

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 11:30 a.m. and Open Session at 1:00 p.m. Tuesday, December 7, 2021, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
2. **ROLL CALL: Gasca___ Hamilton___ Mack___ Moss___ Stewart___**
3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

CHAIR TO READ ALOUD - "If at any point, anyone would like to ask a question or make a comment and have joined this meeting with their computer, they can click on the "Raise Hand" button located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.

*Those who have joined by dialing a number on their telephone, will need to press *6 to unmute themselves and then *9 to alert us that they would like to speak.*

A slight pause will also be offered at the conclusion of each agenda item discussion to allow public members an opportunity to make comments or ask questions."

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

Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should email or mailing their comments to the Board Secretary one hour before the Closed Session scheduled start time. All written public comments will be read to the Board prior to their adjournment to Closed Session. Any person wishing to speak to the Board regarding Closed Session agenda items may do so by calling (760) 728-1178, listening for "Thank you for calling Rainbow Municipal Water District", dialing Extension 429, and entering pin 8607 at the Closed Session scheduled start time. Once all public comment is heard, this call will be disconnected, and the Board will adjourn to Closed Session. To participate in the Open Session portion of the meeting, please follow the instructions provided at the top of Page 1 of this agenda. Speaking time shall generally be limited to three minutes unless a longer period is permitted by the Board President.

6. **CLOSED SESSION**
 - A. Conference with Legal Counsel – Anticipated Litigation Pursuant to Government Code §54956.9(d)(4) Significant Exposure to Litigation
 - * Four Cases
 - B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code §54956.9(d)(1)
 - * TC Construction Company, Inc. v. Rainbow Municipal Water District, et al.

(*) - Asterisk indicates a report is attached.

- C. Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
 - * Rainbow Municipal Water District v. Blum, Inc., et al.
- D. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - * One Item
- E. Appointment, Employment; Evaluation of Performance – General Manager (Government Code §54957(B)(1))

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Time Certain: 1:00 p.m.

- 8. REPEAT CALL TO ORDER
- 9. PLEDGE OF ALLEGIANCE
- 10. REPEAT ROLL CALL
- *11. **BOARD OF DIRECTORS CONSIDER ADOPTING RESOLUTION NO. 21-27 RENEWING STATE OF EMERGENCY FINDINGS FOR ASSEMBLY BILL 361 (AB 361)**
(A majority of the RMWD Board of Directors invoked AB361 at their October 26, 2021 meeting and to comply with AB361, the Board must reconsider the circumstances of emergency at all subsequent meetings.)
- 12. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION
- 13. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
- 14. **REPEAT INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**
CHAIR TO READ ALOUD - *“If at any point, anyone would like to ask a question or make a comment and have joined this meeting with their computer, they can click on the “Raise Hand” button located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.*

*Those who have joined by dialing a number on their telephone, will need to press *6 to unmute themselves and then *9 to alert us that they would like to speak.*

A slight pause will also be offered at the conclusion of each agenda item discussion to allow public members an opportunity to make comments or ask questions.”
- 15. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak or may email or mail their comments to the Board Secretary one hour before the Open Session scheduled start time. All written public comments received will be read to the Board during the appropriate portion of the meeting. No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action

(*) - Asterisk indicates a report is attached.

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.

16. CAL FIRE AND NORTH COUNTY HELI-HYDRANT PRESENTATION

17. EMPLOYEE RECOGNITIONS

- A. Scott Simpson (15 Years)

***18. APPROVAL OF MINUTES**

- A. October 26, 2021 - Regular Board Meeting
- B. November 17, 2021 – Special Board Meeting

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

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

- A. President's Report (Director Hamilton)
- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - A. Summary of Board Meeting October 28, 2021
 - B. Summary of Board Meeting November 18, 2021
 - 2. CSDA
 - 3. LAFCO
 - 4. Santa Margarita River Watershed Watermaster Steering Committee
 - 5. ACWA
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attendance Reports
- D. Directors Comments
- E. Legal Counsel Comments
 - 1. Attorney Report: Water Quality Update 501668-0002

20. COMMITTEE REPORTS

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

BOARD ACTION ITEMS

***21. PRESENTATION AND ACCEPTANCE OF THE AUDIT REPORT AND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2021**

(Annually, the District contracts for the preparation of an independent audit and compilation of the year-end financial statements with a Certified Public Accountant (CPA) firm. The Board of Directors will consider accepting the June 30, 2021 audit of the District by the CPA firm of Lance, Soll & Lunghard, LLP.)

(*) - Asterisk indicates a report is attached.

- *22. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 21-03 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B 3/4" METER AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT (Division 3)**
(The property owner of APN 124-396-01-00, Dany Jensen, has requested a variance from Ordinance 21-03 to downsize an existing 1" meter on a 1.38 acre parcel to a 3/4 inch meter and reduce his monthly fixed fees.)
- *23. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 21-03 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B, 3/4" METER AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT (Division 5)**
(The property owner of APN 109-233-10-00, William McEneaney, has requested a variance from Ordinance 21-03 to downsize an existing 1.5" meter on a 11.92 acre parcel to a 3/4" meter and reduce his monthly fixed fees.)
- *24. DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONTRACT CHANGE ORDER FOR THE HELIX ENVIRONMENTAL CONTRACT TO PREPARE A PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT FOR DISTRICT FACILITIES IN THE AMOUNT OF \$65,140 AND EXTENSION OF CONTRACT TERM THROUGH JUNE 30, 2022. (DISTRICT WIDE)**
(Helix Environmental provided an amendment to the scope of work to augment existing efforts and include the holistic approach of analyzing all District pipeline facilities. The additional scope of work includes analysis of all water and sewer pipelines, increased number of presentations, hearing attendance, coordination, and meetings.)
- *25. CONSIDER AWARD OF A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$345,000 WITH CORRPRO COMPANIES, INC. FOR RAINBOW VALLEY BLVD CATHODIC PROTECTION PROJECT IN DIVISION 5**
(In the Fall of 2020, District staff identified a pipeline from Rainbow Heights Pump Station along 8th street and Rainbow Valley Blvd to Rainbow Hills Pump Station as a suitable pilot project for the cathodic protection program. The District received three (3) bids from contractors and one protest letter. District Legal Counsel has reviewed the bids and protest and will advise the Board as to the correct course of action at the Board meeting.)
- *26. DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONTRACT CHANGE ORDER FOR HELIX ENVIRONMENTAL CONTRACT TO CONDUCT CULTURAL AND TRIBAL MONITORING FOR THE RICE CANYON PIPELINE PROJECT IN THE AMOUNT OF \$115,000 (DIVISION 4 & 5)**
(The District has determined that there may be artifacts and culturally sensitive areas of the ancestors of the ethnographic Luiseno in the area of the Rice Canyon Pipeline Project. A thorough effort will be put forth in protecting those resources during the construction of the Project. District staff has determined that cultural and tribal monitoring will be implemented for this Project to further the protection of the cultural resources of our tribal neighbors.)
- *27. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTIONS OF NECESSITY, RESOLUTION NOS. 21-22, 21-23, 21-24, AND 21-25, AUTHORIZING THE ACQUISITION OF EASEMENTS BY EMINENT DOMAIN FROM PORTIONS OF THE PROPERTIES LOCATED AT 5555 MISSION RD, 5517-27 MISSION RD, 5256 MISSION RD, AND APN 126-230-68, BONSALL, CA 92003 IN DIVISION 2**
(The Lift Station 1 Replacement Project is needed in order continue to provide wastewater services in a safe and efficient manner.. The construction of the project requires the acquisition of various easements along the proposed alignment.)

(*) - Asterisk indicates a report is attached.

- *28. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 21-28 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE DECEMBER 7, 2021, THROUGH JUNE 30, 2022**
(In compliance with state and CalPERS regulations, the District maintains a Salary Grade structure that includes all job titles, salary grade levels, and monthly salary ranges for each grade. The table is available for public review, accessible from the Rainbow MWD website, and is published on a website hosted by the California State Controller.)
- *29. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 21-08 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 2.03.010.02 – COMPENSATION**
(At their October 26th meeting, it was determined this subsection should include more definitive language in that in-person meetings or telephone conversations with the General Manager qualify for compensation if such monthly meetings or conversations cumulatively added up to a certain amount of time. Staff has drafted a proposed amendment to include more definitive language for Board consideration.)
- *30. APPROVAL OF RESOLUTION NO. 21-26 ESTABLISHING CHECK SIGNING AUTHORITY**
(The purpose of this resolution is to update the current established check signing responsibility to the current authorized signers of checks due to changes on the Board of Directors.)
- 31. DISCUSSION AND POSSIBLE ACTION UPDATING BOARD OF DIRECTOR MEMBERSHIP ON STANDING COMMITTEES**
(This item is to provide the Board of Directors with an opportunity to consider appointing one Board Member to the Budget and Finance Committee and removing one Board Member from the Communications and Customer Service Committee. The only mandatory action is reducing the number of Board Members on the Communications and Customer Service Committee by one.)
- *32. CONSIDER ESTABLISHING THE 2022 REGULAR BOARD MEETING SCHEDULE**
(The Board will consider establishing the 2022 Regular Board Meeting schedule.)
- 33. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

BOARD INFORMATION ITEMS

- *34. CASH RESERVE POLICY 5.03.220 COMPLIANCE REPORT**
(Reserve balances have been adjusted to comply with the Board Cash Reserve Policy 5.03.220.)
- 35. REDISTRICTING UPDATE**
- *36. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**
- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
 - B. Operations Comments**
 - 1. Operations Report
 - C. Engineering Comments**
 - 1. Engineering Report
 - 2. As-Needed Services Expenditures Summary (October)
 - 3. As-Needed Services Expenditures Summary (November)
 - 4. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
 - D. Human Resource & Safety Comments**
 - 1. Human Resources Report

(*) - Asterisk indicates a report is attached.

E. Finance Comments

1. Board Information Report
 - A. Budget vs. Actuals
 - B. Fund Balance & Developer Projections
 - C. Treasury Report
 - D. Five Year Water Purchases Demand Chart
 - E. Water Sales Summary
 - F. Check Register
 - G. Directors' Expenses Report
 - H. Credit Card Breakdown
 - I. RMWD Properties

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

38. ADJOURNMENT - To Tuesday, January 25, 2022, at 1:00 p.m.

ATTEST TO POSTING:

Pam Moss

Pam Moss
Secretary of the Board

11-22-21 @ 9:45 a.m.

Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

BOARD OF DIRECTORS CONSIDER ADOPTING RESOLUTION NO. 21-27 RENEWING STATE OF EMERGENCY FINDINGS FOR ASSEMBLY BILL 361 (AB 361)

BACKGROUND

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (“AB 361”), which incorporated into California state law some aspects of the teleconferencing rules that have applied by Executive Order to local public agencies during the COVID-19 pandemic. Notably, because AB 361 included an urgency measure, the law was immediately effective as of the date of the Governor’s signature. AB 361 provides that it sunsets on January 1, 2024.

Benefits

Benefits of operating under AB 361 during the COVID-19 pandemic, as opposed to under the normal open meeting laws, include the following:

- Agendas need not be posted at all teleconference locations;
- Each teleconference location need not be identified in the notice and agenda of the meeting;
- Each teleconference location need not be accessible to the public; and
- A quorum of the members of the legislative body do not need to participate in the meeting from locations within the boundaries of the territory over which the public agency exercises jurisdiction.

Requirements

Following are requirements for invoking AB 361 the first time that a public agency does so:

1. There must be a “proclaimed state of emergency,” as there is currently, in that the Governor’s State of Emergency Declaration, issued on March 4, 2020, has not been lifted, and
2. One of the following three circumstances must exist:
 1. State or local officials have imposed or recommended measures to promote social distancing.
 2. The meeting is held to determine, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to health or safety of attendees.
 3. The majority of the legislative body has voted that, as a result of the emergency, meeting in person would present imminent risk to the health or safety of attendees.

If a public agency wishes to consider invoking AB 361 for subsequent meetings, the following is required:

1. The proclaimed state of emergency must remain active; or
2. State or local officials have imposed or recommended measures to promote social distancing; and
3. Not later than 30 days after teleconferencing for the first time under the AB 361 rules, *and every 30 days thereafter*, the Legislative body shall make the following findings by majority vote:
 - The legislative body has reconsidered the circumstances of emergency, and at least one of the following circumstances exist:
 1. The state of emergency continues to directly impact the ability of the members to meet safely in person; or
 2. State or local officials continue to impose or recommend measures to promote social distancing.

If a public agency invokes AB 361, the following notice and public participation requirements apply:

Notice Requirements

- Each notice of the meeting and agenda must identify the means by which members of the public may access the meeting and offer public comment by a call-in option or an internet-based service option (does not need to be both).

Public Participation Requirements

- Cannot require public comments to be submitted in advance of the meeting (although the agency may provide this as an option along with the call-in or internet-based service option).
- Public must be able to attend via call-in option or internet-based service option (does not need to be both).
- Public must be able to address the legislative body “directly” via call-in option or internet-based service option.
- The public agency must provide an opportunity for the public to address the Legislative body and “offer comment in real time.”
- If there is a disruption that prevents the public agency from broadcasting the meeting using the call-in option or internet based service option, or if there is a disruption within the public agency’s control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the body “shall take no further action on items appearing on the agenda until public access to the meeting via the call-in option or internet-based service option is restored.”
- Timing of Public Comment Period
 - If a legislative body does not provide a timed public comment period, but takes public comment separately on each agenda item, it shall allow a “reasonable amount of time per agenda item to allow public members the opportunity to provide public comment,” including time for members of the public to register to provide comment or otherwise be recognized for the purpose of providing public comment.

- If a legislative body provides a timed general public comment period that does not correspond to a specific agenda item, it shall not close the public comment period or the opportunity to register until the timed general public comment period has lapsed.
- If a legislative body provides a timed public comment period for each agenda item, it shall not close the public comment period or the opportunity to register until the timed public comment has elapsed.

DESCRIPTION

Continuing Legislative Findings

On October 26, 2021, the Board of Directors approved a Resolution authorizing virtual meetings in accordance with Assembly Bill 361. The Board of Directors approved a Resolution renewing the virtual meeting authorization pursuant to AB 361 on November 17, 2021. In order to continue virtual meetings, AB 361 requires that the Board adopt the legislative findings discussed above every 30 days, for as long as the Board wishes to continue virtual meetings.

ENVIRONMENTAL


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

BOARD OPTIONS/FISCAL IMPACTS

1. Adopt the attached Resolution No. 21-27 renewing virtual meetings in accordance with Assembly Bill 361.
2. Do not invoke AB 361 and provide staff with direction.

STAFF RECOMMENDATION

Staff supports direction.



Tom Kennedy, General Manager

December 7, 2021

RESOLUTION NO. 21-27

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
RENEWING REMOTE TELECONFERENCE MEETINGS
IN ACCORDANCE WITH ASSEMBLY BILL 361 (AB361)**

WHEREAS, COVID-19 (also known as the “Coronavirus Disease”) is a respiratory disease that has spread across the globe, with thousands of confirmed cases in California; and

WHEREAS, according to data from Johns Hopkins University, the COVID-19 pandemic has caused the death of more than 68,796 Californians as of October 1, 2021; and

WHEREAS, social distancing measures decrease the chance of spreading COVID-19; and

WHEREAS, the Rainbow Municipal Water District is committed to preserving and fostering public access, transparency, observation, and participation in meetings of the Board of Directors and Committee meetings; and

WHEREAS, all meetings of the Board of Directors and Standing Committees are open and public as required by the Ralph M. Brown Act, Government Code sections 54950 – 54963, so that any member of the public may attend, observe, and participate in a meaningful way; and

WHEREAS, Government Section 54953 (b) (3) of the Brown Act allows a local legislative body to hold public meetings by teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body, as long as the following requirements are met:

1. Each teleconference location from which a member is participating is noticed on the agenda;
2. Each teleconference location is accessible to the public;
3. Members of the public must be able to address the body at each teleconference location;
4. At least one member of the legislative body must be physically present at the location specified in the meeting agenda; and

5. During teleconference meetings, at least a quorum of the members of the local body must participate from locations within the local body's territorial jurisdiction; and

WHEREAS, the Brown Act, as amended by AB 361 (2021), at Government Code section 54953(e) *et seq.*, allows for remote observation and participation in meetings by members of a legislative body and members of the public without compliance with the requirements of Government Code section 54953(b)(3), subject to certain conditions; and

WHEREAS, the initial required condition is a declaration of a state of emergency by the Governor pursuant to the California Emergency Services Act at Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state and within the boundaries of the Rainbow Municipal Water District, caused by conditions as described in Government Code section 8558; and

WHEREAS, the Governor's Proclamation of a State of Emergency includes area within the boundaries of the Rainbow Municipal Water District; and

WHEREAS, Government Code Section 54953(e)(3)(A-B) added by AB 361 provides an alternative to having public meetings in accordance with Government Code Section 54953(b)(3) when the Rainbow Municipal Water District has reconsidered the circumstances of the COVID-19 state of emergency and that the following circumstances exist:

1. The state of emergency as a result of COVID-19 continues to directly impact the ability of the members of Board of Directors and the members of the Standing Committees to meet safely in person; and
2. The State of California and the County of San Diego continue to recommend measures to promote social distancing.

WHEREAS, Government Code Section 54953(e) *et seq.* further requires that state or local officials have imposed or recommended measures to promote social distancing or the legislative body finds that meeting in person would present an imminent risk to the health or safety of attendees; and

WHEREAS, such conditions now exist in the Rainbow Municipal Water District's territorial boundaries in that (i) State and Local officials recommend social distancing measures and (ii) emergency conditions evidenced by COVID-19 and its variants create ongoing COVID-19 cases, hospitalizations, and deaths, such that COVID-19 continues to pose an imminent risk to the public; and

WHEREAS, the Rainbow Municipal Water District affirms that it will allow for observation and participation by Board Members, Committee members and the public via Zoom in an effort to protect the constitutional and statutory rights of all attendees; and

WHEREAS, on October 26, 2021, the Board of Directors approved a Resolution authorizing virtual meetings in accordance with Assembly Bill 361; and

WHEREAS, the Board of Directors approved a Resolution renewing the virtual meeting authorization pursuant to AB 361 on November 17, 2021; and

WHEREAS, Government Code Section 54953 (e)(3) requires that the Rainbow Municipal Water District review the need and make findings for continuing the teleconferencing as authorized by AB 361 at least once every thirty days until the Governor terminates the state of emergency.

NOW, THEREFORE, THE RAINBOW MUNICIPAL WATER DISTRICT HEREBY FINDS, DECLARES, AND RESOLVES AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. The Rainbow Municipal Water District finds that the state of emergency conditions related to COVID-19 as set forth in the Governor's Proclamation of Emergency are on-going.

Section 3. The Rainbow Municipal Water District further finds that state and county officials recommend social distancing conditions to prevent imminent risk to in-person meeting attendees.

Section 4. The Rainbow Municipal Water District hereby recognizes and affirms the existence and conditions of a state of emergency as proclaimed by the Governor and by state and local officials; and the Rainbow Municipal Water District affirms, authorizes, and proclaims the existence of a local emergency throughout its territorial boundaries.

Section 5. The Rainbow Municipal Water District finds that the state of emergency as a result of COVID-19 continues to directly impact the ability of members of the Board, Committees and the public to meet safely in person, and that COVID-19 continues to pose an imminent health risk to the public.

Section 6. The Rainbow Municipal Water District hereby authorizes the Board of Directors and Committee members to conduct their meetings without compliance with Government Code section 54953(b)(3), and to instead comply with the remote meeting requirements as authorized by Government Code section 54953(e) *et seq.*

Section 7. The Board President and Board Secretary are authorized and directed to take all actions reasonably necessary to carry out the intent and purpose of this Resolution, including, conducting open and public meetings remotely in accordance with Government Code section 54953(e) *et seq.*, and other applicable provisions of the Brown Act, for all Board of Directors and Standing Committee meetings.

Section 8. This Resolution shall renew the virtual meeting authorization adopted by the Board of Directors on November 17, 2021. This renewed virtual meeting authorization shall take effect immediately upon its adoption and shall be effective until either (i) thirty days after the adoption of this Resolution, or (ii) such time as the Rainbow Municipal Water District adopts a Subsequent Resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors and Standing Committees may continue to meet remotely, without compliance with Government Code section 54953(b)(3), but otherwise as permitted by Government Code section 54953(e) *et seq.*

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn M. Washburn, Board Secretary

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
OCTOBER 26, 2021**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on October 26, 2021, was called to order by President Hayden at 12:02 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(All meetings are being held with in person attendance following County and State COVID guidelines as well as virtually.)* President Hamilton presiding.

2. **ROLL CALL**

Present: Director Gasca *(via video conference)*, Director Hamilton, Director Mack, Director Moss.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Engineering and CIP Program Manager Williams, Information Technology Manager Khattab.

Also Present Via Teleconference or Video Conference:

Legal Counsel Duran-Brown.

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

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

Legal Counsel asked the Board to consider adding an item to the agenda for Closed Session based on information received after the agenda was posted and was necessary for the Board to consider prior to the next Board meeting.

Motion:

To approve adding an item to the agenda for Closed Session.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

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

There were no members of the public in attendance; therefore, the instructions were not read aloud.

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

There were no comments.

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

6. CLOSED SESSION

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

* Three Items (*including additional item per Item #3.*)

B. Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)

* Rainbow Municipal Water District v. Blum, Inc., et al.

The meeting reconvened at 1:20 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #11.

Time Certain: 1:00 p.m.

8. REPEAT CALL TO ORDER

The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on October 26, 2021 was called to order by President Hamilton at 1:22 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. (*All meetings are being held with in person attendance following County and State COVID guidelines as well as virtually.*) President Hamilton presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

Present: Director Gasca (*arrived at 1:27 p.m. via video conference*), Director Hamilton, Director Mack, Director Moss.

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, Engineering and CIP Program Manager Williams, Operations Manager Gutierrez, Finance Manager Largent, Information Technology Manager Khattab.

Also Present Via Teleconference or Video Conference:

Legal Counsel Duran-Brown, Human Resources Manager Harp, Project Manager Tamimi, Project Manager Parra, Engineering Technician Rubio,

DRAFT

DRAFT

DRAFT

Customer Service and Communications Supervisor Gray, Construction and Maintenance Supervisor Lagunas, Grant Specialist Sisler, Wastewater Superintendent Zuniga, Associate Engineer Powers.

Eleven members of the public were present for Open Session with four in person and seven via teleconference or video conference.

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

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

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

Legal Counsel stated for the record, the Board by a four-fifths (4/5) vote decided to add one item to Closed Session. It noted it was an item of anticipated litigation that came to the Board's attention after the agenda was posted but needed to have action considered before the next Board meeting.

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

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

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

Discussion ensued regarding taking the items out of order to allow for the audience member who submitted a speaker slip an opportunity to address the Board at this time. Mr. Kennedy pointed out the items can be taken out of order; however, Item #19 must be taken up first to comply with the new law requiring the Board to adopt a resolution to authorize virtual meetings prior to any action being taken.

Motion:

To take the agenda items out of order with Items #19 and #21 first.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Director Hamilton, Director Mack, Director Moss.

Absent: Director Gasca.

Discussion went to Item #19.

***15. APPROVAL OF MINUTES**

A. September 28, 2021 - Regular Board Meeting

Motion:

To approve the minutes.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

Discussion went to Item #16.

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

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

A. President's Report (Director Hamilton)

President Hamilton reported most of the Board Members attended the Farmer of the Year event at which there were opportunities to speak with many local politicians and farmers. He announced a Town Hall Meeting will be held on November 18, 2021 and encouraged everyone to attend. He reported FPUD was dedicating their portion of the Conjunctive Use Project at a dedication on November 6th between 11:00 a.m. and 1:00 p.m. for which Board Members may have been invited.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting September 23, 2021

Mr. Kennedy referenced the summary of the recent SDCWA Board Meeting as he noted some of the key elements being keeping the debt service coverage level at factor of 1.2 and possibly up to 1.5 if the revenue is available to do so. He pointed out the original proposal was to go to 1.5 as the minimum which would cost a great deal of money; therefore, there was support for the new proposal.

Mr. Kennedy noted some of the key things asked of SDCWA by the member agencies was to develop a five-year forecast in each budget cycle, third party consultants to review Cost of Service studies and rate designs as well as CIP planning and prioritization, excel versions of the rate model spreadsheets be provided to member agencies, and to work on identifying transfer opportunities for the contracted water supplies between desalination and QSA which are affecting water affordability. He noted this was all great and how he was not in favor of SDCWA's long-range financing plan, but with the City's amendments he felt it was in the best interest of RMWD ratepayers to at least get some transparency as part of the process. He mentioned SDCWA's response to these requests was to include an item in their agenda asking for an additional \$1 million for three full-time staff to produce the information and projections being sought as well as an additional couple of hundred thousand dollars for consultants. Discussion ensued.

2. CSDA

Director Mack reported he will be attending a Legislative Committee meeting via Zoom on October 28th.

3. LAFCO

Mr. Kennedy reported LAFCO recently completed a Municipal Service Review for the Ramona region and how one of the things they are considering is put Ramona on a path to incorporation. He explained the steps involved. Discussion ensued.

Director Gasca pointed out a few functions that can be picked up by becoming incorporated is land use planning authority as well as police.

4. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton reported he was unable to attend the recent meeting; however, he shared some of the topics listed on the committee agenda including the Watermaster Annual Report was out and how a new Chairperson has been elected for next year.

5. ACWA

Director Gasca mentioned there was a new law signed by Governor Newsom (Senate Bill 427) that provides authority for California water agencies to adopt enhanced penalties for water theft giving them a stronger deterrent to help and protect the public’s valuable resource. He stated this may be something RMWD may want to explore assuming if climate change continues, the District will be able to take action to impact its ratepayers. He also stated as part of the Emergency Proclamation, Governor Newsom call for utilities including investor-owned utilities to establish an incentive program for large energy users including water purveyors; therefore, it may be worthwhile for RMWD to contact with SDG&E to see if there might be something going on that would be of interest to RMWD as well as its ratepayers. Mr. Kennedy stated this was something that could be added to newly hired Grant Specialists’ task list.

Director Gasca mentioned he will be excusing himself from the meeting at 2:00 p.m. and will rejoin before 3:00 p.m. if possible.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

A. Conference Report – Director Moss

Mr. Kennedy mentioned a reimbursement he received from Director Rindfleisch with requests for compensation for meetings with the General Manager. He recalled the Administrative Code was amended earlier in the year with one item added that if a Board Member had a meeting with the General Manager, it could be a compensable event. He noted he had interpreted this amendment to mean meetings would be scheduled with him and a Board Member to discuss a matter or matters for a substantial amount of time; however, Director Rindfleisch had interpreted it as being a couple of phone calls he made to the general manager could collectively add up to a meeting which in turn would be compensable.

Mr. Kennedy said although he explained to Mr. Rindfleisch his reason for denying the request, he agreed to bring the matter to the Board for consideration. He asked the Board for clarification as

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to whether they disagree with his interpretation as well as direction as to an additional amendment should be made to the Administrative Code as to what qualifies for a meeting.

Director Gasca asked if there was any language right now that states it is accumulative. Mr. Kennedy confirmed it only states one meeting a month with the general manager, but not cumulative.

Director Moss recalled the specific conversation that took place at the meeting when this section of the Administrative Code was under discussion by the entire Board. She stated she does not consider it to be a meeting unless it is a formal meeting. Mr. Kennedy clarified it only states one meeting per month with the general manager; however, he interpreted that to mean a scheduled meeting to discuss a specific topic.

Director Mack stated meetings with the general manager should be scheduled. Director Moss agreed.

Director Gasca said he did not necessarily agree, but thinks it is more an accumulation of time spent meeting with the general manager or senior staff members that should be considered a working session for a director trying to gather information across different parts of the organization which should be accommodated. President Hamilton concurred with Director Gasca, but a conversation over the phone that is relatively short in duration does not constitute a meeting.

Mr. Kennedy stated unless the Board directs him otherwise, no Board action was required. He said should Director Rindfleisch's final per diem compensation report include a phone call, his intention would be to deny this request.

Director Mack asked how soon the Administrative Code would be amended. Mr. Kennedy it would be presented to the Board for consideration in December. He offered to reach out to Director Gasca for input as to how the proposed amendment should be written.

Director Gasca excused himself from the meeting at 1:58 p.m.

D. Directors Comments

Director Mack stated he was very impressed with the staff overseeing Concord as part of the Water Services Upgrade Project program, especially with the advance warning, signage, etc. Mr. Kennedy stated this would be Mr. Gutierrez.

E. Legal Counsel Comments

- 1. Attorney Report: Water Shut-Off Moratorium and Statute of Limitations for Water Fee Challenges**

Legal Counsel summarized the information contained in his written report and update on a couple of new legislative items, including the Water Moratorium Shutoff Governor Newsom enacted due to the COVID conditions set to expire on September 30, 2021 that has been extended to the end of the year. He noted this extension was applicable to all water systems.

Legal Counsel noted the second item was for Senate Bill 323 which shortens the statute of limitations for rate charges both for water and sewer rates. He explained any challenge to a water or sewer rate must now be brought within one hundred and twenty (120) days starting January 1, 2022. He pointed out for RMWD to be able to take advantage of this shortened statute of

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limitations, the next RMWD Proposition 218 notice must include a reference to this Bill regarding the new 120-day statute of limitations.

Director Mack inquired as to how frequent the Bill must be referenced. Legal Counsel clarified it must be referenced whenever RMWD does a Proposition 218 notice. Mr. Kennedy added anytime RMWD adopts any rate change that is subject to Proposition 218 which could take place in Spring 2022 for sewer rates.

President Hamilton asked for clarification regarding the report stating a water district could go to court and get an affirmation of their rates. Legal Counsel explained the process for exercising the validation procedure mentioned in the report. Discussion ensued.

Discussion went to Item #17.

17. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported the committee met on October 12th during which time a few items were considered including the State Water and Wastewater Arrearage Program which is being presented as Item #25 today as well as received an audit update and the possibility of the shutoff moratorium being extended which has now come into fruition. He expressed appreciation for Mr. Gutierrez in reaching the 75% milestone on the WSUP program.

B. Communications and Customer Service Committee

Mr. Shute reported this committee would also extend appreciation to Mr. Gutierrez as well as the Finance team finance for their achievements, respectively. He noted the committee covered a few items at the meeting including the potential drought restrictions, non-payment water shutoff, emergency notification programs, WSUP, and appointed committee officers for next year.

President Hamilton mentioned the customer service call back feature update received from Ms. Gray and that the system was working quite well.

C. Engineering and Operations Committee

Mr. Nelson reported the committee received an update on the North River Road Construction project which is proceeding well and on schedule. He stated the committee also considered three He noted there were items considered before the Board today that have been recommended for approval by the committee. He noted the committee spent some time discussing the Rainbow Heights Pump Station construction project as well as received a budget update for the Rice Canyon project.

Discussion went to Item #18.

CONSENT CALENDAR ITEMS

- *18. A. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 21-07 - AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 1.02.020 - CONFLICT OF INTEREST**
- B. NOTICE OF COMPLETION AND ACCEPTANCE OF INFRASTRUCTURE FOR THE HORSE CREEK RIDGE DEVELOPMENT BY D.R. HORTON (DIVISION 4, 5)**

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- C. DISCUSSION AND POSSIBLE ACTION TO APPROVE AND EXECUTE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5354-3 (VTM5354R2, A PORTION OF PDS2019-LDMJIP-50069, PA-5B) FOR CITRO DEVELOPMENT (DIVISION 4)**

Motion:

To approve Items #18A, #18B, and #18C.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Director Hamilton, Director Mack, Director Moss.

Absent: Director Gasca.

Discussion went to Item #20.

BOARD ACTION ITEMS

- *19. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 21-19 – AUTHORIZING VIRTUAL MEETINGS IN ACCORDANCE WITH ASSEMBLY BILL 361 (AB 361)**

Mr. Kennedy explained under a recently enacted law (AB361) to address the Brown Act emergency orders that expired in September, legislature created a new process by which RMWD could continue to allow for virtual and hybrid meetings. He stated Resolution No. 21-19 needed to be enacted by the Board noting RMWD was following all of the rules of AB361. He pointed out part of AB361 will require the Board take repeated actions at meetings going forward.

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

Motion:

To adopt Resolution No. 21-19 authorizing virtual meetings in accordance with AB361.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

Discussion went to Item #21.

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20. DISCUSSION AND POSSIBLE ACTION FOR SOLE SOURCE SELECTION OF PRE-MANUFACTURED PUMP STATIONS FROM ENGINEERED FLUID SOLUTIONS, INC (EFI), CENTRALIA, IL (ALL DIVISIONS)

Mr. Kennedy explained RMWD has been utilizing EFI for a variety of things and staff cannot find another firm to provide these pump stations due to EFI's uniqueness and providing service in an efficient and effective manner. He noted one of the challenges is other firms will bid into something like this when specifications are put out; however, they were not of the same quality. He mentioned staff has sole sourced with EFI in the past and how each time Board approval is sought, a limit is provided with a limit that can be considered each time.

Mr. Kennedy noted RMWD has the Turner and Hutton pump stations coming up as well as a potential one for Dentre de Lomas; therefore, staff would like Board approval to proceed with sole sourcing EFI when those contracts come up.

Director Mack inquired as to how soon these contracts would be available. Mr. Kennedy answered probably within the next six months for Hutton and Turner.

President Hamilton asked for the typical cost for a pump stations RMWD would be utilizing. Mr. Williams stated approximately \$1 million.

Motion:

To accept Option 1 – Make a finding that the action before the Board does not constitute a “project” as defined by CEQA and authorize the sole source selection of pre-manufactured pump stations from Engineered Fluid Solutions, Inc (EFI), for procurement within the District in order to capitalize on timing, quality, and cost savings for the Turner, Hutton, and Dentre De Lomas pump stations.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Director Hamilton, Director Mack, Director Moss.

Absent: Director Gasca.

Discussion went to Item #22.

***21. CONSIDER AWARD OF CONSTRUCTION CONTRACT IN THE AMOUNT OF \$15,181,157 WITH JAMES W. FOWLER COMPANY FOR THE LS-1 REPLACEMENT PROJECT PHASE 1 IN DIVISION 1, 2, AND 4**

Mr. Williams provided a background for this item noting this project was for the Lift Station 1 Replacement Project, formerly referred to by staff as the Thoroughbred Lift Station. He explained this was a large project and that the District decided to prequalify contractors so when the District received the lowest responsible and responsive bidder it would not be subject to just anyone coming out. He noted the solicitation was done for prequalification and eight contractors initially participated. He pointed out one of those eight was removed from the prequalified list due to not meeting the requirements, seven were authorized to proceed, and five of those seven submitted bids to the District. He mentioned the engineer's estimate for this project is \$16,674,000 and, as shown in the bid, James W. Fowler Company came in under that underestimate at \$15,181,157. He added this project does trigger CEQA, the District did perform all necessary CEQA

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documentation, and that Resolution No. 21-02 was adopted at the January 26, 2021, Board meeting which enacted the Mitigated Negative Declaration (MND) for this project; therefore, there is no further CEQA action required. Mr. Kennedy added there have been two protests from bidders, with the second place bidder protesting the first place, and the third place protesting the first and second place bids.

President Hamilton took the opportunity to allow Chad Cameron to address the Board.

Mr. Cameron thanked the Board for moving this item forward and hearing him speak. He introduced himself as a partner at TC Construction which was the second lowest bidder last week for Lift Station 1. He stated TC Construction has turned in two separate letters outlining eight different issues that they discovered with Fowler's bid. He noted the most important issue that they discovered was Fowler did not list a painting subcontractor, do not hold a C33 license which is a specialty license for painting the building, do not have a five-year track record of coating the material required or something similar in the specifications, and do not have a QP1 Certification which is for a partial part of the painting as well.

Mr. Cameron pointed out TC Construction has several administrative issues as well with Fowler's bids; one being that the bond page was not notarized by a principal as well as other administrative items that were outlined in the instructions to bidders, i.e., the paragraphs in the instruction to bidders (highlighted in bold in the letter he held up) that stated if you do not do this, then your bid will be rejected. If a failure to do so will result in immediate rejection of the bid. He noted Fowler did not include all the pages in Volume II as required, including all the addendum pages. He said he understands these are administrative things; however, the thought TC Construction has is that this documentation and specifications are your word and bond. He mentioned he grew up with his father raising him in a way that his word is his bond and if he tells you he is going to do something, he is going to do something.

Mr. Cameron concluded stating if the Board was going to have a decision in front of them to waive these irregularities for a \$1.5 million savings (understanding that the District is looking out for the ratepayers by being fiscally responsible), the Board has a moral responsibility as well; thus, he feels Fowler should be deemed unresponsive based upon TC Construction's letters, copies of which he offered to provide to the Board if so desired.

Mr. Kennedy also pointed out to the Board that the third-place contractor, SCW, also filed a protest both on TC Construction's bid for certain asserted defects as well as Fowler's bid resulting in multiple people who are challenging different aspects of this; however, the staff's recommendation remains to move forward with the options provided to the Board.

Motion:

Based upon staff and legal counsel recommendation, the Board will waive the irregularities found in the bid as they were considered to be clerical, inadvertent, and non-substantiative and award the lowest bidder to James W. Fowler according to staff recommendation Option 1 to allocate funding and approve the Construction Agreement with James W. Fowler Co. in the amount of \$15,181,157, authorize the General Manager to execute the construction contract, and make a determination that the action identified herein was sufficiently analyzed in the Initial Study Mitigated Negative Declaration adopted by the Board in Resolution No. 21-02 on January 26, 2021 and does not require additional analysis.

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

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Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

Discussion went to Item #15.

***22. AWARD OF PROFESSIONAL SERVICES AGREEMENT WITH VALLEY CONSTRUCTION MANAGEMENT FOR THE LS-1 REPLACEMENT PROJECT PHASE 1 IN DIVISION 1**

Mr. Williams introduced Paul Mochel with Valley Construction Management who was in attendance.

Mr. Williams noted this Professional Services Agreement was for construction management and special inspection for the second part of the LS1 Replacement Project. He mentioned the District issued Requests for Proposals for this project and that five proposals were received which were reviewed and evaluated by members of staff as well as members of the Engineering and Operations Committee. He stated after individuals conducted their review, it was unanimously determined Valley Construction Management was the highest ranked among all reviewers and an interview was conducted with Valley Construction Management after which time it was confirmed this was the firm to select.

Mr. Williams noted this project encompasses Divisions 1, 2, and 4. He stated this project was anticipated to take between 18-36 months to complete; therefore, having a dedicated full-time construction manager and inspector will be of great assistance to the District.

Director Moss asked to hear from Mr. Mochel. Mr. Mochel stated he looks forward to a good project, appreciates the opportunity, and looks forward to working with RMWD.

Motion:

To approve Option 1 – Approve a professional services agreement with Valley Construction Management for a not to exceed amount of \$1,423,717, authorize the General Manager to execute the professional services agreement, and make a determination that the action identified herein does not constitute a “project” as defined by CEQA.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 3).

Ayes: Director Hamilton, Director Mack, Director Moss.

Absent: Director Gasca.

Discussion went to Item #23.

23. DISCUSSION AND POSSIBLE ACTION REGARDING THE RAINBOW HEIGHTS PUMP STATION REHABILITATION PROJECT TO APPROPRIATE AN ADDITIONAL \$1,050,000 IN PROJECT COST TO THE CIP BUDGET (DIVISION 5)

Mr. Williams explained this project was originally scheduled to be completed last fiscal year and how staff made a budget recommendation and that the budget was adopted by the Board. He noted several Change Orders were received for this project that were mostly owner driven. He said after working with the Finance Department as the mid-year budget approaches, it was

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realized allocations were needed that cannot wait; therefore, staff was requesting an additional appropriation of \$1,050,000 to the CIP budget so the project can be completed.

Ms. Largent added it was important to note these are funds that when the budget was brought to the Board it was forecasted the funds would have been spent by June 30, 2021; therefore, RMWD has more funds that will be rolling over into the new fiscal year that are available to be spent for this project that had not been accounted for.

President Hamilton asked for clarification the Board had already approved the funds that were not spent last year but rather rolled over into this year's budget. Ms. Largent explained they do not roll over; however, if they are not spent by the end of the fiscal year, they go into the fund balance as unused funds. She confirmed there was no negative impact.

Mr. Kennedy pointed out the project was not running over budget; however, the budget was slightly out of alignment as it is written so this was coming to the Board now as opposed to in February 2022.

Discussion ensued regarding the location of the pump station.

Director Gasca rejoined the meeting at 2:25 p.m.

Motion:

To accept Option 1 - Appropriate \$1,050,000 to the CIP Budget for the completion of construction of the Rainbow Heights Pump Station Rehabilitation Project and make a finding that the action before the Board does not constitute a "project" as defined by CEQA.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

Discussion went to Item #23A.

23A. DISCUSSION AND POSSIBLE ACTION TO EXECUTE THE URBAN WATER SHORTAGE CONTINGENCY PLAN AND DECLARE A LEVEL 1 WATER SHORTAGE SCENARIO IN RESPONSE TO THE STATEWIDE STATE OF EMERGENCY DUE TO DROUGHT

Mr. Kennedy announced on the Governor declared RMWD needs to at least adopt its voluntary measures on October 19, 2021. He pointed out staff had already addressed this when preparing the District's Urban Water Management Plan last Spring. He clarified even though it was voluntary, it does prohibit ratepayers from doing things such as washing down their driveway.

Mr. Williams stated RMWD was enacting its lowest level voluntary drought requirements as noted in Option 1 of the Action Letter. He reiterated staff had conducted a great deal of this work under the Urban Water Management Contingency Plan to declare a Level 1 which is for voluntary restrictions.

Mr. Tamimi explained there are six different levels that are more stringent depending on the drought conditions. He stated Level 1 is optional that prohibits actions such as the application of potable water on outdoor landscape in a manner that causes excessive runoff i.e., over irrigation.

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He pointed out Level 1 was more focused on residential use and do not necessarily apply to commercial growers or nurseries.

Mr. Kennedy pointed out RMWD does not have anyone assigned to monitor Level 1 restrictions; however, staff will keep an eye out.

Director Gasca recalled his reporting last month that Metropolitan Water District (MWD) had offered a water supply alert which is the third of four conditions in their framework. He asked whether what RMWD was doing was identical at a lesser degree of what MWD was doing and has San Diego County Water Authority (SDCWA) taken any action and how does what RMWD was doing compare to SDCWA. Mr. Kennedy stated MWD had moved up their alert, but it was not to the point where they were having any allocations or something similar; however, they do not deal with retail customers, thus they would not have the same restrictions as RMWD. He added when MWD gets serious, a Water Shortage Allocation Plan will be issued to member agencies. He stated SDCWA is going to be considering their similar voluntary type of early-stage Level 1 type of restrictions, but that would also not include any allocation plan. He noted if the State were to start enforcing mandatory cutbacks, it may be possible to receive leniency for those agencies that have been proactive in both their ongoing conservation efforts as well as local supply development.

Motion:

To accept Option 1 – Make a finding that the action before the Board does not constitute a “project” as defined by CEQA, execute the Urban Water Shortage Contingency Plan and declare a level 1 water shortage scenario in response to the statewide state of emergency due to drought.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

Discussion went to Item #24.

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

Director Gasca said he was interested in attending the Global Trends, Challenges, and Solutions for the Water Industry virtual conference being hosted by American Academy of Environmental Engineers and Scientists on November 3, 2021. He noted the cost was \$40.00 for non-members. He will forward the details so Ms. Washburn can get him registered.

Motion:

To approve Director Gasca’s attendance at the virtual webinar.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

Discussion went to Item #25.

BOARD INFORMATION ITEMS

25. INFORMATION REGARDING STATE WATER AND WASTEWATER ARREARAGE PROGRAM

Ms. Largent explained this was a program for which RMWD was applying and how there was some back and forth about the qualifications process. She noted staff applied for what was in arrearage as of June 15, 2021; however, if the customer has since paid, then the amount would not count. She said the State has said that they expect RMWD as well as any other agency receiving funds will have to reimburse some of the funds received as part of this program. She stated when the State actually issues the funds, there will be a few customers who have paid during the time the official application is submitted on November 1, 2021. She pointed out it was originally thought the amount would be close to \$1.5 million but appears to be more in the area of \$1.2 million.

Ms. Largent stated since RMWD may have to reimburse some of the funds, the District may want to choose to request all the administrative fees and then reimburse whatever monies that cannot be justified. Discussion followed.

Discussion went to Item #25A.

25A. DISCUSSION REGARDING BOARD MEMBER APPOINTMENT PROCESS

Mr. Kennedy stated with Carl Rindfleisch’s resignation from the Board the previous week, the Division 4 seat was now vacant. He noted per the Government Code, the Registrar of Voters has been notified and the required notices have been posted in three locations throughout Division 4. He pointed out RMWD must make an appointment within sixty days, or it will fall to the County Board of Supervisors. He noted the Board must make an appointment before December 19, 2021; therefore, this can be done at the regularly scheduled December 7, 2021, Board meeting or at a Special meeting mentioned held by the Board after the deadline for applications of November 15, 2021, expires. He mentioned Bill Stewart, committee member and former Board member, has expressed an interest in serving out the remainder of the term and that Mr. Rindfleisch has recommended Justin Lowler as being a potentially interested party.

Director Moss inquired as to why the Board could not make an appointment November 17, 2021, at a short Special Board meeting to take care of business before the December 7, 2021, Board meeting. She pointed out if an appointment is made, it would make attending the 2021 ACWA Fall Conference on November 30, 2021.

Director Gasca stated it would be imperative for any appointee to get up to speed as quickly as possible.

Bill Stewart stated he was flattered to have been asked to consider applying for the balance of this term. He stated in regard to the ACWA Conference, he found those to be very helpful in the past and would be interested in attending. He noted participating in the Communications and Customer Service Committee and receiving information on the other recurring committee meetings has helped keeping him abreast of what has been happening at RMWD.

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President Hamilton said it may be best to schedule a Special Board meeting in November after the application deadline expires. Director Gasca recommended holding interviews at a Special Board meeting.

Director Gasca pointed out it was the responsibility of any interested parties to notify the Board of their interest.

Mr. Kennedy confirmed Ms. Washburn will work with the Board to coordinate a Special Board meeting in November solely for the purpose of interviewing and considering making a Division 4 Board appointment.

Discussion went to Item #26.

26. REDISTRICTING UPDATE

Mr. Kennedy introduced this item noting every ten years the law requires RMWD to reapportion its director divisions meeting stipulated key components.

Mr. Khattab shared a presentation titled “Redistricting with Census Data presentation” noting the current locations of RMWD’s five divisions. He explained the goal was to balance out the population as much as possible; however, there were challenges due to the voter precincts not matching RMWD’s current divisions. He summarized and reviewed each of the steps taken.

Director Gasca inquired as to whether the maps presented were showing voter precincts or property and parcels. Mr. Kennedy confirmed they were voter precincts. Discussion followed.

Mr. Kennedy noted this item was informational and that copies of the maps are available for anyone interested. He encouraged the Board Members to review the information provided and notify staff of any proposed changes to be presented to the respective committees. He added if there are no changes, this matter will be brought back to the Board on December 7th for consideration at which time backup documentation will be provided.

Discussion ensued.

Mr. Khattab announced the submission date was May 5, 2022. Mr. Kennedy encouraged the Board to provide any feedback and proposed revisions as soon as possible.

Discussion continued.

Discussion went to Item #27.

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

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Staff Training Report - Largent

C. Operations Comments

1. Operations Report

D. Engineering Comments

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

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- E. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
- F. Finance Comments**
 - 1. Board Information Report
 - A.** Budget vs. Actuals
 - B.** Fund Balance & Developer Projections
 - C.** Treasury Report
 - D.** Five Year Water Purchases Demand Chart
 - E.** Water Sales Summary
 - F.** Check Register
 - G.** Directors' Expenses Report
 - H.** Credit Card Breakdown
 - I.** RMWD Properties

Ms. Harp announced at the December 14th North County Fire Protection Board Meeting, two RMWD employees will be recognized for stopping on their way back to the District offices to assist with putting out a house fire on Rainbow Heights Road. She stated this event will take place at 4:00 p.m. at the Fallbrook Public Utilities offices and both staff members will receive a Challenge Coin from the fire district.

The information and financial items were received and filed.

Discussion went to Item #28.

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

It was noted an amendment to Administrative Code Section 2.03.010.02, appointment of the Division 4 Director, acceptance of the audit, a redistricting update, as well as a series of items related to the Board appointment.

Discussion went to Item #29.

29. ADJOURNMENT

The meeting was adjourned by President Hamilton to a regular meeting on December 7, 2021, at 1:00 p.m.

The meeting was adjourned at 3:24 p.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary

**MINUTES OF THE SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
NOVEMBER 17, 2021**

1. **CALL TO ORDER** - The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on November 17, 2021, was called to order by President Hamilton at 9:32 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(All meetings are being held with in person attendance following County and State COVID guidelines as well as virtually.)* President Hamilton presiding.

2. **ROLL CALL:**

Present: Director Gasca, Director Hamilton *(via video conference)*, Director Mack, Director Moss *(via video conference)*.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Information Systems Specialist Espino.

Also Present Via Teleconference or Video Conference:

Legal Counsel Smith.

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

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

Director Gasca requested an item be added to the agenda to discuss about responding to the State Redistricting Commission regarding Assembly Districts. He noted he provided a draft letter for Board consideration. It was noted this item would be added as Item #13A.

Legal Counsel stated for the record this information came to the attention of the District after the agenda was posted and has a need for immediate action prior to the next scheduled Board meeting.

Motion:

To amend the agenda to include discussion of a letter concerning redistricting with the State Commission.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

(*) - Asterisk indicates a report is attached.

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

There were no public members present; therefore, the instructions were not read aloud.

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

There were no comments.

The meeting adjourned to Closed Session at 9:36 a.m.

6. CLOSED SESSION

A. Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)

* Rainbow Municipal Water District v. Blum, Inc., et al.

The meeting reconvened at 10:00 a.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #12.

Time Certain: 1:00 p.m.

8. REPEAT CALL TO ORDER

The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on November 17, 2021, was called to order by President Hamilton at 10:00 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(All meetings are being held with in person attendance following County and State COVID guidelines as well as virtually.)* President Hamilton presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

Present: Director Gasca, Director Hamilton *(via video conference)*, Director Mack, Director Moss *(via video conference)*.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Information Technology Manager Khattab.

(*) - Asterisk indicates a report is attached.

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Also, Present Via Teleconference or Video Conference:

Legal Counsel Smith, Engineering and CIP Program Manager Williams, Information Systems Specialist Espino, Construction and Maintenance Supervisor Lagunas, Engineering Technician Rubio.

Two members of the public were present for Open Session with one in person and one via teleconference or video conference.

***11. BOARD OF DIRECTORS CONSIDER ADOPTING RESOLUTION NO. 21-21 RENEWING STATE OF EMERGENCY FINDINGS FOR ASSEMBLY BILL 361 (AB 361)**

Mr. Kennedy explained this was a recurring item that must be considered in order to continue allowing virtual attendance.

Motion:

To adopt Resolution No. 21-21.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

12. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

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

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

President Hamilton reported Item #13A was added to the agenda to consider a letter to the State Redistricting Commission regarding state legislative districts.

13A. CONSIDERATION OF A LETTER TO THE STATE REDISTRICTING COMMITTEE REGARDING STATE LEGISLATIVE DISTRICTS

Director Gasca stated he had an opportunity to meet with Marie Waldron's field representative at the Farmer of the Year Dinner who reached out to him later asking that RMWD look at how the State Commission on redistricting was chopping up the Assembly Districts and if RMWD would consider responding to the Commission with how RMWD believes the Assembly Districts should be considered.

Director Gasca explained when looking at how the Assembly District was laid out, it excluded communities east of RMWD as well as Temecula. He stated a letter was crafted to the Commission that tries to address this matter and make a request that the November 10th draft maps include Temecula, Rainbow, Fallbrook, Bonsall, Pala, Pauma Valley, Rincon, Valley Center and Escondido in one Assembly District.

(*) - Asterisk indicates a report is attached.

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Motion:

The Board approve the letter signed by the Board President be sent to the Commission.

Action: Approve, Moved by Director Gasca.

Mr. Kennedy inquired as to whether the letter should be signed by all the Board Members as well as the Division 4 Director should there be an appointment made today and the appointee agrees.

Director Gasca amended his motion.

Motion:

The Board approve the letter signed by all the RMWD Board Members as well as the Board Member appointed to Division 4, upon their agreement, be sent to the Commission.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

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

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

15. ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING ITEMS ON THIS AGENDA (Government Code § 54954.2).

There were no comments.

BOARD ACTION ITEMS

***16. DISCUSSION AND POSSIBLE SELECTION OF DIVISION FOUR DIRECTOR AND APPROVAL OF RESOLUTION NO. 21-20, A RESOLUTION APPOINTING _____ AS DIRECTOR OF DIVISION FOUR OF THE RAINBOW MUNICIPAL WATER DISTRICT**

It was noted William Stewart was the only interested party who applied for appointment.

Motion:

To adopt Resolution No. 21-20 appointing William Stewart.

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

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 4).

Ayes: Director Gasca, Director Hamilton, Director Mack, Director Moss.

(*) - Asterisk indicates a report is attached.

Ms. Washburn administered the Oath of Office and William Stewart was officially seated on the Board thereafter.

Director Stewart stated it is a real privilege to be able to serve the community in this manner as it was when he served previously for a three-year period and how excited he was to matters discussed during that time coming into fruition now.

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

Ms. Washburn provided an update on the ACWA Fall Conference noting Director Stewart's registration has been completed, Director Gasca's registration has been cancelled, Director Gasca's hotel reservation has been changed to Director Stewart, and Director Mack would be the RMWD representative to vote at the JPIA portion of the conference.

Director Mack confirmed receipt of the JPIA agenda packet. Director Gasca shared his JPIA agenda packet with Director Stewart.

President Hamilton announced a Town Hall Meeting will be held tonight at the FPUD offices at 6:00 p.m. related to the detachment activities for anyone interested to attend.

Director Mack reported the CSDA Legislative Committee held its last meeting the previous week and that he will be applying for appointment in 2022. He noted the meetings in 2022 will be held in-person as opposed to virtually. He clarified CSDA would be paying for hotel and travel accommodations and RMWD would only pay the per diems.

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

There were no suggested agenda items.

19. ADJOURNMENT

The meeting was adjourned by President Hamilton to a regular meeting on December 7, 2021, at 1:00 p.m.

The meeting was adjourned at 10:16 a.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.



**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
 OCTOBER 28, 2021**

1. Adopt Resolution No. 2021-24 to Activate Level 1 of the San Diego County Water Authority's Water Shortage Contingency Plan.

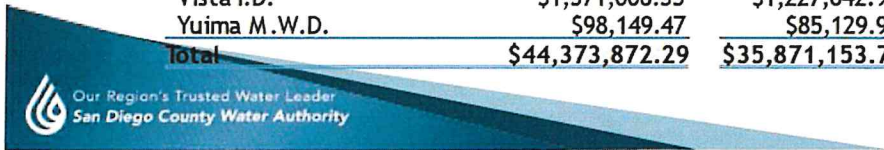
The Board adopted Resolution No. 2021-24 to activate Level 1 of the Water Authority's Water Shortage Contingency Plan.

2. Closed Session:

The Board approved that the \$35,871,153.70 paid by the Metropolitan Water District of Southern California as damages and interest for its breach of the parties' Exchange Agreement for years 2015-2017 by charging a Water Stewardship Rate should be disbursed to Water Authority member agencies as shown on the following table as Distribution #2:

\$80.24M+ Combined Disbursement

Member Agency	Distribution #1	Distribution #2	Total Distribution
Carlsbad M.W.D.	\$1,692,236.88	\$1,362,940.86	\$3,055,177.74
Del Mar, City of	\$108,025.65	\$88,358.85	\$196,384.50
Escondido, City of	\$1,754,022.94	\$1,291,896.32	\$3,045,919.26
Fallbrook P.U.D.	\$909,412.67	\$625,250.63	\$1,534,663.30
Helix W.D.	\$2,847,389.34	\$2,425,228.87	\$5,272,618.21
Lakeside W.D.	\$348,005.17	\$237,868.80	\$585,873.97
Oceanside, City of	\$2,351,413.99	\$1,938,202.55	\$4,289,616.54
Olivenhain M.W.D.	\$2,039,332.40	\$1,622,584.51	\$3,661,916.91
Otay W.D.	\$3,162,939.58	\$2,525,944.50	\$5,688,884.08
Padre Dam M.W.D.	\$1,157,551.53	\$846,518.19	\$2,004,069.72
Pendleton Military Reserve	\$4,958.08	\$5,701.47	\$10,659.55
Poway, City of	\$1,167,915.01	\$837,149.50	\$2,005,064.51
Rainbow M.W.D.	\$1,343,382.03	\$908,190.96	\$2,251,572.99
Ramona M.W.D.	\$596,663.83	\$369,181.59	\$965,845.42
Rincon Del Diablo M.W.D.	\$630,780.62	\$468,066.70	\$1,098,847.32
San Diego, City of	\$17,676,521.64	\$14,990,247.29	\$32,666,768.93
San Dieguito W.D.	\$368,002.42	\$366,659.60	\$734,662.02
Santa Fe I.D.	\$748,699.93	\$646,414.28	\$1,395,114.21
Sweetwater Authority	\$874,367.74	\$1,070,931.27	\$1,945,299.01
Vallecitos W.D.	\$1,590,623.74	\$1,248,828.17	\$2,839,451.91
Valley Center M.W.D.	\$1,332,471.26	\$682,215.91	\$2,014,687.17
Vista I.D.	\$1,571,006.35	\$1,227,642.91	\$2,798,649.26
Yuima M.W.D.	\$98,149.47	\$85,129.98	\$183,279.45
Total	\$44,373,872.29	\$35,871,153.70	\$80,245,025.99



3. Monthly Treasurer's Report on Investments and Cash Flow.

The Board noted and filed the Treasurer's report.

4. Establish 2022 Board Meeting dates.
The Board approved combining the November and December Board meeting dates to November 17, 2022 and approved the 2022 Board meeting dates calendar.
5. Execute a reimbursement resolution for the Capital Improvement Program.
The Board adopted Resolution 2021-25 making a declaration of official intent to reimburse certain capital project expenditures from proceeds of future debt obligations.
6. Implementation of Financial Third-Party Reviews and Financial Reporting.
The Board authorized the General Manager to approve as-needed services contracts for third-party reviews of the Water Authority's cost-of-service study, rate design, five-year financial forecast, and the Capital Improvement Program planning and prioritization; authorized the reinstatement of one full-time equivalent and the addition of two full-time equivalent employees to the Water Authority's budget for the implementation and ongoing maintenance of financial third-party reviews and financial reporting; authorized Staff to work with its Cost-of-Service consultant to update the Long-Range Financial Plan (LRFP) model to include projected impact to each rate category; and authorized the General Manager to approve a professional services contract(s) for a third-party analysis of potential water transfer opportunities for the Water Authority's contracted water supplies, based on various demand climate scenarios and rate impacts including affordability.
7. Adopt positions on various bills.
The Board adopted a position of Support on H.R. 3293 (Blunt Rochester), relating to the Low-Income Water Customer Assistance Programs Act of 2021.
8. Consideration to Approve Sacramento Advocacy Contracts.
The Board authorized the General Manager to execute two 36-month contracts (from November 1, 2021 through October 31, 2024) for Sacramento advocacy services with California Strategies for a total compensable contract amount of \$742,500 (inclusive of reimbursable expense allowance) over the contract term, and with Lang, Hansen, Giroux & Kidane for a total compensable contract amount of \$742,500 (inclusive of reimbursable expense allowance) over the contract term.
9. Services contract with Global Power Group, Inc., for generator preventative maintenance, inspection, testing and on-call repair services.
The Board authorized the General Manager to execute the services contract with Global Power, Inc., for generator preventative maintenance, inspection, testing and on-call repair services for two years, with an option to extend the contract for an additional three years, for a total not-to-exceed amount of \$180,000.
10. 2021 Energy Management Policy.
The Board adopted the 2021 Energy Management Policy.



11. Professional services contract with Exponential Engineering Company to perform a feasibility analysis of interconnecting the Claude “Bud” Lewis Desalination Plant to the San Diego Gas & Electric transmission system.
The Board authorized the General Manager, or designee, to award a professional services contract to Exponential Engineering Company for a not-to exceed amount of \$361,546 to perform a feasibility analysis of interconnecting the Claude “Bud” Lewis Desalination Plant to the San Diego Gas & Electric transmission system.
12. Approval of Minutes.
The Board approved the minutes of the Special Administrative and Finance Committee meeting of September 23, 2021 and the Formal Board of Directors’ meeting of August 26, 2021.
13. Appointment and Confirmation of Director to the Metropolitan Water District of Southern California Board of Directors.
The Board approved the appointment of Marty Miller, replacing Mike Hogan, as a Director to the Metropolitan Water District of Southern California Board of Directors.



