned that in the last week LAFCO had asked both RMWD and FPUD to submit information regarding the California Voters Rights Act (CVRA). He pointed out RMWD's Resolution of Objection included information about the at-large component within FPUD's application being a potential violation of the CVRA. He stated RMWD put information together which (contrary to other reports) was developed independently of another action taken by Mexican American Legal Defendant's Education Fund (MALDEF) addressing potential racially polarized voting in the area, particularly in FPUD. He pointed out if LAFCO were to approve FPUD taking over RMWD, it could be a violation of the CVRA. Discussion followed.

Mr. Kennedy and Mr. Brady talked about the anticipated timeframes for LAFCO to take this matter to their commission for consideration. They both agreed they would like the matter resolved.

Discussion continued.

12. MONTHLY FINANCIAL REPORT

Ms. Thomas explained up to this point RMWD was approximately \$20,000 above revenue in spending due mainly to the recent increase in legal services; however, there will be some tax money that will balance this overage out.

Discussion ensued.

13. SPRINGBROOK UPDATE

Ms. Thomas reported Kevin from Springbrook was currently onsite at RMWD working with staff on the process review phase.

Mr. Kennedy noted once this phase is completed, Springbrook will look at RMWD's old software and build the new software to meet the District's needs. He stated the finance part was expected to be up and running in July 2015, but the remaining portions would not be completed until October 2015.

14. WATER RESTRICTION UPDATE AND IMPACT ON WATER METER AND EDU SALES

Mr. Kennedy reviewed the handout regarding water restrictions provided to the Committee.

Discussion ensued regarding notifying and enforcing violators of RMWD's Drought Ordinance as well as the best way to communicate with the public about the Governor's proclamation not matching what SDCWA and its member agencies have set up to have water stored and readily available.

Mr. Kennedy and Mr. Brady agreed the best outcome would be for agriculture to be exempt which would change the whole dynamic on the water reduction structure. Discussion continued.

Mr. Carlstrom suggested encouraging the Board put out something pretty specific clearly explaining the situation to the public. Mr. Kennedy pointed out RMWD will not know anything until the regulations are promulgated in early May if this in fact takes place.

Member Stitle excused himself from the meeting at 2:32 p.m.

Member Carlstrom chaired the meeting in Member Stitle's and Member Ross' respective absences.

15. CIP/LONG TERM PLAN FOR SEWER AND WATER

Mr. Kennedy mentioned the master plan process that was currently underway will take a much more comprehensive look at this; therefore, it may be premature to look at this topic right now. He noted the big item on the water side would be the Beck Reservoir rehabilitation which was still being questioned as to whether to proceed. He reported Director Griffiths asked for this matter to be on the April 28th Board agenda for Board action. Discussion followed.

16. GROUND WATER ISSUE

- A. West Yost Report
- B. Ground Water Sustainability Agency Status Review

This item was deferred to the next Committee meeting.

17. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED BUDGET AND FINANCE COMMITTEE MEETING

Mr. Carlstrom requested the next committee agenda basically cover the same items talked about at this meeting.

18. ADJOURNMENT

Action:

Moved by Member Hensley to adjourn the meeting. Seconded by Alternate Thomas.

After consideration, the motion CARRIED by the following vote:

AYES: Member Hensley, Member Carlstrom, and Alternate Thomas
NOES: None
ABSTAINED: None
ABSENT: Member Lucy, Member Clyde, Member Ross, and Member Stitle

The meeting adjourned at 2:42 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

9A1-4

**MINUTES OF THE ENGINEERING COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 1, 2015**

1. **CALL TO ORDER** – The Engineering Committee Meeting of the Rainbow Municipal Water District on April 1, 2015 was called to order by Vice Chairperson Brazier at 3:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice Chairperson Brazier, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Brazier
Member Taufer
Member Stitle
Member Prince
Member Kirkpatrick
Alternate Member Kennedy

Absent: Member Strapac
Member Rhyne

Also Present: Assistant Rubio

Kevin Knowles and Lee Kirby were the two public members present.

4. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA**

Ms. Brazier invited the two public members to introduce themselves. Mr. Knowles stated he was here to discuss the Moosa Mitigation Bank. Mr. Kirby said he was interested in being on the Engineering Committee and added he worked for Vallecitos Water District as the Inspection Supervisor. He said he lives off of Old River Road and was interested in filling his civic duty by volunteering his assistance to this committee. Ms. Brazier pointed out the Engineering Committee was advisory only providing recommendations to the Board. Mr. Kennedy explained the Engineering Committee reviews various functions related to engineering in detail providing a final iteration to the Board.

COMMITTEE ACTION ITEMS

*5. **APPROVAL OF MINUTES**
A. March 4, 2015

Action:

Moved by Member Prince to approve the minutes as written. Seconded by Member Taufer.

961-1

After consideration, the motion CARRIED by the following vote:

AYES: Member Brazier, Member Taufer, Member Stitle, Member Kirkpatrick, Member Prince, and Alternate Kennedy.
NOES: None.
ABSTAINED: None.
ABSENT: Member Strapac and Member Rhyne.

Discussion went to Item #8.

6. DISCUSSION AND POSSIBLE ACTION REGARDING MORRO TANK

Mrs. Kirkpatrick said Morro Tank has 4MG capacity and was built in the late 1970's. She pointed out the District observed an uplift of the tank floor plate relative to the surrounding grade in the early 1990's, which has progressively increased. She said consultant services were retained with Kennedy/Jenks Consultants to conduct a study to determine the causes of the observed distress and develop alternative solutions. She noted the study was conducted in two phases:

- Phase one consisted of recording observed distress, reviewing previous site record drawings and geotechnical reports, structural inspection (visual) of tank, analysis of survey data of survey points collected by the District over the past 5 years, geotechnical investigations, determine causes of distress, and develop site retrofit alternatives.
- Phase two consisted of hydraulic analysis of Moro Tank zone for evaluating required Morro Tank capacity and BPS #5 upgrades. This analysis was to evaluate whether the tank could be eliminated from the system by upgrading BPS #5.

Mrs. Kirkpatrick stated the final study summarized five alternatives for Morro Tank. Mr. Kennedy provided a brief background of the Morro Tank. He said it sits next to the Morro Reservoir and there was a small pump station pumping water into the tank, which serves a small zone. He noted when the tank was down for rehabilitation the zone was fed through the Pala Mesa zone. He then recommended conducting a sixth alternative to upsize the piping from the Pala Mesa zone to feed the customers currently being served by the Morro Tank and eliminate the tank. He stated the five alternatives from the study were too costly.

- Alternative 1, \$2,660,000: Replacement of Morro Tank with a hydro-pneumatic tank and upgrade of BPS #5.
- Alternative 2, \$4,460,000: Providing minimal storage at the tank site (0.22 MG).
- Alternative 3, \$3,730,000: Moderately sized replacement of Morro Tank and pump upgrade for BPS #5 (0.4 MG).
- Alternative 4, \$5,560,000: Resembles the existing conditions (1.9 MG).
- Alternative 5, \$1,440,000: Site Retrofits without any other improvements to BPS #5.

Mr. Kennedy noted once the additional report was completed it would be brought to the committee. Discussion ensued.

961-2

7. DISCUSSION AND POSSIBLE ACTION REGARDING ENGINEERING FEES

Mrs. Kirkpatrick provided a summary of the Engineering Department's proposed fee modifications to be adopted. She explained the District noticed some discrepancies with fees and deposits in relation to staff time both high and low, and wanted to take a closer look at the current fee schedule. She said the District contracted J.C. Heden and Associates to evaluate internal processes, required staff time in addition to surveying other local agencies. She pointed out that plan checking and inspection services would always be deposits.

Mrs. Kirkpatrick stated the goal of reevaluating the engineering fees was to cover the costs associated with the engineering services and staff time and be consistent with other north county agencies. She noted these fees would be re-evaluated in the next five years after actual tracking of staff time was collected.

Action:

Moved by Member Brazier to recommend to the Board to consider the updated Engineering Department fees and deposits. Seconded by Member Stitle.

After consideration, the motion CARRIED by the following vote:

AYES: Member Brazier, Member Taufer, Member Stitle, Member Kirkpatrick, Member Prince, and Alternate Kennedy.
NOES: None.
ABSTAINED: None.
ABSENT: Member Strapac and Member Rhyne.

Discussion went to Item #9.

8. DISCUSSION AND POSSIBLE ACTION REGARDING MOOSA MITIGATION BANK

Mr. Knowles said his company Conservation Land Group specialize in land conservation and mitigation transactions. He stated he was representing the San Luis Rey Downs Enterprises' proposal regarding the mitigation bank with approximately 185 acres of the former golf course property. He pointed out the specific portions to be discussed are Phases 1 and 2, which are within the mitigation bank. He said the proposed Bank Enabling Instrument Volume I of II has been submitted and reviewed by a number of signatory agencies. He said there were in the process of submitting a grading permit application as well as a request for CEQA review to the county, although one of the outstanding items has to do with existing easements and encumbrances. He mentioned working with the District for several months regarding these site easements and has prepared a proposal for review and discussion.

Mr. Stitle asked if the intent was to acquire an Environmental Impact Report. Mr. Knowles replied the goal was to acquire a Negative Declaration or a Mitigated Negative Declaration. Mr. Stitle stated he opposed this action because he did not want the center of the community to become swamp land. Mr. Knowles explained this project was started due to a county enforcement order on the Phase 1 portion of the property.

Mr. Knowles went over the mitigation bank areas according to the categories as shown on the maps. Mr. Kennedy said it was difficult to give up easements when there are unknown requirements in the future. He pointed out the Master Plan process would be reviewing the District's requirements in this area. He mentioned the challenges of maintaining the easements would make it favorable to move the utilities out, although the cost of relocating the utilities produces another challenge. Discussion ensued.

Ms. Brazier asked who would be maintaining the standing water. Mr. Knowles replied the land owners would hire a company to maintain it for life. He pointed out even if Phases 1 and 2 were approved in order to start the phases there would have to be enough credit sales to warrant the expenditures of the construction. Discussion ensued.

Mr. Kennedy reiterated that San Luis Rey Downs was looking to the District to quitclaim certain easements, although it would be difficult to give up an asset a few months before it may be needed. He asked about the timeframe on the project and what would happen if the District did not take action. Mr. Knowles responded the intent was to submit the final report within three months and if the District does not take any action they would have to conduct analyzes of each title exception, which would affect the crediting. Mr. Kennedy stated some of the quitclaims not having pipelines could be approved.

Mrs. Kirkpatrick asked hypothetically if the District gave up an easement and then found out it was required would there be a process available to retrieve it. Mr. Knowles responded he was not sure how much time was available it depended on how long the CEQA process took during which time changes could still be made. Discussion ensued.

Mr. Kennedy referred to the north side of Camino Del Rey where the District may need easements for a pump station. He asked whether that property was owned by San Luis Rey Downs and the possibility of purchasing some of the property. Mr. Knowles responded yes, although it would have to be soon. Mr. Kennedy said the District would require 30-60 days for the preliminary design report in order to make a decision. Discussion ensued.

Mr. Kennedy asked Mr. Knowles if he was authorized to negotiate changes on the proposal. Mr. Knowles replied it depended on the items to be negotiated. He stated the intent was to submit one proposal with all the requirements, although it could be broken out in two separate proposals.

Mr. Kennedy said the other aspect being considered was related to the groundwater. He pointed out the District was more interested in the groundwater than the easements. Mr. Knowles said they probably would not need all the groundwater. Mr. Kennedy suggested meeting with Mr. Thead to discuss the amount of groundwater available for the District. Discussion ensued.

Mr. Kennedy voiced his concerns of separating the proposal in two; stating the second proposal for widening the easements may not be forthcoming in the future. Mr. Stittle suggested not doing anything until the District could approve the whole proposal. Discussion ensued.

Action:

Moved by Member Stittle not to proceed until the Master Plan Wastewater Technical Memorandum has been completed. Seconded by Member Brazier.

9CJ-4

After consideration, the motion CARRIED by the following vote:

AYES: Member Brazier, Member Taufer, Member Stitle, Member Kirkpatrick, Member Prince, and Alternate Kennedy.
NOES: None.
ABSTAINED: None.
ABSENT: Member Strapac and Member Rhyne.

Discussion returned to Item #6.

9. LAFCO UPDATE

Mr. Kennedy said the District has a deadline of April 10, 2015 to submit evidence to LAFCO regarding the potential violation of the California's Voting Rights Act (CVRA). He mentioned conducting independent analysis of the voting history in the area for the basis of demonstrating racially polarized voting as evidenced in a number of races. He noted around the same time the Mexican American Legal Defense and Education Fund (MALDEF) submitted a demand letter to FPUD based on their own analysis concluding violation of the CVRA. He stated the District did not contact MALDEF in any way; MALDEF was aware of the situation through publicity. He mentioned a letter would be coming out next week regarding the at large system as defined by the CVRA. Discussion ensued.

Mr. Kennedy pointed out the District would like the people be able to vote, although currently LAFCO was not set up to allow the people to vote.

10. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING COMMITTEE MEETING

The following agenda items were suggested: Appoint Lee Kirby to the Engineering Committee, review of the Morro Tank Report and changing the leadership of the Engineering Committee.

11. ADJOURNMENT

Action:

The meeting was adjourned with a motion made by Member Stitle and seconded by Member Taufer to May 6, 2015 at 3:00 p.m.

The meeting adjourned at 5:10 p.m.

Helene Brazier, Committee Vice Chairperson

Dawn M. Washburn, Board Secretary

921-5

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

APPOINTMENT OF NEW MEMBER TO THE ENGINEERING COMMITTEE

DESCRIPTION

On May 6, 2015 the Engineering Committee voted to recommend that the Board of Directors appoint Lee Kirby to serve as a member of this committee.

POLICY

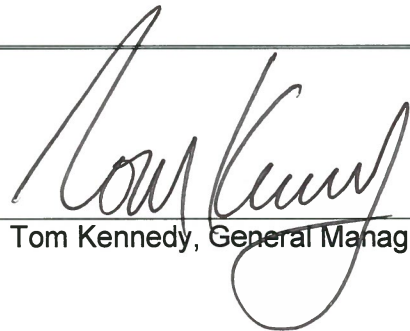
Administrative Code, Chapter 2.09 - Committees

BOARD OPTIONS/FISCAL IMPACTS

- Option 1: Appoint Lee Kirby as a member of the Engineering Committee.
Option 2: Provide staff with further direction.
-

STAFF RECOMMENDATION

Staff recommends Option 1.


Tom Kennedy, General Manager

05-26-15



BOARD ACTION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE GENERAL MANAGER TO EXECUTE GROUND LEASE AGREEMENT

BACKGROUND

In 2012 the District entered into a lease agreement (Contract 2012-02) with West-Tech Contracting for the lower yard of the District headquarters. West-Tech Contracting Inc. uses the property for processing concrete, asphalt and other non-hazardous aggregate into crushed miscellaneous base and began the process using materials from the Pala Mesa Tank site. This lease was negotiated in conjunction with the Pala Mesa tank construction with a lease payment of \$1 per year which was in consideration of other work performed by the lessee as part of the Pala Mesa Tank Project. This lease expired in February 2015.

DESCRIPTION

District staff have been working with interested contractors to negotiate a lease on the property. In accordance with District policy and State Law, a property appraisal was performed to determine the correct market value of the property. This study compared similar properties and uses in the area and assigned a market value of \$6,100 to \$7,100 per month for the lease. A copy of the appraisal is attached.

A draft lease agreement will be provided for review at the Board meeting. The contractor has requested a 2 year lease to process sand and material for the SR 76 Widening project. The terms of the contract set the monthly rate at \$7,000 per month with a lease start date of June 1, 2015. Staff is currently working with three different potential lessees: Perrault, West Tech, and North Coast Sand and Gravel. Upon Board approval, staff will execute a lease with the firm that will result in the highest benefit to the District. There is a potential for the lease to be with one or all of these firms who are interested in the lot.

The lessees have expressed an interest in immediate occupancy (prior to the June Board meeting); therefore, staff is requesting the Board authorize the General Manager to complete the lease negotiations based on the lease language provided (with Legal Counsel's approval) with whichever firm or firms is selected.

POLICY

N/A

FISCAL IMPACTS

If the lease agreement is approved the following revenue streams will be generated:

FY 15 - \$42,000
FY 16 - \$84,000
FY 17 - \$42,000

N-1

Total lease value: \$168,000 for the two year term of the contract

BOARD OPTIONS

- 1) Authorize the General Manager to execute the ground lease agreement
- 2) Recommend changes and direct staff to renegotiate terms of lease
- 3) Do not continue lease and have West-Tech Contracting vacate lease premises per contract.
District would not get any rental income for this section of property

STAFF RECOMMENDATION

Staff recommends Option 1



Sherry Kirkpatrick
Acting District Engineer

May 26, 2015

Restricted Appraisal Report Rent Comparability Study *File 2015-074*

For the Property Identified as & Located at
202,279 square foot vacant portion of the property located at
3707 Old Highway 395
Fallbrook, CA 92028

Prepared for
Rainbow Municipal Water District
3707 Old Highway 395, Fallbrook, CA 92028
Attn: Sherry R. Kirpatrick, P.E., Associate Engineer
Phone (760) 728-1178 Ext 199

Prepared by
Noble R. Tucker Jr., MAI, SRA, AI-GRS
Tucker Appraisal Service Corporation
Post Office Box 673, Murrieta, CA 92564-0673

Inspection Date
March 6, 2015

Effective Date
March 6, 2015

Date Prepared
March 10, 2015

TUCKER APPRAISAL SERVICE CORPORATION
NOBLE R. TUCKER JR., MAI, SRA, AI-GRS

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March 10, 2015

Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028
Attn: Sherry R. Kirpatrick, P.E., Associate Engineer
Phone (760) 728-1178 Ext 199
E mail: srbueno@rainbowwd.com

Our File Number 2015-074

Reference: Restricted Appraisal Report for the 202,279 square foot vacant portion of the property located at 3707 Old Highway 395 Fallbrook, CA 92028.

Dear Ms. Kirpatrick:

Pursuant to your request and authorization, I have conducted the investigations and analyses necessary to form an opinion of the market rent on the above referenced project. The purpose of this Restricted Appraisal Report is to estimate the Fair Market Base Rent of the Fee Simple Interest in the subject property as of March 6, 2015.

The following Restricted Appraisal Report is intended to comply with the reporting requirements as set forth under standards rule 2-2 (b) of The 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP). It contains limited discussion of the data, reasoning, and analyses that were used to develop the opinions of value.

The intended user includes the landlord, Rainbow Municipal Water District, and the intended use is for to estimate the Fair Market Base Rent of the Fee Simple Interest in the subject property as of March 6, 2015. Parties that may receive a copy of the appraisal report do not become intended users unless specified by the client, who is Rainbow Municipal Water District, at the time of engagement. Any unauthorized use of this report without written permission of the appraiser and any copies of the report without the written permission of the appraiser are unauthorized and the appraiser is not responsible for the use. A true and original copy of the report has the appraiser's logo in color next to his name and signature. The original reports also have a Corporate Embossed

Stamp next to the appraisers name and no copies of this report are permitted without this color emblem and an original embossed stamp.

Based upon the analysis and investigations conducted in the forthcoming report and our experience as real estate appraisers and analysts, I/we have formed the opinion that as of March 6, 2015, and subject to the Assumptions and Limiting Conditions set forth in the report, my/our opinion of value is as follows:

Property	Fair Market Base Rent As of March 6, 2015
202,279 square foot vacant portion of the property located at 3707 Old Highway 395 Fallbrook, CA 92028	\$6,100 to \$7,100 per month triple net

This Restricted Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's work-file which is available upon request. The intended user is warned that the rationale for how the appraiser arrived at the value conclusions and opinions may not be completely understood properly without referring to the appraiser's work-file.

If you have any further questions, please contact Mr. Noble R. Tucker Jr., MAI, SRA, AI-GRS at (951) 677-4888.

Respectfully submitted,
TUCKER APPRAISAL SERVICE CORPORATION




Noble R. Tucker Jr., MAI, SRA, AI-GRS
"Certified General Real Estate Appraiser"
Calif. State Certification No.: AG001532
Expiration Date: January 31, 2017

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	Subject Photographs
	Zoning Map, General Plan Map, Aerials, Soil Map, Environmental Maps, and Misc. Maps
	Copy of Previous Lease
	Qualifications of Appraiser

SCOPE OF WORK

The scope of work is to determine the fair market rental rate of the 202,279 square foot vacant portion of the property located at 3707 Old Highway 395 Fallbrook, CA 92028. The subject site is a portion of Assessor Parcel Numbers 760-188-11, 760,188-12, and 125-090-38 per the County of San Diego Planning Department web site. I/we have included numerous maps in the addenda of this report. The property is zoned A72 with the county of San Diego and has a general plan designation of Public / Semi Public Facilities. The site is located on the west side of Old Highway 395, immediately south of the Rainbow Municipal Water District Offices, north of the San Luis Rey River, and approximately ¼ mile west of the 15 Freeway. The site has been utilized by West Tech Contracting Inc. to store dirt and other materials over the past year. In the past, the property was leased on a contract basis to West Tech Contracting Inc. at a nominal cost.

The site currently has large mounds of dirt and asphalt stored on the site and if this was removed and the site remediated to the original grade it would be gently rolling with flood plains, a pond, and other environmentally sensitive areas.

Scope of Work and Statement of Facts

This Restricted Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's work-file which is available upon request. The intended user is warned that the rationale for how the appraiser arrived at the value conclusions and opinions may not be completely understood properly without referring to the appraiser's work-file.

The purposes of this Appraisal Report is to estimate the Fair Market Base Rent of the Leased Fee Interest in the subject property as of March 6, 2015. This Rent Comparability Study was completed in accordance with the requirements set forth in the instructions from the property owner, Rainbow Municipal Water District. Noble R. Tucker Jr., MAI, SRA, AI-GRS a State certified general appraiser employed by Tucker Appraisal Service Corporation, oversaw and supervised all data collection and analysis. The following actions were taken to complete this RCS.

- On March 6, 2015, Noble R. Tucker Jr., MAI, SRA, AI-GRS inspected the north site perimeter of the subject property and the eastern perimeter of the subject property exterior to determine the property's physical and functional characteristics.
- Mr. Tucker researched comparable rental activity in the subject area and competing locations. The research included pulling data from Costar, Loopnet, MLS, internet sites, local newspapers and rental publications, town records, owners and managers of local retail and commercial properties, local real estate brokers, fellow appraisers, and files of Tucker Appraisal Service Corporation.

- I am aware of the compliance and competency provisions of USPAP, and within my understanding of those provisions, the author of this report complies with all mandatory requirements. Noble R. Tucker Jr., MAI, SRA, AI-GRS a Certified General Appraiser with the State of California (No. AG0015320), conducted the primary research, analysis, and writing of this appraisal report.
- The report was requested by Rainbow Municipal Water District and there were no unusual instructions. A two-point value range was given by the appraiser.
- The conduct section of Ethics Rule in the 2014-2015 USPAP requires appraisers to discuss any current and prospective interest in the subject property or parties involved and whether or not any services regarding the subject property were performed by the appraiser within the three year period immediately preceding acceptance of the assignment. Noble R. Tucker Jr., MAI, SRA, AI-GRS has not prepared previous appraisal reports or real estate related services on the subject property within the previous 3 year period and Noble R. Tucker Jr., MAI, SRA, AI-GRS does not have any prospective interest in the subject property or parties involved.

PURPOSE AND FUNCTION

The purposes of this Appraisal Report is to estimate the Fair Market Base Rent of the Leased Fee Interest in the subject property as of March 6, 2015.

The following Restricted Appraisal Report is intended to comply with the reporting requirements as set forth under standards rule 2-2 (b) of The 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP). It contains stated discussion of the data, reasoning, and analyses that were used to develop the opinions of value.

DEFINITION OF MARKET RENT

The Dictionary of Real Estate Appraisal defines market rent as, “The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).”

(Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, Fifth Edition, 2010.)

INTENDED USE AND USER OF THE REPORT

The intended user includes the landlord, Rainbow Municipal Water District, and the intended use is for to estimate the Fair Market Base Rent of the Leased Fee Interest in the subject property as of March 6, 2015. Parties that may receive a copy of the appraisal report do not become intended users unless specified by the client, who is Rainbow Municipal Water District, at the time of engagement. Any unauthorized use of this report without written permission of the appraiser and any copies of the report without the written permission of the appraiser are unauthorized and the appraiser is not responsible for the use. A true and original copy of the report has the appraiser's logo in color next to his name and signature. The original reports also have a Corporate Embossed Stamp next to the appraisers name and no copies of this report are permitted without this color emblem and an original embossed stamp.

EFFECTIVE DATE OF REPORT, INSPECTION, & SIGNATURE

The opinion expressed in this report is stated as of March 6, 2015. The date of property inspection was March 6, 2015. The date of this report is March 10, 2015 and the date of signature is March 10, 2015.

DESCRIPTION OF SUBJECT PROPERTY

The subject property is a 202,279 square foot vacant portion of the property located at 3707 Old Highway 395 Fallbrook, CA 92028. The subject site is a portion of Assessor Parcel Numbers 760-188-11, 760,188-12, and 125-090-38 per the County of San Diego Planning Department web site. I/we have included numerous maps in the addenda of this report. The property is zoned A72 with the county of San Diego and has a general plan designation of Public / Semi Public Facilities. The site is located on the west side of Old Highway 395, immediately south of the Rainbow Municipal Water District Offices, north of the San Luis Rey River, and approximately ¼ mile west of the 15 Freeway. The site has been utilized by West Tech Contracting Inc. to store dirt and other materials over the past year. In the past, the property was leased on a contract basis to West Tech Contracting Inc. at a nominal cost.

The site currently has large mounds of dirt and asphalt stored on the site and if this was removed and the site remediated to its original grade it would be gently rolling with flood plains, a pond, and other environmentally sensitive areas. There have been no sales of the subject property within the previous three year period and the subject property is not currently listed for sale.

REAL PROPERTY TAXES

Real property taxes in California are limited to one percent of market value of the property, as of a specified base year plus bonded indebtedness/special assessments. The base year valuation is the 2006 Assessor's market value estimate, or market value indicated by a sale, or market value based upon reassessment of the property which is triggered by new construction or leasing of the property on a long-term basis. To provide for inflation, if there is no sale, lease, or new construction, there is a maximum two percent per year increase allowed in the assessed values assigned to land and improvements.

Assessed Value 2015

I was not provided with a copy of the 2015 tax year tax bill (last year). The client is advised to check with the title company for the exact status of the property taxes. According to the Tax Assessor's office, if the subject property is sold, taxes will be based upon the market value of the property at the time of transfer. The taxes will increase based upon the new market value of the property reflecting the reassessed value of the improvements and land. The property has supplemental assessments.

No property tax bills were reviewed.

HIGHEST AND BEST USE

According to the Dictionary of Real Estate Appraisal a publication of The Appraisal Institute, highest and best use is defined as:

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal;
2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that result in the highest present land value; and
3. the most profitable use.

I have evaluated the sites highest and best use as if vacant as well as its highest and best use as improved. In each case the use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

Conclusion of Highest and Best Use - As Vacant

Zoning regulations dictate that the most probable use of the site is some type of development in conformance with the zoning and general plan. Since the property is owned by a water district, it is my opinion that, due to current economic conditions, as of the date of value it is most financially feasible for commercial open space rental of the subject property.

LEASE STATUS SUBJECT PROPERTY

The subject property is currently leased and a copy of the lease is included in the addenda of this report. There is also an offer to continue to lease the property for \$5,000 per month.

I /we were not provided with an operating income and expense statement(s) for the subject property. The subject property is analyzed on a triple net basis which is defined as "A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. Source: Appraisal Institute, *the Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

REGIONAL MAP



11-12

SAN DIEGO COUNTY REGIONAL OVERVIEW

The forces that influence value, which are manifested in the similar characteristics of properties in a region, are summarized in the forthcoming analysis. This section of the report will examine the regional trends that influence value, which are manifested in the similar characteristics of properties in a region, are summarized in the forthcoming analysis. The four forces are Social, Economic, Governmental, and Environmental.

SOCIAL FORCES

Population Trends

Population trends are a major indicator of trends in real estate values. Given the fixed supply of land within any region, population changes will eventually affect demand for real estate. As of January 1, 2013, the population of the San Diego SMSA was estimated at 3.152 million. These were the most recent statistics available as of the appraisal date according to the San Diego Chamber of Commerce and the San Diego Association of Governments (SANDAG).

San Diego, the sixth most populous city in the United States and the second most populous county in California is reported to have been the fastest growing of the twenty largest cities in the nation, with a 26.8% growth from 1980 to 1990. In contrast, the United States population grew 8.4% during the same period. During the 1980s, the San Diego SMSA was one of only four major metro areas that posted more than a 30% growth in its population base.

According to the 2020 Regional Forecast by the San Diego Association of Governments (SANDAG), population forecasts show a total population of 3.8533 million in the year 2020, a gain of nearly 1.0 million persons over the current population. This represents an annual increase of 312,032 persons per year between the years 2000 and 2005 or 2.1% per year. The following table portrays historic and forecasted population growth within the San Diego Region from 1995 to the year 2020.

Population Summary					
Year	Population	Interval	Population Change	Avg. Annual Numeric Change	Annual Percent Change
1995	2669200	1990 to 1995	157800	31560	1.2%
2000	2911468	1995 to 2000	242468	48454	1.8%
2005	3223500	2000 to 2005	312032	62046	2.1%
2010	3437700	2005 to 2010	214200	42840	1.3%
2015	3634000	2010 to 2015	196,300	39260	1.1%
2020	3853300	2015 to 2020	219300	43600	1.2%
1995 to 2020	44%	1995 to 2020	1184100	47364	1.5%

It is important to note that San Diego's figures for the year 2000 were posted and were moderately different than when the forecast was conducted. For example, the actual year 2000 population is 2,911,468 and not the 2,946,500 which Sandag had forecasted in previous forecasts therefore we have revised the year 2000 appropriately. In contrast, the California Department of Finance reported the January 1, 2009 population of 3,173,407 up 1.3% from the 3,131,552 figure as of January 1, 2008. There are 18 incorporated cities within the San Diego Region. The table on the forthcoming page portrays population statistics as of 2013 for the county.

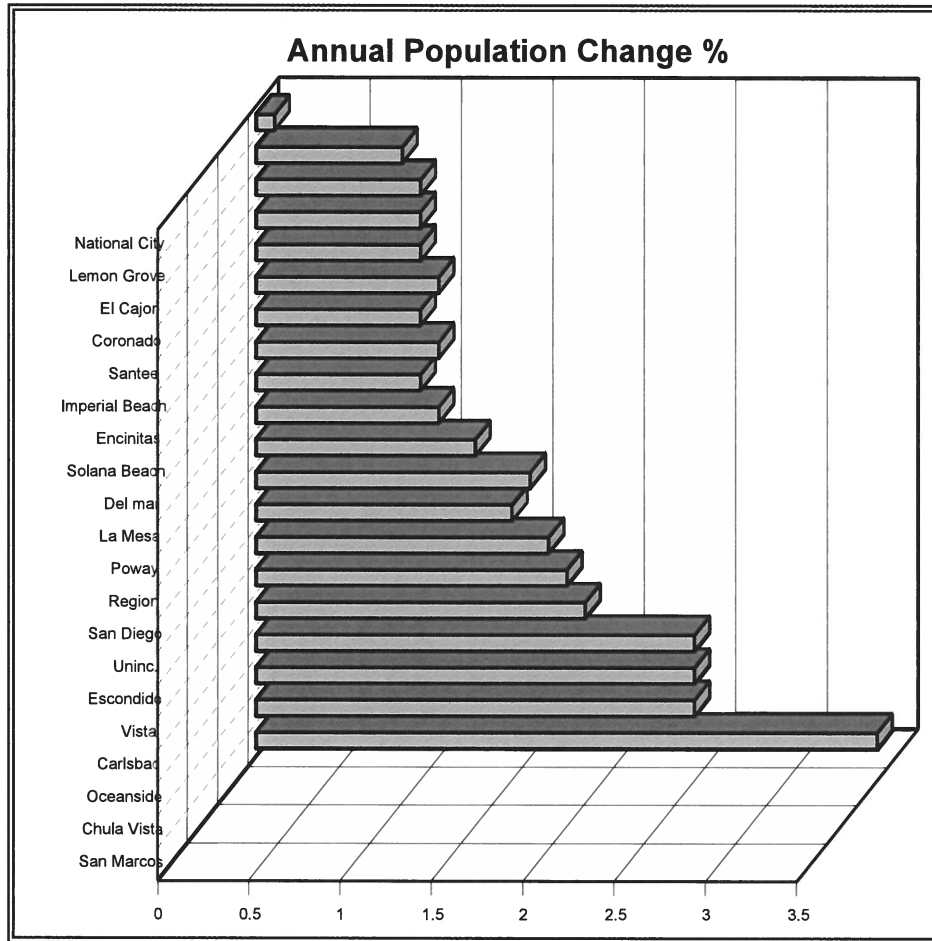
SAN DIEGO COUNTY POPULATION STATISTICS 2013

Summary	Census 2010	2013	2018			
Population	3,095,313	3,152,434	3,294,603			
Households	1,086,865	1,105,214	1,155,207			
Families	720,480	731,462	763,960			
Average Household Size	2.75	2.76	2.76			
Owner Occupied Housing Units	591,025	581,722	617,746			
Renter Occupied Housing Units	495,840	523,492	537,461			
Median Age	34.7	34.9	35.7			
Trends: 2013 - 2018 Annual Rate	Area	State	National			
Population	0.89%	0.78%	0.71%			
Households	0.89%	0.77%	0.74%			
Families	0.87%	0.76%	0.63%			
Owner HHs	1.21%	1.07%	0.94%			
Median Household Income	4.03%	3.66%	3.03%			
Households by Income	2013		2018			
	Number	Percent	Number	Percent		
<\$15,000	108,216	9.8%	107,173	9.3%		
\$15,000 - \$24,999	86,545	7.8%	69,093	6.0%		
\$25,000 - \$34,999	102,025	9.2%	97,205	8.4%		
\$35,000 - \$49,999	149,719	13.5%	140,155	12.1%		
\$50,000 - \$74,999	192,323	17.4%	164,506	14.2%		
\$75,000 - \$99,999	145,340	13.2%	179,150	15.5%		
\$100,000 - \$149,999	174,529	15.8%	211,041	18.3%		
\$150,000 - \$199,999	77,726	7.0%	102,242	8.9%		
\$200,000+	68,775	6.2%	84,626	7.3%		
Median Household Income	\$61,452		\$74,887			
Average Household Income	\$85,820		\$99,383			
Per Capita Income	\$30,800		\$35,529			
Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	203,423	6.6%	202,091	6.4%	213,392	6.5%
5 - 9	194,029	6.3%	196,917	6.2%	204,289	6.2%
10 - 14	198,716	6.4%	197,286	6.3%	206,734	6.3%
15 - 19	225,095	7.3%	214,251	6.8%	209,510	6.4%
20 - 24	270,750	8.7%	273,634	8.7%	253,692	7.7%
25 - 34	470,922	15.2%	495,165	15.7%	527,718	16.0%
35 - 44	420,563	13.6%	412,341	13.1%	435,375	13.2%
45 - 54	430,774	13.9%	419,200	13.3%	400,581	12.2%
55 - 64	329,616	10.6%	358,444	11.4%	387,834	11.8%
65 - 74	180,554	5.8%	207,107	6.6%	261,414	7.9%
75 - 84	116,911	3.8%	118,025	3.7%	131,243	4.0%
85+	53,960	1.7%	57,973	1.8%	62,821	1.9%

According to the 2020 Region wide forecast the San Diego Region has the following age. Distribution. The first table portrays the population by age group and the second table portrays the percentage of the population by age group.

Population By Age					
Year	Under 18	18-34	35-64	65+	85+
1980	478700	658300	543400	192900	16600
1990	613200	841400	782200	274600	24200
1995	684500	769600	912900	302100	32800
2000	764200	761400	1096200	324700	42500
2005	829600	776100	1269100	348700	53200
2010	850900	831900	1365000	389900	66100
2015	872100	894100	1402000	465800	72800
2020	914900	942000	1431000	565400	78300
1995-2000	34%	22%	57%	87%	139%

Population % by Age					
Year	Under 18	18-34	35-64	65+	85+
1980	26%	35%	29%	10%	0.9%
1990	24%	33%	31%	11%	1.0%
1995	26%	29%	34%	11%	1.2%
2000	26%	26%	37%	11%	1.4%
2005	26%	24%	39%	11%	1.6%
2010	25%	24%	40%	11%	1.9%
2015	24%	25%	39%	13%	2.0%
2020	24%	24%	37%	15%	2.0%



Another interesting facet of the population is the growth within the specific sectors of San Diego County. The table to the left portrays the population growth within the 18 incorporated cities and as can be seen the fastest growing cities tend to be in the Northern San Diego County Regions.

Education

The San Diego SMSA has a relatively well-educated population, with approximately 45% of residents 25 years of age and older having college degrees or some college education. Only 22% of adults are reported to have no high school diploma.

The California Constitution provides for a free public school system. The schools are subject to local control through an elected School Board. There are many public school districts in San Diego County.

Adult education is available at the University of California, San Diego, San Diego State University (Cal State System), the University of San Diego, National University, University of Phoenix, and the Cal State San Marcos campus. The subject area is also in proximity of several junior colleges including Palomar College, Miramar College, and San Diego Junior College.

Health Care

The San Diego Statistical Metropolitan Area (SMSA) enjoys an extensive network of health care facilities including nationally-renowned hospitals and research facilities such as the Salk Institute, which is world renowned for its biomedical research and Nobel Prize winners. Other research facilities include the University Of California San Diego School Of Medicine and approximately 30 major general hospitals.