**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
NOVEMBER 18, 2021**

1. Resolution requesting from the Metropolitan Water District of Southern California a one-year extension of time for completion of the Rincon del Diablo Municipal Water District's Proposed Sringeri Vidya Bharati Foundation Temple Annexation.
The Board adopted Resolution No. 2021-26 to: A) request the Metropolitan Water District of Southern California extend the time for completion of Rincon del Diablo Municipal Water District's proposed Sringeri Vidya Bharati Foundation Temple annexation to December 31, 2022, in accordance with Section 3108 of Metropolitan Water District of Southern California's Administrative Code; and B) Reaffirm all other terms and conditions as set forth in San Diego County Water Authority Resolution No. 2020-04 and Metropolitan Water District of Southern California Resolution No. 9263.
2. Adopt Resolution No. 2021-27 Authorizing the San Diego County Water Authority to Enter into an Agreement with the State of California Department of Water Resources to Receive Funds for the San Vicente Pump Station Project and Authorizing the General Manager to Execute the Agreement on Behalf of the San Diego County Water Authority.
The Board adopted Resolution No. 2021-27 authorizing the San Diego County Water Authority to enter into an agreement with the State of California Department of Water Resources to receive funds for the San Vicente Pump Station project and authorizing the General Manager to execute the agreement on behalf of the San Diego County Water Authority.
3. Closed Session
The Board authorized the General Manager to, subject to CEQA compliance, negotiate and enter into agreements for the Water Authority's water storage assets at the Semitropic Water Banks as follows: (1) an \$893/AF sale floor price for the sale of 4,200/AF of water in 2022; and (2) a \$100/AF minimum sales price for take capacity in 2022.
4. Proposed 2022 Legislative Policy Guidelines.
The Board adopted the proposed 2022 Legislative Policy Guidelines.
5. 2022 State Legislative and Congressional Sessions: Proposals for State and Federal Priorities.
The Board approved sponsoring, co-sponsoring, or supporting the following legislative proposals: A) streamline the operator certification process and allow for flexibility during extenuating circumstances, and B) support water rate affordability for low-income ratepayers; and adopted state and federal priorities for 2022.
6. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
7. Vote Entitlement Resolution for Calendar Year 2022.
The Board adopted Resolution No. 2021-28 establishing vote and representative entitlements of each member agency to be effective January 1, 2022.



8. Professional services contract with Alliant Insurance Services, Inc., to provide Health Insurance Broker Services.
The Board authorized the General Manager to award a professional services contract to Alliant Insurance Services, Inc. to provide Health Insurance Broker Services for a four-year term, beginning January 1, 2022, through December 31, 2025, at a cost of \$60,000 per year. The Water Authority will have the option for a one-year extension at a cost of \$63,000, for a total not-to-exceed five-year contract amount of \$303,000.
9. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2022.
The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2022.
10. Approval of Minutes.
The Board approved the minutes of the Formal Board of Directors' meeting of October 28, 2021.
14. Appointment of Director Lois Fong-Sakai to the Metropolitan Water District of Southern California Board of Directors.
The Board approved the appointment of Lois Fong-Sakai, replacing Jerry Butkiewicz, as a Director to the Metropolitan Water District of Southern California Board of Directors.
15. Assembly Bill 361 Continued Determination Acknowledging the Governor of the State of California's Proclamation of a State of Emergency and of Remote Teleconference Meetings of the Legislative Bodies of San Diego County Water Authority due to the Emergency Pursuant to Brown Act Provisions.
The Board acknowledged the Governor's proclaimed State of Emergency, and approved continued remote teleconference meetings of the legislative bodies of San Diego County Water Authority due to the emergency pursuant to Brown Act after reconsidering the circumstances and finding that state or local officials continue to impose or recommend measures to promote social distancing.



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: December 7, 2021
RE: Attorney Report: Water Quality Update
501668-0002

I. Introduction.

This attorney report provides an update on a recent Ninth Circuit ruling that distributing drinking water containing hexavalent chromium, in full compliance with state drinking water standards, may nonetheless give rise to liability under the Resource Conservation and Recovery Act (“RCRA”). (*California River Watch v. City of Vacaville*, 9th U.S. Circuit Court of Appeals, Case No. 20-16605 (“Vacaville”).) The *Vacaville* decision broadly expands the scope of liability under RCRA. Even though the City merely distributed drinking water, and was not otherwise involved in the generation or storage of a “solid waste,” the Ninth Circuit nonetheless found that RCRA liability may apply for “contributing to the transportation of a solid waste, which may present an imminent and substantial endangerment to health or the environment.”

On a summary judgment ruling, the Ninth Circuit found that because the City of Vacaville transported through its water distribution system drinking water that contained discarded hexavalent chromium from activity unassociated with the City, a triable issue existed regarding whether the City was liable under the “substantial endangerment” provision of RCRA -- despite the City’s lack of involvement in generating the waste in question or in the waste disposal process.

The decision appears to significantly undercut *Hinds Investments, L.P. v. Angioli*, 654 F.3d 846 (9th Cir. 2011) (“*Hinds*”), which held that some involvement in the waste disposal process is necessary for liability to exist under RCRA’s “imminent and substantial endangerment” liability provision. The *Vacaville* decision could accordingly have wide-ranging implications for California municipalities and public water system operators.

Indeed, the *Vacaville* case could be especially problematic given the recent federal and State focus on perfluoroalkylated substances (“PFAS”), which are found in a wide variety of products (including pots, pans, clothing, food service items, among others). Public drinking water suppliers nationwide are increasingly concerned with allegations that PFAS can be released into the environment through a number of

activities, including, but not limited to domestic household tasks, such as washing clothes and dishes.

II. Lower Court Proceedings.

In a RCRA citizen suit brought by California River Watch (“River Watch”), River Watch alleged the City’s water supply wells were contaminated by hexavalent chromium. River Watch argued that because the City conveys that water to residents through the City’s distribution system, the City was contributing to the transportation of a solid waste (hexavalent chromium), which may present an imminent and substantial endangerment in violation of RCRA.

Interestingly, River Watch failed to identify the origin of the hexavalent chromium in its summary judgment papers filed in the lower court, vaguely pointing to an “anthropogenic” source of contamination. River Watch’s primary theory in the lower court was that the origin of contamination is irrelevant, a contention that directly undercuts the *Hinds* case. The lower district court granted summary judgment in favor of the City, and River Watch appealed.

III. The Ninth Circuit’s Decision.

On appeal, River Watch refined its argument, alleging that the hexavalent chromium in question migrated through groundwater from the “Wickes Site.” The Wickes Site sits approximately 1.4 to 3.3 miles from the City’s drinking water well field. The Wickes Site was the location where chromium wastes were discharged onto the ground in association with wood treatment activities allegedly conducted by entities such as Pacific Wood Preserving and Wickes Forest Industries, Inc.

On appeal River Watch argued that the hexavalent chromium was allowed to pass onto the ground without any attempt at recovery. As a result River Watch argued the hexavalent chromium was a “manufacturing waste by-product,” thereby qualifying as a discarded solid or hazardous waste for RCRA purposes.

Notably, the City of Vacaville had no involvement in the waste generation or disposal process, and did nothing to cause the alleged contamination of its water supply. Furthermore, the levels of contamination detected exceeded public health goals, but did not exceed the applicable State total chromium Safe Drinking Water Act (“SDWA”) primary Maximum Contaminant Level (“MCL”) of 50 parts per billion. The City alleged that the hexavalent chromium in its water supply is naturally occurring.

IV. Implications.

The *Vacaville* case is significant for the Ninth Circuit’s finding that RCRA does not require that a solid waste “transporter” play some role in “discarding” or “generating” the waste alleged to have created an imminent and substantial

endangerment. However, as pointed out by the dissent, because the City had no involvement in the waste disposal process, and did nothing to cause the alleged contamination of the ground water supply, such a finding significantly undercuts the law of the circuit, as set forth by the Ninth Circuit in the *Hinds* case:

“We decline to give such an expansive reading to the term ‘contribute.’ Instead, . . . we decide that the statutory language permitting suits against ‘any person . . . who has contributed or who is contributing’ to the handling, storage, treatment, transportation or disposal of hazardous waste, § 6972(a)(1)(B), requires that a defendant be **actively involved in or have some degree of control over the waste disposal process to be liable under RCRA**. *Id.* at 851 (emphasis added).”

Somewhat confusingly, the majority opinion defends its undercutting of the *Hinds* case by stating: “*Hinds* . . . didn’t purport to grant blanket RCRA immunity for anyone outside of the ‘waste disposal process,’ as the dissent contends. Nor did it address the meaning of ‘contribution’ in the context of ‘transporter’ liability.” However, given the Ninth Circuit’s explicit reference to contributing to transportation in the *Hinds* decision, the *Vacaville* opinion appears to significantly undercut the holding in *Hinds*, or at least to significantly narrow it.

Moreover, as noted above, the water transported by the City complies with both federal (less restrictive) and State MCLs for total chromium (no specific MCL exists for hexavalent chromium). However, River Watch views these standards as too lenient, and accordingly alleged that the City’s water nonetheless poses a danger to human health. The dissent noted its view that the appropriate way to address this concern is to seek revision of the MCL through a challenge to the applicable SDWA standards, which are regularly reviewed and provide citizens adequate opportunity for such a challenge, rather than through a RCRA suit.

In fact, RCRA’s anti-duplication provision seeks to prevent River Watch’s precise litigation posture by precluding RCRA’s application to “any activity or substance which is subject to” the SDWA (among other environmental laws), to the extent that such application would be “inconsistent with” the requirements of the act (or other enumerated acts). (42 U.S.C. § 6905(a).) Given that the City is distributing water that complies with the directly applicable SDWA MCL, holding the City liable under RCRA for creating a substantial endangerment to human health, which MCLs explicitly seek to prevent, would be significantly at odds with the SDWA. However, neither the majority nor the dissent reach this issue, leaving the City to further that theory when the case returns back to the district court.

V. Conclusion.

The *Vacaville* case has generated significant statewide concern among public water suppliers. The ACWA Legal Affairs Committee voted earlier this month to

approve an *amicus curiae* brief supporting the City of Vacaville's request for a rehearing before the Ninth Circuit. The City of Vacaville's request for assistance from ACWA, which summarizes the background and importance of this issue to water agencies, stated as follows:

“Operators of water utilities often have little control over pollutants from third parties that may be found in their source water. While water utilities have long recognized the need to comply with regulations under state and federal Safe Drinking Water Acts for contaminants in public water supply systems, until now they did not have to worry about liability under the Resource Conservation and Recovery Act (“RCRA”). On September 29, 2021, a divided panel of the United States Court of Appeal for the Ninth Circuit issued a published opinion in *California River Watch v. City of Vacaville* finding that a drinking water utility may be subject to RCRA if its source water is contaminated by a third party's RCRA waste disposal. The City of Vacaville contends the majority opinion was incorrect, and that the dissenting opinion correctly determined the City cannot be liable under RCRA because it ‘had no involvement whatsoever in the waste disposal process,’ as noted by the dissent.

The City seeks support in urging the Ninth Circuit to grant a rehearing in the case. The potential ramifications of this opinion, if it is allowed to stand, are serious for all water utilities. Any time a contaminant, including an emerging contaminant with no drinking water Maximum Contaminant Level, is present in a utility's source water and not completely removed, environmental groups like River Watch may allege RCRA liability and attempt to have a federal judge determine that the concentration of the contaminant presents an imminent and substantial endangerment to human health. Safety of public water supply systems should be effectuated through Safe Drinking Water Act compliance, not by application of solid waste management laws.”

AES

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

PRESENTATION AND ACCEPTANCE OF THE AUDIT REPORT AND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2021

BACKGROUND

Annually, the District contracts for the preparation of an independent audit and compilation of the year-end financial statements with a Certified Public Accountant (CPA) firm. This year the District authorized for the first year a contract with Lance, Soll & Lunghard, LLP to conduct the fiscal year 20-21 annual audit.

The district prepared an Annual Comprehensive Financial Report (ACFR) for the first time for FY 2020 and submitted to the Government Finance Officers Association (GFOA) to determine eligibility for the Distinguished Annual Comprehensive Financial Report Presentation Award. The District received the award in the first year of publishing the document. We believe the FY 2022 Annual Comprehensive Financial Report continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.

DESCRIPTION

The audited financial statements serve as a vital resource for financial information and fiscal transparency.

The annual financial report has been compiled into an Annual Comprehensive Financial Report (ACFR) for the second year. The ACFR includes three sections: 1.) Introductory Section, 2.) Financial Section, including the financial statements and notes; and 3.) Statistical Section.

The statements present a picture of the District's financial condition. The following are highlights of the District's financial condition that are depicted within the Fiscal Year 20-21 audit.

- Operating income for the current year was a **gain** of **\$1,157,891** compared to a **loss** of **\$7,807,170** in the prior year.
- Nonoperating income for the current year was a **gain** of \$1,945,256 compared to a **gain** of \$1,076,914 for the prior year. The current year gain includes \$1,866,928 in Other Nonoperating Income, from water suppliers lawsuit proceeds of \$1.3M, interest revenue of \$327K, gain from sale of investments of \$80K, change in investment valuation of (\$363K), with the remaining related to sale of vehicles and immaterial income.
- Operating revenues **increased** by **\$9,846,310** to \$46,047,563.
- Operating expenses **increased** by **\$881,259** to \$44,889,672.

- The District's net position from the prior fiscal year **increased** by **\$7,994,500** or 9.1%.
- This year the District had \$10,092,792 worth of net additions to capital assets compared to \$10,807,591 last year. This is largely due to the meter replacement project and acceptance of assets from developer agreements.

There were no major audit findings for the FY 20-21. The audit received an unqualified opinion of the representation of the financial records. An unqualified opinion indicates that the financial records have been maintained in accordance with the standards known as Generally Accepted Accounting Principles (GAAP).

ATTACHMENTS

- Annual Comprehensive Financial Report FY 20-21
- Audit Communication Letter
- Audit Report on Internal Controls
- Audit Management Letter

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

This audit was performed to document our practice of using Generally Accepted Accounting Principles (GAAP) that demonstrate prudent fiscal activities.

Copies of the audit are mailed to the State Controller's Office and the San Diego County Auditor & Controller. Upon request a copy of the audit will be mailed to the Special Districts Risk Management Authority.

ENVIRONMENTAL


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

BOARD OPTIONS/FISCAL IMPACTS

Board option of non-acceptance would result in no changes to the numbers presented within the audit itself.

STAFF RECOMMENDATION

Staff recommends the Board of Directors accept the June 30, 2021 audit of the District by the CPA firm of Lance, Soll & Lunghard, LLP.



Tracy Largent, CPA
Finance Manager

December 7, 2021



RAINBOW

MUNICIPAL WATER DISTRICT
Committed to Excellence



Fallbrook, California

Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2021

RAINBOW MUNICIPAL WATER DISTRICT
CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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RAINBOW MUNICIPAL WATER DISTRICT
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INTRODUCTORY SECTION

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December 7, 2021

To our Ratepayers, the Board of Directors, and Members of the Budget & Finance Committee of Rainbow Municipal Water District:

We are pleased to present the Rainbow Municipal Water District's (RMWD, District), Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This document, which contains a complete set of basic financial statements, is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. State law requires that all special-purpose local governments publish these basic financial statements within six months of the close of the agency's fiscal year. This report is published to fulfil that requirement and to provide the Board of Directors (Board), the public, and other interested parties these basic financial statements.

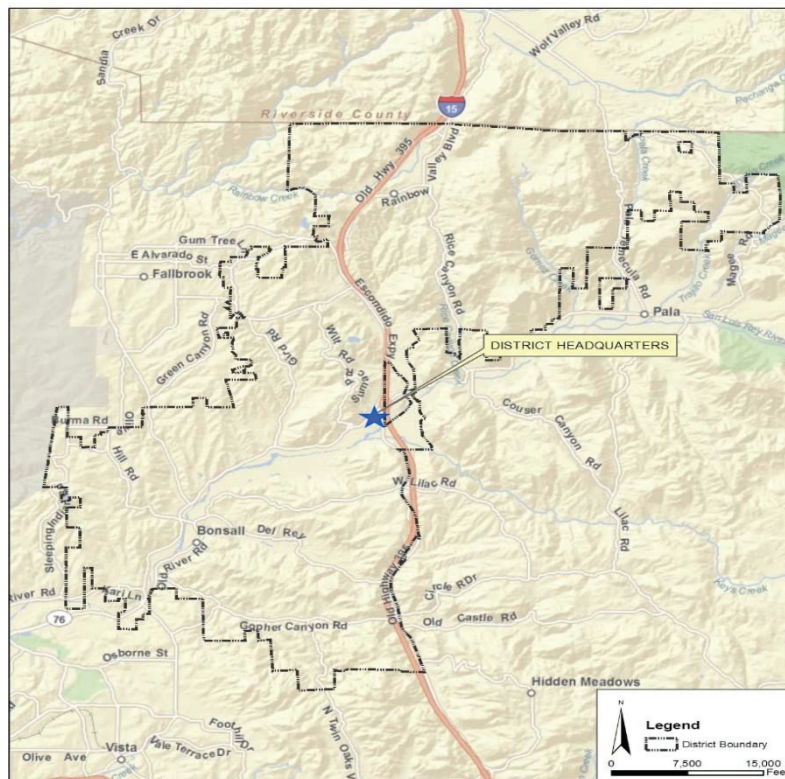
This report contains management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. These controls are designed to protect the District's assets from loss, theft, or misuse, and to ensure sufficiently reliable information for the preparation of the District's basic financial statements in conformity with GAAP. The District's internal controls have been designed to provide appropriate assurance that the basic financial statements will be free from material misstatements. There are inherent limitations in internal control; the costs associated with a control should not exceed the benefits to be derived. The objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. As management, we assert that this financial report is complete and reliable in all material respects.

The districts basic financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2021, are fairly presented, in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

A profile of the District is presented in the Introductory Section. In the Financial Section, Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an overview and analysis of the basic financial statements. The letter of transmittal and introduction is designed to complement the MD&A and should be read in conjunction with it. This report includes all disclosures management believes necessary to enhance your understanding of the financial condition of the District.

DISTRICT PROFILE

The Rainbow Municipal Water District was organized on December 20, 1953, under the Municipal Water District Act of 1911 (commencing with section 71000 of the California Water Code). The Board of Directors is composed of five members who are elected by divisions of the District for four-year alternating terms, with the president being elected by the Board from among its members. Advisory Committees composed of residents from all divisions of the District assist the Board in water issues and financial planning. Operation, maintenance, and administration of the system is carried out by a staff of 58.5 full time employees under the direction of the General Manager, Thomas Kennedy.



The Rainbow Municipal Water District, comprising a total area of 82 square miles, is located in northeast San Diego County, approximately two hours driving time from Los Angeles and one hour from San Diego. It is approximately 40 miles northeast of downtown San Diego, California and 90 miles southeast of the City of Los Angeles. The District shares common boundaries with Riverside County, Camp Pendleton Marine Corps Base, the unincorporated community of Fallbrook and the City of Oceanside. The District boundaries encompass the unincorporated communities of Rainbow and Bonsall, as well as portions of Pala, Fallbrook and Vista.

The principal activity of the District is the development and operation of a water transmission and distribution system capable of delivering potable water throughout the District. The District's area of service is predominantly agricultural and includes approximately 5,300 homes and a total metered service of 8,614. In addition to water service, the District provides sewerage collection and disposal service to approximately 3,059 accounts.

SERVICE AREA AND LOCAL ECONOMY

San Diego County is the second-most populous county in the state and the fifth-most populous in the United States. The District is located in the north-east region of the county and is rural in character with agriculture being the top industry within the district boundaries. The District borders the U.S. Marine Corps Base Camp Pendleton, making the District's service area a suburb for Camp Pendleton's active military and civilian-service workers as well as commuters that work to the south in San Diego and to the North in Riverside and Orange Counties. The service area's population is estimated to be 23,536 based on the 2020 census. The District's population has grown recently with the addition of housing developments. The median household income in Bonsall was \$92,544 for 2019, which is higher than the state median of \$75,235 and higher than the national average of \$67,521. Demographics for the District's service area are difficult to quantify due to the various towns and unincorporated areas covered by the District. The San Diego Association of Governments (SANDAG) projects that the County's population will approach 4.4 million residents in 2050, up from 3.3 million in 2016. The District's 2050 housing density is expected to increase slightly as housing demands increase.

DISTRICT POWERS

The District has broad general powers to perform all necessary or proper acts, including but limited to the authority to acquire, plan, construct, maintain, improve, operate and repair necessary works for the transmission and distribution of water for irrigation and other purposes and for reclamation of such water; the right of eminent domain; authority to levy taxes or, in lieu thereof, to fix and collect charges for water, including standby charges made to holders of title to land to which water may be made available, whether or not the water is actually used; authority to establish rules and regulations for the sale and distribution of water including rules for providing that water shall not be furnished to persons against whom there are delinquent water charges; authority to contract with the United States, the State and the agencies of either; and the power to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District.

FINANCIAL POLICIES

The District maintains certain policies that govern aspects of the District's financial management.

The District's maintains the following policies:

- Debt Management Policy – Defines the District's debt management.
- Investment Policy – Establishes permitted investments in compliance with State Code.
- Fund Balance/Reserve Policies – Set target balances for reserves and working capital.
- Capitalization Policy – Establishes the parameters for defining an operating or capital expenditure.
- Purchasing Policy – Establishes rules and limits for approval of purchases to ensure efficient buying and control of District assets.

These policies can be found on the District's website as part of the District's Administrative Code.

WATER SUPPLY OPERATIONS

Since Rainbow Municipal Water District began water service in 1954, the District's source of supply has been water purchased from the San Diego County Water Authority (SDCWA). About 66% of the water is used for agricultural purposes; all water is of domestic quality.

SDCWA is a County Authority organized on June 9, 1944 under the County Authority Act, California Statutes 1943, Chapter 545, as amended. SDCWA's primary purpose is to supply water to areas in the County for distribution to the SDCWA's member agencies in order to meet their respective needs. SDCWA's service area encompasses 1,418.2 square miles, which represents about one-half of the land acreage of the County. There are currently 24 member agencies served by the SDCWA consisting of 6 cities, 17 special districts and the US Marine Corps base at Camp Pendleton. The SDCWA receives its water from the Metropolitan Water District of Southern California, of which the Authority is a member agency. Delivery of this water is made by San Diego County Water Authority through aqueducts, all of which traverse the District.

Historically, SDCWA depended almost exclusively on water supplies imported from the Colorado River and Northern California by the Metropolitan Water District of Southern California. That changed in 2003 with the start of the largest farm-to-urban water conservation and transfer agreement in the nation with the Imperial Irrigation District, which now accounts for about one-third of San Diego County's water supply. In late 2015, the Water Authority added a new water source to its portfolio with the completion of the nation's largest seawater desalination plant in Carlsbad. Today, the Water Authority and its member agencies have identified potable reuse of recycled water as the next major source of local water supply, while continuing to aggressively promote water conservation as a civic responsibility.

The Water Authority is governed by a 36-member Board of Directors representing the 24-member agencies. A member of the San Diego County Board of Supervisors also serves as a non-voting member to the Water Authority Board.

The Metropolitan Water District is a regional wholesaler that delivers water to 26 member public agencies 14 cities, 11 municipal water districts, one county water authority which in turn provides water to more than 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties. The Metropolitan Water District, to supplement its water supply from the Colorado River, has entered into a contract with the State of California for the delivery of water via the State Water Project. Metropolitan is governed by a 38-member board of directors who represent their respective member agencies ensuring each member agency is part of the governance of Metropolitan.

To supply the more than 300 cities and unincorporated areas in Southern California with reliable and safe water, Metropolitan owns and operates an extensive water system including: The Colorado River Aqueduct, 16 hydroelectric facilities, nine reservoirs, 819 miles of large-scale pipes and five water treatment plants. Four of these treatment plants are among the 10 largest plants in the world. In fact, Metropolitan is the largest distributor of treated drinking water in the United States. The District imports water from the Feather River in Northern California and the Colorado River to supplement local supplies. It also helps its member agencies develop water recycling, storage and other local resource programs to provide additional supplies and conservation programs to reduce regional demands.



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Metropolitan currently delivers an average of 1.7 billion gallons of water per day to a 5,200-square-mile service area.

WATER SYSTEM DESCRIPTION

RMWD's existing water distribution system is comprised of 12 major pressure zones with storage facilities. Four of the major zones are supplied directly from SDCWA aqueduct connections and the remaining major zones are supplied through pressure reducing stations or booster pump stations. In addition to the major zones, there are 30 reduced pressure areas that are supplied from the major zones through pressure reducing stations. The existing distribution system has over 320 miles of pipelines ranging in size from 4-inches to 42-inches in diameter.

WATER SYSTEM OPERATIONS

Operation of the RMWD water distribution system is very complex due to the large number of pressure zones, supply locations, and large capacity storage facilities which require frequent cycling or turnover to maintain water quality. Furthermore, the water distribution system is flexible in that supply from the eight aqueduct connections can be routed to different parts of the distribution system by making changes to several key valve settings. Reservoir water levels are connected to the RMWD Supervisory Control and Data Acquisition (SCADA) system, such that the water operators are able to monitor the system throughout the day at the water operations center.

Tank water levels in several pumped zones are operated in a fill/drain mode with water levels set low to improve the turnover rate. In addition to normal supply operations, system operators have several documented procedures for alternative supplies to zones. In the event that pump stations fail or when aqueducts are shut down for service, tanks need to be removed from service. During planned shutdowns of the SDCWA Second Aqueduct (Connections 3, 6, 7, 8, 9, and 11), water from the North and Northside Reservoirs is supplied down to the Canonita Zone through bypass valves and pressure reducing stations. The remaining zones normally supplied from the Second Aqueduct are supplied from excess storage capacity in the Morro Reservoir via temporary diesel-powered pumps.

Four portable pumps are utilized to pump water from the Morro Zone to the South Zone. Supply to the South Zone can also be supplemented from the City of Oceanside's Weese Water Filtration Plant from a portable pump. The Northside Zone, North Zone, and all zones that are pumped from the North Zone are normally supplied from Connections 1 and 10 on the First Aqueduct and Connection 9 on the Second Aqueduct. During a shutdown of both aqueducts, these zones rely on water from in-zone tank storage, the North and Northside Reservoirs, and additional supply from FPUD's Red Mountain Reservoir, which is pumped into the North Reservoir. An emergency pump station at the Beck Reservoir site can also be utilized during a shutdown of both aqueducts to supply the Canonita Zone from the Pala Mesa Zone.

WASTEWATER FACILITIES

The District provides sewerage collection and disposal service to approximately 3,059 accounts, maintains 6 lift stations and 60 miles of sewer main. On February 13, 2002, Rainbow Municipal Water District entered into a contract with the City of Oceanside, California to provide for the construction, operation,

maintenance, and replacement of a wastewater system to service the needs of both The City and the District. The City owns the wastewater conveyance, treatment, and disposal facilities and the District has the contractual right to discharge wastewater into the City's system.

LONG RANGE PLANNING

At the April 26, 2016 Board Meeting the 2016 Water and Wastewater Master Plan Update was adopted by the Board of Directors. The purpose of the Master Plan Updates is to identify potential system deficiencies, confirm transmission main sizing and identify future capital improvement projects based on updated ultimate demand projections. The District's most recent water and wastewater master plans were prepared in 2006. There is the potential for a considerable amount of new development both within and outside the current District boundaries in the near future. The water and wastewater master plans serve as the basis for critical infrastructure decisions and capital fees. The master plans consider both existing, and ultimate, year 2030, conditions.

The District implemented a Strategic Plan in 2016 with specific Goals. It is a living document as the condition in the area of water supply and reclamation change over time. The Strategic Plan is reviewed by the Board annually along with various goals and objectives presented by staff. At intervals not to exceed five years, the Board will revisit the Mission Statement, Values, and Strategic Focus Areas to ensure that they remain aligned with the needs of the District at that time. A full update of the status of the goals and sub goals is published on the District website annually in the Budget document.

The district is in the process of implementing a strategic capital improvement plan to facilitate prioritization within the District's key focus areas: Water Pipeline Rehabilitation/Replacement, Wastewater System Upgrades/Expansion, Water System Storage, Water System Pump Stations, District Headquarter Facility, and Wholesale Water Efficiency Projects.

Wholesale Water Efficiency Projects are a major focus for the district as 100% of our water is imported through the SDCWA. Since the resolution of a lawsuit brought by North County member agencies against the San Diego County Water Authority, the two northernmost districts, Rainbow MWD and the Fallbrook Public Utilities District, have not had to pay the SDCWA transportation charge on water delivered through our direct connections to the MWD Aqueduct system. Currently, that fee is \$173 per acre foot, a substantial sum. Over the last few years, the Districts System Operators have been shifting as much of our demands to those connections as possible. Currently, about 60% of our water purchases come from these northerly MWD connections, with 100% expected by FY 2023. The transportation charge on the remaining 40% of the water amounts to about \$1 Million per year and that transportation cost is going up every year. It is in the best interest of the District's ratepayers to move as much demand as possible onto our northerly MWD connections in order to provide the same water at a lower cost. The challenge is moving water from these connections two on the east of I-15 and two on the west into the southerly service area. A key east/west connector from the Rice Canyon Tank down to the Pardee development is currently in contract and will be constructed as part of that project. This pipeline will greatly increase the amount of water that can be delivered from our connection 10 east of Rice Canyon Road into the main service area in Bonsall.

The District is separately pursuing a full detachment from SDCWA and should it be successful we will rely solely on these northerly MWD connections. Savings from detachment are currently estimated at about \$7 Million per year. This process will take a few more years to conclude and the outcome is far from certain at this point.

AWARDS AND ACKNOWLEDGEMENTS

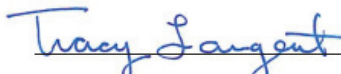
The District was awarded the District of Distinction Accreditation by the Special District Leadership Foundation (SDLF) for its sound governance and fiscal management practices and policies. To receive the award, a special district must undergo regular financial audits and have no major deficiencies. Board members and management staff must undergo extensive training in sound governance practices and management. Their operations must conform to all statutes and regulations under state law as reflected in a clear and robust set of policies and procedures. They must also have completed SDLF's District Transparency Certificate of Excellence which is awarded every other year and was presented to Rainbow MWD in 2015, 2017 and 2019. To receive the Transparency Certificate of Excellence, a special district must demonstrate the completion of essential governance transparency requirements, including conducting ethics training for all board members, properly conducting open and public meetings, and filing financial transactions and compensation reports to the State Controller in a timely manner.

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to Rainbow Municipal Water District for the annual budget for the fiscal year beginning July 1, 2020. In order to receive this award a governmental unit must publish a budget document of the very highest quality that adheres to the program standards set by the GFOA. The award is valid for a period of one year only. We believe the FY 2022 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.

The district prepared an Annual Comprehensive Financial Report for the first time for FY 2020 and submitted to GFOA to determine eligibility for the Distinguished Annual Comprehensive Financial Report Presentation Award. The District received the award in the first year of publishing the document. We believe the FY 2022 Annual Comprehensive Financial Report continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.

We would like to thank the Board of Directors for providing the direction and support necessary for the preservation of the District's internal controls, financial sustainability, and high standard of financial management.


Tom Kennedy
General Manager


Tracy Largent, CPA
Finance Manager

RAINBOW MUNICIPAL WATER DISTRICT MISSION STATEMENT & CORE VALUES



“To provide our customers reliable, high quality water and water reclamation service in a fiscally sustainable manner.”

Background

RMWD’s adopted Strategic Plan’s strategic focus area of Workforce Development calls for the implementation of cost-effective employee recognition programs to acknowledge performance, encourage development and improve morale.

The Operations Manager, Human Resources Manager, and Administrative Analyst partnered to design a program that would not only increase pride in serving the District, but also use the design of the coins to reinforce the District’s newly articulated values and strategic focus areas. The program will give employees the ability to recognize one another for performance and behaviors in alignment with these goals.

Overview of the Excellence Coin Program

The program includes a series of six Excellence Coins, each designed to symbolize a particular District focus area. The first coin in the series “Commitment to Excellence” will be issued to all new employees, Board Members, and Citizen Committee members upon joining the District as a tangible welcome gift and reminder of our purpose. Each of the remaining coins will only be issued after nomination and selection by management or peer employee groups.



Innovation:

We realize that good ideas can come from many sources, and we continually encourage new and better ways of doing our work. Our goal is not innovation for innovation's sake, but for finding ways to improve service and lower costs.



Integrity:

We believe in openness, trust, ethics and transparency. We practice direct and honest communication in all of our day-to-day interactions.



Professionalism:

We have open and respectful communication and interactions, both internally and with our customers. Our employees will always exhibit professionalism in all of their day-to-day interactions.



Responsibility:

Individual and organizational responsibility and accountability for accomplishing the District's mission is a core value. We focus on doing our work in an efficient, reliable, and cost-



Teamwork:

Our focus is on supporting one another to collectively be our best. We encourage communication and collaboration. We focus on quality and have pride in the work we do in service to our customers.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year ending June 30, 2021

Current Board of Directors:

Division 1: Director Pam Moss

Division 2: Director Hayden Hamilton

Division 3: Director Miguel Gasca

Division 4: Vacant

Division 5: Director Michael Mack

Prepared by District Finance and Administration Department:

General Manager – Tom Kennedy

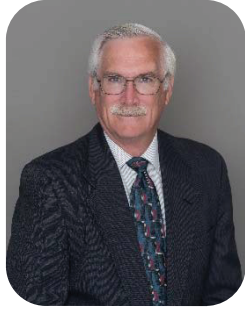
Finance Manager – Tracy Largent, CPA



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RAINBOW MUNICIPAL WATER DISTRICT OFFICIALS



Hayden Hamilton – President



Miguel Gasca - Vice President



Michael Mack - Director



Pam Moss - Director



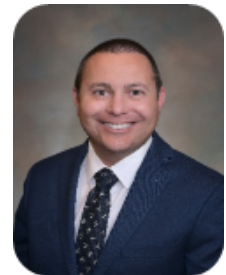
**Tom Kennedy
General Manager**



**Tracy Largent
Finance Manager**



**Robert Gutierrez
Operations Manager**



**Chad Williams
Engineering & CIP Manager**



**Karleen Harp
HR Manager**



**Ahmed Khattab
IT Manager**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rainbow Municipal Water District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of Rainbow Municipal Water District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the date of the financial statements.



To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, and the schedule of changes in the total other post-employment benefits (OPEB) liability as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lance, Solt & Loughard, LLP

Brea, California
October 31, 2021

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**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

As management of the Rainbow Municipal Water District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Required Supplemental Information.

The financial statements consist of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management Discussion and Analysis for State and Local Governments*.

FINANCIAL HIGHLIGHTS

The District's ending net position was \$96,076,304.

The change in net position for the fiscal year was an increase of \$7,907,648.

The District had a **gain** from operations in the amount of \$1,157,891 in the current year compared to a **loss** from operations of \$7,804,536 in the previous year. Nonoperating income for the current year was \$1,945,256 compared to \$1,161,132 for the prior year.

This year the District had \$10,092,792 worth of net additions to capital assets compared to \$10,807,591 last year. This decrease is largely due to the acceptance of more assets in the prior year from the DR Horton-Horse Creek Ridge agreement than in the current year.

The District secured Capital Lease financing and Installment Purchase Contract financing for \$5.52M and \$5.25M at 3.09% and 3.18% respectfully in FY 2019. The capital lease financing will be used to replace all of the district meters with new, more accurate meters. This project began ramping up in the second half of FY 19-20 with expected completion in early FY 21-22. The project is projected to have a net positive financial impact by reducing our cost of unsold water due to water loss and increasing revenue from meters. The forecast is for an increase in revenue of over \$1Million per year at a cost of approximately \$650,000 per year. The Installment Purchase Contract financing will be used for the second part of the overall project. This part of the project was added to perform upgrades to our existing water services at the time of meter replacement.

There were no debt issuances during the current year. The current debt and capital asset balances can be found in the notes to these financial statement.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's financial statements.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Financial Statements. The financial statements of the District are reported using accounting methods similar to those used by companies in the private sector. These statements offer short-term and long-term financial information about its activities.

The *Statement of Net Position*, presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position*, presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* provides information regarding the District's cash receipts and cash disbursements during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the reporting period.

The *Notes to the Basic Financial Statements* are included to provide more detailed data and explain some of the information in the statements.

DISTRICT'S FINANCIAL ANALYSIS

Our analysis of the District begins on page 9 of the financial statements. One of the most important questions to ask about the District's finances is "Whether the District, as a whole, is better off or worse off as a result of the year's activities?" The Statement of Net Position, and the Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. Measuring the change in the District's net position - the difference between assets and liabilities - is one way to measure financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation.

The District's net position from the prior fiscal year increased by \$7,907,648 or 9.0%. Operating revenue for this fiscal year increased \$9,843,686 or 27.2% compared to the prior year.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

DISTRICT'S FINANCIAL ANALYSIS (continued)

Operating expenses increased by \$881,259 or 2% from the prior year as a result of the increase in water sales. Non-operating revenue increased by \$739,188 due mainly to investment returns increasing. Non-operating expenses decreased by \$44,936 due to interest expense.

Statement of Net Position

To begin our analysis, a summary of the District's Condensed Statement of Net Position is presented in Table 1 for the current year and the prior year.

Net Position is the difference between assets acquired, owned, and operated by the District and amounts owed (liabilities). In accordance with Generally Accepted Accounting Principles (GAAP), capital assets acquired through purchase or construction by the District are recorded at historical cost. Capital assets contributed by developers are recorded at developers' bonded cost. Net Position represents the District's net worth including, but not limited to, capital contributions received to date and all investments in capital assets since inception.

Net position may serve over time, as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$96,076,304 as of June 30, 2021.

The fiscal year 2021 the Pension Liability had an increase of \$630,683 compared to fiscal year 2020. Net Pension Liability is reported at \$8,158,280 for fiscal year 2021 and it is based on the District's proportionate share of the net pension liability for the Miscellaneous Classic and PEPRA plans under the CalPERS retirement program. The District's Net Pension Liability was \$7,527,597 and \$6,899,648 for fiscal years 2020 and 2019, respectively.

The District's financial position is the product of several financial transactions including the net results of revenue and expense, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

DISTRICT'S FINANCIAL ANALYSIS (continued)

**Table 1
Condensed Statement of Net Position**

Assets	FY 2021	FY 2020	\$ Change	% Change
Current Assets	\$ 36,522,450	\$ 41,157,401	\$ (4,634,951)	-11.3%
Capital Assets	99,988,644	89,895,852	10,092,792	11.2%
Total Assets	136,511,094	131,053,253	5,457,841	4.2%
Deferred Outflows of Resources	1,399,815	1,622,196	(222,381)	-13.7%
Liabilities				
Current Liabilities	9,817,228	6,917,942	2,899,286	41.9%
Noncurrent Liabilities	31,447,152	37,146,582	(5,699,430)	-15.3%
Total Liabilities	41,264,380	44,064,524	(2,800,144)	-6.4%
Deferred Inflows of Resources	570,225	442,269	127,956	28.9%
Net Position				
Net Investment in Capital Assets	78,817,091	66,925,606	11,891,485	17.8%
Restricted for Capital Projects	7,312,691	11,057,533	(3,744,842)	-33.9%
Restricted for Debt Service	822,428	1,129,682	-	-
Unrestricted	9,124,094	9,055,835	68,259	0.8%
Total Net Position	\$ 96,076,304	\$ 88,168,656	\$ 7,907,648	9.0%

Statement of Revenues, Expenses and Changes in Net Position

The District's total operating revenues for the fiscal year ended June 30, 2021, excluding inter-fund transfers, increased by \$9,843,686 to \$46,047,563. This was primarily due to increased demand during a drier than usual winter and spring.

The District's total operating expenses increased by \$881,259 to \$44,889,672 as a result of the increase in water sales.

The gain from operations was \$1,157,891 compared to a \$7,804,536 loss in the prior year. Nonoperating income for the current year was \$1,945,256 compared to \$1,161,132 for the prior year.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

DISTRICT'S FINANCIAL ANALYSIS (continued)

The following table presents a summary of the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2021:

**Table 2
Condensed Statement of Revenues, Expenses & Changes in Net Position**

	FY 2021	FY 2020	\$ Change	% Change
Operating Revenues:				
Operating Revenues Water Sales	\$ 41,779,797	\$ 33,156,919	\$ 8,622,878	26.0%
Operating Revenues Wastewater Sales	3,461,256	2,621,433	839,823	32.0%
Operating Revenues Other	806,510	425,525	380,985	89.5%
Operating Expenses	(44,889,672)	(44,008,413)	(881,259)	2.0%
Non-operating Revenues:				
Property Tax Revenue	685,562	653,320	32,242	-
Investment Income	(35,395)	841,596	(876,991)	-
Other	1,866,928	282,991	1,583,937	-
Non-operating Expenses	(571,839)	(616,775)	44,936	-7.3%
Gain/(Loss) Before Capital Cont	3,103,147	(6,643,404)	9,746,551	-146.7%
Capital Contributions	4,804,501	11,239,897	(6,435,396)	-57.3%
Change in Net Position	7,907,648	4,596,493	3,311,155	72.0%
Total Net Position (Beg)	88,168,656	83,572,163	4,596,493	5.5%
Total Net Position, End	\$ 96,076,304	\$ 88,168,656	\$ 7,907,648	9.0%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

**Table 3
Changes in Capital Assets**

	FY 2021	FY 2020	\$ Change	% Change
Land	\$ 1,977,490	\$ 1,977,490	-	-
Construction in Progress	16,319,412	7,796,283	8,523,129	109.3%
Buildings & Improvements	1,083,174	1,026,246	56,928	5.5%
Reservoirs, Pipelines, & Tanks	154,424,398	151,581,951	2,842,447	1.9%
Meters	1,352,996	1,352,996	-	-
Equipment	5,104,639	4,814,128	290,511	6.0%
Invest in Sewer Rights	9,396,317	8,764,700	631,617	7.2%
Less: Accumulated Depreciation	(89,669,782)	(87,417,942)	(2,251,840)	2.6%
Total Capital Assets	\$ 99,988,644	\$ 89,895,852	\$ 10,092,792	11.2%

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

DISTRICT'S FINANCIAL ANALYSIS (continued)

Debt

**Table 4
Changes in Debt**

		FY 2021		FY 2020		\$ Change	% Change
Loan Payable Morro	\$	7,607,547	\$	8,070,736	\$	(463,189)	-5.7%
Loan Payable Beck		5,740,488		6,090,000		(349,512)	-5.7%
Lease Purchase Agreement		4,017,747		4,524,987		(507,240)	100.0%
Installment Purchase Contract		3,805,771		4,284,523		(478,752)	100.0%
Total Debt	\$	21,171,553	\$	22,970,246	\$	(1,798,693)	-7.8%

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's Board of Directors and management considered many factors when setting the fiscal year 2021 budget, user fees, and charges. These indicators were taken into consideration when adopting the District's budget for year 2022.

CONTACTING THE DISTRICT

Questions regarding this report should be directed to Tom Kennedy, General Manager, or Tracy Largent, Finance Manager, at (760) 728-1178, or by mail at 3707 Old Highway 395, Fallbrook, California 92028.

BASIC FINANCIAL STATEMENTS

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RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

Assets:

Current Assets:

Cash and cash equivalents	\$ 4,554,561
Restricted cash and cash equivalents	8,135,119
Investments	12,682,963
Accounts receivable - water and sewer, net	8,038,455
Interest receivable	59,630
Taxes and assessments receivable	3,247
Other receivable	8,018
Inventories	2,402,739
Prepaid costs	637,718
Total Current Assets	<u>36,522,450</u>

Noncurrent Assets:

Capital assets:

Land	1,977,490
Construction in progress	16,319,412
Buildings and improvements	1,083,174
Reservoir, pipelines, and tanks	154,424,398
Meters	1,352,996
Equipment	5,104,639
Investment in sewer rights	9,396,317
Less: accumulated depreciation	<u>(89,669,782)</u>
Total Noncurrent Assets	<u>99,988,644</u>

Total Assets

136,511,094

Deferred Outflows of Resources:

Deferred amounts from pension

1,399,815

Total Deferred Outflows of Resources

1,399,815

The notes to financial statements are an integral part of this statement.

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

Liabilities:

Current Liabilities:

Accounts payable	6,639,741
Accrued expenses	380,727
Construction meter deposits	94,901
Developer deposits	473,408
Unearned revenues	321,936
Compensated absences, current portion	59,819
Current portion of notes payable	1,846,696
Total Current Liabilities	<u>9,817,228</u>

Noncurrent Liabilities:

OPEB liability	712,262
Accrued compensated absences	538,375
Net pension liability	8,158,280
Prepaid capacity fees	2,713,378
Notes payable, net of current portion	19,324,857
Total Noncurrent Liabilities	<u>31,447,152</u>
Total Liabilities	<u>41,264,380</u>

Deferred Inflows of Resources:

Deferred amounts on pension	<u>570,225</u>
Total Deferred Inflows of Resources	<u>570,225</u>

Net Position:

Net investment in capital assets	78,817,091
Restricted for capital projects	7,312,691
Restricted for debt service	822,428
Unrestricted	9,124,094
Total Net Position	<u>\$ 96,076,304</u>

The notes to financial statements are an integral part of this statement.

RAINBOW MUNICIPAL WATER DISTRICT

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Operating Revenues:	
Water sales	\$ 41,779,797
Wastewater revenue	3,461,256
Other operating revenue	806,510
Total Operating Revenues	<u>46,047,563</u>
Operating Expenses:	
Cost of purchased water	25,916,888
Board of directors	16,843
Pumping	627,681
Operations	2,055,704
Valve maintenance	447,295
Distribution	2,516,855
Meters	1,190,746
Garage	500,127
Administration	2,048,907
Human Resources	344,374
Risk management	960,809
Information technology	954,151
Finance	807,352
Customer Service	701,148
Wastewater	766,637
Engineering	1,624,801
Depreciation	2,327,663
Other operating expense	1,081,691
Total Operating Expenses	<u>44,889,672</u>
Operating Income	<u>1,157,891</u>
Nonoperating Revenues (Expenses):	
Property tax revenue	685,562
Investment income	(35,395)
Other nonoperating revenue	1,866,928
Interest expense	(571,839)
Total Nonoperating Revenues (Expenses)	<u>1,945,256</u>
Income before Capital Contributions	3,103,147
Capital contributions	<u>4,804,501</u>
Change in Net Position	7,907,648
Net Position, Beginning of Year	<u>88,168,656</u>
Net Position, End of Year	<u>\$ 96,076,304</u>

The notes to financial statements are an integral part of this statement.

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Cash received from customers	\$ 43,224,903
Cash paid to suppliers for goods and services	(33,498,094)
Cash paid to employees for services	(6,646,912)
Net Cash Provided by Operating Activities	<u>3,079,897</u>
Cash Flows from Non-Capital Financing Activities:	
Property taxes received	686,667
Net Cash Provided by Non-Capital Financing Activities	<u>686,667</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(7,615,954)
Principal paid on capital debt	(1,798,693)
Interest paid on capital debt	(571,839)
Other nonoperating	(1,319,910)
Net Cash (Used for) Capital and Related Financing Activities	<u>(11,306,396)</u>
Cash Flows from Investing Activities:	
Sales of investments	2,343,912
Loss on investments	(19,797)
Net Cash Provided by Investing Activities	<u>2,324,115</u>
Net (Decrease) in Cash and Cash Equivalents	(5,215,717)
Cash and Cash Equivalents at Beginning of Year	17,905,397
Cash and Cash Equivalents at End of Year	<u>\$ 12,689,680</u>
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:	
Cash and cash equivalents	\$ 4,554,561
Restricted cash and cash equivalents	8,135,119
Cash and Cash Equivalents, June 30	<u>\$ 12,689,680</u>

The notes to financial statements are an integral part of this statement.

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities:**

Operating income	\$ 1,157,891
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,327,663
(Increase) in accounts receivable - water and sewer, net	(3,605,610)
Decrease in other receivable	14,258
Decrease in inventories	1,034,548
(Increase) in prepaid costs	(384,577)
Increase in accounts payable	596,845
Increase in accrued expenses	80,787
Increase in unearned revenue	311,557
Increase in deposits	457,135
Increase in compensated absences	105,011
Increase in OPEB obligation	3,369
Increase in pension obligation	981,020
Total Adjustments	<u>1,922,006</u>
Net Cash Provided by Operating Activities	<u>\$ 3,079,897</u>

Non-Cash Investing, Capital, and Financing Activities:

Capital contributions	\$ 4,804,501
Unrealized loss on investments	(363,145)

The notes to financial statements are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS

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RAINBOW MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies

a. Organization

The Rainbow Municipal Water District (the "District") was established in 1953 and is a Special District, organized under Section 71000 of the California Water Code. The District provides water and sanitation services to the unincorporated communities of Rainbow, Bonsall, and portions of Vista, Oceanside, and Fallbrook.

The District services and maintains approximately 315 miles of water main, 7 pump stations, 4 reservoirs, and 13 storage tanks to deliver water to its customers. It also provides sewer services to parts of the District and maintains 6 lift stations and 60 miles of sewer main located in northern San Diego County.

The District is governed by a Board of Directors made up of five members elected by the voters within the District.

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Under the economic measurement focus all assets and liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Position.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

RAINBOW MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

The basic financial statements of the Rainbow Municipal Water District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowings that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position

This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted net position".

c. Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions for changes in proportion. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2021.

RAINBOW MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2021.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following that will qualify for reporting in this category:

- Deferred inflow related to pensions changes in actuarial assumptions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2021.
- Deferred inflow from pensions resulting from the differences between employer contributions and proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

d. Cash, Cash Equivalents, and Investments

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include petty cash, demand deposits with financial institutions, deposits in money market mutual funds (SEC registered), and deposits in external investment pools, and marketable securities that mature within 90 days of purchase. Such marketable securities and deposits in money market funds are carried at fair value. Investment pool deposits are carried at the District's proportionate share of the fair value of each pool's underlying portfolio.

State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

Investment Valuation

Investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

e. Water Sales

Water sales revenue is recorded when water is delivered and service is rendered, including an estimated amount for unbilled service.

f. Allowance for Doubtful Accounts

The District recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. Water and sewer accounts receivable at June 30, 2021, have been reduced by an allowance for doubtful accounts of \$548,339.

g. Inventories

Materials inventory is stated at the lower of current average cost or market. Water inventory is stated at its purchase cost using the first-in, first-out method.

h. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

i. Restricted Assets

Amounts shown as restricted assets have been restricted by debt agreements, by law or regulations, or by contractual obligations to be used for specified purposes, such as service of debt and construction of capital assets.

j. Capital Assets and Depreciation

Capital assets are valued at cost when constructed or purchased. Donated assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are valued at their acquisition value at the date of acquisition. The District

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

capitalizes all assets with a historical cost of at least \$10,000 and a useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

Buildings	10-50 years
Water Systems	10-50 years
Improvement of Sites	10-75 years
Equipment	5-15 years
Capacity Rights	17 years

k. Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Changes in compensated absences for the year ended June 30, 2021, were as follows:

Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
\$ 493,183	\$ 383,273	\$ 278,262	\$ 598,194	\$ 59,819

l. Capital Contributions and Capacity Fee Liability

Capital contributions are recorded when the District receives cash contributions or accepts contributions of capital assets in kind or when governmental construction grants are earned. Capital contributions are reported as a separate line item on the Statement of Revenues, Expenses, and Changes in Net Position. Capacity fees are paid by new customers prior to connecting to the District's system. Such charges are periodically adjusted based upon changes in construction costs and other factors and are intended to compensate the District for a new customer's equitable share of current and future system capacity. Capacity fees are reflected as a liability and are recorded as Capital Contributions on the Statement of Revenues, Expenses, and Changes in Net Position when the customer connects to the District's system.

m. Property Taxes

The County of San Diego (the "County") bills and collects property taxes on behalf of the District. The County's tax calendar year is July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

n. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. As of June 30, 2021, the following timeframes are used:

Valuation Date (VD): June 30, 2019

Measurement Date (MD): June 30, 2020

Measurement Period (MP): July 1, 2019 to June 30, 2020

o. Other Post-Employment Benefits

For purposes of measuring the total other post-employment benefits (OPEB) liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the District's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

p. Interest Expense

The District incurs interest charges on long-term debt. Interest expense for the year ended June 30, 2021, was \$571,839 and was reflected as nonoperating on the Statement of Revenues, Expenses and Changes in Net Position. The District did not capitalize any interest during the year ended June 30, 2021.

q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

r. Implementation of New Accounting Pronouncement

The District early adopted GASB Statement No. 98, the *Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

Note 2: Cash, Cash Equivalents, and Investments

Cash and investments at June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Current Assets:

Cash and Cash Equivalents	\$ 4,554,561
Restricted Cash and Cash Equivalents	8,135,119
Investments	12,682,963
Total Cash and Investments	<u>\$ 25,372,643</u>

Cash and Investments Consist of the Following:

Cash on Hand	\$ 500
Deposits with Financial Institutions	4,406,497
Investments	20,965,646
Total Cash and Investments	<u>\$ 25,372,643</u>

Investments Authorized by the California Government Code and the District's Investment Policy:

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 2: Cash, Cash Equivalents, and Investments (Continued)

This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Entities	5 years	None	None
U.S. Government Agency Callable	5 years	75%	None
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	15%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Time Certificates of Deposit	5 years	25%	5%
Repurchase Agreements	90 days	None	5%
Medium-Term Notes	5 years	30%	15%
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Funds	N/A	100%	\$30,000,000

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. Investments authorized for funds held by bond trustees include

US Treasury Bills, Notes and Bonds, US Treasury Obligations, Resolution Funding Corp (REFCORP), Prefunded Municipal Bonds, US Government-Sponsored Agency Securities, Commercial Paper, Money Market Mutual Funds, Certificates of Deposits, Guaranteed Investment Contracts, Banker's Acceptance, Repurchase Agreements, and Local Agency Investment Funds. There are no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed, or the maximum maturity of an investment, except for the maturity of Banker's Acceptances, which are limited to one year and Repurchase Agreements, which are limited to 30 days.

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 2: Cash, Cash Equivalents, and Investments (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2021.

Investment	Type Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF)	\$ 147,563	\$ 147,563	\$ -	\$ -
Money Market Mutual Funds	10,333,429	10,333,429	-	-
Negotiable Certificates of Deposit	3,812,364	1,247,446	1,016,385	1,548,533
Medium Term Notes	6,468,520	897,169	495,781	5,075,570
U.S. Sponsored Entities	203,770	-	203,770	-
Total	\$ 20,965,646	\$ 12,625,607	\$ 1,715,936	\$ 6,624,103

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's Investment Policy, or debt agreements, and the Moody's rating for each investment type at June 30, 2021.

Investment Type	Total	Minimum Legal Rating	Moody's Ratings as of June 30		
			Aaa	A1 - A3	Not Rated
Local Agency Investment Fund (LAIF)	\$ 147,563	N/A	\$ -	\$ -	\$ 147,563
Money Market Mutual Funds	10,333,429	N/A	-	-	10,333,429
Negotiable Certificates of Deposit	3,812,364	N/A	-	-	3,812,364
Medium-Term Notes	6,468,520	A2	-	6,468,520	-
U.S. Sponsored Entities	203,770	N/A	203,770	-	-
Total	\$ 20,965,646		\$ 203,770	\$ 6,468,520	\$ 14,293,356

Concentration of Credit Risk:

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. There were no investments held on June 30, 2021 in any one issuer that represent 5% or more of total District investments, except for the Local Agency Investment Fund and mutual funds which are exempt from this stipulation.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 2: Cash, Cash Equivalents, and Investments (Continued)

requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2021, \$4,304,561 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

Fair Value Measurements:

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. At June 30, 2021, all investments held by the District are valued using Level 2 inputs, with the exception of the Local Agency Investment Fund and money market mutual funds, which are measured at cost or net asset value and are considered uncategorized.

Note 3: Capital Assets

Changes in capital assets for the year ended June 30, 2021, were as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 1,977,490	\$ -	\$ -	\$ 1,977,490
Construction in Progress	7,796,283	11,313,013	2,789,884	16,319,412
Total Capital Assets Not Being Depreciated	<u>9,773,773</u>	<u>11,313,013</u>	<u>2,789,884</u>	<u>18,296,902</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	1,026,246	56,928	-	1,083,174
Reservoirs Pipelines, and Tanks	151,581,951	2,842,447	-	154,424,398
Meters	1,352,996	-	-	1,352,996
Equipment	4,814,128	366,334	75,823	5,104,639
Investment in Sewer Rights	8,764,700	631,617	-	9,396,317
Total Capital Assets, Being Depreciated	<u>167,540,021</u>	<u>3,897,326</u>	<u>75,823</u>	<u>171,361,524</u>
Accumulated Depreciation:				
Buildings and Improvements	(944,118)	(10,405)	-	(954,523)
Reservoirs Pipelines, and Tanks	(80,724,182)	(1,886,701)	-	(82,610,883)
Meters	(554,049)	(83,810)	-	(637,859)
Equipment	(3,627,357)	(194,412)	(75,823)	(3,745,946)
Investment in Sewer Rights	(1,568,236)	(152,335)	-	(1,720,571)
Total Accumulated Depreciation	<u>(87,417,942)</u>	<u>(2,327,663)</u>	<u>(75,823)</u>	<u>(89,669,782)</u>
Total Capital Assets, Being Depreciated, Net	<u>80,122,079</u>	<u>1,569,663</u>	<u>-</u>	<u>81,691,742</u>
Total Capital Assets, Net	<u>\$ 89,895,852</u>	<u>\$ 12,882,676</u>	<u>\$ 2,789,884</u>	<u>\$ 99,988,644</u>

Depreciation expense for depreciable capital assets was \$2,327,663 for the year ended June 30, 2021.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 4: Long Term Debt

Changes in long-term debt for the year ended June 30, 2021 were as follows:

Direct Borrowings:	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Loan Payable SRF Morro	\$ 8,070,736	\$ -	\$ (463,189)	\$ 7,607,547	\$ 472,937
Loan Payable SRF Beck	6,090,000	-	(349,512)	5,740,488	356,867
Lease Purchase Agreement	4,524,987	-	(507,240)	4,017,747	522,914
Installment Purchase Contract	4,284,523	-	(478,752)	3,805,771	493,978
Total	\$ 22,970,246	\$ -	\$ (1,798,693)	\$ 21,171,553	\$ 1,846,696

a. SRF Morro Loan Payable

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$10,246,413 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. On June 30, 2021, the amount outstanding was \$7,607,547.

b. SRF Beck Loan Payable

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$7,731,716 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. At June 30, 2021, the amount outstanding was \$5,740,488.

c. Lease Purchase Agreement

On September 21, 2018, the District entered into a lease/purchase agreement with Zion Bank as lessor in the amount of \$5,523,284 to finance water meters. Payments of principal and interest are due annually on July 1. The rate of interest to be paid on the principal amount of the lease is 3.090%. At June 30, 2021, the amount outstanding was \$4,017,747

d. Installment Purchase Contract

On October 1, 2018, the District entered into an Installment Purchase Contract with ZMFU II, Inc. in the amount of \$5,249,905 to finance the construction, acquisition, and improvements associated with a District-wide water meter replacement program. Principal payments are due annually on July 1 and interest payments are due semi-annually on July 1 and January 1. The rate of interest to be paid on the principal amount of the lease is 3.180%. At June 30, 2021, the amount outstanding was \$3,805,771.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 4: Long Term Debt (Continued)

Future debt service requirements for the above notes payable based on the initial loan rates is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,846,696	\$ 516,530	\$ 2,363,226
2023	1,896,024	467,124	2,363,148
2024	1,946,717	416,350	2,363,067
2025	1,998,817	364,170	2,362,987
2026	2,052,363	310,541	2,362,904
2027-2031	7,212,446	814,555	8,027,001
2032-2036	4,218,490	182,111	4,400,601
	\$ 21,171,553	\$ 3,071,381	\$ 24,242,934

Note 5: Inventories

Inventories at June 30, 2021, consisted of the following:

Water Inventory	\$ 133,821
Materials Inventory	2,268,918
Total	\$ 2,402,739

Note 6: Defined Benefit Pension Plans

a. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 63 with statutorily reduced benefits. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 6: Defined Benefit Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Classic Miscellaneous Plan	PEPRA Miscellaneous Plan
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2.5% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% - 2.5%	1.0% - 2.5%
Required Employee Contribution Rates	7.953%	6.750%
Required Employer Contribution Rates:	12.361%	7.732%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are identified by the pension plan terms.

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, Rainbow Municipal Water District reported a net pension liability for its proportionate share of the net pension liability of the risk pools in the amount of \$8,158,280.

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 6: Defined Benefit Pension Plans (Continued)

The Rainbow Municipal Water District's proportionate share of the net pension liability as of the measurement date ended June 30, 2019 and 2020 was as follows:

	Classic & PEPRA Plans
Proportion - June 30, 2019	0.0735%
Proportion - June 30, 2020	0.0750%
Change - Increase (Decrease)	2.0150%

For the year ended June 30, 2021, the District recognized pension expense of \$1,460,406. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 479,387	\$ -
Differences Between Actual and Expected Experience	420,419	-
Change in Assumptions	-	58,188
Changes in Proportions	257,654	-
Difference between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	512,037
Net Differences Between Projected and Actual Earnings on Plan Investments	242,355	-
Total	<u>\$ 1,399,815</u>	<u>\$ 570,225</u>

The \$479,387 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Amount
2022	\$ 15,385
2023	127,261
2024	91,316
2025	116,241
	<u>\$ 350,203</u>

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 6: Defined Benefit Pension Plans (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The total pension liability was based on the following assumptions:

	<u>Classic & PEPR Plans</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
 Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 6: Defined Benefit Pension Plans (Continued)

The expected real rates of return by asset class are as follows:

Asset Class (a)	New Strategic Allocation	Real Return Years - 10 (b)	Real Return 1 Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the CalPERS financial report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.00% used for this period.
- (c) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Classic & PEPRA PLANS
1% Decrease	6.15%
Net Pension Liability	\$ 12,555,954
Current Discount Rate	7.15%
Net Pension Liability	\$ 8,158,280
1% Increase	8.15%
Net Pension Liability	\$ 4,524,619

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 6: Defined Benefit Pension Plans (Continued)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan:

At June 30, 2021, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

Note 7: Other Post-Employment Benefits

Plan Description – Benefits

The District administers its Other Post-Employment Benefits (OPEB), a single employer defined benefit plan, to provide medical, prescription drugs, and dental benefits, in accordance with a resolution approved by the board of Directors. Medical insurance is provided through a choice of a Blue Cross HMO or Blue Cross Classic PPO, both offered through the Association of California Water Agencies Joint Powers Insurance Authority. Dental insurance is provided through Assurant Employee Benefits.

Employees of the District hired before July 1, 2012, retiring after the later of age 50 with 10 consecutive years of District service are eligible to receive a monthly District contribution towards the purchase of health insurance if they have not opted out. The District contribution ends after ten (10) years of benefit payments have been made, even if retiree or spouse are still under age 65 at the time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Measurement Date	June 30, 2021
Total Eligible Active Employees	19
Inactive Employees Currently Receiving Benefit	8
Total	<u>27</u>

Total OPEB Liability

The District's total OPEB liability of \$712,262 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 7: Other Post-Employment Benefits (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability reported at June 30, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2021
Measurement Date	June 30, 2021
Actuarial Cost Methods	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	2.16%
Inflation	2.50%
Projected Salary Increase	3.50%
Expected Long Term Investment Rate of Return	N/A
Healthcare Cost Trend Rates	Varies
Pre-Retirement Turnover	Derived from the July 1, 2015 Rainbow Municipal Water District Actuarial Valuation Report
Morality	Derived from the RP-2014 Study, with Blue Collar Adjustment, improved generationally using MP-2016 Improvement Rules

The discount rate of 2.16 percent was based on The Bond Buyer 20-Bond GO Index and was updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

Changes in the Total OPEB Liability

The changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at July	\$ 708,893
Changes in the	
Service cost	6,294
Interest on the total OPEB liability	15,040
Differences between actual and expected experience	36,255
Changes in assumptions	2,478
Benefit Payments, including refunds of employee contributions	<u>(56,698)</u>
Net Changes	<u>3,369</u>
Balance at June 30, 2021	<u><u>\$ 712,262</u></u>

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 7: Other Post-Employment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, calculated using the discount rate for the Plan, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.16%) or 1-percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	<u>\$ 765,329</u>	<u>\$ 712,262</u>	<u>\$ 665,541</u>

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1 % Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	<u>\$ 712,262</u>	<u>\$ 712,262</u>	<u>\$ 712,262</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

The District elected to use the Alternative Measurement Method for reporting GASB 74/75 for fiscal year 2021. According to the implementation guide for GASB 74/75, the changes in the total OPEB liability resulting from differences between expected and actual experience and changes in assumptions or other inputs should be recognized in OPEB expense in the periods in which the effects are first reported in the OPEB liability. Due to this, the District has recognized its deferrals arising from expected and actual experience, as well as changes of assumptions in OPEB expense. For the year ended June 30, 2021, the District recognized OPEB expense of \$60,067.

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The District purchases commercial insurance for its exposure to risk other than those under the workers' compensation laws. Commercial insurance expense amounted to \$403,483 for the years ended June 30, 2021.

The District's workers' compensation risk exposure is handled by the District's participation in the Special District Risk Management Authority (SDRMA) established by the California Special Districts Association. SDRMA is a risk pooling joint powers authority formed under the California Government Code to provide workers' compensation coverage for SDRMA's member districts. SDRMA purchases excess insurance from commercial carriers to reduce its exposure to large losses. Workers' compensation expense amounted to \$136,143 for the year ended June 30, 2021.

RAINBOW MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 8: Risk Management (Continued)

There were no instances in the past three years where a settlement exceeded the District's coverage provided through SDRMA or through the District's commercial carriers.

General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability: Total risk financing limits of \$10 Million combined with single limit at \$10 Million per occurrence, subject to the following deductibles:

- \$100,000 per occurrence for third party general liability property damage.
- \$1,000 per occurrence for third party auto liability property damage.
- 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000, per occurrence.

Employee Dishonesty Coverage: \$1,000,000 million per loss includes Public Employee Dishonesty, Forgery or Alteration and Theft, Disappearance and Destruction coverage's effective July 1, 2020.

Property Loss: Replacement cost, for property on file, if replaced, and if not replaced within two years after the loss, paid on an actual cash value basis, to a combined total of \$1 Billion per occurrence, subject to a \$1,000 deductible per occurrence, effective July 1, 2020.

Boiler and Machinery: \$100 Million per occurrence, subject to a \$1,000 deductible per occurrence, effective July 1, 2020.

Public Officials Personal Liability: \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, deductible of \$1,000 per claim, effective July 1, 2020.

Comprehensive and Collision: Comprehensive and Collision limits are the actual cash value or cost of repair with deductibles of \$250/\$500 or \$500/\$1,000, as elected, for comprehensive and collision.

Workers' Compensation Coverage and Employer's Liability: Statutory limits per occurrence for Workers' Compensation and \$5 Million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Certificate of Coverage, effective July 1, 2020.

Note 9: Deferred Compensation Plan

The District offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plans, administered by Aspire and Lincoln Financial Group, are available to all regular employees, permits deferment of a portion of current salary to future years. Benefits from the plans are not available to employees until termination, retirement, disability, death, or unforeseeable emergencies.

All assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries. The District does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or perform the investment function. Therefore, the fair market value of the plan assets at June 30, 2021, in the amount of \$5,158,643, is not included in the District's financial statements.

RAINBOW MUNICIPAL WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 10: Commitments and Contingencies

Tank Maintenance Commitments

On April 22, 2015, the District entered into a ten (10) year contract with Utility Service Co., Inc. to maintain twelve water tanks. The contract was updated on July 1, 2011 to maintain the tanks at an annual cost of \$615,585. The contract can be cancelled annually if intent to cancel is received with ninety (90) days prior to the anniversary date. Any outstanding balance for completed work would be due and payable within thirty (30) days of cancellation.

Capacity Rights for Sewage Treatment

On February 13, 2002, Rainbow Municipal Water District (the District) entered into a contract with the City of Oceanside, California (the City) to provide for the construction, operation, maintenance, and replacement of a wastewater system to service the needs of both the City and the District. The City owns the wastewater conveyance, treatment, and disposal facilities and the District has the contractual right to discharge wastewater into the City's System. The City and the District have previously entered into agreements on January 2, 1973, September 10, 1989, and February 16, 2019. This agreement reflects the planned expansion and rehabilitation of facilities built from those previous agreements. Under the agreement, the District's share of cost for planned expansion and rehabilitation of the facilities would be 10% of the total cost of expansion.

Construction Project Commitments

The following construction projects had remaining commitments outstanding at June 30, 2021:

<u>Project Name/Description</u>	<u>PO Amount</u>	<u>Expenditures as of June 30, 2021</u>	<u>Remaining Commitments</u>
North River Road Sewer Point Repairs	\$ 538,167	\$ 511,259	\$ 26,908
Dentro De Lomas Road Improvements	87,210	82,850	4,360
Rainbow Heights Pump Station Rehabilitation	2,637,397	1,255,591	1,381,806
North River Road Sewer Manhole Rehabilitation	373,234	-	373,234

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REQUIRED SUPPLEMENTARY INFORMATION

RAINBOW MUNICIPAL WATER DISTRICT

**MISCELLANEOUS RISK POOL
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ¹**

Measurement Date	2021	2020	2019
	6/30/2020	6/30/2019	6/30/2018
Proportion of the Net Pension Liability	0.0750%	0.0735%	0.0716%
Proportionate Share of the Net Pension Liability	\$ 8,158,280	\$ 7,527,597	\$ 6,899,648
Covered Payroll	\$ 4,935,944	\$ 5,212,648	\$ 3,887,469
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	165.3%	144.4%	177.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.1%	75.3%	75.3%

Notes to Schedule of Proportationate Share of the Net Pension Liability:

Benefit Changes:

None

Changes of Assumptions:

2021: None

2020: None

2019: Demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

2018: The accounting discount rate reduced from 7.65 percent to 7.15 percent.

2017: None

2016: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

2015: None

¹ Fiscal year 2015 was the first year of implementation; therefore, only seven years are shown.

2018	2017	2016	2015
<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
0.0709%	0.0694%	0.0668%	0.0552%
\$ 7,031,525	\$ 6,009,026	\$ 4,584,303	\$ 3,435,302
\$ 4,118,123	\$ 3,679,407	\$ 3,829,237	\$ 3,873,095
170.7%	163.3%	119.7%	88.7%
73.3%	74.1%	78.4%	79.8%

RAINBOW MUNICIPAL WATER DISTRICT

**MISCELLANEOUS RISK POOL
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ¹**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 479,387	\$ 512,037	\$ 865,241
Contribution in Relation to the Actuarially Determined Contribution	(479,387)	(512,037)	(865,241)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,036,802	\$ 4,935,944	\$ 5,212,648
Contributions as a Percentage of Covered Payroll	9.5%	10.4%	16.6%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2018 Funding Valuation Report

Inflation: 2.5%

Salary Increases: Varies by Entry Age and Service

Payroll Growth: 2.75%

Investment Rate of Return: 7.25% compounded annually (net of in

Retirement Age: The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015.

Mortality: The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

¹ Fiscal year 2015 was the first year of implementation; therefore, only seven years are shown.

2018	2017	2016	2015
\$ 743,649 (743,649)	\$ 656,639 (656,639)	\$ 369,170 (369,170)	\$ 570,649 (570,649)
\$ -	\$ -	\$ -	\$ -
\$ 3,887,469	\$ 4,118,123	\$ 3,679,407	\$ 3,829,237
19.1%	15.9%	10.0%	14.9%

RAINBOW MUNICIPAL WATER DISTRICT

OTHER POST-EMPLOYMENT BENEFITS
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ¹

Measurement Date	2021	2020	2019	2018
	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability:				
Service cost	\$ 6,294	\$ 5,388	\$ 5,027	\$ 7,607
Interest	15,040	22,545	24,801	26,991
Differences between expected and actual experience	36,255	-	(108,804)	-
Changes in assumptions	2,478	58,081	68,033	-
Benefit payments	(56,698)	(42,753)	(43,026)	(24,866)
Net Change in Total OPEB Liability	3,369	43,261	(53,969)	9,732
Total OPEB Liability - Beginning of Year	708,893	665,632	719,601	709,869
Total OPEB liability - End of Year	\$ 712,262	\$ 708,893	\$ 665,632	\$ 719,601
Plan fiduciary net position as a percentage of the total OPEB liability ²	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 2,239,854	\$ 5,395,091	\$ 5,212,648	\$ 4,346,367
Net OPEB liability as a percentage of covered-employee payroll	31.8%	13.1%	12.8%	16.6%

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios:

Changes in Assumptions:

2021: The discount rate was decreased from 2.21% in fiscal year 2020 to 2.16% in fiscal year 2021 due to changes in market conditions.

2020: The discount rate was decreased by 1.29% from 3.50% in fiscal year 2019 to 2.21% in fiscal year 2020 due to changes in market conditions.

2019: The discount rate was decreased by 0.37% from 3.87% in fiscal year 2018 to 3.50% in fiscal year 2019 due to changes in market conditions.

2018: None

¹ Fiscal year 2018 was the first year of implementation; therefore, only four years are shown.

² The Total OPEB Liability is an unfunded obligation. The District does not have a trust dedicated exclusively to the payment of OPEB benefits.

Statistical Section

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STATISTICAL SECTION

This section of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Investment in Capital Assets	\$ 82,599,783	\$ 87,646,849	\$ 85,350,581	\$ 84,652,584	\$ 84,881,107	\$ 65,217,530	\$ 65,399,076	\$ 63,739,648	\$ 72,364,014	\$ 78,817,091
Restricted for Capital Projects	-	-	-	-	6,827,952	894,491	894,491	3,321,531	11,057,533	7,312,691
Restricted for Debt Service	-	-	-	-	-	-	-	-	1,129,683	822,428
Unrestricted	10,318,763	5,446,280	6,697,491	2,119,562	1,544,992	17,174,049	16,586,411	16,510,984	3,530,574	9,124,094
Total Net Position	\$ 92,918,546	\$ 93,093,129	\$ 92,048,072	\$ 86,772,146	\$ 93,254,051	\$ 83,286,070	\$ 82,879,978	\$ 83,572,163	\$ 88,081,804	\$ 96,076,304
<i>Percent Change</i>		0.19%	-1.12%	-5.73%	7.47%	-10.69%	-0.49%	0.84%	5.40%	9.08%

Source: Rainbow Municipal Water District Audited Financial Statements

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues:										
Direct Operating Revenues:										
Water Sales	\$ 30,152,259	\$ 34,505,228	\$ 36,497,373	\$ 34,037,432	\$ 32,156,844	\$ 33,091,641	\$ 38,105,712	\$ 32,810,988	\$ 33,156,919	\$ 41,779,797
Wastewater Revenue	2,500,803	2,573,273	2,553,801	2,677,130	2,632,902	2,548,647	2,520,622	2,843,256	2,621,433	3,461,256
Other Operating Revenue	-	-	-	-	-	501,019	991,390	860,839	425,525	806,510
Total Direct Operating Revenues	32,653,062	37,078,501	39,051,174	36,714,562	34,789,746	36,141,307	41,617,724	36,515,083	36,203,877	46,047,563
Indirect Operating Revenues:										
Grant Revenue	193,439	64,447	34,158	-	-	-	-	-	-	-
Other	855,131	673,910	710,843	514,415	439,807	331,842	-	-	-	-
Total Indirect Operating Revenues	1,048,570	738,357	745,001	514,415	439,807	331,842	-	-	-	-
Total Operating Revenues	33,701,632	37,816,858	39,796,175	37,228,977	35,229,553	36,473,149	41,617,724	36,515,083	36,203,877	46,047,563
Operating Expenses:										
Water Purchases	20,655,653	24,346,557	26,649,303	24,532,468	22,381,393	23,282,393	27,040,873	22,449,449	21,917,914	25,916,888
Water Pumping	613,958	566,443	3,836,825	3,816,915	631,056	580,556	591,529	558,989	530,815	627,681
Transmission and Distribution Operations ¹	4,490,435	3,902,699	1,113,721	1,037,420	4,284,981	4,876,960	4,777,964	4,421,571	-	-
Valve Maintenance ¹	-	-	-	-	-	-	-	-	2,836,404	2,055,704
Distribution ¹	-	-	-	-	-	-	-	-	522,935	447,295
Meter Services	872,146	984,327	768,966	804,140	1,044,631	1,085,553	1,003,899	868,927	2,191,712	2,516,855
Sewer Services	1,764,356	1,613,567	1,763,824	1,708,779	1,566,845	1,735,473	1,646,593	1,738,948	1,893,429	1,190,746
Administrative and General Administration ²	3,232,712	2,062,840	3,987,687	3,924,311	2,683,658	2,855,623	4,272,246	4,467,521	2,268,304	766,637
Garage ²	-	-	-	-	-	-	-	-	3,277,178	2,048,907
Human Resources ²	-	-	-	-	-	-	-	-	544,451	500,127
Risk Management ²	-	-	-	-	-	-	-	-	298,776	344,374
Information Technology ³	-	-	-	-	-	-	-	-	455,288	960,809
Board of Directors ²	-	-	-	-	-	-	-	-	-	954,151
Engineering	780,744	906,026	-	24,364	999,844	1,279,194	1,254,293	1,551,506	23,336	16,843
Finance	474,869	580,941	-	-	612,800	545,976	601,322	568,091	1,005,437	1,624,801
Customer Service	318,768	448,088	148,438	816	339,948	430,850	549,822	1,519,984	632,456	807,352
Depreciation	2,734,068	3,062,584	3,295,219	3,318,247	3,110,968	3,445,476	3,648,435	3,656,649	718,066	701,148
Other Operating Expense	-	-	-	-	-	-	-	-	2,189,068	2,327,663
Total Operating Expenses	35,937,709	38,474,072	41,563,983	39,167,460	37,656,124	40,118,054	45,386,976	41,801,635	44,008,413	44,889,672
Gain (Loss) from Operations	(2,236,077)	(657,214)	(1,767,808)	(1,938,483)	(2,426,571)	(3,644,905)	(3,769,252)	(5,286,552)	(7,804,536)	1,157,891

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Non-operating Revenues:										
Property Tax Revenue	825,995	858,884	831,294	850,802	870,642	595,250	616,027	638,539	653,320	685,562
Investment Income	239,524	40,687	-	89,981	721,408	-	-	1,134,118	841,596	(35,395)
Other	-	-	-	-	-	-	358,026	506,015	282,991	1,866,928
Total Non-operating Revenues	1,065,519	899,571	831,294	940,783	1,592,050	595,250	974,053	2,278,672	1,777,907	2,517,095
Non-operating Expenses:										
Interest	126,202	67,774	108,543	403,969	667,939	361,037	370,175	570,855	616,775	571,839
Grant Expense	-	-	-	-	-	-	-	-	-	-
Total Non-operating Expenses	126,202	67,774	108,543	403,969	667,939	361,037	370,175	570,855	616,775	571,839
Miscellaneous:										
Capital Contribution	-	-	-	294,192	1,091,515	156,302	2,972,963	2,941,091	11,239,897	4,804,501
Loss on Abandonment of Capital Assets	-	-	-	-	-	(1,933,240)	-	-	-	-
Total Miscellaneous	-	-	-	294,192	1,091,515	(1,776,938)	2,972,963	2,941,091	11,239,897	4,804,501
Change in Net Position	(1,296,760)	174,583	(1,045,057)	(1,107,477)	(410,945)	(5,187,630)	(192,411)	(637,644)	4,596,493	7,907,648
Net Position, Beginning	94,215,306	92,918,546	93,093,129	92,048,072	86,772,146	93,254,051	83,286,070	82,879,978	83,572,163	88,168,656
Prior Period Adjustment	-	-	-	(4,168,449)	6,892,850	(4,780,351)	(213,681)	1,329,829	-	-
Net Position, Beginning Restated	94,215,306	92,918,546	93,093,129	87,879,623	93,664,996	88,473,700	83,072,389	84,209,807	83,572,163	88,168,656
Net Position, Ending	\$ 92,918,546	\$ 93,093,129	\$ 92,048,072	\$ 86,772,146	\$ 93,254,051	\$ 83,286,070	\$ 82,879,978	\$ 83,572,163	\$ 88,168,656	\$ 96,076,304
Percentage Change	-1.38%	0.19%	-1.12%	-5.73%	7.47%	-10.69%	-0.49%	0.84%	5.50%	8.97%

Source: Rainbow Municipal Water District Audited Financial Statements

Footnotes:

¹Prior to FY 2020 Departments were included in Transmission and Distribution.

²Prior to FY 2020 Departments were included in Administration and General.

³Prior to FY 2021 Departments were included in Administration and General.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues	\$ 33,701,632	\$ 37,816,858	\$ 39,796,175	\$ 37,228,977	\$ 35,229,553	\$ 36,473,149	\$ 41,617,724	\$ 36,515,083	\$ 36,201,243	\$ 46,047,563
Operating Expenses	35,937,709	38,474,072	41,563,983	39,167,460	37,656,124	40,118,054	45,386,976	41,801,635	44,008,413	44,889,672
Gain (Loss) from Operations	(2,236,077)	(657,214)	(1,767,808)	(1,938,483)	(2,426,571)	(3,644,905)	(3,769,252)	(5,286,552)	(7,807,170)	1,157,891
Non-operating Revenue Less Expenses	939,317	831,797	722,751	536,814	924,111	(1,699,027)	603,878	1,707,817	1,076,914	1,945,256
Income Before Capital Contributions	(1,296,760)	174,583	(1,045,057)	(1,401,669)	(1,502,460)	(5,343,932)	(3,165,374)	(3,578,735)	(6,730,256)	3,103,147
Capital Contributions	-	-	-	294,192	1,091,515	156,302	2,972,963	2,941,091	11,239,897	4,804,501
Prior Period Adjustment	-	-	-	(4,168,449)	6,892,850	(4,780,351)	(213,681)	1,329,829	-	-
Changes in Net Position	(1,296,760)	174,583	(1,045,057)	(5,275,926)	6,481,905	(9,967,981)	(406,092)	692,185	4,509,641	7,907,648

Source: Rainbow Municipal Water District Audited Financial Statements

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Last Ten Fiscal Years

	Operating Revenues	Operating Expenses	Gain (Loss) from Operations	Non-operating Revenue Less Expenses	Income Before Capital Contributions	Capital Contributions	Prior Period Adjustment	Changes in Net Position
2012	\$ 33,701,632	\$ 35,937,709	\$ (2,236,077)	\$ 939,317	\$ (1,296,760)	\$ -	\$ -	\$ (1,296,760)
2013	37,816,858	38,474,072	(657,214)	831,797	174,583	-	-	174,583
2014	39,796,175	41,563,983	(1,767,808)	722,751	(1,045,057)	-	-	(1,045,057)
2015	37,228,977	39,167,460	(1,938,483)	536,814	(1,401,669)	294,192	(4,168,449)	(5,275,926)
2016	35,229,553	37,656,124	(2,426,571)	924,111	(1,502,460)	1,091,515	6,892,850	6,481,905
2017	36,473,149	40,118,054	(3,644,905)	(1,699,027)	(5,343,932)	156,302	(4,780,351)	(9,967,981)
2018	41,617,724	45,386,976	(3,769,252)	603,878	(3,165,374)	2,972,963	(213,681)	(406,092)
2019	36,515,083	41,801,635	(5,286,552)	1,707,817	(3,578,735)	2,941,091	1,329,829	692,185
2020	36,201,243	44,008,413	(7,807,170)	1,076,914	(6,730,256)	11,239,897	-	4,509,641
2021	46,047,563	44,889,672	1,157,891	1,945,256	3,103,147	4,804,501	-	7,907,648

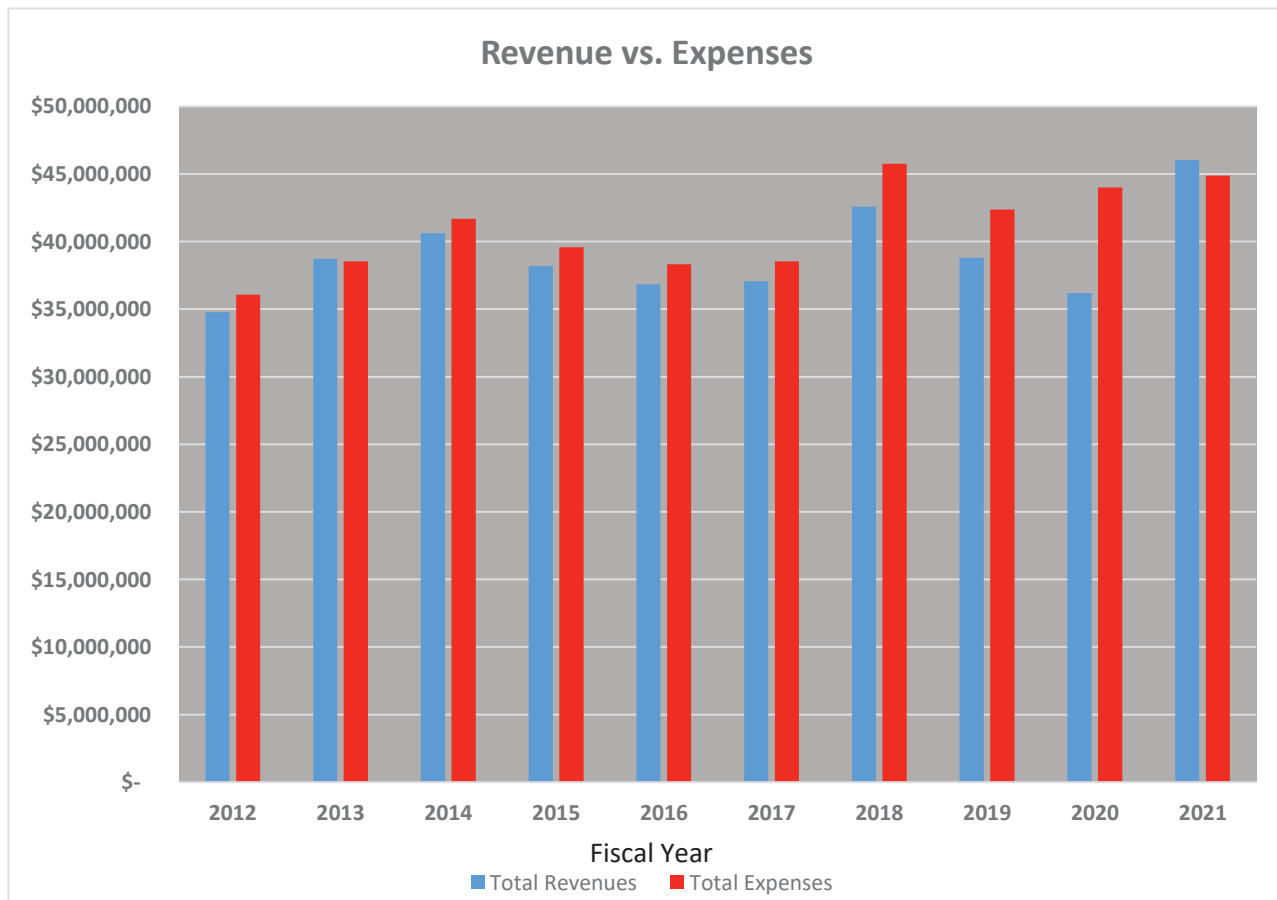
Source: Rainbow Municipal Water District Audited Financial Statements

SUMMARY OF REVENUES AND EXPENSES

Last Ten Fiscal Years

Fiscal Year	Total Revenues	Total Expenses	Gain (Loss)
2012	\$ 34,767,151	\$ 36,063,911	\$ (2,236,077)
2013	38,716,429	38,541,846	(657,214)
2014	40,627,469	41,672,526	(1,767,808)
2015	38,169,760	39,571,429	(1,938,483)
2016	36,821,603	38,324,063	(2,426,571)
2017	37,068,399	38,545,851	(3,644,905)
2018	42,591,777	45,757,151	(3,769,252)
2019	38,793,755	42,372,490	(5,286,552)
2020	36,201,243	44,008,413	(7,807,170)
2021	46,047,563	44,889,672	1,157,891

Source: Rainbow Municipal Water District Audited Financial Statements



REVENUES BY SOURCE

Last Ten Fiscal Years

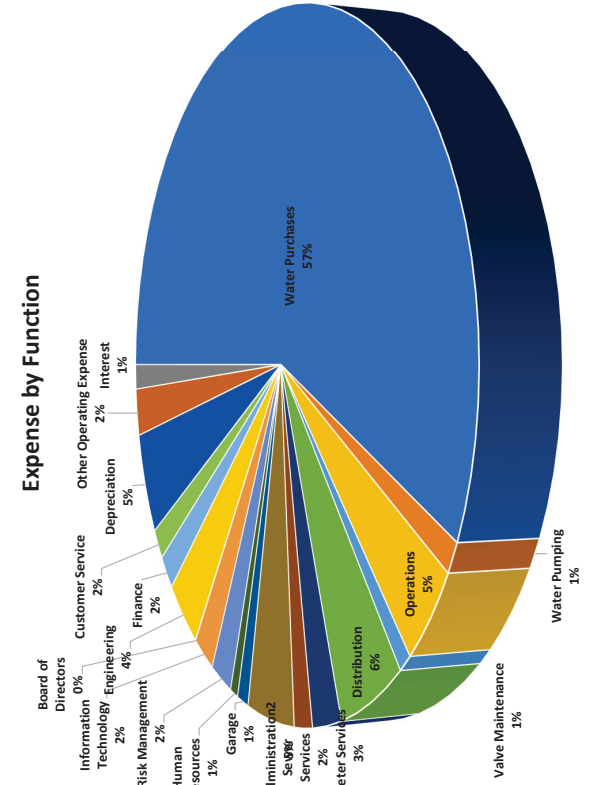
Fiscal Year

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues:										
Water Sales	\$ 30,152,259	\$ 34,505,228	\$ 36,497,373	\$ 34,037,432	\$ 32,156,844	\$ 33,091,641	\$ 38,105,712	\$ 32,810,988	\$ 33,156,919	\$ 41,779,797
Wastewater Revenue	2,500,803	2,573,273	2,553,801	2,677,130	2,632,902	2,548,647	2,520,622	2,843,256	2,621,433	3,461,256
Other Operating Revenue	-	-	-	-	-	501,019	991,390	860,839	422,891	806,510
Grant Revenue	193,439	64,447	34,158	-	-	-	-	-	-	-
Other	855,131	673,910	710,843	514,415	439,807	331,842	-	-	-	-
Total Operating Revenues	33,701,632	37,816,858	39,796,175	37,228,977	35,229,553	36,473,149	41,617,724	36,515,083	36,201,243	46,047,563
Non-operating Revenues:										
Property Tax Revenue	825,995	858,884	831,294	850,802	870,642	595,250	616,027	638,539	653,320	685,562
Investment income	239,524	40,687	-	89,981	721,408	-	-	1,134,118	841,596	(35,395)
Other	-	-	-	-	-	-	358,026	506,015	285,632	1,866,928
Total Non-operating Revenues	1,065,519	899,571	831,294	940,783	1,592,050	595,250	974,053	2,278,672	1,780,548	2,517,095
Total Revenues	\$ 34,767,151	\$ 38,716,429	\$ 40,627,469	\$ 38,169,760	\$ 36,821,603	\$ 37,068,399	\$ 42,591,777	\$ 38,793,755	\$ 37,981,791	\$ 48,564,658

Source: Rainbow Municipal Water District Audited Financial Statements

EXPENSES BY FUNCTION
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Expenses:										
Water Purchases	\$ 20,655,653	\$ 24,346,557	\$ 26,649,303	\$ 24,532,468	\$ 22,381,393	\$ 23,282,393	\$ 27,040,873	\$ 22,449,449	\$ 21,917,914	\$ 25,916,888
Water Pumping	613,958	566,443	3,836,825	3,816,915	631,056	580,556	591,529	558,989	530,815	627,681
Transmission and Distribution Operations ¹	4,490,435	3,902,699	1,113,721	1,037,420	4,284,981	4,876,960	4,777,964	4,421,571	2,836,404	2,055,704
Valve Maintenance ¹	-	-	-	-	-	-	-	-	522,935	447,295
Distribution ¹	-	-	-	-	-	-	-	-	2,191,712	2,516,855
Meter Services	872,146	984,327	768,966	804,140	1,044,631	1,085,553	1,003,899	868,927	1,893,429	1,190,746
Sewer Services	1,764,356	1,613,567	1,763,824	1,708,779	1,566,845	1,735,473	1,646,593	1,738,948	2,268,304	766,637
Administrative and General Administration ²	3,232,712	2,062,840	3,987,687	3,924,311	2,683,658	2,855,623	4,272,246	4,467,521	-	-
Garage ²	-	-	-	-	-	-	-	-	3,277,178	2,048,907
Human Resources ²	-	-	-	-	-	-	-	-	544,451	500,127
Risk Management ²	-	-	-	-	-	-	-	-	298,776	344,374
Information Technology ³	-	-	-	-	-	-	-	-	455,288	960,809
Board of Directors ²	-	-	-	-	-	-	-	-	-	954,151
Engineering	780,744	906,026	-	24,364	999,844	1,279,194	1,254,293	1,551,506	23,336	16,843
Finance	474,869	580,941	-	-	612,800	545,976	601,322	568,091	1,005,437	1,624,801
Customer Service	318,768	448,088	148,438	816	339,948	430,850	549,822	1,519,984	632,456	807,352
Depreciation	2,734,068	3,062,584	3,295,219	3,318,247	3,110,968	3,445,476	3,648,435	3,656,649	2,189,068	701,148
Other Operating Expense	-	-	-	-	-	-	-	-	2,702,844	2,327,663
Total Operating Expenses	35,937,709	38,474,072	41,563,983	39,167,460	37,656,124	40,118,054	45,386,976	41,801,635	44,008,413	44,889,672
Non-operating Expenses:										
Interest	126,202	67,774	108,543	403,969	667,939	361,037	370,175	570,855	703,634	571,839
Loss on Abandonment of Capital Assets	-	-	-	-	-	(1,933,240)	-	-	-	-
Total Non-operating Expenses	126,202	67,774	108,543	403,969	667,939	(1,572,203)	370,175	570,855	703,634	571,839
Total Expenses	\$ 36,063,911	\$ 38,541,846	\$ 41,672,526	\$ 39,571,429	\$ 38,324,063	\$ 38,545,851	\$ 45,757,151	\$ 42,372,490	\$ 44,712,047	\$ 45,461,511



COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Assessed Value	\$ 3,557,009,604	\$ 3,614,670,550	\$ 3,817,371,326	\$ 4,003,578,488	\$ 4,185,857,090	\$ 4,387,417,362	\$ 4,660,295,704	\$ 4,994,381,001	\$ 5,283,549,089	\$ 5,539,579,112
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	\$ 889,252,401	\$ 903,667,638	\$ 954,342,832	\$ 1,000,894,622	\$ 1,046,464,273	\$ 1,096,854,341	\$ 1,165,073,926	\$ 1,248,595,250	\$ 1,320,887,272	\$ 1,384,894,778
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Legal Debt Limit	\$ 133,387,860	\$ 135,550,146	\$ 143,151,425	\$ 150,134,193	\$ 156,969,641	\$ 164,528,151	\$ 174,761,089	\$ 187,289,288	\$ 198,133,091	\$ 207,734,217
Outstanding Debt			14,135,186	17,978,129	17,615,446	16,875,544	16,119,968	15,348,493	14,160,736	21,171,553
Less: Amount Reserved for Debt Service									1,129,683	9,124,094
Net Applicable to Limit	\$ -	\$ -	\$ 14,135,186	\$ 17,978,129	\$ 17,615,446	\$ 16,875,544	\$ 16,119,968	\$ 15,348,493	\$ 13,031,053	\$ 12,047,459
Legal Debt Margin	\$ 133,387,860	\$ 135,550,146	\$ 129,016,238	\$ 132,156,064	\$ 139,354,194	\$ 147,652,607	\$ 158,641,121	\$ 171,940,795	\$ 185,102,038	\$ 195,686,758

Total Debt applicable to the limit as a percentage of debt limit 0% 0% 10% 12% 11% 10% 9% 8% 7% 6%

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above, reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective, to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Total Assessed Value

Last Ten Fiscal Years

	Assessed Value	Percent Increase/ Decrease	Tax Collected
2012	\$ 3,557,009,604	-1.04%	\$ 518,935
2013	3,614,670,550	1.62%	537,832
2014	3,817,371,326	5.61%	545,556
2015	4,003,578,488	4.88%	555,940
2016	4,185,857,090	4.55%	526,292
2017	4,387,417,362	4.82%	595,250
2018	4,660,295,704	6.22%	616,027
2019	4,994,381,001	7.17%	641,868
2020	5,283,549,089	5.79%	661,209
2021	5,539,579,112	4.85%	685,566

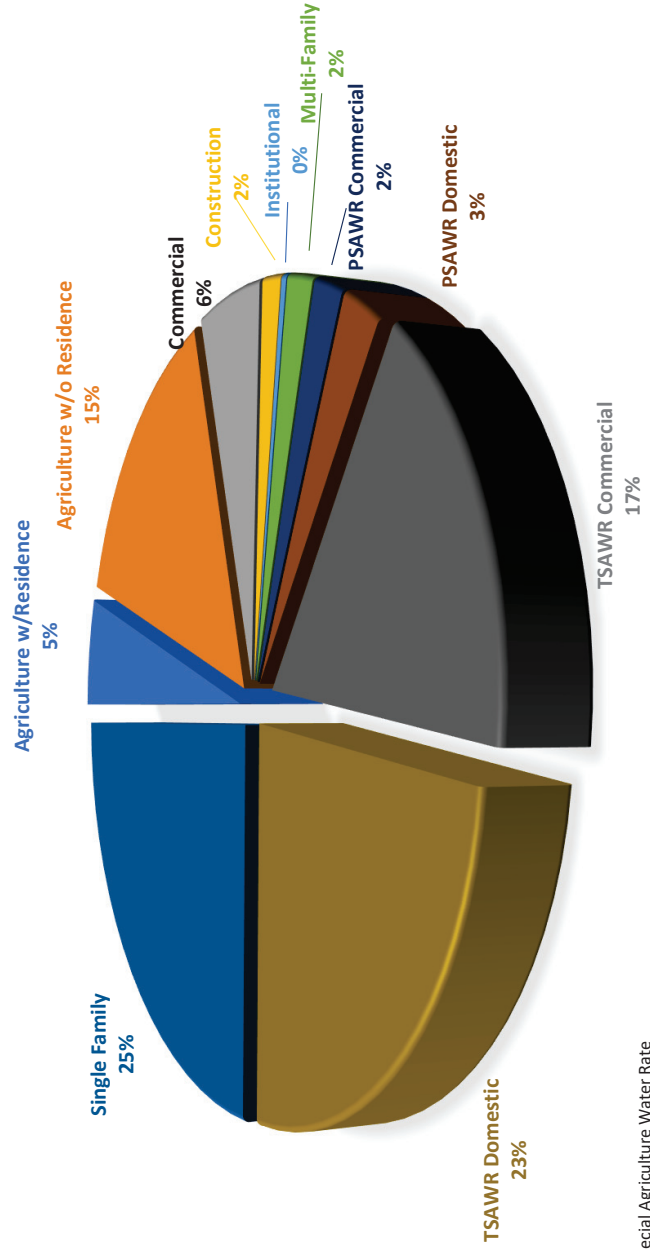
CONSUMPTION BY CUSTOMER CLASS

Last Ten Fiscal Years
Acre Feet

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture w/Residence	4,302	n/a	n/a	n/a	624	624	769	636	637	791
Agriculture w/o Residence	n/a	2,636	2,708	2,295	2,804	2,717	2,886	2,233	2,343	2,446
Commercial	1,861	1,879	1,970	2,003	571	629	845	791	745	867
Construction	69	12	45	64	104	94	158	118	37	249
Institutional	n/a	n/a	n/a	n/a	65	62	52	63	43	64
Multi-Family	262	320	367	332	254	267	284	288	280	333
PSAWR Commercial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	359
PSAWR Domestic	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	457
TSAWR Commercial	3,433	4,642	4,784	4,189	3,239	3,268	3,731	2,726	2,486	2,736
TSAWR Domestic	4,261	6,335	6,508	5,823	4,743	4,530	5,292	3,681	3,410	3,704
Single Family	4,210	4,509	4,846	4,224	3,154	3,428	3,900	3,236	3,266	3,958
Total Consumption	18,398	20,333	21,227	18,929	15,558	15,620	17,917	13,771	13,247	15,964

TSAWR-Transitional Special Agriculture Water Rate

CONSUMPTION BY CUSTOMER CLASS

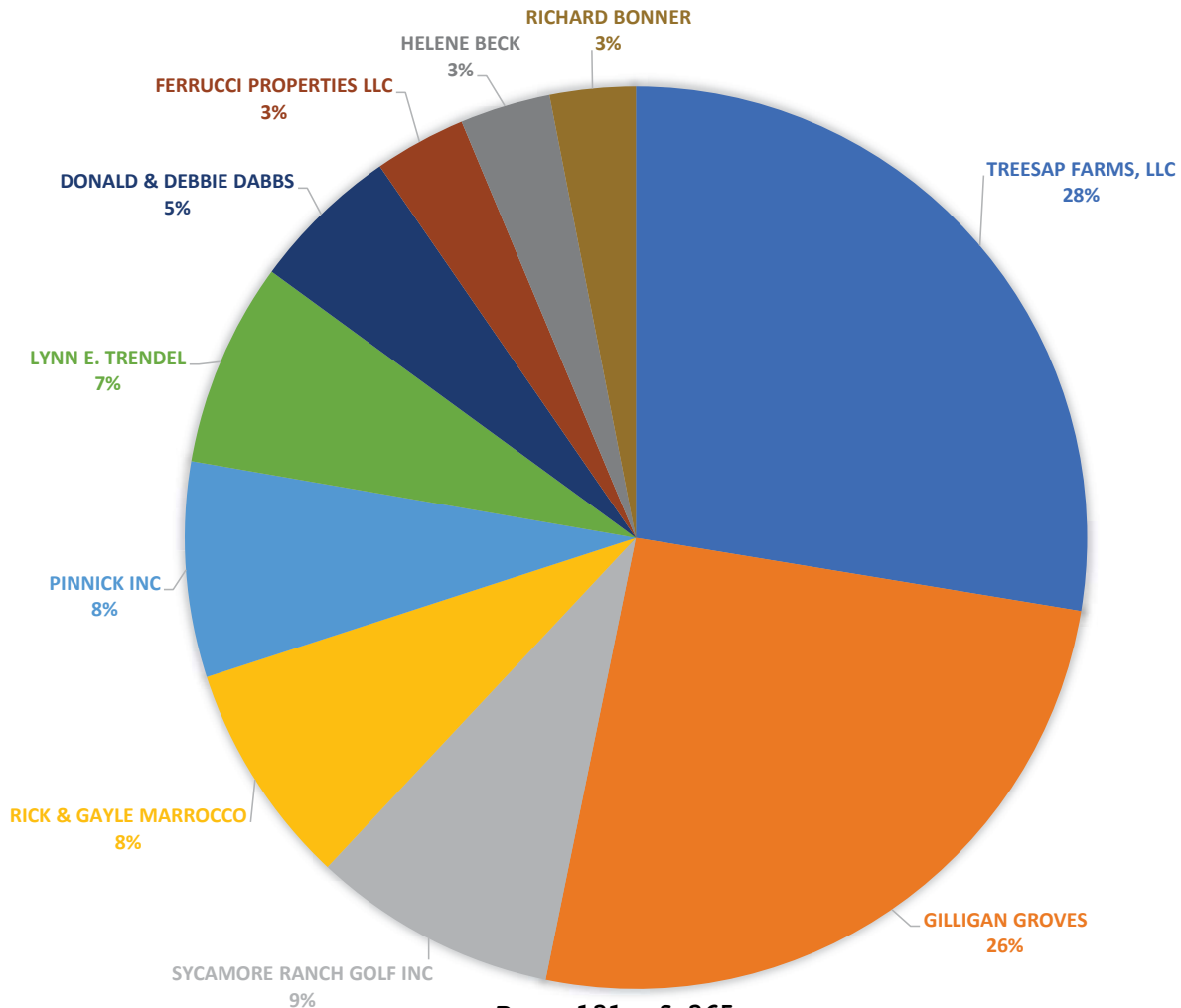


TSAWR-Transitional Special Agriculture Water Rate
PSAWR-Permanent Special Agriculture Water Rate

TOP TEN WATER CONSUMERS
Fiscal Year 2021

CUSTOMER	ANNUAL USAGE	PERCENTAGE
TREESAP FARMS, LLC	234,492	3.37%
GILLIGAN GROVES	217,650	3.13%
SYCAMORE RANCH GOLF INC	74,518	1.07%
RICK & GAYLE MARROCCO	68,234	0.98%
PINNICK INC	65,509	0.94%
LYNN E. TRENDEL	62,240	0.90%
DONALD & DEBBIE DABBS	45,456	0.65%
FERRUCCI PROPERTIES LLC	27,993	0.40%
HELENE BECK	27,552	0.40%
RICHARD BONNER	26,096	0.38%
TOTAL COMBINED WATER CONSUMPTION	849,740	12.22%
ALL OTHER WATER CONSUMPTION	6,103,761	87.78%
TOTAL WATER CONSUMPTION	6,953,501	100.00%

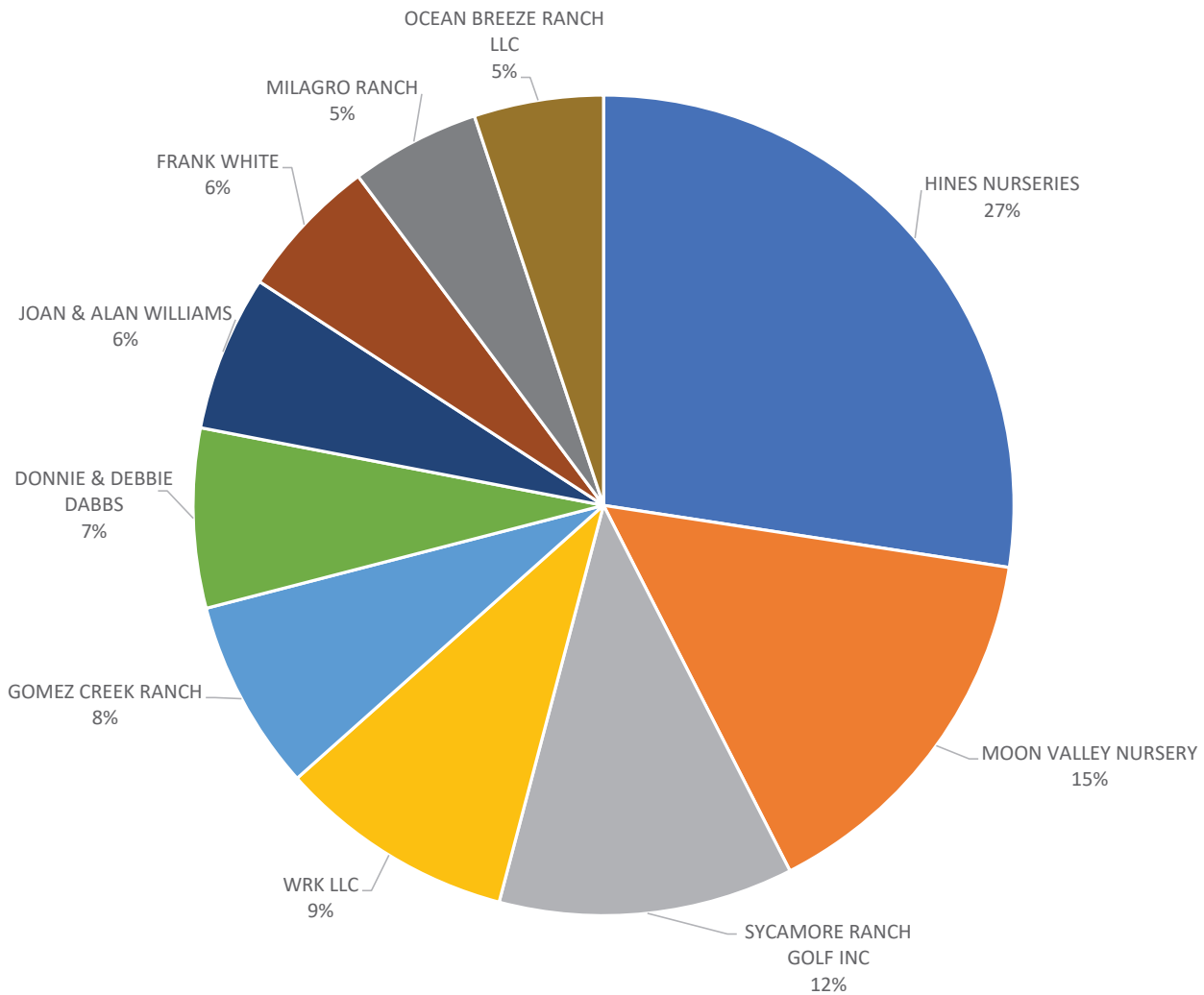
TOP TEN WATER CUSTOMERS AND THEIR RELATIVE CONSUMPTION FISCAL YEAR
2021



TOP TEN WATER CONSUMERS
Fiscal Year 2009

CUSTOMER	ANNUAL USAGE	PERCENTAGE
HINES NURSERIES	137,930	2.18%
MOON VALLEY NURSERY	75,827	1.20%
SYCAMORE RANCH GOLF INC	58,351	0.92%
WRK LLC	46,887	0.74%
GOMEZ CREEK RANCH	37,962	0.60%
DONNIE & DEBBIE DABBS	35,563	0.56%
JOAN & ALAN WILLIAMS	30,921	0.49%
FRANK WHITE	28,297	0.45%
MILAGRO RANCH	25,644	0.41%
OCEAN BREEZE RANCH LLC	25,637	0.41%
TOTAL COMBINED WATER CONSUMPTION	503,019	7.96%
ALL OTHER WATER CONSUMPTION	5,813,109	92.04%
TOTAL WATER CONSUMPTION	6,316,128	100.00%

TOP TEN WATER CUSTOMERS AND THEIR RELATIVE CONSUMPTION FISCAL YEAR 2009



RATE SUMMARIES

Water Variable Rates²

	Single Family Residential			Multi Family	Commercial	Institutional	Construction
	Tier 1	Tier 2	Tier 3				
2012	2.55	2.60	2.6	2.55/2.6	2.55	n/a	2.60
2013	2.95	3.00	3.00	2.95/3.00	2.95	n/a	3.00
2014	3.00	3.15	3.15	3.00/3.15	3.00/3.15	n/a	3.15
2015	3.00	3.15	3.15	3.00/3.15	3.15	n/a	3.15
2016	3.31	3.48	3.81	3.40	3.51	3.58	3.51
2017	3.42	3.60	3.94	3.52	3.63	3.70	4.44
2018	3.64	3.86	4.27	3.76	3.89	3.98	4.87
2019	3.73	3.99	4.48	3.87	4.03	4.14	5.20
2020	3.73	3.99	4.48	3.87	4.03	4.14	5.20
2021	3.89	4.15	4.64	4.03	4.19	4.19	5.36

	Agriculture w/Residence			Agriculture w/o Residence	TSAWR ¹ Domestic			TSAWR ¹ Commercial
	Tier 1	Tier 2	Tier 3		Tier 1	Tier 2	Tier 3	
2012	2.60	2.60	2.60	2.43	n/a	n/a	n/a	n/a
2013	2.95	3.00	2.72	2.43	n/a	n/a	n/a	n/a
2014	3.00	3.15	2.83	n/a	n/a	n/a	n/a	n/a
2015	3.00	3.15	3.15	n/a	3.00	3.15	2.83	2.83
2016	3.31	3.48	3.24	3.24	3.31	3.48	2.77	2.77
2017	3.42	3.60	3.35	3.35	3.42	3.60	2.87	2.87
2018	3.64	3.86	3.56	3.56	3.7	3.92	3.04	3.04
2019	3.73	3.99	3.63	3.63	3.94	4.21	3.15	3.15
2020	3.73	3.99	3.63	3.63	3.94	4.21	3.15	3.15
2021	3.89	4.15	3.79	3.79	4.14	4.41	3.35	3.35

Water Fixed Rates

	Single Family, Multi-Family, Commercial, & Institutional															
	Capacity Class-Meter Size		B-3/4"		C-1"		D-1 1/2"		E-2"		F-3"		G-4"		H-6"	
2012	54.68	63.38	88.36	138.67	230.58	386.42	654.05	1,276.37								
2013	62.23	70.93	100.44	161.33	269.85	454.39	774.89	1,548.24								
2014	58.83	65.93	94.87	162.34	282.54	487.01	842.16	1,699.84								
2015	58.83	65.93	94.87	162.34	282.99	487.01	842.16	1,699.84								
2016	58.84	65.93	95.57	162.34	297.57	487.01	842.16	1,699.84								
2017	61.14	61.14	99.35	194.85	309.45	672.36	1,207.19	2,486.94								
2018	61.46	61.46	99.37	194.12	307.82	667.85	1,198.46	2,468.09								
2019	65.56	65.56	105.59	205.62	325.67	705.81	1,266.04	2,606.55								
2020	65.56	65.56	105.59	205.62	325.67	705.81	1,266.04	2,606.55								
2021	67.09	67.09	108.14	210.72	333.83	723.66	1,298.17	2,672.85								

¹TSAWR-Transitional Special Agriculture Water Rate

²1 unit of water = 748 gallons

RATE SUMMARIES

Agriculture

Capacity Class-Meter Size	Agriculture									
	A-5/8"	B-3/4"	C-1"	D-1 1/2"	E-2"	F-3"	G-4"	H-6"		
2012	48.19	56.89	77.98	119.22	196.86	328.07	550.31	1,042.93		
2013	49.71	58.41	80.41	123.78	204.76	341.74	574.61	1,097.61		
2014	44.52	51.62	71.97	119.40	208.12	358.20	613.16	1,184.59		
2015	44.52	51.62	71.97	119.40	208.12	358.20	613.16	1,184.59		
2016	78.28	78.28	127.96	252.19	401.24	873.25	1,568.86	3,233.34		
2017	81.06	81.06	132.53	261.23	415.66	904.69	1,625.39	3,349.88		
2018	85.37	85.37	139.18	273.77	435.27	946.65	1,700.30	3,503.62		
2019	94.25	94.25	153.36	301.20	478.61	1,040.37	1,868.25	3,849.18		
2020	94.25	94.25	153.36	301.20	478.61	1,040.37	1,868.25	3,849.18		
2021	95.78	95.78	155.91	306.30	486.77	1,058.22	1,900.38	3,915.48		

TSAWR¹

Capacity Class-Meter Size	TSAWR ¹									
	A-5/8"	B-3/4"	C-1"	D-1 1/2"	E-2"	F-3"	G-4"	H-6"		
2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2015	58.83	65.93	94.87	162.34	215.94	304.14	445.94	694.04		
2016	60.31	60.31	98.01	192.28	305.39	663.57	1,191.44	2,454.53		
2017	61.37	61.37	99.71	195.59	310.64	674.94	1,211.84	2,496.52		
2018	68.01	68.01	110.25	215.89	342.67	744.10	1,335.70	2,751.27		
2019	77.36	77.36	125.21	244.89	388.52	843.30	1,513.53	3,117.21		
2020	77.36	77.36	125.21	244.89	388.52	843.30	1,513.53	3,117.21		
2021	78.41	78.41	126.96	248.40	394.13	855.57	1,535.61	3,162.78		

¹TSAWR- Transitional Special Agriculture Water Rate

Sewer Rates per Dwelling Unit

	Sewer Rates per Dwelling Unit		
	Single Family	Multi Family	Commercial
2012	25.76-68.54	25.76-68.54	68.54
2013	25.76-68.54	25.76-68.54	68.54
2014	28.70-75.50	28.70-75.50	75.50
2015	28.7-75.50	28.7-75.50	75.50
2016	28.7-75.50	28.7-75.50	75.50
2017	28.7-75.50	28.7-75.50	75.50
2018	55.07	40.51	40.51
2019	55.07	40.51	40.51
2020	55.07	40.51	40.51
2021	55.07	40.51	40.51

Calendar Year	Deliveries (AF)
1983	23,746
1984	33,806
1985	28,886
1986	29,298
1987	27,382
1988	32,028
1989	34,828
1990	34,920
1991	24,567
1992	26,460
1993	22,997
1994	22,832
1995	20,872
1996	23,223
1997	24,906
1998	19,924
1999	28,721
2000	29,203
2001	26,803
2002	32,125
2003	30,472
2004	30,336
2005	28,911
2006	29,929
2007	31,865
2008	24,128
2009	26,894
2010	18,322
2011	19,276
2012	21,918
2013	21,526
2014	22,625
2015	17,868
2016	18,151
2017	18,123
2018	17,910
2019	13,720
2020	15,373

HISTORICAL WATER DEMAND AND RECENT TRENDS

For 25 years following its founding in 1954, total SDCWA water deliveries to the District service area steadily increased, as agricultural acreage and population increased. By 1984, demands had climbed to almost 34,000-acre feet per year (AFY). Demands then dropped sharply during the drought restrictions of 1991-93, as mandatory cutbacks led to the stumping of avocado groves and other water use reductions, but by 2002 had rebounded to almost pre- 1991 conditions.

Beginning in 2008, demands again declined sharply, this time in response to economic recession, water price increases, a new round of drought restrictions, and increased adoption of water conservation measures. These factors have combined to produce a fundamental downward shift in per capita water use, with per account use declining by **35 percent** from 2006 to 2013. Per capita use reached a minimum during the period from 2010 to 2012, but this was in response to economic recession, cooler than normal summer weather, and other impermanent conditions. The region has been experiencing a mega drought which has resulted in increased sales for 2020-2021, followed by implementation of voluntary water restrictions due to a level 1 water shortage.

Considering factors of economic equilibrium, average weather conditions, and normal water supply conditions (without water use restrictions in place), the Master Plan has judged calendar year 2018 to be representative of normal water use conditions in the current era and has defined calendar year 2018 water use as an appropriate baseline condition for use in demand forecasting.



Top 10 Employers

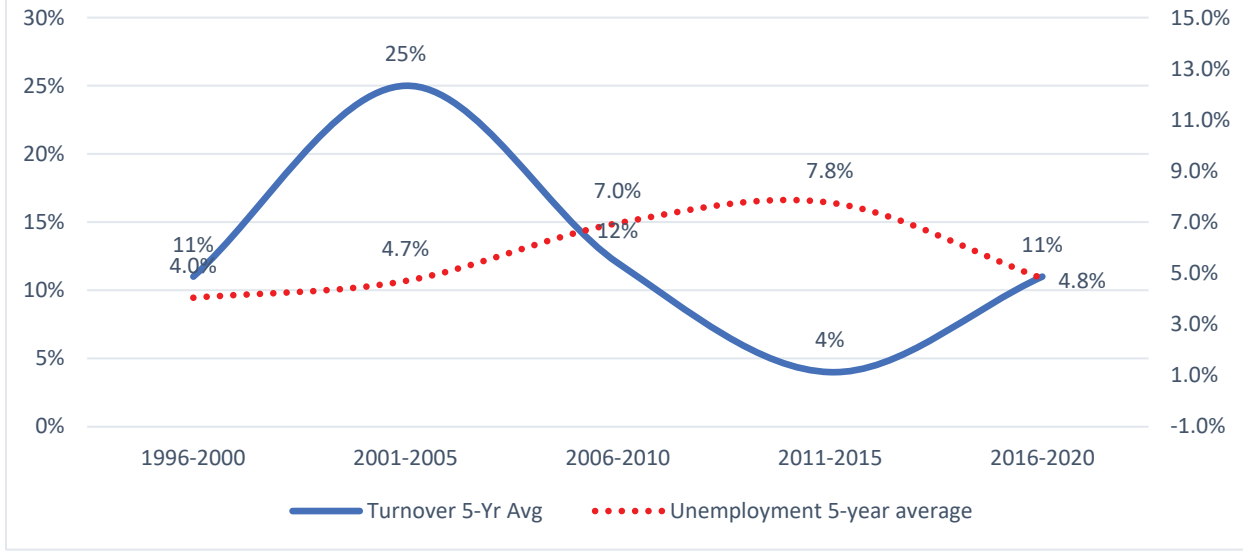
Employers	# of Employees
Bonsall Unified School District	123
Rainbow Municipal Water District	57
Vallecitor School District	30
Pala Mesa Resort	20
Z Café	15
Daniel's Market	10
Armstrong Growers	less than 10
West Coast Tomatoe Growers	less than 10
Rainbow Oaks Restaurant	less than 10
Pala Mesa Market	less than 10
Village Pizza	less than 10
Tekila Cocina	less than 10
Fresco Grill	less than 10
Jack in the Box	less than 10
Subway	less than 10
McDonalds	less than 10
Cortez Mexican	less than 10
Quality Inn	less than 10
Nessy Burget	less than 10
Fallbrook Rib Shack	less than 10
Randy Carlson DMD	less than 10
North County Fire	less than 10

FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	3	3	3	3	3	3	4	3	2	2
Information Technology	0	0	0	0	0	0	0	2	4	4
Human Resources	3	3	3	2	3	2	2	2.5	2.5	2.5
Engineering	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5	5	6
Finance	4	4	4	4	4	4	4	3	5	6
Customer Service	3	3	3	3	3	3	3	5	5	4
Operations Support	5	5	5	3	5	5	5	4.5	3	2
Operations	11.5	10.5	10.5	9.5	10.5	10.5	10.5	9	9	9
Wastewater	4	4	4	4	4	4	4	4	4	4
Construction & Maintenance	9	9	9	8	9	9	9	9	10	10
Meters	4	4	4	4	4	4	4	9	8	8
Total	52	51	51	46	51	50	51	57.5	57.5	57.5
Less Temporary Employees	0	0	0	0	0	0	0	3	3	3
Total Permanent Employees	52	51	51	46	51	50	51	54.5	54.5	54.5

Historical Turnover (5-year rates, all reasons)

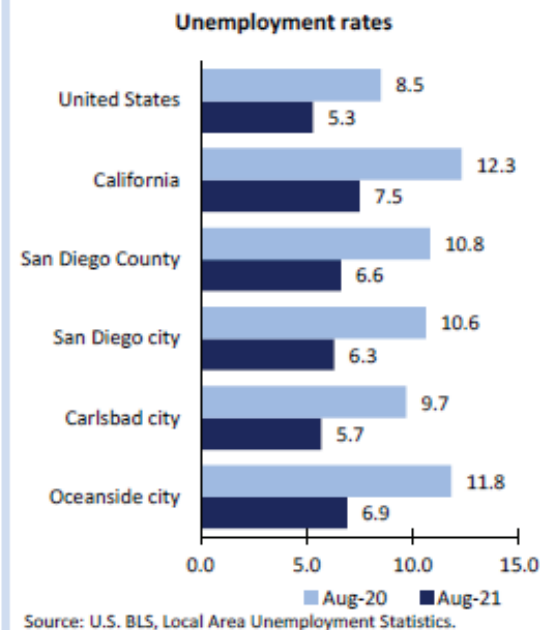


San Diego Area Economic Summary

Updated October 01, 2021

This summary presents a sampling of economic information for the area; supplemental data are provided for regions and the nation. Subjects include unemployment, employment, wages, prices, spending, and benefits. All data are not seasonally adjusted and some may be subject to revision. Area definitions may differ by subject. For more area summaries and geographic definitions, see www.bls.gov/regions/economic-summaries.htm.