Recreational

Recreational facilities are one of the SMSA's most valuable assets. The area is renowned for its golf, water sports, and other extensive outdoor facilities as well as for its theme parks such as Sea World, Wild Animal Park, and the world-acclaimed San Diego Zoo.

Cultural

San Diego County offers many opportunities to enjoy music, drama, dance, and museums. A new conference center in the City of San Diego has provided the city with the ability to host international-class exhibitions.

ECONOMIC FORCES

Economy

With a 5.2 percent increase in the Gross Regional Product, San Diego County continues to outperform the nation's Gross Domestic Product Growth. The strong economy has helped keep vacancy rates low. Once dominated by the defense industry, San Diego has developed a stable, diversified economy. Industries such as communications research & development, medical and biotech, have become sources for economic expansion resulting in job growth for the county. Expansion in international trade and tourism has provided further diversification for the region. In addition, the return of defense spending in San Diego along with the burgeoning research and technology industries are the driving forces behind sustained growth.

In the Agricultural sector San Diego continues to see a moderate increase due to the specialization in avocado production, and the nursery and decorative plant yield. With the second largest number of farms in the nation, San Diego County is currently the 10th largest agricultural producer in the nation.

The Defense sector in San Diego County continues to play a major role in the economy. San Diego still receives more than \$10 billion in expenditures from the U.S. Department of Defense (DOD), a rate only second to Los Angeles County in DOD expenditures and obligations.

Other sectors of the economy worth noting include High Technology, International Trade, Manufacturing, Bio-Technology, and Tourism. High technology is a major contributor to growth in the area with telecommunication firms such as wireless phones contributing to more than \$5 billion to the local economy each year. International trade continues to be a major economic strength for San Diego with over 500 billion in goods moving through the San Diego customs district in 2006. Manufacturing, the largest contributor to the county's gross regional product in 2006. San Diego has the third largest concentration of bio-tech industries in the United States.

According to the *California Retail Sales Survey*; retail sales totaled nearly \$35.893 billion in 2006, an increase of 6.2 percent since 33,784 billion in 2005. Retail, in general, is expected to continue to grow through the new millennium as millions of square feet of new retail space is projected to be built in the forthcoming years. This is portrayed in the number of retail outlets which has grown from 42,917 in 2005 to 44,333 in 2006.

Tourism is a major source of revenue for the region. San Diego is considered one of the most desirable year-round vacation spots in the nation and it is regularly ranged in the top ten most popular destinations in the continental United States for international visitors.

Summary of Population, Labor Force, Employment, and Income

The forthcoming table, by Sandag, portrays employment by sector from the years 2000 to 2020.

Year	Agr. & Mining	Const	Mfg.	TCPU	Trade	FIRE	Serv.	Govt.	SEDW
2000	12000	58800	131900	44600	268200	65800	375200	214500	108200
2005	12400	64900	139200	48100	304000	76500	422500	229900	121900
2010	11900	68000	131600	49000	318600	82300	441300	242300	127100
2015	11800	72400	129800	50900	338600	89600	471500	252800	135000
2020	11700	77200	126900	52700	355100	96800	499400	264600	142400

The forthcoming table portrays the employment by industry for the San Diego Region. This table, by Sandag, portrays the changes in employment sectors over the next 20 years.

Year	Agr. & Mining	Const	Mfg	TCPU	Trade	FIRE	Serv.	Govt.	SEDW
2000	1%	4%	10%	3%	20%	5%	27%	16%	8%
2005	1%	4%	9%	3%	20%	5%	28%	15%	8%
2010	1%	4%	8%	3%	20%	5%	28%	15%	8%
2015	1%	4%	8%	3%	21%	5%	29%	15%	8%
2020	1%	4%	7%	3%	21%	6%	29%	15%	8%

Source: Sandag

Household Size

Between 1960 and 1980, household sizes in the metropolitan area declined from 3.41 to 2.62 because of a reduction in birth rates, increases in the proportion of never-married persons, rising divorce rates, aging of the baby boom generation to the young adult years, and larger numbers of elderly persons maintaining their own households. However, this trend reversed after 1980 through to the present time. According to the SANDAG INFO the average household sizes for the overall SMSA increased from 2.69 in 1990 to 2.84 in 2000 and are forecasted to further increase to 2.86 in 2006.

GOVERNMENT FORCES

Government

San Diego County is incorporated as a general law county incorporated on February 18, 1850 with the City of San Diego as the County Seat. The legislative body is a board of supervisors; each supervisor being elected by voters within his supervisorial district. In addition, special districts are under the governing power of the board of supervisors. Because much of the County lies outside the 18 incorporated cities, the County provides a wide variety of services in the form of special districts for these areas.

Other elected County officials include the Assessor, Auditor-Controller, Clerk-Recorder, Coroner-Public Administrator, District Attorney, Sheriff, Treasurer and Tax Collector, and Superintendent of Schools. Appointed posts include the County Administrative Officer and County Counsel. San Diego County administers the assessment and collection of property taxes for the various cities and special districts within its jurisdiction. This is accomplished by each city adding their tax rate to the

county's basic rate and special districts rates. Real and personal property taxes and sales tax are the primary sources of revenue for San Diego County and the various cities.

PHYSICAL FORCES

San Diego County, also defined as the San Diego Metropolitan Statistical Area (SMSA), is located in the extreme southwestern corner of the United States and is bordered by the Pacific Ocean to the west; Mexico to the south; Orange and Riverside Counties to the north; and Imperial County to the east. It encompasses 4,212 square miles of land area, and enjoys 70 miles of Pacific Ocean beaches. In terms of land area, the SMSA ranks as the 28th largest in the nation.

Transportation

As a result of local and federal government initiatives, the San Diego Metro area has an industrial transportation network that rivals any in the nation. It has premium road, rail, sea, and air transportation facilities.

Military Presence

During the 1950s, defense constituted about 40 percent of the local economy. The Defense sector in San Diego County continues to play a major role in the economy. Annually, San Diego receives more billions in expenditures from the U.S. Department of Defense (DOD), a rate only second to Los Angeles County in DOD expenditures and obligations. Military installations include Marine Corps Base Camp Pendleton, the Marine Corps Recruit Depot, and Marine Corps Air Station at Miramar, Naval Air Station North Island, Naval Station San Diego and the Naval Submarine Base.

Even with the cutbacks in defense revenues, the military will once again become an economic stimulant to the region's growth and income. Previous downsizes will be more than recouped as the Navy consolidates to San Diego, and operations in other areas are closed and transferred to the Navy's San Diego mega-port headquarters.

Utilities

San Diego county provides overall adequate utilities for real estate development. However, the burgeoning population has strained these services and the major utility suppliers continue to strive for new technology to keep pace with the population growth. This is not anticipated to adversely affect the value of the subject.

ENVIRONMENTAL FORCES

Climate

The San Diego Metropolitan Area is reputed to have the mildest climate within the continental United States. According to the National Weather Bureau, it is sunny approximately 70 percent of the year. The range in high and low daily temperatures averages approximately 10 degrees in

summer and 16 degrees in winter. Rainfall over a ten-year period averages 10 inches annually, with the mean temperature at 63.2 degrees.

Elevations range from sea level to 6,500 feet in the mountains on the SMSA's eastern border. The terrain varies and includes sandy beaches along the coast, rising to rolling hills and coastal valleys and plains, and to rugged mountains and mostly level desert areas in the far eastern portions of the County. The mountains to the east restrict easterly expansion leaving expansion to the north, in the direction of Riverside and Orange Counties, as the path for future growth. The Pacific Ocean on the western side is also a major environmental factor affecting real property values in the area.

Man-made Environmental Influences

The area has excellent road, rail, and air transportation systems, as well as extensive highway communications both to the north, along the Pacific Coast, to the east, through Arizona, and to the south to Mexico, which is important in light of the recent passage by congress of the North American Free Trade Agreement (NAFTA). The current lack of a substantial international airport in the metro area is widely viewed as a significant impediment to economic growth in the area. The Port of San Diego, is one of the 10 natural harbors of the world, has container cranes and bulk loading machinery that can accommodate ocean-going ships.

Road Access

The three primary transportation corridors for the region are Interstate 5, which serves the entire western seaboard of the United States, Interstate 8 which connects San Diego County to Imperial County and Arizona, and Interstate 15, which provides northerly access to the central part of the country as well as access to Interstates 10 and 40 which connect to the central and eastern states. Public transportation includes a local bus service provided by the Metropolitan Transit System and a trolley line, which runs from downtown San Diego to the international border with Mexico. Other trolley lines with access to the outlying eastern cities of Lemon Grove, La Mesa, El Cajon, and Santee were recently completed. There is also the North County Transit District, which provides both local bus service and commuter rail to points north. Small local bus routes exist in outlying areas, and privately-operated bus and taxi services, as well as Intra-state and transcontinental bus services are also available.

SUMMARY

San Diego County is experiencing a relatively rapid expansion of its population and economic base precipitated by affordable housing and direct access to major employment centers via the area's network of freeways. The growth of the local housing market is due to the area's relatively abundant supply of affordable land and direct access to employment. New commercial and industrial businesses are also attracted to the area by an available labor pool, relatively close proximity to major metropolitan areas and lower land costs. However, current economic downturns in the residential market, multi-family market, retail, office, and industrial markets have slowed growth significantly. Values decreased significantly in past years from 2007 to 2010 during the recession and have now recovered in most sectors. In summary, this combination of social, governmental, environmental, and economic forces will continue to generate demand for real estate.

DEFINITION OF THE SUBJECT'S MARKET AREA

The subject property is located within the unincorporated portion of San Diego County known as Fallbrook which is located in northern San Diego County and bounded by Bonsall and Vista to the south, the San Diego / Riverside County line to the north, Rainbow to the east, and Oceanside and Camp Pendleton to the west.

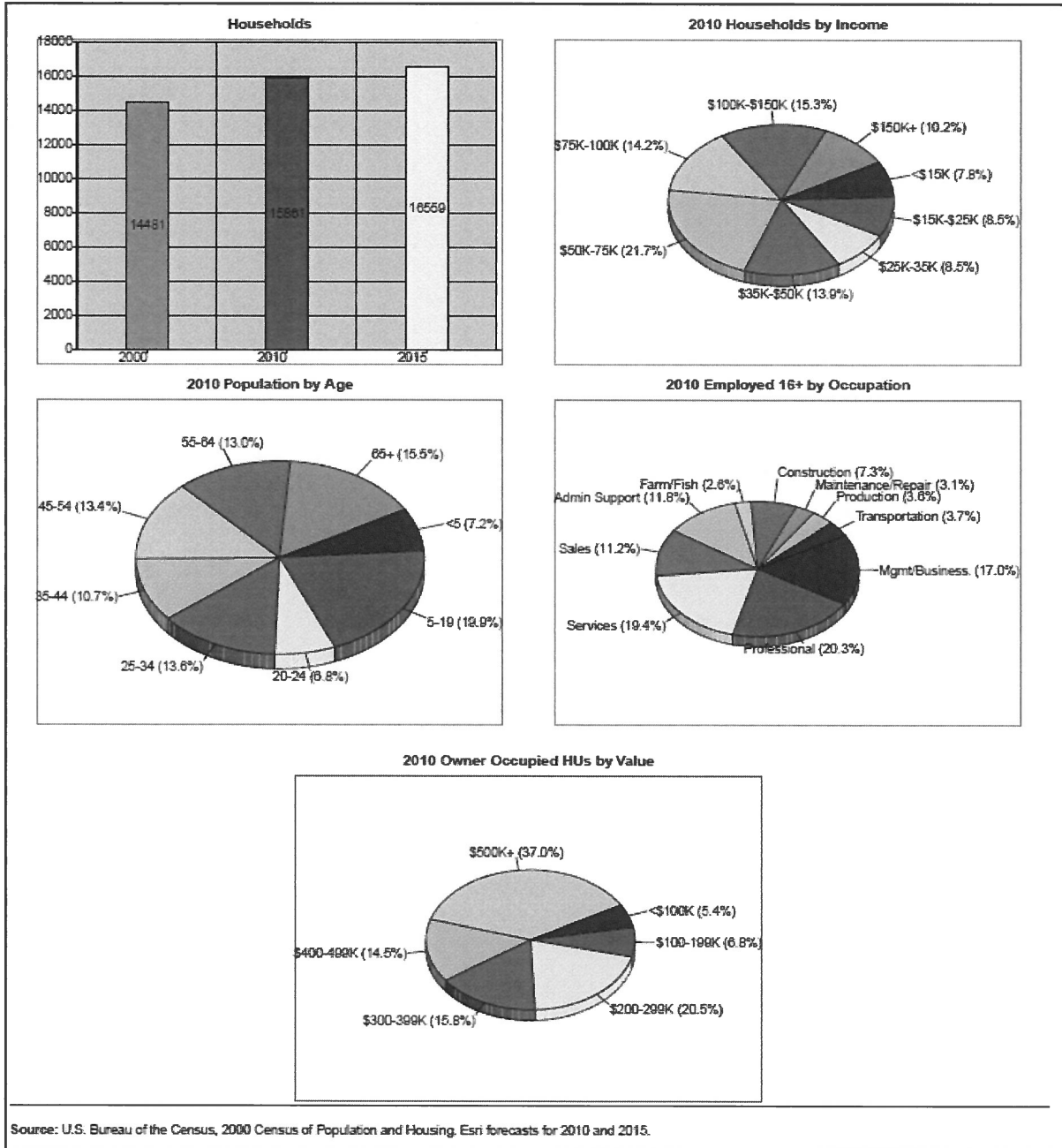
SOCIAL FORCES

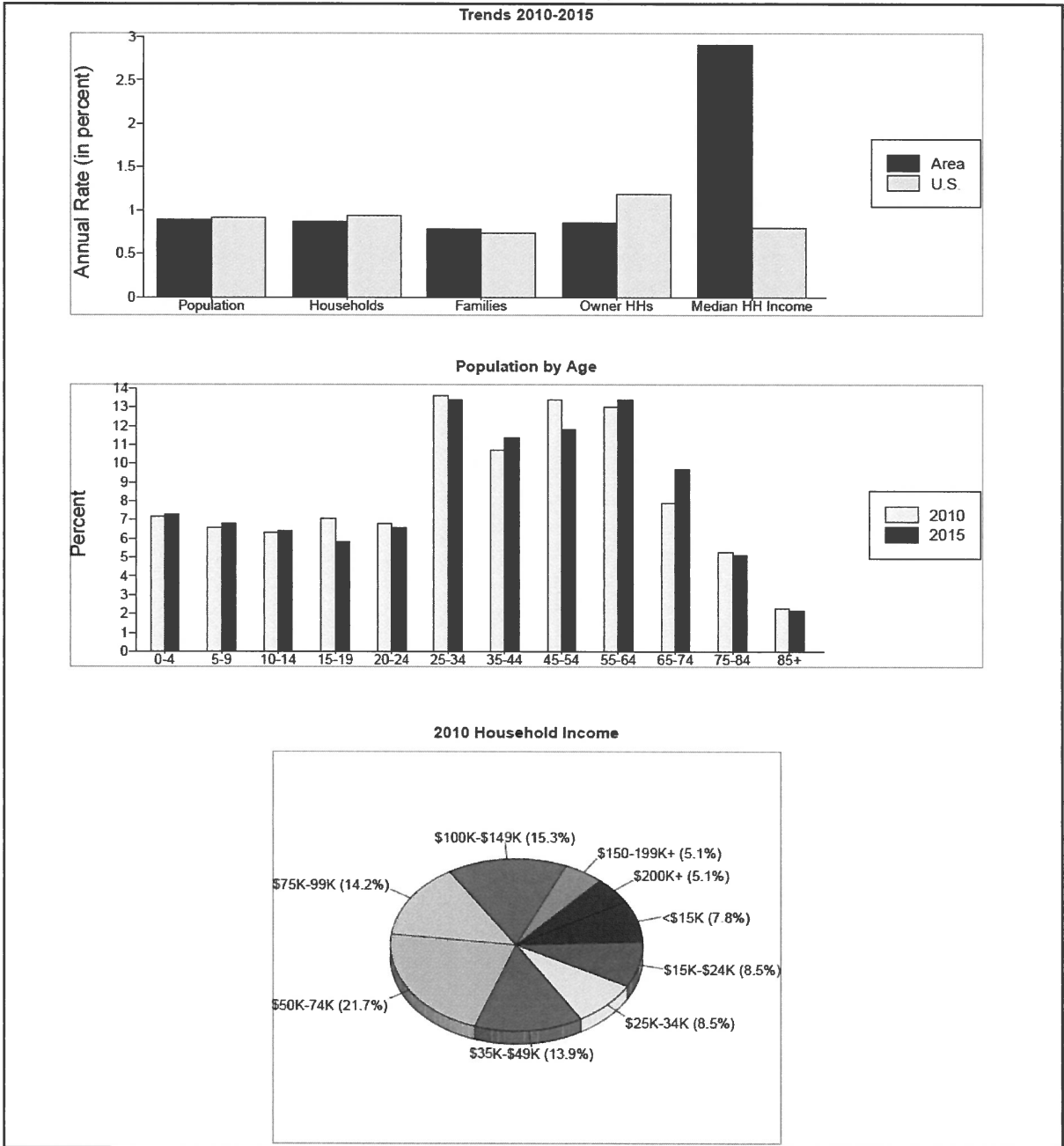
Population Trends

Fallbrook's downtown is not on any major highway route. It is 6 miles west of Interstate 15 or 5 miles north of State Route 76. Fallbrook is situated immediately east of the U.S. Marine Corps' Camp Pendleton. It once housed a stagecoach stop for the stage that ran from Temecula to San Diego. Fallbrook is known for its avocado groves and claims the title "Avocado Capital of the World." It is often called or known as "The Friendly Village." The Avocado Festival is held in the downtown strip annually and frequently draws large crowds.

Climate

Fallbrook has an average year-round temperature of 61 degrees. Due to the prevailing ocean breezes, the humidity is relatively low and constant. The average daytime high in Fallbrook is 76 degrees, although in the summer, temperatures can easily exceed 90 and often reach the 100s. Most of the area is frost-free; during the coldest periods the average nighttime temperature is about 42 degrees. Annual rainfall is roughly 16 inches and comes mostly between November and April. The area is ideal for avocados, strawberries, tomatoes and many other sub-tropical fruits, vegetables, and flowers.





11-26

GOVERNMENTAL FORCES

Government

The Fallbrook area is governed by the San Diego County Planning and Building and Safety Division. County tax assessor administers taxes and other county agencies such as the San Diego County Sheriff's Department provide police protection.

Real Estate Taxes

Fallbrook is subject to the same real estate tax system as all other cities in the San Diego SMSA. As with other cities, San Diego levies taxes and fees on businesses.

Transportation

The area has excellent access to all of the transportation facilities within the greater metropolitan area. The Interstate 15 Freeway traverses the eastern portion of the area in a north and south direction linking downtown San Diego with Fallbrook. It also links the area with the Inland Empire to the north.

Provision of Utilities

The county provides all necessary utilities for the development of both residential and commercial real estate. However, in many cases, the developer is required to fund these public facilities. Failing this, the county levies high special assessment taxes on homeowners in new developments to pay for the infrastructure. San Diego Gas and Electric provides electricity and natural gas to the area, while water and sewer services are provided by various entities.

ECONOMIC FORCES

Economic Trends

The local economy is based largely on retail, trade, military, and service geared to the needs of a growing area population of citizens with above average incomes. An abundant supply of labor is usually available, particularly for unskilled and semi-skilled jobs.

While it is true that in past years that defense and military cutbacks hit the economy hard, city planners have worked hard to create a more diversified economy in order to remain untouched by the rises and falls of any one industry group. In the years following the first declines in defense-related income, some industries in San Diego have remained stable with steady growth, while others, such as high technology and medical technology, have come into the forefront as major areas of potential economic growth

SUMMARY

The area of Fallbrook, like the county, is experiencing current economic downturns in the residential market, multi-family market, retail, office, and industrial markets have slowed growth significantly. In summary, this combination of social, governmental, environmental, and economic forces will continue to generate demand for real estate.

AERIAL OVERVIEW



11-29

HOW COMPARABLE PROPERTIES WERE SELECTED

Our appraisal firm has been conducting appraisals of open space commercial properties in this area for the past 30 years and we have become familiar with many of the commercial projects in the expanded area. It is difficult to find open space comparable properties in the immediate area and therefore it is necessary to expand the parameters. Rental data number one through five, ten, and eleven were negotiated rentals while rentals 6 through 9 were asking rentals from the San Diego Area.

RENTAL ONE**Location Data**

Address: 10221 Redwood Avenue
 City: Fontana
 County: San Bernardino

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: 1,180 square foot building
 Lot Size: 124,886 square feet
 Year Built: 1934
 Number of Stories: 1
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: 100%
 Term: Flat for 2 years with escalations based on CPI of 2-4%
 Rent PSF: \$0.07 per square foot per month
 Basis: Modified Gross
 Source: Loopnet, Broker, Survey, Dataquick

Comments: This property has concrete-block and wrought-iron fencing and gates; however, it is only partially improved with slag ground-covering. In addition, according to Jess Mancha with Mancha Realtors and Associates, the site never completed the permitting process. Reportedly, since the property is located within the City of Fontana, the permits, various fees, and additional requirements such as a new building facade have been estimated at \$75,000.

RENTAL TWO**Location Data**

Address: 2631 S. Riverside Avenue
 City: Rialto
 County: San Bernardino

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: 10,200 square foot building/6,800 square feet of office
 Lot Size: 233,353 square feet
 Year Built: 1978
 Number of Stories: 1
 Parking: Open spaces
 Condition: Average
 Building Type: Class C

Lease Data

Occupancy: 100%
 Term: 60 Months 3% annual escalations
 Rent PSF: \$0.08 per square foot per month
 Basis: Net
 Source: Loopnet, Broker, Survey, Dataquick

Comments: This transaction was confirmed with Robert Dixon with NAI Capital, (626) 564-4800. This property is configured with a concrete tilt-up building on a slightly irregular site that's partially asphalt-paved with a perimeter wall.

RENTAL THREE**Location Data**

Address: 8707 Mulberry Avenue
 City: Fontana
 County: San Bernardino

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: 1,632 square foot building
 Lot Size: 180,612 square feet
 Year Built: 1947/renovated
 Number of Stories: 1
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: 100%
 Term: 72 months
 Rent PSF: \$0.07 per square foot per month
 Basis: Modified Gross
 Source: Loopnet, Broker, Survey, Dataquick

Comments: The property is an improved with a 1,212-SF office building (converted single-family residence) and a 420-SF storage shed (former garage). The site, which is currently being used as a truck yard, is also improved with asphalt paving, yard lighting, wrought-iron fencing along the southern and a portion of the western site boundaries, concrete- block fencing along the northern and a portion of the western site boundaries, chain-link fencing along the eastern site boundary, three wrought-iron rolling gates, and landscaping at various points.

RENTAL FOUR**Location Data**

Address: 1877 Rubidoux Blvd.
 City: Riverside
 County: Riverside

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: 2,250 square foot building
 Lot Size: 142,006 square feet
 Year Built: Not disclosed
 Number of Stories: 1
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: 100%
 Term: 36 months
 Rent PSF: \$0.06 per square foot per month
 Basis: Net
 Source: Loopnet, Broker, Survey, Dataquick

Comments: This comparable was confirmed by Eric Hutchins with IE Commercial Real Estate Team, (909) 380-4687. There is a 2,250 square foot building which is also included in the rental amount.

RENTAL FIVE**Location Data**

Address: 1751 Spruce Street
 City: Riverside
 County: Riverside

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: 13,890 square foot building
 Lot Size: 183,388 square feet
 Year Built: 1965/2008
 Number of Stories: 1
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: 100%
 Term: 60 Months
 Rent PSF: \$0.06 per square foot per month
 Basis: Modified Gross
 Source: Loopnet, Broker, Survey, Dataquick

Comments: This property has limited paving, chain-link fencing, and asphalt/concrete paving that covers only 20% of the site. This is an asking rental and is not yet negotiated. There is a 13,890 square foot building which is also included in the rental amount.

RENTAL SIX**Location Data**

Address: 8710 to 8785 Miramar Place
 City: San Diego
 County: San Diego

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: 900 square foot trailer
 Lot Size: 31,000 square feet
 Year Built: n/a
 Number of Stories: 1
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: Asking
 Rent PSF: \$0.20 to \$0.30 per square foot per month
 Basis: Net
 Source: Flyer, Costar, Agent - Brian Crepeau (619) 469-3600

Comments: This property is an outside storage and vehicle parking, fully fenced, with water and electricity, perimeter security lighting, fencing, and surface. The dead storage gravel yards which are 4,000 and 6,000 square feet are \$0.20 per square foot per month. This is an asking rental and is not yet negotiated.

RENTAL SEVEN



Location Data

Address: 8785 Miramar Road
 City: San Diego
 County: San Diego

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: 500 square foot office trailer
 Lot Size: 12,925 square feet
 Year Built: n/a
 Number of Stories: 1
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: Asking rate
 Term: Asking
 Rent PSF: \$0.30 per square foot per month
 Basis: Net
 Source: Costar, Flyer, Agent - Simon Terry-Lloyd (858) 794-5503
 Comments: This property has limited paving, chain-link fencing, and asphalt/concrete paving that covers only 20% of the site. This is an asking rental and is not yet negotiated.

RENTAL EIGHT**Location Data**

Address: 1139 Harbinson Avenue
 City: National City
 County: San Diego

Physical Data

Type: Contractor/Industrial Yard
 Lot Size: 14,000 square feet
 Parking: Open space
 Condition: Average

Lease Data

Occupancy: Asking
 Term: Negotiable
 Rent PSF: \$0.12 per square foot per month
 Basis: Net
 Source: Loopnet, Survey, Flyer, Agent Don and Nick Zech (858)
 486-9999 @ CDC Commercial

Comments: This property is in National City and is located next to a service station. This is an asking rental and is not yet negotiated.

RENTAL NINE**Location Data**

Address: 6910 Mission Gorge
 City: San Diego
 County: San Diego

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: No building
 Lot Size: 43,560 square feet
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: Vacant - Asking
 Term: Negotiable
 Rent PSF: \$0.17 per square foot per month
 Basis: Net
 Source: Loopnet, Broker, Survey, Dataquick, Agent Mark Silverman
 (619) 497-2255 at NAI Capital

Comments: This property is a 1 acre open space lot with fencing located approximately 1 ½ miles east of I-15 Freeway. The minimum divisible space is ½ acre.

RENTAL TEN



Location Data

Address: 1300 Juanita Street
 City: Hemet
 County: Riverside

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: No building
 Lot Size: 75,000 square feet
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: Occupied 100%
 Term: Occupied
 Rent PSF: \$0.02 per square foot per month
 Basis: Net
 Source: Property Manager, Tenant Truss Company
 Comments: This property is an open space with approximately 75,000 square feet of usable space. Monthly rental amount is \$0.02 per square foot per month.

RENTAL ELEVEN**Location Data**

Address: 34246 and 35248 Antelope Road
 City: Murrieta
 County: Riverside

Physical Data

Type: Contractor/Industrial Yard
 Gross Building Area: See Comments Below
 Lot Size: 249,544 square feet
 Parking: Open spaces
 Condition: Average

Lease Data

Occupancy: Occupied 100%
 Term: Occupied
 Rent PSF: \$0.034 per square foot per month
 Basis: Net
 Source: Owner - Mark Harrison -951-312-3123

Comments: Commercial property located at 34246 and 35248 Antelope Road, City of Murrieta, Riverside County, California 92563. The combined sites are 249,544 square feet or 5.73 acres. On assessor parcel number 392-290-004 there is a 1944 built 1,664 square foot farmhouse which was converted to an office. On assessor parcel number 392-290-003 there is a covered canopy structure which is 6,930 square feet. Both properties are currently leased for \$8,500 per month per Mark. The property has freeway visibility and is a negotiated rental.

Conclusion of Market Rent

Rental data no. 1 to 5 and no's 10 and 11 reflected industrial properties from the Inland Empire sub-market and the rentals portrayed a range from \$0.02 to \$0.08 per square foot. Rental number 6 to 9 are asking contractor yard rentals from the San Diego County area and these ranged from \$0.12 to \$0.30 per square foot per month.

It is difficult to find open space comparable properties in the immediate area and therefore it is necessary to expand the parameters. Rental data number one through five, ten, and eleven were negotiated rentals while rentals 6 through 9 were asking rentals from the San Diego Area. Rental 11 is a negotiated rental of a 5.73 acre yard with a small older home and minimal structures and this is a negotiated lease at \$0.034 per square foot per month. I/we felt that due to the subject being an open yard utilized primarily for dirt storage only, that a rental rate towards the lower end of the spectrum at about \$0.03 per square foot is appropriate.

The subject site is a 202,279 square foot vacant portion of the property located at 3707 Old Highway 395 Fallbrook, CA 92028 and the owners of the property have received offers from the current tenant to lease the property for \$5,000 per month. The subject site is a dirt lot, with no pavement, no security, in a flood plain, and the rental amount would be towards the lower end of the spectrum at \$0.03 per square foot per month x 202,279 square feet or \$6,068 per month rounded to \$6,100 per month. The high end of the range would be \$0.035 per square foot per month x 202,279 square feet or \$7,080 per month rounded to \$7,100 per month.

Based upon the analysis and investigations conducted in the forthcoming report and our experience as real estate appraisers and analysts, I/we have formed the opinion that as of March 6, 2015, and subject to the Assumptions and Limiting Conditions set forth in the report, my/our opinion of value is as follows:

Property	Fair Market Base Rent As of March 6, 2015
202,279 square foot vacant portion of the property located at 3707 Old Highway 395 Fallbrook, CA 92028	\$6,100 to \$7,100 per month triple net

ASSUMPTIONS & LIMITING CONDITIONS

The Analyses and opinions set forth in this appraisal are subject to the following assumptions and limiting conditions:

1. No responsibility is assumed by us for matters which are legal in nature. A title report was requested from the property manager and was not received. No opinion of title is rendered, and the property is appraised as though free of all liens, easements, encroachments and encumbrances, and the title is assumed to be marketable. No survey of the boundaries of the property was undertaken by us. All areas and dimensions furnished are presumed to be correct.
2. An on-site inspection indicates that the subject appears to have normal utility easements.
3. I/we assume that there are no adverse liens, easements or encroachments or other items affecting the value of the property. None were noted at the time of inspection. Furthermore, no responsibility is assumed by us for matters which are legal in nature. No opinion of title is rendered, and the property is appraised as though free of all encumbrances, liens, encroachments, and easements and the title is assumed to be marketable. No survey of the boundaries of the property was undertaken by us. All areas and dimensions furnished to us are presumed to be correct.
4. No soils report was provided for our review. We assume that there are no soils conditions that adversely affect the value of the subject. None were observed upon inspection.
5. Information contained in this appraisal has been gathered from sources that are believed to be reliable, and, where feasible, has been verified. No responsibility is assumed for the accuracy of information supplied by others.
6. I/we assume no responsibility for economic or physical factors occurring subsequent to the date of value that affect the opinions stated herein.
7. I/we reserve the right to make such adjustments to the valuation herein reported as may be required by the consideration of additional data or more credible data that may become available.
8. Forecasts of future events that influence the valuation process are predicated on the continuation of historic and current trends in the market.
9. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

10. No engineering survey has been made. Except as specifically stated, data relative to sizes, square footage, and areas were taken from onsite measurements by the appraisers and from sources considered reliable. Should a future engineering study reveal sizes substantially different from those used herein, we reserve the right to adjust our opinion of value accordingly.
11. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the appraisal. They should not be considered as surveys nor relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.
12. No opinion is expressed as to the value of sub-surface oil, gas, or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
13. No opinion is intended to be expressed on matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
14. Your appraisers have inspected, as far as possible, by observation the land and improvements thereon; however, it was impossible to personally inspect all of the improvements or hidden structural and mechanical components within the improvements; therefore, no representations are made as to these matters unless specifically considered in the appraisal.
15. I/we shall not be required, by reason of this appraisal, to give testimony or to be in attendance in court or any governmental or other hearing in reference to the subject property without prior arrangements having first been made with the appraiser relative to such additional employment.
16. The Bylaws and Regulations of the Appraisal Institute require each member and or candidate to control the use and distribution of each appraisal by such member or candidate. Therefore, except as may hereinafter be provided, the party for whom this appraisal was prepared may distribute copies of this appraisal, in its entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this appraisal shall not be given to third parties without the prior written consent of the signatories of this appraisal.
17. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraisers' or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media for public or private communication without the written consent and approval of the signatories of this appraisal, particularly as to

valuation conclusions, the identity of the appraiser or firm with which the appraisers is connected, or any reference to the Appraisal Institute, and the MAI or SRA designation. Furthermore, this report is for the sole use of our client. Further, the appraisers or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting condition of the assignment.

18. It is assumed that there are no deed restrictions to a single use of the subject. The presence of such restrictions could adversely impact site value.
19. Consideration has not been given in this appraisal to personal property (if any) located on the site; this has been separated from the real estate in our analysis. This appraisal excludes the value of any items of an historical, archaeological or biological nature.
20. This property does not appear to be in a wetlands area. If this should be found to be untrue or different at a later date, we reserve the right to change our report accordingly.
21. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Considering the subject property was constructed circa 1974, the subject may be non-conforming in certain aspects of the ADA requirements. We have not made a specific compliance survey and analysis of the plans to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that the compliance survey of the plans, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Should the subject be later found to require work to bring it in conformity with ADA, we reserve the right to adjust our estimated values stated herein for the subject property, accordingly.
22. It is assumed that there are no hidden or unapparent conditions or substances in the structure, soil or subsoil that may be hazardous or toxic, including, but not limited to, asbestos. We are not qualified to detect substances such as asbestos, P.C.B.'s, radon, ground contamination, etc. Further, we are not responsible for arranging any engineering or research studies that may be necessary to detect such conditions or substances.
23. In accordance with the Fair Housing Amendments Act, it is illegal for an appraiser(s) to discriminate against any person because of race, religion, sex, hardship, family status, or national origin. This appraisal complies with all rules and regulations prohibiting discrimination on the basis of race, color, religion, sex, nation origin, and marital status.
24. The appraisal report was prepared in conformance with the Graham, Leech, Bliley Act.

EXTRAORDINARY ASSUMPTIONS

1. The site access was unavailable due to fencing and I/we assume that the site is in average condition and has average lot utility.
2. I assume that portions of the subject rental, which were not visible, are in average condition.
3. I assume that all of the sizes given to me are correct.
4. I assume that the scope of work is correct.

If any of the above items are found to be incorrect, I reserve the right to alter my opinion of rental rate.

HYPOTHETICAL CONDITIONS

A hypothetical condition which is defined in the Dictionary of Real Estate Appraisal as “That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if: use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; use of the hypothetical condition results in a credible analysis; and the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

CERTIFICATION

Per Standards Rule 2-3, and FIRREA

I/we, the undersigned, certify that, to the best of our knowledge and belief:

-the statements of fact contained in this report are true and correct.

-The reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Conditions, and are our personal, unbiased professional analyses, opinions and conclusions.

-I/we have no present or prospective interest in the property that is the subject of this report, and I/we have no personal interest or bias with respect to the parties involved.

-My/our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, such as the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. Furthermore, the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

-My/our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice, USPAP, as published in the Appraisal Foundation, and the federal financial regulating agencies.

-Noble R. Tucker Jr., MAI, SRA, AI-GRS has made a personal inspection of the property that is the subject of this report, and has considered pertinent facts affecting the value thereof.

-Market data pertaining to the Final Value Estimates has been accumulated from various sources and where possible, examined and verified as to details, motivation and validity.

-The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

-The Appraisal Institute conducts a program of continuing professional education for its designated members. Noble R. Tucker Jr., MAI, SRA, AI-GRS is currently certified under the continuing education program of the Appraisal Institute.

-Noble R. Tucker Jr., MAI, SRA, AI-GRS holds a Certified General Real Estate Appraiser certificate from the State of California Office of Real Estate Appraisers.

-I/we are competent to perform this appraisal assignment by virtue of previous experience with similar assignments and/or appropriate research and education regarding the specific property type being appraised. Qualifications are attached.

-I/we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

-My/our engagement for completion this assignment is not contingent upon the development of or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

Noble R. Tucker Jr.