Unemployment rates for the nation and selected areas

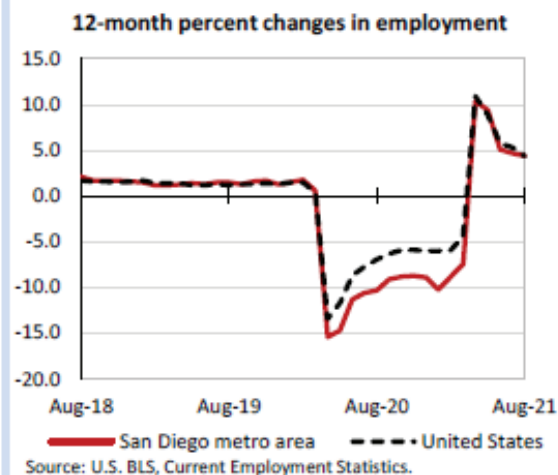


Average weekly wages for all industries by county

San Diego metro area, first quarter 2021
(U.S. = \$1,289; Area = \$1,430)



Over-the-year changes in employment on nonfarm payrolls and employment by major industry sector



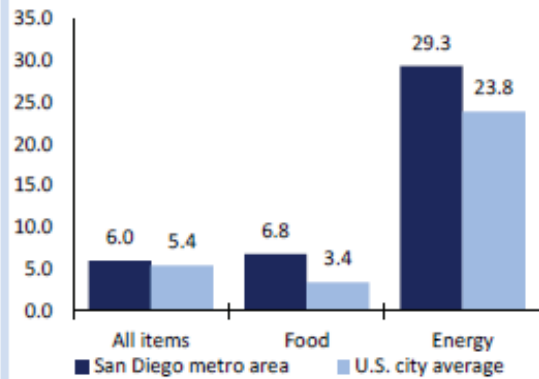
San Diego metro area employment (number in thousands)	Aug. 2021	Change from Aug. 2020 to Aug. 2021	
		Number	Percent
Total nonfarm	1,407.3	59.2	4.4
Mining and logging	0.3	0.0	0.0
Construction	90.3	8.9	10.9
Manufacturing	113.6	0.4	0.4
Trade, transportation, and utilities	208.5	1.2	0.6
Information	22.6	1.2	5.6
Financial activities	71.9	-1.8	-2.4
Professional and business services	249.7	6.1	2.5
Education and health services	211.8	5.3	2.6
Leisure and hospitality	164.6	31.0	23.2
Other services	49.1	9.7	24.6
Government	224.9	-2.8	-1.2

Source: U.S. BLS, Current Employment Statistics.



Over-the-year change in the prices paid by urban consumers for selected categories

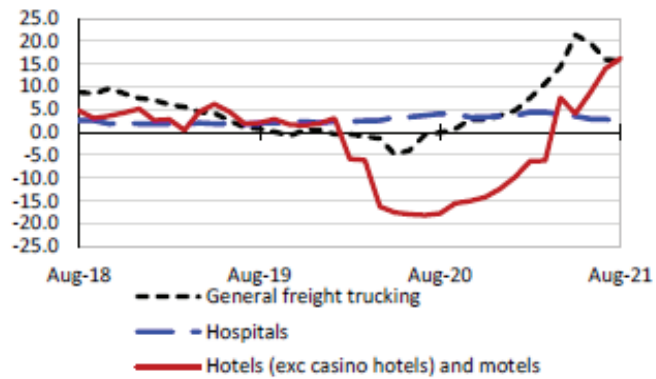
12-month percent change in CPI-U, July 2021



Source: U.S. BLS, Consumer Price Index.

Over-the-year changes in the selling prices received by producers for selected industries nationwide

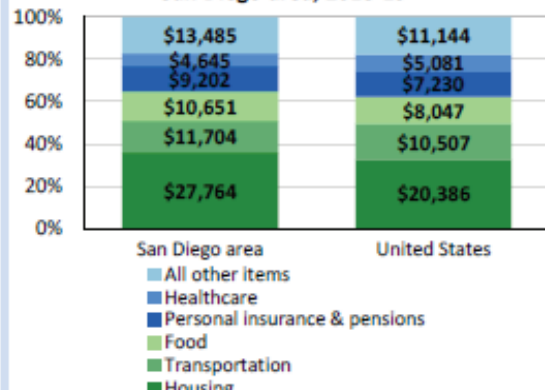
12-month percent changes in PPI



Source: U.S. BLS, Producer Price Index.

Average annual spending and percent distribution for selected categories

Average annual expenditures, United States and San Diego area, 2018-19



Source: U.S. BLS, Consumer Expenditure Survey.

Average hourly wages for selected occupations

Occupation	San Diego metro area	United States
All occupations	\$30.91	\$27.07
Human resources managers	66.47	64.70
Registered nurses	53.66	38.47
Accountants and auditors	43.00	39.26
Electricians	30.22	29.59
Construction laborers	23.87	20.67
Hotel, motel, and resort desk clerks	15.60	12.93

Source: U.S. BLS, Occupational Employment and Wage Statistics, May 2020.

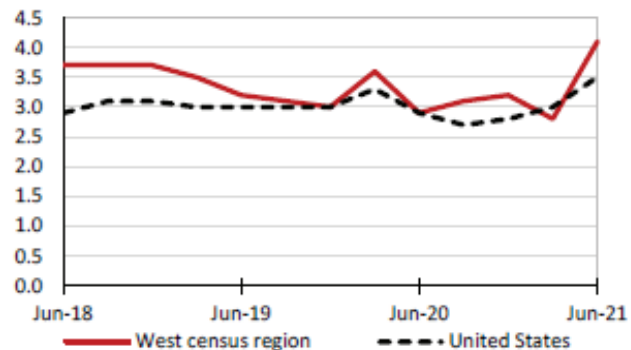
Employer costs per hour worked for wages and selected employee benefits by geographic division

Private industry, June 2021	West census region	United States
Total compensation	\$40.74	\$36.64
Wages and salaries	28.75	25.89
Total benefits	11.99	10.76
Paid leave	3.07	2.70
Vacation	1.55	1.38
Supplemental pay	1.30	1.25
Insurance	3.11	2.79
Retirement and savings	1.34	1.25
Legally required benefits	3.17	2.77

Source: U.S. BLS, Employer Costs for Employee Compensation.

Over-the-year changes in wages and salaries

12-month percent changes in ECI



Source: U.S. BLS, Employment Cost Index.

CLIMATE AND TOPOGRAPHY

The Fallbrook, Bonsall and Rainbow region 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 sometimes exceed 100 degrees. Most of the area is frost-free; during the coldest periods, the average nighttime temperature is about 42 degrees. Due to its proximity to the ocean, days often start with early morning fog; afternoons can be breezy.

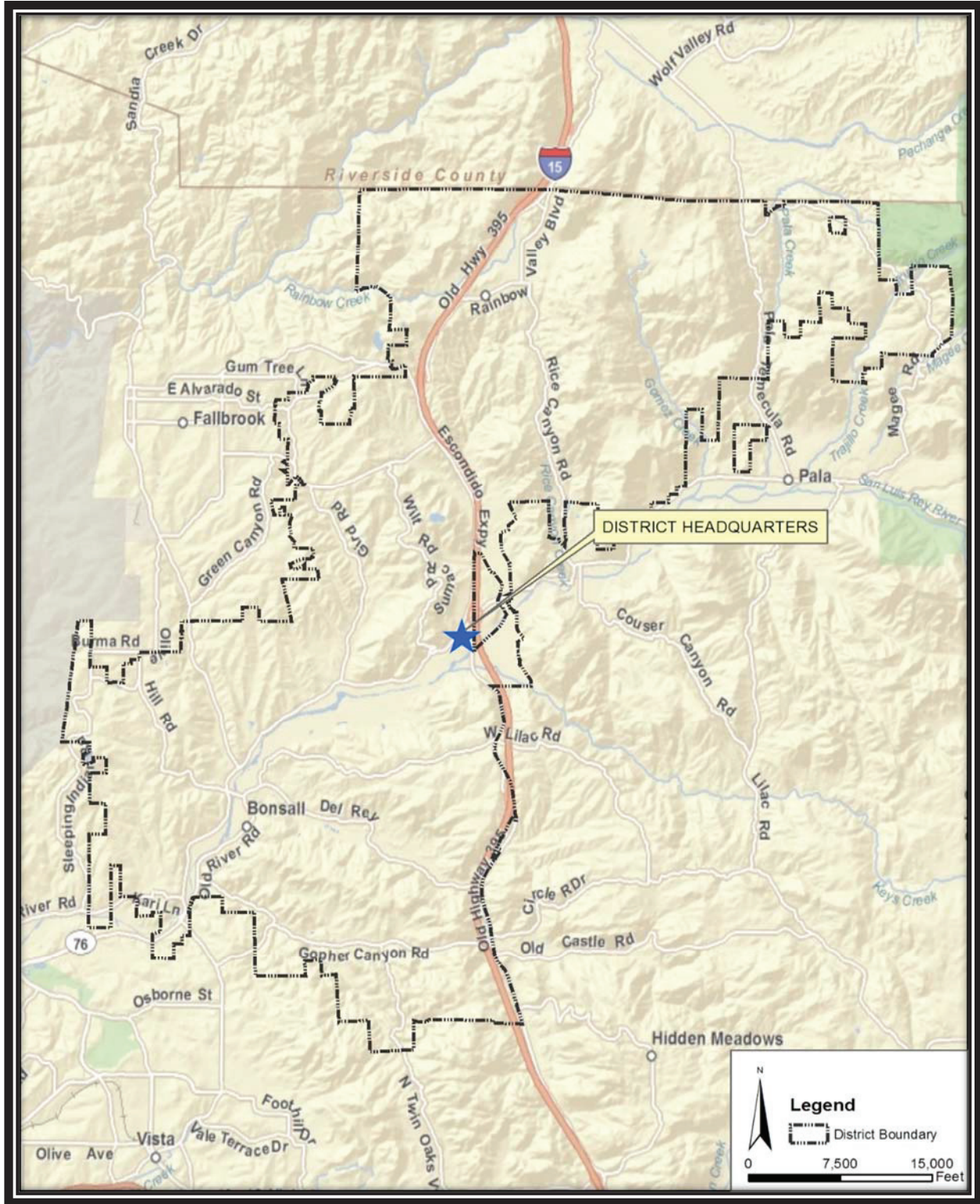
Annual rainfall is roughly 10 inches (25 cm) and comes mostly between November and April. Rainfall is higher in the surrounding hills, up to 20 inches (51 cm). The area is ideal for avocados, strawberries, tomatoes and many other sub-tropical fruits, vegetables, and flowers.

The topography of the District ranges from relatively level valley lands to steeply sloping ridges with long, narrow canyons. Elevations vary from 120 feet in the San Luis Rey River basin to mountains over 2,200 feet high. This configuration of land enables dense, cool air to slide off the valley sides, creating a continuous mild turbulence on the valley floor, which results in a low incidence of frost essential to the growth of avocados and citrus, the major crops grown in the District.

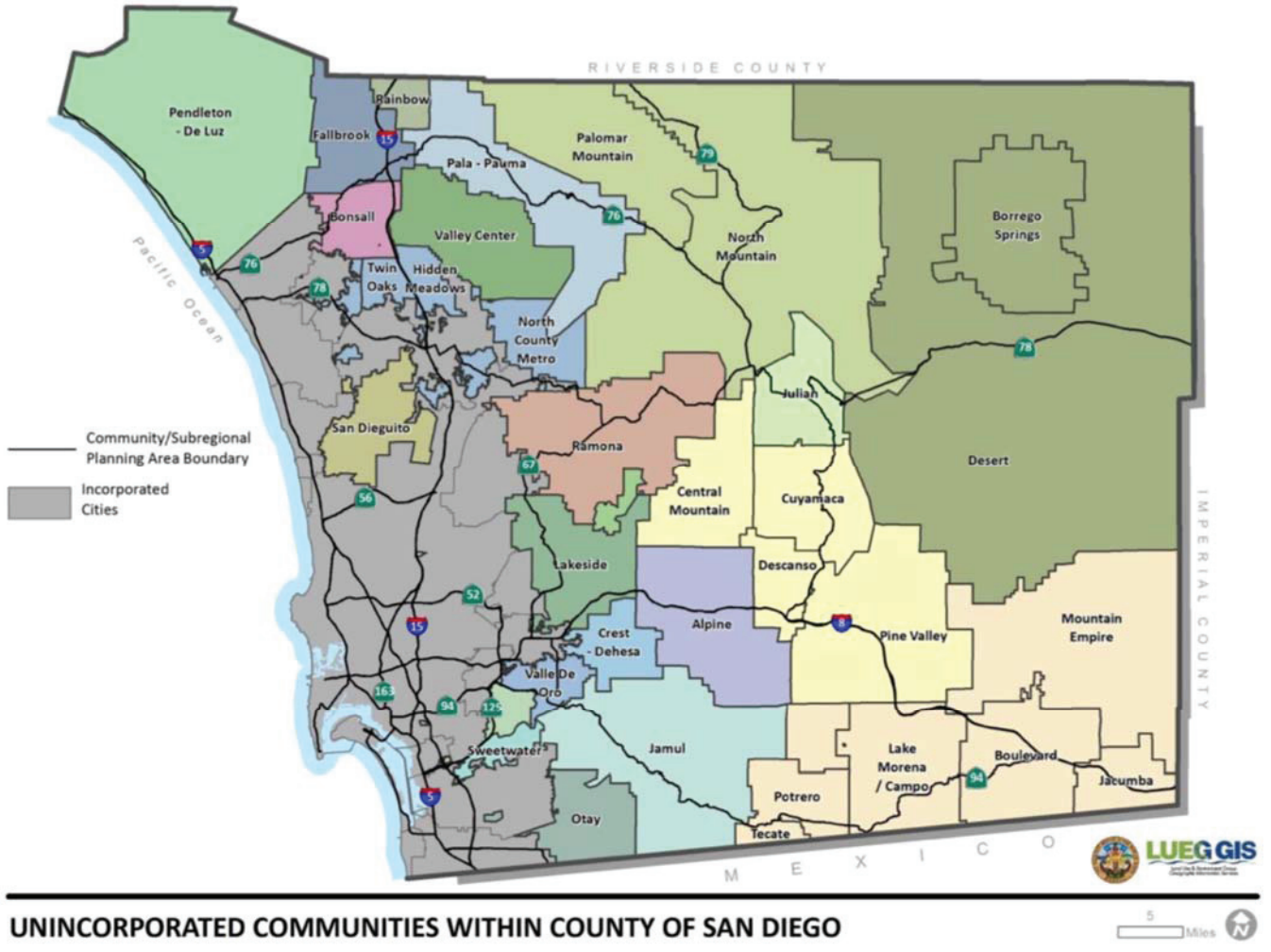
THE DISTRICT OFFICE



MAP OF DISTRICT SERVICE AREA

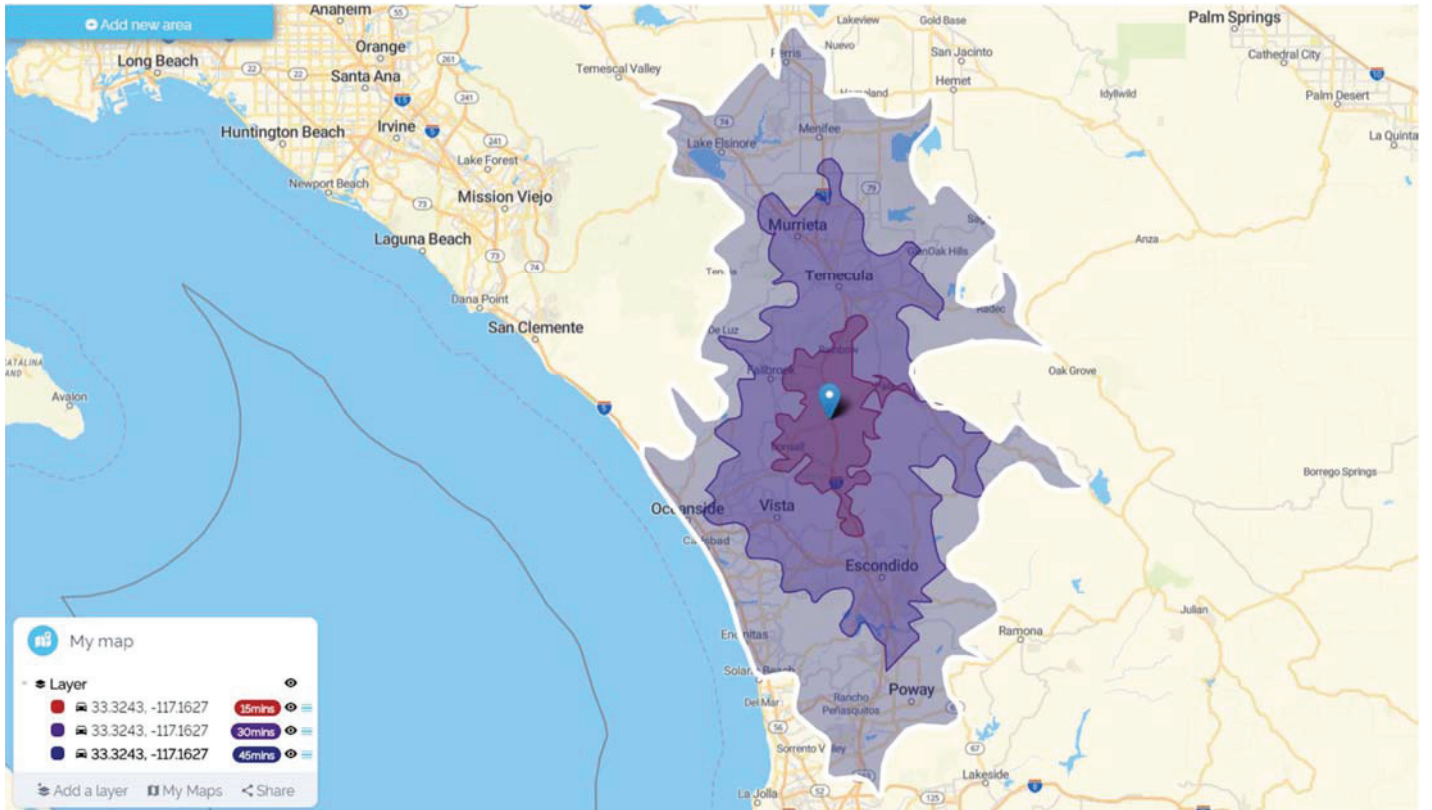


MAP OF DISTRICT LOCATION



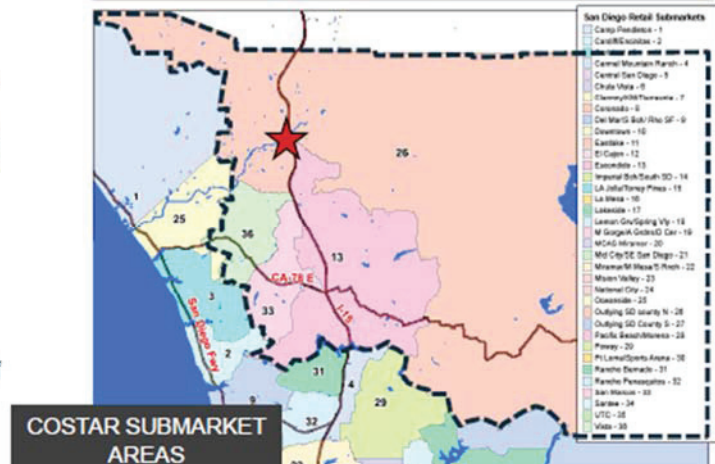
UNINCORPORATED COMMUNITIES WITHIN COUNTY OF SAN DIEGO

MAP OF DISTRICT COMMUTE TIMES



SANDAG AND COSTAR SUBMARKETS

- The Rainbow property is in the SANDAG North County East Major Statistical Area (MSA 5). To estimate future demand for the land uses being evaluated for the Rainbow property we are utilizing SANDAG's SR13 forecasts for population and housing unit growth and SANDAG's upcoming SR14 preliminary forecasts for job growth.
- For information on supply and demand trends for retail, office, industrial and multi-family uses, we are utilizing data from the commercial data provider CoStar. The CoStar submarkets that most closely match with the SANDAG North County East MSA include four areas (which we are collectively referring to as the "Inland North" market):
 - 26 – Outlying SD County North
 - 13 – Escondido
 - 33 – San Marcos
 - 36 – Vista
- The SANDAG and CoStar areas do not 100% align. The primary difference between the CoStar Inland North submarket and the SANDAG North County East MSA is that the CoStar area includes the community of Ramona, while SANDAG does not. The population of Ramona is only about 20K and represents only about 4% of the 460K population in the SANDAG North County East MSA (480K if Ramona is added). We have concluded that the aggregate CoStar Inland North and SANDAG North County East MSA areas are similar enough for our analytical purposes.
- CoStar submarket boundaries can vary for different land uses, particularly for Multi-Family. CoStar submarket maps are provided for each use at the beginning of each section of the report for that particular use.



SANDAG PROJECTIONS – COUNTY POPULATION

- Population growth from 2020 to 2035 in the county is projected at about 27.9K per year.
- Occupied housing unit growth from 2020 to 2035 is projected at about 9.9K per year (SF 1.8K per year, MF 8.1K per year).

POPULATION AND HOUSING

	2012	2020	2035	2050	2012 to 2050 Change*	
					Numeric	Percent
Total Population	3,143,429	3,435,713	3,853,698	4,068,759	925,330	29%
Household Population	3,039,937	3,325,715	3,738,048	3,949,115	909,178	30%
Group Quarters Population	103,492	109,998	115,650	119,644	16,152	16%
Civilian	61,597	68,103	73,755	77,749	16,152	26%
Military	41,895	41,895	41,895	41,895	0	0%
Total Housing Units	1,165,818	1,249,684	1,394,783	1,491,935	326,117	28%
Single Family	703,101	731,693	758,622	763,226	60,125	9%
Multiple Family	420,147	477,258	597,762	692,709	272,562	65%
Mobile Homes	42,570	40,733	38,399	36,000	-6,570	-15%
Occupied Housing Units	1,103,034	1,178,091	1,326,445	1,407,869	304,835	28%
Single Family	672,496	697,416	730,471	730,020	57,524	9%
Multiple Family	391,534	443,213	560,793	645,548	254,014	65%
Mobile Homes	39,004	37,462	35,181	32,301	-6,703	-17%
Vacancy Rate	5.4%	5.7%	4.9%	5.6%	0.2	4%
Single Family	4.4%	4.7%	3.7%	4.4%	0.0	0%
Multiple Family	6.8%	7.1%	6.2%	6.8%	0.0	0%
Mobile Homes	8.4%	8.0%	8.4%	10.3%	1.9	23%
Persons per Household	2.76	2.82	2.82	2.81	0.1	2%

Source: SANDAG SR13 Regional Growth Forecast, released in 2013. The forecast is in the process of being updated with new estimates to be available by the end of 2020 (SR14). According to SANDAG, the new forecast numbers for population and housing units are not expected to be substantially different than forecast in SR13.

SANDAG PROJECTIONS – NORTH COUNTY EAST/MSA5 POPULATION

- Population growth from 2020 to 2035 in MSA 5 is projected at about 4.0K per year.
- Occupied housing unit growth from 2020 to 2035 is projected at about 1.3K per year (SF 664 per year, MF 634 per year).
- MSA 5 currently represents 14% of the countywide population and 13% of the countywide supply of housing units.

POPULATION AND HOUSING

	2012	2020	2035	2050	2012 to 2050 Change*	
					Numeric	Percent
Total Population	438,503	487,700	547,881	573,295	134,792	31%
Household Population	432,566	482,109	541,229	565,869	133,323	31%
Group Quarters Population	5,937	5,591	6,652	7,406	1,469	25%
Civilian	5,937	5,591	6,652	7,406	1,469	25%
Military	0	0	0	0	0	0%
Total Housing Units	148,823	163,094	181,744	191,439	42,616	29%
Single Family	96,104	103,348	112,619	115,143	19,039	20%
Multiple Family	40,869	48,064	57,514	64,837	23,968	59%
Mobile Homes	11,850	11,682	11,611	11,459	-391	-3%
Occupied Housing Units	142,516	155,935	175,276	183,758	41,242	29%
Single Family	93,001	99,720	109,680	111,556	18,555	20%
Multiple Family	38,687	45,507	55,018	61,990	23,303	60%
Mobile Homes	10,828	10,708	10,578	10,212	-616	-6%
Vacancy Rate	4.2%	4.4%	3.6%	4.0%	-0.2	-5%
Single Family	3.2%	3.5%	2.6%	3.1%	-0.1	-3%
Multiple Family	5.3%	5.3%	4.3%	4.4%	-0.9	-17%
Mobile Homes	8.6%	8.3%	8.9%	10.9%	2.3	27%
Persons per Household	3.04	3.09	3.09	3.08	0.0	1%

Source: SANDAG SR13 Regional Growth Forecast, released in 2013. The forecast is in the process of being updated with new estimates to be available by the end of 2020 (SR14). According to SANDAG, the new forecast numbers for population and housing units are not expected to be substantially different than forecast in SR13.



October 31, 2021

To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

We have audited the financial statements of Rainbow Municipal Water District (the District) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 22, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings and Other Issues

Qualitative Aspects of Significant Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2020-2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates of its net pension liability and total other post-employment benefits liability are based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and total other post-employment benefits liability to determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

Management is responsible for the policies and practices used to account for significant unusual transactions. No significant unusual transactions have occurred during fiscal year 2020-2021.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.





To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Circumstances that Affect the Form and Content of the Auditor's Report

New auditing standards were implemented in fiscal year 2020-2021 related to Statement of Auditing Standards 134, Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements. This standard updated the form and content of the financial statement auditor's report. The purpose of the change was to present an easier format for users to understand the results of the audit and management's responsibilities.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues Discussed with Management

We generally discuss a variety of matters, including the significant events or transactions that occurred during the year, business conditions affecting the District and business plans and strategies that may affect the risks of material misstatements, the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, and the schedule of changes in the total other post-employment benefits (OPEB) liability which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory and statistical sections of the financial report, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2020-2021 audit:

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statement Nos. 14 and 61*.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2022

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.



To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Solt & Lughard, LLP

Brea, California



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rainbow Municipal Water District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
October 31, 2021



Mr. Tom Kennedy and Ms. Tracy Largent
Rainbow Municipal Water District
Fallbrook, California

Dear Mr. Kennedy and Ms. Largent:

We have completed our audit of the Rainbow Municipal Water District (the District)'s operations as part of our audit for fiscal year ended June 30, 2021. During the course of our auditing procedures, we identified certain matters, which we would like to bring to your attention. These matters were not serious enough to report on the Report on Internal Control letter, dated October 31, 2021. These matters are not considered a reportable deficiency, but rather, an opportunity for improvement and strengthening of the District's internal controls.

Restrict Posting Transactions Directly to Net Position (Equity)

During the audit, we noted that certain capital contribution transactions were posted directly to net position (fund equity) accounts. These revenue transactions should have been posted to appropriate revenue account, capital contributions. The amount was \$52,564 this year and after discussion with Ms. Largent, management reclassified the contributed capital to the appropriate capacity fees accounts. The District should establish a policy to restrict posting transactions directly to net position. Direct adjustments to net position accounts are only permissible for corrections of an error and implementation of changes in accounting principles. We also recommend that the Finance Manager review the net position account activity each month to ensure that the accounts only have appropriate entries.

Update the Purchasing Manual and Communicate the Changes

We noted that the existing purchasing procedures manual does not currently include a segment discussing conflicts of interest and ethical practices in purchasing. We recommend that the District update its purchasing manual to include this information. Any changes in the purchasing manual, as well as existing, related internal controls, should be documented, and communicated to all affected persons. Internal controls cannot work unless employees are aware of them.

The above matters have been discussed during our audit exit meetings with the Finance Department on June 4, 2021 and September 10, 2021. Should any questions arise about the District's operations or the comments above, we will be available for discussion.

A handwritten signature in black ink that reads "Lance, Soll & Lunghard, LLP". The signature is written in a cursive, flowing style.

Brea, California
October 31, 2021

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 21-03 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B ¾" METER AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT (Division 3)

BACKGROUND

The District identifies specific rate classes under District Ordinance No. 21-03 that are assigned to parcels according to meter size. Meter sizes are recommended based on lot size and water usage. The district board has determined criteria that allows customers to apply for variances from the assigned rate class provided that the parcel does not exceed the maximum units for the lower meter size being requested.

District staff has determined that a reasonable amount of time to assess usage is 12 months. For a parcel to move to a ¾" rate class they should not exceed 50 units (one unit equals one hundred cubic feet ["CCF"]) of water use per month on average, for any 12- month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle). According to Ordinance 21-03 which states "Lot size less than 21,780 sqft (0.5 acres) may qualify for a ¾ inch meter."

The property owner of APN 124-396-01-00, Dany Jensen, has requested a variance from Ordinance 21-03 to downsize an existing 1" meter on a 1.38 acre parcel to a ¾ inch meter and reduce his monthly fixed fees. According to the attached variance application (See Attachment 1), the customer has changed out many sprinklers with drip systems and will continue to refine. **The rolling 12 - month average for the property is 62.42 units per month, which is over the required 50 units.**

DESCRIPTION

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

The staff will draft an agreement, with Board authorization, whereby District will suspend the requirement to pay Fixed Charges beyond those applicable to capacity class B under District Ordinance No. 21-03 provided that the Parcel does not exceed a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle). The agreement further stipulates the following to ensure the customer will be held accountable to comply with the purpose of Ordinance No. 21-03. In the event the Parcel exceeds a maximum of 50 units of water use per month on average, for any 12- month period, based on the 12-month rolling average, District will notify the Owner of the exceedance. Within 3 months from the date of

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

ATTACHMENTS

Attachment A Variance Request

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

BOARD OPTIONS/FISCAL IMPACTS

If the Board approves the variance, the customer will save \$45.53 per month (assuming Single Family Residential rate) in monthly service charges to Rainbow MWD unless they exceed the intended capacity of 50 units/month.

- 1) Approve the variance to Ordinance 21-03 to allow a property larger than 0.5 acres to qualify for capacity class B and approve the New Water Service Agreement.
- 2) Deny the variance request.
- 3) Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 2.



Tracy Largent, CPA
Finance Manager

December 7, 2021



ADMINISTRATIVE CODE VARIANCE APPLICATION

PROPERTY OWNER OR PRIMARY ACCOUNT HOLDER INFORMATION	
Owner Name: <u>DANY JENSEN</u>	Telephone No.: <u>408-858-2490</u>
Address: <u>3658 NETTLE PLACE, FALLBROOK, CA 92028</u>	
Email Address: <u>TROLLEROLLE123@LIVE.COM</u>	Account No.: <u>015437-000</u>

LOCATION OF PROPOSED ADMINISTRATIVE CODE VARIANCE		
Address: <u>3658 NETTLE PLACE, FALLBROOK, CA 92028</u>	APN: <u>124 396 01 00</u>	Acres: <u>1.38</u>

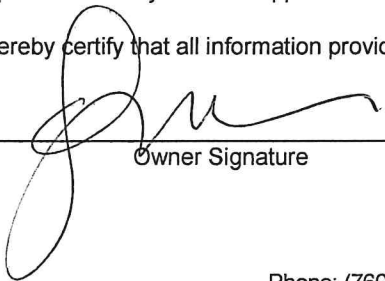
SUPPORTING INFORMATION
Specific section(s) of the Admin. Code for which this variance is being requested (attach additional pages if needed): <u>REDUCTION FROM CLASS C, 1" METER TO A CLASS B 3/4" METER</u>

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

OUR MONTHLY AVG USAGE IS ~63 UNITS (BELOW THE REQUIRED 80) EVEN WITH THE VERY LARGE INCREASE IN OUR SEPT. BILL WHICH WE ARE STILL DISPUTING. WE HAVE CHANGED OUT MANY SPRINKLERS WITH DRIP SYSTEMS AND WILL CONTINUE TO REFINE. WE WILL BE ON A FIXED INCOME SHORTLY AND MUST GET THE "FIXED" COSTS REDUCED. THEY CURRENTLY ARE OVER \$100/MO. BEFORE WE EVEN USE ONE DROP OF WATER. WE DO NOT HAVE SPRINKLERS IN THE HOME. PLEASE HELP US, BY APPROVING OUR REQUEST. THANK YOU

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

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



 Owner Signature

10/16/2021

 Date

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



METER DOWNSIZE REQUEST

Date: 10/16/2021 Account No. 015437-000
Name: DANY JENSEN (Please Print) Phone No.: 408-858-2490
Service Address: 3658 NETTLE PLACE, FALLBROOK, CA 92028
Billing Address: SAME

Complete Downsize Meter Information (one request per meter):

Table with 3 columns: From Capacity Class, Ref. Size, To Capacity Class, Ref. Size, Accessor's Parcel Number. Handwritten entries: C, 1", B, 3/4", 124 396 01 00

Capacity Classes=Ref. Sizes: A = 5/8", B=3/4", C=1", D=1.5", E=2", F=3"

Indicate the reason for downsizing the existing water meter(s) Please circle one:

- a. Not using as much water
b. Agricultural Operations suspended
c. Other (Describe) OUR INTENT IS TO SIGNIFICANTLY REDUCE OUR WATER USAGE, OUR CURRENT 10 MO. AVG. IS ~63 UNITS - WE ARE SOON MOVING TO A FIXED INCOME AND MUST GET THE FIXED WATER FEES REDUCED.

The District will review the water usage history to determine if a smaller meter is capable of meeting the water usage demands and meet Capacity Class requirements. Please note - If you downsize to smaller than a 1-inch meter, you may not meet fire flow requirements. In addition, services within high- or low-pressure areas will be required to sign and record a Notice of High or Low Water Pressure Condition.

If needed, the customer agrees to install a pressure regulator on their side of the meter and agrees to install at his/her cost a booster system to be owned, operated and maintained by the Owner/Agent, his/her successors and assigns.

When approval is granted by the District Engineer for the meter capacity class downsize, the owner will be required to sign/notarize a Meter Downsize Agreement.

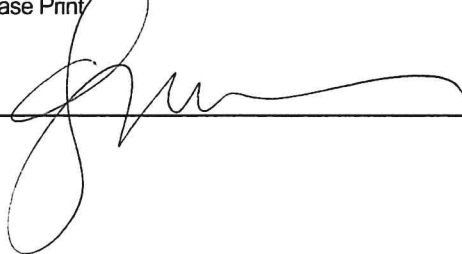
BY SIGNING BELOW, THE APPLICANT DECLARES UNDER PENALTY OF PERJURY AS FOLLOWS:

- 1. I have the following legal authority to request meter downsizing as set forth above:
[X] I am the legal owner of the parcel(s) subject to this request and have attached proof of ownership.
[] I am an authorized agent of the owner of the parcel(s) subject to this request and have attached proof of such authorization hereto.
2. I will immediately notify the Finance Manager of the District if any of the following occur at any point prior to completion of the meter downsizing: (a) I cease to have authority to request meter downsizing; (b) there is a change in ownership of the parcel(s) subject to this request; or (c) there is a change in control of water service under Chapter 8.04 of the Administrative Code.

3. I acknowledge that this request is subject to and approval is conditioned on compliance with District ordinances, rules and regulations, and the District's Administrative Code, including those provisions governing the size, number and location of service connections, governing who may request a connection and governing the terms of transfer.
4. I acknowledge that, if in the future a larger water meter is required due to higher water usage, I will be required to pay all-past District Operations and Maintenance fees starting from the effective date of the Meter Downsize Agreement through the effective date of the signing of the Meter Upsize Memorandum of Understanding.
5. I acknowledge that in the event the District determines that downsizing is not appropriate, I am responsible for bringing the account current by paying all unpaid fees assigned to the account and hereby agree to make any such payments.
6. I acknowledge that to the extent downsizing results in unused capacity, the District's obligation to recognize such unused capacity, if any, is subject to change and that I may not have a right to such unused capacity in the future. Chapter 8.11 of the Administrative Code.
7. In the event the District incurs any costs or suffers any damage as a result of any misrepresentation, any failure to notify the District of a change in authority to request meter downsizing, a change in ownership of the parcel(s) subject to this request, or a change in control of water service under Chapter 8.04 of the Administrative Code, or in the event this request is determined to be improper for any reason, I understand and agree that I will be solely responsible for, and will defend and indemnify the District from any such costs and damages, including but not limited to the District's reasonable attorney's fees.
8. I acknowledge that the District has the right to refuse or to discontinue water service at any time to protect the District from any fraud or for noncompliance with or violation of any ordinance or rule or regulation of the District arising from this request.

OWNER / AUTHORIZED AGENT:

Name: DANY JENSEN Date: 10/16/2021
Please Print

Signature: 

FINANCE DEPARTMENT ONLY:

Approved: Yes No

Comments: _____

_____ Date

_____ Finance Manager

Reading Date	Reading	Usage	Billable
10/15/2021 11:37	515	44	44
9/17/2021 10:52	471	143	143
8/12/2021 7:16	328	87	87
7/19/2021 7:53	241	104	104
6/14/2021 7:59	137	79	79
5/17/2021 10:41	58	58	58
4/26/2021 0:00	6427	60	19
3/8/2021 9:34	6367	19	19
2/18/2021 9:49	6348	23	23
1/12/2021 14:07	6325	26	26
12/7/2020 10:39	6299	37	37
11/12/2020 15:04	6262	69	69
12 Mo. Average:		62.41667	

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 21-03 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B, 3/4" METER AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT (Division 5)

BACKGROUND

The District identifies specific rate classes under District Ordinance No. 21-03 that are assigned to parcels according to meter size. Meter sizes are recommended based on lot size and water usage. The district board has determined criteria that allows customers to apply for variances from the assigned rate class provided that the parcel does not exceed the maximum units for the lower meter size being requested.

District staff has determined that a reasonable amount of time to assess usage is 12 months. For a parcel to move to a 3/4" rate class they should not exceed 50 units (one unit equals one hundred cubic feet ["CCF"]) of water use per month on average, for any 12- month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle). According to Ordinance 21-03 which states "Lot size less than 21,780 sqft (0.5 acres) may qualify for a 3/4 inch meter."

The property owner of APN 109-233-10-00, William McEaney, has requested a variance from Ordinance 21-03 to downsize an existing 1.5" meter on a 11.92 acre parcel to a 3/4- inch meter and reduce his monthly fixed fees. According to the attached variance application (See Attachment 1), the parcel is vacant and has no future plans for building or agricultural usage. **The rolling 12 - month average for the property is 0 units per month, which is well below the required 50 units or less.**

DESCRIPTION

The capacity charges were developed by Wildan and Raftelis through a comprehensive study and analysis of the value of District assets and the maximum day use patterns of existing customers with particular meter sizes. The reference meter size for capacity class B is 3/4-inch. According to the Raftelis analysis, the maximum allowable usage for capacity class B is 50 units (one unit equals one hundred cubic feet ["CCF"]) per month, or 1.38 AF/yr. The lot size requirement was included in the ordinance to protect the District from customers over using their intended capacity.

The staff will draft an agreement, with Board authorization, whereby District will suspend the requirement to pay Fixed Charges beyond those applicable to capacity class B under District Ordinance No. 21-03 provided that the Parcel does not exceed a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle). The agreement further stipulates the following to ensure the customer will be held accountable to comply with the purpose of Ordinance No. 21-03. In the event the Parcel exceeds a maximum of 50 units of water use per month on average, for any 12- month period, based on the 12-month rolling average, District will notify the Owner of the exceedance. Within 3 months from the date of

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

ATTACHMENTS

Attachment A Variance Request

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

BOARD OPTIONS/FISCAL IMPACTS

If the Board approves the variance, the customer will save \$159.34 per month (assuming Commercial rate) in monthly service charges to Rainbow MWD unless they exceed the intended capacity of 50 units/month.

- 1) Approve the variance to Ordinance 21-03 to allow a property larger than 0.5 acres to qualify for capacity class B and approve the New Water Service Agreement.
- 2) Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.


Tracy Largent, CPA
Finance Manager

December 7, 2021



ADMINISTRATIVE CODE VARIANCE APPLICATION

PROPERTY OWNER OR PRIMARY ACCOUNT HOLDER INFORMATION		
Owner Name: William McEneaney	Telephone No.: 619-817-6026	
Address: 6941 Rainbow Heights Rd, Fallbrook CA 92028		
Email Address: atmacsd@yahoo.com	Account No.: 017664-000	
LOCATION OF PROPOSED ADMINISTRATIVE CODE VARIANCE		
Address: Rainbow Heights Rd Parcel 5, Fallbrook CA 92028; Account No. 017710-000	APN: 109-233-10	Acres: 9
SUPPORTING INFORMATION		
Specific section(s) of the Admin. Code for which this variance is being requested (<i>attach additional pages if needed</i>):		
Ordinance 21-03 under "Water Capacity Charges"		
Reason why the variance should be approved including how the intent of the Admin. Code will be met (<i>attach additional pages if necessary</i>):		
Per Ordinance 21-03 " To qualify for a downsize, usage must be within the Max CF/month for the desired meter size for the most current 12 month average" APN 109-233-10 is currently an empty parcel with no structures, no agricultural use, zero water usage, and no future plans for building or agriculture usage.		
Per Ordinance 21-03 " Downsizing from a 1 inch to a 3/4 inch requires written approval by the fire department if the structure is required to have fire sprinklers" APN 109-233-10 has no existing structures and no future plans for building structures.		

Rainbow Municipal Water District (District) Provisions:

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

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



 Owner Signature

10/25/21

 Date



District use only: APP# 5834

METER DOWNSIZE REQUEST

Date: 09/08/2021 Account No. 017710-000
 Name: William McEaney Phone No.: 619-817-6026
 (Please Print)
 Service Address: The empty pad next to our home, Rainbow Heights Rd. 11.92 acres
 Billing Address: 6941 Rainbow Heights Rd., Fallbrook, CA, 92028

Complete Downsize Meter Information (one request per meter):

From: Capacity Class:	Ref. Size:	To: Capacity Class:	Ref. Size:	Accessor's Parcel Number:
D	1.5	B	0.75	109-233-10-00

Capacity Classes=Ref. Sizes: A = 5/8", B=3/4", C=1", D=1.5", E=2", F=3"

Indicate the reason for downsizing the existing water meter(s) Please circle one:

- a. Not using as much water
- b. Agricultural Operations suspended
- c. Other (Describe)

This is an empty building pad, and we do not intend to build on it!

The District will review the water usage history to determine if a smaller meter is capable of meeting the water usage demands and meet Capacity Class requirements. Please note - If you downsize to smaller than a 1-inch meter, you *may* not meet fire flow requirements. In addition, services within high- or low-pressure areas will be required to sign and record a Notice of High or Low Water Pressure Condition.

If needed, the customer agrees to install a pressure regulator on their side of the meter and agrees to install at his/her cost a booster system to be owned, operated and maintained by the Owner/Agent, his/her successors and assigns.

When approval is granted by the District Engineer for the meter capacity class downsize, the owner will be required to sign/notarize a *Meter Downsize Agreement*.

BY SIGNING BELOW, THE APPLICANT DECLARES UNDER PENALTY OF PERJURY AS FOLLOWS:


1. I have the following legal authority to request meter downsizing as set forth above:
 - I am the legal owner of the parcel(s) subject to this request and have attached proof of ownership.
 - I am an authorized agent of the owner of the parcel(s) subject to this request and have attached proof of such authorization hereto.
2. I will immediately notify the Finance Manager of the District if any of the following occur at any point prior to completion of the meter downsizing: (a) I cease to have authority to request meter downsizing; (b) there is a change in ownership of the parcel(s) subject to this request; or (c) there is a change in control of water service under Chapter 8.04 of the Administrative Code.

3707 Old Highway 395 • Fallbrook, CA 92028
 Phone: (760) 728-1178 • Fax: (760) 728-2575 • www.rainbowmwd.com
 /Volumes/main/Finance/Group-Engineering/Meter Tasks-Forms/NEW- DS and removal forms/DownsizeMeterRequest_Jul2020.docx

3. I acknowledge that this request is subject to and approval is conditioned on compliance with District ordinances, rules and regulations, and the District's Administrative Code, including those provisions governing the size, number and location of service connections, governing who may request a connection and governing the terms of transfer.
4. I acknowledge that, if in the future a larger water meter is required due to higher water usage, I will be required to pay all-past District Operations and Maintenance fees starting from the effective date of the Meter Downsize Agreement through the effective date of the signing of the Meter Upsize Memorandum of Understanding.
5. I acknowledge that in the event the District determines that downsizing is not appropriate, I am responsible for bringing the account current by paying all unpaid fees assigned to the account and hereby agree to make any such payments.
6. I acknowledge that to the extent downsizing results in unused capacity, the District's obligation to recognize such unused capacity, if any, is subject to change and that I may not have a right to such unused capacity in the future. Chapter 8.11 of the Administrative Code.
7. In the event the District incurs any costs or suffers any damage as a result of any misrepresentation, any failure to notify the District of a change in authority to request meter downsizing, a change in ownership of the parcel(s) subject to this request, or a change in control of water service under Chapter 8.04 of the Administrative Code, or in the event this request is determined to be improper for any reason, I understand and agree that I will be solely responsible for, and will defend and indemnify the District from any such costs and damages, including but not limited to the District's reasonable attorney's fees.
8. I acknowledge that the District has the right to refuse or to discontinue water service at any time to protect the District from any fraud or for noncompliance with or violation of any ordinance or rule or regulation of the District arising from this request.

OWNER / AUTHORIZED AGENT:

Name: William McEneaney Date: 09/08/2021
Please Print

Signature: 

FINANCE DEPARTMENT ONLY:

Approved: Yes No

Comments: _____

_____ Date

_____ Finance Manager

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONTRACT CHANGE ORDER FOR THE HELIX ENVIRONMENTAL CONTRACT TO PREPARE A PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT FOR DISTRICT FACILITIES IN THE AMOUNT OF \$65,140 AND EXTENSION OF CONTRACT TERM THROUGH JUNE 30, 2022. (DISTRICT WIDE)

BACKGROUND

On June 25, 2019 Rainbow Municipal Water District (RMWD) Board of Directors approved a professional services agreement with Helix Environmental to prepare a Programmatic Environmental Impact Report (PEIR) to address environmental regulations during repair and maintenance of existing facilities as well as future projects. The current practice at the District has been to handle the California Environmental Quality Act (CEQA) requirements on a project by project basis. This practice has led to delays in constructing projects and unforeseen expenses. The PEIR is intended to streamline the environmental process for District projects, saving the District time and money.

The PEIR includes a wide-range of projects, analysis of each project, and presents appropriate mitigation measures for each of the projects. The PEIR includes technical reports on biological resources, cultural resources, air quality, noise, hydrology, and water quality. The appropriate field surveys are conducted to support the aforementioned reports. Significant public outreach is performed to engage various stakeholders including neighboring Native American Tribes.

An update on the PEIR was provided in a presentation to the Engineering and Operations(E&O) Committee and Board of Directors in April 2021. Taking a holistic approach, the presentation described analyzing all potable water and sewer pipelines in the District in lieu of just a limited number of repair/maintenance and near future CIP Projects presented in the original Helix Environmental scope of work. This approach was innovative, unprecedented, and well received by both the E&O Committee and Board of Directors; however, it also expanded the scope of service for the consultant and need for a time extension to complete the project.

This project is a District-Wide project and includes all five Divisions.

DESCRIPTION

The professional services agreement with Helix Environmental expires on November 29, 2021. As mentioned in the background section, both the scope of work has increased and a time extension is needed to complete the project. Helix Environmental provided an amendment to the scope of work to augment existing efforts and include the holistic approach of analyzing all District pipeline facilities. The additional scope of work includes analysis of all water and sewer pipelines, increased number of presentations, hearing attendance, coordination and meetings. The level of effort required in this augment is significant in that it necessitates the analysis and categorization of 13,947 individual segments of water pipelines. Pipelines are grouped into three categories as follows: "A" projects are within sensitive areas which cannot

be relocated into non-sensitive areas, “B” Projects within sensitive areas that can be relocated into non-sensitive areas, and “C” Projects already within non-sensitive areas. Similarly, this extended into the analysis of all 1,746 sewer pipeline segments. The PEIR will outline the level of mitigation necessary to meet CEQA requirements for each category of pipelines. This significant level of effort is covered and accounted for in the change order presented by Helix Environmental.

It is worth noting that Task 1 C presented in the table was determined to not be applicable to the PEIR and is reflected in the table as a credit of \$11,050. The table below summarizes the increase in scope and cost. The Helix Environmental Scope of Work is Exhibit A to this report (Exhibit A) and provides more detail on the increased scope of services and cost breakdown.

#	TASK	SCOPE DESCRIPTION	INCREASE COST
1.	Task 1A-Cultural Resources Technical Report	Additional 36 hours Senior staff support for outreach and consultation.	\$5,230
2.	Task 1B-Biological Resources Technical Report	Expansion of scope to cover analysis of all District pipelines which is about 2,300 projects and 30 site visits.	\$33,880
3.	Task 1 C Hydrology /Water Quality Technical Report	Task not applicable to PEIR.	(\$11,050)
4.	Task 2-Notice of Preparation	Assistance with public noticing and presentation preparation and delivery.	\$3,010
5.	Task 3-Preliminary Internal Draft PEIR	Inclusion of additional analysis of all pipelines into the Draft PEIR report.	\$7,760
6.	Task 12-Management	Project scope augment and extension of schedule necessitates additional 48 hours of project management time.	\$10,320
7.	Task 13-Calls/Meetings/Hearings	Additional 40 hours of meeting time needed for increased meeting coordination associated with increased scope.	\$10,830
8.	Task 16-As-Needed Support	Additional 24 hours of Principal Planner time for “As-Needed” Services.	\$5,160
		TOTAL	\$65,140

In addition to the increased scope of services and cost, a time extension to complete the project is required. The original professional services agreement expires on November 29, 2021 and will need to be extended until June 30, 2022 to complete the project.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. The PEIR will streamline the CEQA process for projects aimed at maintaining, repairing, and replacing existing infrastructures in a timely manner.

Strategic Focus Area Four: Fiscal Responsibility. Streamline process of addressing projects in the PEIR versus individual projects will save District staff time, effort, and cost.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA.

BOARD OPTIONS/FISCAL IMPACTS

Funds were budgeted in the Five-Year CIP Plan for project number 300007 but are not sufficient to cover this change order of \$65,140. An appropriation of funds will be needed for the change order of \$65,140. Sufficient Water Capital reserve funds are available to cover this increase.

Option 1:

- Appropriate an additional \$65,140 in project costs for the CIP budget for this project.
- Authorize the General Manager to execute a Change Order to the Professional Services Agreement with Helix Environmental to provide additional scope of services in the development of the PEIR in the amount of \$65,140.
- Extend the contract term from November 29, 2021 to June 30, 2022.
- Make a determination that the action identified herein does not constitute a “project” as defined by CEQA.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering and CIP Program
Manager

12/07/2021

HELIX Environmental Planning, Inc.
7578 El Cajon Boulevard
La Mesa, CA 91942
619.462.1515 tel
619.462.0552 fax
www.helixepi.com



01940.00002.001
Project No. 300007, Contract No. 19-21

September 13, 2021

Mr. Malik Tamimi
Engineering Project Manager
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

Subject: Contract Augment #1 to Provide Additional Consulting Services for the Water & Sewer Facilities Plan Program EIR

Dear Mr. Tamimi:

HELIX Environmental Planning, Inc. (HELIX) is submitting this contract augment (Augment) to Rainbow Municipal Water District (District; Client) to provide additional consulting services for the Water & Sewer Facilities Plan Program EIR (Project; PEIR). Under our original Professional Services Agreement (PSA) dated July 29th, 2019, HELIX outlined its services, including Tasks 1 through 15 that include tasks for technical studies and the preparation of a PEIR. The following scope of services provides contract authorization for additional work conducted under Tasks 1A, 1B, 2, 3, 12, and 13. Also included is a new task (Task 15) to provide general as-needed support for the Project.

This request for an Augment is primarily based on the change in the approach to the analysis in the PEIR from focusing on projects only included in the Capital Improvements Program (CIP) to including analysis that would cover all District water and sewer pipelines. Further, additional effort has been expended to provide extensive coordination between HELIX and the District's Project team and an increased number of presentations, hearing attendance, and meetings. We have continued work at the District's request in the interest of keeping the Project moving forward. Additional details regarding changes in individual tasks are described below.

SCOPE OF SERVICES

Task 1A: Cultural Resources Technical Report

HELIX obtained a records search from the South Coastal Information Center at San Diego State University to determine areas of archaeological sensitivity. The actual cost of the records search was \$400 additional than estimated.

HELIX is scoped to prepare templates for the letters of consultation to be sent to Tribal members by the District to support consultation under Assembly Bill (AB) 52 and Senate Bill (SB). If requested by the District, HELIX Cultural Resources Group staff will act as extension of staff to assist the District with government-to-government outreach and consultation under SB 18 and AB 52, such as attending project meetings or calls. This scope assumes up to 36 hours for a senior archaeologist or other cultural resources staff to assist with consultation meetings, including attendance via virtual meetings or telephone and providing meeting summary notes afterwards.

Task 1B: Biological Resources Technical Report

At the request of the District, HELIX expanded their area of study to include all existing District-wide water and sewer lines in addition to the CIP project list. As part of this effort, HELIX performed an initial literature and database desktop review of existing resources within the District's service area for existing water and sewer pipelines located on and/or in the immediate vicinity of undeveloped areas where biological resources could occur.

The purpose of the analysis is to help the District prioritize near term "shovel-ready potable water projects" in line with conditional assessment prioritization and "active or soon to be active" sewer projects; help the District plan for longer term projects with major environmental issues requiring additional environmental work; identify potential mitigation land banking needs and solutions for biological resources impacts; and to develop a comprehensive "if this, then that" matrix addressing environmental clearances and construction mitigation needs for each District project.

As part of this effort, HELIX is in the process of conducting the following tasks:

- Develop a potable water pipeline database and web mapper for initial screening to identify three categories:
 - "A" Projects within sensitive areas that cannot be relocated into non-sensitive areas.
 - "B" Projects within sensitive areas that can be relocated into non-sensitive areas.
 - "C" Projects already within non-sensitive areas.
- Conduct selective fieldwork and additional desktop analysis to confirm which projects have potential high, moderate, or low environmental sensitivity.

The pipelines were divided into approximately 2,300 projects. The initial review entailed a compilation of readily available biological studies and environmental documentation previously prepared within the service area. In addition, HELIX reviewed sensitive biological resources databases, including the CDFW California Natural Diversity Database (CNDDDB), California Native Plant Society (CNPS) electronic inventory, USFWS critical habitat and species lists, SanGIS and Multiple Species Conservation Program (MSCP) data, and other sources. These were reviewed in conjunction with available recent aerial photography. Maps will be prepared in Geographic Information Systems (GIS) depicting selected facilities in relation to the existing biological resources data. The maps will preliminarily identify potential biological constraints, support subsequent field survey efforts, and serve as baseline mapping for environmental document figures. The GIS data will be provided to the District upon completion of the project.

Upon completion of the initial desktop review, HELIX will complete site visits with the District to ground-truth existing conditions for up to 30 facility locations for the non-CIP projects, which HELIX assumes can

be accomplished by a single biologist in up to three full days in the field. These site visits are in addition to the surveys included in the original scope of work. The site visits will serve as reconnaissance-level surveys of the facility locations and immediate vicinity (i.e., up to 100 feet beyond the facility boundaries) and will include field methods for confirming existing vegetation communities, qualitatively identifying the potential for sensitive species to occur, identifying potential wetlands, and mapping the general locations of other sensitive biological resources. The site visits will also provide the District with recommendations on how to best access and maintain certain facilities while minimizing potential impacts on biological resources.

Upon completion of the initial desktop review and site visits, HELIX will incorporate the additional analysis into the biological resources technical report. The programmatic analysis will assess the potential for additional sensitive resources to occur within and adjacent to pipeline alignments, identify regulatory issues related to the resources within and adjacent to pipelines, and include mitigation measures where applicable. A summary table will be included in the report noting the potential biological impacts found to be associated with each pipeline project, the potentially required mitigation measure(s), and if additional analysis may be required.

Task 1C: Hydrology and Water Quality Technical Report

This task was included in response to the Project Request for Proposals; however, based on discussions with the Project team and the programmatic nature of the analysis, this task will be removed from the scope of work.

Task 2: Notice of Preparation

Extensive coordination and revisions of the PEIR Notice of Preparation (NOP), mailing list, and Scoping Meeting were conducted. In addition, due to COVID-19, the assumption changed from the original scope (where the District would host the meeting) to have HELIX would host and be the primary presenter of the scoping presentation in an online format. The draft NOP, newspaper ad, and presentation also needed to be revised to reflect the current Project description. In addition, the mailing list was revisited and updated several times at the request of the District.

Task 3: Preliminary Internal Draft EIR

As noted previously, the scope of the analysis in the PEIR has been extended to include non-CIP projects, which will require additional work associated with each of the twenty issue topics required by Appendix G of the State CEQA Guidelines, such as subdividing the impacts into the different categories as described under the Biological Resources task. The original scope assumed that the District would provide GIS files of CIP projects; however, these were unavailable and HELIX staff assisted with creating a GIS layer of the proposed CIP water and sewer projects based on District-provided cut sheets. The additional work associated with this task includes assistance that HELIX has provided the District to coordinate the numerous updates to the CIP list that would be included in the PEIR and updating the associated figures.

Task 12: Management

HELIX has provided extensive as-needed management and consulting services to assist the District with the environmental processing of the Project. Our original scope of work included twelve months of Project management. We depleted our management budget in March 2021. As of July 2021, the Project has extended to 24 months. This Augment assumes an additional 48 hours of Project Manager time to coordinate with staff to cover costs incurred since March 2021 until the estimated project completion.

Task 13: Calls/Meetings/Hearings

The original budget for participation in meetings and team conference calls has been depleted. Our original scope included 56 hours of meeting/hearing participation. As of July 2021, 90 hours have been spent thus far on meetings, and additional meetings and presentations are anticipated. This scope includes the 34 hours expended beyond the original budget and an additional 16 hours to cover meetings/teleconferences and hearings. Additional participation requested by the District for HELIX to participate in meetings and hearings may require a contract augment.

Task 16: As-needed Support

This task includes up to 24 hours of Principal Planner time to provide general support for the Project outside of the tasks associated with the Program EIR, as requested by the District.

ASSUMPTIONS AND ADDITIONAL LIMITATIONS ON SCOPE OF SERVICES

Costs associated with permit preparation and processing, technical studies, and reports, or other “additional work” not described above are not included within the scope of services required of HELIX under this Augment.