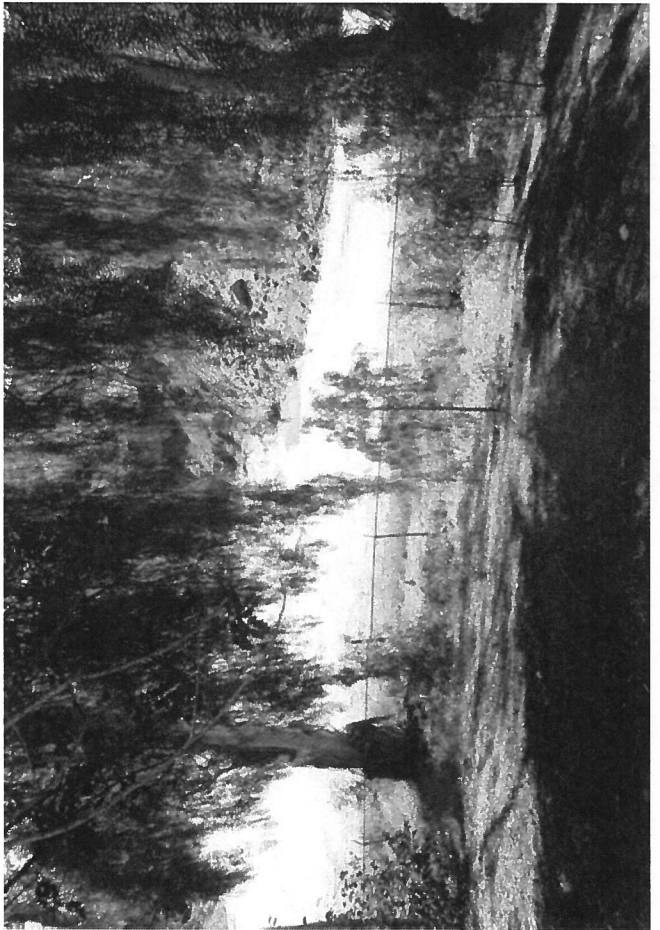


Noble R. Tucker Jr., MAI, SRA, AI-GRS
"Certified General Real Estate Appraiser"
Calif. State Certification No.: AG001532
Expiration Date: January 31, 2017

ADDENDA

SUBJECT PROPERTY PHOTOGRAPHS

11-50



SUBJECT PHOTOGRAPHS

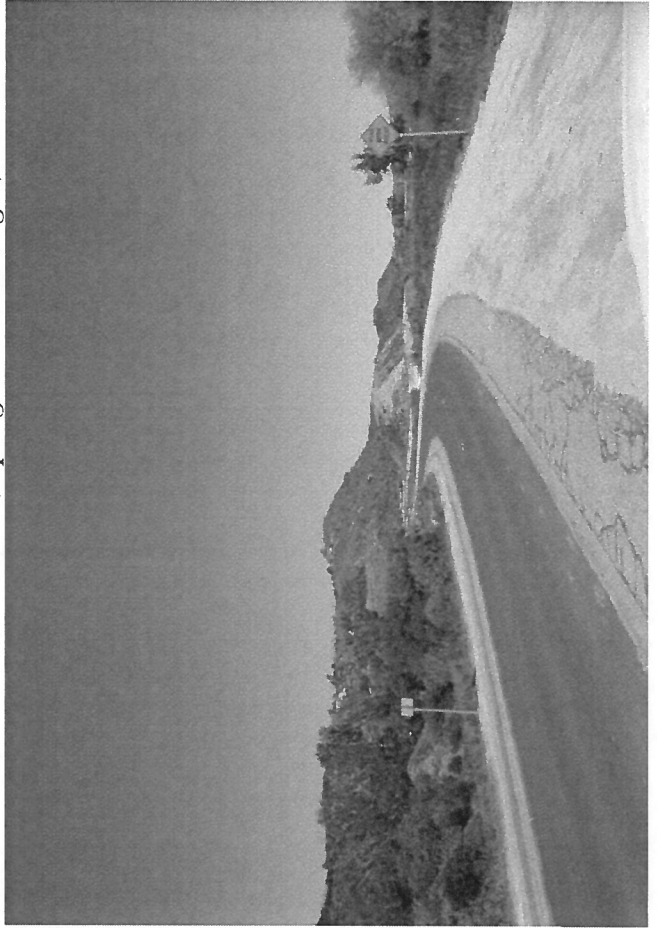
LS-71

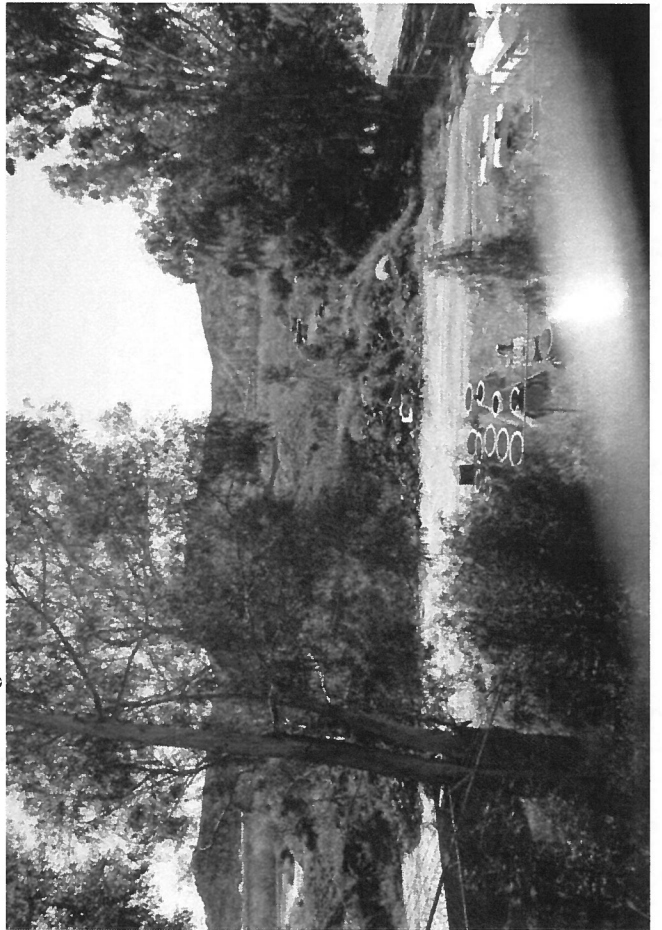
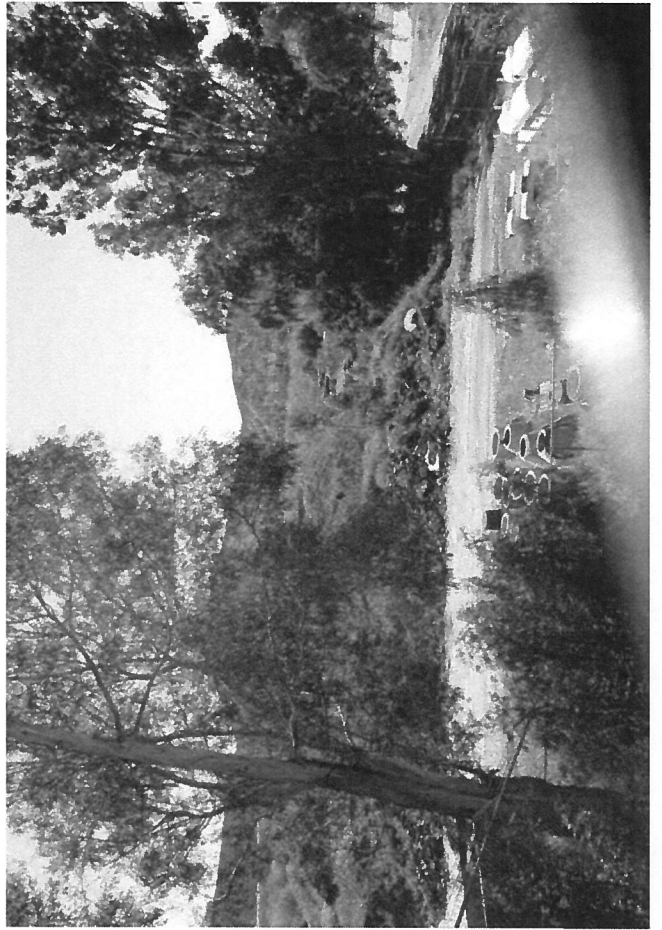


SUBJECT PHOTOGRAPHS (top left, & lower left)



STREET PHOTOGRAPHS (top right & lower right)





SUBJECT PHOTOGRAPHS

SUBJECT PROPERTY MAPS

11-54

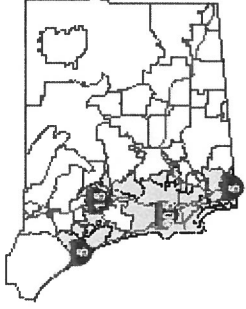


SUBJECT

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 Planning and Development Services

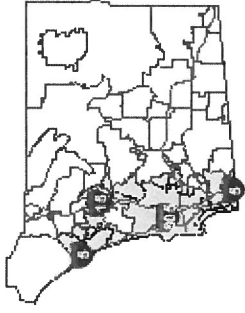


Legend
 □ Parcels

Notes

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
 THIS MAP IS NOT TO BE USED FOR NAVIGATION

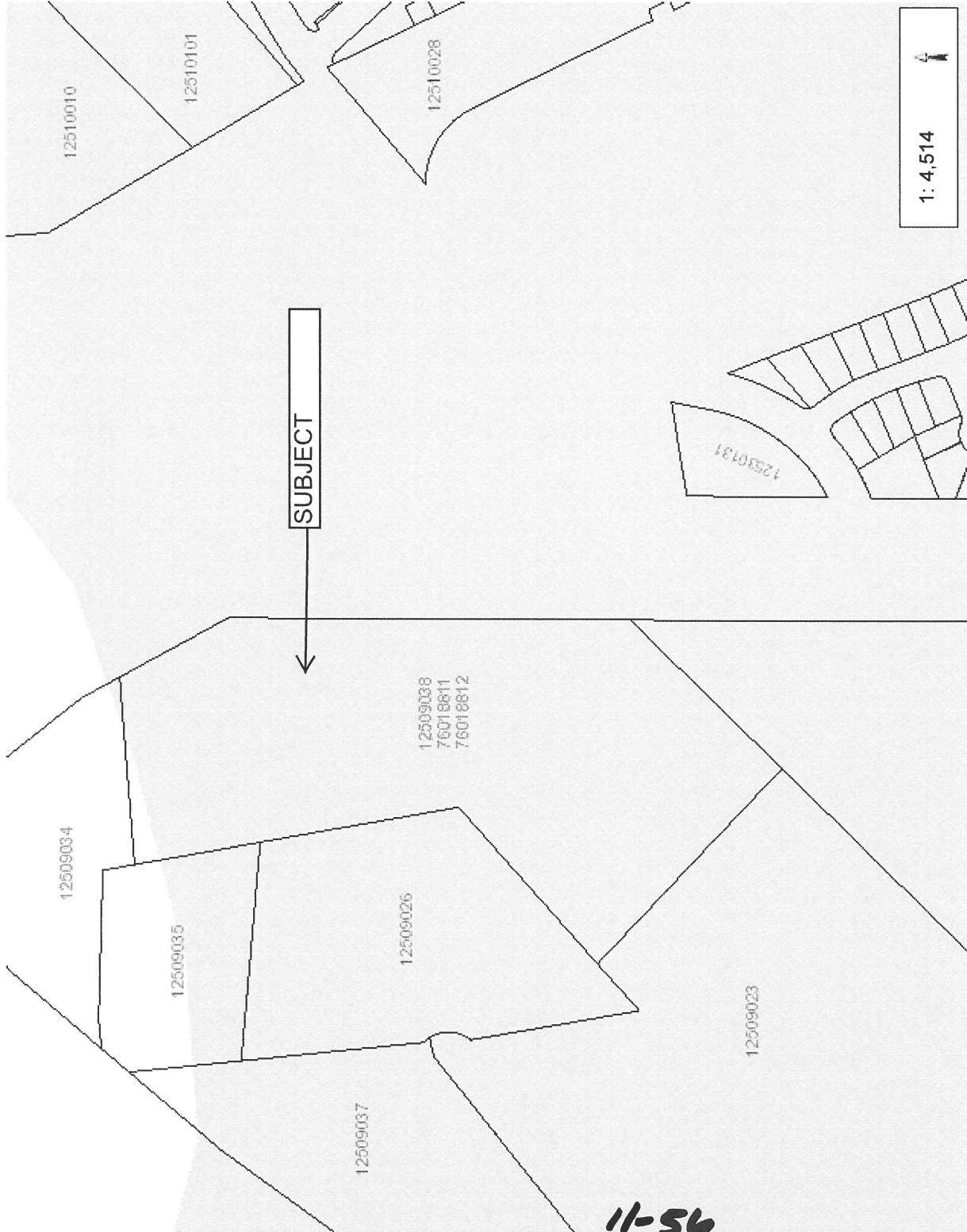
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Legend

-  Parcels
-  Alluvial Land

Notes



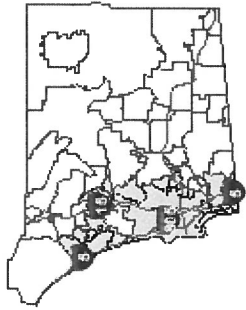
1: 4,514

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THIS MAP IS NOT TO BE USED FOR NAVIGATION



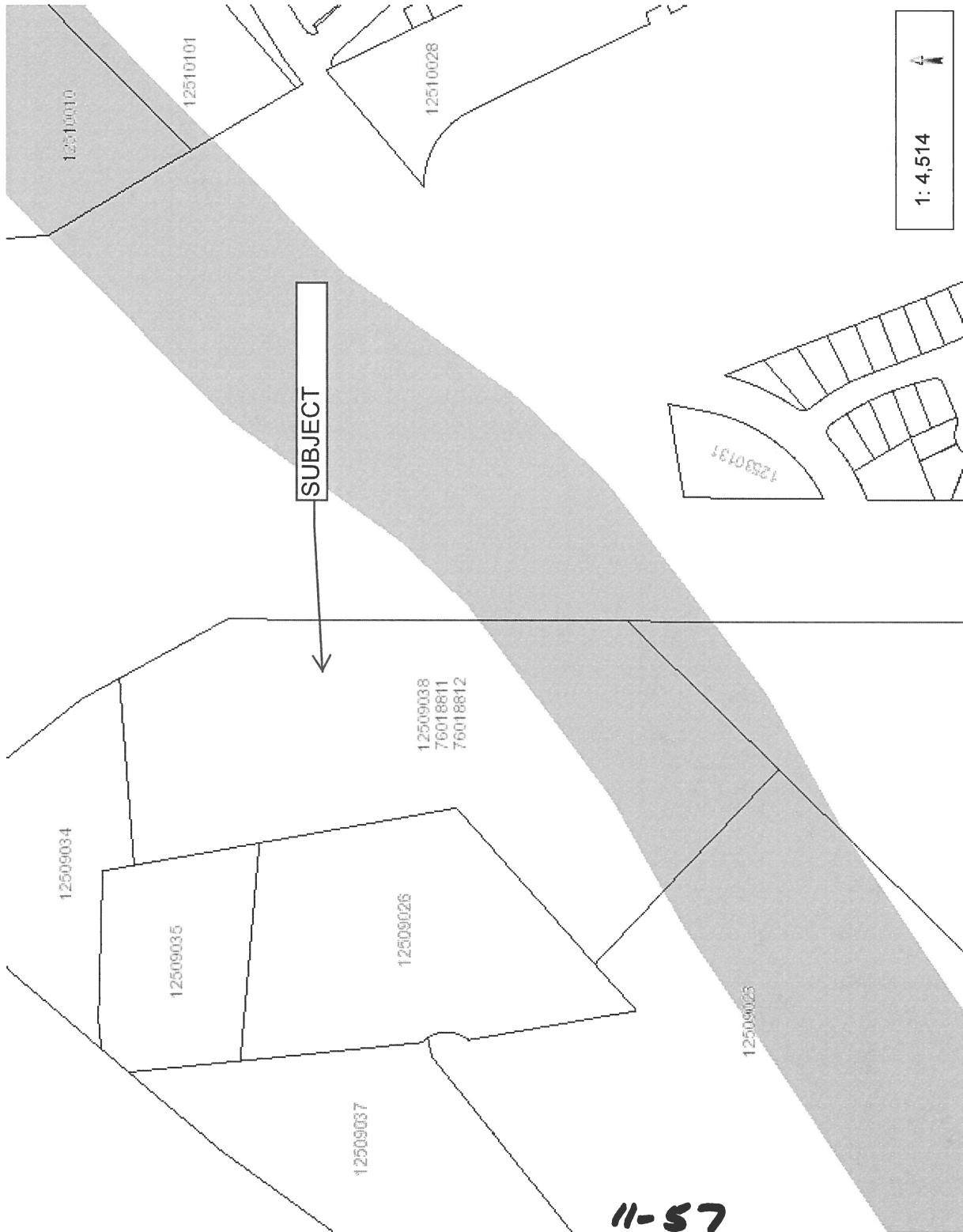
WGS_1984_Web_Mercator_Auxiliary_Sphere
Planning and Development Services

11-56



Legend
 □ Parcels
 ■ Environmentally Sensitive Area

Notes



1: 4,514



0.1 Miles

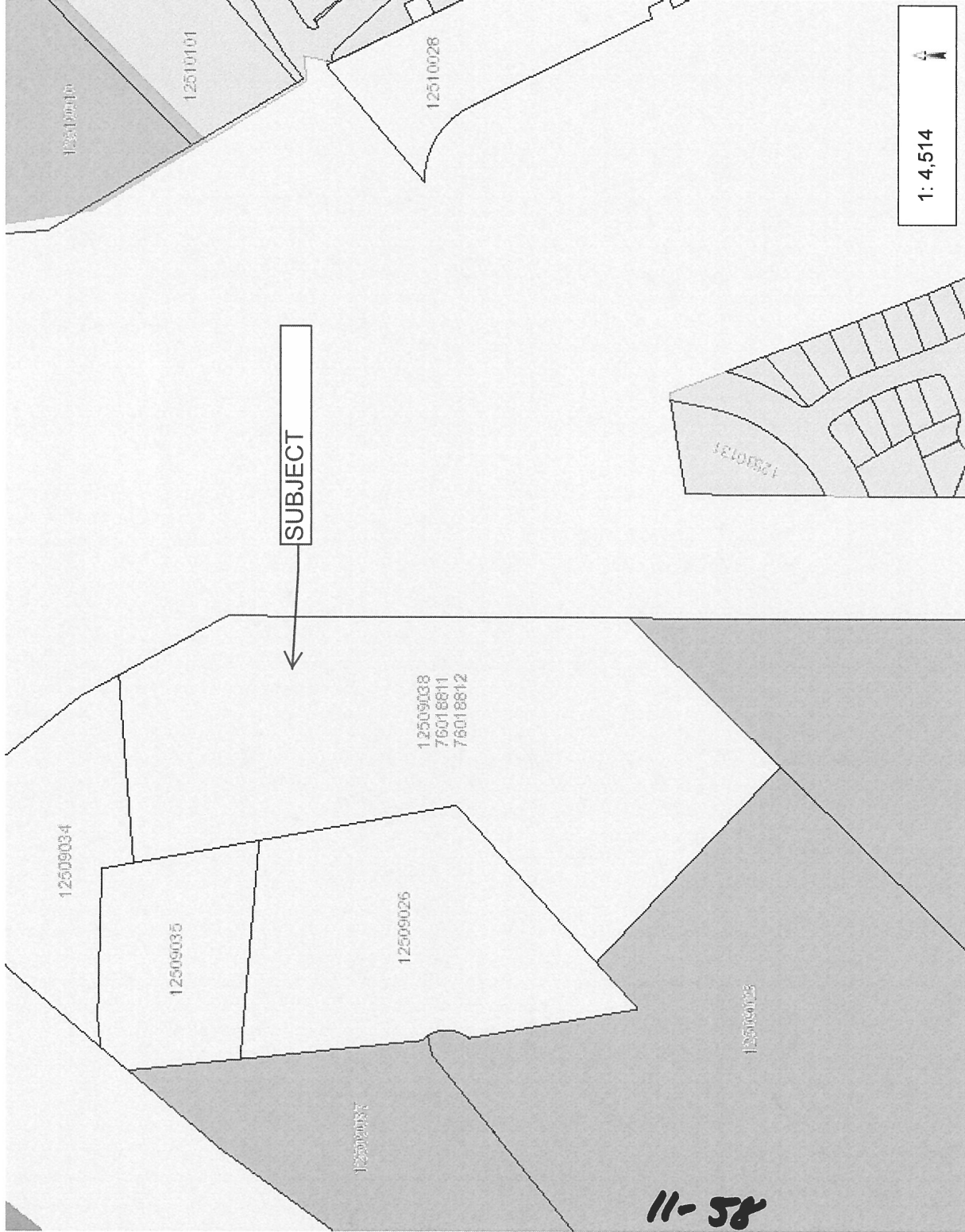
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11-57



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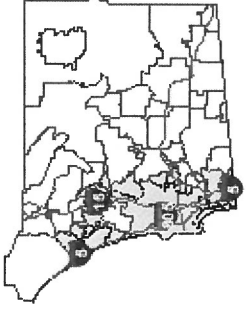
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THIS MAP IS NOT TO BE USED FOR NAVIGATION



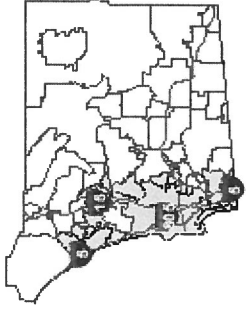
Legend

□ Parcels

General Plan (Adopted 2011)

- Village Residential (VR-30), 30 du/é
- Village Residential (VR-24), 24 du/é
- Village Residential (VR-20), 20 du/é
- Village Residential (VR-15), 15 du/é
- Village Residential (VR-10.9), 10.9
- Village Residential (VR-7.3), 7.3 du
- Village Residential (VR-4.3), 4.3 du
- Village Residential (VR-2.9), 2.9 du
- Village Residential (VR-2), 2 du/ac
- Semi-Rural Residential (SR-0.5), 1
- Semi-Rural Residential (SR-1), 1 dt
- Semi-Rural Residential (SR-2), 1 dt
- Semi-Rural Residential (SR-4), 1 dt
- Semi-Rural Residential (SR-10), 1 c
- Rural Lands (RL-20), 1 du/20 ac
- Rural Lands (RL-40), 1 du/40 ac
- Rural Lands (RL-80), 1 du/80 ac
- Specific Plan Area (residential dens)
- Office Professional
- Neighborhood Commercial
- General Commercial
- Rural Commercial
- Limited Impact Industrial
- Medium Impact Industrial
- High Impact Industrial
- Village Core Mixed Use

Notes



Legend

□ Parcels

Habitat Evaluation Model

- Very High
- High
- Moderate
- Low
- Agriculture
- Developed



1: 4,514

Notes

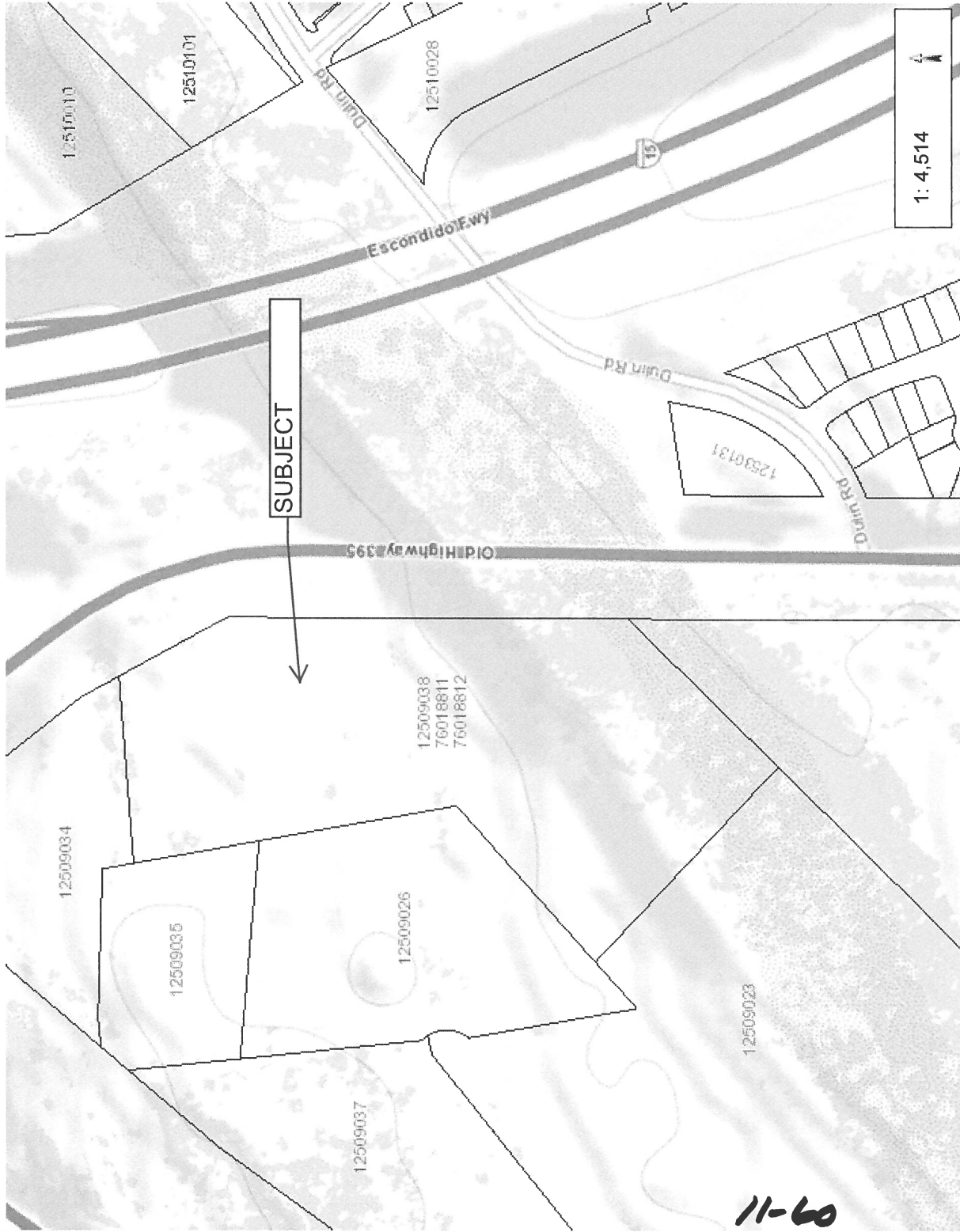
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THIS MAP IS NOT TO BE USED FOR NAVIGATION

0.1 Miles

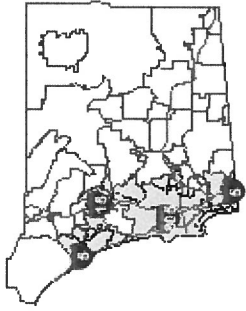
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11-59



11-60



Legend

□ Parcels

Notes

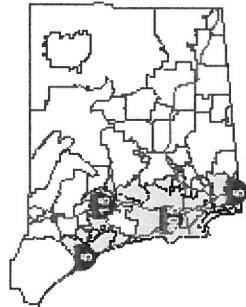
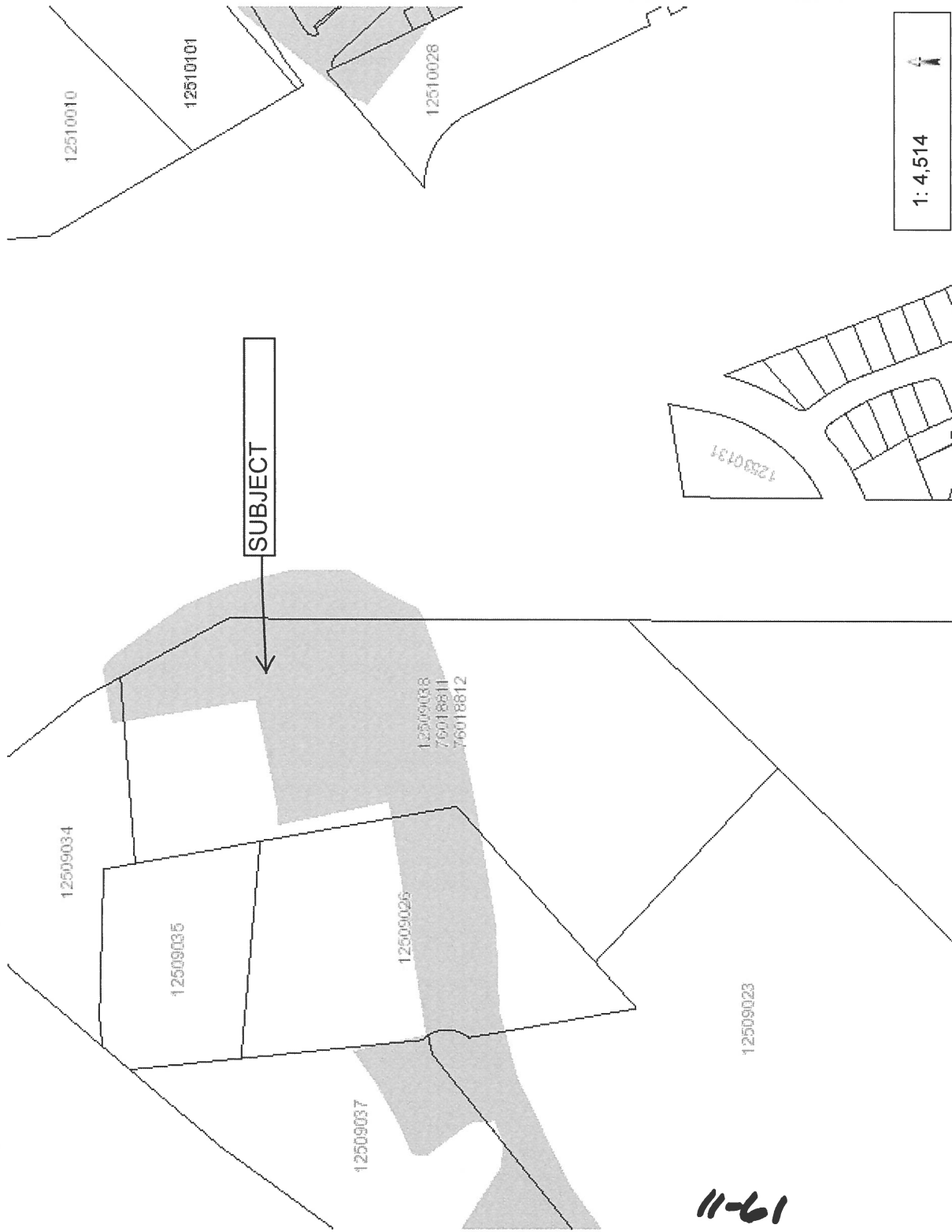
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 THIS MAP IS NOT TO BE USED FOR NAVIGATION

0.1 Miles

0.07

0



Legend
□ Parcels
■ Ramona Grasslands

Notes

1:4,514



0.1 Miles

0.07

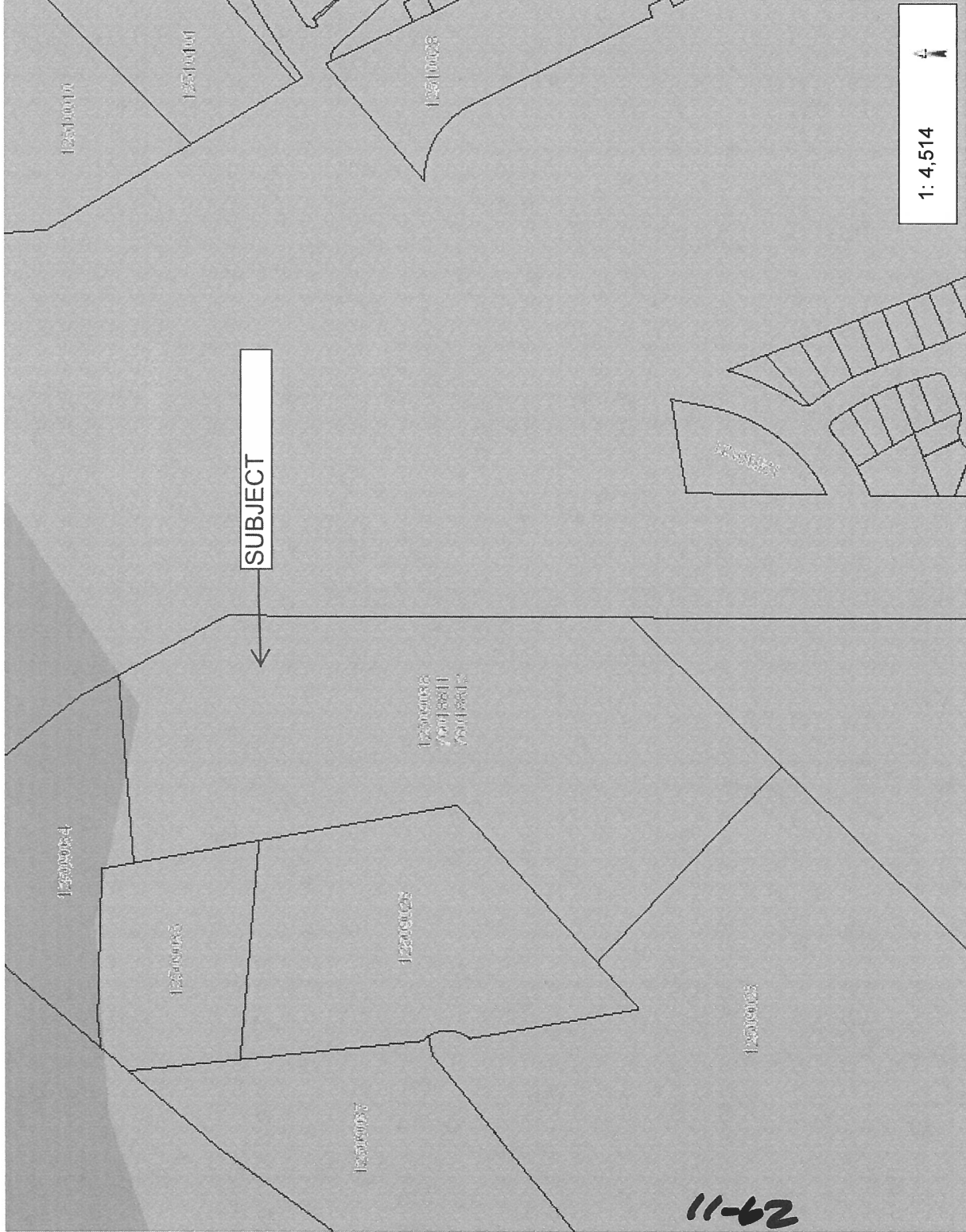
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THIS MAP IS NOT TO BE USED FOR NAVIGATION

11-61



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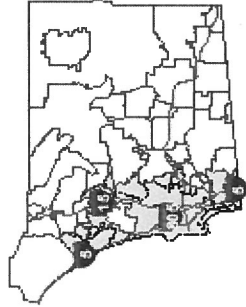
0.1 Miles

0.07

0

0.1

WGS_1984_Web_Mercator_Auxiliary_Sphere
 Planning and Development Services



Legend

□ Parcels

Mineral Resource Zones

Within 1500ft of MRZ 2

Resource present

Inconclusive

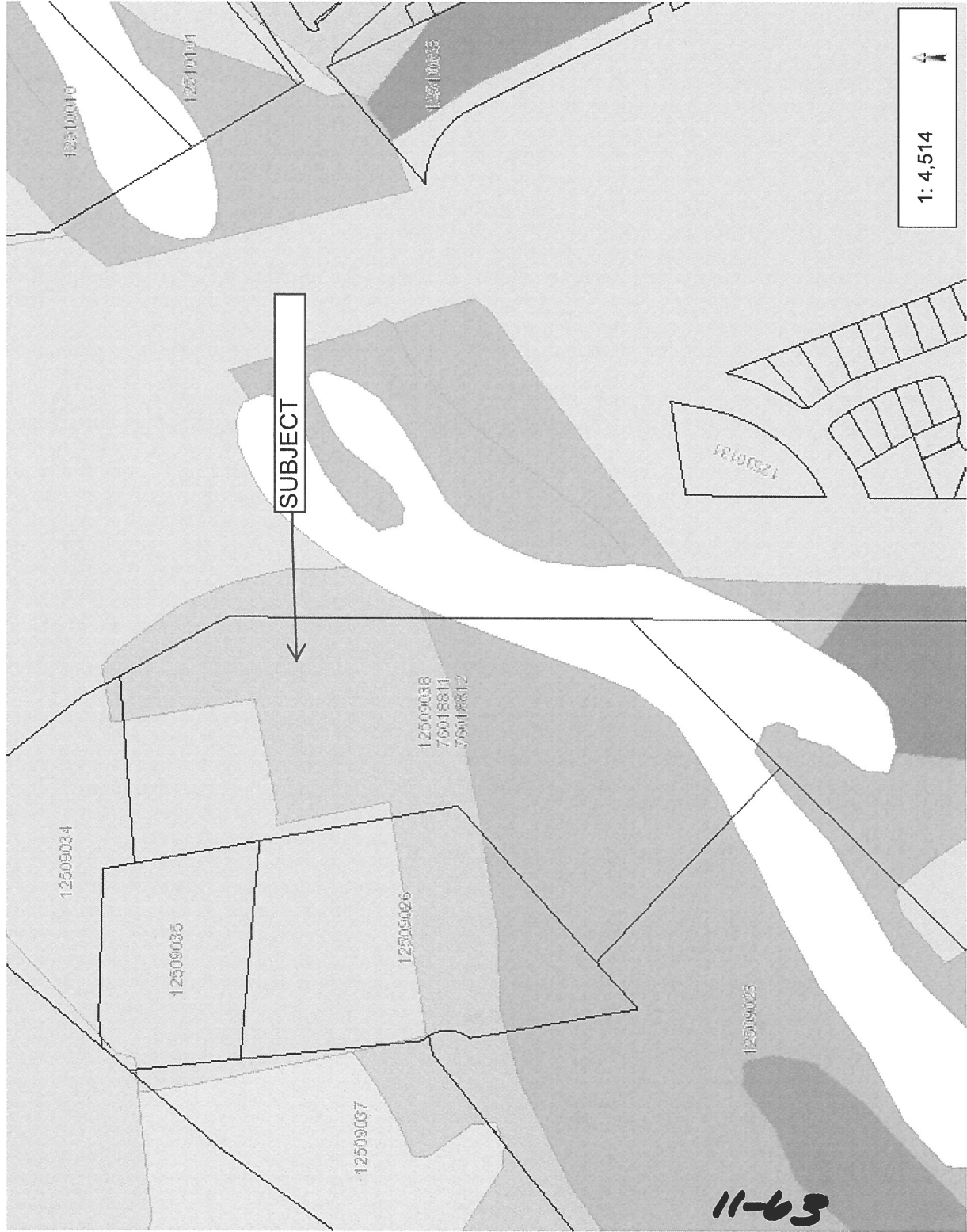
Resource potentially present

Resource not present

Notes

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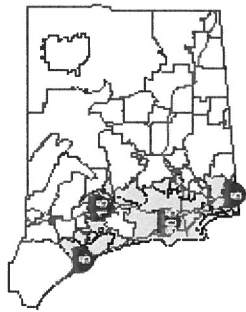
29-11



1: 4,514



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 THIS MAP IS NOT TO BE USED FOR NAVIGATION



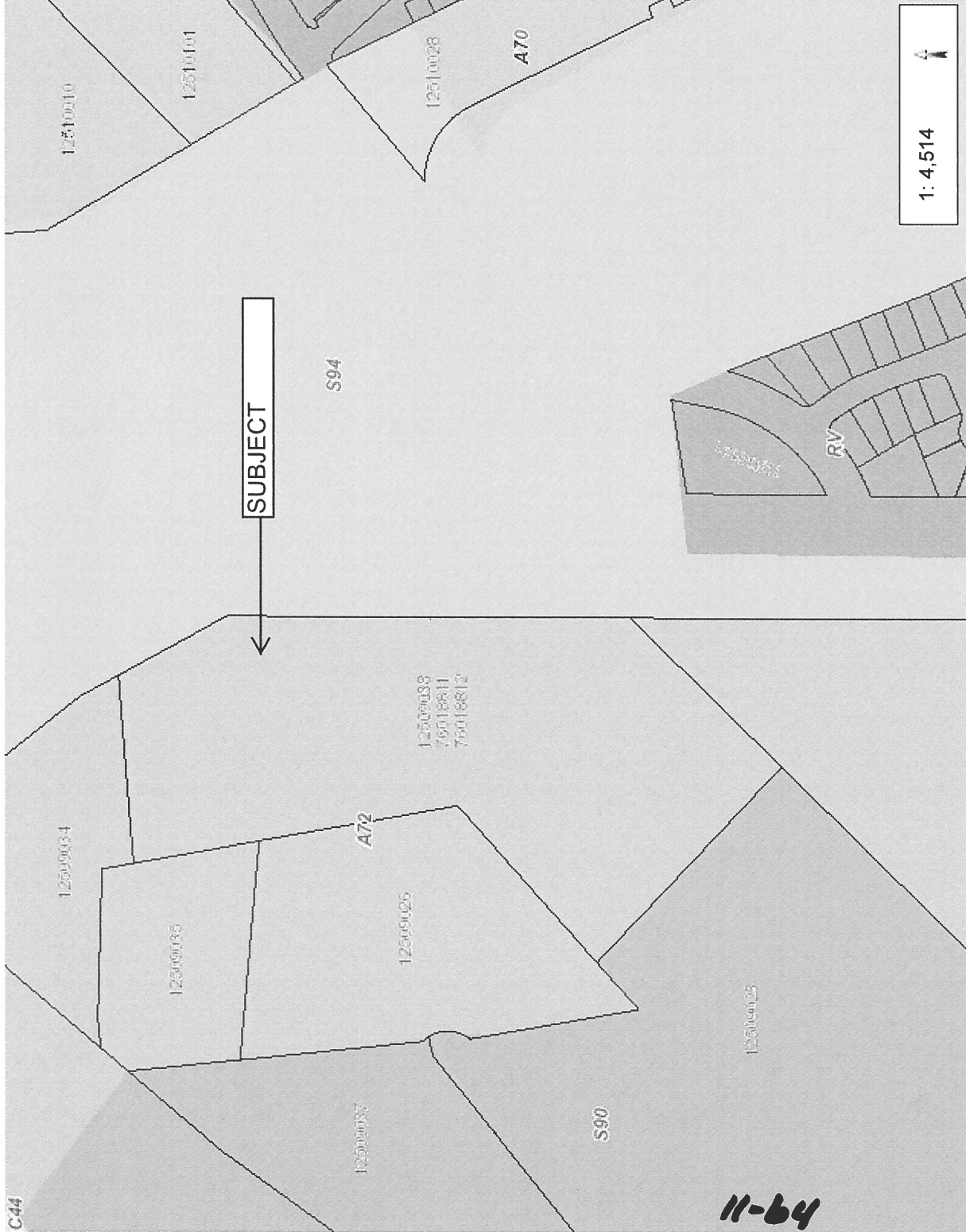
Legend

Parcels

Vegetation

- Southern Foredunes, Beach, Saltp:
- Coastal Sage Scrub
- Chaparral
- Grassland
- Riparian Scrub
- Riparian Woodland
- Riparian Forest
- Pinyon Juniper Woodlands
- Other Woodlands
- Oak Forest
- Meadow and Seep
- Marsh
- Coniferous Forest
- Desert Dunes
- Playas/Badlands/Muchhill Forbs
- Desert Scrub
- Desert Chaparral
- Dry Wash Woodia
- Water
- Urban, Disturbed Habitat, Agriculture
- Not Mapped (data gaps)

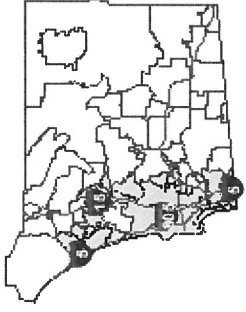
Notes



1: 4,514



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 THIS MAP IS NOT TO BE USED FOR NAVIGATION



Legend

Parcels

Zoning (Adopted 2011)

- Agriculture
- Commercial and Office
- Industrial
- Multi-Family Residential
- Residential Mobile Home
- Rural Residential
- Residential - Single
- Residential - Urban
- Residential - Variable
- Fallbrook Revitalization Area
- Open Space
- Extractive Use
- Transportation and Utility
- Limited Control
- Specific Plan
- Holding Area
- General Rural
- City of San Diego/No Zone
- Indian Reservation

Notes

COPY OF THE PREVIOUS LEASE

11-65



**GROUND LEASE CONTRACT AGREEMENT
BETWEEN THE
RAINBOW MUNICIPAL WATER DISTRICT
AND
WEST-TECH CONTRACTING INC.**

CONTRACT AGREEMENT NO. 12-02, PROJECT NO. 200940

1. LICENSED PROPERTY AND USE OF SITE.

1.1 Licensed Property. Rainbow Municipal Water District (“DISTRICT”) hereby licenses to West-Tech Contracting Inc. (“CONTRACTOR”) the use of a portion of the property described in Attachment A attached hereto and incorporated herein (hereinafter referred to as the “Site”), under the terms and conditions described herein. Such license includes non-exclusive ingress and egress thereto described in subsection 6.1 and Attachment C attached hereto and incorporated herein. The Site is described as a portion of DISTRICT’s property measuring approximately 202,279 square feet specified in attached Attachment A where CONTRACTOR may stockpile and process concrete, asphalt and other non-hazardous aggregate into crushed miscellaneous base (“CMB”), subject to the terms and conditions stated in this License, including Attachment B attached hereto and incorporated herein by reference. CONTRACTOR may only bring materials, including concrete, asphalt, direct and other non-hazardous aggregate from the Pala Mesa Tank project site to the Site. Nothing herein creates any CONTRACTOR right to compensation or payment from DISTRICT related to, in connection with or pertaining to such stockpiling and processing operations of CONTRACTOR.

1.2 DISTRICT use of Site. CONTRACTOR shall allow DISTRICT to access and utilize the Site.

1.3 Conformity with applicable law. CONTRACTOR agrees to use the Site only for the uses stated in this License and in accordance with all applicable federal, state, or local laws or regulations. CONTRACTOR shall be licensed under the classification of General A at times during term of this License, and shall provide proof of such licensure upon request by DISTRICT.

1.4 Commencement Date. This License shall be effective commencing January 1, 2012.

2. TERM OF LICENSE.

2.1 Initial Term. The initial term of this License (“Initial Term”) shall be twenty four (24) months from the Commencement Date. CONTRACTOR shall process and remove all material from the Site by the expiration of the Initial Term.

2.2 Renewal Term. At the end of the Initial Term, CONTRACTOR shall have the right to renegotiate this License for a Renewal Term not to exceed an additional twelve (12) months (a “Renewal Term”). The License shall expire automatically unless CONTRACTOR serves written notice no less than six (6) months prior to the expiration of the Initial Term of its intent to renegotiate the License for a Renewal Term.

3. LICENSE FEE.

Initial Term fee. CONTRACTOR shall pay to DISTRICT as a fee for the use of the Site, the sum of One Dollar (\$1.00) per year, payable on the Commencement Date of this License and each year on the same date thereafter.

4. SITE PLAN.

4.1 Tools, Equipment, Machinery. CONTRACTOR, at its sole cost, expense and risk, may maintain on the Site such tools, equipment and machinery as necessary to the uses stated in this License (collectively the "Equipment"), subject to the requirements set forth herein. DISTRICT shall have no risk of loss or liability related to any CONTRACTOR Equipment.

4.2 Site plan. CONTRACTOR shall prepare a proposed site plan to be approved in writing by DISTRICT prior to initial LICENSES access to the Site. The proposed site plan will become final upon DISTRICT's written approval, which shall not be unreasonably withheld, conditioned, or delayed. If DISTRICT fails to respond to CONTRACTOR's request for such approval in writing to CONTRACTOR within thirty (30) days following CONTRACTOR's request for such approval, the requested approval will be deemed provided by DISTRICT. The site plan shall be attached hereto as Attachment B and incorporated herein by reference.

4.3 Future modification. CONTRACTOR shall not materially modify the Site or its operations at the Site without first obtaining the prior written approval of DISTRICT. If DISTRICT does not respond in writing to CONTRACTOR within thirty (30) days following CONTRACTOR's request for approval, the requested approval will be deemed provided by DISTRICT.

4.4 Fencing. DISTRICT may require that CONTRACTOR provide a reasonably adequate fence around the Site, designed to safely prevent DISTRICT employees and visitors from entering the Site or disturbing the Equipment, and to prevent other unauthorized access. The site plan shall include fencing around the Site to protect DISTRICT employees and visitors from any and all hazards that may arise out of CONTRACTOR'S operations. CONTRACTOR shall provide its own locks on the gate and provide keys to the locks to DISTRICT.

4.5 Rock/Gravel Entry. CONTRACTOR shall provide Rock/Gravel Entry with Rumble plates.

4.6 Aesthetic enhancements. DISTRICT may require, in its discretion, reasonable aesthetic enhancements related to CONTRACTOR'S operations or any time during the term of this License. CONTRACTOR shall incorporate DISTRICT'S reasonable requirements into the site plan. DISTRICT shall not compel Site modifications that are inconsistent with applicable law or ordinances.

4.7 Water. CONTRACTOR shall purchase any water necessary for its operations at the Site from DISTRICT.

4.8 Stormwater Compliance. CONTRACTOR shall be responsible for compliance with all federal, state and local stormwater laws and regulations, including but not limited to preparation of an adequate Storm Water Pollution Prevention Plan ("SWPPP") for the Site.

4.9 Dust control. CONTRACTOR shall be responsible for all dust control measures related to its operations at the Site, including but not limited to all dust control measures necessary to keep all dust confined within CONTRACTOR'S working areas. CONTRACTOR shall wash all DISTRICT employees' vehicles once every four (4) months during the term of this License. Such wash will be either an onsite deionized water wash or a basic car wash reimbursement offsite.

4.10 Permits and regulatory compliance. CONTRACTOR agrees to and be responsible to comply with all applicable governmental laws, rules, statutes, and regulations relating to its use of the Site, including any stockpiling and processing of concrete, asphalt and non-hazardous aggregate into CMB. CONTRACTOR may not begin operation unless and until CONTRACTOR has received and demonstrated to DISTRICT'S reasonable satisfaction, all necessary permits and licenses from the appropriate permitting or licensing agencies or other governmental authorities, including if applicable any emissions permit required by the San Diego Air Pollution Control District for the operation of back-up power generators. CONTRACTOR shall be solely responsible to establish, implement and maintain an effective Injury and Illness Prevention Program ("IIPP") in compliance with applicable law. CONTRACTOR shall obtain all necessary permits and licenses and begin operation no less than three (3) months from the date of DISTRICT'S execution of this License, and CONTRACTOR's failure to do so within the required time period shall constitute nonperformance pursuant to Section 11.1(a) of this License.

4.11 Clean Site. CONTRACTOR shall clean the Site daily prior to leaving the Site. CONTRACTOR agrees to maintain the Site in a clean and neat manner.

4.12 Inspection. DISTRICT may inspect CONTRACTOR'S Equipment and operations at any time for verification of compliance with the terms of the License.

4.13 Processing of Existing Stockpiles and Other Materials. CONTRACTOR shall process all existing stockpiles of concrete, asphalt and other non-hazardous aggregate on the Site for DISTRICT'S use (estimated at approximately ten thousand (10,000) tons) and any material brought into and deposited on the Site by DISTRICT during the term of this License at no cost, charge or expense to DISTRICT. Material(s) brought onsite by the DISTRICT to be processed must not require additional equipment mobilization. Materials brought on-site by the District will be processed with equipment mobilized for the CONTRACTOR's initial crushing operation. DISTRICT shall have sole ownership and title to all such materials, including after such materials have been processed into CMB.

4.14 Processing Materials from Pala Mesa Tank - Phase I Project. CONTRACTOR may stockpile and process concrete, asphalt and other miscellaneous non-hazardous aggregate from the Pala Mesa Tank - Phase I project at the Site, provided all such material shall be removed from the Site prior to expiration of this License. This License shall in no way affect the scope of work or relieve the CONTRACTOR from any obligations pursuant to the Pala Mesa Tank - Phase I Contract Agreement No. 10-16 ("Pala Mesa Tank Agreement"), including but not

limited to removal, hauling and disposal obligations, and this License does not waive any DISTRICT rights pursuant to the Pala Mesa Tank Agreement. All removal, hauling and disposal of any materials from the Pala Mesa Tank – Phase I project will be pursuant to the Pala Mesa Tank Agreement and subject to all obligations, requirements, terms and conditions stated in such agreement.

4.15 No Other Materials Allowed. Except as stated in sections 4.13 and 4.14, above, CONTRACTOR shall not deliver, stockpile or process any other materials at the Site.

4.16 Increased maintenance costs. In the event that the set up, existence or operation of CONTRACTOR Equipment or operations directly causes any increase in the cost of maintenance and/or repairs of any other portion of DISTRICT property, CONTRACTOR agrees to pay the increased expense caused by CONTRACTOR Equipment or operations, subject to CONTRACTOR's receipt of third party invoices and any other documentation relating to such increase. In the event that CONTRACTOR, jointly with other licensees is responsible for such increased maintenance, then any increased cost shall be shared equally by all such licensees (including CONTRACTOR).

4.17 Safety. CONTRACTOR shall be solely responsible for safety concerning its Equipment and operations at the Site. DISTRICT requires that CONTRACTOR take all reasonable safety and security measures in its operations, including adequate signage as determined by DISTRICT. CONTRACTOR shall incorporate reasonable DISTRICT requirements into the site plan. Any DISTRICT review or observation of CONTRACTOR'S safety measures shall not reduce, limit otherwise affect CONTRACTOR'S sole responsibility for safety concerning its Equipment and operations at the Site.

4.18 Hazardous materials. At no time shall CONTRACTOR store or use any hazardous material or substance, defined as such by any state or federal statute or regulation, on the Site or otherwise on DISTRICT property in violation of applicable law or DISTRICT policy. CONTRACTOR shall submit a list of all hazardous materials or substances used or stored on the Site, for approval of DISTRICT. CONTRACTOR shall cease to store or use any hazardous substance or material not approved by DISTRICT. Such approval shall be at the sole discretion of DISTRICT.

4.19 Generators. CONTRACTOR must obtain prior written approval from DISTRICT prior to operating any back-up power generators with attached manufacturer-installed fuel storage tanks in the event of an interruption in electrical service. The self-contained back-up power generators and attached fuel storage tanks shall be immediately removed from the Site once regular electrical service is restored. Unless otherwise approved by DISTRICT in writing, CONTRACTOR shall be restricted to portable, gasoline-powered generators only, described in Attachment B, and shall not refuel the generators on DISTRICT property. CONTRACTOR shall not store any fuel at the Site other than that contained in the generator's attached manufacturer-installed tank, which in no event shall exceed 50 (fifty) gallons of gasoline fuel on DISTRICT property at any time. CONTRACTOR shall not place more than 1 (one) such generator at the Site at any time, without prior written approval from DISTRICT. Co-licensees may enter co-use agreements for back-up power generation subject to the restrictions set forth in this License, and subject to written approval of DISTRICT. Additionally, DISTRICT may require any licensee

that intends to use back-up power generation at the Site, including CONTRACTOR under this subsection, to enter into a co-use agreement pursuant to subsection 7.3.

4.20 Compliance with Agreement. CONTRACTOR shall comply with all requirements of the Pala Mesa Tank – Phase I Contract Agreement No. 10-16, including the general conditions, in its use of the Site.

5. OWNERSHIP.

DISTRICT shall, at all times, be the sole and exclusive owner of the Site, and any materials deposited by DISTRICT at the Site, before and after any processing into CMB. CONTRACTOR shall at all times be the sole and exclusive owner of its Equipment, which shall be maintained and repaired by the CONTRACTOR at its sole expense.

6. ACCESS.

6.1 Restricted ingress/egress. DISTRICT grants CONTRACTOR ingress to and egress from the Site as described and depicted in Attachment C. CONTRACTOR shall be restricted to the ingress/egress as set forth in Attachment C, unless otherwise directed in writing by DISTRICT.

6.2 Hours of Operation. CONTRACTOR may only be present and conduct operations at the Site pursuant to this License within the hours of 7 a.m. and 5 p.m., Monday through Friday.

6.3 Routine access notification. CONTRACTOR shall notify DISTRICT concerning either routine maintenance or other non-emergency repairs, at least forty-eight (48) hours before CONTRACTOR begins any maintenance or repair work to its Equipment. Such notification shall be in writing and shall be transmitted to DISTRICT either by certified or registered mail, or by facsimile. Should CONTRACTOR desire to perform any routine or other non-emergency maintenance or repair work to its Equipment other than during the regular hours of operation, CONTRACTOR shall obtain written permission from DISTRICT, which may be granted or denied in DISTRICT'S sole discretion, and pay to DISTRICT a service charge of Seventy-Five Dollars (\$75.00) per hour for each hour of after-hours access to the Site. DISTRICT and CONTRACTOR shall cooperate in scheduling maintenance or repairs to the Equipment to assure the least disruption to DISTRICT operations.

6.4 Emergency access notification. CONTRACTOR shall have unrestricted twenty-four (24) hour access to the Site for the purpose of emergency repairs of the Equipment. Emergency repairs shall be limited to repairs that must be completed immediately in order to prevent injury to persons or property. CONTRACTOR shall make reasonable efforts to notify DISTRICT prior to access for emergency repairs to the Site, but in all such cases the CONTRACTOR shall notify DISTRICT within seventy-two (72) hours of when such access has occurred, and upon written request shall provide sufficient documentation to establish that emergency access was necessary.

6.5 Authorized persons. It shall be CONTRACTOR'S sole responsibility under this License to ensure that unauthorized persons do not enter the Site or disturb the Equipment.

DISTRICT shall have no responsibility for the safety or security of CONTRACTOR, its employees or agents, or unauthorized persons entering the Site.

6.6 Third-party access. CONTRACTOR shall notify DISTRICT should any governmental agencies request or demand access to the Equipment or Site for lawful inspections or other regulatory actions or activities. It shall be CONTRACTOR's responsibility to coordinate access with DISTRICT, to ensure that DISTRICT has a reasonable opportunity to accommodate any disruption caused by the access.

7. ASSIGNMENT, SUBLICENSE, AND CO-LICENSING.

7.1 Assignment. CONTRACTOR shall not have the right to assign its rights under this License without the prior written consent of DISTRICT.

7.2 Sublicense. Sublicensing and subcontracting by CONTRACTOR is prohibited, unless approved in writing by DISTRICT.

7.3 Co-license. CONTRACTOR hereby agrees to cooperate fully with DISTRICT's co-licensing agreements, and shall not interfere with a co-licensee's access to DISTRICT's property or its facilities, so long as a co-licensee does not interfere with the CONTRACTOR's Equipment or operations. If requested by DISTRICT, CONTRACTOR hereby agrees to enter into a co-use agreement with one or more co-licensees for back-up power generation pursuant to subsection 4.13, if CONTRACTOR intends to use back-up power generation.

8. UTILITIES.

8.1 CONTRACTOR responsibility. CONTRACTOR shall be responsible to secure all utilities required by CONTRACTOR for its use of the Site directly from the servicing utility. DISTRICT will cooperate with CONTRACTOR in CONTRACTOR'S efforts to obtain utilities from any location provided by DISTRICT or the servicing utility, including effectuating any easement or other instrument reasonably required by the utility company provided that such efforts do not pose any disruption to DISTRICT operations, or place any financial obligation upon DISTRICT. CONTRACTOR shall, at its expense, install a separate electric meter and pay its electricity costs directly to the appropriate utility company.

8.2 Disruptions. If either party in any way disturbs, interrupts or interferes with the utility service of the other party, that party shall, at its sole expense, promptly provide for complete repair and restoration of the utility service.

8.3 Damages for disruption. Notwithstanding the foregoing section 8.2, under no circumstances shall DISTRICT be liable to CONTRACTOR for any consequential, incidental, or any other damages caused by any lapse in CONTRACTOR'S services due to a disturbance, interruption, or interference of utility service.

9. INSURANCE.

9.1 Requirement of insurance. CONTRACTOR shall, at its sole cost and expense, secure and maintain in effect during the entire period of this License, insurance as required by

the Pala Mesa Tank – Phase I Contract Agreement No. 10-16 covering its use of the Site. Such insurance shall include commercial pollution/environmental coverage for any and all liability associated with any environmental assessment and/or environmental cleanup on the Site of at least \$1,000,000 per occurrence. All insurance provisions stated in the Pala Mesa Tank – Phase I Contract Agreement No. 10-16 shall apply to this License.

9.2 Proof of Insurance. Within ten (10) days after execution of this License and within thirty (30) days of DISTRICT's written request at any time thereafter, CONTRACTOR shall provide DISTRICT with certificates of insurance for the required policies for the above-specified types of insurance and all additional insured endorsements. Upon DISTRICT'S written request, the CONTRACTOR shall provide DISTRICT with copies of the required policies and proof of payment of premiums thereon.

9.3 Continuation of Coverage. If any of the required coverages expire during the term of this License, CONTRACTOR shall deliver the renewal certificate(s) including all additional insured endorsements to DISTRICT at least ten (10) days prior to the expiration date.

9.4 Sub-licensees. In the event of any sublicense or subcontract by the CONTRACTOR, CONTRACTOR shall be responsible to require and confirm that each sublicense or subcontractor meets the minimum insurance requirements required by this section, including the waiver of subrogation.

10. INDEMNIFICATION, HOLD HARMLESS AND DEFENSE.

10.1 Indemnification, Hold Harmless and Defense. To the fullest extent permitted by law, CONTRACTOR shall indemnify, hold harmless and defend DISTRICT, its directors, officers, employees, agents and authorized volunteers, and each of them (collectively referred to as "DISTRICT Indemnified Parties") from and against any and all claims, demands, causes of action, damages, penalties, judgments, awards, decrees, costs, expenses, attorneys' fees, losses or liabilities, in law or in equity, of every kind or nature, including but not limited to personal injury, wrongful death, and property damage arising out of, related to or in connection with any of the following, and regardless of any negligence of DISTRICT Indemnified Parties except the sole negligence or willful misconduct of DISTRICT Indemnified Parties:

(a) the use and/or occupancy of the Site by CONTRACTOR or any of its sublicensees, subcontractors or agents;

(b) any alleged violation of any governmental law, rule, statute, regulation or ordinance concerning the existence or operation of CONTRACTOR or any sublicense, subcontractor or agent; and/or

(c) the failure, neglect, or refusal of CONTRACTOR or any of its sublicensees, subcontractors or agents to perform any obligation under this License.

10.2 Defense. CONTRACTOR shall defend, at its own cost, expense and risk, any all suits, actions or proceedings of every kind that may be brought or instituted against DISTRICT Indemnified Parties, or any of them, within the scope of CONTRACTOR's obligation under this

License. DISTRICT shall approve the selection of legal counsel to defend DISTRICT Indemnified Parties. CONTRACTOR shall not agree without DISTRICT Indemnified Parties' prior written consent to any settlement which would require DISTRICT Indemnified Parties to pay money or perform some affirmative act. DISTRICT may, in its sole discretion, defend any and all such aforesaid suits, actions or other proceedings and CONTRACTOR shall be responsible to reimburse DISTRICT Indemnified Parties for all costs of defense incurred by each of them including attorneys' fees and reasonable costs.

10.3 Enforcement of this Obligation. CONTRACTOR shall reimburse DISTRICT Indemnified Parties for any and all legal expenses and costs, including attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnify, hold harmless and defense obligation herein provided.

10.4 No Limitation. CONTRACTOR's indemnification, defense and hold harmless obligation shall not be limited in any way by any limitation on the amount of type of damages, compensation or benefits payable by or for CONTRACTOR, any sublicensee, or other persons, under workers compensation acts, disability benefit acts, other employee acts or the insurance required by this License. CONTRACTOR's indemnification, defense and hold harmless obligation shall also not be restricted to insurance proceeds, if any received by DISTRICT Indemnified Parties, or any of them.

10.5 Notification. Each party shall use reasonable efforts to notify the other party in writing of any such claim or loss within thirty (30) days of receipt of any such claim. Failure to give notice within said time period shall not, however, relieve the CONTRACTOR of its obligations under this section.

10.6 Survival. The indemnity, hold harmless and defense obligations under this Section will survive the termination of this License.

11. TERMINATION.

11.1 DISTRICT termination. DISTRICT shall have the right to terminate this License as set forth below.

(a) Nonperformance. If CONTRACTOR shall fail or refuse to timely perform any duty or obligation under this License, and CONTRACTOR shall have failed to remedy such nonperformance within thirty (30) days following written notice from DISTRICT to CONTRACTOR, DISTRICT may terminate this License by giving the CONTRACTOR thirty (30) days prior written notice. Substantial variation from any DISTRICT-approved site plan or schedule shall be considered CONTRACTOR failure to perform its duty and obligation.

11.2 Expansion of DISTRICT operations, damage or destruction. (1) If CONTRACTOR's operation or occupancy of the Site interferes with or limits future building alterations needed for the operations or the expansion of DISTRICT operations, or (2) if the Site has been destroyed or damaged in such a way as to make repair or restoration of the Site infeasible while occupied by CONTRACTOR, DISTRICT may terminate this License by giving the CONTRACTOR ninety (90) days prior written notice. Such determination is within

DISTRICT's sole judgement. DISTRICT shall deliver a written notice (the "Notice") to CONTRACTOR terminating the lease under this section.

(a) Interference. If CONTRACTOR's Equipment or operations interfere with DISTRICT's equipment or operations, whether or not located on the same property, and CONTRACTOR fails to cure said interference within thirty (30) days of receipt of written notice of interference by DISTRICT (or, if a longer period of time is reasonably necessary, then such longer period of time provided that CONTRACTOR is diligently attempting to cure the interference), DISTRICT may terminate this License by giving CONTRACTOR twenty four (24) hours prior written notice. Notwithstanding the above, DISTRICT shall have no grounds to terminate the LICENSE for interference caused by CONTRACTOR's Equipment or operations if CONTRACTOR elects to temporarily cease its operations (except to conduct occasional, limited tests) until such time as CONTRACTOR is able to resume its operations without its Equipment or operations causing such interference.

11.3 CONTRACTOR termination. CONTRACTOR shall have the right to terminate this License as set forth below.

(a) Nonperformance. If DISTRICT shall fail or refuse to timely perform any duty or obligation under this License, and DISTRICT shall have failed to remedy such nonperformance within thirty (30) days following written notice from CONTRACTOR to DISTRICT, CONTRACTOR may terminate this License by giving DISTRICT thirty (30) days prior written notice.

(b) Permitting. If any agency, board, court or other governmental authority shall refuse to issue, or shall suspend or cancel, any permit or license necessary for CONTRACTOR to locate and/or operate its Equipment at the Site, CONTRACTOR may terminate this License by giving DISTRICT thirty (30) days prior written notice.

(d) Damage or destruction. If the Site has been destroyed or damaged at no fault of CONTRACTOR, its sublicensees or agents, in such a way as to make it physically or financially infeasible for the Site to be used substantially in the manner that the Site had been used by CONTRACTOR prior to such damage or destruction, CONTRACTOR may terminate this License by giving DISTRICT thirty (30) days prior written notice. DISTRICT is in no way required by this License to repair or restore the Site if destroyed or damaged.

12. CONTRACTOR OBLIGATIONS UPON TERMINATION OR EXPIRATION.

12.1 Return to original condition. At the expiration of or earlier termination of this License for any reason, the CONTRACTOR, at its sole cost and expense, covenants to remove its Equipment from the Site and restore the Site to a condition as least as good as existed before the CONTRACTOR's use of the property, reasonable use and the effects of time excepted. This shall include any removal of all Equipment and any concrete, asphalt, CMB or other materials not owed by DISTRICT, clean-up, removal and disposal of any refuse, leveling of the Site to its condition prior to CONTRACTOR'S use of the SITE and any remediation of contamination caused by CONTRACTOR, its sublicensees, subcontractors or agents.

12.2 Storage. Any Equipment that CONTRACTOR does not remove within thirty (30) days after the termination of this License may be removed by DISTRICT and placed in storage at CONTRACTOR's expense. CONTRACTOR shall continue to pay the then-applicable license fee until such time as CONTRACTOR removes its Equipment from the Site and/or any storage facilities utilized by DISTRICT.

13. TAXES.

13.1 Increased taxes. CONTRACTOR shall be responsible for any imposition or increase of property taxes, regulatory or other fees, or any penalties resulting from the nonpayment or delinquent payment of such taxes or fees assessed or imposed on either CONTRACTOR or DISTRICT resulting from CONTRACTOR's use of the Site or its Equipment. DISTRICT shall forward to the CONTRACTOR by the address listed in Section 17 of this License, a copy of any notice of taxes, assessments or other charges received by DISTRICT from a regulatory agency or local assessor, which CONTRACTOR shall pay if such taxes, assessments or other charges result from CONTRACTOR's use of the Site or its Equipment.

13.2 Proof of payment. CONTRACTOR shall forward to DISTRICT copies of all proofs of payment of taxes relating to the Site or Equipment within thirty (30) days of payment, if such payment was made pursuant to Section 13.1 above.

14. WAIVER.

No waiver of any breach of any one or more of the conditions or covenants of this License by DISTRICT or by CONTRACTOR shall be deemed to imply or constitute a waiver of any succeeding or other breach under this License.

15. AMENDMENT OR MODIFICATION.

The License may not be amended or modified orally or in any manner other than by an agreement in writing signed by both parties. This License does not reduce, waive or eliminate any rights and obligations pursuant to the Pala Mesa Tank Agreement.

THE PARTIES TO THIS AMENDMENT by their signatures acknowledge they have read and understand this License and intend to be bound by its terms.

DISTRICT:

RAINBOW MUNICIPAL WATER
DISTRICT

By: 

Title: general manager

Date: 3/1/12

CONTRACTOR:

WEST-TECH CONTRACTING INC.

By: 

Title: President

Date: 2/3/12

ATTACHMENT A – Description of the Site

This Attachment should include a detailed description of the Site, and also a description of DISTRICT property where the Site is located. The Attachment should include a map that depicts the Site in detail, outlined on DISTRICT property.

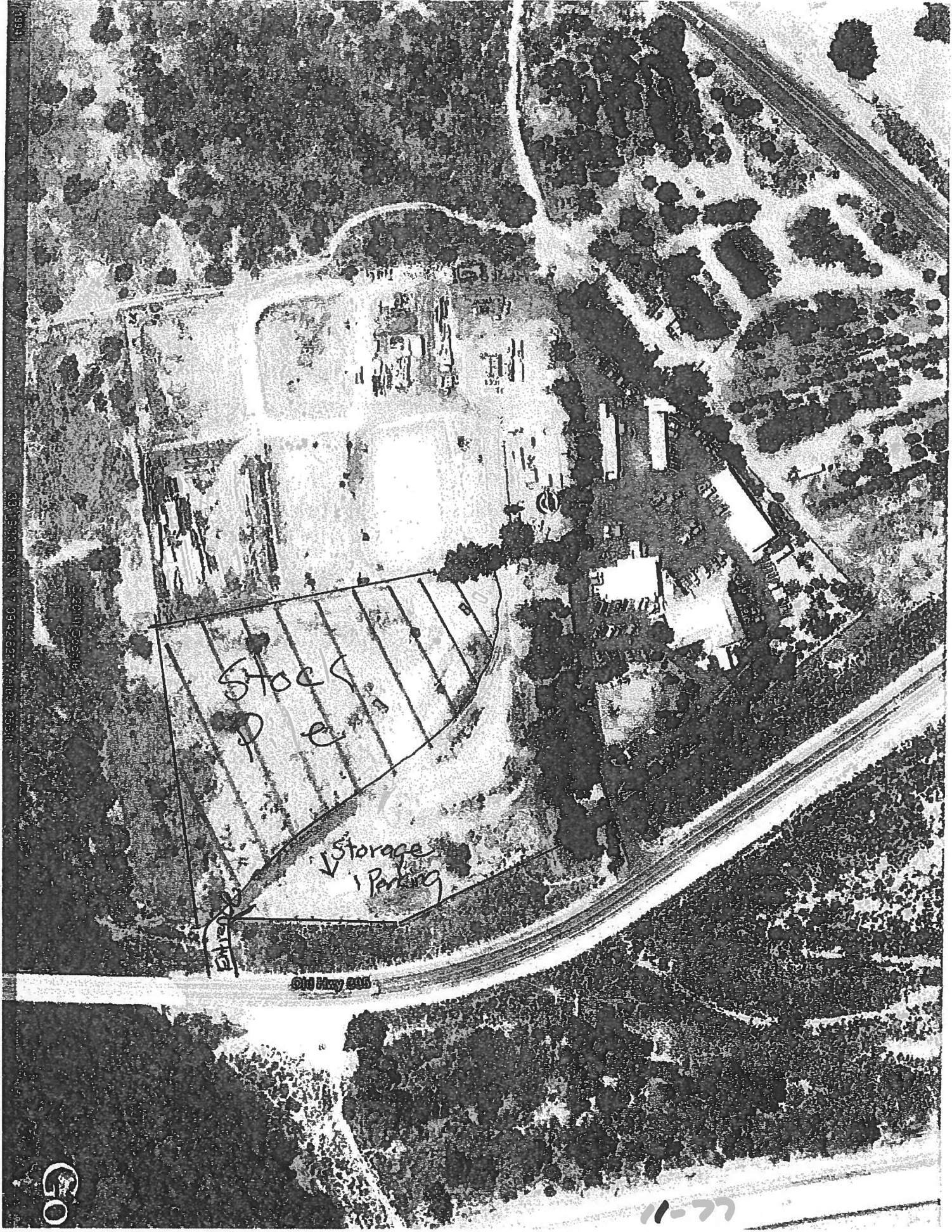
Property is located South of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028. See photo attached.

District Initials



CONTRACTOR Initials





1981

63 18 20 12 N 17 35 42 62 14 18 25 51

South Coast

Stock Pile

Storage & Parking

Old Hwy 205

GO

11-77

ATTACHMENT B – CONTRACTOR’S Proposed Site Plan

This Attachment should clearly describe and depict CONTRACTOR’s Equipment and operations as proposed, through diagrams, pictures, and text, and should state that it is a “proposed” draft, subject to DISTRICT’s approval. Additionally, this Attachment should include the make and model information and specifications, including fuel storage capacity, for any proposed back-up power generators. Include any schedule requirements. This Attachment should be prepared by the CONTRACTOR.