COST ESTIMATE AND PAYMENT PROCEDURES

HELIX submits this cost estimate not to exceed \$65,140 (a breakdown of which is provided below), which brings our currently authorized amount from \$199,965 to \$265,105.

This Augment also includes a request to add additional labor rates to the contract. The requested rates are included as Attachment A to this Augment.

All work shall continue to be invoiced on a time and materials basis pursuant to our existing contract with the District. Payment terms are net 30 days pursuant to the Terms and Conditions referenced under our original PSA dated July 29th, 2019.

Task Number	Task Name	Current Total	Augment 1	Revised Total
1A	Cultural Resources Technical Report	\$15,620	\$5,230	\$20,850
1B	Biological Resources Technical Report	20,590	33,880	54,470
1C	Hydrology/Water Quality Technical Report	11,050	(11,050)	0
1D	Paleontological Technical Report	5,740	0	5,740

Task

Number	Task Name	Current Total	Augment 1	Revised Total
2	NOP	4,180	3,010	7,190
3	Preliminary Internal Draft PEIR	65,140	7,760	72,900
4	Revised Internal Draft PEIR	10,280	0	10,280
5	First Screencheck Draft PEIR	5,520	0	5,520
6	2 nd Screencheck Draft PEIR	3,140	0	3,140
7	3 rd Screencheck Draft PEIR	2,320	0	2,320
8	Public Review Draft PEIR	10,120	0	10,120
9	Final PEIR	13,985	0	13,985
10	MMRP	1,950	0	1,950
11	Findings	2,000	0	2,000
12	Management	10,320	10,320	20,640
13	Calls/Meetings/Hearings	12,160	10,830	22,990
14	PEIR consistency checklist	3,900	0	3,900
15	Project-oriented MMRP	1,950	0	1,950
16	As-needed support	0	5,160	5,160
TOTAL		\$ 199,965	\$65,140	\$265,105

EXECUTION OF AUGMENT

This quote is good for 30 days from the date of this letter. This augment to the existing PSA will be executed upon HELIX's receipt of written authorization from the District signed by an authorized representative.

We look forward to continuing our work with you on this project. If you have any questions concerning this Augment, please call me at (619) 462-1515.

Sincerely,

Joanne M. Dramko, AICP
Environmental Planning Discipline Leader

Attachment A: Additional Labor Rates

Attachment A
Supplemental Labor Rates for Water & Sewer Facilities Plan Program EIR
Project No. 300007, Contract No. 19-21

To provide flexibility for conducting work on Program EIR tasks, HELIX requests the following rates to HELIX’s labor rate sheet:

HELIX Labor		
Personnel	Rate	Note
Sr. Archeologist I	\$120	This is a new labor category that provides a lower rate than current rate of \$155.
Assistant Cultural Resources Assistant Project Manager	\$115	This is a new labor category that provides a lower rate for a report writer.
Staff Archeologist II	\$105	This is a new rate category that provides a more experienced staff archaeologist.
Biologist III	\$105	This is a new labor category that provides a lower rate than Biologist V for conducting field work and report writing.
Biologist II	\$95	This is a new labor category that provides a lower rate than Biologist V for conducting field work and report writing.
Biologist I	\$85	This is a new labor category that provides a lower rate than Biologist V for conducting field work and report writing.
Sr. GIS Specialist II	\$130	This is a new labor category that provides a rate in between \$140 and \$125.
Sr. Environmental Project Manager	\$165	This is a new labor category that provides a rate in between \$215 and \$110.
Environmental Project Manager III	\$135	This is a new labor category that provides a rate in between \$215 and \$110.
Environmental Project Manager I	\$120	This is a new labor category that provides a rate in between \$215 and \$110.
Environmental Planner III	\$105	This is a new labor category for a more experienced environmental planner for EIR preparation.



BOARD ACTION

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

CONSIDER AWARD OF A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$345,000 WITH CORRPRO COMPANIES, INC. FOR RAINBOW VALLEY BLVD CATHODIC PROTECTION PROJECT IN DIVISION 5

BACKGROUND

In January of 2019, the Board of Directors awarded a professional services agreement to HDR consulting firm to develop the corrosion protection program. The need to develop the corrosion protection program was based on the findings of the condition assessment for District water facilities, specifically water pipelines. The condition assessment concluded that there was a very strong correlation between leaks and the presence of both high water pressures and highly corrosive soils. By instituting a corrosion protection program, the District could slow down the deterioration of pipes and extend the useful life of existing infrastructure. The corrosion protection program report was completed in the summer of 2020 and provided District staff with guidance on how to implement and install cathodic protection for District water pipelines.

In the Fall of 2020, District staff identified a pipeline from Rainbow Heights Pump Station along 8th street and Rainbow Valley Blvd to Rainbow Hills Pump Station as a suitable pilot project for the cathodic protection program (Attachment A). Although this is just one pilot project, the Program goal is to implement cathodic protection projects similar to the Rainbow Valley Blvd project District-Wide to protect pipelines. Cathodic protection is the process of protecting a metal pipeline by connecting it to a sacrificial metal or anode and allowing the anode to corrode in place of the pipe. Larger pipelines can be better protected by adding an external power source to the system known as impressed current. The external power source or impressed current drives the electrochemical reaction needed to protect the larger pipelines.

The District hired Corrpro Companies, Inc., a well known local firm specializing in cathodic protection, to prepare a project design. The design and bid package were completed in October of 2021. The project site is located within Division 5.

DESCRIPTION

The District released the Rainbow Valley Blvd Cathodic Protection Project bid package for public bidding on October 25, 2021. It was advertised in the Daily Journal, posted on the District's website and E-BidBoard. On November 15, 2021, the District received three (3) bids from contractors. The bid open commenced via a zoom teleconference from the District's Board Room. Instructions on how to attend the meeting were included in the bid package. The following is a list of contractors and their bids.

<u>Contractor Name</u>	<u>Bid Amount</u>
1. Corrpro Companies, Inc.	\$345,000.00
2. Farwest Corrosion Control, Co.	\$524,703.14
3. Kay Construction, Co.	\$722,404.19

The lowest bidder was Corrpro Companies, Inc. with the bid amount of \$345,000. Staff has evaluated bids and there were no irregularities with the lowest bidder Corrpro. The bid was complete, and the licenses and bonding were correct and in place. The District received a protest letter on November 17, 2021 from the second lowest bidder. District Legal Counsel has reviewed the protest and will advise the Board as to the correct course of action at the Board meeting.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Installation of cathodic protection on existing pipeline will extend the pipelines useful life by protecting it from further corrosion.

ENVIRONMENTAL

The action before the Board qualifies for Class 1, Existing Facilities Exemption from CEQA. State CEQA Guidelines Section 15301 (Class 1) consists of the operation, repair, maintenance, or minor alteration of existing public or private structures, facilities involving no expansion of existing or former use.

BOARD OPTIONS/FISCAL IMPACTS

Total fiscal impact for the construction contract is \$345,000. Funds were budgeted under project number 600030 in the amount of \$250,000 at 80% for an approved budget of \$200,000. An appropriation of funds will be needed for the contract difference (\$145,000) and estimated soft costs (\$55,000) for a total amount of \$200,000. Sufficient Water Capital reserve funds are available to cover this increase.

Option 1:

- Appropriate an additional \$200,000 in project costs for the CIP budget for this project.
- Approve the Construction Agreement with Corrpro Companies, Inc. in the amount of \$345,000.
- Authorize the General Manager to execute the construction contract.
- Make a determination that the project is Categorical Exempt from CEQA

Option 2:

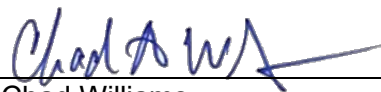
- Reject all bids and rebid at a later date.

Option 3:

- Provide other direction to staff.

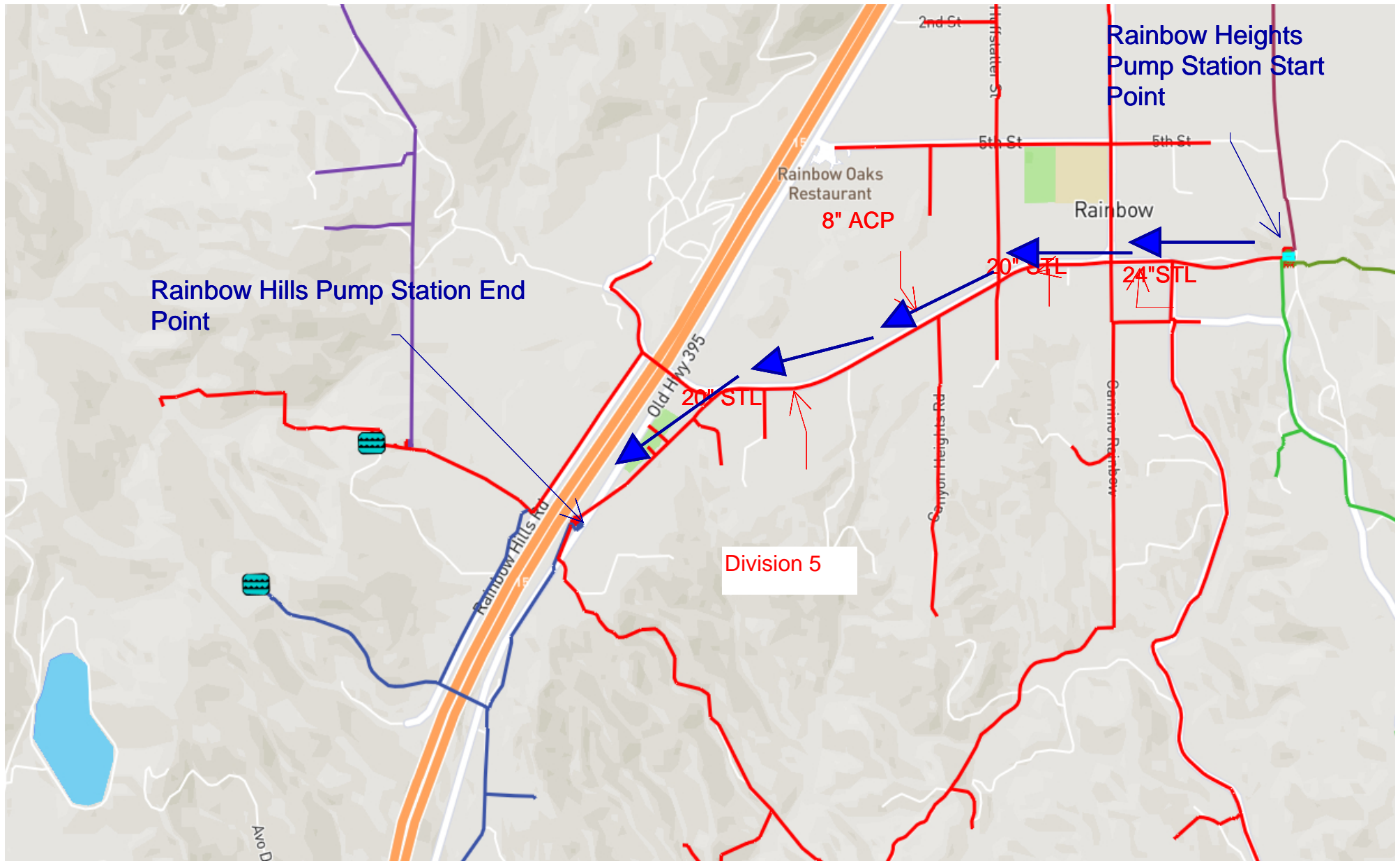
STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering and CIP Program Manager

12/07/2021



1" = 1808 ft

Rainbow Heights Blvd
Cathodic Protection Project

09/18/2020



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

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONTRACT CHANGE ORDER FOR HELIX ENVIRONMENTAL CONTRACT TO CONDUCT CULTURAL AND TRIBAL MONITORING FOR THE RICE CANYON PIPELINE PROJECT IN THE AMOUNT OF \$115,000 (DIVISION 4 & 5)

BACKGROUND

The jurisdictional limits of Rainbow Municipal Water District (referred to herein as the District) coincide with areas of significant cultural and tribal resources of the Luiseno settlement, known as the San Luis Rey Complex. The Citro Development, formerly Meadowood, is owned by Tri Pointe Homes, formally Pardee Homes and is located adjacent to the District boundary on Horse Ranch Creek Road near Highway 76 and Interstate 15 within the San Luis Rey Complex. In April 2021, the Board committed the District to providing water and sewer service to the Citro Development, which also committed the District to partnering with our Native American neighbors to ensure significant cultural and tribal resources were adequately protected and preserved during the construction of new services.

The Rice Canyon Pipeline Project (referred to herein as "Project") consists of a new 18-inch transmission water main that will be constructed from Rice Canyon Tank to the Citro Development. Because the Project was directly associated with the Citro Development, it was determined that all associated Project impacts could be analyzed under the Citro Development Final Environmental Impact Report (FEIR), which was certified in 2012.

On April 28, 2020, the Board adopted Resolution 20-07, which ratified the CEQA findings of the Pardee Final Environmental Impact Report (EIR) to include an addendum for the analysis and review of impacts associated with the Project. The EIR addendum concluded that the Project is less than one mile in length and that all associated impacts were adequately evaluated in the EIR and would not result in any new or more severe impacts than were discussed in the EIR. These findings were supported by supplemental technical studies, including a cultural resources report to ensure all resources evaluated under CEQA were adequately analyzed and consistent with the findings in the original CEQA document certified in 2012. A cultural resources report prepared for the Project made the determination that cultural monitoring would not be required during construction due to the site's steep topography and location of cultural resources in the area. This determination was supported by a field survey with a local, Native American monitor and extensive in-house record searches of the National Register of Historic Places (NRHP) for San Diego County, National Historical Landmarks, California Points of Historical Interest, historic resources inventory files, archaeological inventory files, a bibliography of previous cultural resources investigations, and various historic maps.

DESCRIPTION

Despite the extensive cultural investigations performed for this Project to satisfy CEQA Section 15064.5 Determining the Significance of Impacts to Archaeological and Historical Resources requirements, the District has determined that cultural and tribal monitoring will be implemented for this Project as an act of good faith and protection of resources of our tribal neighbors. The District understands that there may be artifacts and culturally sensitive areas of the ancestors of the ethnographic Luiseno and a thorough effort will be put forth in protecting those resources during the construction of the Project.

Project construction is expected to occur for 260 working days. During this time, approximately 50 days of full-time monitoring for an archaeologist performed by Helix Environmental and 100 days of full-time monitoring by a Native American monitor from the Rincon Band of Luiseno Indians (Rincon) will occur. The level of monitoring was determined based on ground disturbing activities and coordination with the Rincon Tribal Historic Preservation Officer and Cultural Resource Manager. Tribal representatives intimately involved with the Citro Development were also consulted to ensure consistency amongst both projects. The cost for cultural and tribal monitoring is not to exceed \$115,000 and will be appropriately reduced if the determination is made that no cultural or tribal resources will be impacted during construction.

A change order in the amount of \$115,000 to the Helix Environmental As-Needed Environmental Services Contract No. 20-03 is needed to issue an assignment letter to perform cultural and tribal monitoring on the Project. This change would result increasing the total contract value to \$325,000 and would not change the date of expiration (02/25/2023). Additionally, funding in the amount of \$115,000 needs to be appropriated to adequately fund these services for the Rice Canyon Pipeline Project, as they were not originally considered in the total project cost.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources. The Rice Canyon Pipeline Project will allow the Horse Creek Ridge and Citro Developments as well as several other existing customers to be supplied water from the Rice Canyon Tank Zone which is, in turn, supplied from an underutilized Metropolitan Water District (MWD) connection. This will allow more customers to be supplied water through MWD connections in other zones of the District.

Strategic Focus Area Four: Fiscal Responsibility. The District has agreed to provide water and wastewater service to the Citro Development. The District is able to accommodate the request for serving additional customers prior to the completion of the Phase 1 Sewer Improvements and if approved would have the opportunity to begin collecting fees for service earlier than otherwise allowed.

ENVIRONMENTAL

On April 28, 2020, the Board adopted Resolution 20-07 which ratified the CEQA findings included in the resolution as well as the 2020 Addendum to the Pardee Final Environmental Impact Report.

The County of San Diego, in its role as lead agency pursuant to CEQA, certified a Final Environmental Impact Report for the Citro Project (Project), formerly Meadowood, on January 11, 2012. The FEIR assumed that LAFCO approval would be required to annex the Project to the service area of either RMWD or VCMWD and analyzed the impacts of the infrastructure needed to connect to RMWD's system, with the exception of a new 18" pipeline connecting the Project with RMWD's Rice Canyon Water Tank. An Addendum to the FEIR was prepared that analyzes the Rice Canyon Water Tank pipeline, dated April 6, 2020 (2020 Addendum). The 2020 Addendum also identifies RMWD as the preferred water and sewer service provider to the Project. The new 18" underground pipeline is proposed to be 4,500 linear feet in length and to be located within a RMWD easement.

Public Resources Code section 21080.21, provides:

“[CEQA] does not apply to any project of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline. For purposes of this section, “pipeline” includes subsurface facilities but does not include any surface facility related to the operation of the underground facility.”

Because the pipeline will be underground, is located in a public right-of-way, and is less than one mile in length, CEQA does not require an environmental analysis of the pipeline. The 2020 Addendum nevertheless documents that all impacts associated with the provision of water service to the Project by RWMD were adequately evaluated in the FEIR, and would not result in any new or more severe impacts than were disclosed in the FEIR.

BOARD OPTIONS/FISCAL IMPACTS

Funds for cultural and tribal monitoring were not budgeted in the Five-Year CIP Plan for project number 600034, as they were not required per the Project’s CEQA findings. A budget appropriation of \$115,000 will be needed for this Project. Although these services come at an additional expense to the Project, it is expected that the new customers from the Citro development will generate over \$800,000 per year in monthly water service fees and wastewater fees based on our current rates.

Capital budgets are approved for one (1) year only, with the forecast going out five (5) years. The Rice Canyon Tank Transmission Main project has an approved budget of \$3.375M for FY 2021/22. The Board took action to appropriate the additional \$1.825M in the CIP budget for this project on August 24, 2021, bringing the total project budget to \$5.2M. Funds are available in the budget for future fiscal years for this additional cost, however certain adjustments on the timing of other projects may be required. These matters will be addressed by both the Engineering and Operations Committee and the Budget and Finance Committees over the next several months and will be included in the FY22/23 Budget next spring.

Option 1:

- Approve the change order request for the Helix Environmental As-Needed Consultant Contract No. 20-03 and authorize the General Manager to execute the change order on behalf of the District.
- Appropriate an additional \$115,000 of project costs to the Rice Canyon Pipeline Project (Project No. 600034).

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering and CIP Program
Manager

12/07/2021

HELIX Environmental Planning, Inc.
7578 El Cajon Boulevard
La Mesa, CA 91942
619.462.1515 tel
619.462.0552 fax
www.helixepi.com



November 15, 2021

Amanda Parra, CIP Project Manager
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028
aparra@rainbowmwd.com | 760.728.1178 (Ext 199)

Subject: Letter Proposal/Agreement to Provide Cultural Resources Monitoring Services for the Rice Canyon Transmission Line Project

Dear Ms. Parra:

HELIX Environmental Planning, Inc. (HELIX) is submitting this letter proposal/agreement (Agreement) to Rainbow Municipal Water District (District; Client) to provide archaeological monitoring services for the Rice Canyon Transmission Line Project (Project) located in the County of San Diego (County), California. The Project will involve the construction of a 4,600-foot-long water main to connect to the existing Rice Canyon Water Tank.

SCOPE OF SERVICES

Archaeological and Native American Monitoring. HELIX will provide archaeological and Native American monitoring services for the Project. The scope includes: provide a senior archaeologist/cultural resources specialist to attend a preconstruction meeting (to be held virtually) with the Grading Contractor and/or Construction Manager and District staff to explain the monitoring program and its protocols; provide a full-time archaeological monitor for trenching/ground-disturbing activity for the Project; and submit a letter report at the conclusion of monitoring. In addition, HELIX will coordinate with the Native American Cultural Monitors to ensure adequate monitoring coverage during ground disturbance.

As a subcontractor to HELIX, Rincon Band of Luiseño Indians (Rincon) will provide Native American Cultural Monitors. The scope for Rincon includes: provide a representative to attend a preconstruction meeting (to be held virtually) with the Grading Contractor and/or Construction Manager and District staff and provide a full-time Native American Cultural Monitor for trenching/ground-disturbing activity for the Project.

SCHEDULE

HELIX will work with Client in a timely and professional manner in accordance with the Terms and Conditions attached and incorporated herein by reference as Exhibit A. These Terms and Conditions are a material part of this Agreement.

COST ESTIMATE AND PAYMENT PROCEDURES

HELIX submits this cost estimate not to exceed \$111,400. All work shall be invoiced on a time-and-materials basis pursuant to Exhibit B, Schedule of Fees. Payment terms are net 30 days pursuant to the Terms and Conditions referenced herein.

ASSUMPTIONS AND LIMITATIONS

The following assumptions and limitations are a material component of this Agreement.

- The scope assumes 50 days of full-time monitoring for an archaeologist and 100 days of full-time monitoring by the Native American monitor. Nine hours per day are assumed for the archaeologist to account for travel time and daily notes.
- The scope assumes that no cultural material will be recovered during monitoring. If cultural material is encountered, it may need to be documented and moved/reburied; additional excavation or other research may be required, which may result in additional costs. The scope and cost of additional work would depend on the nature and extent of cultural material encountered. We will notify you immediately if cultural material is encountered. This scope assumes that any Native American cultural material recovered will be turned over to Rincon or remain on site; thus, no curation would be required for this material. If historic archaeological material is collected, it will be curated at the San Diego Archaeological Center at additional cost to Client, and Client will be notified of these costs.
- If HELIX finds that we can cut back on the monitoring hours and still be confident of not harming cultural resources, we will do so. However, if additional monitoring hours are required beyond those originally estimated, Client will be notified, and such time will be billed on a time-and-materials basis per the attached rate sheet.

EXECUTION OF AGREEMENT

This quote is good for 30 days from the date of this letter. This Agreement will become a contract upon HELIX's receipt of this original, including any Exhibits, signed by an authorized representative of Client.

Letter to Amanda Parra
November 15, 2021

Page 3 of 3

We look forward to working with you on this Project. If you have any questions concerning this Agreement, please contact Mary Robbins-Wade, your Project Manager, or me at (619) 462-1515 or maryrw@helixepi.com.

Sincerely,



Andrea S. Bitterling
Planning Division Manager

Enclosures: Exhibit A, Terms and Conditions
 Exhibit B, Schedule of Fees

The following Terms and Conditions are made a part of the letter agreement/proposal (Agreement) between HELIX and Client and supersede any conflicting Terms and Conditions proposed by Client, unless HELIX agrees to such Terms and Conditions in writing.

ARTICLE 1. SCOPE OF WORK AND STANDARD OF PERFORMANCE

HELIX will perform the work outlined in the Agreement and any services approved by Client under Article 3 (the Services). HELIX will strive to perform the Services in a manner consistent with that level of care and skill ordinarily exercised by reputable members of HELIX's profession practicing at the time under similar conditions in the geographic area of Client's project. HELIX makes no other representation, expressed or implied, nor no other warranty or guarantee under this Agreement or in any report, opinion or document provided hereunder.

ARTICLE 2. COMPENSATION

Client agrees to pay HELIX compensation for the Services in accordance with the rates set forth in Exhibit B. HELIX shall invoice Client monthly or as otherwise agreed. Client agrees to pay HELIX within thirty (30) days of the date of invoice. If payment is not paid when due, then such sum shall bear interest at 1½ percent per month on the unpaid balance, not to exceed the maximum legal rate of interest.

ARTICLE 3. CHANGES AND ADDITIONAL WORK

Client may request or HELIX may recommend or request, verbally or in writing, a change in the scope in excess of or in addition to the Services ("additional work"). As soon as practical after such request or recommendation, HELIX shall forward to Client a proposal of the costs for such additional work and any adjustment to the payment schedule and time for performance. Client shall approve or disapprove the proposal, in writing. If approved, HELIX shall perform the extra work in accordance with the Terms and Conditions herein.

Notwithstanding the foregoing, however, if Client verbally approves the extra work and HELIX has performed the same, then Client agrees to pay HELIX the amount and pursuant to the payment schedule as set forth in its proposal.

ARTICLE 4. LIMITATION OF LIABILITY

Recognizing the relative risks and benefits of the project for which the Services are being performed, Client agrees to limit the liability of HELIX, its directors, officers, employees, agents and subcontractors for any and all injuries, claims, losses, expenses or damages (including incidental or consequential damages) arising out of or in any way related to the Services or the project hereunder, to the lesser of (a) fifty thousand dollars (\$50,000) or (b) the total compensation for the Services hereunder. Such liability includes HELIX's negligence, errors or omissions, strict liability and breach of contract or warranty. Any claim against HELIX hereunder shall be brought within one (1) year of the completion of the Services herein.

ARTICLE 5. TERMINATION

Either party may terminate this Agreement, either in whole or in part, without cause, by giving the other party thirty (30) days written notice. In such event, Client will pay HELIX for all work performed by it prior to the notice of termination.

In the event of a default, the non-defaulting party shall give the defaulting party ten (10) days' written notice of default. "Default" includes Client's failure to pay HELIX sums due, including additional work pursuant to Article 3. The defaulting party's failure to cure the breach within said ten- (10-) day period shall constitute a material breach of this Agreement and termination of the Agreement.

ARTICLE 6. SUSPENSION OF WORK

Client may suspend the Services, in whole or in part, by giving HELIX reasonable, written notice specifying the work to be suspended. Upon receipt of notice, HELIX shall suspend the work requested and Client shall pay for all Services through the date of suspension and any costs incurred by HELIX in suspending the work.

Thereafter, Client may notify HELIX of its intent to recommence the suspended Services. HELIX will promptly provide Client with any adjusted costs and schedule and, upon Client approval, HELIX shall recommence the Services previously suspended.

ARTICLE 7. PROPRIETARY INFORMATION

HELIX agrees not to disclose to any third person, nor use for the benefit of anyone other than Client, any data, records, financial information or other confidential or proprietary information, marked as such in writing, arising out of or related to the performance of the Services (Proprietary Information). Client similarly agrees not to disclose to any third person, nor use for the benefit of anyone, Proprietary Information of HELIX.

ARTICLE 8. COMPLIANCE WITH LAWS

HELIX shall comply with and observe applicable federal, state and local laws, ordinances, rules, and regulations having jurisdiction over HELIX or the performance of the Services in effect during the term of this Agreement.

ARTICLE 9. FORCE MAJEURE

Client will grant extensions of time and increase the compensation to HELIX to the extent that HELIX's performance hereof is delayed due to an uncontrollable force. The term "uncontrollable force" shall mean any cause beyond the control of HELIX making it impracticable or unable to perform such obligation, including but not limited to natural catastrophes, restraint by court order or public authority and action or nonaction by, or inability to obtain the necessary authorizations or approvals from, any governmental agency or authority which, by exercise of due diligence, HELIX (a) could not reasonably have been expected to obtain or (b) has been unable to overcome. HELIX will notify Client immediately of any such delay or anticipated delay, and Client will extend the date of performance for a period equal to the time lost by reason of the delay and will make an equitable adjustment to the compensation in Article 2.

ARTICLE 10. INSURANCE

HELIX maintains the following insurance: (a) Workers' Compensation insurance – statutory limits; (b) Comprehensive Automobile Insurance – combined bodily injury and property damage limit of one million dollars (\$1,000,000) each occurrence; (c) Comprehensive General Liability Insurance – combined bodily/personal injury and property damage limit of one million dollars (\$1,000,000); (d) Professional Liability & Contractors Pollution Legal Liability – limit of one million dollars (\$1,000,000) each occurrence; (e) Excess Umbrella Liability – limit of two million dollars (\$2,000,000) each occurrence. Upon Client's request, HELIX will furnish evidence that such insurances are in effect. If additional coverage or increased limits of liability is desired, Client may make such request prior to the start of work. HELIX will attempt to obtain the requested coverage or limits, and Client agrees to pay for any additional costs of insurance within ten (10) days of the date of invoice.

ARTICLE 11. AVAILABILITY OF LAND, DATA AND DIFFERING SITE CONDITIONS (for contracts involving field or construction services)

Client shall furnish the site or obtain access to any site not owned by Client. Client shall notify HELIX of any encumbrances or restrictions specifically related to use of the site with which HELIX must comply in performing the Services. Client will obtain in a timely manner and pay for any fees or charges associated with site access or the encumbrances. Client shall furnish HELIX with a current legal description of the lands upon which the Services are to be performed and Client's interest therein as necessary for giving notice of or filing a mechanic's lien against such lands.

HELIX may rely upon the accuracy of the data contained in Reports and Drawings furnished to it by Client or Client's engineer. Reports and Drawings are defined as (a) reports of explorations and tests of subsurface conditions at or contiguous to the site that have been used by the engineer in documents provided to HELIX; and (b) drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site (including underground facilities) that Client or Client's engineer has used in preparing documents provided to HELIX.

If HELIX believes that any subsurface or physical conditions at or contiguous to the site that are uncovered or revealed either (a) is of such a nature as to establish that data on which HELIX is entitled to rely as provided above is materially inaccurate; or (b) is of such a nature as to require a change in the contract; or (c) differs materially from that shown or indicated in documents provided to HELIX by Client or others; or (d) is of an unusual nature and differs materially from conditions ordinarily encountered in work of the character provided for in this contract, then HELIX shall promptly, after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any work in connection therewith (except in the event of an emergency), notify Client or its engineer in writing about such conditions. Thereafter, Client or Client's engineer will investigate the conditions. If the existence of the differing site conditions causes an increase in HELIX's cost of or time required for performance of the work, HELIX will receive an equitable adjustment to the contract price and schedule.

HELIX will not be responsible for any hazardous environmental conditions uncovered or revealed at the site. If such conditions are encountered, HELIX shall immediately stop all work and notify Client or Client's engineer. HELIX shall not be required to resume work in connection with such conditions until Client has obtained any required permits and advised HELIX in writing of such conditions and any affected area is or has been rendered safe for the resumption of work; or has specified any special conditions under which such work may be resumed safely; and HELIX shall receive an adjustment to the contract schedule and price accordingly.

ARTICLE 12. GOVERNING LAW AND ARBITRATION

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Any controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration administered by and pursuant to the Commercial Rules of the American Arbitration Association then in effect. Any such proceedings shall take place in San Diego, California. In any action or proceeding hereunder, the prevailing party shall be entitled to recover attorneys' fees, filing fees, expert witness fees and other costs of arbitration or suit.

ARTICLE 13. NOTICES

Any notice from one party to another shall be in writing and delivered personally, by facsimile or by United States mail, registered or certified, return receipt requested, postage fully pre-paid, to the addresses as set forth in the Agreement to the attention of the signatory of this Agreement.

Any notice shall be deemed delivered upon personal service or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. If any party changes its address, such party shall notify the other party as provided in this article.

ARTICLE 14. MISCELLANEOUS

14.1 Successors and Assigns: This Agreement is binding upon and shall inure to the benefit of the parties and their respective successors-in-interest, assigns and transferees. Neither party can assign this Agreement without the prior written consent of the other party.

14.2 Counterparts: This Agreement may be signed in two or more counterparts, each of which shall constitute an original, but all of which shall be one in the same document.

With the Agreement, these Terms and Conditions and any attached Exhibits constitute the complete and entire contract between the parties and supersedes any previous communications, representations or agreement, whether oral or written, with respect to the subject matter hereof.

CONSULTING SERVICES

Consulting services performed by HELIX typically include, but are not necessarily limited to, office, field, meetings, hearings and travel time. Consulting services for expert witness review, deposition, and/or testimony will be provided at one and one-half times our professional rates.

DIRECT COSTS

Certain identifiable direct costs will be charged to the project at cost plus ten percent. Examples of direct costs include subconsultants, vehicle or equipment rentals, airplane and train fares, parking, per diem and lodging, mileage, communications, reproduction, and supplies. A 4-wheel drive premium will be charged at \$25 per project day. There will be additional charges for plotting, color printing, aerial photographs and GPS services.

PAYMENT

Invoices will be submitted monthly. Payment on invoices is due within thirty days of receipt. If payment is not paid when due, then such sum shall bear interest at 1 ½ % per month on the unpaid balance, not to exceed the maximum legal rate of interest.

PROFESSIONAL RATES

Current hourly rates for consulting services:

Principal	\$225-250
Principal Acoustician	\$180-205
Principal Biologist	\$190-225
Principal Landscape Architect	\$160-190
Principal Planner	\$200-235
Principal Regulatory Specialist	\$190-225
Regulatory Specialist	\$90-135
Senior Regulatory Specialist	\$140-185
Principal Cultural Resources Specialist	\$165-185
Senior Project Manager I-III	\$150-200
Project Manager I-III	\$120-175
Assistant Project Manager	\$100-120
Environmental Planner I-III	\$95-120
Senior Fisheries Scientist	\$200-230
Senior Noise/Air Quality Specialist	\$185-200
Noise/Air Quality Specialist	\$115-145
Environmental Compliance Specialist	\$75-125
Archaeology Field Director	\$110
Senior Archaeologist	\$120-170
Staff Archaeologist	\$80-115
Senior Architectural Historian	\$170-195
Architectural Historian	\$100-130
Senior Landscape Architect	\$130-160
Landscape Architect	\$110-125
Landscape Planner I-III	\$95-115
Sr. Scientist	\$130-165
Biologist I-V	\$85-130
Senior GIS Specialist	\$125-165
GIS Specialist I-III	\$75-120
Graphics	\$115
Technical Editor	\$90-100
Operations Manager	\$105- 120
Word Processor I-III	\$65-85
Clerical	\$60-75

Rates are subject to change on a yearly basis

Date: 11/12/2021

HELIX Environmental Planning, Inc.

File Name: \\HeEnpVM\Vol2\Marketing Folder\Proposals\LETTER PROPOSALS\2021\CULTURAL 2

100 days of monitoring by Rincon and 50 by HELIX; no mitigation measures required to be fulfilled; assumes letter report and no finds

Rice Canyon Transmisison Line Monitoring

		Task 1		Task 2		Task 3		TOTAL	
HELIX LABOR		Prefield		Monitoring		Reporting		TOTAL	
Personnel	Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Principal Cultural Resources Specialist	\$170	6	\$1,020	-	\$0	4	\$680	10	\$1,700
Senior Archaeologist II	\$135	-	\$0	8	\$1,080	-	\$0	8	\$1,080
Staff Archaeologist	\$80	2	\$160	450	\$36,000	-	\$0	452	\$36,160
GIS Specialist I	\$90	-	\$0	-	\$0	2	\$180	2	\$180
Clerical	\$65	-	\$0	-	\$0	2	\$130	2	\$130
Subtotal HELIX Labor		8	\$1,180	458	\$37,080	14	\$1,620	480	\$39,880

SUBCONSULTANTS		Task 1		Task 2		Task 3		TOTAL	
Rincon									
Labor	\$65.00	2	\$130	800	\$52,000	-	\$0	802	\$52,130
Other direct costs	\$0.56	-	\$0	3,500	\$1,960	-	\$0	-	\$1,960
	15%		\$20		\$8,094	-	\$0	-	\$8,114
Subtotal Subconsultant 1		2	\$150		\$62,054	-	\$0	2	\$62,204
Subtotal Subconsultant Cost			\$150		\$62,054		\$0		\$62,204
HELIX mark-up	10%		\$15		\$6,205		\$0		\$6,220
Total Subconsultant Cost			\$165		\$68,259		\$0		\$68,424

EXPENSES		Task 1		Task 2		Task 3		TOTAL	
Document Reproduction	35		\$0		\$10	0	\$5		\$15
Mileage	\$0.560	0	\$0	5000	\$2,800		\$0		\$2,800
Records Search			\$0		\$0		\$0		\$0
Subtotal Expenses			\$0		\$2,810		\$5		\$2,815
HELIX Mark-Up on Expenses	10%		\$0		\$281		\$1		\$282
Total Expenses			\$0		\$3,091		\$6		\$3,097

TOTAL			\$1,345		\$108,430		\$1,626		\$111,401
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BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTIONS OF NECESSITY, RESOLUTION NOS. 21-22, 21-23, 21-24, AND 21-25, AUTHORIZING THE ACQUISITION OF EASEMENTS BY EMINENT DOMAIN FROM PORTIONS OF THE PROPERTIES LOCATED AT 5555 MISSION RD, 5517-27 MISSION RD, 5256 MISSION RD, AND APN 126-230-68, BONSTALL, CA 92003 IN DIVISION 2

BACKGROUND

District staff and the consultant Kennedy Jenks and Associates completed the design for the Lift Station 1 Replacement Project (Project) this past summer. The Project includes the construction of the following:

- Thoroughbred Lift Station and appurtenant pipeline modifications
- Force main from Thoroughbred Lift Station to Old River Road
- Upsize of existing sewer line along Highway 76
- Gravity Main to proposed Thoroughbred Lift Station from Olive Hill Road

The project is needed in order to provide wastewater services to the Citro Development, which includes over 900 new homes. The gravity main to the Thoroughbred Lift Station from Olive Hill Road requires the acquisition of various easements along the proposed alignment. The Upsize of the existing sewer line along Highway 76 also requires the acquisition of various easements.

A California Licensed Surveyor was hired in May of 2021 and prepared legal descriptions and plat maps for the permanent easements and temporary construction easements needed for the Project. The permanent easements are each 20 feet wide, while the temporary construction easements were on average approximately 30 feet wide. The temporary construction easements are needed for all necessary and convenient activities associated with construction of the Project, including to maneuver equipment and store materials during construction. The necessary easements are listed below:

1. 5555 Mission Road, Bonsall: 7,352 Square Feet (SF) Permanent Easement and 12,132 SF Temporary Construction Easement
2. 5517-27 Mission Road, Bonsall: 387 SF Permanent Easement
3. North of Highway 76, West of S Mission Road, Bonsall (APN 126-230-68): 1,821 SF Permanent Easement and 2,273 SF Temporary Construction Easement
4. 5256 Mission Road, Bonsall: 27,221 SF Permanent Easement and 41,059 SF Temporary Construction Easement

Qualified appraiser was hired to value the easement interests necessary for the Project. The fair market value of the easement interests is as follows:

1. 5555 Mission Road, Bonsall: \$35,450;
2. 5517-27 Mission Road, Bonsall: \$1,400;
3. North of Highway 76, West of S Mission Road, Bonsall (APN 126-230-68): \$1,700; and
4. 5256 Mission Road, Bonsall: \$389,000.

On October 13, 2021, the District sent offer letters to all four property owners for the purchase of the aforementioned easements. The offer letters presented the full fair market value based on the appraisals. District staff has been working with the property owners to negotiate a resolution and agreement. To date, District staff and the properties owners have not been able to come to an agreement on the purchase of the easements. The easements are located within Division 2.

DESCRIPTION

The Board of Directors is being asked to consider the adoption of Resolutions of Necessity to acquire the property interests described below for the Project. The Project is required to ensure the District is able to provide wastewater services to the Citro Development and other commercial and residential developments. In order to construct and operate the Project, the District must acquire interests in the properties located at 5555 Mission Road; 5517-27 Mission Road; North of Highway 76 and West of S. Mission Road; and 5256 Mission Road, in Bonsall, as follows:

Resolution of Necessity	Property Owner	Assessor Parcel Number	Property Interests To Be Acquired By the District
21-22	Tesoro Refining & Marketing Company, LLC	126-230-59, 126-230-60, 126-230-69	7,352 square foot Permanent Easement and 12,132 square foot Temporary Construction Easement
21-23	Prosperous Real Estate, LLC	126-230-56, 126-230-66	387 square foot Permanent Easement
21-24	County of San Diego	126-230-68	1,821 square foot Permanent Easement and 2,273 square foot Temporary Construction Easement
21-25	Mission Road Partners LP; William R. Buster; Mark W. Buster; Harold and Patricia Alles, Trustees	126-230-07, 126-230-62, 126-230-63	27,221 square foot Permanent Easement and 41,059 square foot Temporary Construction Easement

The property interests sought are more fully described and depicted in the Exhibits attached to Resolution of Necessity Nos. 21-22, 21-23, 21-24, and 21-25.

Pursuant to applicable requirements of law, the District had the easement interests it proposes to acquire appraised. The appraisals resulted in offers being sent to the owners of the above-referenced properties for the full appraisal amount, as described in the background section, along with a summary of information from the appraisal. The power of eminent domain is used by the District only as a last resort to obtain the property interests necessary for the Project. The District has attempted to negotiate with the property owners and will continue to do so throughout the process. However, a negotiated purchase has not been achieved and the District must adopt Resolutions of Necessity and file eminent domain actions as expeditiously as possible.

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

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

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

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. The increases in sewer flows expected with the addition of the Citro Development make it necessary to install several key sewer facilities to safely and reliably convey wastewater to the Oceanside outfall.

ENVIRONMENTAL

Lift Station I Replacement Project is subject to CEQA review because the proposed project fits into the definition of a "project" under Public Resources Code Section 21065 requiring discretionary approval by the District and because it could result in a significant effect on the environment. The IS Checklist was prepared to determine the appropriate environmental document to satisfy CEQA requirements: an Environmental Impact Report, an MND, or a Negative Declaration. The analysis in this IS Checklist supported the conclusion that the project would not result in significant environmental impacts with the incorporation of mitigation measures; therefore, an MND was prepared and adopted by resolution 21-02 on January 26, 2021 District Board of Directors. It was also filed with the County of San Diego and uploaded to the State Clearinghouse. No further action is required.

BOARD OPTIONS/FISCAL IMPACTS

Total fiscal impact for these easements is estimated at \$427,550. Pursuit of the eminent domain process and associated expenses are considered part of the District's CIP and is budgeted in the 5-Year Capital Fund. Funds were budgeted under project 530001 in the amount of \$15,500,000 and a midyear adjustment will be needed to account for the anticipated eminent domain process and expenses.

Option 1:

- Receive public testimony
- Make a determination that the action identified herein was sufficiently analyzed in the Initial Study Mitigated Negative Declaration adopted by the Board in Resolution No. 21-02 on January 26, 2021 and does not require additional analysis.
- Adopt Resolutions of Necessity Nos. 21-22, 21-23, 21-24, and 21-25, by a two-thirds vote, for the acquisition of the necessary easements by eminent domain on properties located at 5555 Mission Road, 5517-27 Mission Road, North of Hwy 76 and West of S. Mission Road (APN 126-230-68), and 5256 Mission Road, Bonsall, CA 92003.

- Authorize the General Manager to proceed with all condemnation filings and proceedings necessary to acquire the interests in the subject parcels.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering and CIP Program Manager

12/07/2021

RESOLUTION NO. 21-22

RESOLUTION NO. 21-22

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND DIRECTING CONDEMNATION OF PORTIONS OF SAN DIEGO COUNTY ASSESSOR PARCEL NUMBERS 126-230-59, 126-230-60, AND 126-230-69

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

WHEREAS, public safety, welfare, convenience, interest and necessity requires the District to acquire interests in the property located at 5555 Mission Road, in Bonsall, an unincorporated community within San Diego County, for public use, to wit: Acquisition of property for Phase 1 of the Lift Station 1 Replacement Project (the “Project”); and

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

WHEREAS, the property to be acquired for the Project includes a 7,352 square foot permanent easement in the property which bears San Diego Assessor’s Parcel Numbers 126-230-59 and 126-230-69, as described and depicted more specifically in Exhibit “1” attached hereto and incorporated herein for the purposes of public utilities and general utility purposes including sewer, access and maintenance purposes; and

WHEREAS, the property to be acquired for the Project also includes a 12,132 square foot temporary construction easement in the property which bears San Diego County Assessor’s Parcel Numbers 126-230-59 and 126-230-69, as described and depicted more specifically in Exhibit “2” attached hereto and incorporated herein for the purposes of all necessary and convenience activities associated with the Project (“TCE”). The TCE shall be valid for a period of not more than eighteen (18) months. It shall commence seven (7) days from the date upon which the District or its authorized representative provides the owner with written notice of its intent to commence construction utilizing the TCE. The District shall either protect in place or replace in kind any improvement located within the TCE area. At the expiration of the TCE, the District or its agents shall restore the TCE area to a condition as near as practicable to the condition that existed immediately prior to the commencement of construction; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235, on November 16, 2021, there was mailed a Notice of Hearing on the Intent of the District to consider adoption of a Resolution of Necessity for acquisition by eminent domain of the real property as described and depicted more specifically in Exhibits “1” and “2” herein (the “Property”). The Notice of Hearing was mailed to the listed address of all persons whose names appear on the last

equalized county assessment roll as the owner or owners of the Property; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235 and the Executive Order N-29-20 issued by Governor Gavin Newsom, the District scheduled a hearing for December 7, 2021 at 1:00 pm to take place both at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028 and via Zoom (accessible by videoconference and teleconference), gave to each owner or owners whose property is to be acquired notice and a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by the District and each owner or owners whose property is to be acquired by eminent domain were afforded an opportunity to be heard on those matters specified in the District's Notice of Hearing on the Intent to consider adoption of a Resolution of Necessity as referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, the District may adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the Rainbow Municipal Water District, by a vote of two-thirds or more of its members, as follows:

1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
2. The District has complied with the requirements of California Code of Civil Procedure Section 1245.235 regarding notice and hearing.
3. The public use for which the Property is to be acquired is for the construction and maintenance of the Project, a public water system improvement, as more fully described hereinabove. California Water Code sections 71693 and 71694 authorize the District to acquire by eminent domain property and interests in property necessary for such purpose and for all uses incidental and convenient thereto.
4. The Project is necessary to ensure sufficient sewer capacity for all new residential and commercial developments occurring near the Property. The public interest and necessity require the acquisition by eminent domain proceedings of the real property interests as described and depicted more specifically in Exhibits "1" and "2" attached hereto and incorporated by this reference.
5. In accordance with California Code of Civil Procedure Section 1245.230, the District finds, determines and declares each of the following:
 - a. The public interest and necessity require the proposed Project;
 - b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;

- c. The above-described Property, legally described and depicted in Exhibits “1” and “2”, are necessary for the proposed Project;
 - d. The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.
6. Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent the Property is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property, or any portion thereof, is already devoted.
 7. The District is hereby authorized and empowered to acquire the Property by eminent domain for the Project.
 8. Legal Counsel for the District (“Counsel”) is hereby authorized, empowered and directed to take all steps necessary to acquire the Property in the name of and on behalf of the District by eminent domain, and is authorized to institute and prosecute to completion such legal proceedings as may be required in connection therewith. Counsel is also authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court and to permit the District to take possession of and use the Property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the Property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property. Counsel is further authorized, subject to the approval of the District, to compromise and settle such eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including entering into stipulations as to judgment and other matters, and cause all payments to be made.
 9. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 7th day of December 2021 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

EXHIBIT 1

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

GRANT OF EASEMENT

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

Assessor's Parcel No. 126-230-59 & 126-230-69

For valuable consideration, the receipt of which is hereby acknowledged, **TESORO REFINING & MARKETING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY** as Grantor, hereby grants and conveys to Rainbow Municipal Water District (RMWD), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as Grantee, its successors and assigns, a non-exclusive easement and right of way 20 feet in width in, upon, over, under, and across the lands hereinafter described, to erect, install, construct, reconstruct, replace, repair, alter, operate, maintain, inspect and use, a pipeline or pipelines for any and all purposes, together with any easement roads and appurtenances within the right-of-way, including but not limited to conduits and cables for communication purposes, at such location and elevations, upon, along, over and under the hereinafter described right-of-way as Grantee may now or hereafter deem convenient and necessary from time to time, together with right of ingress thereto and egress therefrom to and along said right-of-way by a practical route or routes, in, upon, over, and across the hereinafter described lands, together with the right to clear and keep clear said right-of-way from buildings and structures.

The lands in which said easement and right-of-way is hereby granted are situated in the County of San Diego, State of California, more commonly known as 5555 S. Mission Road, Bonsall, CA 92003 and are particularly described as follows:

(SEE ATTACHMENTS "1" AND "2" ATTACHED HERETO AND MADE A PART HEREIN, EACH CONTAINING A LEGAL DESCRIPTION EXHIBIT "A", AND PLAT EXHIBIT "B")

It is further understood and agreed that no other easement or easements shall be granted on, under, over said easement and right-of-way by Grantor to any person, firm or corporation without the previous written consent of said Grantee, so long as no utility or access easement provided for herein may or will cause or require the relocation, repair or alteration of any of Grantee's facilities, including a pipeline or pipelines, or otherwise affect Grantee's facilities or Grantee's access to such facilities in any way. This easement shall remain exclusive as to the precise location and situs of Grantee's facilities.

Grantor, its heirs, successors and assigns, shall not erect or construct, or permit to be erected or constructed, any building, fences, walls, or other structures of any kind, and no trees shall be installed, constructed, erected, placed, planted or maintained in any portion of the easement and right-of-way, and no shrubs or other plants or vegetation shall be placed, planted or maintained in the portion of the easement and right-of-way which is included within any road, and that no changes in the alignment or grading of any such road will

be made without prior written consent of Grantee. It is further understood and agreed that Grantor shall not drill any well or wells within the limits of said easement and right-of-way.

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

Grantee shall have the right to transfer and assign this easement in whole or in part being hereby granted to the Grantee.

It is also understood and agreed by the parties hereto that Grantor and its successors or assigns, shall not increase or decrease, or permit the increase or decrease of, the existing ground elevations of the above described easement and right-of-way, existing at the time this document is executed, without the written consent of Grantee.

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

IN WITNESS WHEREOF, the Grantor executed this instrument this ____ day of _____ 2021.

Owner: **TESORO REFINING & MARKETING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY**

By: _____
(Type Name/Entity Here) Date _____

Its: _____
(Type Title Here)

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Attorney Date _____

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

State of California)

County of San Diego)

)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE

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

dated _____ from _____

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

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____ By _____
General Manager

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

Attachment 1

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
20' WIDE SEWER EASEMENT**

A 20 FEET WIDE STRIP OF LAND ACROSS A PORTION OF WEST HALF OF SECTION 20, TOWNSHIP 10 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED DECEMBER 27, 1870, SAID 20 FEET WIDE EASEMENT BEING 10 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

EASEMENT:

(APN: 126-230-59)

VESTING: TESORO REFINING & MARKETING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY.

COMMENCING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF STATE HIGHWAY 76 SHOWN AS (N 01°46'20" W 111.755 m) AND THE SOUTH LINE OF PARCEL 3 OF PARCEL MAP NO. 9653;

THENCE NORTHWESTERLY ALONG SAID SOUTH LINE 73°37'20" WEST A DISTANCE OF 10.00 FEET TO THE **TRUE POINT OF BEGINNING** OF THIS EASEMENT;

THENCE LEAVING SAID SOUTH LINE, SOUTH 27°41'20" WEST A DISTANCE OF 41.86 FEET;

THENCE SOUTH 00°35'14" EAST A DISTANCE OF 160.56 FEET;

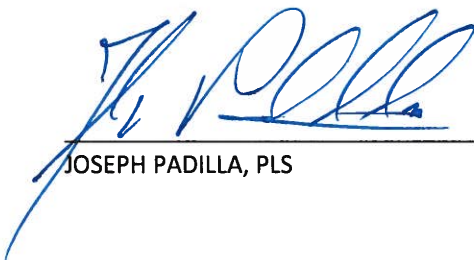
THENCE SOUTH 40°40'30" WEST A DISTANCE OF 62.77 FEET TO THE NORTHERLY RIGHT-OF-WAY OF OLIVE HILL ROAD AS DEDICATED PER DOCUMENT RECORDED NOVEMBER 17, 1949 IN BOOK 3389, PAGE 139 OF OFFICIAL RECORDS AND THE **POINT OF TERMINUS** OF THIS EASEMENT.

THE SIDELINES OF SAID EASEMENT SHALL BE LENGTHEN OR SHORTEN TO TERMINATE ON THE SOUTHERLY LINE OF PARCEL 3 OF PARCEL MAP 9653 AND THE NORTHERLY RIGHT-OF-WAY OF SAID OLIVE HILL ROAD.

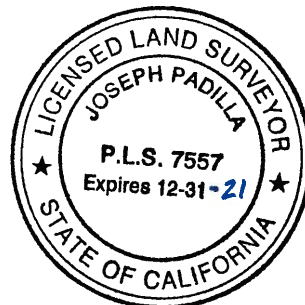
ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 5,304 SQUARE FEET.

THIS LEGAL DESCRIPTION AND MAP EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.


JOSEPH PADILLA, PLS

6/30/2021
DATE



PARCEL 3,
PARCEL MAP 9653

S'LY LINE OF PARCEL 3, P.M. 9653

T.P.O.B.

P.O.C.

LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- P.O.T. POINT OF TERMINATION
- T.P.O.B. TRUE POINT OF BEGINNING

APN: 126-230-59

SEC. 19, T. 10 S., R. 3 W., S.B.M.

SEC. 20, T. 10 S., R. 3 W., S.B.M.

S01°46'20"E 207.33'

S00°35'14"E 160.56'

NEW 18" SEWER PIPELINE

APN: 126-230-69

HIGHWAY 11-SD-76

1/16TH LINE, SEC. 20

OLIVE HILL ROAD

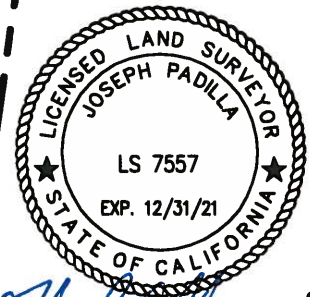
P.O.T.

S16°23'10"W
39.79'

S40°40'30"W 101.89'

20'

10.00'



Joseph Padilla
6/25/2021

SCALE: 1"=40'



INDICATES SEWER EASEMENT, DEDICATED HEREIN.

JOHNSON-FRANK & ASSOC., INC.
LAND SURVEYING - MAPPING
5150 E. HUNTER AVENUE
ANAHEIM, CALIFORNIA 92807-2049
(714) 777-8877 FAX (714) 777-2646

EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
DATE 06/25/2021 SHEET 1 OF 1

Attachment 2

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
20' WIDE SEWER EASEMENT**

A 20 FEET WIDE STRIP OF LAND ACROSS DIRECTOR'S DEED GRANT NO. 25497-01-01, BEING A PORTION OF WEST HALF OF SECTION 20, TOWNSHIP 10 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED DECEMBER 27, 1870, SAID DEED RECORDED NOVEMBER 14, 2018 AS DOCUMENT NO. 2018-0474425 IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SAID 20 FEET WIDE EASEMENT BEING 10 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

EASEMENT:

(APN: 126-230-69)

VESTING: TESORO REFINING & MARKETING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY.

COMMENCING AT A 1" IRON PIPE WITH TAG STAMPED "CAL-DOT" SET PER R.O.S 21849 BEING AT THE WEST END OF CURVE "C3" OF STATE HIGHWAY 76 RIGHT-OF-WAY AS SHOWN ON SHEET 4 OF SAID R.O.S. 21849 CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 122.36 FEET, A RADIAL LINE TO THE WEST END OF SAID CURVE BEARS SOUTH 08°35'28" EAST;

THENCE EASTERLY ALONG SAID CURVE AND NORTHERLY BOUNDARY OF SAID DIRECTOR'S DEED GRANT THROUGH A CENTRAL ANGLE OF 22°54'54" AN ARC LENGTH OF 48.94 FEET TO THE **TRUE POINT OF BEGINNING** OF THIS EASEMENT;

THENCE LEAVING SAID CURVE SOUTH 21°26'26" WEST A DISTANCE OF 39.85 FEET;

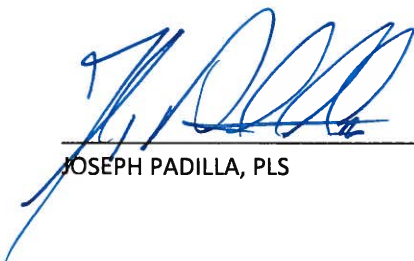
THENCE SOUTH 27°41'29" WEST A DISTANCE OF 61.91 FEET TO THE WEST LINE OF SAID DIRECTOR'S DEED GRANT AND **POINT OF TERMINUS** OF THIS EASEMENT.

THE SIDELINES OF SAID EASEMENT SHALL BE LENGTHEN OR SHORTEN TO TERMINATE ON THE NORTHERLY AND WESTERLY BOUNDARY OF DIRECTOR'S DEED GRANT 25497-01-01.

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 2,048 SQUARE FEET.

THIS LEGAL DESCRIPTION AND MAP EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.



JOSEPH PADILLA, PLS

6/30/2021
DATE



Parcel 3, PM 9653

Parcel B,
DOC. 2012-0212203

APN: 126-230-56

SEC. 19, T. 10 S., R. 3 W., S.B.M.

SEC. 20, T. 10 S., R. 3 W., S.B.M.

T.P.O.B.

P.O.C.

1" I.P. W/ TAG
STAMPED "CAL DOT"
PER R.O.S. 21849

P.O.T.

$508.35'28''$
(RAD)

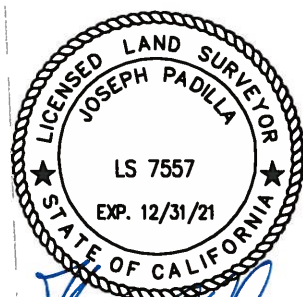
$R=122.36'$
 $L=48.94'$
 $A=22^{\circ}54'54''$

$S21^{\circ}26'26''$ W
 $143.63'$
 $103.78'$

$S27^{\circ}41'29''$ W

APN: 126-230-69

SCALE: 1"=40'



Joseph Padilla
6/25/2021

HIGHWAY 11-SD-76

LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- P.O.T. POINT OF TERMINATION
- T.P.O.B. TRUE POINT OF BEGINNING



INDICATES SEWER EASEMENT, DEDICATED HEREIN.

JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-1641

EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 06/25/2021 SHEET 1 OF 1

EXHIBIT 2

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

GRANT OF TEMPORARY CONSTRUCTION EASEMENT

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

Assessor's Parcel No. 126-230-59 & 126-230-69

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, **TESORO REFINING & MARKETING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY** as Grantor, does hereby grant and convey to Rainbow Municipal Water District (RMWD), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as Grantee, and its successors and assigns, a temporary construction easement ("Temporary Construction Easement") over, above, on, under, in, along, across and through that certain portion of Grantor's real property located at 5555 S. Mission Road, Bonsall, County of San Diego, State of California, more particularly described in the legal description attached hereto as EXHIBIT A and depicted or illustrated on the map or drawing attached here to as EXHIBIT B and incorporated herein by reference ("TCE Area"), for the purpose of all necessary and convenient activities associated with the construction of Thoroughbred Lift Station Project ("Project").

The Temporary Construction Easement shall expire on the date ("Expiration Date") that is not more than eighteen (18) months from the commencement of construction within the TCE Area, as established in a written notice given to Grantor by or on behalf of Grantee seven (7) days before Grantee intends to commence utilizing the TCE Area. Upon the Expiration Date, the then-owners of record of the above-referenced property shall have the right to request and, thereafter, receive from Grantee a duly executed and acknowledged instrument in writing whereby Grantee quitclaims or otherwise releases its interest in the Temporary Construction Easement, but not the other terms and provisions of this Instrument, to the said then-owner of record of the above-referenced property, and may cause same to be recorded in Official Records of San Diego County, California.

Grantor covenants, by and for itself, its heirs, successors and assigns, including, without limitation, any voluntary and involuntary successor(s)-in-interest to the above-referenced property or any part thereof, that Grantor shall not, without the express prior written consent of Grantee, erect, place, or maintain any improvement, or undertake any other activity, which may interfere with the use of the Temporary Construction Easement Area; and Grantor shall not permit the erection, placement, or maintenance of any improvement, or undertaking of any other activity, which may interfere with the use of the Temporary Construction Easement Area, including, without limitation, the erection of any building, wall, fence, structure or other improvement within the Temporary Construction Easement Area.

Grantee's use of the Temporary Construction Easement shall include, without limitation, the right and privilege of Grantee and its employees, agents, representatives, contractors, subcontractors and workmen to: (i) perform all activities as may be necessary to facilitate the purposes of the Temporary Construction Easement; (ii) use, control and occupy the TCE Area; (iii) have access to, ingress to, and egress from the TCE Area; (iv) use and temporarily place and operate tools, equipment, machinery, and materials on the TCE Area; and (v) trim, cut, or clear away any trees, brush, or other vegetation or flora, including, without limitation, the roots thereof, located within the TCE Area.

Prior to the Expiration Date, Grantor shall not grant or dedicate any easement, right or other interest in, to, on, under or over the TCE Area without obtaining the prior written consent of Grantee, which may be granted or withheld in Grantee's sole and unfettered discretion.