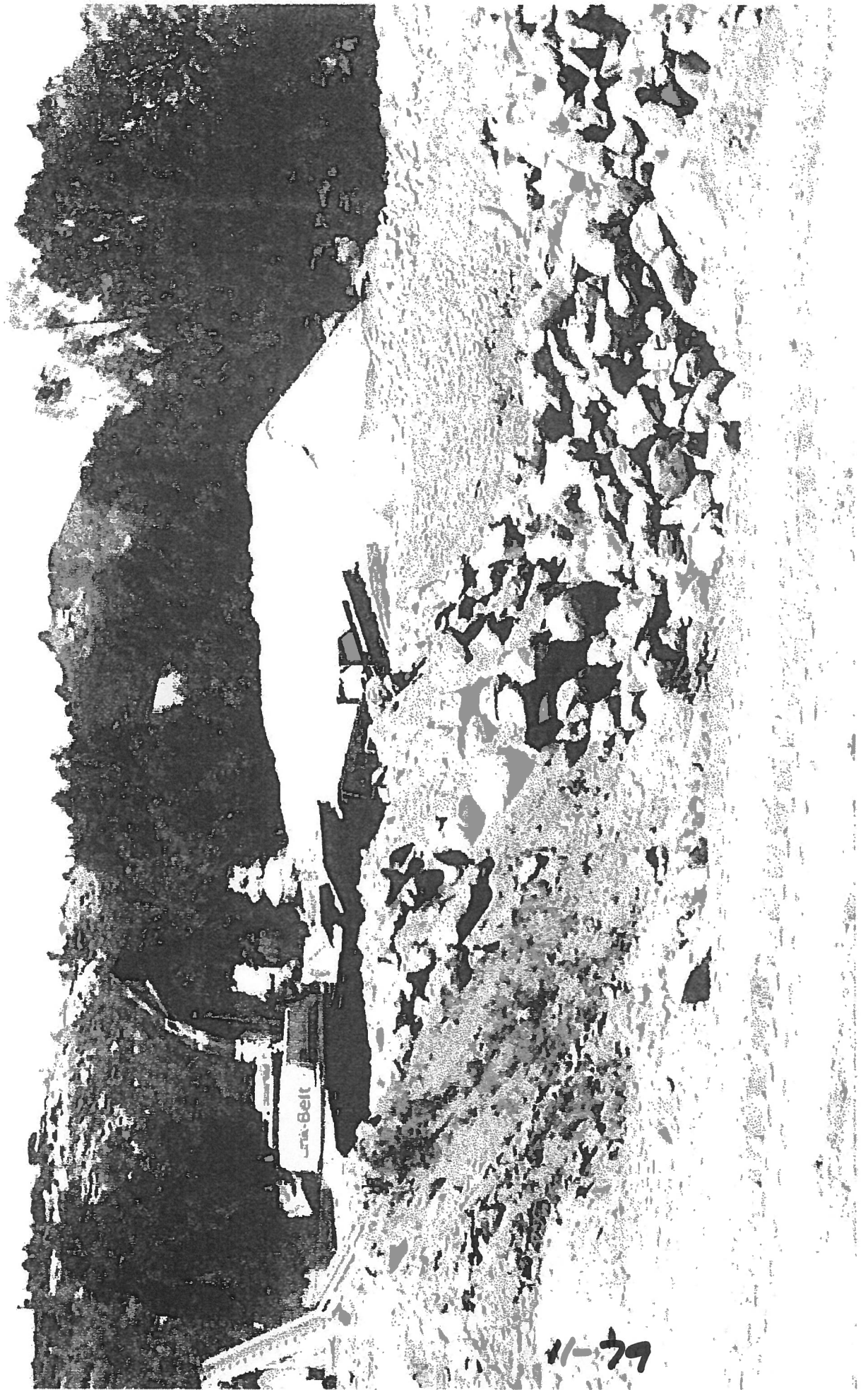
The equipment is a power screen, crusher, excavator, bulldozer, and generator. Operations include screening, crushing, and loading trucks. No fuel is stored onsite.

District Initials



CONTRACTOR Initials





11-79

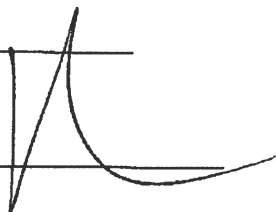
ATTACHMENT C – Ingress / Egress

This Attachment should include a detailed description of the specific place CONTRACTOR will enter DISTRICT property, the route to the Site, and other procedures (i.e. check-in at DISTRICT office, vehicle parking requirements, vehicle speed on DISTRICT property, and other site-specific issues).

Entrance is the driveway on the South end of the district property. Entrance to office is about 200 yards North. Vehicle parking is near storage shed at South entrance. Speed limit is 15 mph.

See attached photo.

District Initials _____
CONTRACTOR Initials _____


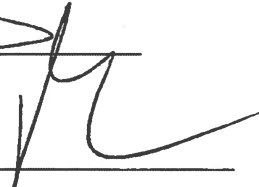
A handwritten signature in black ink is written over two horizontal lines. The top line is labeled "District Initials" and the bottom line is labeled "CONTRACTOR Initials". The signature starts with a vertical line, loops to the right, then back to the left, crossing the top line, and then continues with a series of loops and a long horizontal tail on the right side.

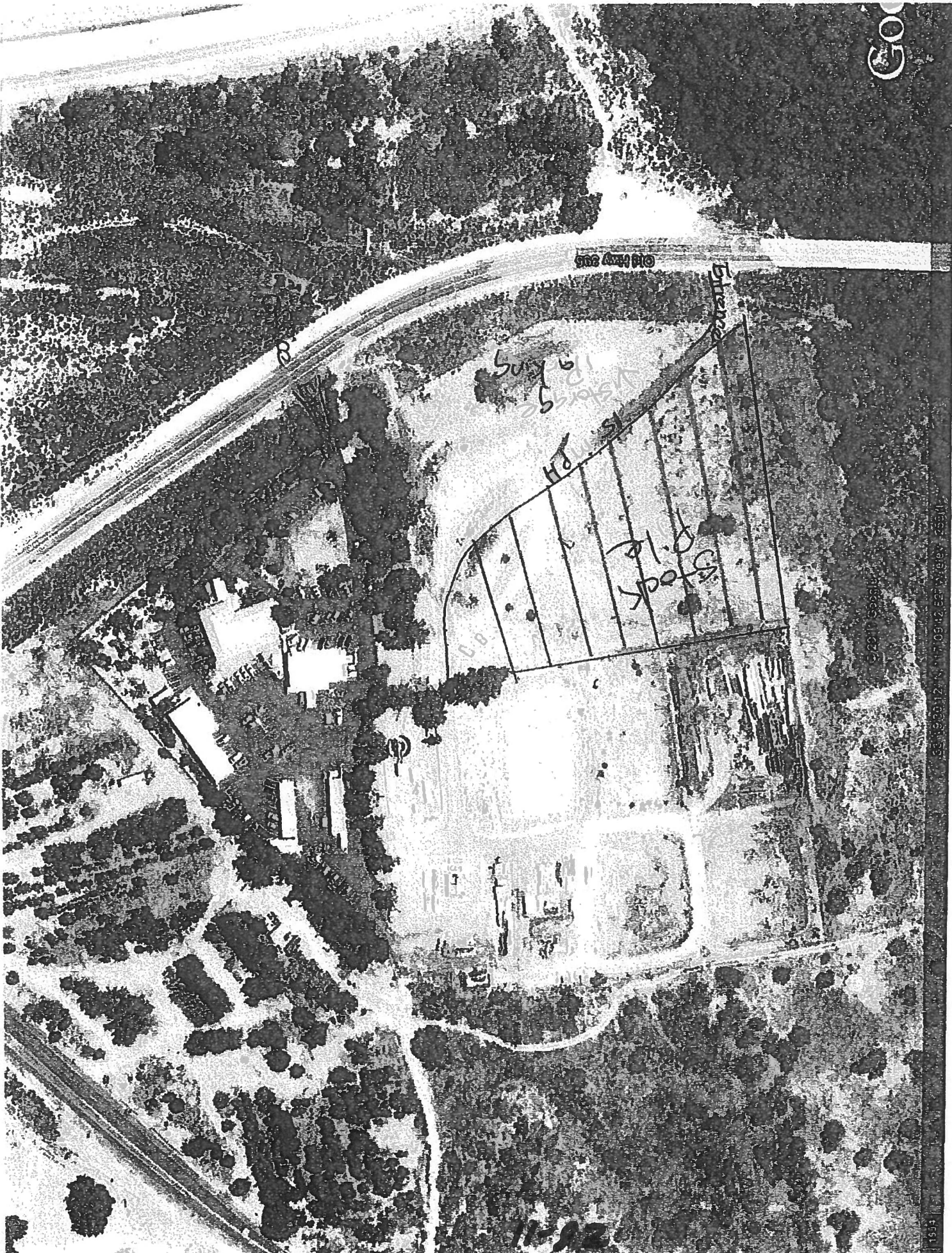
ATTACHMENT C – Ingress / Egress

This Attachment should include a detailed description of the specific place CONTRACTOR will enter DISTRICT property, the route to the Site, and other procedures (i.e. check-in at DISTRICT office, vehicle parking requirements, vehicle speed on DISTRICT property, and other site-specific issues).

Entrance is the driveway on the south end of the District property at 3707 Old Highway 395, Fallbrook, CA 92028. Entrance to District Office portion of property is approximately 200 yards north of construction entrance. Vehicle parking is near storage shed at south entrance. Speed limit is 15 mph.

See attached photo.

District Initials 
CONTRACTOR Initials 



GO

Dixie Hwy

Entrance

Storage

PH

Stock Pile

©2011 Google

1534 11-92

**ADDITIONAL INSURED -- DESIGNATED PERSON OR
ORGANIZATION**

This endorsement, effective 04/01/10 attaches to and forms a part of Policy Number ECC101008524. This endorsement changes the Policy. Please read it carefully.

In consideration of an additional premium of \$ Applied, this endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

Any person(s) or organization(s) whom the Named Insured agrees, in a written contract, to name as additional insured. However, this status exists only for the project specified in that contract.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an Insured but only with respect to liability arising out of your operations or premises owned by or rented to you.

Endorsement Number: CG20370704

**ADDITIONAL INSURED—OWNERS, LESSEES OR
CONTRACTORS—COMPLETED OPERATIONS**

This endorsement, effective 04/01/10 attaches to and forms a part of Policy Number
ECC101006524 . This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Per the attached certificate	Per the attached certificate
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

WEST-TECH CONTRACTING, INC
Endorsement Number: CG 25 03 11 85

**AMENDMENT – AGGREGATE LIMITS OF INSURANCE
(PER PROJECT)**

This endorsement, effective 04/01/10 attaches to and forms a part of Policy Number ECC101006524 . This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The General Aggregate Limit under LIMITS OF INSURANCE (SECTION III) applies separately to each of your projects away from premises owned by or rented to you.

RAINBOW MUNICIPAL WATER DISTRICT

3707 Old Highway 395
 Fallbrook CA 92028
 760-728-1178
 www.rainbowmwd.com

February 13, 2012 15:02:00 *****
 * R E C E I P T *

 Receipt #...: 93149
 Register #.: 29
 Terminal ID: pts/tc

G/L RECEIVED FROM:
 WEST-TECH CONTRACTING, INC. AMOUNT PAID: 1.00
 FOR: GROUND LEASE PAYMENT
 TRANSACTION DETAIL:
 03-49108 RENTS AND LEASES 1.00

WEST - TECH
 Contracting, Inc.
 CA LIC. NO. 639761
 568 NORTH TULIP STREET
 ESCONDIDO, CA 92025
 (760) 233-2570

CALIFORNIA BANK TRUST
 1024 GRAVES AVE
 EL CAJON, CA 92021
 90-3210
 1222

63372

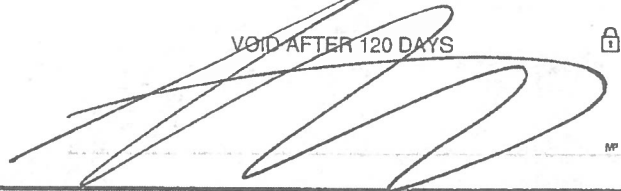
Pay: *****One dollar and no cents

DATE: February 9, 2012 CHECK NO.: 63372 AMOUNT: \$*****1.00

TO THE ORDER OF

Rainbow Municipal Water Dist.
 3707 Old Highway 395
 Fallbrook, CA 92028

VOID AFTER 120 DAYS



⑈063372⑈ ⑆122232109⑆ 2020176731⑈

Received From	Payment Method	Amt Tendered	Payment Summary	
WEST-TECH CONTRACT	Chk# 63372	1.00		
	* Total Applied	Total Tendered	Change	Thank
	\$1.00	\$1.00	\$0.00	You!

FRONT COUNTER CASH ENTRY
 RAINBOW MUNICIPAL WATER DIST

RECEIPT NUMBER:
 DATE: 02/13/12
 MODE: ADD

RECEIVED FROM: _____

11-87

QUALIFICATIONS OF APPRAISER

CURRICULUM VITAE
NOBLE R. TUCKER JR., MAI, SRA, AI-GRS
Phone Number 951-677-4888

Experience

Mr. Tucker is an independent fee appraiser (1984-2015). He has extensive experience in appraisal and consulting projects consisting of investment-quality office buildings, service stations, shopping centers, industrial planned communities, residential subdivisions, multi-family housing, single family homes, nursing homes, congregate care centers, special purpose properties, and vacant land throughout the Southwestern United States. Mr. Tucker is also an expert in the valuation of businesses.

Mr. Tucker has performed valuations on proposed, partially completed, renovated, and existing structures. Mr. Tucker has qualified as an expert witness before various judicial and quasi-judicial bodies and has testified in Superior Court, Bankruptcy Court, Federal Tax Court, and Municipal Court, on matters involving real estate in civil cases.

Mr. Tucker has been appraising for approximately 28 years on a full-time basis.

Previous Experience

Prior to working for Tucker Appraisal Service Corporation, Mr. Tucker was Chief Appraiser at Traditional Mortgage in Woodland Hills, California. Duties included overseeing major loan appraisals on apartments and high dollar single family residences (1984-1985).

From 1983-1985 Mr. Tucker was an independent fee appraiser working for firms such as Steve Smith and Associates in Canoga Park, Kennedy Appraisal Service in Los Angeles, Chua Bailey and Associates in Glendale, Southland Appraisal Services in Anaheim, Lenders Technology Service in Santa Ana, Lenders Service in Pittsburgh, and several other firms.

Prior to working the Real Estate Appraisal Profession Mr. Tucker was involved in the construction industry. From 1975 to 1980 duties included project management, sales, job-site supervision, and construction superintendent.

Professional Associations

S.R.A. Designated member of The Appraisal Institute
MAI Designated member of The Appraisal Institute
AI-GRS Designated member of The Appraisal Institute

State Licenses/Certifications

Certified General Real Estate Appraiser with the State of California. This allows Mr. Tucker to appraise any type of property (within his capabilities) within the State of California. License Number AG001532. Expires January 31, 2017

Certified General Real Estate Appraiser with the State of Hawaii. This allows Mr. Tucker to appraise any type of property (within his capabilities) within the State of Hawaii. License Number 1112 Expires December 31, 2015.

California Real Estate Broker with the State of California. No. 01240497

Valuation of Conservation Easement - 2008 completed the Educational Requirements for this Certificate Program and I am listed on the Appraisal Institute's Web site - www.theappraisalinsitute.org

Litigation Certificate of Completion - 2010 completed three courses and passed the necessary requirements for this Certificate Program and I am listed on the Appraisal Institute's Web site - www.theappraisalinsitute.org

Education

Western Illinois University, Board of Governors Bachelor of Arts Degree

Court Experience/Expert Witness Testimony

Mr. Tucker has testified as an expert witness numerous times over the past 26 years. He has testified in Superior Court, Bankruptcy court, Federal Tax Court, and testified at Fair Value hearings in Los Angeles County, Orange, Riverside, San Bernardino, and Ventura counties. Additionally, Mr. Tucker has been hired as an arbitrator to resolve real estate disputes between parties.

Appraisal Courses Successfully Completed -The Appraisal Institute

- 1) Capitalization Theory and Techniques Part A/Course 1ba
The Appraisal Institute-The Conference Center in San Diego (October 31 to November 09, 1991)
- 2) Capitalization Theory and Techniques Part B/Course 1bb
The Appraisal Institute-The Conference Center in San Diego (November 14, to November 23, 1991)
- 3) Principals of Income Property Appraising/Course 201
The Appraisal Institute-Glendale College of Law (April 09 to June 25, 1988)
- 4) Standards of Professional Practice part A/Course SPPA
The Appraisal Institute-San Diego Chapter (May 10 to May 11, 1991)
- 5) Standards of Professional Practice part b/Course SPPB
The Appraisal Institute-San Diego Chapter (May 17 to May 18, 1991)
- 6) Real Estate Appraisal Principles/Course 1a1
The Appraisal Institute-University of Southern California (January 04 to February 08, 1986)
- 7) Residential Valuation/Course 8-2
The Appraisal Institute-University of Southern California (June 16 to June 22, 1985)
- 8) Standards of Professional Practice/Course 2-3-Southern California Chapter (July 14 to July 17, 1985) the Appraisal Institute
- 9) Basic Valuation Procedures/Course 1a2
The Appraisal Institute-Biola University (August 01 to September 19, 1987)
- 10) Report Writing and Valuation Analysis Course 540
The Appraisal Institute-Orange County Chapter (September 01 through September 09, 1994)
- 11) Advanced Applications Course 550
The Appraisal Institute-Pepperdine University (November 10 through November 19, 1994)
- 12) Course 120-Basic Income Capitalization
The Appraisal Institute-University of San Diego June 08 through June 16, 1995)
- 13) Case Studies in Real Estate Valuation
The Appraisal Institute-Glendale College of Law (June 1-9 1984)
- 14) Standards of Professional Appraisal Practice Part A and B-University of San Diego (June 1996)
- 15) Advanced Income Approach-Southern California Chapter May-June 1997, Tustin, California
- 16) Highest and Best Use and Market Analysis, Course 520, Montrose California August 1997
- 17) Standards of Professional Practice Part C, Fountain Valley, California September 2000

- 18) Condemnation Appraising - Basic Principles & Applications University of Phoenix Gardena CA 05-2003
- 19) Condemnation Appraising - Advanced Topics & Applications University of Phoenix Gardena CA 05-2003
- 20) Business Practice & Ethics, Long Beach California March 2006
- 21) Litigation Appraising - Specialized Topics and Applications Arcadia CA March 2006
- 22) Conservation Easement valuation, Littlerock Arkansas December 2007
- 23) Yellowbook, the Appraisal Institute
- 24) Statistics and Graphs October 2009, Bakersfield, California
- 25) Using Spreadsheet Programs in Real Estate Appraisal, Bakersfield, California
- 26) Introduction to Business Valuation (BV 201), the American Society of Appraisers September 2009 Manhattan Beach, California
- 27) The Appraiser as an Expert Witness, the Appraisal Institute, Sacramento California February 2010
- 28) Small Hotel / Motel Valuation: Limited Service Lodging - The Appraisal Institute February 2012

Seminars Attended:

- 1) State License Preparation-Certified General Appraiser
- 2) State License Preparation-Certified Residential Appraiser
- 3) California OREA License Seminar (1996)
- 4) Demonstration Appraisal Report-Non Income Producing Property.
- 5) Demonstration Appraisal Report--Income Producing Properties.
- 6) Valuation of Leasehold Interests
- 7) HP 12/C Seminar
- 8) Easement Valuation
- 9) The Appraisers Complete Review Seminar
- 10) FHA Seminar
- 11) Legal Workshop
- 12) Business Valuation
- 13) Personal Property Valuation
- 14) The Comprehensive Appraisal Review Seminar
- 15) Appraisal Statistics
- 16) Valuation for Financial Reporting Purposes
- 17) Litigation Valuation
- 18) Preparing the expert witness

Workshops Attended

- | | |
|--------------------------------|--|
| 1) Valuing Impaired Properties | 4) Regional Analysis |
| 2) Fraud Workshop | 5) Easement Valuation |
| 3) Data Mining on the Internet | 6) Valuation of Partial Interests |
| 7) Estate Tax Webinar 2011 | 7) Valuation for Financial Reporting Purposes 2011 |

University Real Estate Courses Successfully Completed

- 1) Real Estate Foundation
- 2) Residential Appraisal
- 3) Selected Topics in Real Estate-Nursing Homes
- 4) Selected Topics in Real Estate-Gasoline Service Stations
- 5) Selected Topics in Real Estate-Residential Subdivisions
- 6) Selected Topics in Real Estate-R.V. Resorts
- 7) Contemporary Issues in Real Estate
- 8) Income Property Appraising
- 9) Advanced Real Estate Evaluation
- 10) Real Estate Law Portfolio
- 11) Land Development Regulations
- 12) Report Writing
- 13) Land Development Regulations
- 14) Computer Applications in Real Estate Analysis
- 15) Residential Property Development
- 16) Real Estate Property Management
- 17) Real Estate Finance
- 19) Narrative Report Writing
- 20) Understanding Commercial Real Estate
- 21) Survey Course

Certificate Programs Completed

- 1) Litigation Certificate of Completion, February 2010, the Appraisal Institute
- 2) Valuation of Conservation Easements, 2009, the Appraisal Institute, American Society of Appraisers

CLIENT LIST**Developers**

Richmond American Homes
 Kaufman and Broad
 Brock Homes
 Beazer Homes
 Greystone Homes
 Pardee Homes
 Barclay Homes
 Davidson Communities
 Dix Development Presley Communities Watt Homes
 Forecast Homes

Government Agencies

Federal Deposit Insurance Corporation (FDIC)
 Department of the Forestry
 Ventura County School District
 City of Perris
 Federal Bureau of Investigation (FBI)
 United States Navy
 Riverside County Housing Authority
 Economic Development Agency Riverside
 San Diego Economic Development Agency
 Bureau of Indian Affairs

Lenders

Bank of America
 Bank United of Texas
 Norwest Life Insurance
 Wells Fargo Bank
 First Pacific Bank
 High Desert Bank
 Guardian S&L
 California Federal Bank
 Life Savings Bank Northland Financial Lehman Brothers
 Metropolitan Life Insurance Co.

Overland Bank
 State Farm Insurance
 Affinity Bank
 Fleet Bank
 Telesis Federal Credit Union
 North Island Federal Credit Union
 State Farm Insurance
 Redlands Centennial Bank
 American Sterling Bank

S and S Construction William Lyon Company
 Sierra Pacific Century 21 Construction
 Ryland Homes Baldwin Company
 Centex Homes Costain Homes
 Griffin Industries Morrison Homes
 Richland Interests Warmington Homes
 Continental Homes Sunridge Developments
 Fieldstone Company Lewis Homes

McMillan Homes Taylor Woodrow

Resolution Trust Corporation (RTC)
 Mt. San Jacinto Junior College
 City of Temecula
 City of Murrieta
 Internal Revenue Service (IRS)
 United States Secret Service
 Housing and Urban Development
 Housing Authority Riverside County
 Department of the Interior
 U.S. Secret Service

Citycorp/CitiBank Sanwa Bank Chase Manhattan Bank
 GMAC Prudential Insurance Co
 American Savings Bank Southern California Bank
 Coast Savings Downey Savings and Loan
 Highland Federal Bank Rancho Bank
 FNMA FHLMC
 General Bank G.E. Mortgage
 Household Finance Imperial Bank

North American Mortgage New York Life Insurance
 Company
 North County Bank Republic National Bank
 Wells Fargo Bank Peoples Bank
 Centennial Bank Sanwa Bank
 Fleet Bank Goleta National Bank
 First Union (Pending) G.E. Capital
 Anchor Capital Corporation ABN Amro
 Temecula Valley Bank Canada Life Insurance
 Kaiser Federal First Security Thrift & Loan
 Washington Mutual Bank 8 Mission Oaks National
 Bank

Southwest Community Bank8

Landmark BankCIT Small Business Lending

Note: list of above lenders are clients we have completed appraisal work in the past. We do not represent that we are on their approved appraisers list. Some appraisal assignments have been submitted to lenders through wholesale departments or through brokers. Many of the clients above we have contracted directly with.

Attorneys

Law Offices of Brian C. Ostler, Sr.

Rosenstein & Southwick, Attorneys at Law

Law offices of Timothy J. Miller

Law offices of Briggs and Alexander

Palmeri, Tyler, Waldron

Law offices of Michael Wood

Law offices of Bocci and Hoffman

Law offices of Carol, Gilbert, & Bayshore

Law offices of Ito and Ito

Law offices of Greg Erickson

Sachse, James, & Lopardo-Attorneys At Law

Lamb & Baute

Coale, Dukes & Kirkpatrick

Albrecht & Albrecht

Law offices of Trujilo & Trujilo

Law Offices of Dabney B. Finch

Giarinelli & Finch

Anderson & Kriger

Law Offices of Rich Marshall

Law Office of Rebecca Gunn

Law Office of William K. Sweeney

Law Offices of McKinley & Capeloto

EXPERT WITNESS CASE LIST

- ◆ Zepede et al vs. Cal Trans Superior Court Riverside California 1990
- ◆ Kamal vs. Equillon Federal Court 2002
- ◆ Wesselyn vs. Cal Trans 1997 Orange County Superior Court 1997
- ◆ Rubin vs. City of Fontana 2004 San Bernardino Superior Court
- ◆ Grewal vs. Jones - Deposition 2005
- ◆ Saba vs. Murphy - Deposition 2008
- ◆ Saba vs. Murphy - Riverside Superior Court 2008
- ◆ Catrina P. Richardson v. Private Loan Funding Corp. And Daryl A. Hopkins and Amy C. Hopkins Case Number CIVSS703741 - January of 2009
- ◆ De Oro Properties LLC v. David Evans and Associates, Inc., et al. SBSC Case No. CIVRS 801728 - 2010
- ◆ Jimmy A. Espinoza v. Fidelity Family Holdings, LP., et al . SBSC Case No. CIVRS705657. (Lead Case) -2010
- ◆ Phillipi v. Ault, Deposition March 2011
- ◆ Phillipi v. Ault Riverside Superior Court 2011
- ◆ Devore v. Assil 2010 - Los Angeles Jams, Binding Arbitration
- ◆ Brenda LePaglia v. Michael LePaglia - Idaho Court 2008
- ◆ Simmonds v. Hudack August 2010 - Riverside Superior Court
- ◆ Security Service Federal Credit Union v. 22 Defendants - May 2011
- ◆ Dorn & Tipich vs. Tony Marquez Pool Company - February 2012

Please note that these are only a sample of some of the cases Mr. Tucker has testified in since 1990. Mr. Tucker has testified in approximately 40-50 trials, testified in mediation's approximately 10 times, been involved in arbitration approximately 20 times, and had his deposition taken approximately 50 times. This is only an estimate. My hourly rate is \$250 per hour for depositions and for trials.

I am a member of the Real Estate Research Council at Cal Poly Pomona and a contributing member to the Real Estate Research Council's Real Estate and Construction Report which we publish each quarter. I have contributed to approximately 40 publications over the past 10 years.

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER TO CONTRACT WITH CALTRANS FOR CASING UNDERCROSSING WORK ASSOCIATED WITH HIGHWAY 76 EAST SEGMENT

BACKGROUND

Caltrans has begun work on improvements to the Highway 76 East Segment from Mission Road to Old Highway 395. Staff has worked diligently with Caltrans to have the District facilities included with the Caltrans work. Work includes relocating facilities in conflict, installing new facilities and upsizing our existing sewer line from Sweetgrass Lane to Gird Road.

DESCRIPTION

In order to take advantage of the construction of the highway, staff is proposing to install four (4) 36-inch casings perpendicular to the highway for future use. The casings are strategically placed in locations that have the most potential for future use. Staff is proposing to install two at Gird Road, one at Monserate Hill Road, and one on the east side of the aqueducts near Sage Road. This will eliminate future requirements to open cut the freeway if necessary to install facilities and ease the permit process for installing facilities under the highway. The cost of each casing installed at this time will be a very small fraction of installing a similar casing once the project is completed. These casings could also be leased or transferred to other utilities.

The cost associated with the additional District work for the Highway 76 casings is estimated to be an additional \$200,000. A recommendation was given by the Engineering Committee to approve the casings on the May 6, 2015 meeting. The Board has approved a similar change order for the Highway 76/Interchange project, which included an extension of the waterline. Caltrans requires that the District pay the upfront costs of the work before they issue the change order.

POLICY

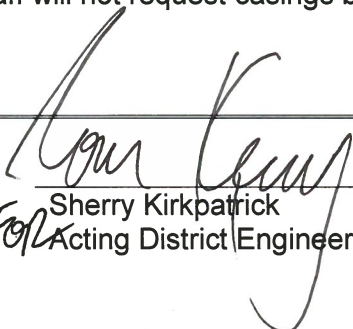
NA

BOARD OPTIONS/FISCAL IMPACTS

1. Approve staff's negotiation and execution of Caltrans change order. Fiscal impact is estimated to be \$200,000 for four casings
2. Do not approve change order staff will not request casings be installed

STAFF RECOMMENDATION

Staff supports Option 1



Sherry Kirkpatrick
Acting District Engineer

May 26, 2015

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING ACCEPTANCE OF TERMS FOR QUITCLAIM OF EASEMENTS IN EXCHANGE FOR WIDER EASEMENTS IN THE PROPOSED MOOSA MITIGATION BANK PHASE 1 PORTION

BACKGROUND

The District has been negotiating with the Conservation Land Group, who represent the owner San Luis Rey Downs Enterprises (SLRDE) regarding our easements and our concerns since the closure of the golf course. The San Luis Rey Golf Course shut down on August 6, 2014. SLRDE is turning the land into a mitigation bank. The mitigation bank will be split into possibly three phases, shown on the attached exhibit. The District is only considering the easements on the Phase 1 portion of the project, which are being finalized within the next few months. This includes clearing up any encumbrances on the property. The Phase 2 portion is approximately two years out.

DESCRIPTION

The District has water and wastewater facilities located along the golf course in easements of various lengths giving the District the right to access, maintain and repair District facilities when necessary. The owner is requesting that the District quitclaim an easement for wastewater facilities shown as #22 in the attached exhibit. This easement has language that terminates the easement if it is no longer in use. The easement was for a sewer line that went to a treatment plant that is no longer there. In addition, SLRDE is requesting that they be allowed to do a shallow scrape over our existing #23 easement and waterline. In return, the owner is willing to grant the District additional easements along our existing utilities to widen our easements. See attached exhibits and letter for the location and width of the easements to be granted and quitclaimed. The District is exchanging approximately 0.13 acres for 0.4 acres of easement.

This has been on the Engineering Committee agenda on three different occasions. The members had concerns about the width of the existing easements which have been alleviated by the increase with the exchange and verification from the construction department for space requirements for repair. The Engineering Committee approved the recommendation to the Board to exchange the quitclaimed easement for wider easements for the Phase 1 portion of the mitigation bank on the May 6, 2015 meeting with special considerations for the location of the wider easement with respect to the location of the existing facility. This will occur when the District coordinates the surveying and drafting of the new easements.

POLICY

NA

BOARD OPTIONS/FISCAL IMPACTS

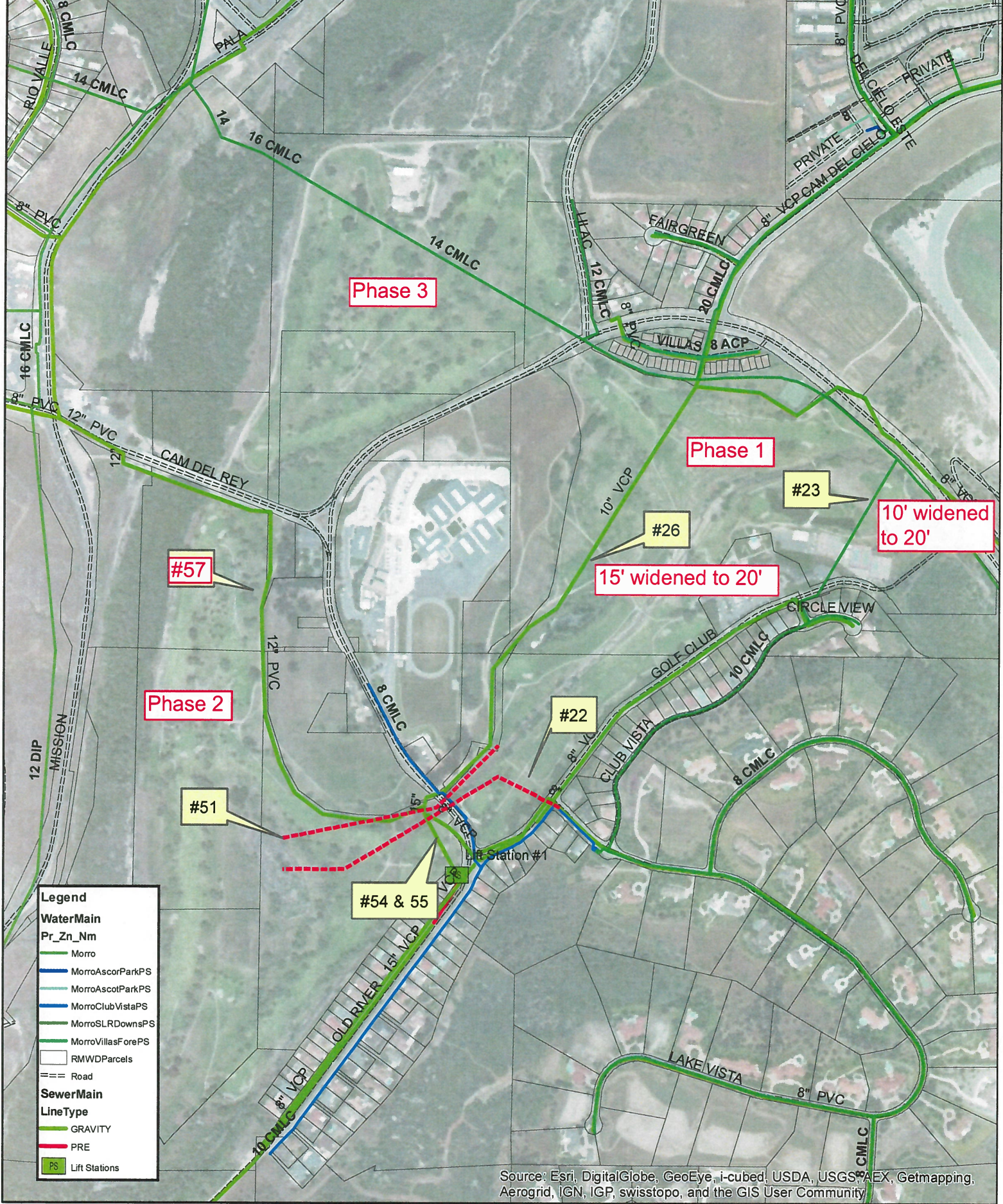
1. Authorize the General Manager to execute quitclaim for easement once the District receives the additional easements.
2. Provide direction to staff to amend the proposal for larger easements.
3. Do not quitclaim easements. District will be left with its existing easements and concerns of access and having enough room to repair facilities.

STAFF RECOMMENDATION

Staff recommends Option 1.


Sherry Kirkpatrick
Acting District Engineer

May 26, 2015





April 15, 2015
Via Email

Ms. Sherry Kirkpatrick, P.E.
Acting District Engineer
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

Re: Proposed Term Sheet between San Luis Rey Downs Enterprises, LLC and RMWD

Dear Sherry:

As we have discussed, San Luis Rey Downs Enterprises, LLC ("SLRDE"), sponsor of the proposed Moosa Creek Mitigation Bank ("Bank"), will be finalizing Bank plans and documents over the next 60-90 days and must make decisions concerning property encumbrances as soon as possible, particularly as these relate to the Bank's Phase 1 portion (east of Old River Road). To that end, I have outlined below the proposed key terms of two exchanges of interests between SLRDE and Rainbow MWD ("Rainbow"). We believe that it is in the best interests of both parties to complete these transfers.

This term sheet shall not be binding on either SLRDE or Rainbow until, and at such time as, a formal written agreement is executed by both parties.

Phase 1 Exchange – To be completed by 6/30/15

1. #22 (Doc. No. 153829): Rainbow to quitclaim this sewer line easement that has never been utilized (termination language is included in this easement document: "This easement shall cease and terminate one year after cessation of use for the purpose specified"). The area of the easement is approximately **0.13 acres**.
2. #23 (Doc. No. 179224): SLRDE to increase the width of this water line easement from 10' to 20'. The increase area is approximately **0.16 acres**. Rainbow to allow SLRDE to complete a shallow scrape within a small portion of the easement area during project construction (see attached figure showing proposed grading).
3. #26 (Doc. No. 155203): SLRDE to increase the width of this sewer line easement from 15' to 20'. The increase area is approximately **0.24 acres**. No grading is necessary within the easement area.

Phase 2 Exchange – To be completed by 6/30/17 (if applicable)

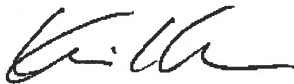
1. #51 (Doc. No. 155203): Rainbow to consider quitclaiming this sewer line easement if it is determined that this easement is no longer needed by Rainbow (not currently in use).

Ms. Sherry Kirkpatrick
April 15, 2015
Page Two

2. #54 (Doc. No. 73-032963): Rainbow to consider quitclaiming this sewer line easement if it is determined that this easement is no longer needed by Rainbow (line may be moved to Old River Road bridge).
3. #55 (Doc. No. 73-357982): Rainbow to consider quitclaiming this sewer line easement if it is determined that this easement is no longer needed by Rainbow (line may be moved to Old River Road bridge).
4. #57 (Doc. No. 78-000777): SLRDE to consider increasing the width of this sewer line easement from 20' to 30' if it is determined that this easement is still needed by Rainbow. No grading is necessary within the easement area.
5. #26 (Doc. No. 155203): Rainbow to consider quitclaiming this sewer line easement if it is determined that this easement is no longer needed by Rainbow (line may be moved to Camino Del Rey).
6. SLRDE to consider transferring a lift station site located in the northeastern portion of the Bank's Phase 2 property (South of Camino Del Rey and East of Old River Road) to Rainbow if it is determined that a lift station is needed in this area.

Please give me call at (415) 331-3130 if you have any questions or need more information on the proposed terms. Thank you for your consideration.

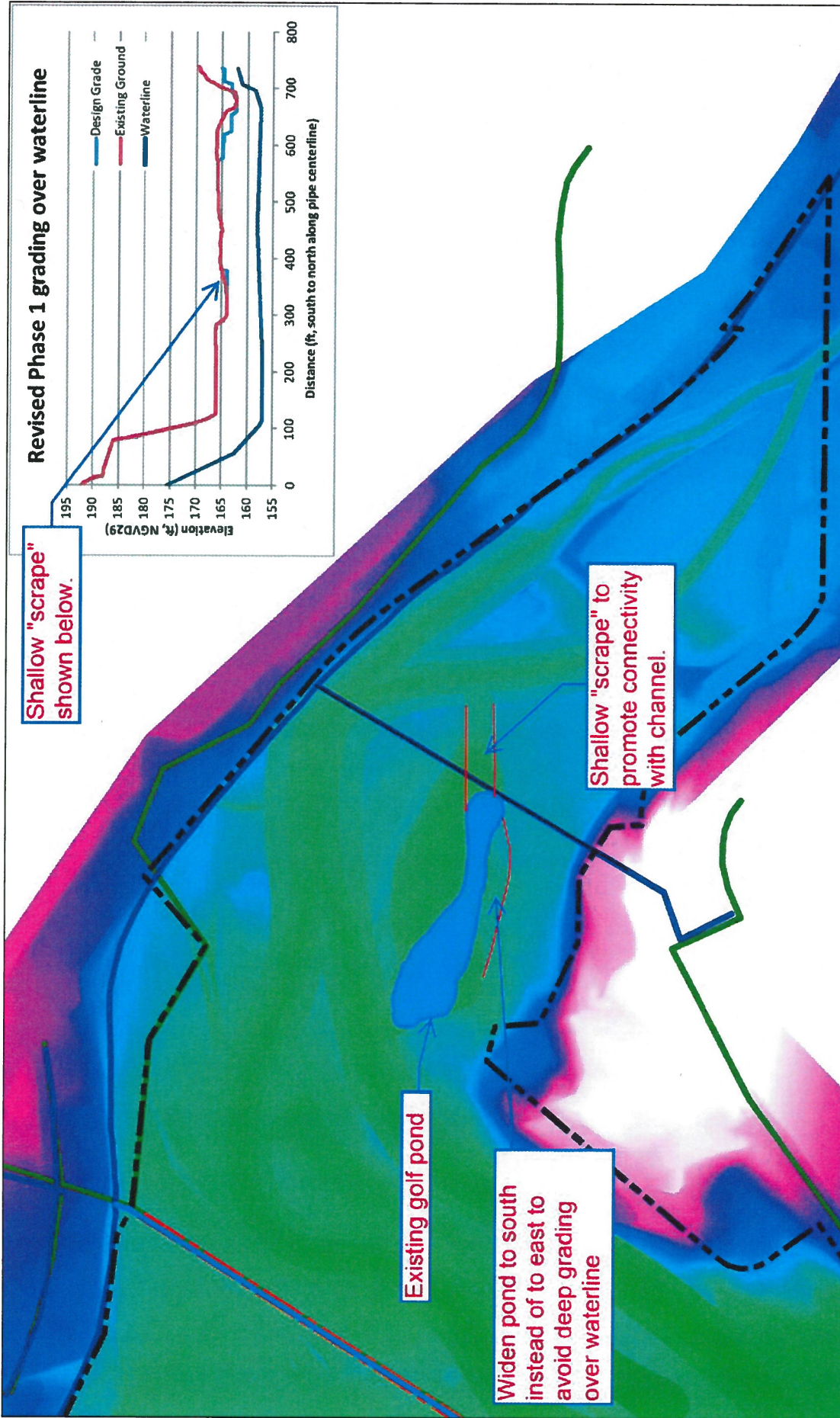
Sincerely,



Kevin Knowles
President/Broker Lic. #00969009

Attachment – Design Grading over Easement #23

cc: William Thead, SLRDE



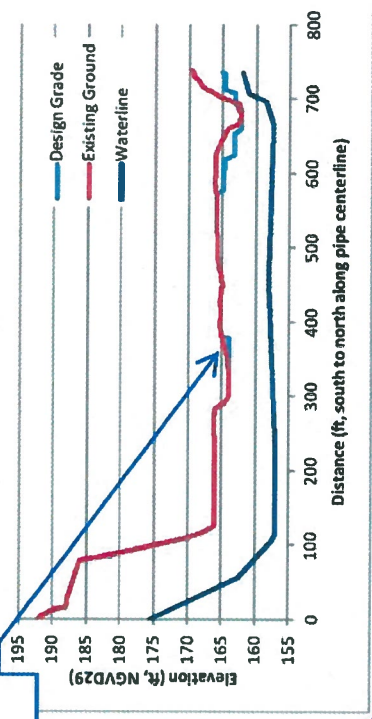
Shallow "scrape" shown below.

Existing golf pond

Widen pond to south instead of to east to avoid deep grading over waterline

Shallow "scrape" to promote connectivity with channel.

Revised Phase 1 grading over waterline



Notes: Waterline elevations are based on as-built drawings created by Tanner, Marquardt, Melvin & Assoc., Inc., dated 7/1/1966. Elevations are assumed to reference the NGVD29. Existing ground and finished grade elevations reference the NGVD29.

cbec
COLUMBIAN BUSINESS ENGINEERING CONSULTANTS

Moosa Creek Mitigation Bank
Design Grading Above Existing Waterline – Phase 1
Project No. 13-1008 Created By: SLD **Figure 1A**

13-6



BOARD ACTION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS RELATED TO THE FPUD REORGANIZATION AND DISSOLUTION APPLICATION TO LAFCO

DESCRIPTION

RMWD continues to review matters related to the FPUD reorganization and dissolution application to LAFCO. This action item will provide for discussion and possible action on the items listed below and to discuss any other issues, concerns or comments regarding this matter.

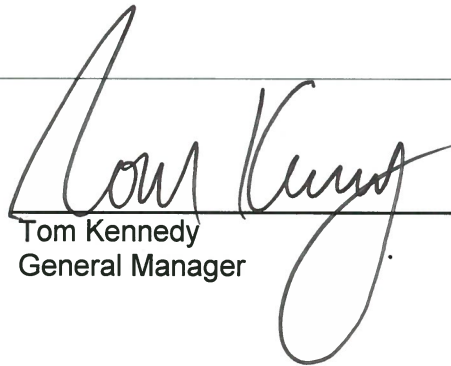
- A. Ad Hoc Committee Update

BOARD OPTIONS/FISCAL IMPACTS

N/A

STAFF RECOMMENDATION

N/A



Tom Kennedy
General Manager

5/26/2015



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

DROUGHT UPDATE

DESCRIPTION

A most recent update on the drought conditions as well as Governor Brown's demand for water use cutbacks will be provided at the meeting.

STAFF RECOMMENDATION

This item is informational and for discussion purposes only.

Tom Kennedy, General Manager

5/26/15

Estimated Water Authority FY 2016 Supplies

MWD Allocation

MWD Water Supply Allocation Plan - Level 3 Cutback	15%
MWD Supply Allocation ¹	314,471
Water Authority TSAWR Allocation	40,751
M&I Component of MWD Allocation	273,720

Water Authority M&I Supplies

QSA Supply	180,200
Water Authority Carlsbad Desalination Project Supply	38,781
Total	218,981

Total Water Authority Supplies

M&I Supply	492,701
TSAWR Supply	40,751
Total	533,452

1) Initial MWD estimate, subject to change

RAINBOW SUPPLY:

M&I : 11801

TSAWR : 9701

TOTAL : 21502

DRAFT

STEP 1

Adjusted Imported M&I Base Period Demand and FY 2016 M&I Allocation - Step 1
(in acre-feet)

Agency	A Unadjusted Imported M&I Base Period Demand ¹	B Growth Adjustment ²	C GPCD Compliance Adjustment ³	D Local Projects Development Adjustment ⁴	E=A+B+C+D Adjusted Imported M&I Base Period Demand	F= E/Sum E Pro-rata Share of Adjusted M&I Base Period Demand	G= F x 444,223 acre-feet FY 2016 M&I Allocation ⁵ -STEP 1-
Carlsbad M.W.D.	17,733	290	0	1,296	19,318	4.186%	18,596
Del Mar, City of	1,116	2	0	29	1,147	0.249%	1,104
Escondido, City of	19,433	89	0	166	19,688	4.267%	18,953
Fallbrook P.U.D.	8,573	31	0	223	8,827	1.913%	8,497
Helix W.D.	31,596	102	0	0	31,698	6.869%	30,514
Lakeside W.D.	3,713	16	0	0	3,728	0.808%	3,589
Oceanside, City of	23,947	124	0	1,437	25,508	5.528%	24,555
Olivenhain M.W.D.	21,364	180	0	856	22,401	4.854%	21,564
Otay W.D.	32,646	456	0	1,359	34,462	7.468%	33,175
Padre Dam M.W.D.	11,491	96	0	283	11,870	2.572%	11,426
Pendleton Military Reservation	47	0	0	389	437	0.095%	420
Poway, City of	12,274	46	0	130	12,450	2.698%	11,985
Rainbow M.W.D.	12,100	24	0	0	12,125	2.628%	11,672
Ramona M.W.D.	4,722	26	0	219	4,967	1.076%	4,782
Rincon Del Diablo M.W.D.	6,647	14	0	921	7,582	1.643%	7,299
San Diego, City of	175,562	1,253	0	2,046	178,861	38.760%	172,181
San Diego W.D.	3,996	36	0	210	4,242	0.919%	4,084
Santa Fe I.D.	8,376	30	0	166	8,572	1.858%	8,251
South Coast WD	351	0	0	351	351	0.076%	338
Sweetwater Authority	7,498	60	0	958	8,516	1.845%	8,198
Vallecitos W.D.	16,430	265	0	0	16,695	3.618%	16,072
Valley Center M.W.D.	9,632	18	0	116	9,766	2.116%	9,401
Vista I.D.	17,827	111	0	0	17,938	3.887%	17,268
Yuma M.W.D.	311	0	0	0	311	0.067%	299
Total	447,386	3,270	0	10,802	461,458	100.000%	444,223

- 1) Based on average of FY 2013 and FY 2014 imported M&I demands
- 2) Calculated using population growth and lesser of member agency base period total potable GPCD or aggregated member agency SBX 7-7 2015 potable GPCD estimate
- 3) Used to confirm compliance with SBX 7-7 water use efficiency targets, no adjustments due to all member agencies being under their targets
- 4) Calculated using base period local recycled and brackish groundwater supplies, set at 30% of total reliable supply
- 5) Allocation of regional imported M&I supply component 444,223 acre-feet (prior to agency-specific loss of local supply and MWD alignment adjustments)

DRAFT

STEP 2

Agency Specific Allocation Adjustments and FY 2016 M&I Allocation - Step 2

(in acre-feet)

Agency	G	H	I	J	K	L=G+H+I+J+K
	FY 2016 M&I Allocation -STEP 1-	Loss of Local Supply Adjustment ¹	MWD Alignment Mandatory Restrictions Adjustment ²	MWD Alignment Increase in Local Potable Supply Adjustment ³	MWD Alignment Increase in Recycled Supply Adjustment ⁴	Total FY 2016 M&I Allocation ⁵ -STEP 2-
Carlsbad M.W.D.	18,596	0	2,684	-1,737	-42	19,501
Del Mar, City of	1,104	0	0	11	1	1,116
Escondido, City of	18,953	295	1,392	196	-8	20,828
Fallbrook P.U.D.	8,497	0	0	86	5	8,588
Helix W.D.	30,514	1,707	0	319	19	32,559
Lakeside W.D.	3,589	0	0	37	2	3,628
Oceanside, City of	24,555	0	3,206	242	14	28,017
Olivenhain M.W.D.	21,564	0	0	215	13	21,792
Otay W.D.	33,175	0	0	329	-5	33,499
Padre Dam M.W.D.	11,426	0	1,739	116	7	13,288
Pendleton Military Reservation	420	183	0	0	-1	602
Poway, City of	11,985	0	0	124	-3	12,106
Rainbow M.W.D.	11,672	0	0	122	7	11,801
Ramona M.W.D.	4,782	0	0	48	3	4,833
Rincon Del Diablo M.W.D.	7,299	0	0	67	-14	7,352
San Diego, City of	172,181	19,700	2,574	1,772	-28	196,199
San Diego, City of	4,084	1,985	582	40	2	6,693
San Diego W.D.	8,251	2,630	0	84	5	10,970
Santa Fe I.D.	338	0	0	4	0	342
South Coast WD	8,198	8,919	0	76	5	17,198
Sweetwater Authority	16,072	0	0	-2,431	10	13,651
Vallecitos W.D.	9,401	0	0	97	-3	9,495
Valley Center M.W.D.	17,268	164	166	180	11	17,789
Vista I.D.	299	552	0	3	0	854
Yuima M.W.D.	444,223	36,135	12,343	0	0	492,701
Total						

15-4

- 1) Calculated as the difference between base period and member agency projected allocation year surface water and groundwater supplies, reduced by MWD cutback percentage
- 2) Based on MWD Water Supply Allocation Plan (WSAP) methodology, and provided to qualifying agencies (still under review)
- 3) Based on WSAP methodology and impact on Water Authority allocation from member agency potable local supply increase (Carlsbad Desalination Project)
- 4) Based on WSAP methodology and impact on Water Authority allocation from member agency recycled supply increase
- 5) Total FY 2016 imported M&I supply allocation

TSAWR Base Period Demand and TSAWR Allocation ¹

(in acre-feet)

Agency	TSAWR Base Period (FY 2014)	TSAWR Allocation (15% Cutback)
Carlsbad M.W.D.	0	0
Del Mar, City of	0	0
Escondido, City of	3,235	2,750
Fallbrook P.U.D.	4,811	4,089
Helix W.D.	0	0
Lakeside W.D.	0	0
Oceanside, City of	508	432
Olivenhain M.W.D.	131	111
Otay W.D.	0	0
Padre Dam M.W.D.	458	390
Pendleton Military Reservation	0	0
Poway, City of	48	40
Rainbow M.W.D.	11,413	9,701
Ramona M.W.D.	1,466	1,246
Rincon Del Diablo M.W.D.	197	168
San Diego, City of	93	79
San Dieguito W.D.	0	0
Santa Fe I.D.	0	0
South Coast W.D.	0	0
Sweetwater Authority	0	0
Vallecitos W.D.	1,302	1,107
Valley Center M.W.D.	20,146	17,124
Vista I.D.	100	85
Yuima M.W.D.	4,034	3,429
Total	47,941	40,751

1) Based on MWD Water Supply Allocation Plan Level 3 - 15% Cutback

15-5

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Initial Review of Fiscal Year 2015-2016 Budget

DESCRIPTION

The Draft Operating Budget for 2015-2016 is presented today for the Board to review to take action at the June 23, 2015 meeting.

The Draft Operating Budget reflects a decrease in water sales to be 18,000 AF for 2015-2016 due to drought water cutbacks.

The Draft Operating Budget reflects the effect of Metropolitan Water District and San Diego County Water Authority's decision to increase water rates which would be passed through to Rainbow MWD customer effective 01/01/16 and a Rainbow MWD \$.03 increase per water unit sold.

BACKGROUND

The Draft Operating Budget for 2015-2016 has been given to the Budget and Finance Committee May 12, 2015 to review. The committee's recommendation the Board will be discussed and voted at their June 9, 2015.



Margaret Thomas, Finance Manager

05/26/15

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2015	MEETING	LOCATION	ATTENDEES	POST
June	11	SDCWA Special Board Meeting	SDCWA	GM	N/A
June	*	CSDA – San Diego Chapter	(Location to be Announced) 6:00 p.m.	GM	N/A
June	*	LAFCO Special Meeting	County Admin Center, Room 358 – 9:30am	Sanford (As Advised by GM)	N/A
June	*	Santa Margarita Watershed Council	Rancho California Water District	Sanford	N/A
June					

* To Be Announced

17A1-1

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING						
DATE	2015	MEETING	LOCATION	ATTENDEES	POST	
June	1	LAFCO	County Admin. Center Room 358 9:00 am	Sanford (As Advised by GM)	N/A	
June	1	Communications Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	5/27	
June	3	Engineering Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	5/27	
June	9	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	5/27	
June	16	SDCWA GM's Meeting	SDCWA, San Diego 9:30 a.m.	General Manager	N/A	
June	16	Council of Water Utilities	Stoneridge Country Club 7:15 a.m. Poway	All Directors, General Manager	6/12	
June	19	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A	
June	22	San Luis Rey Watershed Council	Fallbrook Public Utility District 1:00 p.m.	Walker	N/A	
June	23	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	6/16	
June	24	North County Water Group	Rincon Del Diablo, Escondido 7:30 a.m.	All Directors on a Rotating Schedule, General Manager	N/A	
June	25	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A	

17A1-2

Dawn Washburn

From: Maureen Michael [REDACTED]
Sent: Thursday, May 14, 2015 10:45 AM
To: Dawn Washburn
Subject: Chuck Faust

Sent from my iPad

On Sunday May 10th, while experiencing an emergency water shutdown, I was speaking with Chuck about the situation. He was extremely helpful and deeply concerned. He even went so far as to call me at 7pm that evening to make sure that my water service had been restored! I was so impressed with his level of customer service, I wanted him to be complimented on his performance


Sent from my iPad

1701-1

April 25, 2015

DIVISION 3

Michael Kelley and Leslie Gambini Kelley


Mr. Tom Kennedy
General Manager
Rainbow Municipal Water District
3707 Old Hwy 395, Fallbrook, CA 92028

WATER CONSERVATION

I understand the need for serious water conservation in these drought conditions. With this in mind, we have done everything possible to reduce our water usage in and around our house.

We have been making changes to the water consumption of our entire property (1.5 acres) since the drought began. The only thing I was unable to reduce was the Red-Apple ground cover used for erosion control on the slopes. The house was built only a few feet from a very steep drop-off and to assist erosion control I installed special drains to further reduce erosion concerns.

The following list includes the major things that we have done to reduce water consumption on an ongoing basis. If you review our monthly statements you will see we have always been substantially below our allocation. Also, refer to the attached pictures.

1. We removed **ALL** grass and replaced it with gravel
2. We removed 10 large trees and over 100 shrubs and bushes
3. Any flowers and shrubs we planted are the most drought resistant we could find
4. We completely replaced the old sprinkler pipes and installed new (very efficient) water sprinklers
5. We only water early in the morning (5 to 6 AM)
6. There are 3 of us and we all take short showers and minimize all indoor usage
7. The latest, most efficient, clothes washer and dishwasher are installed.
8. Highly efficient low flow toilets are installed
9. We installed two water pressure regulators that maintain 60lbs pressure inside and outside.
10. We also have a pool but we only keep the level high enough to allow the filter to operate correctly. If the filter doesn't work the pool would become stagnant and could become a breeding ground for mosquitos and other health risks.

I am very concerned there seems to be a blanket policy about to take place that will require additional water reduction regardless of major things already done. I would hope there would be some consideration applied to those who have already taken major, **and expensive**, water conservation measures.

I would appreciate a response to my letter,

Sincerely,

Michael Kelley
Michael Kelley

1701-2

BACKYARD BEFORE WATER CUTBACK



BACKYARD AFTER WATER CUTBACK (today)



1781-3

BACKYARD TODAY



17B1-4

GARDEN BEFORE WATER CUTBACK



GARDEN, AFTER CUTBACK (today)



1701-5

FRONT YARD EROSION CONTROL



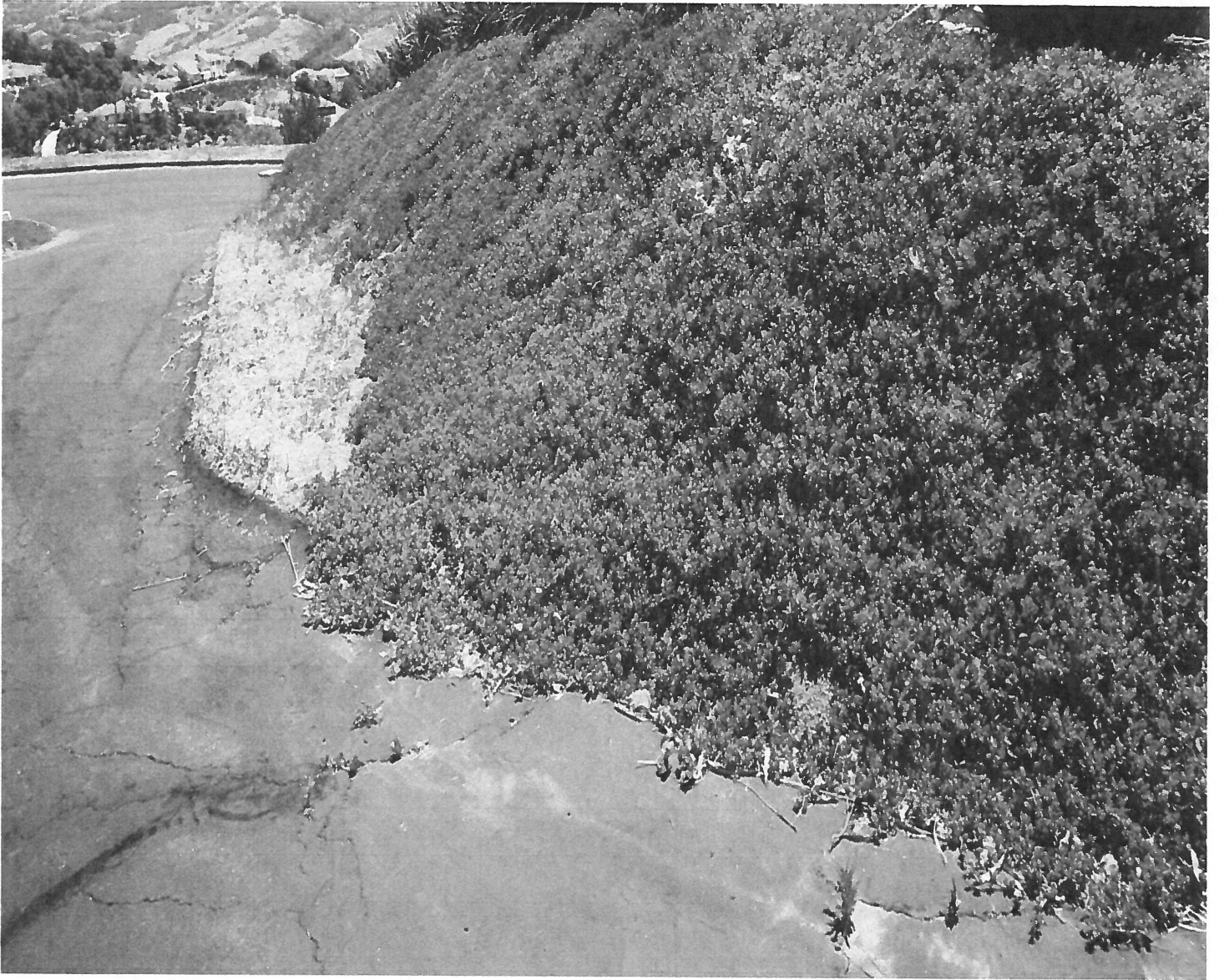
1701-6

FRONT YARD EROSION CONTROL



1701-7

SIDE YARD EROSION CONTROL



1701-8

REMOVING 10 LARGE TREES



1701-9



April 30, 2015

Michael Kelley and Leslie Gambini Kelley

Subject: Water Conservation

Dear Michael and Leslie:

I have received your letter of April 25, 2015 in which you express concerns about the impact of the drought and water policies related to conservation. I have also shared your letter with my Board of Directors. I thank you for communicating with us on this important topic.

California is facing a serious water shortage due to four straight years of poor rain and snowpack in the Sierras. It is clear from your letter that you have taken steps to reduce your water consumption in measures that exceed that of most water users. The photographs clearly document your efforts and your appropriate use of water where needed to stabilize slopes while cutting back where you can. You are to be commended for your efforts.

Over the last 20 years, the San Diego region has invested nearly \$3 Billion in projects designed to mitigate the risk related on our dependence on imported water. The drought of the early 1990's demonstrated that this reliance put our region and economy at the mercy of sometimes mercurial weather patterns. I am happy to report that these investments have paid off. San Diego now gets a small amount of our water from the Sierras. The transfers from the Imperial Irrigation District make up well over 30% of our supply and are comprised of conserved water from canal lining and fallowing of farmland. The Carlsbad Desalination Plant will come on line later this year and add another 7-10% of our supply. This is the drought we have planned for.

As a result, the San Diego County Water Authority has forecast that our reliable water supplies for the next year will be over 99% of the expected demand. With the increased media attention created by the actions of the Governor, we expect that supply will exceed demand next year and we will actually be putting water into storage – even in the midst of this drought.

The proposed regulations promoted by the Governor have placed arbitrary reduction percentages on water agencies across the State. Rainbow has been incorrectly lumped into a category that requires a 36% reduction in residential consumption, but they have not properly deducted our agricultural use from their data (which we will correct). Our actual cutback percentage will be considerably lower.

The final regulations are not expected to be issued by the State for another week and the San Diego County Water Authority won't meet until mid-May to finalize their projections, so I can't say with 100% certainty what the impact will be for Rainbow customers. What I can say is that we have no intention of establishing heavy fines or harsh allocations as our supply in San Diego County does not warrant such actions. Customers like you who are practicing efficient water use will not be penalized for doing the right thing in the past. At the regional level we are making the same argument to the State – San Diego County uses almost 20% less water than we did 20 years ago with nearly a million more people!

We will have certain agricultural water customers, who agreed to conservation cutbacks in shortages in exchange for discounted water (TSAWR), receive allocations. These customers will face penalties in accordance with their agreements, but we don't plan any such actions for our non-TSAWR customers.

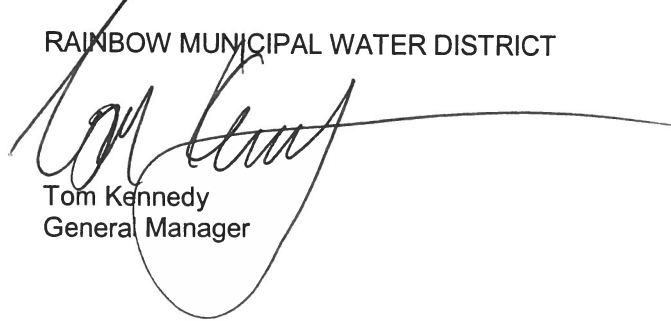
Michael Kelley
April 30, 2015
Page 2

Thank you again for your letter and please rest assured that it is our intention to manage our current water supply situation in a fair, equitable manner that recognizes the efforts our customers have been making for years. We only hope that the final State regulations follow suit!

If you have any questions please feel free to contact me.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT

A handwritten signature in black ink, appearing to read 'Tom Kennedy', with a long horizontal flourish extending to the right.

Tom Kennedy
General Manager

cc: Board of Directors

1781-11

5-10-15 PG 1 of 2 Division 3
RON LANGLOIS



RAINBOW MWD

Acct. NO. [REDACTED]

REF. WATER SAVING CREDIT

GENTLEMEN:

THREE YEARS AGO, BEGINNING ON MARCH 12, 2012 I REMOVED ALL GRASS LAWNS AND PARTIAL FLOWER BEDS AND REPLACED THEM WITH ARTIFICIAL GRASS, CACTUS AND SUCULENTS, RESULTING IN A 43% WATER SAVINGS USAGE OVER 36 MONTHS. THIS SAVINGS WAS DERIVED FROM RAINBOW INVOICE USAGE DATA DATED FROM 3-12-12 TO 3-10-15 AS PRESENTED ON PAGE 2 OF 2.

I REQUEST CREDIT FOR SAID EFFORT AS WITNESSED BY THE SDWA'S OWN STATEMENT, "THE SDWA RECOMMENDS ENSURING THAT FINAL REGULATIONS DON'T PUNISH THOSE WHO ALREADY HAVE CONSERVED". SIMPLY SAID, A CUT OF 36% WATER USAGE ADDED TO MY EXISTING 43% SAVING RESULTS IN A UNREALISTIC AND UNWARRANTED 79% CUT.

THANK YOU
Ron Langlois
1701-12

<u>MO/YR</u> <u>SERV.</u> <u>PERIOD</u>	<u>EXIST</u> <u>BASE</u> <u>ALLOC.</u>	<u>UNIT</u> <u>USE</u>	<u>OVER</u> <u>UNDER</u>	<u>AVG.</u> <u>%</u>
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3-12-12 (BEGIN REMOVAL & REPLACEMENT)

4-10-12	35	10	-25	
5-9	28	16	-12	
6-12	45	38	-7	

③ MO	108	64	-44	-41%
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⑫ 6-13-13	460	234	226	-49%
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⑫ 6-14-14	460	309	151	-33%
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7-24-14	48	21	-27	
8-12	61	23	-38	
9-10	54	23	-31	
10-9	41	21	-20	
11-12	41	33	-8	
12-24	37	15	-22	
1-13-15	36	9	-27	
2-24	20	18	-2	
3-10	14	14	0	

⑨ MO	352	177	-175	-50%
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③⑥ MO	1380		596	= -43% AVG
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May 13, 2015

Ron Langlois



Subject: Water Conservation

Dear Mr. Langlois:

We have received your letter of May 10, 2015 in which you express concerns about the impact of the drought and water policies related to conservation. I am writing you this letter on behalf of Director Tory Walker and have also shared your letter with the full Board of Directors. I thank you for communicating with us on this important topic.

California is facing a serious water shortage due to four straight years of poor rain and snowpack in the Sierras. It is clear from your letter that you have taken steps to reduce your water consumption in measures that exceed that of most water users. You are to be commended for your efforts.

Over the last 20 years, the San Diego region has invested nearly \$3 Billion in projects designed to mitigate the risk related to our dependence on imported water. The drought of the early 1990's demonstrated that this reliance put our region and economy at the mercy of sometimes mercurial weather patterns. I am happy to report that these investments have paid off. San Diego now gets a small amount of our water from the Sierras. The transfers from the Imperial Irrigation District make up well over 30% of our supply and are comprised of conserved water from canal lining and fallowing of farmland. The Carlsbad Desalination Plant will come on line later this year and add another 7-10% of our supply. This is the drought we have planned for.

As a result, the San Diego County Water Authority has forecast that our reliable water supplies for the next year will be over 99% of the expected demand. With the increased media attention created by the actions of the Governor, we expect that supply will exceed demand next year and we will actually be putting water into storage – even in the midst of this drought.

The regulations promoted by the Governor have placed arbitrary reduction percentages on water agencies across the State. Rainbow has been lumped into a category that requires a 36% reduction in residential consumption, but they have not properly deducted our agricultural use from their data (which we will correct). Our actual cutback percentage will be lower once we get through the process with the State

We will have certain agricultural water customers receive allocations. These customers agreed to conservation cutbacks in shortages in exchange for discounted water. These customers will face penalties in accordance with their agreements, but we don't plan any such actions for residential customers such as yourself.

While we are encouraging all of our customers to conserve where they can, if you have already done all you can there is nothing else we can ask of you. We have essentially 100% supply for our residential customers and we are not asking you to make any specific cutbacks.

Ron Langlois
May 13, 2015
Page 2

With that said, any water that is conserved this year will be stored here in San Diego County for our use next year should the drought continue. We are encouraging all customers to do what they can to save water for every gallon saved will be a gallon that will be available next year.

Your letter also requests a credit for your previous consumption but since we are not going to place any specific allocation or cutback mandate on your account, no such credit is needed. Please continue to use water in a responsible manner as described in your letter.

Thank you again for your letter and please rest assured that it is our intention to manage our current water supply situation in a fair, equitable manner that recognizes the efforts our customers have been making for years.

If you have any questions please feel free to contact me.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT



Tom Kennedy
General Manager

cc: Tory Walker, Director Division 3
Board of Directors

1781-15

Karen Lee Lake



May 1, 2015

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

Re: Account # 

To Whom It May Concern:

This is my 2nd **request** to have the water/sewer for the aforementioned account shut off effective May 6, 2015. The home has been sold and the new owners will be arranging their own water/sewer bill.

I am also writing a formal letter of complaint against your customer service representative, Midge Thomas who unlawfully demanded the name and number of the escrow company in order to process such a request. This type of demand is illegal and your employee is in dire need of the skill set required for her position.

I have filed two formal complaints against Rainbow Municipal Water District with 1) Better Business Bureau and 2) The Department of Consumer Affairs for California. I am planning to write to the District Attorney as well.

Your entire customer service department needs customer service training and your water rates are highway robbery. I've not been living at the above address since March 1st, yet I receive a \$170 water bill each month – *with no one living there and the irrigation system disconnected*. Outrageous. You should be ashamed of yourself.

Sincerely,

A handwritten signature in cursive script that reads "Karen Lake".

Karen Lake



May 12, 2015

Karen Lake
[REDACTED]

Subject: Your water account at [REDACTED] Fallbrook CA 92028

Dear Ms. Lake:

I received your letter of May 1, 2015 in which you outline various complaints about our customer service department. It is our goal to provide the highest level of customer service to all of our ratepayers – I am sorry that you feel that we have fallen short of this goal.

In your letter, you make some specific allegations about improper conduct on the part of one of my staff, Midge Thomas. I have discussed this situation with her and reviewed the accounts and I do not find her actions to be out of line as you describe in your letter. In this situation, Ms. Thomas was trying to work with you to settle a past due account. In situations where customers are selling their homes with past due amounts on the bill it is not uncommon for these amounts to be settled as part of the escrow process. Ms. Thomas was simply trying to offer you an option on settling the account's past due balance. There was nothing unlawful about her conduct.

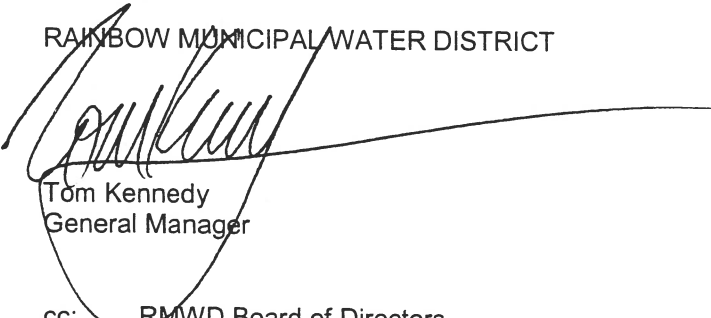
I have also reviewed our record of customer service interactions with you and have found a number of instances where my staff was treated in a discourteous manner and with inappropriate language. I would ask that you please refrain from using curse words and a hostile tone of voice when you interact with my staff in the future.

In your letter you have also asked for a discontinuance of service to the property. In accordance with our Administrative Code, the account must be brought up to date with respect to past due payments before service can be discontinued. Our Administrative Code allows you to temporarily discontinue service and reduce the monthly cost to 50% of the normal fee. Once the account is brought up to date we can initiate this process, lock the meter, and reduce your monthly service fee. Until a new customer applies for service at this address, as the property owner you will still be responsible for charges related to the account.

If you have any questions please feel free to contact me at your convenience.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT



Tom Kennedy
General Manager

cc: BMWD Board of Directors

3707 Old Highway 395 • Fallbrook, CA 92028
(760) 728-1178 • Fax (760) 728-2575 • www.rainbowmwd.com

1701-17



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Construction & Maintenance Report

DESCRIPTION

Activities for Construction & Maintenance Division

Occurrences for April: **16**

Main Line	1
Air/Vac	3
Blow-Off	0
Wharfhead	2
Valve	4
Fire Hydrant	2
Meter Lateral	4
Damage Done by Individuals	0

Total for 2014-2015 fiscal YTD: **182**

Main Line	24
Air/Vac	51
Blow-Off	6
Wharfhead	10
Valve	19
Fire Hydrant	13
Meter Lateral	54
Damage Done by Individuals	5

A. The locations of failures are as follows:

Main Line Repairs

Job #	Date Reported	GPM	Status	Location	Cause
4222	2/3/15	5	Completed	Gird Road	Joint 8" CMLC
4228	3/27/15	5	Completed	Rainbow Heights	Joint 8" CMLC
4229	4/20/15	N/A	Completed	Calle Joya	Maintenance 6" AC

Air Vac Repairs

Job #	Date Reported	GPM	Status	Location	Cause
26340	2/6/15	N/A	Completed	Rio Valle Drive	Update to standards 1" Brass
26343	2/26/15	5	In progress	Stewart Canyon Road	Broken stem 2" Brass
26346	4/13/15	N/A	In progress	Old Highway 395	Update to standards 1" Brass

1761-1

Air Vac Repairs (Cont'd.)