At the expiration of the Temporary Construction Easement, Grantee or its authorized agent(s) shall restore the TCE Area to a condition as near as practicable to the condition that existed prior to Grantee's operations; provided, however, that Grantee's restoration obligations shall not apply with respect to reasonable wear and tear or any changed condition or circumstance not resulting from Grantee's operations, negligence or greater fault. Additionally, Grantee shall not be required to restore any vegetation, landscaping or improvements for which the Grantor has been paid, to the pre-existing condition. Further, it is understood that, upon said expiration or termination of the Temporary Construction Easement, Grantee shall have no other or further obligation, liability or duty in connection with the Property.

The covenants contained in this Instrument shall run with the land.

IN WITNESS WHEREOF, the Grantor executed this Instrument this ____ day of _____ 2021.

Owner: **TESORO REFINING & MARKETING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY**

By: _____
(Type Name/Entity Here) Date

Its: _____
(Type Title Here)

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Attorney Date

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

State of California)

County of San Diego)

)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE

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

dated _____ from _____

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

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____ By _____
General Manager

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

EXHIBIT A

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
TEMPORARY CONSTRUCTION EASEMENT**

A STRIP OF LAND MOSTLY 30 FEET WIDE ACROSS A PORTION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 10 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED DECEMBER 27, 1870, DESCRIBED AS FOLLOWS:

(APN: 126-230-59 & 69)

VESTING: TESORO REFINING & MARKETING COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY.

BEGINNING AT A FOUND 1" IRON PIPE WITH TAG STAMPED "DIV HIWAYS" PER ROS 21849, RECORDED NOVEMBER 6, 2014 AS FILE NO. 2014-0485097 IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY, SAID PIPE BEING THE INTERSECTION OF LINES "L4" AND "L5" AS SHOWN ON SHEET 4 OF 7 OF SAID ROS 21849, SAID PIPE ALSO BEING A POINT ON THE NORTHERLY RIGHT-OF-WAY OF OLIVE HILL ROAD 20 FEET PARALLEL FROM THE CENTERLINE OF OLIVE HILL ROAD AS ESTABLISHED IN RS 731;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY NORTH 77°11'00" WEST A DISTANCE OF 33.38 FEET TO THE EAST LINE OF A 20.00 FOOT WIDE SEWER EASEMENT RECORDED BY SEPARATE INSTRUMENT;

THENCE ALONG SAID EASTERLY LINE NORTH 40°40'30" EAST A DISTANCE 61.25 FEET;

THENCE NORTH 00°35'14" WEST A DISTANCE OF 161.81 FEET;

THENCE NORTH 27°41'29" EAST 121.13 FEET;

THENCE NORTH 21°26'26" EAST 55.96 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 122.36 FEET, SAID NON-TANGENT CURVE ALSO BEING THE NORTH BOUNDARY OF THAT PORTION OF LAND GRANTED BY THE STATE OF CALIFORNIA IN A DIRECTOR'S DEED GRANT RECORDED NOVEMBER 14, 2018 AS DOCUMENT NO. 2018-0474425 OF OFFICIAL RECORDS OF SAID COUNTY A RADIAL LINE TO SAID POINT BEARS SOUTH 40°10'37" EAST;

THENCE NORTHEASTERLY ALONG SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 33°44'25" AN ARC LENGTH OF 72.05 FEET TO THE CUSP OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 2927.62 FEET, A RADIAL LINE TO THE BEGINNING OF SAID CURVE BEARS NORTH 73°55'04" WEST, SAID CURVE ALSO BEING THE EAST BOUNDARY OF SAID PORTION OF LAND GRANTED BY THE STATE OF CALIFORNIA IN SAID DIRECTOR'S DEED;

THENCE SOUTHERLY ALONG SAID CURVE AND EAST BOUNDARY THROUGH A CENTRAL ANGLE OF 2°35'32" AN ARC LENGTH OF 132.46 FEET;

THENCE LEAVING SAID EAST BOUNDARY AND CURVE SOUTH 27°41'29" WEST A DISTANCE OF 110.81 FEET;

THENCE SOUTH 00°35'14" EAST A DISTANCE OF 160.46 FEET TO A POINT ON PREVIOUSLY MENTION EAST BOUNDARY AND CURVE, A RADIAL BEARING TO SAID POINT BEARS NORTH 81°39'55" WEST;

THENCE SOUTHERLY ALONG SAID CURVE AND EAST BOUNDARY THROUGH A CENTRAL ANGLE OF 00°07'21" AN ARC LENGTH OF 6.26 FEET;

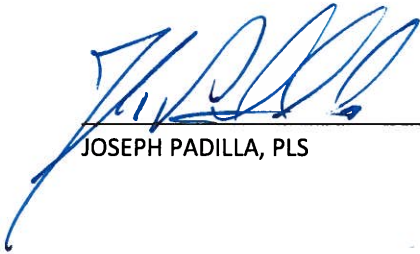
THENCE LEAVING SAID CURVE AND EAST BOUNDARY SOUTH 40°40'30" WEST A DISTANCE OF 54.67 FEET TO A POINT ON THE RIGHT-OF-WAY OF HIGHWAY 11-SD-76 SHOWN AS "L4" ON SHEET 4 OF 7 OF SAID ROS 21849, SAID POINT BEING 0.95 FEET FROM EAST END OF SAID "L4";

THENCE ALONG SAID RIGHT-OF-WAY SOUTH 71°39'53" WEST A DISTANCE OF 0.95 FEET TO THE POINT OF BEGINNING;

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED TEMPORARY CONSTRUCTION EASEMENT CONTAINS 12,132 SQUARE FEET.

THESE LEGAL DESCRIPTIONS AND MAP EXHIBITS WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.



JOSEPH PADILLA, PLS

07/01/2021

DATE



EXHIBIT B

Parcel 3, PM 9653

Parcel B,
DOC. 2012-0212203

APN: 126-230-56

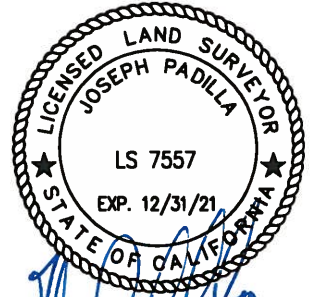
APN: 126-230-59

SEC. 19, T. 10 S., R. 3 W., S.B.M.

SEC. 20, T. 10 S., R. 3 W., S.B.M.

C1 | R=122.36'
L=72.05'
Δ=33°44'25"

C2 | R=2927.62'
L=132.46'
Δ=2°35'32"



SCALE: 1"=60'

6/29/2021

HIGHWAY 11-SD-76

1/16 SECTION LINE, SECTION 20

LEGEND

P.O.B.

INDICATES 20' WIDE SEWER EASEMENT,
DEDICATED BY SEPERATE INSTRUMENT.

INDICATES TEMPORARY CONSTRUCTION
EASEMENT, DEDICATED HEREON.

OLIVE HILL ROAD

L1 N77°11'00"W 33.38'
L2 N71°39'53"E 33.94'
L3 N09°03'56"E 130.93'

R=2927.62'
L=6.26'
Δ=0°07'21"

S40°40'30"W
54.67'

S71°39'53"W
0.95'

P.O.B.
1" I.P. W/TAG "DIV HIWAYS"

JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-1641

**TEMPORARY CONSTRUCTION EASEMENT
EXHIBIT 'B'**
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 06/29/2021 SHEET 1 OF 1

RESOLUTION NO. 21-23

RESOLUTION NO. 21-23

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND DIRECTING CONDEMNATION OF PORTIONS OF SAN DIEGO COUNTY ASSESSOR PARCEL NUMBERS 126-230-56 AND 126-230-66

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

WHEREAS, public safety, welfare, convenience, interest and necessity requires the District to acquire an interest in the property located at 5517-27 Mission Road, in Bonsall, an unincorporated community within San Diego County, for public use, to wit: Acquisition of property for Phase 1 of the Lift Station 1 Replacement Project (the “Project”); and

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

WHEREAS, the property to be acquired for the Project includes a 387 square foot permanent easement in the property which bears San Diego Assessor’s Parcel Number 126-230-56, as described and depicted more specifically in Exhibit “1” attached hereto and incorporated herein for the purposes of public utilities and general utility purposes including sewer, access and maintenance purposes; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235, on November 16, 2021, there was mailed a Notice of Hearing on the Intent of the District to consider adoption of a Resolution of Necessity for acquisition by eminent domain of the real property as described and depicted more specifically in Exhibit “1” herein (the “Property”). The Notice of Hearing was mailed to the listed address of all persons whose names appear on the last equalized county assessment roll as the owner or owners of the Property; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235 and the Executive Order N-29-20 issued by Governor Gavin Newson, the District scheduled a hearing for December 7, 2021 at 1:00 pm to take place both at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028 and via Zoom (accessible by videoconference and teleconference), gave to each owner or owners whose property is to be acquired notice and a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by the District and each owner or owners whose property is to be acquired by eminent domain were afforded an opportunity to be heard on those matters specified in the District’s Notice of Hearing on the Intent to consider adoption of a

Resolution of Necessity as referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, the District may adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the Rainbow Municipal Water District, by a vote of two-thirds or more of its members, as follows:

1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
2. The District has complied with the requirements of California Code of Civil Procedure Section 1245.235 regarding notice and hearing.
3. The public use for which the Property is to be acquired is for the construction and maintenance of the Project, a public water system improvement, as more fully described hereinabove. California Water Code sections 71693 and 71694 authorize the District to acquire by eminent domain property and interests in property necessary for such purpose and for all uses incidental and convenient thereto.
4. The Project is necessary to ensure sufficient sewer capacity for all new residential and commercial developments occurring near the Property. The public interest and necessity require the acquisition by eminent domain proceedings of the real property interest as described and depicted more specifically in Exhibit "1" attached hereto and incorporated by this reference.
5. In accordance with California Code of Civil Procedure Section 1245.230, the District finds, determines and declares each of the following:
 - a. The public interest and necessity require the proposed Project;
 - b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
 - c. The above-described Property, legally described and depicted in Exhibit "1", is necessary for the proposed Project;
 - d. The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.
6. Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent the Property is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property, or any portion thereof, is already devoted.

7. The District is hereby authorized and empowered to acquire the Property by eminent domain for the Project.
8. Legal Counsel for the District (“Counsel”) is hereby authorized, empowered and directed to take all steps necessary to acquire the Property in the name of and on behalf of the District by eminent domain, and is authorized to institute and prosecute to completion such legal proceedings as may be required in connection therewith. Counsel is also authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court and to permit the District to take possession of and use the Property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the Property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property. Counsel is further authorized, subject to the approval of the District, to compromise and settle such eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including entering into stipulations as to judgment and other matters, and cause all payments to be made.
9. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 7th day of December 2021 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

EXHIBIT 1

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

GRANT OF EASEMENT

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

Assessor's Parcel No. 126-230-56

For valuable consideration, the receipt of which is hereby acknowledged, **PROSPEROUS REAL ESTATE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY** as Grantor, hereby grants and conveys to Rainbow Municipal Water District (RMWD), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as Grantee, its successors and assigns, a non-exclusive easement and right of way 20 feet in width in, upon, over, under, and across the lands hereinafter described, to erect, install, construct, reconstruct, replace, repair, alter, operate, maintain, inspect and use, a pipeline or pipelines for any and all purposes, excepting the conveyance of oil or gas, together with any easement roads and appurtenances within the right-of-way, including but not limited to conduits and cables for communication purposes, at such location and elevations, upon, along, over and under the hereinafter described right-of-way as Grantee may now or hereafter deem convenient and necessary from time to time, together with right of ingress thereto and egress therefrom to and along said right-of-way by a practical route or routes, in, upon, over, and across the hereinafter described lands, together with the right to clear and keep clear said right-of-way from buildings and structures.

The lands in which said easement and right-of-way is hereby granted are situated in the County of San Diego, State of California, more commonly known as 5517 S. Mission Road, Bonsall, CA 92003 and are particularly described as follows:

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

It is further understood and agreed that no other easement or easements shall be granted on, under, over said easement and right-of-way by Grantor to any person, firm or corporation without the previous written consent of said Grantee, so long as no utility or access easement provided for herein may or will cause or require the relocation, repair or alteration of any of Grantee's facilities, including a pipeline or pipelines, or otherwise affect Grantee's facilities or Grantee's access to such facilities in any way. This easement shall remain exclusive as to the precise location and situs of Grantee's facilities.

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

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

Grantee shall have the right to transfer and assign this easement in whole or in part being hereby granted to the Grantee.

It is also understood and agreed by the parties hereto that Grantor and its successors or assigns, shall not increase or decrease, or permit the increase or decrease of, the existing ground elevations of the above described easement and right-of-way, existing at the time this document is executed, without the written consent of Grantee.

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

IN WITNESS WHEREOF, the Grantor executed this Instrument this ____ day of _____ 2021.

Owner: **PROSPEROUS REAL ESTATE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY**

By: _____
(Type Name/Entity Here) Date

Its: _____
(Type Title Here)

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Attorney

Date

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

State of California)

County of San Diego)

)

On _____, before me, _____, Notary Public

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE

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

dated _____ from _____

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

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____ By _____
General Manager

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

EXHIBIT A

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
20' WIDE SEWER EASEMENT**

A 20 FEET WIDE STRIP OF LAND ACROSS A PORTION OF PARCEL 3 OF PARCEL MAP NO. 9653, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED JANUARY 31, 1980 AS FILE NO. 80-036593 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, SAID 20 FEET WIDE EASEMENT BEING 10 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

EASEMENT:

(APN: 126-230-56)

VESTING: PROSPEROUS REAL ESTATE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY.

COMMENCING AT A 1" IRON PIPE WITH TAG STAMPED "CAL-DOT" SET PER R.O.S 21849 BEING AT THE WEST END OF CURVE "C3" OF STATE HIGHWAY 76 RIGHT-OF-WAY AS SHOWN ON SHEET 4;

THENCE ALONG THE SAID RIGHT-OF-WAY SOUTH 01°46'30" EAST A DISTANCE OF 75.28 FEET TO THE **TRUE POINT OF BEGINNING** OF THIS EASEMENT;

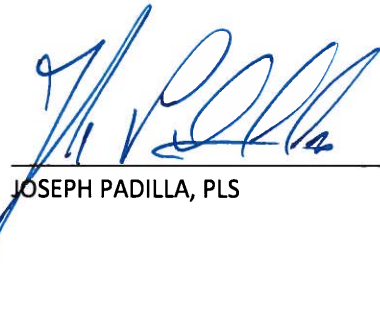
THENCE LEAVING SAID RIGHT-OF-WAY SOUTH 27°41'29" WEST A DISTANCE OF 19.32 FEET TO THE SOUTH LINE OF SAID PARCEL 3 AND **POINT OF TERMINUS** OF THIS EASEMENT.

THE SIDELINES OF SAID EASEMENT SHALL BE LENGTHEN OR SHORTEN TO TERMINATE ON THE RIGHT-OF-WAY OF STATE HIGHWAY 76 AS SHOWN ON SHEET 4 OF R.O.S. 21849 AND THE SOUTH LINE OF PARCEL 3 OF PARCEL MAP NO. 9653.

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 387 SQUARE FEET.

THIS LEGAL DESCRIPTION AND MAP EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.



JOSEPH PADILLA, PLS

6/30/2021

DATE



EXHIBIT B

LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- P.O.T. POINT OF TERMINATION
- T.P.O.B. TRUE POINT OF BEGINNING

Parcel 3, PM 9653

Parcel B,

DOC. 2012-0212203

APN: 126-230-56

SEC. 19, T. 10 S., R. 3 W., S.B.M.
 SEC. 20, T. 10 S., R. 3 W., S.B.M.

P.O.C.
 1" I.P. W/ TAG
 STAMPED "CAL DOT"
 PER R.O.S. 21849

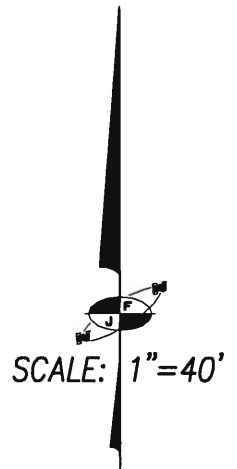
S01°46'20"E
 75.28'

S27°41'29"W
 19.32'

P.O.T.

T.P.O.B.

APN: 126-230-69



Handwritten signature and date: 6/25/2021

HIGHWAY 11-SD-76



INDICATES SEWER EASEMENT, DEDICATED HEREIN.

JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-8661

EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 06/25/2021 SHEET 1 OF 1

RESOLUTION NO. 21-24

RESOLUTION NO. 21-24

**RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW
MUNICIPAL WATER DISTRICT FINDING AND DETERMINING THAT
THE PUBLIC INTEREST AND NECESSITY REQUIRE THE
ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN REAL
PROPERTY FOR PUBLIC USE AND AUTHORIZING AND DIRECTING
CONDEMNATION OF PORTIONS OF SAN DIEGO COUNTY
ASSESSOR PARCEL NUMBER 126-230-68**

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

WHEREAS, public safety, welfare, convenience, interest and necessity requires the District to acquire interests in the property located North of Highway 76 and West of South Mission Road, in Bonsall, an unincorporated community within San Diego County, for public use, to wit: Acquisition of property for Phase 1 of the Lift Station 1 Replacement Project (the “Project”); and

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

WHEREAS, the property to be acquired for the Project includes a 1,821 square foot permanent easement in the property which bears San Diego Assessor’s Parcel Number 126-230-68, as described and depicted more specifically in Exhibit “1” attached hereto and incorporated herein for the purposes of public utilities and general utility purposes including sewer, access and maintenance purposes; and

WHEREAS, the property to be acquired for the Project also includes a 2,273 square foot temporary construction easement in the property which bears San Diego County Assessor’s Parcel Number 126-230-68, as described and depicted more specifically in Exhibit “2” attached hereto and incorporated herein for the purposes of all necessary and convenience activities associated with the Project (“TCE”). The TCE shall be valid for a period of not more than eighteen (18) months. It shall commence seven (7) days from the date upon which the District or its authorized representative provides the owner with written notice of its intent to commence construction utilizing the TCE. The District shall either protect in place or replace in kind any improvement located within the TCE area. At the expiration of the TCE, the District or its agents shall restore the TCE area to a condition as near as practicable to the condition that existed immediately prior to the commencement of construction; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235, on November 16, 2021, there was mailed a Notice of Hearing on the Intent of the District to consider adoption of a Resolution of Necessity for acquisition by eminent domain of the real property as described and depicted more specifically in Exhibits “1” and “2” herein (the “Property”). The Notice of Hearing was mailed to the listed address of all persons whose names appear on the last equalized county assessment roll as the owner or owners of the Property; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235 and the Executive Order N-29-20 issued by Governor Gavin Newsom, the District scheduled a hearing for December 7, 2021 at 1:00 pm to take place both at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028 and via Zoom (accessible by videoconference and teleconference), gave to each owner or owners whose property is to be acquired notice and a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by the District and each owner or owners whose property is to be acquired by eminent domain were afforded an opportunity to be heard on those matters specified in the District's Notice of Hearing on the Intent to consider adoption of a Resolution of Necessity as referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, the District may adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the Rainbow Municipal Water District, by a vote of two-thirds or more of its members, as follows:

1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
2. The District has complied with the requirements of California Code of Civil Procedure Section 1245.235 regarding notice and hearing.
3. The public use for which the Property is to be acquired is for the construction and maintenance of the Project, a public water system improvement, as more fully described hereinabove. California Water Code sections 71693 and 71694 authorize the District to acquire by eminent domain property and interests in property necessary for such purpose and for all uses incidental and convenient thereto.
4. The Project is necessary to ensure sufficient sewer capacity for all new residential and commercial developments occurring near the Property. The public interest and necessity require the acquisition by eminent domain proceedings of the real property interests as described and depicted more specifically in Exhibits "1" and "2" attached hereto and incorporated by this reference.
5. In accordance with California Code of Civil Procedure Section 1245.230, the District finds, determines and declares each of the following:
 - a. The public interest and necessity require the proposed Project;
 - b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
 - c. The above-described Property, legally described and depicted in Exhibits "1" and "2", are necessary for the proposed Project;

- d. The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.
6. Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent the Property is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property, or any portion thereof, is already devoted.
7. The District is hereby authorized and empowered to acquire the Property by eminent domain for the Project.
8. Legal Counsel for the District (“Counsel”) is hereby authorized, empowered and directed to take all steps necessary to acquire the Property in the name of and on behalf of the District by eminent domain, and is authorized to institute and prosecute to completion such legal proceedings as may be required in connection therewith. Counsel is also authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court and to permit the District to take possession of and use the Property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the Property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property. Counsel is further authorized, subject to the approval of the District, to compromise and settle such eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including entering into stipulations as to judgment and other matters, and cause all payments to be made.
9. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 7th day of December 2021 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

EXHIBIT 1

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

GRANT OF EASEMENT

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

Assessor's Parcel No. 126-230-68

For valuable consideration, the receipt of which is hereby acknowledged, **COUNTY OF SAN DIEGO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA** as Grantor, hereby grants and conveys to Rainbow Municipal Water District (RMWD), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as Grantee, its successors and assigns, a non-exclusive easement and right of way 20 feet in width in, upon, over, under, and across the lands hereinafter described, to erect, install, construct, reconstruct, replace, repair, alter, operate, maintain, inspect and use, a pipeline or pipelines for any and all purposes, together with any easement roads and appurtenances within the right-of-way, including but not limited to conduits and cables for communication purposes, at such location and elevations, upon, along, over and under the hereinafter described right-of-way as Grantee may now or hereafter deem convenient and necessary from time to time, together with right of ingress thereto and egress therefrom to and along said right-of-way by a practical route or routes, in, upon, over, and across the hereinafter described lands, together with the right to clear and keep clear said right-of-way from buildings and structures.

The lands in which said easement and right-of-way is hereby granted are situated in the County of San Diego, State of California, more commonly known as North of Highway 76, West of South Mission Road, Bonsall, CA 92003 and are particularly described as follows:

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

It is further understood and agreed that no other easement or easements shall be granted on, under, over said easement and right-of-way by Grantor to any person, firm or corporation without the previous written consent of said Grantee, so long as no utility or access easement provided for herein may or will cause or require the relocation, repair or alteration of any of Grantee's facilities, including a pipeline or pipelines, or otherwise affect Grantee's facilities or Grantee's access to such facilities in any way. This easement shall remain exclusive as to the precise location and situs of Grantee's facilities.

Grantor, its heirs, successors and assigns, shall not erect or construct, or permit to be erected or constructed, any building, fences, walls, or other structures of any kind, and no trees shall be installed, constructed, erected, placed, planted or maintained in any portion of the easement and right-of-way, and no shrubs or other plants or vegetation shall be placed, planted or maintained in the portion of the easement and right-of-way which is included within any road, and that no changes in the alignment or grading of any such road will

be made without prior written consent of Grantee. It is further understood and agreed that Grantor shall not drill any well or wells within the limits of said right-of-way.

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

Grantee shall have the right to transfer and assign this easement in whole or in part being hereby granted to the Grantee.

It is also understood and agreed by the parties hereto that Grantor and its successors or assigns, shall not increase or decrease, or permit the increase or decrease of, the existing ground elevations of the above described easement and right-of-way, existing at the time this document is executed, without the written consent of Grantee.

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

IN WITNESS WHEREOF, the Grantor executed this Instrument this ____ day of _____ 2021.

Owner: **COUNTY OF SAN DIEGO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA**

By: _____
(Type Name/Entity Here) Date _____

Its: _____
(Type Title Here)

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Attorney Date _____

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

State of California)

County of San Diego)

)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE

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

dated _____ from _____

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

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____ By _____
General Manager

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

EXHIBIT A

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
20' WIDE SEWER EASEMENT**

A 20 FEET WIDE STRIP OF LAND ACROSS A PORTION OF WEST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 10 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED DECEMBER 27, 1870 AND CONVEYED AS "PARCEL 1" TO THE STATE OF CALIFORNIA IN DEED RECORDED JUNE 21, 1977, AS FILE/PAGE NUMBER 77-243692, RECORDED IN THE OFFICE OF THE COUNTY OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, LYING NORTHWESTERLY OF THE NORTHWESTERLY "NEW STATE R/W" LINE DEPICTED ON SHEET 5 OF 7 SHEETS WITHIN RECORD OF SURVEY MAP NUMBER 21849, RECORDED NOVEMBER 6, 2014 AS FILE NUMBER 2014-0485097 IN THE OFFICE OF SAID COUNTY RECORDER, SAID 20 FEET WIDE EASEMENT BEING 10 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

EASEMENT:

(APN: 126-230-68)

VESTING: THE COUNTY OF SAN DIEGO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

COMMENCING AT A 1" IRON PIPE WITH TAG STAMPED "CAL-DOT" AT THE NORTH END OF THE "NEW STATE R/W" LINE DEPICTED ON SHEET 5 OF 7 SHEETS WITHIN RECORD OF SURVEY MAP NUMBER 21849, RECORDED NOVEMBER 6, 2014 AS FILE NUMBER 2014-0485097 IN THE OFFICE OF SAID COUNTY RECORDER, SAID LINE SHOWN AS "N46°18'19"E 58.616 m" SAID END OF LINE ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 137.00 FEET, A RADIAL LINE TO THE BEGINNING OF SAID NON-TANGENT CURVE BEARS SOUTH 06°44'15" EAST;

THENCE WESTERLY ALONG SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 9°45'20" AN ARC LENGTH OF 23.33 FEET TO THE BEGINNING OF A COMPOUND CURVE HAVING A RADIUS OF 24.00 FEET AS SHOWN ON CAL-TRANS MONUMENTATION MAP FILE AS MS 791 IN THE OFFICE OF THE SAN DIEGO COUNTY SURVEYOR'S OFFICE A RADIAL LINE TO THE BEGINNING OF SAID COMPOUND CURVE BEARS SOUTH 03°01'06" WEST;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60°41'50" AN ARC LENGTH OF 25.42 FEET TO THE TRUE POINT OF BEGINNING;

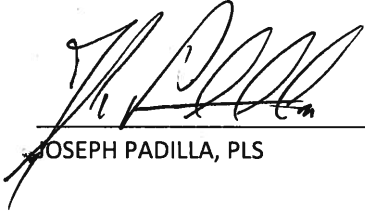
THENCE LEAVING SAID CURVE SOUTH 14°50'32" WEST A DISTANCE OF 11.90 FEET;

THENCE SOUTH 42°58'21" WEST A DISTANCE OF 78.33 FEET TO A POINT ON A CURVE HAVING A RADIUS OF 25.00 FEET AS SHOWN ON SAID CAL-TRANS MONUMENTATION MAP, SAID POINT ALSO BEING THE POINT OF TERMINATION OF THIS EASEMENT STRIP.

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 1,821 SQUARE FEET.

THESE LEGAL DESCRIPTIONS AND MAP EXHIBITS WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.

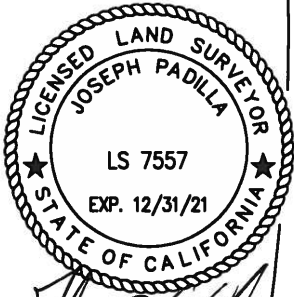


JOSEPH PADILLA, PLS

08/12/2021
DATE

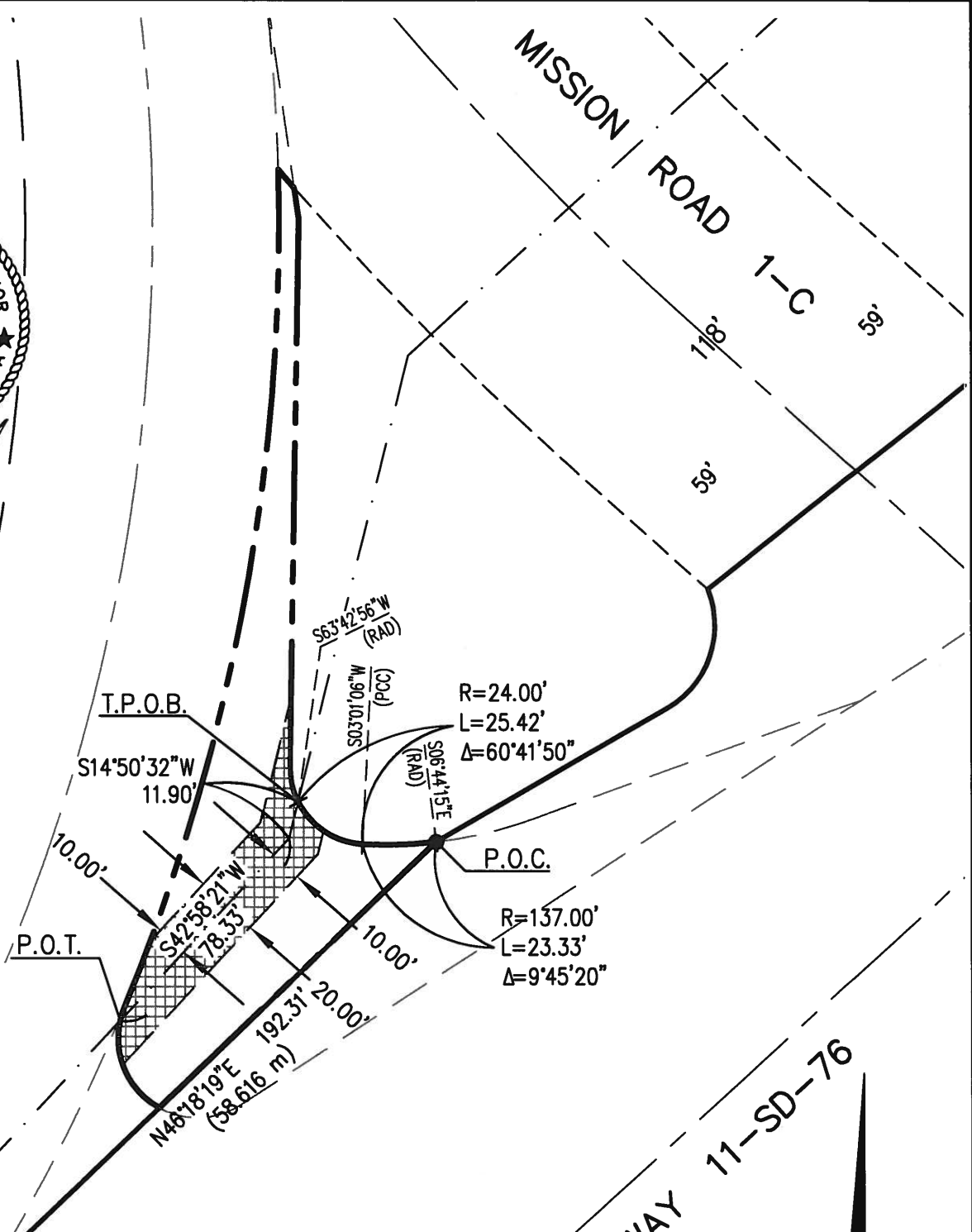


EXHIBIT B



Joseph Padilla

MISSION ROAD 1-C
59'



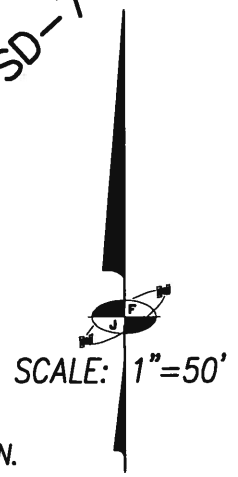
LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- P.O.T. POINT OF TERMINATION
- T.P.O.B. TRUE POINT OF BEGINNING



INDICATES SEWER EASEMENT, DEDICATED HEREIN.

HIGHWAY 11-SD-76



JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 773-9661

EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 08/12/2021 SHEET 1 OF 1

EXHIBIT 2

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

GRANT OF TEMPORARY CONSTRUCTION EASEMENT

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

Assessor's Parcel No. 126-230-68

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, **COUNTY OF SAN DIEGO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA** as Grantor, does hereby grant and convey to Rainbow Municipal Water District (RMWD), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as Grantee, and its successors and assigns, a temporary construction easement ("Temporary Construction Easement") over, above, on, under, in, along, across and through that certain portion of Grantor's real property located North of Highway 76, West of South Mission Road, Bonsall, County of San Diego, State of California, more particularly described in the legal description attached hereto as EXHIBIT A and depicted or illustrated on the map or drawing attached here to as EXHIBIT B and incorporated herein by reference ("TCE Area"), for the purpose of all necessary and convenient activities associated with the construction of Thoroughbred Lift Station Project ("Project").

The Temporary Construction Easement shall expire on the date ("Expiration Date") that is not more than eighteen (18) months from the commencement of construction within the TCE Area, as established in a written notice given to Grantor by or on behalf of Grantee seven (7) days before Grantee intends to commence utilizing the TCE Area. Upon the Expiration Date, the then-owners of record of the above-referenced property shall have the right to request and, thereafter, receive from Grantee a duly executed and acknowledged instrument in writing whereby Grantee quitclaims or otherwise releases its interest in the Temporary Construction Easement, but not the other terms and provisions of this Instrument, to the said then-owner of record of the above-referenced property, and may cause same to be recorded in Official Records of San Diego County, California.

Grantor covenants, by and for itself, its heirs, successors and assigns, including, without limitation, any voluntary and involuntary successor(s)-in-interest to the above-referenced property or any part thereof, that Grantor shall not, without the express prior written consent of Grantee, erect, place, or maintain any improvement, or undertake any other activity, which may interfere with the use of the Temporary Construction Easement Area; and Grantor shall not permit the erection, placement, or maintenance of any improvement, or undertaking of any other activity, which may interfere with the use of the Temporary Construction Easement Area, including, without limitation, the erection of any building, wall, fence, structure or other improvement within the Temporary Construction Easement Area.

Grantee's use of the Temporary Construction Easement shall include, without limitation, the right and privilege of Grantee and its employees, agents, representatives, contractors, subcontractors and workmen to: (i) perform all activities as may be necessary to facilitate the purposes of the Temporary Construction Easement; (ii) use, control and occupy the TCE Area; (iii) have access to, ingress to, and egress from the TCE Area; (iv) use and temporarily place and operate tools, equipment, machinery, and materials on the TCE Area; and (v) trim, cut, or clear away any trees, brush, or other vegetation or flora, including, without limitation, the roots thereof, located within the TCE Area.

Prior to the Expiration Date, Grantor shall not grant or dedicate any easement, right or other interest in, to, on, under or over the TCE Area without obtaining the prior written consent of Grantee, which may be granted or withheld in Grantee's sole and unfettered discretion.

At the expiration of the Temporary Construction Easement, Grantee or its authorized agent(s) shall restore the TCE Area to a condition as near as practicable to the condition that existed prior to Grantee's operations; provided, however, that Grantee's restoration obligations shall not apply with respect to reasonable wear and tear or any changed condition or circumstance not resulting from Grantee's operations, negligence or greater fault. Additionally, Grantee shall not be required to restore any vegetation, landscaping or improvements for which the Grantor has been paid, to the pre-existing condition. Further, it is understood that, upon said expiration or termination of the Temporary Construction Easement, Grantee shall have no other or further obligation, liability or duty in connection with the Property.

The covenants contained in this Instrument shall run with the land.

IN WITNESS WHEREOF, the Grantor executed this Instrument this ____ day of _____ 2021.

Owner: **COUNTY OF SAN DIEGO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA**

By: _____
(Type Name/Entity Here) Date

Its: _____
(Type Title Here)

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Attorney

Date

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

State of California)

County of San Diego)

)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE

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

dated _____ from _____

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

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____ By _____
General Manager

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

EXHIBIT A

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
TEMPOARY CONSTRUCTION EASEMENT**

A PORTION OF LAND ACROSS THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 10 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED DECEMBER 27, 1870 AND CONVEYED AS "PARCEL 1" TO THE STATE OF CALIFORNIA IN DEED RECORDED JUNE 21, 1977, AS FILE/PAGE NUMBER 77-243692, RECORDED IN THE OFFICE OF THE COUNTY OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, LYING NORTHWESTERLY OF THE NORTHWESTERLY "NEW STATE R/W" LINE DEPICTED ON SHEET 5 OF 7 SHEETS WITHIN RECORD OF SURVEY MAP NUMBER 21849, RECORDED NOVEMBER 6, 2014 AS FILE NUMBER 2014-0485097 IN THE OFFICE OF SAID COUNTY RECORDER, DESCRIBED AS FOLLOWS:

EASEMENT:

(APN: 126-230-68)

VESTING: THE COUNTY OF SAN DIEGO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

BEGINNING AT A 1" IRON PIPE WITH TAG STAMPED "CAL-DOT" AT THE NORTH END OF THE "NEW STATE R/W" LINE DEPICTED ON SHEET 5 OF 7 SHEETS WITHIN RECORD OF SURVEY MAP NUMBER 21849, RECORDED NOVEMBER 6, 2014 AS FILE NUMBER 2014-0485097 IN THE OFFICE OF SAID COUNTY RECORDER, SAID LINE SHOWN AS "N46°18'19"E 58.616 m" SAID END OF LINE ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 137.00 FEET, A RADIAL LINE TO THE BEGINNING OF SAID NON-TANGENT CURVE BEARS SOUTH 06°44'15" EAST;

THENCE WESTERLY ALONG SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 9°45'20" AN ARC LENGTH OF 23.33 FEET TO THE BEGINNING OF A COMPOUND CURVE HAVING A RADIUS OF 24.00 FEET AS SHOWN ON CAL-TRANS MONUMENTATION MAP FILE AS MS 791 IN THE OFFICE OF THE SAN DIEGO COUNTY SURVEYOR'S OFFICE A RADIAL LINE TO THE BEGINNING OF SAID COMPOUND CURVE BEARS SOUTH 03°01'06" WEST;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°14'18" AN ARC LENGTH OF 13.08 FEET;

THENCE LEAVING SAID CURVE SOUTH 14°50'32" WEST A DISTANCE OF 7.48 FEET;

THENCE SOUTH 42°58'21" WEST A DISTANCE OF 90.49 FEET TO A POINT ON A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 25.00 FEET AS SHOWN ON SAID CAL-TRANS MONUMENTATION MAP, A RADIAL LINE TO SAID POINT BEARS SOUTH 70°40'19" WEST;

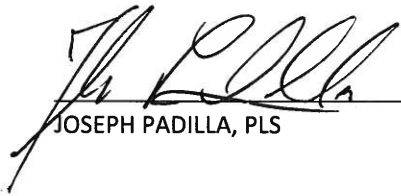
THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 41°36'46" AN ARC LENGTH OF 18.16 FEET TO THE "NEW STATE R/W" PER SAID RECORD OF SURVEY 21849;

THENCE NORTH 46°18'19" EAST A DISTANCE OF 121.13 FEET TO THE **POINT OF BEGINNING.**

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 2,273 SQUARE FEET.

THESE LEGAL DESCRIPTIONS AND MAP EXHIBITS WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.

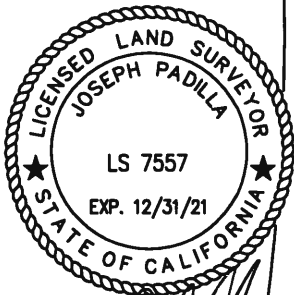


JOSEPH PADILLA, PLS

08/12/2021
DATE

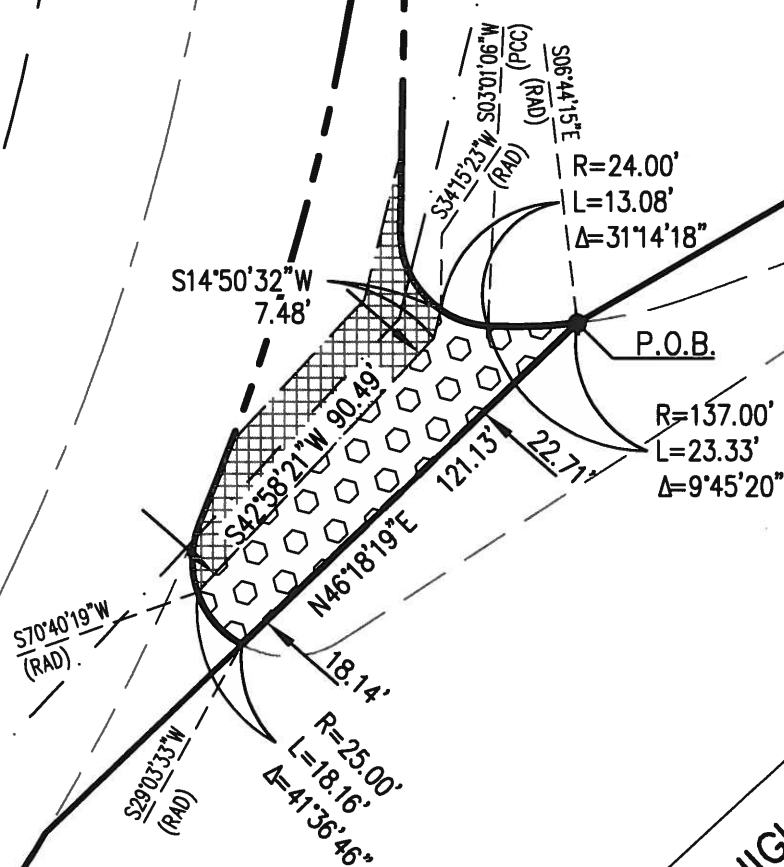


EXHIBIT B




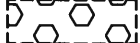
Joseph Padilla

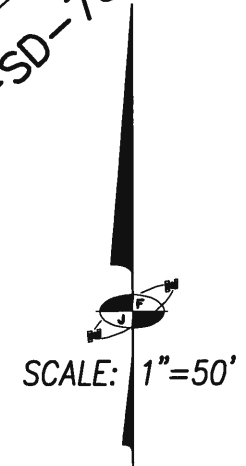
MISSION ROAD 1-C



HIGHWAY 11-SD-76

LEGEND

- P.O.B. POINT OF BEGINNING
-  INDICATES 20' WIDE SEWER EASEMENT DEDICATED BY SEPERATE INSTRUMENT.
-  INDICATES TEMPORARY CONSTRUCTION EASEMENT.



JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-1641

EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 08/12/2021 SHEET 1 OF 1

RESOLUTION NO. 21-25

RESOLUTION NO. 21-25

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND DIRECTING CONDEMNATION OF PORTIONS OF SAN DIEGO COUNTY ASSESSOR PARCEL NUMBERS 126-230-07, 126-230-62, AND 126-230-63

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

WHEREAS, public safety, welfare, convenience, interest and necessity requires the District to acquire interests in the property located at 5256 S. Mission Road, in Bonsall, an unincorporated community within San Diego County, for public use, to wit: Acquisition of property for Phase 1 of the Lift Station 1 Replacement Project (the “Project”); and

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

WHEREAS, the property to be acquired for the Project includes a 27,221 square foot permanent easement in the property which bears San Diego Assessor’s Parcel Numbers 126-230-07, 126-230-62, and 126-230-63, as described and depicted more specifically in Exhibit “1” attached hereto and incorporated herein for the purposes of public utilities and general utility purposes including sewer, access and maintenance purposes; and

WHEREAS, the property to be acquired for the Project also includes a 41,059 square foot temporary construction easement in the property which bears San Diego County Assessor’s Parcel Numbers 126-230-07, 126-230-62, and 126-230-63, as described and depicted more specifically in Exhibit “2” attached hereto and incorporated herein for the purposes of all necessary and convenience activities associated with the Project (“TCE”). The TCE shall be valid for a period of not more than eighteen (18) months. It shall commence seven (7) days from the date upon which the District or its authorized representative provides the owner with written notice of its intent to commence construction utilizing the TCE. The District shall either protect in place or replace in kind any improvement located within the TCE area. At the expiration of the TCE, the District or its agents shall restore the TCE area to a condition as near as practicable to the condition that existed immediately prior to the commencement of construction; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235, on November 16, 2021, there was mailed a Notice of Hearing on the Intent of the District to consider adoption of a Resolution of Necessity for acquisition by eminent domain of the real property as described and depicted more specifically in Exhibits “1” and “2” herein (the “Property”). The Notice of Hearing was mailed to the listed address of all persons whose names appear on the last equalized county assessment roll as the owner or owners of the Property; and

WHEREAS, pursuant to California Code of Civil Procedure section 1245.235 and the Executive Order N-29-20 issued by Governor Gavin Newson, the District scheduled a hearing for December 7, 2021 at 1:00 pm to take place both at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028 and via Zoom (accessible by videoconference and teleconference), gave to each owner or owners whose property is to be acquired notice and a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by the District and each owner or owners whose property is to be acquired by eminent domain were afforded an opportunity to be heard on those matters specified in the District's Notice of Hearing on the Intent to consider adoption of a Resolution of Necessity as referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, the District may adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the Rainbow Municipal Water District, by a vote of two-thirds or more of its members, as follows:

1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
2. The District has complied with the requirements of California Code of Civil Procedure Section 1245.235 regarding notice and hearing.
3. The public use for which the Property is to be acquired is for the construction and maintenance of the Project, a public water system improvement, as more fully described hereinabove. California Water Code sections 71693 and 71694 authorize the District to acquire by eminent domain property and interests in property necessary for such purpose and for all uses incidental and convenient thereto.
4. The Project is necessary to ensure sufficient sewer capacity for all new residential and commercial developments occurring near the Property. The public interest and necessity require the acquisition by eminent domain proceedings of the real property interests as described and depicted more specifically in Exhibits "1" and "2" attached hereto and incorporated by this reference.
5. In accordance with California Code of Civil Procedure Section 1245.230, the District finds, determines and declares each of the following:
 - a. The public interest and necessity require the proposed Project;
 - b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
 - c. The above-described Property, legally described and depicted in Exhibits "1"

and “2”, are necessary for the proposed Project;

- d. The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.
6. Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent the Property is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property, or any portion thereof, is already devoted.
7. The District is hereby authorized and empowered to acquire the Property by eminent domain for the Project.
8. Legal Counsel for the District (“Counsel”) is hereby authorized, empowered and directed to take all steps necessary to acquire the Property in the name of and on behalf of the District by eminent domain, and is authorized to institute and prosecute to completion such legal proceedings as may be required in connection therewith. Counsel is also authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court and to permit the District to take possession of and use the Property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the Property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property. Counsel is further authorized, subject to the approval of the District, to compromise and settle such eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including entering into stipulations as to judgment and other matters, and cause all payments to be made.
9. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 7th day of December 2021 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

EXHIBIT 1

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

GRANT OF EASEMENT

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

Assessor's Parcel No. 126-230-07, 126-230-62, 126-230-63

For valuable consideration, the receipt of which is hereby acknowledged, **HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST**, collectively as Grantors, do hereby grant to Rainbow Municipal Water District (RMWD), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as Grantee, its successors and assigns, a non-exclusive easement and right of way 20 feet in width in, upon, over, under, and across the lands hereinafter described, to erect, install, construct, reconstruct, replace, repair, alter, operate, maintain, inspect and use, a pipeline or pipelines for any and all purposes, together with any easement roads and appurtenances within the right-of-way, including but not limited to conduits and cables for communication purposes, at such location and elevations, upon, along, over and under the hereinafter described right-of-way as Grantee may now or hereafter deem convenient and necessary from time to time, together with right of ingress thereto and egress therefrom to and along said right-of-way by a practical route or routes, in, upon, over, and across the hereinafter described lands, together with the right to clear and keep clear said right-of-way from buildings and structures.

The lands in which said easement and right-of-way is hereby granted are situated in the County of San Diego, State of California, more commonly known as 5256 S. Mission Road, Bonsall, CA 92003 and are particularly described as follows:

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

It is further understood and agreed that no other easement or easements shall be granted on, under, over said easement and right-of-way by Grantors to any person, firm or corporation without the previous written consent of said Grantee, so long as no utility or access easement provided for herein may or will cause or require the relocation, repair or alteration of any of Grantee's facilities, including a pipeline or pipelines, or otherwise affect Grantee's facilities or Grantee's access to such facilities in any way. This easement shall remain exclusive as to the precise location and situs of Grantee's facilities.

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

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

Grantee shall have the right to transfer and assign this easement in whole or in part being hereby granted to the Grantee.

It is also understood and agreed by the parties hereto that Grantors and their successors or assigns, shall not increase or decrease, or permit the increase or decrease of, the existing ground elevations of the above described easement and right-of-way, existing at the time this document is executed, without the written consent of Grantee.

Grantors expressly warrant and represent that Grantors have the power to grant this easement in accordance with its terms.

IN WITNESS WHEREOF, the Grantors executed this instrument this _____ day of _____ 2021.

Owner: **Harold F. Alles, Trustee of the Harold and Patricia Alles Revocable Trust**
Dated August 1, 2001

By: _____
(Type Name/Entity Here)

_____ Date

Owner: **Patricia A. Alles, Trustee of the Harold and Patricia Alles Revocable Trust**
Dated August 1, 2001

By: _____
(Type Name/Entity Here)

_____ Date

Owner: **Mission Road Partners, L.P., a California Limited Partnership**

By: _____
(Type Name/Entity Here) Date _____

Its: _____
(Type Title Here)

Owner: **William A. Buster, a Married Man as his Sole and Separate Property**

By: _____
(Type Name/Entity Here) Date _____

Owner: **Mark W. Buster, a Married Man as his Sole and Separate Property**

By: _____
(Type Name/Entity Here) Date _____

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Attorney Date _____

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

State of California)

County of San Diego)

)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE

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

dated _____ from _____

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

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____ By _____
General Manager

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

EXHIBIT A

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
20' WIDE SEWER EASEMENT**

A 20 FEET WIDE STRIP OF LAND ACROSS A PORTION OF THE WEST HALF OF SECTION 20, TOWNSHIP 10 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED DECEMBER 27, 1870, SAID 20 FEET WIDE EASEMENT BEING 10 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

EASEMENT 1:

(APN: 126-230-07)

VESTING: HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST.

COMMENCING AT A FOUND TAG IN A CONCRETE DTCH STAMPED "CAL DOT" PER ROS 14073 AND SHOWN ON ROS 21849;

THENCE NORTH 89°08'12" WEST A DISTANCE OF 4.93 FEET TO A POINT ON A CURVE ON THE WEST RIGHT-OF-WAY TO STATE HIGHWAY 76 AS SHOWN ON ROS 21849, SAID CURVE BEING CONCAVE TO THE WEST HAVING A RADIUS OF 1332.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 72°56'42" EAST;

THENCE SOUTHERLY ALONG SAID CURVE AND WEST RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 00°31'23" AN ARC LENGTH OF 12.16 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID CURVE AND RIGHT-OF-WAY SOUTH 72°04'38" WEST A DISTANCE OF 89.90 FEET;

THENCE SOUTH 02°03'36" WEST A DISTANCE OF 34.58 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER, OF THE NORTHWEST QUARTER OF SAID SECTION 20, SAID POINT HEREINAFTER TO BE KNOWN AS **POINT "A"** SAID POINT ALSO BEING THE **POINT OF TERMINUS** OF THIS EASEMENT.

THE SIDELINES OF SAID EASEMENT SHALL BE LENGTHEN OR SHORTEN TO MEET AT ANGLE POINTS AND TO TERMINATE ON THE WEST RIGHT-OF-WAY OF STATE HIGHWAY 76 AS SHOWN ON R.O.S. 21849 AND ON THE SOUTH LINE OF THE NORTHEAST QUARTER, OF THE NORTHWEST QUARTER OF SAID SECTION 20.

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 2,486 SQUARE FEET.

EASEMENT 2:

(APN: 126-230-62)

VESTING: HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST.

BEGINNING AT POINT "A" MENTIONED ABOVE, THENCE CONTINUING ON THE SAME LINE SOUTH 02°03'36" WEST A DISTANCE OF 116.88 FEET;

THENCE SOUTH 85°16'07" WEST A DISTANCE OF 70.88 FEET;

THENCE SOUTH 04°43'24" WEST A DISTANCE OF 102.17 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWEST, HAVING A RADIUS OF 1493.39 FEET. A RADIAL LINE TO THE BEGINNING OF SAID NON-TANGENT CURVE BEARS SOUTH 57°54'31" EAST;

THENCE SOUTHWESTERLY ALONG SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 08°35'39" AND ARC LENGTH OF 224.00 FEET TO A COMPOUND CURVE HAVING A RADIUS OF 1494.11 FEET. A RADIAL LINE TO THE BEGINNING OF SAID COMPOUND CURVE BEARS SOUTH 49°18'52" EAST;

THENCE SOUTHWESTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 06°47'47" AN ARC LENGTH OF 177.23 FEET;

THENCE SOUTH 47°28'55" WEST A DISTANCE OF 122.47 FEET;

THENCE NORTH 47°44'23" WEST A DISTANCE OF 7.37 FEET TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 20, SAID POINT HEREINAFTER TO BE KNOWN AS **POINT "B"** SAID POINT ALSO BEING THE **POINT OF TERMINUS** OF THIS EASEMENT.

THE SIDELINES OF SAID EASEMENT SHALL BE LENGTHEN OR SHORTEN TO MEET AT ANGLE POINTS AND TO TERMINATE ON THE SOUTH LINE OF THE NORTHEAST QUARTER, OF THE NORTHWEST QUARTER OF SAID SECTION 20 AND ON THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 20.

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 16,420 SQUARE FEET.

EASEMENT 3:

(APN: 126-230-63)

VESTING: HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST.

BEGINNING AT POINT "B" MENTIONED ABOVE, THENCE CONTINUING ON THE SAME LINE NORTH 47°44'23" WEST A DISTANCE OF 111.15 FEET;

THENCE SOUTH 47°31'55" WEST A DISTANCE OF 154.14 FEET TO A POINT ON THE NORTHEAST RIGHT-OF-WAY OF SOUTH MISSION ROAD (118.00 FEET WIDE) AS SHOWN ON ROS 21849, SAID POINT HEREINAFTER TO BE KNOWN AS **POINT 'C'**;

THENCE CONTINUING SOUTH 47°31'55" WEST A DISTANCE OF 118.12 FEET TO A POINT ON THE SOUTHWEST RIGHT-OF-WAY OF SOUTH MISSION ROAD (118.00 FEET WIDE) AS SHOWN ON ROS 21849, SAID POINT HEREINAFTER TO BE KNOWN AS **POINT "D"**;

THENCE CONTINUING SOUTH 47°31'55" WEST A DISTANCE OF 9.86 FEET;

THENCE SOUTH 14°00'32" A DISTANCE OF 144.64 FEET TO A POINT ON THE NEW EAST RIGHT-OF-WAY FOR MISSION ROAD AS SHOWN ON STATE OF CALIFORNIA, TRANSPORTATION AGENCY, DEPARTMENT OF TRANSPORTATION MONUMENTATION MAP FILED AS MS 791 IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY, SAID POINT BEING THE **POINT OF TERMINUS** OF THIS EASEMENT.

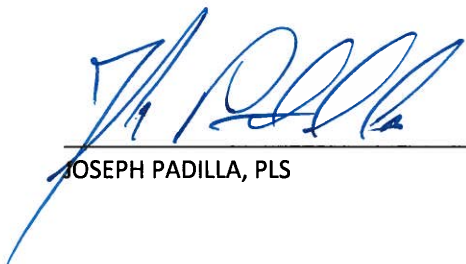
EXCEPTING THEREFROM THAT PORTION IN SOUTH MISSION ROAD BETWEEN **POINT "A"** AND **POINT "B"**.

THE SIDELINES OF SAID EASEMENT SHALL BE LENGTHEN OR SHORTEN TO MEET AT ANGLE POINTS AND TO TERMINATE ON THE RIGHT-OF-WAY LINES OF MISSION ROAD (118 FEET WIDE) AS SHOWN ON R.O.S. 21849, ON THE EASET LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 20 AND ON THE WEST BOUNDARY OF APN: 126-230-63.

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 8,315 SQUARE FEET.

THESE LEGAL DESCRIPTIONS AND MAP EXHIBITS WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.


JOSEPH PADILLA, PLS

7/01/2021
DATE



EXHIBIT B

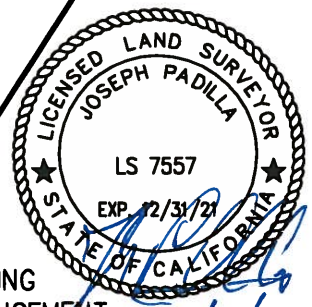
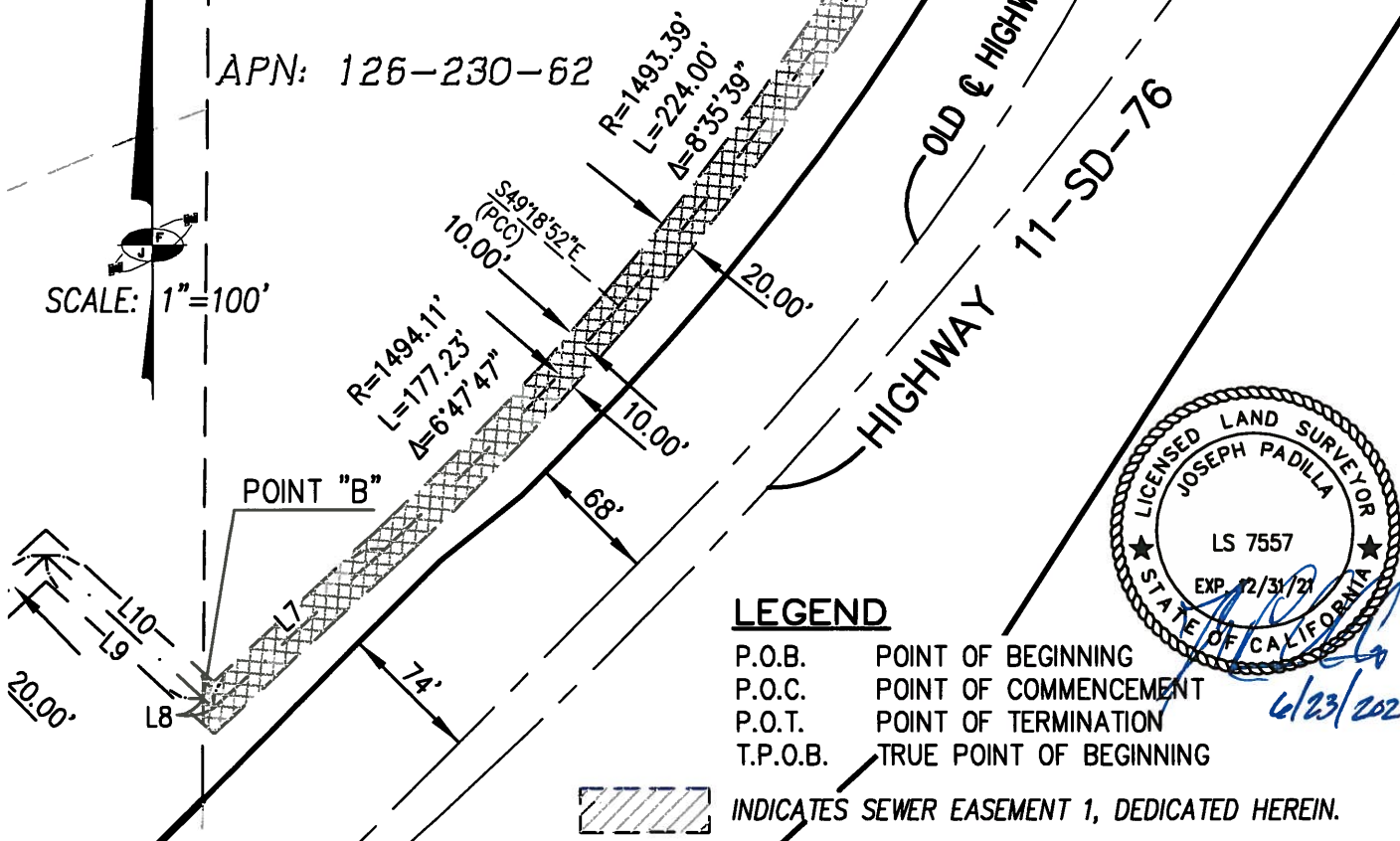
CURVE TABLE			
CURVE	RADIUS	LENGTH	DELTA
C1	1332.00'	12.16'	00°31'23"

APN: 126-230-07

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S72°04'38"W	89.90'
L2	S02°03'36"W	151.46'
L3	S02°03'36"W	34.58'
L4	S02°03'36"W	116.88'
L5	S85°16'07"W	70.88'
L6	S04°43'24"W	102.17'
L7	S47°28'55"W	122.47'
L8	N47°44'23"W	7.37'
L9	N47°44'23"W	111.15'
L10	N47°44'23"W	118.52'

APN: 126-230-62

SCALE: 1"=100'



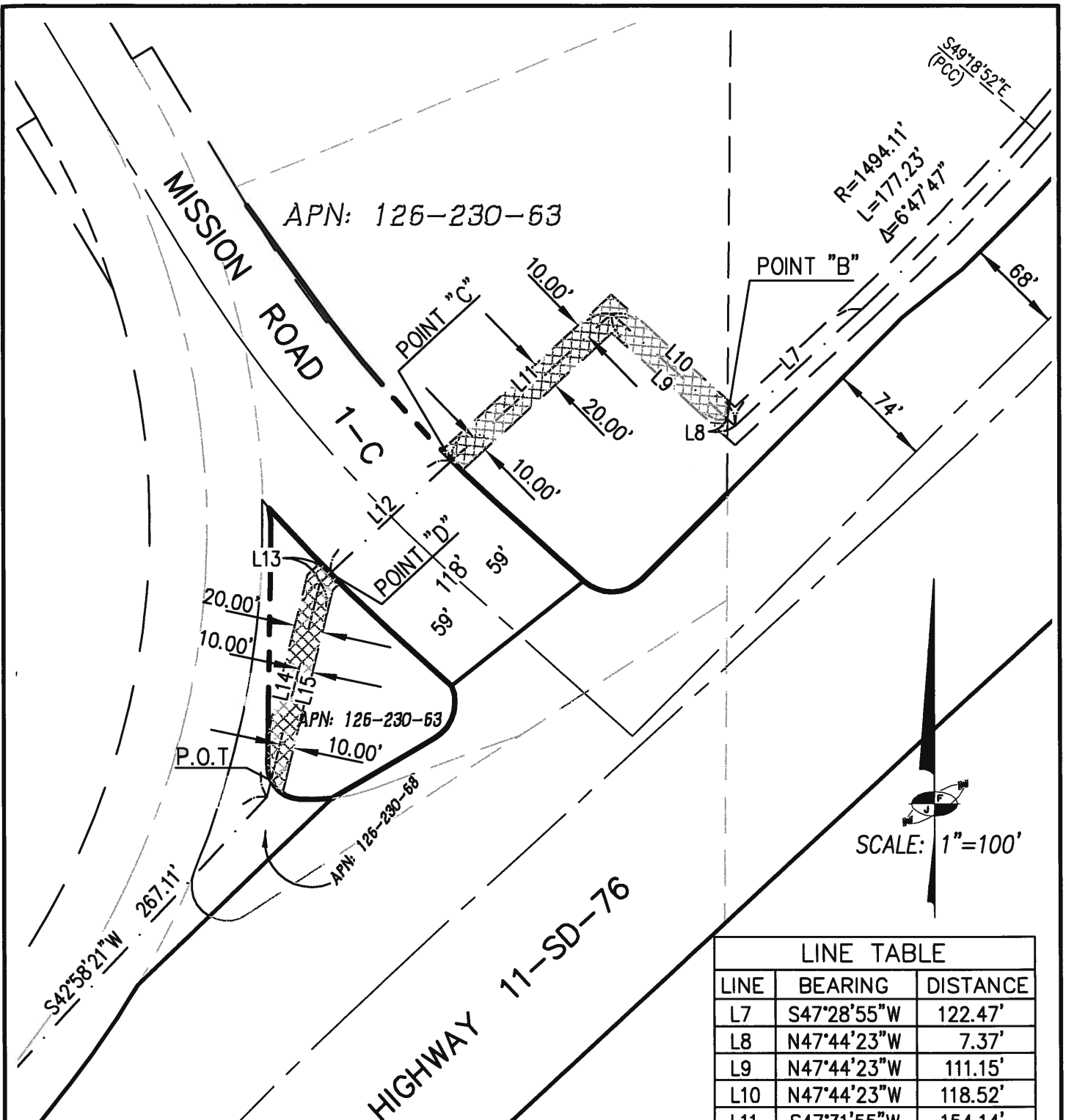
LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- P.O.T. POINT OF TERMINATION
- T.P.O.B. TRUE POINT OF BEGINNING

- INDICATES SEWER EASEMENT 1, DEDICATED HEREIN.
- INDICATES SEWER EASEMENT 2, DEDICATED HEREIN.

JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-3641

EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 06/23/2021 SHEET 1 OF 2



$S49^{\circ}18'52"E$
 (P.C.)
 $R=1494.11'$
 $L=177.23'$
 $\Delta=6^{\circ}47'47"$

APN: 126-230-63

MISSION ROAD 1-C

HIGHWAY 11-SD-76

APN: 126-230-63

APN: 126-230-68

SCALE: 1"=100'

LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- P.O.T. POINT OF TERMINATION
- T.P.O.B. TRUE POINT OF BEGINNING



INDICATES SEWER EASEMENT 3, DEDICATED HEREIN.

LINE TABLE		
LINE	BEARING	DISTANCE
L7	S47°28'55"W	122.47'
L8	N47°44'23"W	7.37'
L9	N47°44'23"W	111.15'
L10	N47°44'23"W	118.52'
L11	S47°31'55"W	154.14'
L12	S47°31'55"W	118.12'
L13	S47°31'55"W	9.86'
L14	S14°00'32"W	156.54'
L15	S14°00'32"W	144.64'


JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-6411

EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 06/23/2021 SHEET 2 OF 2

EXHIBIT 2

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

GRANT OF TEMPORARY CONSTRUCTION EASEMENT

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

Assessor's Parcel No. 126-230-07, 126-230-62, 126-230-63

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, **HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST**, collectively as Grantors, do hereby grant and convey to Rainbow Municipal Water District (RMWD), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as Grantee, and its successors and assigns, a temporary construction easement ("Temporary Construction Easement") over, above, on, under, in, along, across and through that certain portion of Grantor's real property located at 5256 S. Mission Road, Bonsall, County of San Diego, State of California, more particularly described in the legal description attached hereto as EXHIBIT A and depicted or illustrated on the map or drawing attached here to as EXHIBIT B and incorporated herein by reference ("TCE Area"), for the purpose of all necessary and convenient activities associated with the construction of Thoroughbred Lift Station Project ("Project").

The Temporary Construction Easement shall expire on the date ("Expiration Date") that is not more than eighteen (18) months from the commencement of construction within the TCE Area, as established in a written notice given to Grantors by or on behalf of Grantee seven (7) days before Grantee intends to commence utilizing the TCE Area. Upon the Expiration Date, the then-owners of record of the above-referenced property shall have the right to request and, thereafter, receive from Grantee a duly executed and acknowledged instrument in writing whereby Grantee quitclaims or otherwise releases its interest in the Temporary Construction Easement, but not the other terms and provisions of this Instrument, to the said then-owner of record of the above-referenced property, and may cause same to be recorded in Official Records of San Diego County, California.

Grantors covenant, by and for themselves, their heirs, successors and assigns, including, without limitation, any voluntary and involuntary successor(s)-in-interest to the above-referenced property or any part thereof, that Grantors shall not, without the express prior written consent of Grantee, erect, place, or maintain any improvement, or undertake any other activity, which may interfere with the use of the Temporary Construction Easement Area; and Grantors shall not permit the erection, placement, or maintenance of any improvement, or undertaking of any other activity, which may interfere with the use of the Temporary Construction Easement Area, including, without limitation, the erection of any building, wall, fence, structure or other improvement within the Temporary Construction Easement Area.

Grantee's use of the Temporary Construction Easement shall include, without limitation, the right and privilege of Grantee and its employees, agents, representatives, contractors, subcontractors and workmen to: (i) perform all activities as may be necessary to facilitate the purposes of the Temporary Construction Easement; (ii) use, control and occupy the TCE Area; (iii) have access to, ingress to, and egress from the TCE Area; (iv) use and temporarily place and operate tools, equipment, machinery, and materials on the TCE Area; and (v) trim, cut, or clear away any trees, brush, or other vegetation or flora, including, without limitation, the roots thereof, located within the TCE Area.

Prior to the Expiration Date, Grantors shall not grant or dedicate any easement, right or other interest in, to, on, under or over the TCE Area without obtaining the prior written consent of Grantee, which may be granted or withheld in Grantee's sole and unfettered discretion.

At the expiration of the Temporary Construction Easement, Grantee or its authorized agent(s) shall restore the TCE Area to a condition as near as practicable to the condition that existed prior to Grantee's operations; provided, however, that Grantee's restoration obligations shall not apply with respect to reasonable wear and tear or any changed condition or circumstance not resulting from Grantee's operations, negligence or greater fault. Additionally, Grantee shall not be required to restore any vegetation, landscaping or improvements for which the Grantors have been paid, to the pre-existing condition. Further, it is understood that, upon said expiration or termination of the Temporary Construction Easement, Grantee shall have no other or further obligation, liability or duty in connection with the Property.

The covenants contained in this Instrument shall run with the land.

IN WITNESS WHEREOF, the Grantors executed this Instrument this _____ day of _____ 2021.

Owner: **Harold F. Alles, Trustee of the Harold and Patricia Alles Revocable Trust**
Dated August 1, 2001

By: _____ Date _____
Harold F. Alles, Trustee

Owner: **Patricia A. Alles, Trustee of the Harold and Patricia Alles Revocable Trust**
Dated August 1, 2001

By: _____ Date _____
Patricia A. Alles, Trustee

Owner: **Mission Road Partners, L.P., a California Limited Partnership**

By: _____
(Type Name/Entity Here)

_____ Date

Its: _____
(Type Title Here)

Owner: **William A. Buster, a Married Man as his Sole and Separate Property**

By: _____
William A. Buster

_____ Date

Owner: **Mark W. Buster, a Married Man as his Sole and Separate Property**

By: _____
Mark A. Buster

_____ Date

(Signatures must be notarized. Notary form attached.)

Approved as to Form
Rainbow Municipal Water District

Alfred E. Smith, District Attorney

_____ Date

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

State of California)

County of San Diego)

)

On _____, before me, _____, Notary Public

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE

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

dated _____ from _____

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

RAINBOW MUNICIPAL WATER DISTRICT

Dated _____ By _____
General Manager

Project Name: _____

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

EXHIBIT A

**LEGAL DESCRIPTION
RAINBOW MUNICIPAL WATER DISTRICT
TEMPOARY CONSTRUCTION EASEMENT**

A STRIP OF LAND ACROSS A PORTION OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 10 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED DECEMBER 27, 1870, DESCRIBED AS FOLLOWS:

TCE 1:

(APN: 126-230-07 & 62)

VESTING: HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST.

COMMENCING AT A FOUND TAG IN A CONCRETE DTCH STAMPED "CAL DOT" PER ROS 14073 AND SHOWN ON ROS 21849, RECORDED NOVEMBER 6, 2014 AS FILE NO. 2014-0485097 IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY;

THENCE NORTH 89°08'12" WEST A DISTANCE OF 4.93 FEET TO A POINT ON A CURVE ON THE WEST RIGHT-OF-WAY TO STATE HIGHWAY 11-SD-76 AS SHOWN ON SAID ROS 21849, SAID CURVE BEING CONCAVE TO THE WEST HAVING A RADIUS OF 1332.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 72°56'42" EAST;

THENCE SOUTHERLY ALONG SAID CURVE AND WEST RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 01°03'12" AN ARC LENGTH OF 24.48 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING CONTINUING SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°32'01" AN ARC LENGTH OF 12.41 FEET;

THENCE SOUTH 72°04'38" WEST A DISTANCE OF 50.70 FEET;

THENCE SOUTH 02°03'36" WEST A DISTANCE OF 11.1.03 FEET TO A NON-TANGENT CURVE CONCENTRICT WITH THE WEST RIGHT-OF-WAY OF HIGHWAY 11-SD-76 AS SHOWN ON SAID ROS 21849 DISTANT 2.00 FEET NORTHWESTERLY HAVING A RADIUS OF 1330.00 FEET, A RADIAL LINE TO THE BEGINNING OF SAID NON-TANGENT CURVE BEARS SOUTH 65°27'44" EAST;

THENCE SOUTHERLY ALONG SAID NON-TANGENT CONCENTRICT CURVE THROUGH A CENTRAL ANGLE OF 02°37'02" AN ARC LENGTH OF 60.75 FEET;

THENCE SOUTH 85°16'07" WEST A DISTANCE OF 62.44 FEET;

THENCE SOUTH 04°43'24" WEST A DISTANCE OF 118.80 FEET TO A NON-TANGENT CURVE CONCENTRICT WITH THE WEST RIGHT-OF-WAY OF HIGHWAY 11-SD-76 AS SHOWN ON SAID ROS 21849 DISTANT 2.00 FEET NORTHWESTERLY HAVING A RADIUS OF 1330.00 FEET, A RADIAL LINE TO THE BEGINNING OF SAID NON-TANGENT CURVE BEARS SOUTH 56°40'53" EAST;

THENCE SOUTHERLY ALONG SAID NON-TANGENT CONCENTRICT CURVE THROUGH A CENTRAL ANGLE OF 11°45'28" AN ARC LENGTH OF 272.93 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 45°04'35" A DISTNCE OF 35.62 FEET;

THENCE SOUTH 51°20'04" WEST A DISTANCE OF 55.02 FEET;

THENCE SOUTH 45°04'35" WEST A DISTANCE OF 146.85 FEET;

THENCE NORTH 47°44'23" WEST A DISTANCE OF 18.42 FEET TO THE SOUTHEASTERLY LINE OF A 20 FOOT WIDE SEWER EASEMENT, DEDICATED BY SEPARATE INSTRUMENT;

THENCE NORTHERLY AND EASTERLY ALONG SAID LINE THE FOLLOWING SEVEN (7) COURSES;

- 1) NORTH 47°28'55" EAST A DISTANCE OF 131.60 TO A TANGENT CURVE CONCAVE NORTHWEST HAVING A RADIUS OF 1504.11 FEET;
- 2) THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6°47'47" AN ARC LENGTH OF 178.42 FEET TO A COMPOUND CURVE HAVING A RADIUS OF 1503.39 FEET;
- 3) THENCE NORTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 8°41'13" AN ARC LENGTH OF 227.94 FEET;
- 4) THENCE NORTH 04°43'24" EAST A DISTANCE OF 96.12 FEET;
- 5) THENCE NORTH 85°16'07" EAST A DISTANCE OF 71.29 FEET;
- 6) THENCE NORTH 02°03'36" A DISTANCE OF 153.34 FEET;
- 7) THENCE NORTH 72°04'38" EAST A DISTANCE OF 75.69 FEET TO A POINT ON THE WEST RIGHT-OF-WAY OF HIGHWAY 11-SD-76 AND THE **TRUE POINT OF BEGINNING.**

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 14,576 SQUARE FEET.

TCE 2:

(APN: 126-230-07, 62 & 63)

VESTING: HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST.

COMMENCING AT A FOUND TAG IN A CONCRETE DTCH STAMPED "CAL DOT" PER ROS 14073 AND SHOWN ON ROS 21849, RECORDED NOVEMBER 6, 2014 AS FILE NO. 2014-0485097 IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY;

THENCE NORTH 89°08'12" WEST A DISTANCE OF 4.93 FEET TO A POINT ON A CURVE ON THE WEST RIGHT-OF-WAY TO STATE HIGHWAY 76 AS SHOWN ON SAID ROS 21849,

THENCE CONTINUING SAID LINE ALSO BEING THE NORTHERLY LINE OF PARCEL 4 RECORDED DECEMBER 17, 1993 AS DOCUMENT NO. 1993-085494 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, NORTH 89°08'12" A DISTANCE OF 0.21 FEET TO THE NORTH LINE OF A 20 FOOT WIDE SEWER EASEMENT DEDICATED BY SEPARATE INSTRUMENT;

THENCE ALONG WESTERLY AND SOUTHERLY ALONG SAID EASEMENT LINE THE FOLLOWING NINE (9) COURSES;

- 1) SOUTH 72°04'38" WEST A DISTANCE OF 103.72 FEET;
- 2) SOUTH 02°03'36" WEST A DISTANCE OF 149.59 FEET;
- 3) SOUTH 85°16'07" WEST A DISTANCE OF 70.47 FEET;
- 4) SOUTH 04°43'24" WEST A DISTANCE OF 108.20 FEET TO NON-TANGENT CURVE CONCAVE NORTHWEST HAVING A RADIUS OF 1483.39 FEET, A RADIAL LINE TO THE BEGINNING OF SAID NON-TANGENT CURVE BEARS SOUTH 57°48'53" EAST;
- 5) SOUTHWESTERLY ALONG SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 08°30'01" AN ARC LENGTH OF 220.07 FEET TO A COMPOUND CURVE HAVING A RADIUS OF 1484.11 FEET;
- 6) SOUTHWESTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 06°47'47" AN ARC LENGTH OF 176.05;
- 7) SOUTH 47°28'55" WEST A DISTANCE OF 113.35 FEET;
- 8) NORTH 47°44'23" WEST A DISTANCE OF 118.52 FEET;
- 9) SOUTH 47°31'55" WEST 163.69 FEET TO A POINT ON CURVE BEING THE NORTHEAST RIGHT-OF-WAY OF MISSION ROAD, SAID CURVE CONCAVE NORTHEAST HAVING A RADIUS OF 941.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 45°24'34" WEST;

THENCE NORTHWESTERLY ALONG SAID CURVE AND RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 01°49'38" AN ANGLE LENGTH OF 30.01 FEET;

THENCE NORTH 47°31'55" EAST A DISTANCE OF 191.68 FEET;

THENCE SOUTH 47°44'23" EAST A DISTANCE OF 134.77 FEET;

THENCE NORTH 45°04'35" EAST A DISTANCE OF 101.98 FEET;

THENCE NORTH 51°20'04" EAST A DISTANCE OF 55.20 FEET;

THENCE NORTH 45°04'35" EAST A DISTANCE OF 32.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWEST HAVING A RADIUS OF 1280.00 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°11'33" AN ARC LENGTH OF 250.04 FEET;

THENCE NORTH 04°43'24" EAST A DISTANCE OF 148.29 FEET;

THENCE NORTH 85°16'07" EAST A DISTANCE OF 85.08 FEET;

THENCE NORTH 02°03'36" EAST A DISTANCE OF 154.32 FEET;

THENCE NORTH 72°04'38" EAST A DISTANCE OF 48.29 FEET TO THE NORTH LINE OF SAID PARCEL 4 OF DOCUMENT NO. 1993-085494 O.R.;

THENCE ALONG SAID NORTH LINE SOUTH 89°08'12" EAST A DISTANCE OF 62.10 TO THE **TRUE POINT OF BEGINNING.**

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 22,051 SQUARE FEET.

TCE 3:

(APN: 126-230-63)

VESTING: HAROLD F. ALLES AND PATRICIA A. ALLES, TRUSTEES OF THE HAROLD AND PATRICIA ALLES REVOCABLE TRUST DATED AUGUST 1, 2001, AS TO AN UNDIVIDED 15% INTEREST; MISSION ROAD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED 70% INTEREST; WILLIAM R. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST AND MARK W. BUSTER, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 7.5% INTEREST.

COMMENCING AT 1" IRON PIPE WITH TAG STAMPED "CAL DOT" AS SHOWN ON SHEET 6 OF 7 ON ROS 21849, RECORDED NOVEMBER 6, 2014 AS FILE NO. 2014-0485097 IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY, SAID PIPE LOCATED AT THE SOUTHWEST END OF LINE LABELED "L9", ALSO SHOWN AS THE SOUTH END OF THE WEST RIGHT-OF-WAY OF MISSION ROAD (119.00 FEET WIDE);

THENCE ALONG SAID WEST RIGHT-OF-WAY NORTH 49°08'13" WEST A DISTANCE OF 58.19 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEAST HAVING A RADIUS OF 1059.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°05'05" AN ARC LENGTH OF 29.89 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 14°00'32" WEST A DISTANCE OF 136.45 FEET TO A POINT ON A CURVE CONCAVE NORTH HAVING A RADIUS OF 137.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 04°23'18" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 07°24'23" AN ARC LENGTH OF 2.74 FEET TO THE BEGINNING OF A COMPOUND CURVE HAVING A RADIUS OF 24.00 FEET;

THENCE WESTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE 31°14'18" AN ARC LENGTH OF 13.09 FEET TO THE EAST LINE OF A 20 FOOT WIDE SEWER EASEMENT DEDICATED BY SEPARATE INSTRUMENT;

THENCE ALONG SAID EAST LINE NORTH 14°00'32" EAST A DISTANCE OF 148.62 FEET;

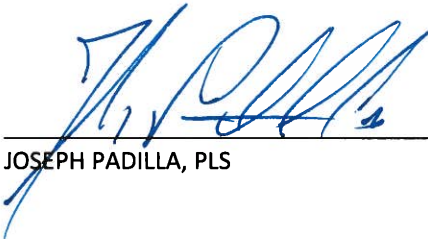
THENCE NORTH 47°31'55" EAST A DISTANCE OF 7.32 FEET TO A POINT ON A CURVE BEING THE WEST RIGHT-OF-WAY OF MISSION ROAD CONCAVE NORTHEAST HAVING A RADIUS OF 1059.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 44°33'47" WEST;

THENCE SOUTHEASTERLY ALONG SAID CURVE AND RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 01°37'03" AN ARC LENGTH OF 29.89 FEET TO THE **TRUE POINT OF BEGINNING**.

ATTACHED HERETO IS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIBED EASEMENT CONTAINS 4,432 SQUARE FEET.

THESE LEGAL DESCRIPTIONS AND MAP EXHIBITS WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.



JOSEPH PADILLA, PLS
07/02/2021
DATE

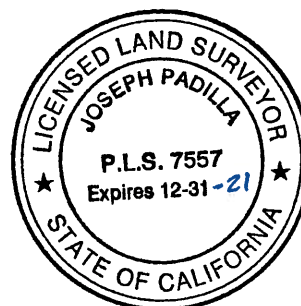


EXHIBIT B

SCALE: 1"=150'

APN: 126-230-63

APN: 126-230-07

APN: 126-230-62

SHEET 4
SHEET 3 VARIES

SHEET 2
SHEET 3

MISSION ROAD

HIGHWAY 11 - SD - 76

T.P.O.B.
(TCE 2)

P.O.C.
(TCE /1)
(TCE 2)

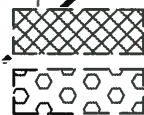
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(TCE 1)

T.P.O.B.
(TCE 3)

P.O.C.
(TCE 3)

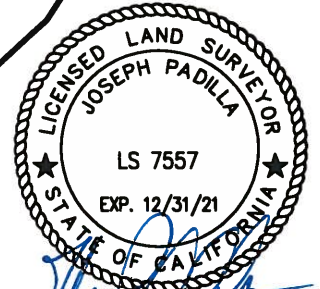
LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT
- P.O.T. POINT OF TERMINATION
- T.P.O.B. TRUE POINT OF BEGINNING

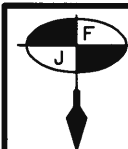


INDICATES 20' WIDE SEWER EASEMENT
DEDICATED BY SEPERATE INSTRUMENT.

INDICATES TEMPORARY CONSTRUCTION EASEMENT.



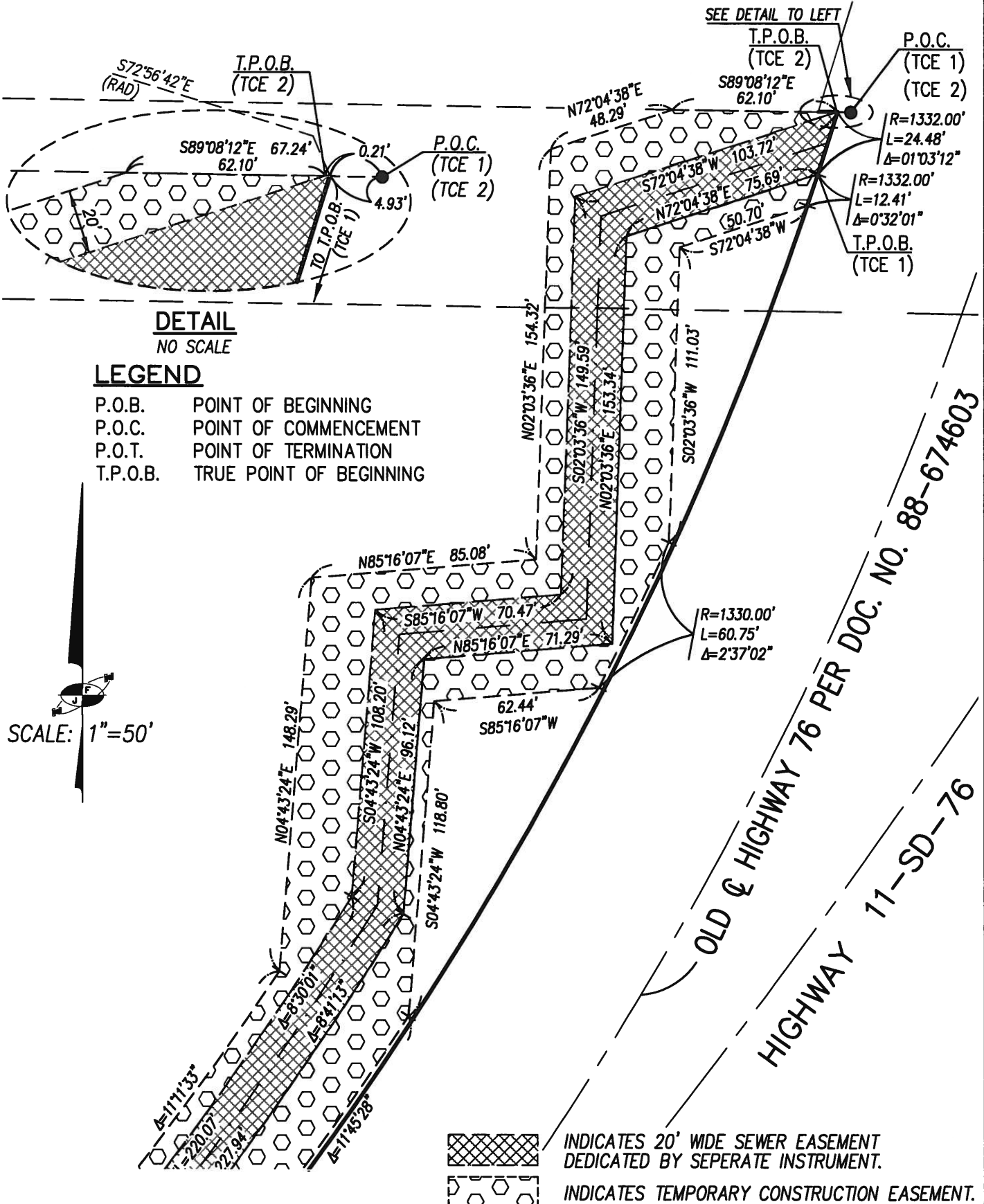
Handwritten signature and date: 07/02/2021



JOHNSON-FRANK & ASSOC., INC.
 LAND SURVEYING - MAPPING
 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-1641

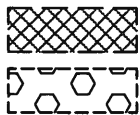
**TEMPORARY CONSTRUCTION EASEMENT
 EXHIBIT 'B'
 SKETCH TO ACCOMPANY LEGAL DESCRIPTION**

DATE 07/02/2021 SHEET 1 OF 4



JOHNSON-FRANK & ASSOC., INC.
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 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-8641

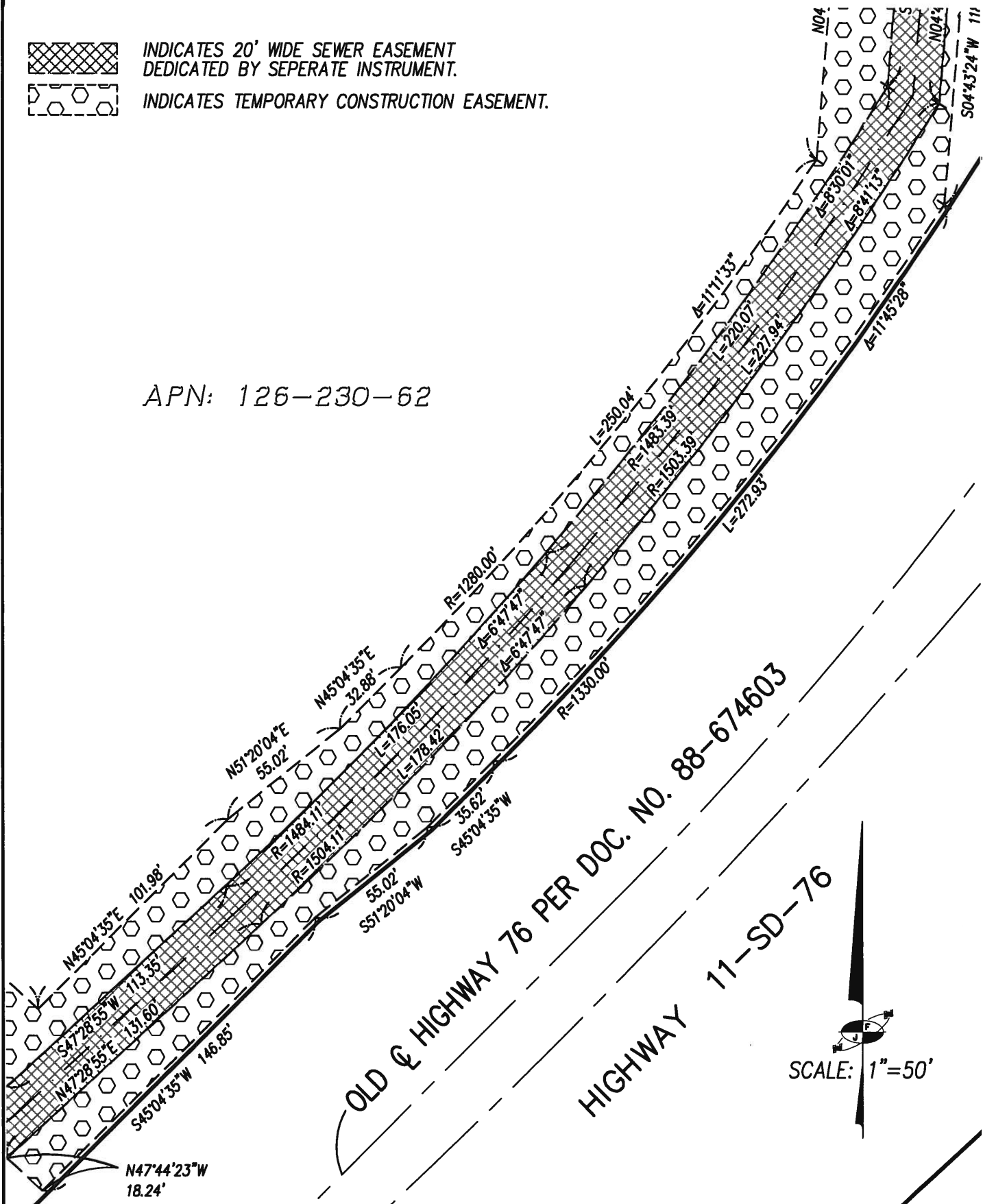
TEMPORARY CONSTRUCTION EASEMENT EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 07/02/2021 SHEET 2 OF 4



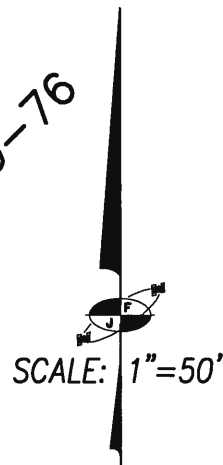
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INDICATES TEMPORARY CONSTRUCTION EASEMENT.

APN: 126-230-62

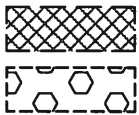


OLD & HIGHWAY 76 PER DOC. NO. 88-674603
HIGHWAY 11-SD-76



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 5150 E. HUNTER AVENUE
 ANAHEIM, CALIFORNIA 92807-2049
 (714) 777-8877 FAX (714) 777-6416

**TEMPORARY CONSTRUCTION EASEMENT
EXHIBIT 'B'**
SKETCH TO ACCOMPANY LEGAL DESCRIPTION
 DATE 07/02/2021 SHEET 3 OF 4



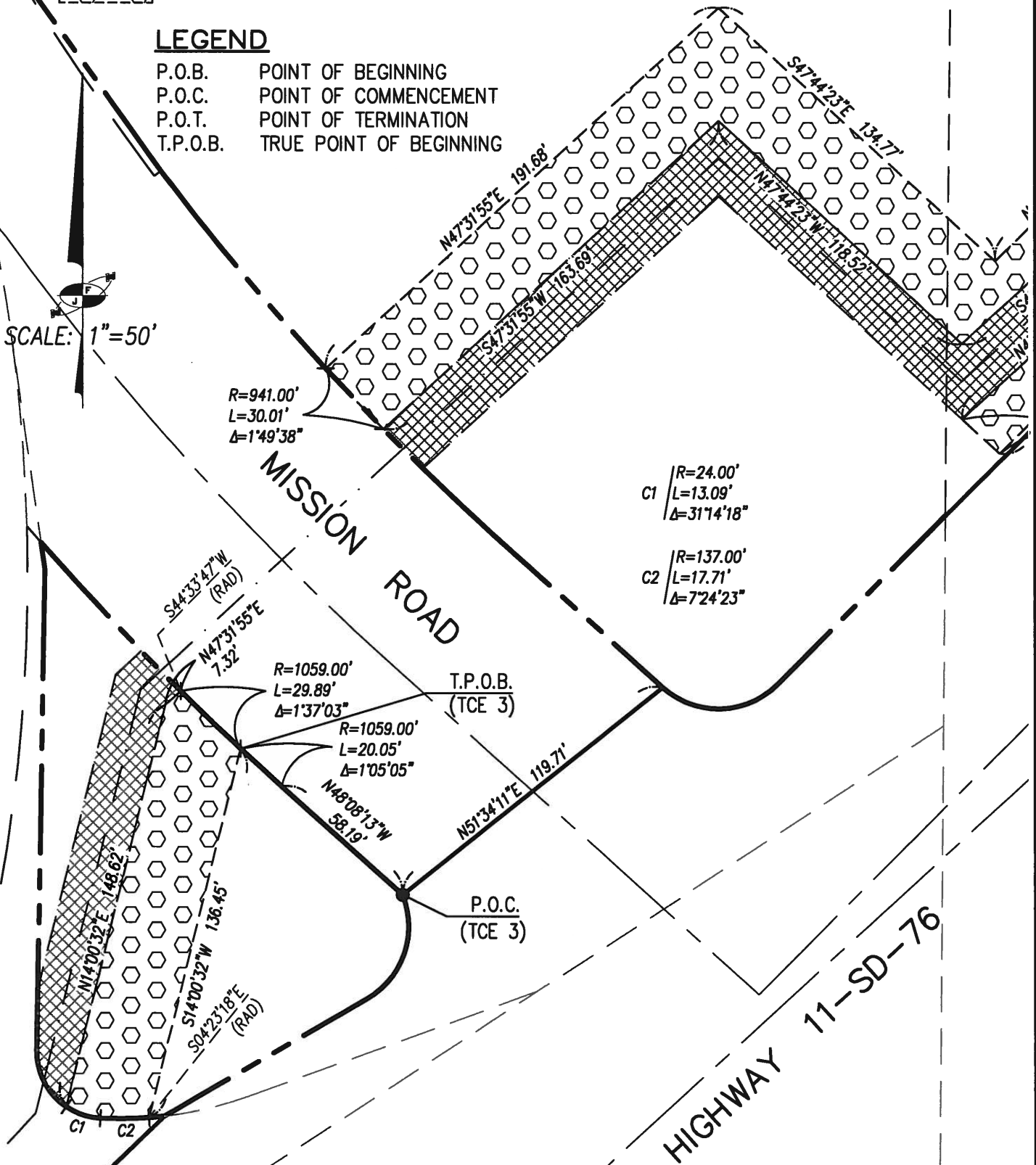
INDICATES 20' WIDE SEWER EASEMENT
DEDICATED BY SEPERATE INSTRUMENT.

INDICATES TEMPORARY CONSTRUCTION EASEMENT.

LEGEND

P.O.B. POINT OF BEGINNING
 P.O.C. POINT OF COMMENCEMENT
 P.O.T. POINT OF TERMINATION
 T.P.O.B. TRUE POINT OF BEGINNING

SCALE: 1"=50'



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 (714) 777-8877 FAX (714) 777-8641

**TEMPORARY CONSTRUCTION EASEMENT
 EXHIBIT 'B'
 SKETCH TO ACCOMPANY LEGAL DESCRIPTION**

DATE 07/02/2021 SHEET 4 OF 4

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 21-28 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE DECEMBER 7, 2021, THROUGH JUNE 30, 2022.

BACKGROUND

In compliance with state and CalPERS regulations, the District maintains a Salary Grade structure that includes all job titles, salary grade levels, and monthly salary ranges for each grade. The table is available for public review, accessible from the Rainbow MWD website, and is published on a website hosted by the California State Controller.

In our ongoing effort to ensure the District is optimally staffed, the management team is recommending adding the following two new job classifications to the Pay Grades and Ranges:

Construction and Meters Supervisor

The existing Meter Supervisor position was created in December 2018 to give the Department a leadership resource between the Lead and Manager level in anticipation of the need for closer supervision and support in Meters due to the Water Service Upgrade (WSUP) project. Since then, two people have held the position, with one leaving the District in July 2020, and the next Supervisor departing in July 2021 after less than a year in the role. While the District conducted the recruitment process to search for a replacement, the Supervisor for Construction has been covering both Departments successfully.

Management staff has since re-evaluated the long-term leadership needs in Meters after the WSUP project concludes. Management staff is recommending a new supervisor classification for a Construction and Meters Supervisor and using the vacant headcount for another position. Staff is currently evaluating ideal use of the headcount to best serve our customers and will make a recommendation to the Board in January.

Senior Fleet Mechanic

The District currently has two job classifications in the Mechanic series: Mechanic I, which is an entry level position, and Mechanic II, which is a journey-level position. While two classifications exist, this is a single incumbent position, or “department of one,” that reports directly to the Operations Manager. In addition to performing vehicle maintenance and repairs, the incumbent Mechanic II participates in activities that would typically be assigned to a supervisor or management level position, such as planning work, dealing with vendors, ensuring regulatory compliance, and making recommendations for the annual budget and vehicle capital expenditures. Although there are no direct reports for this position, a higher-level title and pay grade would be more representative of the duties performed. This change would not add to headcount but would create a promotional pathway for the incumbent.

DESCRIPTION

The grade structure included in Resolution No. 21-28 makes the following changes:

- Adds the Construction and Meters Supervisor classification to Exempt Salary Grade E9.
- Adds the Senior Fleet Mechanic classification to Non-Exempt Pay Grade N6

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Updating this document with current information allows the District to comply with CalPERS requirements and California Code of Regulations 570.5 and 571.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Resolution 21-28 allows the District to comply with CalPERS requirements and meet the District's operational needs.

The fiscal impact will be neutral; the additional wages paid to the Construction and Meters Supervisor and Senior Mechanic positions would be offset by the savings created by replacing the Meters Supervisor headcount with a lower-level individual contributor, and by the months the position has been vacant.

1. Option 1: Approve Resolution No. 21-28.
2. Option 2: Do not approve Resolution No. 21-28.

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 21-28



Karleen Harp, COSM
Human Resources Manager

12/07/2021

**RESOLUTION NO. 21-28 RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RATES FOR DISTRICT EMPLOYEES**

EFFECTIVE DECEMBER 7, 2021 TO JUNE 30, 2022

Exempt Salary Grades	Job Classification	Annual Equivalent		Monthly Range		Biweekly Pay Rate	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
GM	General Manager	\$ 220,000	\$ 319,000	\$ 18,333	\$ 26,583	\$ 8,461.54	\$ 12,269.23
E11	Engineering and Capital Improvement Program Manager Finance Manager Operations Manager	\$ 138,119	\$ 198,870	\$ 11,510	\$ 16,572	\$ 5,312.26	\$ 7,648.85
E10	Human Resources Manager Information Technology Manager	\$ 120,101	\$ 174,110	\$ 10,008	\$ 14,509	\$ 4,619.28	\$ 6,696.53
E9	Associate Engineer Construction and Meters Supervisor Project Manager Senior IT and Applications Analyst Water Operations Supervisor	\$ 104,448	\$ 151,429	\$ 8,704	\$ 12,619	\$ 4,017.24	\$ 5,824.20
E8	Construction and Maintenance Supervisor Information Technology and Applications Analyst Meter Services Supervisor Risk Management Officer Senior Accountant Wastewater Superintendent	\$ 90,825	\$ 131,661	\$ 7,569	\$ 10,972	\$ 3,493.26	\$ 5,063.87
E7	Grants Specialist	\$ 78,978	\$ 114,487	\$ 6,581	\$ 9,541	\$ 3,037.61	\$ 4,403.36

Non-Exempt Pay Grades	Job Classification	Annual Equivalent		Monthly Range		Hourly Pay Rate	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
N7	Customer Service and Communications Supervisor Executive Assistant/Board Secretary Lead Operator Senior Engineering Inspector Technical Services Team Lead	\$ 86,672	\$ 125,684	\$ 7,223	\$ 10,474	\$ 41.67	\$ 60.42
N6	Crew Leader - Construction & Maintenance Crew Leader - Valve Maintenance Customer Service Supervisor Electronic / Electrical Technician II Information Systems Specialist III Senior Fleet Mechanic System Operator III	\$ 75,375	\$ 109,287	\$ 6,281	\$ 9,107	\$ 36.24	\$ 52.54
N5	Accounting Specialist II Electrical / Electronics Technician I Engineering Technician II Information Systems Specialist II Mechanic II Senior Meter Services Technician System Operator II Utility Worker III - Construction Utility Worker III - Valve Maintenance Utility Worker III - Wastewater Services	\$ 65,524	\$ 95,013	\$ 5,460	\$ 7,918	\$ 31.50	\$ 45.68

Non-Exempt Pay Grades	Job Classification	Annual Equivalent		Monthly Range		Hourly Pay Rate	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
N4	Accounting Specialist I						
	Administrative Assistant II						
	Billing Specialist II						
	Cross Connection Control and Backflow Technician						
	Engineering Inspector I						
	Engineering Technician I						
	Information Systems Specialist I	\$ 56,986	\$ 82,600	\$ 4,749	\$ 6,883	\$ 27.40	\$ 39.71
	Purchasing & Inventory Control Specialist II						
	System Operator I						
	Utility Worker II - Construction						
	Utility Worker II - Meter Services						
	Utility Worker II - Valve Maintenance						
Utility Worker II - Wastewater Services							
N3	Administrative Assistant I						
	Billing Specialist I						
	Customer Service Representative II						
	District Services Representative						
	Purchasing & Inventory Control Specialist I	\$ 49,542	\$ 71,851	\$ 4,129	\$ 5,988	\$ 23.82	\$ 34.54
	Utility Worker I - Construction						
	Utility Worker I - Meter Services						
Utility Worker I - Valve Maintenance							
Utility Worker I - Wastewater Services							
N2	Customer Service Representative	\$ 43,062	\$ 62,481	\$ 3,589	\$ 5,207	\$ 20.70	\$ 30.04
	Human Resources Assistant						
N1	Interns	\$ 37,480	\$ 54,359	\$ 3,123	\$ 4,530	\$ 18.02	\$ 26.13

Resolution No. 21-28 rescinds Resolution No. 21-18.

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 7th day of December by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

 Hayden Hamilton, Board President

ATTEST:

 Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 21-08 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 2.03.010.02 - COMPENSATION

BACKGROUND

At their April 27, 2021, meeting, the Board approved amending and updating Administrative Code Section 2.03.010 to include Subsection 2.03.010.02 – Compensation which lists several meetings for which Board Members would qualify for compensation. One of the meetings listed was for one monthly meeting with the General Manager. Soon after this section was amended, it was found the language provided for meetings with the General Manager may be too vague in that Directors could interpret this to include telephone conversations with the General Manager that were short in duration.

During the Board of Directors Comments and Reports portion of the October 26, 2021, Board meeting, it was determined this subsection should include more definitive language in that in-person meetings or telephone conversations with the General Manager qualify for compensation if such monthly meetings or conversations cumulatively added up to a certain amount of time.

DESCRIPTION

Staff has drafted a proposed amendment to Administrative Code Section 2.03.010.02 - Compensation to include more definitive language for Board consideration.

Both redline and non-redline versions of the proposed are attached for reference.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Since the Board impacts all our Key Focus Areas, this action item is related to all areas.

Strategic Focus Area One: Water Resources
Strategic Focus Area Two: Asset Management
Strategic Focus Area Three: Workforce Development
Strategic Focus Area Four: Fiscal Responsibility
Strategic Focus Area Five: Customer Service
Strategic Focus Area Six: Communication

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

- 1) Adopt Ordinance No. 21-08 amending and updated Administrative Code Section 2.03.010.02 as presented.
- 2) Adopt Ordinance No. 21-08 amending and updating Administrative Code Section 2.03.010.02 with revisions.
- 3) Deny adoption of Ordinance No. 21-08 and provide staff with direction.

STAFF RECOMMENDATION

Staff supports direction.



Tom Kennedy, General Manager

December 7, 2021

Ordinance No. 21-08

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Section 2.03.010.02 – Compensation**

WHEREAS, the Rainbow Municipal Water District has, from time to time, adopted various rules and regulations for the operation of the District; and

WHEREAS, certain of those rules and regulations require updating to reflect best practices, as well as changes in applicable laws; and

WHEREAS, the Board of Directors has determined that changes in the rules or regulations of the District shall occur solely by amendment to the Administrative Code;

NOW, THEREFORE,

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

1. The following rules and regulations of the District, collected are hereby adopted and shall be incorporated into the Administrative Code, consisting of:

Section 2.03.010.02: Compensation

2. The General Manager is hereby directed to update the Administrative Code to reflect the approval of these rules and regulations, and to assign or reassign the numbering of the Administrative Code as necessary to codify these rules and regulations as amended.

3. This ordinance shall take effect immediately upon its adoption on this 7th day of December 2021.

AYES:
NOES:
ABSTAIN:
ABSENT:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

Section 2.03.010

Remuneration and Reimbursement Policy

Members of the Board of Directors are encouraged to attend in participate in professional meetings, educational conferences, or seminars when the purpose of such activities is to improve District operation. Board Members are also required to complete all local, state, and federal regulatory training.

2.03.010.01 Compensable Meetings

State Law limits Board member compensation to ten (10) compensable meetings per month (Water Code Section 20202). The RMWD Board shall not be eligible for compensation for more than six (6) compensable days per month.

2.03.010.02 Compensation

Members of the Board of Directors are eligible to receive compensation of \$150 for each day's attendance at the following:

- Rainbow Municipal Water District Meetings
 - Up to Two Board Meetings Per Month
 - Standing Committee Meetings as Board Appointed Member
 - Ad-Hoc Committee Meetings as Board Appointed Member
 - One Monthly In-Person Meeting with General Manager (To qualify for this, the meeting must be scheduled in advance, be related to a specific topic regarding the Board's oversight of the District and have a duration of at least one hour.)
- Regularly Scheduled Local Organization Meetings
 - Council of Water Utilities Monthly Meeting
 - San Diego Chapter of CSDA Quarterly Meeting
- Training and Conferences
 - Required Local, State and Federal Regulatory Training
 - ACWA Annual Spring and Fall Conferences
 - CSDA Annual Conference

Members of the Board of Directors will be appointed as the District's representative for local agencies and organizations. Board Members appointed to the following organizations are eligible to receive compensation of \$150 per day of attendance at meetings of the following organizations:

- San Luis Rey Watershed Council
- Santa Margarita River Watershed Watermaster Steering Committee

- Association of California Water Agencies (ACWA)
- California Special Districts Association (CSDA)

Should two compensable meetings occur in a single day, the Board Member(s) in attendance shall be eligible for compensation of only \$150 for the entire day. In the event duplicate compensable meetings occur in the same month, the Board Member(s) in attendance shall be eligible, for more than one meeting in the same month without exceeding the number of meeting limitations provided herein under 2.03.010.01.

2.03.010.03 Training, Seminars and Conferences

In the event a Member of the Board of Directors wishes to attend any non-regulatory required training, seminars, and conferences and receive compensation for the event and travel/registration expenses, the Board member must present a written request for attendance in advance of the event start date during a regularly scheduled open session Board meeting for Board consideration during the standing agenda item for this practice included in each Board meeting agenda. The Board member requesting compensation and travel/registration expenses shall indicate the nature of the event and the benefits their attendance will bring to the District and its ratepayers. The full Board shall consider this information and take action to approve or disapprove the compensation and travel/registration expenses by a majority vote. Upon approval, the Board Member will be eligible for compensation of \$150 for each day at a non-required training, conference, or seminar after a written or verbal report is provided at the Board meeting immediately following the conclusion of the event.

Advance written requests and/or Board approval is not required for participation in online local, state, or federal regulatory training. In the event regulatory training is completed as part of a seminar or conference attended by a Board Member, the provisions provided herein under 2.03.010.03 will apply and the Board Member will be required to provide the District with a Certificate of Completion within fifteen (days) of completion.

2.03.010.04 Legitimate Expenses

Members of the Board of Directors shall be eligible for reimbursement for all legitimate expenses incurred in attending any meetings, seminars, conferences, or training as well as in making any trips on official business of the Board, when so authorized in accordance with the provisions provided in 2.03.010.03 and the following:

- Receipts for all expenses (hotel, food, beverages, parking fees, etc.) are remitted.
 - The following categories are excluded from reimbursement:
 1. Expenses incurred for other persons except those who have a direct bearing on conducting District business
 2. Personal Entertainment expenses
 3. Clothing and personal hygiene items
 4. Alcoholic beverages

5. Items remaining the personal property of the individual
 6. Any expenses not related to District business
- Expenses to the District for training, education and conferences should be kept to a minimum by:
 1. Utilizing hotel(s) recommended by the event sponsor in order to obtain discount rates.
 2. Hotel accommodations will be made for the night before the event and expire on the day the event ends.
 3. Requesting reservations sufficiently in advance, when possible, to obtain discounted airfares and hotel rates.
 - If available, refundable airfares will be purchased for District travel so that in the event a trip is cancelled due to unforeseen circumstances, the District will be directly refunded any applicable funds to avoid being issued travel funds assigned to individual travelers for future use. Should refundable airfares not be available for purchase for District travel for a trip cancelled due to unforeseen circumstances, any travel funds reverted back to an individual traveler that is used by the traveler for non-District travel will be reimbursed to the District in full by the individual traveler no later than thirty (30) days following the use of these funds.
 - Expenses for meals, including non-alcoholic beverages and tips ordinarily associated with normal eating customs, shall be reimbursable. The reimbursable amount shall be limited to the typical cost of meals in the region during the course of travel and while attending the authorized activity. The IRS publishes locally calculated meal and incidental expense guidelines that shall provide a basis for analyzing the reasonableness of meal expense reimbursement requests located on the GSA website <http://www.gsa.gov/portal/category/100120>.
 - Expenses for meals purchased for the purpose of attending a District Board of Directors meeting and unforeseen circumstances prohibit the District from providing such shall be reimbursable. Reimbursements requested under this section shall comply with meal expense reimbursement requirements outlined above.
 - Reimbursement for the cost of the use of a Director's vehicle shall be on the basis of total miles driven and at the current rate specified by the Internal Revenue Service.

2.03.010.05 Limitations for Submitting Compensation and Reimbursement Requests

To receive compensation or reimbursement for legitimate expenses Board Members are required to remit requests for compensation or reimbursement no later than sixty (60) days from the conclusion of the event or purchase is made.

Requests for compensation for completion of required regulatory training must be accompanied with the appropriate Certificate of Completion only if such certificate has not been provided to the District in advance of the request for compensation.

Any legitimate expense incurred prior to April 27, 2021 for which Board Members have not already received reimbursement will be retroactive to January 1, 2021 upon submittal of a request for reimbursement with the appropriate receipts attached.

2.03.010.06 Eligibility

Members of the Board of Directors are eligible for compensation and reimbursement for legitimate expenses as provided herein at their sole discretion.

Section 2.03.010

Remuneration and Reimbursement Policy

Members of the Board of Directors are encouraged to attend in participate in professional meetings, educational conferences, or seminars when the purpose of such activities is to improve District operation. Board Members are also required to complete all local, state, and federal regulatory training.

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Advance written requests and/or Board approval is not required for participation in online local, state, or federal regulatory training. In the event regulatory training is completed as part of a seminar or conference attended by a Board Member, the provisions provided herein under 2.03.010.03 will apply and the Board Member will be required to provide the District with a Certificate of Completion within fifteen (days) of completion.

2.03.010.04 Legitimate Expenses

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 3. Requesting reservations sufficiently in advance, when possible, to obtain discounted airfares and hotel rates.
- If available, refundable airfares will be purchased for District travel so that in the event a trip is cancelled due to unforeseen circumstances, the District will be directly refunded any applicable funds to avoid being issued travel funds assigned to individual travelers for future use. Should refundable airfares not be available for purchase for District travel for a trip cancelled due to unforeseen circumstances, any travel funds reverted back to an individual traveler that is used by the traveler for non-District travel will be reimbursed to the District in full by the individual traveler no later than thirty (30) days following the use of these funds.
- Expenses for meals, including non-alcoholic beverages and tips ordinarily associated with normal eating customs, shall be reimbursable. The reimbursable amount shall be limited to the typical cost of meals in the region during the course of travel and while attending the authorized activity. The IRS publishes locally calculated meal and incidental expense guidelines that shall provide a basis for analyzing the reasonableness of meal expense reimbursement requests located on the GSA website <http://www.gsa.gov/portal/category/100120>.
- Expenses for meals purchased for the purpose of attending a District Board of Directors meeting and unforeseen circumstances prohibit the District from providing such shall be reimbursable. Reimbursements requested under this section shall comply with meal expense reimbursement requirements outlined above.
- Reimbursement for the cost of the use of a Director's vehicle shall be on the basis of total miles driven and at the current rate specified by the Internal Revenue Service.

2.03.010.05 Limitations for Submitting Compensation and Reimbursement Requests

To receive compensation or reimbursement for legitimate expenses Board Members are required to remit requests for compensation or reimbursement no later than sixty (60) days from the conclusion of the event or purchase is made.

Requests for compensation for completion of required regulatory training must be accompanied with the appropriate Certificate of Completion only if such certificate has not been provided to the District in advance of the request for compensation.

Any legitimate expense incurred prior to April 27, 2021 for which Board Members have not already received reimbursement will be retroactive to January 1, 2021 upon submittal of a request for reimbursement with the appropriate receipts attached.

2.03.010.06 Eligibility

Members of the Board of Directors are eligible for compensation and reimbursement for legitimate expenses as provided herein at their sole discretion.

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

APPROVAL OF RESOLUTION NO. 21-26 ESTABLISHING CHECK SIGNING AUTHORITY

BACKGROUND

As part of the payroll and accounts payables process, RMWD has specific individuals designated as authorized signers of checks.

DESCRIPTION

The purpose of this resolution is to update the current established check signing responsibility to the current authorized signers of checks due to changes on the Board of Directors.

Resolution No. 21-26 will replace Resolution No. 21-01.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Chapter 5.01 – Banking

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

- Option 1: Approve attached Resolution No. 21-26.
Option 2: Approve attached Resolution No. 21-26 with Board recommended revisions.

STAFF RECOMMENDATION

Staff recommends Option 1.



Tom Kennedy, General Manager

December 7, 2021

RESOLUTION NO. 21-26

**RESOLUTION OF THE BOARD OF DIRECTORS
OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CHECK SIGNING RESPONSIBILITIES
AND DESIGNATING AUTHORIZED SIGNERS OF CHECKS**

WHEREAS, the Rainbow Municipal Water District maintains an accounts payable checking account for the purposes of paying vendors, and a payroll checking account for the purpose of paying employees, and

WHEREAS, the bank requires that responsible parties be designated as authorized signers of these accounts, and

WHEREAS, it is appropriate to establish check signing responsibilities and designate authorized signers;

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

1. The following persons be designated as authorized signers on the checking accounts of the District:

Accounts Payable Authorized Signers:

Patricia "Pam" Moss, Director
Claude "Hayden" Hamilton, Director
Michael Mack, Director
Miguel Gasca, Director
William "Bill" Stewart, Director
Tom Kennedy, General Manager
Tracy Largent, Finance Manager

Payroll Authorized Signers:

Tom Kennedy, General Manager
Tracy Largent, Finance Manager

2. Accounts payable checks under \$50,000 shall be signed by members of the management staff and checks over \$50,000 shall be signed by one member of the management staff and one Board member.
3. Payroll checks will be signed by one member of the management staff.
4. Resolution 21-26 rescinds Resolution 21-01.

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 7th day of December 2021 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

DISCUSSION AND POSSIBLE ACTION UPDATING BOARD OF DIRECTOR MEMBERSHIP ON STANDING COMMITTEES

BACKGROUND

Per RMWD Administrative Code Chapter 2.06.010 - Committees, no more than one member of the Board of Directors may sit as a member on a Committee.

Due to the recent resignation of Carl Rindfleisch from the RMWD Board of Directors a vacancy was created on the Board of Directors as well as the Budget and Finance Committee.

With the appointment of Bill Stewart to fill the Board of Directors vacancy on November 17, 2021, the Communications and Customer Service Committee will have two members of the Board serving on one committee which does not comply with current Administrative Code policy. Bill Stewart has served on the committee as a member of the public since February 2019 and Hayden Hamilton has served as a member of the Board since October 2016.

DESCRIPTION

This item is to provide the Board of Directors with an opportunity to consider appointing one Board Member to the Budget and Finance Committee and removing one Board Member from the Communications and Customer Service Committee. The only mandatory action is reducing the number of Board Members on the Communications and Customer Service Committee by one.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Chapter 2.06.010 – Committees

Strategic Focus Area One: Water Resources
Strategic Focus Area Two: Asset Management
Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

1. Appoint one Board Member to serve on the Budget and Finance Committee and remove one Board Member from serving on the Communications and Customer Service Committee.
2. Remove one Board Member from serving on the Communications and Customer Service Committee and appoint one Board Member to serve on the Budget and Finance Committee at a later date.

STAFF RECOMMENDATION

Staff supports Board decision.



Tom Kennedy, General Manager December 7, 2021

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

CONSIDER ESTABLISHING THE 2022 REGULAR BOARD MEETING SCHEDULE

BACKGROUND

Per Administrative Code Section 3.01.010, regular meetings are to be held on the fourth (4th) Tuesday of each calendar month with the November and December meetings combined and held on the first available Tuesday in the month of December of each calendar year. The starting time for the regular meeting Open Session is 1:00 p.m.

DESCRIPTION

The Board will consider establishing the 2022 Regular Board Meeting schedule.

In accordance with Administrative Code Section 3.01.010, a tentative meeting schedule has been drafted and attached for Board reference.

After reviewing the currently published list of 2022 conferences and seminar schedules, the 2022 CSDA Annual Conference has been scheduled for August 22-25, 2022, which conflicts with the attached proposed 2022 RMWD Board Meeting schedule.

In the event the Board prefers setting a different meeting schedule than that presented in accordance with the current policy, they will need to consider amending and updating Administrative Code Section 3.01.010 accordingly at their first Regular Board meeting scheduled for January 25, 2022.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Six: Communication

Administrative Code Section 3.01.010 – Regular Meetings

ENVIRONMENTAL

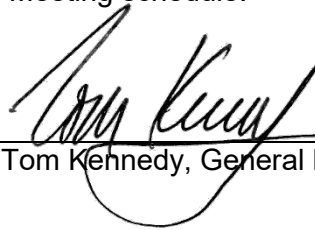
In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

Establish the 2022 Regular Board Meeting schedule.

STAFF RECOMMENDATION

The Board establish the 2022 Regular Board Meeting schedule.



Tom Kennedy, General Manager

December 7, 2021

RAINBOW MUNICIPAL WATER DISTRICT

2022

REGULAR BOARD MEETING SCHEDULE

4th Tuesday of the Month

~~ Meetings will begin at a time announced on each month's respective agenda for Closed Session items. Open Session items will start time certain at 1:00 p.m. ~~

January 25

February 22

March 22

April 26

May 24

June 28

July 26

August 23

September 27

October 25

*December 6

*The November and December Board meetings will be combined into one meeting to be held on the first available Tuesday of the month (December 6, 2022).

Special Meetings may be scheduled as needed.

BOARD OF DIRECTORS

 December 7, 2021

SUBJECT

 Cash Reserve Policy 5.03.220 Compliance Report

DESCRIPTION

Reserve balances have been adjusted to comply with the Board Cash Reserve Policy 5.03.220. Balances for each are listed below. Reserves are defined differently by agencies. For the District, reserves are categorized by fund to indicate the intended use and include cash and investments only. The District uses the simple method of defining reserves, as the policy does not include a definition. Staff will present alternative reserve definitions when the policy is updated.