Job #	Date Reported	GPM	Status	Location	Cause
26347	4/13/15	N/A	In progress	Old Highway 395	Update to standards 1" Brass
26348	4/15/15	N/A	Completed	Via Giannelli	Update to standards 1" Brass

Blow Off Repairs

Job #	Date Reported	GPM	Status	Location	Cause
27112	1/23/15	N/A	Completed	Tarek Terrace	New installation 2" Brass

Wharfhead Repairs

Job #	Date Reported	GPM	Status	Location	Cause
28126	4/1/15	N/A	Completed	Rainbow Heights	Update to standards 4" CMLC
28127	4/20/15	N/A	Completed	Via Giannelli	Update to standards 2" Brass

Meter Lateral Repairs

Job #	Date Reported	GPM	Status	Location	Cause
3176	3/26/15	.5	Completed	Pala Lake Drive	Wear out 2" Copper
3177	4/2/15	N/A	Completed	Secret Lake	Maintenance 3/4" Copper
3178	4/8/15	1	Completed	Rainbow Crest Road	Wear out 2" Copper
3179	4/16/15	1	Completed	Camino Del Rey	Wear out 4" CMLC
3180	4/22/15	1	Completed	Villa Roma	Wear out 1" Copper

Valve Repairs

Job #	Date Reported	GPM	Status	Location	Cause
5058	3/23/15	N/A	Completed	Circle View	Maintenance 6" Plug
5059	4/13/15	N/A	Completed	Kari Lane	Off-Track 6" Plug
5060	4/20/15	N/A	Completed	Kari Lane	Off-Track 6" Plug
5061	4/21/15	N/A	Completed	Via Giannelli	Maintenance 6" Plug
5062	4/27/15	N/A	Completed as of 5/1/15	Pala Mesa	Maintenance 18" Plug

1701-2

Valve Replacements

Job #	Date Reported	GPM	Status	Location	Cause
16117	1/22/15	N/A	Completed	El Paseo	Leaks through 12" Gate

Fire Hydrant Repairs

Job #	Date Reported	GPM	Status	Location	Cause
8583	4/6/15	N/A	Completed	Little Gopher Canyon	Wear out 6" Ductile
8584	4/28/15	1	Completed	Flowerwood Lane	Wear out 6" Ductile

Damage Done by Individual

Job #	Date Reported	GPM	Status	Location	Cause
NONE					

C. After-Hours Standby Calls

Total Standby calls for March: **29**


Checked for Leaks	6
Meter Leak Repairs	5
Turned Water Off (Locked Meter)	2
Turned Water On (Unlock Meter)	4
Complaints of No Water	4
High Pressure	1
Low Pressure	1
Alarms at RMWD	0
Wastewater Calls	0
Water Quality Calls	1
Backflow Calls	0
Customer Leak Calls	4
Emergency Locates	0
Miscellaneous Calls	1

Total Standby calls for fiscal year-to-date: **435**

Checked for Leaks	91
Meter Leak Repairs	53
Turned Water Off (Locked Meter)	29
Turned Water On (Unlock Meter)	51
Complaints of No Water	48
High Pressure	28
Low Pressure	16
Alarms at RMWD	13
Wastewater Calls	1
Water Quality Calls	17
Backflow Calls	17
Customer Leak Calls	45
Emergency Locates	4
Miscellaneous Calls	22



 John Maccarrone 5/26/15
 Construction and Maintenance Superintendent



 Juan Atilano 5/26/15
 Operations Manager

1701-3



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Valve Maintenance Report

DESCRIPTION

Activities for Valve Maintenance Division

A. Total valves operated in April: **340**

Total valves operated fiscal YTD: **2,823**

DISTRIBUTION VALVES

Gate	10" & smaller	65
Plug	10" & smaller	21
Butterfly	10" & smaller	0
Total Small:		86
Gate	12" & larger	18
Plug	12" & larger	0
Butterfly	12" & larger	5
Total Large:		23
Total Dist. Valves:		109

Gate	10" & smaller	418
Plug	10" & smaller	232
Butterfly	10" & smaller	5
Total Small:		655
Gate	12" & larger	106
Plug	12" & larger	73
Butterfly	12" & larger	90
Total Large:		269
Total FY Dist. Valves:		924

OTHER VALVES

Air Vacs – 1", 2", 4"	99
Blow Offs – 2"	32
Fire Hydrants – 6"	59
Wharfheads – 2"	41
Total Other Valves:	231

Air Vacs – 1", 2", 4"	797
Blow Offs – 2"	276
Hydrants & Hydrant Valves –	474
Wharfheads – 2"	352
Total FY Other Valves:	1,899

BROKEN VALVES

B. Total broken valves in April: **1**

Total broken valves for fiscal YTD: **78**

2" and Under	Repaired	1
	Replaced	0
	Discovered	0
4" and Over	Repaired	0
	Replaced	0
	Discovered	0

2" and Under	Repaired	2
	Replaced	28
	Discovered	34
4" and Over	Repaired	3
	Replaced	8
	Discovered	3

1762-1

UNABLE TO LOCATE

C. Total UTL valves in April: **0**

Checked	0
Found / Operated	0
Removed from Map Book	0

Total UTL valves for fiscal YTD: **6**

Checked	0
Found / Operated	2
Removed from Map Book	4

D. Other maintenance:

April:

Air Vacs	1"	2
Replaced	2"	2
	4"	0
Air Vacs	Serv. Stops Installed	0
	Repaired	0
	Painted	4
Hydrants	Repaired	0
	Replaced	1
	Painted	0
Wharfheads	Repaired	0
	Painted	3
Pressure Station Valves	Adjusted	0
	Rebuilt	1
	Replaced	0
	Painted	0

2014-2015 fiscal YTD:

Air Vacs	1"	14
Replaced	2"	14
	4"	1
Air Vacs	Serv. Stops Replaced	0
	Repaired	0
	Painted	54
Hydrants	Repaired	0
	Replaced	4
	Painted	6
Wharfheads	Repaired	2
	Painted	12
Pressure Station Valves	Adjusted	4
	Rebuilt	54
	Replaced	0
	Painted	0

E. Miscellaneous

April:

Shutdowns	3
New Valves	2
Abandoned Valves	0
Underground Service Alert Locates	80

2014-2015 fiscal YTD:

Shutdowns	40
New Valves	12
Abandoned Valves	3
Underground Service Alert Locates	897



John Maccarrone

5/26/15

Construction and Maintenance Superintendent



Juan Atilano

5/26/15

Operations Manager

1762-2

MAINTENANCE PLAN 2015-2016

2015								
Month	Planned Operation	Operated	Not Operable	PRV	Shut Downs	System Repair	Other Work, Yard	Map Book
Average	302.13	342.7	-----	-----	-----	-----	-----	-----
January	303	304	30	5	4	0	Yes	Yes
February	303	381	45	0	3	0	Yes	Yes
March	303	343	20	1	3	4	Yes	No
April	302	340	23	1	3	0	Yes	No
May	302							
June	302							
July	302							
August	302							
September	302							
October	302							
November	302							
December	302							
Totals 2015	3,627	1,368	118	7	13	4	-----	-----

2016								
Month	Planned Operation	Operated	Not Operable	PRV	Shut Downs	System Repair	Other Work, Yard	Map Book
January	302							
February	302							
March	302							
April	302							
May	302							
June	302							
July	302							
August	302							
September	302							
October	302							
November	302							
December	302							
Totals 2016	3,624	0	0	0	0	0	-----	-----

Total Valves in System: **7,251**

Valves Operated to Date: **1,368**

Valves Inoperable: **118**

1702-3

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Garage / Shop Report

DESCRIPTION

Activities for Garage/Shop Division – April, 2015

A. Maintenance/Service: 46

2014-2015 Fiscal YTD: **316**

Vehicles	29
Small Equipment	6
Large Equipment	11

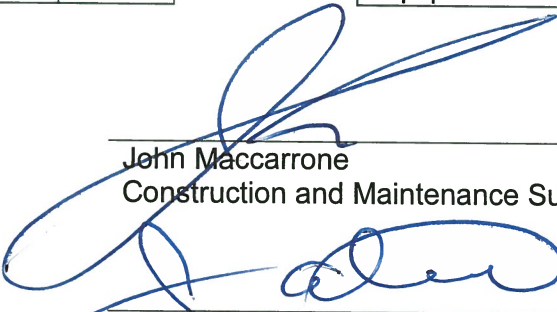
Vehicles	227
Small Equipment	33
Large Equipment	56

B. Emergencies: 8

2013-2014 Fiscal YTD: **73**

Vehicles	3
Equipment	5

Vehicles	53
Equipment	20



John Maccarrone
Construction and Maintenance Superintendent 5/26/15



Juan Atilano
Operations Manager 5/26/15



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Water Operations Report

DESCRIPTION

Activities for Water Operations Division

A. April:

2014-2015 Fiscal YTD:

Tanks/Reservoirs	Maint. / Weeds	4
	Inspected	13
	Painted (Contractor)	0
	Repairs (Contractor)	0
	Repairs (RMWD)	0
	Residuals	336
Reservoir Covers	Repaired	0
	Inspected	3
	Washed/Cleaned	0
Pump Stations	Maint. / Weeds	196
	Painted	0
	Repaired	1
Chlorine Stations	Maint. / Weeds	112
	Painted	0
	Repaired	2
Back-up Generators	Tested	16
	Maintenance	0
Connection Reads		32
Morro PRVs		84
Flow Changes	SDCWA	78
Patrol Calls		16

Tanks/Reservoirs	Maint. / Weeds	22
	Inspected	117
	Painted (Contractor)	0
	Repairs (Contractor)	3
	Repairs (RMWD)	1
	Residuals	3,696
Reservoir Covers	Repaired	3
	Inspected	27
	Washed/Cleaned	3
Pump Stations	Maint. / Weeds	2,156
	Painted	0
	Repaired	15
Chlorine Stations	Maint. / Weeds	1,232
	Painted	0
	Repaired	19
Back-up Generators	Tested	180
	Maintenance	7
Connection Reads		352
Morro PRVs		1,055
Flow Changes	SDCWA	804
Patrol Calls		194


 Marc Walker

Water Operations Superintendent

5/26/15


 Juan Atilano

Operations Manager

5/26/15



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Electrical / Telemetry Report – April, 2015

DESCRIPTION

Activities for Electrical & Telemetry

A. Electrical:

2014-2015 Fiscal YTD:

Maintenance	Reservoirs & Tanks	0
	Pump Stations	0
	Lift Stations	1
	CL2 Stations	3
	District Offices	1
Repairs	Reservoirs & Tanks	0
	Pump Stations	1
	Lift Stations	1
	CL2 Stations	2
	District Offices	0

Maintenance	Reservoirs & Tanks	1
	Pump Stations	2
	Lift Stations	15
	CL2 Stations	7
	District Offices	20
Repairs	Reservoirs & Tanks	4
	Pump Stations	12
	Lift Stations	6
	CL2 Stations	13
	District Offices	9

B. Telemetry:

2014-2015 Fiscal YTD:

Maintenance	SDCWA Connection	0
	Tanks	0
	Pump Stations	0
	Lift Stations	0
	CL2 Stations	0
	District Offices	4
Repairs	SDCWA Connection	0
	Tanks	0
	Pump Stations	1
	Lift Stations	1
	CL2 Stations	0
	District Offices	0

Maintenance	SDCWA Connection	3
	Tanks	5
	Pump Stations	1
	Lift Stations	0
	CL2 Stations	0
	District Offices	41
Repairs	SDCWA Connection	1
	Tanks	3
	Pump Stations	2
	Lift Stations	4
	CL2 Stations	2
	District Offices	2

17027

C. Special Projects:

DATE	LOCATION	DESCRIPTION
4/7, 4/8 – 4/9, 4/23, 4/27 & 4/29/15	Connection 9	Troubleshoot SCADA; replace old enclosure; raise antenna
4/14 - 4/16/15	Magee Pump Station	Troubleshoot; relocate antenna mast
4/20 & 4/21/15	Stallion Flow, Connection 9	Work with AT&T on downed phone line; troubleshoot SCADA sites
4/28/15	Lift Station #4	Wire in Pump #2 motor

Marc Walker
Water Operations Superintendent

5/26/15

Juan Atilano
Operations Manager

5/26/15

1702-2

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Wastewater Report

DESCRIPTION

Activities for Wastewater Division

A. April, 2015:

Lift Stations	Maintenance	48
	Pump/Dry Well Repairs	10
	Wet Well Repairs	2
	Elect. Controls	7
	Generator Maint.	0
	Load Test	1
	Samples	1
Cleaning & Maintenance	Line Cleaning	3,562 ft.
	CCTV Inspection	1,217 ft.
	Easement Cleaning	2
	Customer Calls	3
Wet Wells	General Cleaning	11
High Frequency	Cleaning Areas	3,891 ft.
Collection	Sewer Line Repairs	1
Manholes	Raised	1
	Inspections	32
	Repairs	3
	Clean Roots	0

2014-2015 fiscal YTD:

Lift Stations	Maintenance	432
	Dry Well Repairs	78
	Wet Well Repairs	6
	Elect. Controls	63
	Generator Maint.	9
	Load Test	8
	Samples	15
Cleaning & Maintenance	Line Cleaning	82,372 ft.
	CCTV Inspection	4,612 ft.
	Easement Cleaning	4
	Customer Calls	31
Wet Wells	General Cleaning	125
High Frequency	Cleaning Areas	28,129
Collection	Sewer Line Repairs	2
Manholes	Raised	11
	Inspections	441
	Repairs	15
	Clean Roots	5

B. After-Hours Stand-by Calls:

Total Standby calls for March: **9**

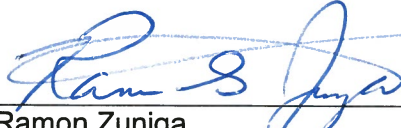
Private Sewer Spills	0
RMWD Spills	0
Telemetry Alarms	0
Lift Station Alarms	0
High or Low Level Alarms	6
SmartCover Manhole Alarms	3
Customer Calls	0
Miscellaneous	0

Total Standby calls 2014-2015 fiscal YTD: **.123**

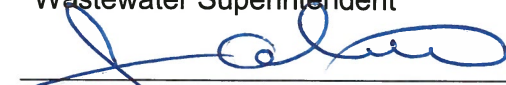
Private Sewer Spills	1
RMWD Spills	0
Telemetry Alarms	5
Lift Station Alarms	8
High or Low Level Alarms	59
SmartCover Manhole Alarms	34
Customer Calls	16
Miscellaneous	0

C. Wastewater Training

- Xylem Flygt Pumps Workshop
- Brithnee Electric Workshop



Ramon Zuniga 5/2615
Wastewater Superintendent



Juan Atilano 5/26/15
Operations Manager

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Water Quality Report

DESCRIPTION

Activities for Water Quality Division – April, 2015

A. Samples:

2014-2015 Fiscal YTD:

Inlet/Outlet - Beck	MPN / HPC General Physicals Fluoride	Beck is offline
Open Reservoir - Beck	MPN / HPC General Physicals Fluoride Nitrification Testing	Beck is offline
Dosing	Copper Sulfate Sodium Hypochlorite	0 0
Tanks / Covered Reservoirs	Nitrification Testing Fluoride Specials	29 0 0
Morro Reservoir Zone	Ammonia / Nitrification	0
Routines		22
THM / HAA5		0
Specials		0


Inlet/Outlet - Beck	MPN / HPC General Physicals Fluoride	Beck is offline
Open Reservoir - Beck	MPN / HPC General Physicals Fluoride Nitrification Testing	Beck is offline
Dosing	Copper Sulfate Sodium Hypochlorite	0 0
Tanks / Covered Reservoirs	Nitrification Testing Fluoride Specials	294 0 3
Morro Reservoir Zone	Ammonia / Nitrification	13
Routines		230
THM / HAA5		12
Specials		6

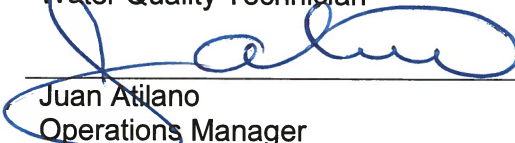
B. Water Quality:

2014-2015 Fiscal YTD:

Dead End Flushing		0
Calls	Customer RMWD	2 0

Dead End Flushing		16
Calls	Customer RMWD	30 0


Joseph Pereira
Water Quality Technician
5/26/15


Juan Atilano
Operations Manager
5/26/15

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Cross Connection Control Program – April, 2015

DESCRIPTION

Activities for Cross Connection Control:

A. Currently, there are **4,829** backflow devices recorded in the system.

B. In April, the following was performed:


2014-2015 fiscal YTD:

Installation 1 st Notices sent	1
Installation 2 nd Notices sent	0
Installation 3 rd Notices sent	0
Customer complaints	0
Services locked due to noncompliance	0
New devices installed, inspected	1
Annual test notices sent	1,679
Annual devices tested	354
Device failures & repairs	16
Replaced devices	0
Correction inspections	0
Property inspections	0

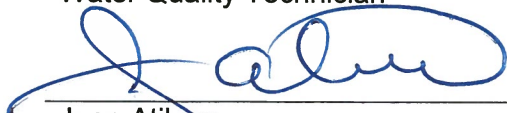
Installation 1 st Notices sent	4
Installation 2 nd Notices sent	0
Installation 3 rd Notices sent	0
Customer complaints	0
Services locked due to noncompliance	0
New devices installed, inspected	7
Annual test notices sent	4,687
Annual devices tested	2,921
Device failures & repairs	166
Replaced devices	0
Correction inspections	1
Property inspections	0

C. Construction Meters - Backflow Tests: **3**

D. Hangers for Blocked Access: **0**



Joseph Ferreira
Water Quality Technician
5/26/15



Juan Atilano
Operations Manager
5/26/15

17F2



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Engineering Report for April 2015

DESCRIPTION

CAPITAL PROJECTS:

Afton Farms Water Line Ext. (201449): Staff working on obtaining easement. Design is 100% complete.

Beck Reservoir UV (200663): Project on hold until further evaluation from the master plan.

Gird to Monserate Hill (201045): RFP to be sent out in May 2015 with responses due back in June 2015.

Horse Creek Lift Station (200555): Developer is working on obtaining the permit from Army Corps of Engineers.

Highway 76 East Segment (201260): Ames Construction has commenced grading. Ames installed approximately 2000 feet of sewerline on Ramona and Sweetgrass. Remaining sewer construction is expected to start in the Fall of 2015.

Lift Station 1 (201040): Staff is working with Caltrans regarding the site for the lift station.

Morro Tank: Consultant to provide additional evaluation services and hydraulic analysis.

Rice Canyon Road Improvements (90099): Consultant is working on the final design submittal in coordination with the County.

Waste Water Outfall Replacement (201266): Consultant is working on the 30% submittal. Staff is coordinating with the City of Oceanside regarding the traffic control study and impacts to the road.

OTHER PROJECTS:

Moosa Creek Mitigation Bank (201459): Staff working with Consultant on infrastructure protection and easements.

SDG&E Energy Efficiency Program: Reviewing system efficiencies.

San Luis Rey Ground Water Sources (201446): Consultant will sample existing wells in May 2015 to determine water quality in the San Luis Rey Basin.

1761-1

Valley Center Regional Infrastructure Coordination: Agreement executed and analysis in progress.

Water and Wastewater Master Plans (201337W/201571WW): Consultant working on the wastewater alternative study.

DEVELOPER PROJECTS:

Campus Park West (200542): Annexation approved by MET, SDCWA and LAFCO.

Golf Green Estates (90100): (near Lift Station 1): 94 SFR planned across from Bonsall Elementary School. Staff completed plan check two.

Horse Ranch Creek Ridge (D.R. Horton - formally Campus Park, Passerelle) (90096): 850 WMs / 850 EDUs – Off of Highway 76 and Horse Ranch Creek Road. Plan check for units 1-4, wastewater, and water complete. Caltrans approved construction of forcemain and waterline in Highway 76. Project is under review with the Army Corps of Engineers and Pala Indians.

Malabar Ranch (90061): 31 WMs / 29 EDUs – There are 17 out of 31 homes built. Contractor shall complete waterline relocation and punch list items.

Olive Hill Estates (90066): 37 WMs / 59.2 EDUs – Contractor installing sewer and water improvements within the development.

Pala Mesa Highlands (90056): 124 Lots on Old Highway 395. Plan check two completed.

Dai Dang Meditation Center (90098): Staff reviewing submittals.

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	1	Water Meters Purchased	3
Sewer Availability Letters	1	Sewer EDUs Purchased	0
Water Commitment Letters	0	Scheduled/Emergency Shutdowns	0
Sewer Commitment Letters	0	Jobs Closed	0

Sherry Kirkpatrick

Acting District Engineer

5/26/15

1761-2



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Field Customer Service Report – April, 2015

DESCRIPTION

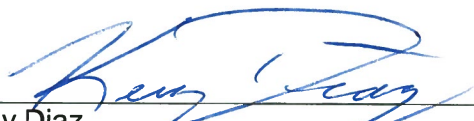
Activities for Customer Services Section:

A. Customer service calls responded to: **229**

2014-2015 fiscal YTD: **1,427**

Read for Transfer	62
Locked Service	19
Unlocked Service	26
Checked for High Pressure	14
Checked for Low Pressure	6
Reports of No Water	2
Delivered 48-Hour Notices	77
Waste - Drought	23

Read for Transfer	515
Locked Service	212
Unlocked Service	172
Checked for High Pressure	117
Checked for Low Pressure	42
Report of No Water	33
Delivered 48-Hour Notices	542
Waste - Drought	23



 Kenny Diaz 5/26/15
 Meter Services – Crew Leader



 Margaret Thomas 5/26/15
 Finance Manager

1741

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Meters Report – April, 2015

DESCRIPTION

Activities for Meter Services Section:

A. Meter Replacement:

2014-2015 fiscal YTD:

Stuck / Damage		Itron Repairs		New Itron Installations		Stuck / Damage		Itron Repairs		New Itron Installations	
5/8"	0	5/8"	0	5/8"	0	5/8"	0	5/8"	0	5/8"	0
3/4"	5	3/4"	1	3/4"	0	3/4"	57	3/4"	46	3/4"	3
1"	11	1"	11	1"	0	1"	98	1"	37	1"	9
1 1/2"	0	1 1/2"	1	1 1/2"	0	1 1/2"	9	1 1/2"	9	1 1/2"	6
2"	1	2"	6	2"	0	2"	8	2"	9	2"	2
3"	0	3"	0	3"	0	3"	3	3"	0	3"	0
4"	0	4"	0	4"	0	4"	1	4"	0	4"	0
6"	0	6"	0	6"	0	6"	0	6"	0	6"	0
TOTAL:	17		19		0		176		101		201

B. Meter service calls responded to: 333

2014-2015 fiscal YTD: 3,904

Meter Leaks Reported	32
Checked Meter Reads	239
Replaced Meter Heads	17
Troubleshoot Meters	45

Meter Leaks Reported	186
Checked Meter Reads	3,140
Replaced Meter Heads	170
Troubleshoot Meters	408


Kenny Diaz 5/26/15
Meter Services – Crew Leader


Margaret Thomas 5/26/15
Finance Manager

17H2



BOARD INFORMATION

BOARD OF DIRECTORS

May 26, 2015

SUBJECT

Safety Report – April 2015

DESCRIPTION

Safety and Regulatory Update

A. Safety Training

- Respirator Fit Checks – 34 Employees
- Annual Safety Luncheon – All Hands
- Heat Illness – 32 Employees
- Annual District Fire Extinguisher Refresher – 36 Employees

B. Tailgate Safety Meetings

- Radon Awareness
- Earthquake – Safety and Awareness

C. Target Safety Online Training

- Water Industry Confined Space Entry
- Water Industry Personal Protective Equipment
- Water Industry Machine Guarding
- Water Industry Back Injury Prevention

Jeff Stacy
Safety Administrator

5/26/15

Juan Atilano
Operations Manager

5/26/15



BOARD INFORMATION

May 26, 2015

SUBJECT

Interim Financial report for April, 2015: The information is compiled and presented on a pre-audit basis. The budget amounts for Water Sales, Cost of Water Sold, and Property Tax Revenues are spread to the individual months based on historical monthly averages. All other budget categories are spread over twelve equal months. This report represents two months of the fiscal year so we should not develop trends from this early information.

DESCRIPTION

Explanation of significant variances within the Financial Statements:

Water Revenues the FYTD 2015 units sold is 9.5% less than the units of sale for the same period one year ago and .3% more than the budgeted units. All agricultural usage is 4.6% less than the prior year to date. Domestic use is 8% less than one year ago.

Cost of Water Sold varies similarly with the water sales. However, water purchases contain both variable costs and fixed costs.

Pumping expenses consist mostly of electricity and natural gas costs. Cost is under budget for the year to date.

Water Operations includes all water quality testing and SCADA monitoring. Cost under budget for the year to date. The CWA shutoff caused to be over budget.

Valve Maintenance maintains and repairs the thousands of valves contained within the infrastructure. Cost is under budget for the year to date.

Water Distribution consists of the water administration and construction/maintenance crews. Cost is below budget for the year to date.

Meter Services performs all meter reading and customer onsite response and repair. Cost is below budget for the year to date.

Garage Services performs maintenance and repair of the district fleet vehicles and pumps. Cost is over budget for the year to date due. The vehicles purchased in previous months were placed into service and capitalized.

General & Administration/Human Resources is under the budget for the year to date.

Legal Services include general counsel as well as litigation activities. Cost is over budget for the year to date. The Fallbrook Public Utility District LAFCO application to dissolve Rainbow Municipal Water District has caused the over budget of legal expenses.

Safety & Security performs all training and education to maintain a safe work environment. This includes the cost of maintaining security at all RMWD sites. Cost is below budget for the fiscal year.

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Finance provides all general accounting, payroll, disbursements, cash management and purchasing services. Cost is below budget for the year.

Customer Service provides all billing, collections and related customer services. Cost is under budget for the fiscal year.

Sewer Collection is responsible for all wastewater collection and maintenance. Wastewater treatment provided by the City of Oceanside is the primary cost factor. Cost is under budget for the fiscal year.

Engineering provides in house general engineering and inspection services. A portion of the Engineering department labor transfers to capital projects. Cost is under budget for the fiscal year.

Total departmental operating expenses are 13% below the budget. The District is operating with 2.0 unfilled budgeted positions.

Property Taxes; the majority of apportionments are paid in December, April, and May.

Capacity Fees represent water and sewer meters that have been connected and placed into service. The budget does not account for capacity fees. All capacity fees are transferred directly to the Water or Sewer CIP Funds.

Other Income consists of late fees on customer accounts, rents and leases, plan check fees and FEMA grant payments.

POLICY

No specific policy referenced.

BOARD OPTIONS/FISCAL IMPACTS

N/A

STAFF RECOMMENDATION

None



Margaret Thomas
Finance Manager

May 26, 2015

18A1-2

RAINBOW MUNICIPAL WATER DISTRICT
Statement of Revenues & Expenses
July 1, 2014 through April 30, 2015

	Annual Budget Amount	Budget Year to Date	Actual Year to Date	Prior Year to Date	Budget to Actual Variance Favorable (Unfavorable)	
					Amount	Percent
Operating Revenues:						
Water Revenues	36,931,193	29,581,886	28,587,597	28,311,431	(994,289)	-3.36%
Cost of Water Sold	25,061,263	20,550,236	20,732,041	21,036,047	(181,805)	-0.88%
Net Water Revenue	11,869,930	9,031,650	7,855,556	7,275,384	(1,176,094)	-13.02%
Wastewater Revenues	2,801,585	2,334,654	2,222,309	2,120,088	(112,346)	-4.81%
Net Operating Revenue	14,671,515	11,366,304	10,077,864	9,395,471	(1,288,440)	-11.34%
Operating Expenses:						
Board of Directors	11,962	10,968	12,854	12,360	(1,885)	-17%
Water Pumping	647,317	518,501	515,157	470,937	3,343	1%
Water Operations	2,041,742	1,701,452	1,621,380	1,698,003	80,072	5%
Valve Maintenance	657,460	550,883	504,765	506,201	46,118	8%
Water Distribution	1,799,999	1,499,999	1,246,753	1,033,028	253,246	17%
Meter Services	1,080,930	900,775	782,404	855,854	118,371	13%
Garage	472,165	393,471	369,856	329,170	23,614	6%
General & Administration	1,616,755	1,497,296	1,478,444	940,423	18,852	1%
Legal Services	135,000	112,500	218,837	142,135	(106,337)	-95%
HR/Safety & Security	196,289	165,874	147,235	380,137	18,639	11%
Finance	528,849	440,708	369,317	501,439	71,391	16%
Customer Service	409,553	343,294	327,458	410,847	15,836	5%
Sewer Collection	2,198,120	1,831,767	1,516,555	1,445,369	315,211	17%
Engineering	868,817	727,014	550,831	602,492	176,183	24%
Total Operating Expenses	12,664,958	10,694,502	9,661,846	9,328,397	1,032,655	10%
Other Revenues/(Expense):						
Depreciation	(3,062,543)	(2,552,119)	(2,552,120)	(2,582,841)	(1)	0%
Property Taxes	846,252	712,375	434,870	414,765	(277,505)	-39%
Interest Income	101,900	84,917	120,275	27,309	35,359	42%
Interest Expense	(157,403)	(131,169)	(106,007)	(40,535)	25,162	-19%
Bond Administration	-	-	-	-	-	0%
Capacity Fees (connections)	-	-	294,192	42,313	294,192	0%
Other Income	230,000	191,667	339,237	533,645	147,571	77%
Total Other Revenues	(2,041,794)	(1,694,330)	(1,469,553)	(1,605,343)	224,777	13%
Restricted Income:						
Property Taxes	0	0	0	0	0	0%
Grant Income/Expense	0	0	106	-7460	106	0%
Interest income	0	0	1,139	5,047	1,139	0%
Total Restricted Income	-	-	1,245	(2,413)	1,245	0%
Net Income	(35,237)	(1,022,528)	(1,052,290)	(1,540,681)	(29,762)	3%

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RAINBOW MUNICIPAL WATER DISTRICT
Comparative Balance Sheet
April 30, 2015
Assets

	Current Month	Prior Month
Current Assets:		
Cash - Unrestricted	4,320,836	4,427,768
Receivables Water/Sewer	4,807,281	3,549,054
Other Receivables	45,136	107,279
Letters of Credit - Sewer EDU's	-	-
Inventory	1,122,207	1,044,860
Total Current Assets	10,295,461	9,128,961
Restricted Assets - Cash & Investments		
Irrigated Lands Group	(4,815)	(4,813)
New Water Sources	588,473	582,880
Sewer Replacement	2,985,886	2,987,723
Sewer Expansion	10,138,379	10,149,367
State Revolving Fund-Water	1,786,935	1,786,935
Reservoir Rehab	10,051,665	10,060,001
Water Projects	108,990	665,812
Total Restricted Assets	25,655,513	26,227,905
Plant & Equipment		
Plant & Equipment	148,473,633	148,473,633
Less: accumulated depreciation	70,550,158	70,294,946
Construction in progress	7,136,271	7,104,720
Total Plant & Equipment	85,059,746	85,283,407
Other Assets:		
Other assets	0	0
Total Assets	121,010,720	120,640,273

18A1-4

RAINBOW MUNICIPAL WATER DISTRICT
Balance Sheet
April 30, 2015
Liabilities & Equity

	Current Month	Prior Month
Current Liabilities:		
Accounts payable	4,497,873	4,494,949
Payroll Liabilities	556,937	480,331
Current portion of LTD	0	0
Accrued interest payable	152,958	139,137
Letters of credit - Sewer	-	-
Unearned Revenues-Deposits	6,816,029	7,075,140
Total Current Liabilities	12,023,797	12,189,558
Non-Current Liabilities		
Inter-fund Transfers	0	0
SRF Loan	17,978,129	17,978,129
Total Non-Current Liabilities	17,978,129	17,978,129
Equity:		
Fund Balance	59,830,782	59,830,782
Contributed Capital	32,230,301	32,230,301
Net Income	(1,052,290)	(1,588,497)
Total Equity	91,008,793	90,472,586
Total Liabilities & Equities	121,010,719	120,640,273

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Monthly Investment Report

4/30/2015

Monthly Investment Report:

TYPE	ISSUER	Bond Rating	Date of Maturity	Cost Basis	Market Value	Interest Rate	Yield to Maturity	Next Interest Payment Date	SEMI-ANNUAL INTEREST
FDIC Ins. CD	AM EXP 02587DXB9	Aaa	12/18/19	\$ 250,000	\$ 253,058	2.130%	2.150%	06/18/15	\$ 2,663
Callable Note	FHLB 313379DT3	Aaa	06/08/18	\$ 251,672	\$ 251,068	1.240%	1.750%	06/08/15	\$ 1,560
FDIC Ins. CD	GE CAPBK 36163FNS58	Aaa	12/19/19	\$ 250,000	\$ 252,393	2.020%	2.000%	06/19/15	\$ 2,525
FDIC Ins. CD	DFS 254672GD4	Aaa	01/28/20	\$ 250,000	\$ 248,185	1.920%	1.900%	07/28/15	\$ 2,400
Callable Note	SYNC 87163EDB0	A2	11/07/19	\$ 245,000	\$ 247,717	1.980%	2.000%	05/07/15	\$ 2,426
Callable Note	FHLMC 3134G33T5	Aaa	01/09/20	\$ 599,997	\$ 595,620	1.400%	1.400%	07/09/15	\$ 4,200
Callable Note	FNMA 3135G0WJ8	Aaa	05/21/18	\$ 144,873	\$ 144,310	0.880%	0.900%	05/21/15	\$ 637
Callable Note	FHLMC 3134G3A91	Aaa	08/22/19	\$ 493,596	\$ 493,941	1.400%	1.430%	08/22/15	\$ 3,455
Callable Note	FHLMC 3137EADN6	Aaa	01/12/18	\$ 248,343	\$ 249,893	0.750%	0.950%	07/12/15	\$ 931
Callable Note	FHLMC 313381VJ1	Aaa	11/08/18	\$ 249,996	\$ 248,880	1.050%	1.050%	05/08/15	\$ 1,312
Callable Note	FNMA 3136G0E23	Aaa	09/24/19	\$ 501,130	\$ 500,680	1.500%	1.450%	09/24/15	\$ 3,758
Callable Note	FNMA 3136FTR68	Aaa	02/28/19	\$ 252,138	\$ 252,548	1.630%	1.450%	08/28/15	\$ 2,055
Callable Note	FHLMC 3137EADR7	Aaa	05/01/20	\$ 2,185,777	\$ 2,153,848	1.390%	1.320%		\$ 15,191
Callable Note	FHLMC 3137EADR7	Aaa	05/01/20	\$ 852,882	\$ 846,882	1.390%	1.305%		\$ 5,928
FDIC Ins. CD	JPM 46625HKA7	A3	01/23/20	\$ 507,915	\$ 498,600	2.260%	1.900%	07/23/15	\$ 5,739
Callable Note	AAPL 037833AX8	Aa1	02/07/20	\$ 500,610	\$ 494,600	1.560%	1.523%	08/07/15	\$ 3,905
Callable Note	FHLB 313379PE3	Aaa	09/20/18	\$ 250,299	\$ 252,008	1.320%	1.300%	04/16/15	\$ 1,652
Callable Note	FHLMC 3137EADK2	Aaa	08/01/19	\$ 499,978	\$ 496,845	1.260%	1.251%	08/01/15	\$ 3,150
Callable Note	HSBC 40428HPN6	A2	11/13/19	\$ 667,134	\$ 654,797	2.360%	1.770%	11/13/15	\$ 7,872
FDIC Ins. CD	GS 38148JQ07	Aaa	04/15/20	\$ 250,000	\$ 250,160	1.850%	1.850%	10/15/15	\$ 2,313
Callable Note	WFC 94974BGF1	A2	01/30/20	\$ 510,245	\$ 499,935	2.150%	1.700%	07/30/15	\$ 5,485
Callable Note	FHLMC 3137EADM8	Aaa	10/02/19	\$ 744,925	\$ 737,178	1.270%	1.350%	04/02/15	\$ 4,730
Callable Note	FNMA 3136G0Y70	Aaa	01/30/19	\$ 300,374	\$ 296,713	1.090%	1.050%	04/30/15	\$ 1,637
	HIGHMARK MONEY MARKET			\$ 3,719	\$ 3,719				
Subtotal Long Term				\$ 11,010,599	\$ 10,923,574				
Pooled Investment Account	Local Agency Investment Fund (LAIF)		N/A	\$ 9,572,811	\$ 9,572,811	0.290%	n/a		\$ 13,881
Portfolio Totals				\$ 20,583,410	\$ 20,496,384	Average Rate: 0.966%		SEMI-ANNUAL ANNUAL:	\$ 99,406 \$ 198,811

Statement:
 As Treasurer of the Rainbow Municipal Water District and in accordance with the Investment Policy adopted by Resolution 04-08 this statement is provided to guarantee the Rainbow Municipal Water District that the District has sufficient funds to meet the next 6 months obligations. This is in effect a compliance with the empty Statement of Investment Policy.

Margaret Thomas
 Margaret Thomas

18A2

FIRST BANKCARD VISA BREAKDOWN

APRIL, 2015

NEW ACCOUNT

DATE OF CHARGE	AMOUNT	PURPOSE
3/18/2015	\$ 170.62	NEWEGG - PRIVACY SCREEN FOR MONITOR
3/18/2015	\$ (5.01)	REFUND - 1&1 INTERNET, INC
3/19/2015	\$ (14.08)	REFUND - 1&1 INTERNET, INC
3/20/2015	\$ 237.60	FRAME FOR DISTRICT MAP
3/23/2015	\$ 68.00	SHUTTLE TO & FROM AIRPORT FOR RENE BUSH & JOHN MACCARRONE
3/23/2015	\$ 1.52	OFFICIAL PAYMENT CONVENIENCE FEE FOR PAYMENT
3/23/2015	\$ 66.00	CALIFORNIA BOARD OF EQUALIZATION PAYMENT
3/23/2015	\$ 702.00	POWELL'S FURNITURE
3/25/2015	\$ (9.66)	CREDIT BALANCE TRANSFER FROM CLOSED ACCOUNT
3/27/2015	\$ 380.23	NEWEGG - PRIVACY SCREEN FOR MONITOR & INTERNAL HARD DRIVE
3/27/2015	\$ 318.93	CABELA'S - TRAIL CAMERA FOR LIFT STATION #2
4/2/2015	\$ 99.00	UNI-BELL PVC PIPE ASSOCIATION - EXTERNAL LOAD DESIGN
4/3/2015	\$ 59.99	AMAZON - GRIPSTER WRAP FOR IPAD AIR 2 PHONE
4/6/2015	\$ 208.33	GOOGLE APPS MONTHLY AGREEMENT
4/7/2015	\$ 44.71	RALPH'S - FOOD FOR EMPLOYEE SAFETY LUNCHEON
4/7/2015	\$ 268.30	SAM'S CLUB - FOOD FOR EMPLOYEE SAFETY LUNCHEON
4/7/2015	\$ 400.00	WAL-MART - GIFT CARDS FOR EMPLOYEES SAFETY LUNCHEON
4/7/2015	\$ 500.00	WAL-MART - GIFT CARDS FOR EMPLOYEES SAFETY LUNCHEON
4/7/2015	\$ 500.00	WAL-MART - GIFT CARDS FOR EMPLOYEES SAFETY LUNCHEON

CHECK # 48493

AMOUNT \$ 3,996.48

1843-2

FIRST BANKCARD VISA BREAKDOWN

APRIL, 2015

NEW ACCOUNT

DATE OF CHARGE	AMOUNT	PURPOSE
3/24/2015	\$ 73.06	VILLAGE PIZZA - BOARD MEETING
3/29/2015	\$ 65.97	NORTH COUNTY G.M. BREAKFAST
4/6/2015	\$ 181.92	TRADE SHOW - SKIRT FOR BOARD TABLE
4/7/2015	\$ 330.01	AIRFARE FOR TOM KENNEDY
	\$ 330.01	AIRFARE FOR DENNIS SANFORD
4/11/2015	\$ 30.44	FUEL FOR TOM'S VEHICLE
4/13/2015	\$ 18.20	TRADE SHOW - CLIPS FOR TABLE SKIRT FOR BOARD TABLE
4/16/2015	\$ 40.00	I15 FASTTRAK REPLENISHMENT
4/16/2015	\$ 28.36	TRADE SHOW - CLIPS FOR TABLE SKIRT FOR BOARD TABLE

CHECK # 48494

AMOUNT \$ 1,097.97

1693-3

FY 2014-2015

Disbursement Date	Description	George McManigle-26	Bob Lucy-21	Jack Griffiths-22	Dennis Sanford-25	Helene Brazier-27	Tory Walker-29	Paul Christensen
07/31/14	CAL PERS - HEALTH INS.							\$ 308.24
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER							
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS	\$ 450.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 450.00		
	MILEAGE EXPENSE							
	REIMBURSEMENT FROM DIRECTORS							\$ (308.24)
	Monthly Totals	\$ 450.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 450.00		\$ -
08/31/14	CAL PERS - HEALTH INS.							\$ 308.24
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER	\$ 39.00						
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS	\$ 300.00	\$ 300.00	\$ 300.00	\$ -	\$ 300.00		
	MILEAGE EXPENSE							
	REIMBURSEMENT FROM DIRECTORS							\$ (308.24)
	Monthly Totals	\$ 339.00	\$ 300.00	\$ 300.00	\$ -	\$ 300.00		\$ -
09/30/14	CAL PERS - HEALTH INS.							\$ 308.24
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER							
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES					\$ 25.00		
	DIRECTORS' MEETINGS	\$ 450.00	\$ 150.00	\$ 300.00	\$ 450.00	\$ 300.00		
	MILEAGE AND EXPENSES							
	REIMBURSEMENT FROM DIRECTORS							\$ (308.24)
	Monthly Totals	\$ 450.00	\$ 150.00	\$ 300.00	\$ 450.00	\$ 325.00	\$ -	\$ -
10/31/14	CAL PERS - HEALTH INS.							\$ 308.27
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER							
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS	\$ 150.00	\$ -	\$ 150.00	\$ 150.00	\$ 300.00		
	MILEAGE AND EXPENSES							
	REIMBURSEMENT FROM DIRECTORS							\$ (308.27)
	Monthly Totals	\$ 150.00	\$ -	\$ 150.00	\$ 150.00	\$ 300.00		\$ -
11/30/14	CAL PERS - HEALTH INS.							\$ 308.27
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER				\$ 39.00			
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS	\$ 300.00	\$ 300.00	\$ 300.00	\$ 600.00	\$ 300.00		
	MILEAGE EXPENSE	\$ 80.24		\$ 19.04	\$ 479.38			
	REIMBURSEMENT FROM DIRECTORS							\$ (308.27)
	Monthly Totals	\$ 380.24	\$ 300.00	\$ 319.04	\$ 1,118.38	\$ 300.00		\$ -
12/31/14	CAL PERS - HEALTH INS.							\$ 308.27
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER							
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS	\$ -	\$ -	\$ -	\$ -	\$ -		
	MILEAGE EXPENSE							
	REIMBURSEMENT FROM DIRECTORS							\$ (308.27)
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -

1804-1

FY 2014-2015

Disbursement Date	Description	George McManigle-26	Bob Lucy-21	Jack Griffiths-22	Dennis Sanford-25	Helene Brazier-27	Tory Walker-29	Paul Christensen
01/31/15	CAL PERS - HEALTH INS.							\$ 340.62
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER							
	CSDA TRAINING							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS							
	MILEAGE EXPENSE							
	REIMBURSEMENT FROM DIRECTORS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (340.62)
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
02/28/15	CAL PERS - HEALTH INS.							\$ 340.62
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER							
	CSDA TRAINING							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS	\$ -	\$ 300.00	\$ 300.00	\$ 600.00	\$ 300.00	\$ 300.00	
	MILEAGE EXPENSE							
	REIMBURSEMENT FROM DIRECTORS							\$ (340.62)
	Monthly Totals	\$ -	\$ 300.00	\$ 300.00	\$ 600.00	\$ 300.00	\$ 300.00	\$ -
03/31/15	CAL PERS - HEALTH INS.							\$ 340.62
	ASSURANT - DENTAL INS.							
	CSDA TRAINING		\$ 225.00		\$ 225.00	\$ 225.00		
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES							
	DIRECTORS' MEETINGS		\$ 150.00	\$ 150.00	\$ 300.00	\$ 150.00	\$ 150.00	
	MILEAGE EXPENSE							
	REIMBURSEMENT FROM DIRECTORS							\$ (340.62)
	Monthly Totals	\$ -	\$ 375.00	\$ 150.00	\$ 525.00	\$ 375.00	\$ 150.00	\$ -
04/30/15	CAL PERS - HEALTH INS.							\$ 340.62
	ASSURANT - DENTAL INS.							
	CSDA,SAN DIEGO CHAPTER				\$ 175.00			
	WATER AGENCIES ASSOC OF S.D.							
	COUNCIL OF WATER UTILITIES						\$ 25.00	
	DIRECTORS' MEETINGS		\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 300.00	
	MILEAGE EXPENSE			\$ 39.11				
	REIMBURSEMENT FROM DIRECTORS							\$ (340.62)
	Monthly Totals	\$ -	\$ 150.00	\$ 189.11	\$ 325.00	\$ 150.00	\$ 325.00	\$ -

1804-2

FOR BOARD INFORMATION
 APRIL 30, 2015
 GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
48330	04/02/15	CALIFORNIA URBAN CONSERVATION 2015 MEMBERSHIP DUES	1,402.46
48331	04/02/15	EMPLOYMENT DEV DEPARTMENT 1ST QRT SUI AND ETT TAXES 2015	11,982.24
48332	04/02/15	FIRST BANKCARD SEE CREDIT CARD REPORT	5,940.15
48333	04/02/15	FIRST BANKCARD SEE CREDIT CARD REPORT	1,500.62
48334	04/09/15	CB&T/ACWA-JPIA MONTHLY HEALTH AND VISION INSURANCE	70,901.54
48335	04/09/15	AIRGAS SAFETY INC SIGNS FOR BUILDINGS GATORADE	342.68
48336	04/09/15	AIRGAS USA, LLC 1/8" X 36" TUBE, 1/16" X 36" TUBE	21.93
48337	04/09/15	ARMORCOTE ASPHALT & SEALING CO ASPHALT REPAIRS	4,400.00
48338	04/09/15	ART'S TRENCH PLATE & TRENCH PLATE RENTAL	1,300.00
48339	04/09/15	ARTIC MECHANICAL, INC PREVENTATIVE MAINTENANCE AGREEMENT	237.00
48340	04/09/15	AT&T MOBILITY MONTHLY PHONE SERVICE	31.27
48341	04/09/15	ATKINS NORTH AMERICA, INC WATER/WASTE WATER MASTER PLAN HYDRAULIC MODELING UPDATE	3,198.35
48342	04/09/15	ATLAS PUMPING SERVICE MONTHLY BIN RENTAL	210.00
48343	04/09/15	BABCOCK LABORATORIES, INC MONTHLY WATER ANALYSIS	1,440.00
48344	04/09/15	BANNER DAY, INC PUMP STATION 1 - REMOVAL OF BOUGINVILEA	4,500.00
48345	04/09/15	BOARD OF EQUALIZATION 1ST QTR 2015 ROAD USE TAX	125.11
48346	04/09/15	BONSALL PEST CONTROL MONTHLY PEST CONTROL	90.00
48347	04/09/15	BP BATTERY UNIT #32 - BATTERY	94.24
48348	04/09/15	ED BRADLEY REIMBURSEMENT FOR SIX 1-HOUR ONLINE COURSES REIMBURSE WATER DISTRIBUTION GRADE D3 CERT RENEWAL FEE	115.00
48349	04/09/15	BRADY TRUCKING CO. CLASS II BASE CLASS II BASE	

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RAINBOW MUNICIPAL WATER DIST
 FOR BOARD INFORMATION
 APRIL 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
48350	04/09/15	CLASS II BASE CLASS II BASE RENE BUSH REIMBURSEMENT FOR SDRMA EDUCATION DAY	2,251.62 185.39
48351	04/09/15	CALIFORNIA COMMERCIAL SECURITY REPLACEMENT FOBS FOR DOOR ACCESS	206.05
48352	04/09/15	CALIFORNIA SPECIAL DISTRICTS TOM KENNEDY'S ATTENDANCE AT CSDA LEGISLATIVE DAYS CONF. DENNIS SANFORD'S ATTENDANCE AT CSDA LEGISLATIVE DAYS CONF.	350.00
48353	04/09/15	CHRIS BROWN CONSULTING SERVICES - MARCH	10,000.00
48354	04/09/15	CITY OF OCEANSIDE SEWER TREATMENT - APRIL 2015	72,070.48
48355	04/09/15	CLA-VAL SERVICE TRAINING CLAVAL 2-DAY CLASS FOR BRIAN FONSECA, KYLE SCHILLING AND VICTOR VEENSTRA	375.00
48356	04/09/15	COLONIAL LIFE & ACCIDENT INS. HEALTH AND ACCIDENTAL INS.	43.59
48357	04/09/15	COMMUNICATIONS SERVICES UNIT #16-RELOCATE 2 WAY RADIO ANTENNA	83.89
48358	04/09/15	COMPUTER SYSTEM MANAGERS REIMBURSEMENT FOR RMWD COMPUTER SYSTEM SUPPORT FOR LOGMEIN RMWD COMPUTER SYSTEM SUPPORT RMWD COMPUTER SYSTEM SUPPORT	4,767.50
48359	04/09/15	CONTROLLED MOTION SOLUTIONS COUPLER	72.96
48361	04/09/15	COVERALL NORTH AMERICA, INC MONTHLY SERVICE	773.00
48362	04/09/15	CUTTING EDGE STAFFING HUMAN RESOURCES TEMPORARY HELP HUMAN RESOURCES TEMPORARY HELP	1,126.13
48363	04/09/15	DRAVES PIPELINE, INC 14" EMERGENCY REPAIRS AT CAMINO DEL REY; JOB #4227	45,971.65
48364	04/09/15	FALLBROOK AUTO PARTS CREDIT DUE UNIT #31 PARTS FLEET SUPPLIES; SHOP SUPPLIES UNITS #13, 14 & 15 OIL FILTERS TRAILER PLUG; SHOP SUPPLIES; UNIT #61 RAINX SHOP TOOLS UNIT #111 - PARTS, UNITS #31, #15, #25 AND #53 - SUPPLIES	1,605.47

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RAINBOW MUNICIPAL WATER DIST
 FOR BOARD INFORMATION
 APRIL 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
48365	04/09/15	FALLBROOK EQUIPMENT RENTAL 1/2 YARD CONCRETE MIX	145.80
48366	04/09/15	FALLBROOK MUFFLER UNIT #32 - CATALYTIC CONVERTER	1,700.68
48367	04/09/15	FALLBROOK OIL CO FUEL DELIVERIES FUEL DELIVERIES FUEL DELIVERIES FUEL DELIVERIES	4,280.43
48368	04/09/15	FALLBROOK WASTE AND RECYCLING MONTHLY REFUSE AND RECYCLE MONTHLY REFUSE AND RECYCLE	319.56
48369	04/09/15	EQUARIUS WATERWORKS, METER 1" PRESSURE REGULATOR 4" 300# RING GASKET 8" 300# WELD FLANGE	6,493.50
48370	04/09/15	BRIAN FONSECA REIMBURSE SAFETY BOOTS COST	126.34
48371	04/09/15	FORD OF ESCONDIDO UNIT #33 - SWITCH	83.18
48372	04/09/15	GIL FRANCO, TIRE HAULER USED TIRES DISPOSAL USED TIRES DISPOSAL	58.00
48373	04/09/15	JACK I. GRIFFITHS MILEAGE REIMBURSEMENT-1ST QTR	39.11
48374	04/09/15	HACH UNIT #68 - MULTI 2 TESTER FOR STANDBY TRUCK	212.19
48375	04/09/15	HOME DEPOT DOORSTOP, STEP & LADDER, WINDOW BLINDS 2-WAY RADIO GALVANIZED WIRE UMBRELLAS, FAUCET, KEYED HASP, CAM LOCK, CEILING TILES LIGHT BULBS ELECTRICAL PARTS FOR NEW TRAILER PROJECT PLEATED PAPER FILTER, PLASTIC FILTER NUT/DRAIN CAP, KEY KWIKSET BLACK RUBBER HOSE, 2 STAGE FILTER, WASH BRUSH, TELESCOPIC POLE, 4 GALLON PORTABLE WET DRY VAC 16 QT DOUBLE SPOUT PAIL, SCRUBBER, 12" SQUEEGEE WASH BRUSH, TELESCOPIC POLE	1,342.79
48376	04/09/15	iWATER, INC ANNUAL MAINTENANCE FOR INFRA- MAP ENTERPRISE FOR VALVE MAINTENANCE	1,500.00

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RAINBOW MUNICIPAL WATER DIST
 FOR BOARD INFORMATION
 APRIL 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
48377	04/09/15	JAUREGUI & CULVER, INC. BIENNIAL APCD VAPOR TESTING DISTRICT GASOLINE TANKS AND REPAIRS	1,657.45
48378	04/09/15	JOE'S HARDWARE SINGLE CUT REGULAR KEYS	26.55
48379	04/09/15	INC, L.H. WOODS & SONS DEPOSIT RFND ACCT# 9998031	1,603.30
48380	04/09/15	JOHN MACCARRONE REIMBURSEMENT FOR SDRMA EDUCATION DAY	137.52
48381	04/09/15	KEVIN MILLER REIMBURSE RETIRED EMPLOYEE HEALTH INS. - APRIL	726.00
48382	04/09/15	MISSION VALLEY SANITATION-SD PORTABLE RESTROOM RENTAL	278.05
48383	04/09/15	MITEL LEASING LEASE AGREEMENT	441.13
48384	04/09/15	MODULAR BUILDING CONCEPTS, INC RENTAL AGREEMENT RENTAL AGREEMENT RENTAL AGREEMENT RENTAL AGREEMENT	1,388.88
48385	04/09/15	MSDSOONLINE, INC. ANNUAL RENEWAL	499.00
48386	04/09/15	NATIONAL METER & AUTOMATION 2" METER WITH ITRON; 3/4" METER WITH ITRON	10,015.92
48387	04/09/15	NEWEST CONSTRUCTION CO, INC BUILDING 2 - REPLACEMENT OF OBSOLETE EQUIPMENT	27,600.00
48388	04/09/15	NOSSAMAN, LLP LEGAL SERVICES THRU FEB. 2015	26,955.00
48389	04/09/15	OCCUPATIONAL HEALTH CENTERS OF DOT PHYSICAL RECERTIFICATION	75.00
48390	04/09/15	OFFICE DEPOT CREDIT DUE SCISSOR STAPLER, CHAIR MAT, FAN, CORK BOARD, INK, FOLDERS, BOOKEND, CLOCK CD/DVD SLEEVE WIRELESS PRESENTER TONER	564.66
48391	04/09/15	PALOMAR BACKFLOW BACKFLOW CERTIFICATIONS	7,182.00
48392	04/09/15	PARKHOUSE TIRE, INC. UNIT #31 AND FLEET STOCK-TIRES UNITS #15 & 11 - TIRES	1,523.58
48393	04/09/15	PETTY CASH TO REPLENISH FUND	276.49
48394	04/09/15	PETTY CASH	

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RAINBOW MUNICIPAL WATER DIST
 FOR BOARD INFORMATION
 APRIL 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		REPLENISH FUND	108.35
48395	04/09/15	PRES-TECH	
		LOCATOR EQUIPMENT	6,696.92
48396	04/09/15	PRUDENTIAL OVERALL SUPPLY	
		MONTHLY UNIFORMS	
		MATS & MISC.	
		MONTHLY UNIFORMS	287.18
48397	04/09/15	PUBLIC POLICY STRATEGIES, INC.	
		PUBLIC RELATIONS	5,035.00
48398	04/09/15	QUALITY CHEVROLET	
		UNIT #15 - OXYGEN SENSOR	
		UNIT #53 - OIL PAN GASKET	
		UNIT #32 - CLUSTER	632.84
48399	04/09/15	RF VALVES, INC	
		1" VENT-O-MAT AIR RELEASE	
		VALVE	645.13
48400	04/09/15	SAN DIEGO COUNTY WATER AUTH.	
		REFUND/DEPOSITS COLLECTED ON	
		METER SALES, PAYMENT FOR	
		CAPACITY TO CWA 1ST QTR 2015	25,920.00
48401	04/09/15	SAN DIEGO GAS & ELECTRIC	
		MONTHLY GAS AND ELECTRIC	
		SERVICE	
		MONTHLY ELECTRIC SERVICE	42,982.98
48402	04/09/15	SCOTT SIMPSON	
		REIMBURSE SAFETY BOOTS COST	98.30
48403	04/09/15	THOMAS SJUNESON	
		15 YEAR ANNIVERSARY	200.00
48404	04/09/15	T.R.Y. ENTERPRISES, INC.	
		MONTHLY PATROL SERVICE - APRIL	510.00
48405	04/09/15	TCN, INC	
		MONTHLY 48 HOUR NOTICE CALLS	17.84
48406	04/09/15	TETRA TECH, INC.	
		AS-NEEDED CONSTRUCTION SUPPORT	
		SERVICES	6,744.50
48407	04/09/15	THERMOTRONICS	
		PUMP STATION THERMAL IMAGING	
		DISTRICT OFFICE THERMAL	
		IMAGING	3,216.63
48408	04/09/15	MARGARET THOMAS	
		MILEAGE REIMBURSEMENT FOR 5	
		DAYS TO ATTEND SEMINAR "NORTH	
		COUNTY SUPERVIORS ACADEMY"	101.25
48409	04/09/15	TIME WARNER CABLE	
		MONTHLY INTERNET CONNECTION	348.00
48410	04/09/15	TOP DOG TOWING	
		UNIT #32 - TOWING SERVICE	250.00
48411	04/09/15	UNDERGROUND SERVICE ALERT	
		MONTHLY TICKETS	150.00
48412	04/09/15	MARC WALKER	
		REIMBURSEMENT FOR AWWA WQ LAB	
		ANALYST GRADE 1 RENEWAL	55.00

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RAINBOW MUNICIPAL WATER DIST
 FOR BOARD INFORMATION
 APRIL 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
48413	04/09/15	WESTERN LANDSCAPE MAINT PLUS, LANDSCAPE MAINTENANCE SERVICE	460.00
48414	04/09/15	WESTERN WATER WORKS SUPPORT BITUMASTIC, NICKEL ANTI-SEIZE COMPOUND	420.97
48415	04/09/15	WINZER GREASE FOR FLEET STOCK	503.22
48416	04/09/15	XEROX CORP. MONTHLY LEASE MONTHLY LEASE MONTHLY LEASE	1,932.70
48417	04/13/15	COUNCIL OF WATER UTILITIES TOM KENNEDY & TORY WALKER'S ATTENDANCE AT COWJ MEETING	50.00
48418	04/22/15	AIRGAS SAFETY INC RAIN JACKET ICON	48.36
48419	04/22/15	AIRGAS USA, LLC MONTHLY AGREEMENT	106.72
48420	04/22/15	ALERT LOCKSMITH SERVICE CALL TO REPAIR VAULT DOOR LOCK BLDG. 1 TROUBLE SHOOT FRONT DOOR PANIC BAR/CATCH AND COPY 4 CONTROLLED KEYS	112.68
48421	04/22/15	AT&T MONTHLY PHONE SERVICE MONTHLY PHONE SERVICE	162.47
48422	04/22/15	EUGENE BUCKLEY REIMBURSE RETIRED EMPLOYEE HEALTH INS. - APRIL	363.00
48423	04/22/15	COLONIAL LIFE & ACCIDENT INS. HEALTH AND ACCIDENTAL INS.	43.59
48424	04/22/15	CONNY B. McCORMACK CONSULTING SERVICES - FEBRUARY AND MARCH 2015	750.00
48425	04/22/15	CORELOGIC INFORMATION DOCUMENT IMAGE & SALE DOCUMENT IMAGE REALQUEST	110.00
48426	04/22/15	CROP PRODUCTION SVC INC, LINE HEAD	35.63
48427	04/22/15	CUTTING EDGE STAFFING HUMAN RESOURCES TEMPORARY HELP HUMAN RESOURCES TEMPORARY HELP	1,002.38
48428	04/22/15	CWEA MEMBERSHIP RENEWAL - BRIAN FONSECA	156.00
48429	04/22/15	DATAPROSE INC. MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	6,653.30
48430	04/22/15	DLM ENGINEERING, INC. WATER/WASTE WATER MASTER PLANNING & GENERAL CONSULTING	

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RAINBOW MUNICIPAL WATER DIST
 FOR BOARD INFORMATION
 APRIL 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		SERVICES	783.17
48431	04/22/15	FALLBROOK AUTO PARTS	
		PUMP STATION #1 - PUMP 5	483.54
48432	04/22/15	FALLBROOK EQUIPMENT RENTAL	
		1 YARD CONCRETE	162.00
48433	04/22/15	FALLBROOK OIL CO	
		FUEL DELIVERIES	
		FUEL DELIVERIES	
		FUEL DELIVERIES	3,294.97
48434	04/22/15	EQUARIUS WATERWORKS, METER	
		1" K SOFT COPPER TUBING, 1"	
		BALL VALVE, 8"X12" GALVANIZED	
		SLEEVES	
		2" METER FLANGE, 2"X1" PVC	
		BUSHING	2,003.32
48435	04/22/15	FREEDOM AUTOMATION, INC.	
		SCADA SERVER HARDWARE AND	
		PHONE CONVERTER	15,118.00
48436	04/22/15	GARY T. DRAKE	
		REIMBURSEMENT - RMWD CAPACITY	
		FEE	13,097.00
48437	04/22/15	GRANGETTO'S	
		RANGER PRO 2.5 GALLON	144.50
48438	04/22/15	HACH	
		CHLORINE REAGENT SET	165.72
48439	04/22/15	INTERNATIONAL E-Z UP, INC	
		SHADE REPLACEMENT - TWO CREWS	1,812.83
48440	04/22/15	J.C. HEDEN AND ASSOC., INC	
		ENGINEERING SERVICE FEE	
		STRUCTURE DEVELOPMENT	2,687.00
48441	04/22/15	JOE'S HARDWARE	
		SCREWS AND BOLTS	
		ELAN PASS S CHROME	38.56
48442	04/22/15	KENNEDY/JENKS CONSULTANTS INC	
		LIFT STATION 1 REPLACEMENT	1,097.27
48443	04/22/15	SHERRY KIRKPATRICK	
		REIMBURSEMENT FOR LUNCH FOR	
		MOVE	94.12
48444	04/22/15	KNIGHT SECURITY & FIRE SYSTEMS	
		SWITCH OUT GMS2G TO IGSMV4G	120.00
48445	04/22/15	ARMANDO LOPEZ	
		REIMBURSE-GRADE D3 CERTIFICA-	
		TION RENEWAL FEE	120.00
48446	04/22/15	SHERRY MULLENNIX	
		REIMBURSE RETIRED EMPLOYEE	
		HEALTH INS. - APRIL	600.00
48447	04/22/15	OCCUPATIONAL HEALTH CENTERS OF	
		DOT PHYSICAL RECERTIFICATION	75.00
48448	04/22/15	ONESOURCE DISTRIBUTORS, LLC	
		REPLACEMENT ELECTRIC BOX	205.01
48449	04/22/15	PACIFIC TEK	
		REVOLUTION COUNTER	829.94

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RAINBOW MUNICIPAL WATER DIST
 FOR BOARD INFORMATION
 APRIL 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
48450	04/22/15	QUALITY FENCE COMPANY PUMP STATION #1 FENCE REPAIR	928.00
48451	04/22/15	RADIO SHACK CORP. LITHIUM BATTERIES	41.00
48452	04/22/15	RAFTELIS FINANCIAL CONSULTANTS PROFESSIONAL SERVICES FOR MARCH 2015	5,262.50
48453	04/22/15	RAINBOW HGHTS RD MAINT ORG ANNUAL ROAD MAINTENANCE FEE 2015-2016	250.00
48454	04/22/15	RHO MONSERATE C.C.H.A. ELECTRIC CHARGE	452.48
48455	04/22/15	CHARLES C. SNEED REIMBURSE RETIRED EMPLOYEE HEALTH INS. - APRIL	363.00
48456	04/22/15	SPRINGBROOK SOFTWARE, INC. RMWD PROGRAM CHANGES TRAVEL EXPENSES FOR CONSULTANT KEVIN	890.20
48457	04/22/15	SUPERIOR MESSAGE CENTER MONTHLY ANSWERING SERVICE	918.79
48458	04/22/15	SWRCB ACCOUNTING OFFICE ANNUAL PERMITS	2,449.92
48459	04/22/15	CLEMMON TAYLOR REIMBURSEMENT FOR GRADE 1 WATER EFFICIENCY EXAM FEE	135.00
48460	04/22/15	UNUM LIFE INSURANCE MONTHLY SHORT TERM DISABILITY	540.00
48461	04/22/15	DAWN WASHBURN REIMBURSE CONFERENCE MEALS AND NOTARY TEST FEE	65.00
48462	04/22/15	WINZER SHIPPING CHARGES	14.60
TOTAL			507,120.81

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OFFICE
 PETTY CASH - 4/13/14 THROUGH 4/29/15
 RECEIPTS:

ITEM #	AMOUNT	GL ACCT NUMBER	PAYEE	DATE	DETAIL
1	10.27	03-75300.41	JOHN MACCARRONE	4/13/2015	LUNCH REIMBURSEMENT FOR SEMINAR
2	5.75	03-69000.51	MIDGE THOMAS	4/13/2015	POSTAGE TO MAIL LETTER PRIORITY MAIL FOR TOM
3	10.84	03-75300.41	MIDGE THOMAS	4/13/2015	REIMBURSEMENT FOR SEMINAR LUNCH
4	10.84	02-75300.61	MIDGE THOMAS	4/13/2015	REIMBURSEMENT FOR SEMINAR LUNCH
5	10.83	03-75300.51	MIDGE THOMAS	4/13/2015	REIMBURSEMENT FOR SEMINAR LUNCH
6	\$ 49.20	03-75300.41	DAWN WASHBURN	4/13/2015	FRAMES FOR WATER AWARENESS POSTER WINNERS
7	\$ 20.00	01-72000.34	JOHN MACCARRONE	4/14/2015	1" STEEL PLATE
8	\$ 31.16	03-56513.41	RENE' BUSH	4/16/2015	REFRESHMENTS FOR 1ST QTR. ANNIVERSARY BREAK AND MILEAGE
9	\$ 40.47	03-56513.41	RENE' BUSH	4/22/2015	EMPLOYEE INCENTIVE MATERIALS
10	\$ 35.64	03-72900.41	ANDREW ECHOLS	4/22/2015	REIMBURSEMENT FOR BUSINESS CARDS FOR DIR. GRIFFITHS
11	\$ 40.00	03-75300.41	DAWN WASHBURN	4/22/2015	GIFT CARDS FOR POSTER CONTEST
12	\$ 11.42	03-72000.36	JOHN MACCARRONE	4/29/2015	SCREWS AND BOLTS FOR GARAGE
TOTAL	\$ 276.42				

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Rainbow Municipal Water District
 MONTHLY WATER USAGE
 BY MONTHLY UTILITY CODES
 Fiscal Year 2014-15

DATE	AG	SAWR	SAWR/DOMESTIC	TOTAL AG USAGE	YR TO DATE USAGE	2013-2014
JULY	275.0	476.9	605.4	1357.3	1357.3	
AUGUST	317.3	563.3	723.1	1603.7	2960.9	
SEPTEMBER	269.6	508.1	618.2	1395.9	4356.9	
OCTOBER	281.5	554.2	697.3	1533.0	5889.9	
NOVEMBER	229.7	427.4	572.5	1229.6	7119.6	
DECEMBER	142.9	249.6	364.5	757.0	7876.6	
JANUARY	45.6	57.4	101.6	204.6	8081.1	
FEBRUARY	102.6	181.7	241.6	525.9	8607.1	
MARCH	114.6	195.1	301.8	611.5	9218.6	
APRIL	202.9	383.1	520.7	1106.7	10325.3	
MAY				0.0		10816.5
JUNE				0.0		less sales than last year
						0.9546
						0.0454
						4.6%

DATE	DOMESTIC	MF	SAWR/DOMESTIC	TOTAL DOM USAGE	YR TO DATE USAGE	2013-2014
JULY	510.9	35.6	38.6	585.1	585.1	
AUGUST	569.0	35.9	30.1	635.0	1220.2	
SEPTEMBER	473.7	31.6	25.8	531.1	1751.2	
OCTOBER	525.4	34.3	29.1	588.8	2340.0	
NOVEMBER	412.3	30.9	23.9	467.1	2807.0	
DECEMBER	278.4	23.1	15.2	316.7	3123.7	
JANUARY	154.9	19.7	4.2	178.8	3302.6	
FEBRUARY	184.6	18.1	10.1	212.8	3515.3	
MARCH	227.4	19.8	12.6	259.8	3775.1	
APRIL	352.3	29.7	21.7	403.7	4178.8	
MAY				0.0		4504.7
JUNE				0.0		less sales than last year
						0.9277
						0.0723
						8.00%

DATE	COMMERCIAL	CN	SW	TOTAL DOM USAGE	YR TO DATE USAGE	REPORT TOTAL FY 2013-2014
JULY	235.2	8.4	6.4	250.0	250.0	2190.9
AUGUST	257.0	8.3	7.1	272.4	522.4	2198.0
SEPTEMBER	207.1	9.6	5.6	222.3	744.7	2389.0
OCTOBER	219.5	8.0	6.2	233.7	978.4	2454.3
NOVEMBER	174.6	2.9	5.1	182.6	1161.0	2113.4
DECEMBER	118.5	12.4	4.0	134.9	1295.9	1751.3
JANUARY	68.4	2.7	3.8	74.9	1370.8	983.1
FEBRUARY	87.3	6.0	3.6	96.9	1467.7	1310.8
MARCH	110.3	0.2	4.0	114.5	1582.2	1408.4
APRIL	182.1	4.6	5.3	192.0	1774.2	1184.0
MAY				0.0		1169.5
JUNE				0.0		
						REPORT TOTAL FY 2014-15
						2190.9
						2511.0
						2147.9
						2263.2
						1878.7
						1200.8
						458.3
						835.6
						987.9
						1702.2
						16176.5
						16961.8
						4.70%
						LESS SALES THAN LAST YEAR
						95.37%
						4.63%
						16936.8

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Rainbow MWD									
Projected CIP Cash Flow			Monthly Update of 2014-15 CIP Budget			4/30/2015			
A	B	C	D	E	F	H	I	J	
CIP EXPENDITURES:									
Job #	Water Job Name	Funds Budgeted	Funds Expended in Prior Years	Funds Expended 2014/15	Remaining Budget FY 14/15	Budget FY 15/16	Budget FY 16/17	Budget FY 17/18	
1									
2	200748 Highway 76 Realignment-Water Lines	\$1,020,000	\$385,065	\$165,712	\$469,223	\$0	\$0	\$0	
3	201258 Highway 76 Water Lines Phase 2	\$0	\$47,258	\$0	\$0	\$0	\$0	\$0	
4	200663 Beck Reservoir Rehab	\$12,000,000	\$864,819	\$485,922	\$2,000,000	\$5,000,000	\$3,649,259	\$0	
5	Gird to Monserate Hill Water Line	\$950,000	\$0	\$0	\$0	\$0	\$950,000	\$0	
6	Wrightwood to Cottontail Water Line	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$0	
7	201573 Tarek Terrace Water Line	\$150,000	\$0	\$7,081	\$0	\$150,000	\$0	\$0	
8	Regional Recycled Water Study	\$150,000	\$0	\$0	\$150,000	\$0	\$0	\$0	
9	201446 San Luis Rey Groundwater Study	\$500,000	\$189,514	\$176,899	\$133,587	\$0	\$0	\$0	
10	201360 Morro Tank Structural Repair	\$50,000	\$48,447	\$41,537	\$0	\$0	\$0	\$0	
11	201359 Ranchos Amigos Pressure Stations	\$25,000	\$2,135	\$0	\$22,865	\$0	\$0	\$0	
12									
13	Other Infrastructure Replacements				\$3,693,548	\$3,850,000	\$2,850,000	\$4,000,000	
	Total Expenditure (Water):	\$15,045,000	\$1,537,238	\$877,151	\$6,469,223	\$9,000,000	\$7,649,259	\$4,000,000	
Wastewater Job Name									
14									
15	201266 Sewer Outfall Line RMWD Replacement	\$13,000,000	\$131,106	\$69,709	\$30,291	\$100,000	\$4,300,000	\$8,368,894	
16	201040 Lift Station #1 Replacement	\$2,400,000	\$22,148	\$152,812	\$0	\$1,500,000	\$725,040	\$0	
17	200768 Highway 76 Realignment-Sewer lines	\$100,000	\$11,985	\$0	\$88,015		\$0	\$0	
18	201261 Hwy 76 Realignment - CalTrans East Seg	\$600,000	\$584,527	\$103	\$0	\$0	\$0	\$0	
	201260 Hwy 76 Realignment - CalTrans UPSIZE	\$3,200,000	\$0	\$1,009,330	\$2,190,670				
19	Land Outfall - City of Oceanside	\$0	\$582,498	\$0					
20	201571 2014 Wastewater Master Plan	\$300,000	\$0	\$18,903	\$281,097				
	Total Expenditure (Wastewater):	\$19,600,000	\$1,332,264	\$1,250,856	\$2,590,074	\$1,600,000	\$5,025,040	\$8,368,894	
CASH FLOW SUMMARY:									
Water Capital Funding									
	Beginning Cash Balance			\$2,333,452	\$20,541,809	\$17,257,978	11,635,578	11,950,719	
20	Capacity Fees			\$90,700	\$830,000	\$1,100,000	\$3,200,000	\$3,700,000	
21	Interest Income			\$16,679	\$41,621	\$50,000	\$75,000	\$75,000	
22	Transfers from Water Operations			\$1,000,000	\$2,291,900	\$2,227,600	\$4,689,400	\$5,557,300	
23	Total Water Expenditures			-\$877,151	-\$6,469,223	-\$9,000,000	-\$7,649,259	-\$4,000,000	
24	Interfund Transfer from Wastewater			\$0	\$0	\$0	\$0	\$0	
25	Interfund Transfer to Wastewater			\$0	\$0	\$0	\$0	\$0	
26				\$0	\$0	\$0	\$0	\$0	
27	Loan Proceeds- SRF			\$17,978,129	\$21,871	\$0	\$0	\$0	
28					\$0	\$0	\$0	\$0	
	Ending Cash Balance Water			\$ 20,541,809	\$ 17,257,978	\$ 11,635,578	\$ 11,950,719	\$ 17,283,019	
Wastewater Capital Funding									
30	Beginning Cash Balance			\$ 6,398,617	\$6,007,674	\$3,574,657	\$2,229,657	\$984,617	
31	Capacity Fees			\$ 765,320	\$0	\$0	\$3,600,000	\$6,500,000	
32	Impact Fees (Proposed)				\$0	\$0	\$0	\$0	
33	Interest Income			\$94,592	\$157,058	\$120,000	\$45,000	\$33,000	
34	Transfers from Sewer Operations				\$0	\$135,000	\$135,000	\$422,000	
35	Interfund Transfer to Water								
36	Interfund Transfer from Water								
37	Transfer Repayments from Water			\$0	\$0	\$0	\$0	\$0	
	Total Sewer Expenditures			-\$1,250,856.22	-\$2,590,074	-\$1,600,000	-\$5,025,040	-\$8,368,894	
	Ending Cash Balance Wastewater			\$6,007,674	\$3,574,657	\$2,229,657	\$984,617	-\$429,276	

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Sewer Equivalent Dwelling Units (EDU) Status

Date: 5/12/15

	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333
Less 5% Contractual Allowance	417
EDU's Set Aside by Board for Emergencies	60
EDU's Connected	3,866
EDU's Unconnected	1,277
Total EDU's Available for Purchase	2,714

List of Developments with Unconnected EDU's	EDUs	Capacity Fee Paid
Others (Misc. SFR)	30	\$ 520,500.00
Horse Creek Ridge/ Passarelle	851	\$ -
Palomar College	100	\$ -
Polo Club	59.85	\$ 1,022,775.00
Pala Mesa Highlands	55.62	\$ 965,007.00
Golf Green Estates	102.46	\$ 1,743,180.00
Lake Vista Estates	2.76	\$ 46,150.00
Fallbrook Oaks	2	\$ 34,700.00
Vista Valley Country Club	5	\$ 86,750.00
Silver Holdings	9	\$ 153,810.00
Olive Hill Estates	59.2	\$ 1,011,728.00
Total Unconnected	1,277	\$ 5,584,600.00

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