Cash Balance by Fund as of June 30, 2021

Fund #	Fund Description	Cash
1	Water Operating Reserve (w/o purchased water)	\$ 2,155,921
2	Wastewater Operating	604,192
3	General Fund Operating	1,415,445
5	Water Rate Stabilization Reserve	811,176
10	Grant Fund (not used)	59,147
26	New Water Sources Reserve	1,539,015
38	Debt Service-Morro	472,937
39	Debt Service-Beck	356,867
52	Wastewater Capital Replacement Reserve	1,235,567
53	Wastewater Capital Expansion Reserve	5,194,888
60	Water Capital Projects Reserve	8,555,327
60	Water Meter Replacement & Service Upgrade	2,972,162
	Total	<u>\$ 25,372,644</u>
	Liability Insurance Reserve	\$ 100,000

Prudent reserves allow for balanced budgets, emergency preparedness, stable rates for customers, well-maintained infrastructure, investing for future needs, meeting future obligations, accessing financing, and addressing volatility and uncertainty. The objective of reserves is to build adequate reserves over time to help stabilize the District's finances and position it to easily absorb economic downturns or unforeseen economic operating and capital needs. Without adequate reserves, agencies can put themselves in a position of reactive spending reductions, failure to deliver mandated services properly, high-cost short term financing, and personnel reductions. The District has a well-defined reserve policy to avoid these issues. The reserve balances are used to forecast funding levels and rates five years out and ensure the District can meet its short and long-term obligations.

At the end of each fiscal year, compliance with the Reserve Policy is reported to the District's Board of Directors. This is done once the year end financials and audit is completed. As part of this process, the finance department adjusts the operating funds to their required levels, moving any planned transfers or excess to the capital funds. Once funds are moved, the five year fund balance projections are updated for use in the mid-year and following year budget process.

The Budget and Finance Committee has reviewed the balances of these funds.

Pooled Cash

When analyzing Fund Cash balances, it is important to remember that the District utilizes pooled cash. This means funds do not have separate bank accounts, so any movement of cash between funds is strictly an accounting journal entry and does not require a transfer between bank cash accounts. The total cash in all District cash bank accounts is **\$25,372,644** as of the start of FY 21/22. The balance in the prior FY was \$32,517,738. The Cash Flow statement is attached for a full description of the changes associated with the change in cash balances. Funds held in investments are not included on the Cash Flow statement.

Operating Reserves

Water, Wastewater, and General Fund Operating Reserve cash balances have been adjusted to the minimum required level equal to two months of operating expenses, excluding purchased water. These balances are \$2,155,921, 904,192, and \$1,415,445. The balances are relatively unchanged from year to year due to the nature of the operating revenues. The reserves are set based on two months of operating expenses, not including the cost of water or depreciation.

The GFOA recommends 90 days of operating expenditures as a minimum in an operating reserve. This is an area of the policy that staff will bring to the committee and board for amendment.

Capital Reserves

The Capital Reserve policy does not state a minimum reserve level. Industry standard is to set a minimum reserve level equal to 1 times the five-year average capital budget and an ideal target of 2 times the five-year average capital budget.

The Water Capital Reserve Fund minimum target is \$5,649,236 and the ideal target is \$11,298,473. The current balance is \$8,555,327, which is in line with where we planned to be at this point in the Cost of Service Study five year plan. By comparison, last year's balance was \$1,728,944 below the minimum reserve. Staff has implemented a strategic capital improvement plan to facilitate prioritization within key focus areas. This reprioritization has resulted in a strategic shift in the current allocation of the capital project budgets, with an emphasis of return on investment by focusing on water efficiency projects, cathodic protection, and pressure management in conjunction with pipeline rehabilitation and replacement. The need for financing is being assessed for specific capital projects that will provide immediate return of investment with cost savings.

The Wastewater Capital Replacement and Expansion Reserve Funds have a combined cash balance of \$6,430,455 which exceeds the minimum reserve level of \$3,604,000 but is just short of the ideal reserve level of \$7,208,000.

The District has gone out to bid on the Lift Station 1 project, which is expected to begin in 2022. This is a major project that project consists of several sewer facilities necessary to expand capacity in the District's collection system in order to handle recent and upcoming developments.

A Cost of Service study is planned for FY 22 for wastewater. The study will be done to set rates at the amount needs to cover critical infrastructure needs.

Liability Self Insurance Reserve

Liability Self Insurance reserve is set at \$100,000.

Debt Service

Debt Service reserves are held in each fund in restricted cash accounts and are equal to the debt due within the current year. The balance in the Debt Service funds are \$829,804 for the Beck and Morro obligations. The Zion accounts do not have a separate Debt Service fund because the associated WSUP project in not completed. Once completed, a separate fund can be set up to track the obligations.

Water Rate Stabilization Reserve

The Water Rate Stabilization reserve was used to fund the Water capital fund in FY 2020 to delay rate increases. The balance this year is \$811,176 and will continue to be funded over a five year period to reach the desired balance. The Cost of Service Study done in 2021 and resulting rate increases on August 24, 2021, have established a plan for the Water Rate Stabilization fund to build the reserve to it's intended funding level over a five year period. The policy target level is to maintain a balance of 10% of the annual water revenues, which is approximately \$4M.

Attachments:

Cash Reserve Policy 5.03.220

Cash Flow Statement



Tracy Largent, CPA
Finance Manager

December 7, 2021

Section 5.03.220 Cash Reserves Policy

5.03.220.01 - Purpose

The purpose of the RMWD Reserve Policy is to ensure that the District will, at all times, have sufficient funding available to meet the operating, capital and debt service cost obligations. Reserves will be managed in a manner that allows the District to fund costs consistent with its Capital Improvement Program and Water and Wastewater Master Plans while avoiding significant rate fluctuations due to changes in cash flow requirements. Adequate reserves and sound financial policies promote RMWD's bond ratings in the capital markets, provide financing flexibility, avoid potentially restrictive debt covenants, and ensure the District's customers of stable rates. The reserve policy shall cover all reserve funds of the District. The Budget and Finance Committee will review the balances of these funds annually to recommend any change in priorities for excess funds. At the end of each fiscal year, compliance with the Reserve Policy will be reported to the District's Board of Directors. In the event of a deficit situation, funds will be used from the rate stabilization first, followed by capital replacement.

5.03.220.02 - Operating Reserves

Rainbow Municipal Water District shall maintain one Operating Reserve fund in cash and cash equivalents for both the Water and Wastewater operations. The reserve balance shall be limited to two months of budgeted operating expenses as determined by the monthly average of budgeted operating expenses (does not include the cost of water or depreciation). The reserve balance limits shall be determined during the annual budget process.

Operating reserve deficiencies will be funded predominantly by water and sewer user rates and charges. Amounts which exceed operating reserve limits shall be transferred to Capital reserve funds.

5.03.220.03 - Capital Reserves

The District maintains five Capital Reserve Funds: New Water Sources Reserve (Fund 26), Water Capital Projects (Fund 60), Wastewater Replacement (Fund 52), and Wastewater Expansion (Fund 53). The Board took action on 9/7/2005 to discontinue the funding of the Water Replacement and Water Expansion funds and combine those funds into the Water Capital Projects Fund. Capital Reserves will be used to fund infrastructure projects and will be an integral part of the District's capital plan documented in its Capital Budget as well as the Water and Wastewater Master Plans.

Capital Reserves are funded by cash collected from water and sewer capacity charges (new connections). The Capital Reserves receive additional funding from surpluses generated by water and wastewater operations (excess of revenues over expenses before depreciation).

Anticipated Capital reserve deficiencies will be funded by transfers of budgeted surplus which may result from increased rates.

Amounts accumulated in excess of both the Operating Reserve limits and Capital Reserve needs may be used, subject to Board approval and public hearing, to lower rates to curtail increasing trends in the reserve funds.

\\rmwd-b\Main\Administration\Confidential\Administrative Code Working Docs\Board Secretary Administrative Code Working File\Board Admin Code 2005-2006\Cash Reserves Policy 5.03.220.docx\\Amended and Approved 11-19-13 by Ordinance No. 13-08\\Amended and Approved 12-15-15 by Ordinance No. 15-09\\Amended and Approved 4-23-19 by Ordinance No. 19-05

5.03.220.04 - Water Capital Projects Reserve (Fund 60)

This reserve was created by Board action of 9/7/2005 to combine the Water Replacement and Water Expansion Reserves. Water Capital Projects Reserve is funded by the cash collected for water capacity charges (connections) and by surpluses generated by water operations (excess of revenue over expenses before depreciation). Reserves will be used to fund infrastructure expansion, repairs, rehabilitations, and replacement projects.

5.03.220.05 - Wastewater Replacement Reserve (Fund 52)

Wastewater Replacement Reserves are funded partially by the cash collected for sewer capacity charges (connections) and partially by excess revenues over expenses before depreciation. The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

5.03.220.06 - Wastewater Expansion Reserve (Fund 53)

Wastewater Expansion Reserves are funded by the cash collected for sewer capacity charges (connections). The Sewer Allocation Plan determines the portion of the capacity charge that will be used for infrastructure expansion projects to accommodate new customers.

5.03.220.07 - Liability Self Insurance Reserve (03-00-13104)

The Liability Self Insurance Reserve is established to pay the self insurance (deductibles) portion of large or excessive liability claims. Board action has set this fund at \$100,000.00. Use of these funds requires approval by the RMWD Board. Reserve deficiencies are determined and replenished annually during the budget process.

5.03.220.08 - Debt Service Reserve

Debt Service Reserves are established by the Trust Agreement for long-term borrowings. The reserve generally represents one year of principal and interest payments of the debt. The Debt Service Reserve is held and controlled by the Trustee as named in the bond Trust Agreement.

5.03.220.09 - New Water Sources Reserve (Fund 26)

The New Water Sources Reserve, established by the RMWD Board, sets aside funds to study and acquire alternate water sources for the purpose of reducing the District's reliance on imported water. The reserve is funded by the Water Services portion of the Standby Charge collected by the San Diego County Tax Collector from all parcels within the District.

5.03.220.10 - Water Rate Stabilization Reserve (Fund 05)

Rainbow Municipal Water District shall maintain one Water Rate Stabilization Reserve equal to 10% of annual water revenues. This reserve shall be established on January 1, 2016 and will be brought to its target balance over a five year period. Funds for this reserve will come from water rates and charges and will be used to mitigate rate impacts from changes in water demand.

\\rmwd-b\Main\Administration\Confidential\Administrative Code Working Docs\Board Secretary Administrative Code Working File\Board Admin Code 2005-2006\Cash Reserves Policy 5.03.220.docx\\Amended and Approved 11-19-13 by Ordinance No. 13-08\\Amended and Approved 12-15-15 by Ordinance No. 15-09\\Amended and Approved 4-23-19 by Ordinance No. 19-05

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

Operating Revenues:	
Water sales	\$ 41,779,797
Wastewater revenue	3,461,256
Other operating revenue	806,510
Total Operating Revenues	<u>46,047,563</u>
Operating Expenses:	
Cost of purchased water	25,916,888
Board of directors	16,843
Pumping	627,681
Operations	2,055,704
Valve maintenance	447,295
Distribution	2,516,855
Meters	1,190,746
Garage	500,127
Administration	2,048,907
Human Resources	344,374
Risk management	960,809
Information technology	954,151
Finance	807,352
Customer Service	701,148
Wastewater	766,637
Engineering	1,624,801
Depreciation	2,327,663
Other operating expense	1,081,691
Total Operating Expenses	<u>44,889,672</u>
Operating Income	<u>1,157,891</u>
Nonoperating Revenues (Expenses):	
Property tax revenue	685,562
Investment income	(35,395)
Other nonoperating revenue	1,866,928
Interest expense	(571,839)
Total Nonoperating Revenues (Expenses)	<u>1,945,256</u>
Income before Capital Contributions	3,103,147
Capital contributions	<u>4,804,501</u>
Change in Net Position	7,907,648
Net Position, Beginning of Year	<u>88,168,656</u>
Net Position, End of Year	<u>\$ 96,076,304</u>

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Cash received from customers	\$ 43,224,903
Cash paid to suppliers for goods and services	(33,498,094)
Cash paid to employees for services	(6,646,912)
Net Cash Provided by Operating Activities	<u>3,079,897</u>
Cash Flows from Non-Capital Financing Activities:	
Property taxes received	686,667
Net Cash Provided by Non-Capital Financing Activities	<u>686,667</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(7,615,954)
Principal paid on capital debt	(1,798,693)
Interest paid on capital debt	(571,839)
Other nonoperating	(1,319,910)
Net Cash (Used for) Capital and Related Financing Activities	<u>(11,306,396)</u>
Cash Flows from Investing Activities:	
Sales of investments	2,343,912
Loss on investments	(19,797)
Net Cash Provided by Investing Activities	<u>2,324,115</u>
Net (Decrease) in Cash and Cash Equivalents	(5,215,717)
Cash and Cash Equivalents at Beginning of Year	17,905,397
Cash and Cash Equivalents at End of Year	<u>\$ 12,689,680</u>
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:	
Cash and cash equivalents	\$ 4,554,561
Restricted cash and cash equivalents	8,135,119
Cash and Cash Equivalents, June 30	<u>\$ 12,689,680</u>

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2022	MEETING	LOCATION	ATTENDEES	POST
January	13	SDCWA Special Board Meeting	SDCWA	GM	N/A
January	*	CSDA – San Diego Chapter	94 th Aero Squadron 8885 Balboa Avenue, San Diego	Mack	N/A
January	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
January	18	Santa Margarita River Watershed Watermaster Steering Committee	Rancho California Water District	Hamilton	N/A

* To Be Announced

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING					
DATE	2022	MEETING	LOCATION	ATTENDEES	POST
January	**	Council of Water Utilities	Via Zoom (** 3 rd Tuesday in April, June, Aug, Oct)	All Directors, General Manager	N/A
January	3	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
January	5	Engineering & Operations Committee Meeting	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	12/28
January	6	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	12/28
January	11	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	12/28
January	18	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
January	21	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
January	25	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	1/19
January	26	North County Work Group (NCWG)	Rincon Del Diablo, Escondido 8:00 a.m.	General Manager	N/A
January	26	San Luis Rey Watershed Council	Pala Administration Building 1:00 p.m.	Appointed Director	N/A
January	27	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

- **CHANGES – ADDITIONS - DELETIONS:**

1. San Luis Rey Watershed Council has not held meetings in several months; therefore, this date is provided as a placeholder in the event meetings resume in 2022.

~NOTE~ Some or all the meetings listed may be held via teleconference or cancelled due the COVID-19 pandemic. Please contact the District with any inquiries.

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

Operations Report for October 2021

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

	Repairs	Installations	Leaks
Mainline	3		3
Service		4	
Hydrants	1		
Valves		5	
Meters		4	
Blow-Offs	1		
Air Vacs			
Annual Totals	51	93 appurtenances (2260')LF newline	34

- Assisted with Water Service Upgrade Project (WSUP).
- Repaired mainline Leaks on Tarek Terrace, Margale, and 3261 Reche.
- Installed 8" Tee and two valves on Tarek Ter while making repairs.
- Rehabilitated Aruba Rd to Pala-Temecula (100% complete).
- Repaired two Wharf Head laterals, one on Ladera Vista and the other on Gopher Canyon.
- Removed Moonridge Cla-Val to prepare for a temporary pump.

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT:

Water Operations:

- Performed washout and collected Bac-Ts on Morro tank to bring back online.
- Performed Morro Res zone testing for increased MET water flows with GV-25 on Esterlina.
- Performed (0) fire flow tests. **Total for the year (3).**
- Collected all tank/reservoirs nitrification samples.
- Performed routine maintenance/rebuilding on (6) pressure station CLA VAL's.

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Annual Totals
Exercised	120	122	1209
Inoperable	0	0	63
Repaired	0	0	0
Replaced	0	6	22
Installed	0	0	0

Valve Maintenance completed and oversaw the following:

-
- Assisted with (8) shutdowns- **Annual Total (76)**.
- Raised (1) fire hydrants (installed breakaway spools).
- Replaced (1) air/vacs (0) wharf heads (1) Fire hydrant (0) gate valve.
- Painted 220 appurtenances- **Annual Total (870)**.

METERS DEPARTMENT:

WSUP:

- The Water Service Upgrade Project (WSUP) is **78%** complete.
- Concord is working on routes 20, 41, and 15.
- Concord has replaced six thousand eight hundred forty-five meters (6845).

Backflows:

- **Seven hundred forty-seven (747) backflows** were tested in October, and 4534 backflow inspections have been completed this year.

Customer Service Requests:

- **One hundred ninety (190)** total resolved Service Requests for October.
- **630** total resolved Check Bills for October
- 8602 Year to date total Service Requests/ check bills.

WASTEWATER DEPARTMENT:

Monthly, Semi-Annual and Annual Reports: California Integrated Water Quality System (CIWQS): Confirmation # 2610392 Reported: "No-Spill Report" for Month: October 2021.

October 18, 2021 Service Address: 2915 Lakemont Dr. strong odor complaint Houston & Harris vector responded in the flushing sewer line blockage. Flat sewer line behind three dwellings.

October 19, 2021 - Lake Garden Dr. sewer line blockage during CCTV inspections. Houston and Harris responded after hours using a vector sewer truck to unblock stoppage.

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

Engineering Report for October 2021

DESCRIPTION

CAPITAL PROJECTS:

Hutton and Turner Pump Stations (Design: Hoch Consulting): The Consultant is working on the preliminary design for both sites. District staff is assessing the potential need for another pump station off Dentre De Lomas and will be looking into updating the hydraulic model to determine feasibility. The Weese pump station is also being included in the overall project as it has been determined that this fourth pump station will likely be necessary to deliver water to the Southern zones. The preliminary 30 percent design is anticipated to be completed by mid-November for review. After review, the Consultant will begin the application process with SDGE for power to both sites. Staff is working on easement acquisition offer letters that will be sent out in early November 2021 for both sites.

Morro Reservoir Disinfection System Upgrade (Stevie-D-Services): District staff completed site modifications to incorporate modified Ammonia and Chlorine injection equipment and the Consultant completed the SCADA programming to use the modified Ammonia and Chlorine injection. District staff is monitoring the system operation and working with Stevie-D Services to adjust dosing to maximize its efficiency over the next several months.

North River Road Sewer Manhole Rehabilitation (Construction: Sancon): Manhole rehabilitation is ongoing and expected to be completed by the end of the calendar year. The Contractor is working on prepping and coating the existing manholes.

Pressure Reducing Station Projects: Operations and Engineering staff met on site at the second Pala Mesa PRS site and discussed a more suitable location off Tecalote Drive within an existing easement. The original site fell within the actual golf course, but this new location is off the side of the road on Tecalote Drive and more easily accessed. The new site was agreed upon and preliminary work will commence in November 2021.

Programmatic Environmental Impact Report (Helix Env.): Helix Environmental continues to work on the technical reports to support the PEIR. Three of the four consultation panel meetings were held in September with local tribes. The fourth one is scheduled for November 5th, 2021. Staff also worked on a change order to go before the Board in December 2021 for approval. The change order is for an extra \$65,140 and a contract time extension through June 30, 2022 to complete the project. The change order was needed because the scope increased to cover analysis of all District potable and sewer pipelines.

Rainbow Heights Pump Station Replacement (Construction: Orion Construction Corp): Construction is continuing on the project. The EFI prefabricated pump station is scheduled to be installed in early November 2021. Testing and commissioning is scheduled to start early/mid-November 2021 and the project is expected to be completed by late December 2021.

Rainbow Valley Blvd. Cathodic Protection (Design: Corrpro,Co., Inc): The project proposes to install cathodic protection on a water main starting at Rainbow Heights Pump Station to Rainbow Hills Pump Station along 8th Street, Rainbow Valley Road, and Frontage Road. The bid package was released for public bidding on October 25th, 2021 and bid open is scheduled for November 15th, 2021.

Rice Canyon Tank 18-Inch Transmission Line (Design: Dexter Wilson Eng., Construction: Cass Arrieta): The District executed an amendment to the existing Participation Agreement with Tri Pointe Homes, which included changes to the overall project budget, reimbursement procedures, and project responsibilities. Cass Arrieta Construction has begun coordinating with the District on project submittals, stakeholder coordination and site access. Construction is expected to begin early December 2021 and will be approximately 13-months long. A pre-construction meeting is scheduled for mid-November 2021.

LS-1 Replacement Project -Thoroughbred and Schoolhouse Lift Stations (Design: Kennedy Jenks Assoc., Construction: JW Fowler, CM/Inspection: Valley CM): The Lift Station Bid open was on October 21, 2021. Five of the seven pre-qualified contractors submitted bids. This included JW Fowler (\$15,181,157), TC Construction (\$16,712,000, SCW Contracting (\$17,161,710), JR Filanc (\$17,628,600), and Pacific Hydrotech (\$18,196,150). There were bid protests received by TC Construction and SCW Contracting; however, the Board approved the contract award to JW Fowler at the October 26th Board of Directors meeting. Notice to Proceed is anticipated to be issued in early November 2021. District staff is awaiting responses to four offer letters for easement acquisition with responses due on November 8th 2021. Lastly staff are working closely with the County to address comments on the design to hang the proposed sewer pipeline along the Camino Del Rey Bridge and the Moosa Creek Bridge. A submittal to the County is anticipated in early November 2021 to address their comments and concerns.

Wilt Road Pipeline Project (Design: Omnis): The District executed an assignment letter with Omnis for the design of a new 18-inch water line. This water line consists of approximately 6,000 linear feet of 18-inch PVC in Wilt Road beginning at the intersection of Wilt Road and Canonita Drive along Wilt Road and Peony Drive to the intersection of Peony Drive and Citrus Drive. Design work commenced in June 2021 and District staff reviewed and commented on the 30% design plans in September 2021. Engineering and Operations staff met and discussed changing the pipeline size to 16-inch pipe diameter as it is easier to find this size material versus an 18-inch pipeline. Also, staff discussed a new tie in at Citrus and Vern Drive. The 30% design will be updated to reflect these comments/changes.

MAJOR DEVELOPER PROJECTS:

Bonsall Oaks (formally Polo Club): 164 SFR / 205.8 EDUs – A third amendment to the unrecorded joint agreement to improve major subdivision Tract No. 4736-1 was made and entered on July 28, 2020 between the Developer, County of San Diego and the District. District staff are completing several plan reviews for the Developer. The Developer paid 50% of the sewer connection fees as required per the executed Sewer Agreement, which is effective for five years from the date of execution (9/16/26). The contractor is on site working on sewer and storm drain. Plans have not been signed by the County.

Campus Park West (JPSD, LLC): Residential and Commercial development. District staff received pre-plan information and first plan check submittal on September 8, 2021. Staff provided comments to the Developer on October 7, 2021 and is continuing discussions with the Developer regarding timelines and proposed phases.

Fairview-Lilac Del Cielo (Bonsall LLC): 73 Units / 77.8 Sewer EDUs – The Developer paid 50% of the sewer connection fees and the agreement is effective for five (5) years from the date of execution (12/31/24). The SCIP was executed on May 12, 2021, which allows the Developer to be reimbursed from bond proceeds for water and sewer capacity fees. All water meters have been purchased for this Developer, a total of 75. The Contractor has tested water and sewer for half of the project. The water main has been tested and accepted. The Contractor has one more section to test on the sewer main. All other sections have passed

District inspections. The Developer is working on meter installs and sewer connections.

Golf Green Estates (Development Solutions): 94 SFR / 120.3 Sewer EDUs – This project is located across from Bonsall Elementary School on Old River Road. All water meters have been purchased for this Development, a total of 97. Staff is working with the Developer on project closeout logistics.

Horse Creek Ridge (D.R. Horton): 627 SFR/MF, 430 Water Meters (Reduced by 124 Water Meters) / 723.9 Sewer EDUs – On Highway 76 and Horse Ranch Creek Road. Currently inspecting meter installs, meter releases and sewer connections. All the water meters have been purchased – 430. Staff is working with the Developer on final inspections and project closeout. Staff continues to review various CFD reimbursement packages submitted by the Developer. Staff is working on the Notice of Completions for MF-1 L-148, MF-2 L-149, Units 2, 3, and 4 following acceptances by the Board on October 26, 2021.

Horse Creek Ridge Unit 6R5 Promontory (Richmond American Homes): 116 Units, 124 Water Meters (includes irrigation plus 3 SF meters purchased by DRH) / 169.5 Sewer EDUs - On Highway 76 and Horse Ranch Creek Road. D.R. Horton, master Developer of HCR sold Unit 6-R5, 124 lots, Promontory Subdivision to Richmond American Homes. Currently the sewer EDUs are covered under an agreement with D.R. Horton. All water meters have been purchased for this Development, a total of 116. The District's Senior Inspector is inspecting meter installs, meter releases and sewer connections.

Malabar Ranch (Davidson Communities): 31 SFR / 29 EDUs - On Via Monserate / La Canada. There are 17 out of 31 homes built. Developer needs to complete the waterline relocation and punch list items.

Citro (Tri Pointe) (formally Meadowood by Pardee Homes): Approximately 844 Units, 926.6 Sewer EDUs - On Pala Road/Horse Ranch Creek Road. The Developer is grading the project now. The Board has entered into an Out of Agency Service Agreement and an Annexation Agreement with the Developer. The annexation of the development was recorded in July 2021. District staff has completed plan reviews for improvements in Horse Ranch Creek Road, Planning Area 1, Planning Area 3, Planning Area 4, Planning Area 5A, Planning Area 5B, and the Final Map. Plan Reviews continue for Planning Area 5C. The District has entered Joint Agreements with the Developer and the County for a portion of the Development. The contractor is onsite constructing and testing water and sewer infrastructure. The Developer has purchased 39 meters to date.

Ocean Breeze Ranch: The District completed review of the revised water and sewer system analysis reports, conditions of approval, and improvement plans in December 2020. District staff also reviewed an exhibit showing a Utility Conflict and provided comments in January 2021. Staff responded to requests regarding expected costs for the Developer to move forward.

Pala Mesa Highlands (Beazer Homes): 124 SFR / 160.2 Sewer EDUs – On Old Highway 395. One of the required Pressure Reducing Stations has not yet been installed. Currently inspecting meter installs, meter releases and sewer connections. All water meters have been purchased for this Development, a total of 129. The contractor is working on the final punch list.

MINOR DEVELOPER PROJECTS:

Cal-A-Vie (Spa Havens) Water Main Extension on Spa Havens Way: Plans have received final approval and the Grant of Easement for the waterline improvements has been recorded.

Doud Waterline Extension: District staff has completed three plan reviews.

Melanie Lane Waterline Extension (Monserate Place, LLC): District staff has completed one plan check.

Monserate Winery: District staff approved final plans. Developer has begun construction. Staff is working with the Developer regarding the Sewer EDU Analysis.

Walker Farm Road: District staff has completed two plan checks.

Whitman Waterline Extension: District staff is waiting on plan submittal.

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	0	Water Meters Purchased	1
Sewer Availability Letters	0	Sewer EDUs Purchased	0
Water Commitment Letters	0	Jobs Closed:	
Sewer Commitment Letters	0	<ul style="list-style-type: none"> • Rainbow Height Rd Pipe Installation – Cal Fire • Urban Water Management Plan 	



Chad Williams 12/7/21
Engineering & CIP Program Manager

AS-NEEDED CONTRACT EXPENDITURES REPORT

OCTOBER 2021

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
Title: As-Needed Land Surveying Services Firm: Johnson-Frank & Assoc. Expires: 8/29/2022* (C#18-16) *One year extension.	NON-CIP	2019-01	Closed	5/14/2019	Topography - Dentre De Lomas Road repair.		\$ 5,115.40	\$ 5,115.40	
	NON-CIP	2019-02	Closed	8/6/2019	Easement review - McDowell / Mead.		\$ 4,100.00	\$ 1,404.25	
	NON-CIP	2020-03	Closed	9/19/2020	Survey & Reset Monument on Los Alisos Lane.		\$ 6,079.00	\$ 4,297.76	
	CIP	2021-04	Open	5/3/2021	Prepare Plat Map - Thoroughbred Lift Station		\$ 11,592.00	\$ -	
						\$ 50,000.00	\$ 26,886.40	\$ 10,817.41	\$ 39,182.59
Title: As-Needed Land Surveying Services Firm: KDM Meridian, Inc. Expires: 8/29/2022* (C#18-14) *One year extension.	NON-CIP	2018-01	Closed	9/11/2018	Stake easement on Morro Hills due to 20" watermain failure.		\$ 7,280.00	\$ 7,278.75	
	CIP	2019-02	Closed	1/9/2019	RMWD "Base Map" to perform in-house design of proposed water facilities on Via Ararat.		\$ 5,800.00	\$ 5,800.00	
	CIP	2019-03	Cancelled	---	Assignment Cancelled - 4 PTR Plottable Easements.		\$ -	\$ -	
	CIP	2019-04	Closed	4/24/2019	Stake easement on Gird Road for construction project.		\$ 5,400.00	\$ 5,400.00	
	CIP	2019-05	Closed	6/18/2019	Legal and Plat for Campbell - Via Ararat.		\$ 1,195.00	\$ 1,195.00	
	NON-CIP	2019-06	Closed	10/24/2019	Stake easement on Via Oeste Drive and Laketree Drive.		\$ 10,900.00	\$ 7,725.00	
	CIP	2019-07	Closed	11/8/2019	Easements for new PS on W. Lilac/Via Ararat.		\$ 4,100.00	\$ 1,100.00	
	NON-CIP	2020-08	Closed	4/6/2020	Linda Vista Drive - Mainline Break.		\$ 5,563.00	\$ 5,562.50	
	CIP	2020-09	Closed	4/6/2020	Gird Road - Winery easement analysis and exhibit.		\$ 7,680.00	\$ 6,900.00	
	CIP	2020-10	Closed	9/1/2020	Additional Gird Road - Winery easement analysis and new exhibit.		\$ 5,320.00	\$ 5,320.00	
	CIP	2020-11	Closed	11/6/2020	Easement for Hialeah PRS - Via De La Reina.		\$ 3,990.00	\$ 2,545.00	
	NON-CIP	2020-12	Closed	12/3/2020	Stake easement - Winterhaven Court		\$ 4,490.00	\$ 3,527.50	
	NON-CIP	2020-13	Closed	12/16/2020	Legal and Plat for Gird Road - Winery.		\$ 5,460.00	\$ 5,460.00	
	CIP	2021-14	Open	1/29/2021	Survey & staking of easements - Rancho Amigos. Auth \$815 over. (Staff evaluating if more work may be needed.)		\$ 7,530.00	\$ 8,345.00	
	CIP	2021-15	Closed	5/27/2021	Survey & staking of easement - Turner Pump Station. (Staff evaluating if more work may be needed.)		\$ 5,665.00	\$ 5,665.00	
	NON-CIP	2021-16	Closed	7/22/2021	Prepare documentation to file a quit claim for Rainbow easement at Fire Station 4.		\$ 1,500.00	\$ 1,500.00	
	NON-CIP	2021-17	Closed	7/29/2021	Bonsall Park prepare documentation for new easement and quit claim documentation for existing easement.		\$ 7,240.00	\$ 7,210.00	
						\$ 150,000.00	\$ 89,113.00	\$ 80,533.75	\$ 69,466.25
Title: As-Needed Land Surveying Services Firm: Right-of-Way Eng. Expires: 8/29/2022* (C#18-15) *One year extension.	NON-CIP	2019-00A	Closed	5/15/2019	Title Reports, Legals & Plats - Los Sicomoros.		\$ 7,705.00	\$ 7,705.00	
	NON-CIP	2019-00B	Closed	6/18/2019	Adams Property Easement - Ranger Road.		\$ 1,885.00	\$ 1,885.00	
	CIP	2019-00C	Closed	6/30/2019	Pardee Easement - North River.		\$ 2,875.00	\$ 2,875.00	
	NON-CIP	2019-01	Closed	6/19/2019	Easement Survey - Grove View Road.		\$ 4,220.00	\$ 3,285.00	
	CIP	2019-02	Closed	10/3/2019	Easement Survey - Pala Mesa/Tecalote/Fire Rd/Pala Lake.		\$ 15,640.00	\$ 15,451.30	
	CIP	2019-03	Closed	11/6/2019	Easement Survey - Moosa Creek Pump Station. Restake and reconfigure easement authorized additional \$525.		\$ 5,675.20	\$ 5,675.20	
	CIP	2020-04	Closed	2/19/2020	Lemonwood Easement Location.		\$ 5,370.00	\$ 4,390.00	
CIP	2020-05	Closed	6/9/2020	Easement Survey - Hutton Pump Station.		\$ 5,687.50	\$ 4,577.50		

**AS-NEEDED CONTRACT EXPENDITURES REPORT
OCTOBER 2021**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
	CIP	2020-06	Closed	7/30/2020	Easement Survey - Rainbow Heights Rd - Calfire Camp Site .		\$ 5,756.00	\$ 4,177.60	
	CIP	2020-07	Closed	8/26/2020	Easement Survey - RHR - Calfire Camp Site Additional Services. Cancelled.		\$ 2,276.00	\$ -	
	CIP	2020-08	Closed	10/19/2020	Easement Survey - OHE Rancho Del Caballo.		\$ 1,620.00	\$ 1,445.00	
	CIP	2020-09	Closed	11/3/2020	Easement Survey - Rainbow Heights Rd. Westside - Calfire Camp Site.		\$ 11,521.00	\$ 8,449.20	
	CIP	2021-10	Closed	1/11/2021	Topographic Survey - Rainbow Heights Road		\$ 8,820.00	\$ 8,525.00	
	CIP	2021-11	Closed	1/19/2021	Easement Survey - Skycrest Drive.		\$ 7,710.00	\$ 4,162.60	
	CIP	2021-12	Open	2/4/2021	Easement Survey, Legal Desc./Plat Map - Camino Del Cielo. (Staff evaluating if more work may be needed.)		\$ 5,490.00	\$ 5,827.50	
	CIP	2021-13	Open	2/23/2021	Easement Survey/County ROW Marking, Topo Map - Camino Del Cielo. (Staff evaluating if more work may be needed.)		\$ 2,320.00	\$ 2,320.00	
	CIP	2021-14	Closed	2/23/2021	Easement Survey - Skycrest Drive.		\$ 4,720.00	\$ 795.00	
					CO-01 for \$50K BoD 5/26/20, CO-02 for \$50K BoD 6/22/21.	\$ 150,000.00	\$ 99,290.70	\$ 81,545.90	\$ 68,454.10
Title: As-Needed Civil Engineering Services	Both	2019-01	Closed	12/18/2019	PRS and other Schematic Design/Drafting Services.		\$ 10,000.00	\$ 7,527.50	
Firm: Dudek	CIP	2020-02	Closed	8/5/2020	Design of Hutton Pump Station Site - Assignment Cancelled.		\$ 1,787.50	\$ 1,787.50	
Expires: 6/25/2022 (C# 19-16)									
					CO-01 for (\$100K) BoD 6/22/21.	\$ 50,000.00	\$ 11,787.50	\$ 9,315.00	\$ 40,685.00
Title: As-Needed Civil Engineering Services	NON-CIP	2019-01	Closed	7/16/2019	PS&E Pavement Repair - Dentro De Lomas.		\$ 8,890.00	\$ 8,890.00	
Firm: Omnis Consulting, Inc.	CIP	2019-02	Closed	8/1/2019	Olive Hill Estates Transmission Water Main.		\$ 73,700.00	\$ 73,700.00	
Expires: 7/01/2022 (C#19-17)	CIP	2019-03	Closed	10/14/2019	Vista Valley Retaining Wall Design.		\$ 23,495.00	\$ 23,040.67	
	CIP	2019-04	Closed	12/3/2019	Sarah Ann to Gird Road Force Main Replacement.		\$ 22,790.00	\$ 22,790.00	
	CIP	2020-05	Closed	3/24/2020	Gird Road Water Main Upsize.		\$ 21,120.00	\$ 21,120.00	
	CIP	2020-06	Closed	8/5/2020	Caltrans Encroachment Permit Renewal.		\$ 6,410.00	\$ 3,670.00	
	NON-CIP	2020-07	Open	10/14/2020	Standard Drawing - CAD Updates.		\$ 4,400.00	\$ 2,200.00	
	NON-CIP	2020-08	Closed	10/29/2020	PEIR Pipe Alignment Analysis.		\$ 19,920.00	\$ 19,920.00	
	CIP	2021-09	Open	4/19/2021	Sarah Ann Waterline Replacement.		\$ 6,800.00	\$ 5,265.00	
	CIP	2021-10	Open	4/19/2021	Rainbow Water Quality Improvement Relocation Design.		\$ 13,900.00	\$ 8,560.00	
	CIP	2021-11	Open	6/9/2021	Wilt Road Water Pipeline Design.		\$ 45,905.00	\$ 29,530.00	
					CO-01 for \$150K BoD 6/23/20.	\$ 300,000.00	\$ 247,330.00	\$ 218,685.67	\$ 81,314.33
Title: As-Needed Civil Engineering Services	CIP	2019-01	Open	12/18/2019	Live Oak Park Road Bridge Crossing.		\$ 42,020.00	\$ 30,685.00	
Firm: HydroScience Eng., Inc.									
Expires: 6/25/2022 (C#19-18)									
					CO-01 for (\$40K) BoD 6/22/21.	\$ 110,000.00	\$ 42,020.00	\$ 30,685.00	\$ 79,315.00

**AS-NEEDED CONTRACT EXPENDITURES REPORT
OCTOBER 2021**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
Title: As-Needed Real Estate Appraisal Services Firm: Anderson & Brabant, Inc. Expires: 6/25/2022 (C# 19-19)	CIP	2019-01	Closed	9/19/2019	North River Rd Easement Appraisal.		\$ 3,500.00	\$ 3,500.00	
	CIP	2020-02	Closed	2/19/2020	PRS Fire Road Appraisal.		\$ 7,500.00	\$ 7,500.00	
	CIP	2021-03	Open	4/28/2021	Hutton Pump Station Site Appraisal. (Staff evaluating if more work may be needed.)		\$ 7,500.00	\$ 7,500.00	
	CIP	2021-04	Open	8/11/2021	Thoroughbred Lift Station Appraisal. (Four Reports)		\$ 17,500.00	\$ 17,500.00	
					CO-01 for \$20K BoD 6/22/21.	\$ 40,000.00	\$ 36,000.00	\$ 36,000.00	\$ 4,000.00
Title: As-Needed Real Estate Appraisal Services Firm: ARENS Group, Inc. Expires: 6/11/22 (C# 19-20)	NON-CIP	2019-01	Closed	7/15/2019	Bonsall Reservoir Appraisal (to include rent value).		\$ 3,050.00	\$ 3,050.00	
	CIP	2020-02	Closed	1/7/2020	Moosa Creek Pump Station Easement Appraisal.		\$ 5,350.00	\$ 6,542.50	
	CIP	2020-03	Closed	1/7/2020	Hutton Pump Station Easement Appraisal.		\$ 3,400.00	\$ 3,400.00	
					CO-01 for \$20K BoD 6/22/21.	\$ 40,000.00	\$ 11,800.00	\$ 12,992.50	\$ 27,007.50
Title: As-Needed Geotechnical Services Firm: Leighton Consulting, Inc. Expires: 11/13/2022 (C# 19-39)	CIP	2020-01	Closed	6/25/2020	Rainbow Heights Pump Station geotechnical exploration.		\$ 8,630.00	\$ 8,484.20	
	CIP	2021-02	Open	4/15/2021	Turner Pump Station geotechnical exploration.		\$ 14,300.00	\$ 14,286.63	
	CIP	2021-03	Open	5/15/2021	Hutton Pump Station geotechnical exploration.		\$ 8,450.00	\$ 249.80	
						\$ 100,000.00	\$ 31,380.00	\$ 23,020.63	\$ 76,979.37
Title: As-Needed Geotechnical Services Firm: Ninyo & Moore G.E.S. Expires: 11/1/2022 (C# 19-40)	NON-CIP	2020-01	Closed	3/26/2020	Dentro De Lomas - Geotech observation & material testing. Proj. #2		\$ 6,518.00	\$ 1,369.00	
		2020-02	Closed	8/6/2020	Vista Valley Villas PRS geotech observation & material testing.		\$ 10,235.00	\$ 7,136.00	
		2021-03	Open	5/6/2021	Dentro De Lomas - Geotech observation & material testing. Proj. #1		\$ 6,097.00	\$ -	
						\$ 100,000.00	\$ 22,850.00	\$ 8,505.00	\$ 91,495.00
Title: As-Needed Geotechnical Services Firm: ATLAS (SCST, LLC) Expires: 11/20/2022 (C# 19-41)	CIP	2020-01	Closed	7/7/2020	Olive Hills Estates Trans. Main geotech observation/field test.		\$ 36,619.00	\$ 17,563.00	
							\$ 100,000.00	\$ 36,619.00	\$ 17,563.00
Title: As-Needed Construction Management & Insp. Services Firm: Harris & Associates Expires: 1/28/2023 (C# 20-01)	CIP	2020-01	Closed	3/13/2020	CM Support Services for the WSUP.		\$ 100,000.00	\$ 99,972.50	
	CIP	2020-02	Closed	4/7/2020	Constructability design review of PUP-1.		\$ 6,270.00	\$ 5,280.00	
	NON-CIP	2020-03	Open	4/21/2020	Sewer North River Road - Emergency Repair.		\$ 11,000.00	\$ 4,389.33	
	CIP	2020-04	Open	9/21/2020	District Wide Inspection Services.		\$ 20,000.00	\$ 13,876.73	
					CO-01 for \$20K BoD 6/22/21.	\$ 170,000.00	\$ 137,270.00	\$ 123,518.56	\$ 46,481.44
Title: As-Needed Construction Management & Insp. Services Firm: Reilly Construction Mnmnt. Expires: 1/28/23 (C# 20-02)							\$ -	\$ -	
							\$ -	\$ -	
					CO-01 for (\$100K) BoD 6/22/21.	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00

**AS-NEEDED CONTRACT EXPENDITURES REPORT
NOVEMBER 2021**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
	CIP	2020-06	Closed	7/30/2020	Easement Survey - Rainbow Heights Rd - Calfire Camp Site .		\$ 5,756.00	\$ 4,177.60	
	CIP	2020-07	Closed	8/26/2020	Easement Survey - RHR - Calfire Camp Site Additional Services. Cancelled.		\$ 2,276.00	\$ -	
	CIP	2020-08	Closed	10/19/2020	Easement Survey - OHE Rancho Del Caballo.		\$ 1,620.00	\$ 1,445.00	
	CIP	2020-09	Closed	11/3/2020	Easement Survey - Rainbow Heights Rd. Westside - Calfire Camp Site.		\$ 11,521.00	\$ 8,449.20	
	CIP	2021-10	Closed	1/11/2021	Topographic Survey - Rainbow Heights Road		\$ 8,820.00	\$ 8,525.00	
	CIP	2021-11	Closed	1/19/2021	Easement Survey - Skycrest Drive.		\$ 7,710.00	\$ 4,162.60	
	CIP	2021-12	Open	2/4/2021	Easement Survey, Legal Desc./Plat Map - Camino Del Cielo. (Staff evaluating if more work may be needed.)		\$ 5,490.00	\$ 5,827.50	
	CIP	2021-13	Open	2/23/2021	Easement Survey/County ROW Marking, Topo Map - Camino Del Cielo. (Staff evaluating if more work may be needed.)		\$ 2,320.00	\$ 2,320.00	
	CIP	2021-14	Closed	2/23/2021	Easement Survey - Skycrest Drive.		\$ 4,720.00	\$ 795.00	
					CO-01 for \$50K BoD 5/26/20, CO-02 for \$50K BoD 6/22/21.	\$ 150,000.00	\$ 99,290.70	\$ 81,545.90	\$ 68,454.10
Title: As-Needed Civil Engineering Services	Both	2019-01	Closed	12/18/2019	PRS and other Schematic Design/Drafting Services.		\$ 10,000.00	\$ 7,527.50	
Firm: Dudek	CIP	2020-02	Closed	8/5/2020	Design of Hutton Pump Station Site - Assignment Cancelled.		\$ 1,787.50	\$ 1,787.50	
Expires: 6/25/2022 (C# 19-16)									
					CO-01 for (\$100K) BoD 6/22/21.	\$ 50,000.00	\$ 11,787.50	\$ 9,315.00	\$ 40,685.00
Title: As-Needed Civil Engineering Services	NON-CIP	2019-01	Closed	7/16/2019	PS&E Pavement Repair - Dentro De Lomas.		\$ 8,890.00	\$ 8,890.00	
Firm: Omnis Consulting, Inc.	CIP	2019-02	Closed	8/1/2019	Olive Hill Estates Transmission Water Main.		\$ 73,700.00	\$ 73,700.00	
Expires: 7/01/2022 (C#19-17)	CIP	2019-03	Closed	10/14/2019	Vista Valley Retaining Wall Design.		\$ 23,495.00	\$ 23,040.67	
	CIP	2019-04	Closed	12/3/2019	Sarah Ann to Gird Road Force Main Replacement.		\$ 22,790.00	\$ 22,790.00	
	CIP	2020-05	Closed	3/24/2020	Gird Road Water Main Upsize.		\$ 21,120.00	\$ 21,120.00	
	CIP	2020-06	Closed	8/5/2020	Caltrans Encroachment Permit Renewal.		\$ 6,410.00	\$ 3,670.00	
	NON-CIP	2020-07	Open	10/14/2020	Standard Drawing - CAD Updates.		\$ 4,400.00	\$ 2,200.00	
	NON-CIP	2020-08	Closed	10/29/2020	PEIR Pipe Alignment Analysis.		\$ 19,920.00	\$ 19,920.00	
	CIP	2021-09	Open	4/19/2021	Sarah Ann Waterline Replacement.		\$ 6,800.00	\$ 5,265.00	
	CIP	2021-10	Open	4/19/2021	Rainbow Water Quality Improvement Relocation Design. Amended for additional design services.		\$ 13,900.00	\$ 8,560.00	
	CIP	2021-11	Open	6/9/2021	Wilt Road Water Pipeline Design.		\$ 45,905.00	\$ 33,214.00	
	CIP	2021-10A	Open	10/26/2021	Rainbow Water Quality Improvement Relocation Design. Amended for additional design services.		\$ 6,290.00	\$ -	
					CO-01 for \$150K BoD 6/23/20.	\$ 300,000.00	\$ 253,620.00	\$ 222,369.67	\$ 77,630.33
Title: As-Needed Civil Engineering Services	CIP	2019-01	Open	12/18/2019	Live Oak Park Road Bridge Crossing.		\$ 42,020.00	\$ 30,685.00	
Firm: HydroScience Eng., Inc.									
Expires: 6/25/2022 (C#19-18)									
					CO-01 for (\$40K) BoD 6/22/21.	\$ 110,000.00	\$ 42,020.00	\$ 30,685.00	\$ 79,315.00

**AS-NEEDED CONTRACT EXPENDITURES REPORT
NOVEMBER 2021**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
Title: As-Needed Real Estate Appraisal Services Firm: Anderson & Brabant, Inc. Expires: 6/25/2022 (C# 19-19)	CIP	2019-01	Closed	9/19/2019	North River Rd Easement Appraisal.		\$ 3,500.00	\$ 3,500.00	
	CIP	2020-02	Closed	2/19/2020	PRS Fire Road Appraisal.		\$ 7,500.00	\$ 7,500.00	
	CIP	2021-03	Open	4/28/2021	Hutton Pump Station Site Appraisal. (Staff evaluating if more work may be needed.)		\$ 7,500.00	\$ 7,500.00	
	CIP	2021-04	Open	8/11/2021	Thoroughbred Lift Station Appraisal. (Four Reports)		\$ 17,500.00	\$ 17,500.00	
					CO-01 for \$20K BoD 6/22/21.	\$ 40,000.00	\$ 36,000.00	\$ 36,000.00	\$ 4,000.00
Title: As-Needed Real Estate Appraisal Services Firm: ARENS Group, Inc. Expires: 6/11/22 (C# 19-20)	NON-CIP	2019-01	Closed	7/15/2019	Bonsall Reservoir Appraisal (to include rent value).		\$ 3,050.00	\$ 3,050.00	
	CIP	2020-02	Closed	1/7/2020	Moosa Creek Pump Station Easement Appraisal.		\$ 5,350.00	\$ 6,542.50	
	CIP	2020-03	Closed	1/7/2020	Hutton Pump Station Easement Appraisal.		\$ 3,400.00	\$ 3,400.00	
					CO-01 for \$20K BoD 6/22/21.	\$ 40,000.00	\$ 11,800.00	\$ 12,992.50	\$ 27,007.50
Title: As-Needed Geotechnical Services Firm: Leighton Consulting, Inc. Expires: 11/13/2022 (C# 19-39)	CIP	2020-01	Closed	6/25/2020	Rainbow Heights Pump Station geotechnical exploration.		\$ 8,630.00	\$ 8,484.20	
	CIP	2021-02	Open	4/15/2021	Turner Pump Station geotechnical exploration.		\$ 14,300.00	\$ 14,286.63	
	CIP	2021-03	Open	5/15/2021	Hutton Pump Station geotechnical exploration.		\$ 8,450.00	\$ 249.80	
						\$ 100,000.00	\$ 31,380.00	\$ 23,020.63	\$ 76,979.37
Title: As-Needed Geotechnical Services Firm: Ninyo & Moore G.E.S. Expires: 11/1/2022 (C# 19-40)	NON-CIP	2020-01	Closed	3/26/2020	Dentro De Lomas - Geotech observation & material testing. Proj. #2		\$ 6,518.00	\$ 1,369.00	
		2020-02	Closed	8/6/2020	Vista Valley Villas PRS geotech observation & material testing.		\$ 10,235.00	\$ 7,136.00	
		2021-03	Open	5/6/2021	Dentro De Lomas - Geotech observation & material testing. Proj. #1		\$ 6,097.00	\$ 4,104.00	
						\$ 100,000.00	\$ 22,850.00	\$ 12,609.00	\$ 87,391.00
Title: As-Needed Geotechnical Services Firm: ATLAS (SCST, LLC) Expires: 11/20/2022 (C# 19-41)	CIP	2020-01	Closed	7/7/2020	Olive Hills Estates Trans. Main geotech observation/field test.		\$ 36,619.00	\$ 17,563.00	
						\$ 100,000.00	\$ 36,619.00	\$ 17,563.00	\$ 82,437.00
Title: As-Needed Construction Management & Insp. Services Firm: Harris & Associates Expires: 1/28/2023 (C# 20-01)	CIP	2020-01	Closed	3/13/2020	CM Support Services for the WSUP.		\$ 100,000.00	\$ 99,972.50	
	CIP	2020-02	Closed	4/7/2020	Constructability design review of PUP-1.		\$ 6,270.00	\$ 5,280.00	
	NON-CIP	2020-03	Open	4/21/2020	Sewer North River Road - Emergency Repair.		\$ 11,000.00	\$ 4,389.33	
	CIP	2020-04	Open	9/21/2020	District Wide Inspection Services.		\$ 20,000.00	\$ 13,876.73	
					CO-01 for \$20K BoD 6/22/21.	\$ 170,000.00	\$ 137,270.00	\$ 123,518.56	\$ 46,481.44
Title: As-Needed Construction Management & Insp. Services Firm: Reilly Construction Mnmnt. Expires: 1/28/23 (C# 20-02)							\$ -	\$ -	
							\$ -	\$ -	
					CO-01 for (\$100K) BoD 6/22/21.	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
OCTOBER 2021**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333.33
Less 5% Contractual Allowance	416.67
EDUs Set Aside by Board for Emergencies	60.00
EDUs Connected	5,203.12 *
EDUs Unconnected/Committed	987.42
Total EDUs Available for Purchase:	1,666.13

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES PAID/CREDIT
Bonsall Oaks (Polo Club) - 164 (SF & Other)	205.80	\$ 2,907,119
Citro (fka Meadowood) - 844 (SF/MF)	926.60	\$ 10,500,000
Passarelle (HRC Commercial)	96.57	\$ -
Other Development w/5 or less EDUs - (SF & Other)	10.20	\$ 164,833
TOTAL UNCONNECTED:	1,239.17	\$ 13,571,952

Notes:

*There is a delay between connections and new account activations.

1. Bonsall Oaks paid initial 50% of Sewer Capacity Fees. Remaining 50% due prior to issuance of building permits.
2. CITRO Annexation Agreement 4/30/20 - Sewer Capacity \$10.5M to be paid by the CFD. 350.4 EDUs are committed.
3. Passarelle last remaining EDUs.

BOARD OF DIRECTORS

DECEMBER 7, 2021

SUBJECT

HUMAN RESOURCES REPORT FOR NOVEMBER/DECEMBER 2021

DESCRIPTION

Personnel changes, human resources activities, and safety report for NOVEMBER/DECEMBER 2021

YEARS OF SERVICE AWARDS:

15 years – Scott Simpson, Valve Maintenance (Hire date: December 4, 2006)

BENEFITS COST UPDATES:

Open enrollment was October 14-29 for the 2022 benefits plan year, which is the first year with the new employee cost-sharing formulas in the new MOUs with the bargaining units. The new cost-sharing formulas resulted in six employees making voluntary enrollment changes to less expensive plans and two employees waiving coverage to the accept cash-in-lieu of benefits.

The plan enrollment shifts will result in a \$20,273 savings, or 2% reduction in District health insurance costs for 2022. The new cash-in-lieu program will result in savings of \$30,482 for the year. Total District savings for the year is estimated to be \$50,755.

UPCOMING EMPLOYEE EVENTS:

- DECEMBER 16, 2021- Employee Breakfast & Gift Exchange
- JANUARY 29, 2022 – Annual Employee Banquet – “All-Star Sports Gala”

COIN AWARDS:

Coin Recognition	Employee	Department	Coin Nomination
Integrity	Dennis Mendes Bernardo Nunez	Construction	Bernie and Dennis saw smoke and searched for the source until they found it was from a house off Rainbow Crest Rd. Bernie used a fire extinguisher while Dennis called in the fire dept. Once the extinguisher ran out, Bernie grabbed the hose and went around the other side of the structure to get water on it. Dennis also sprayed some of the hot spots under the overhang from the roof as it was still on fire. Eventually, the fire was out, and they continued to spray water until the arrival of the Fire Dept. Bernie and Dennis will also receive special recognition from the North County Fire Dept at their December 13 th regular Board Meeting.

Professionalism	Dennis Mendes Esaud Lagunas (Honorable Mention) Clem Taylor (Honorable Mention)	Construction Constructions Meters	From Mike and Judy Brown: Dear Tom, A note of appreciation for the project at our house is long overdue. We are more than happy with the job completed and the men who not only performed the work but also supervised and kept us apprised of the progress as it was undertaken. Esa, Dennis, and others did a great job with the installation and putting the area back together. There were many guys out there in the hottest days of summer....so we thank you and your crew for their outstanding performance!
Innovation	Ahmed Khattab (Honorable Mention)	Operations	Ahmed worked diligently to create a meter analysis report that we could export from IPS with everything the billing specialist needed. This report will streamline the billing process, but it will also prevent losing revenue by catching broken meters much earlier than before.

RISK MANAGEMENT:

Incidents

There were no lost time or modified duties due to a work-related incident.

Safety Training

Vector Solutions online training: 58 completions for the October training period 2021

Future planning to increase safety awareness throughout the district to include:

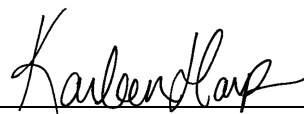
- Confined Space Review
- Respirator Review
- ERP Review
- California Hazardous Waste Management Training

Claims in Progress/Completed

- Sorbello- 1020 Little Gopher
- Jensen- 35070 Rice Canyon
- Heald- 1622 Pala Lake

Tailgate/ Office Safety Trainings

Sling and Rigging Qualifications



Karleen Harp, COSM
Human Resources Manager

12/7/2021

BOARD OF DIRECTORS

December 7, 2021

SUBJECT

FINANCE REPORT FOR NOVEMBER 2021

DESCRIPTION

Summary:

FY 2020/2021 Water Sales:

Budgeted 13,500 AF

Actual August FYTD 21/22 5,290 AF

Actual August FYTD 20/21 5,317 AF

Actual August FYTD 19/20 5,130 AF

Actual August FYTD 18/19 6,292 AF

September FYTD 2021/2022 Budget vs Actual:

For FY 2021/22 (FY22), the board followed the recommendation of staff and committee to budget future sales lower and more in line with the most recent years' trends at 13,500 AF, with operating expenses being budgeted within this lower operating revenue level as well. FY 21 sales were 16,246 AF, adjusted for sales made per day within the FY.

Treasury Report:

Interest Revenue for September 2021 was \$13,078 compared to \$16,583 for the prior month. Loss from assets sales were \$5,325 compared to gains of \$2,190 for the prior month. Investment valuation was up \$13,322 from the prior month.

Water Purchases & Water Sales:

The Five-Year Water Purchases Demand Chart (Attachment D) reports purchases; this data is available in real time. Purchases for the fiscal year ending June 30, 2021 are above the 5-year average (grey line). FY22 Purchases for the first four months are below FY 21 but above the budgeted purchases that would support 13,500 AF in sales.

The Water Sales Summary Report (Attachment E) represents water that was billed to customers, so the data is time delayed in comparison to the Five-Year Water Purchases Demand Chart. Water Loss from meter inaccuracy and breaks is also not included in the Five-Year Demand Chart since this data is from purchases. These two reports will not correlate unless they are both presented for the same date; we provide the purchases report in real time to provide the board with the most current demand information available.

Attachments:

- A. Budget vs Actuals (SEPT FYTD21)
- B. Fund Balance & Developer Projections (FY22)
- C. Treasury Report (SEPT FY21)
- D. Five-Year Water Purchases Demand Chart (through 11/10/2021)
- E. Water Sales Summary (SEPT FY21)
- F. Check Register (SEPT FY21)
- G. Directors' Expense Report (SEPT FY21)
- H. Credit Card Breakdown (SEPT FY21)
- I. RMWD Properties



Tracy Largent, CPA
Finance Manager

December 7, 2021

Statement of Revenues & Expenses Budget vs. Actual

Operating Funds (Water, Wastewater, & General Funds)

September 30, 2021



Positive = Over Budget

Negative = Under Budget

	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
Operating :						
41110-Water Sales-SF, MF, CM, IS	3,260,545	2,406,173	854,372	36%	9,624,692	
41112-Sewer Charges-Established Acct	666,643	938,664	-272,021	-29%	3,754,655	
42120-Monthly O & M Charges	2,100,234	2,587,374	-487,140	-19%	10,349,497	
42121-Monthly O&M Charges - CWA	1,320,432	1,310,728	9,704	1%	5,242,912	
43101-Operating Inc Turn On/Off Fees	0	1,250	-1,250	-100%	5,000	
43106-Operating Inc-Sewer Letter Fee	150	250	-100	-40%	1,000	
41120-Water Sales-Ag-Dom Non Cert	890,364	269,536	620,828	230%	1,078,144	
41160-Water Sales-Ag. Non Discount	1,639,494	990,464	649,031	66%	3,961,854	
41170-Water Sales-Construction	136,908	19,825	117,083	591%	79,300	
41180-Water Sales - Tsawr Com	1,307,848	947,547	360,301	38%	3,790,189	
41190-Water Sales-Sawr Ag/Dom	1,637,734	1,301,024	336,709	26%	5,204,097	
42130-Readiness-To-Serve Rev Id#1	0	73,783	-73,783	-100%	295,130	
42140-Pumping Charges	234,063	152,078	81,985	54%	608,312	
-Water Sales	13,194,415	10,998,695	2,195,720	20%	43,994,781	
43102-Operating Inc Penalty/Int Chgs	93,805	125,000	-31,195	-25%	500,000	
43104-Operating Inc. R.P. Charges	59,309	61,416	-2,108	-3%	245,665	
43108-Operating Inc Plan Check Rev.	1,860	26,250	-24,390	-93%	105,000	
43110-Operating Inc Inspections	1,088	5,000	-3,912	-78%	20,000	
43111-Operating Inc Install Fees Hyd	1,265	500	765	153%	2,000	
43114-Operating Inc-Miscellaneous	1,720	1,750	-30	-2%	7,000	
43116-New Meter Sales/Install Parts	6,300	10,000	-3,700	-37%	40,000	
43117-Notice Delivery Revenue	-80	1,250	-1,330	-106%	5,000	
-Other Operating Revenue	165,267	231,166	-65,900	-29%	924,665	
42200-Overhead Trs From Water Sewer	1,953,192	1,953,192	-0	0%	7,812,768	
-Transfers from Water & Waste Water	1,953,192	1,953,192	-0	0%	7,812,768	
REVENUE-Operating Revenue	15,312,874	11,958,348	3,354,525	28%	47,833,393	

Positive = Over Budget

Negative = Under Budget

	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
50001-Water Purchases	7,416,280	4,729,490	2,686,790	57%	18,917,958	Seasonal
50003-Water In Storage	-169,223	-	-169,223		-	
50005-Ready To Serve Charge	109,964	116,702	-6,738	-6%	466,806	FC estimate for budget
50006-Infrastructure Access Charge	186,450	187,761	-1,311	-1%	751,044	FC estimate for budget
50008-Ag Credit-Sawr	-202,691	-301,217	98,527	-33%	-1,204,869	
50010-Customer Service Charge	268,620	266,490	2,130	1%	1,065,960	
50011-Capacity Reservation Charge	110,991	115,370	-4,379	-4%	461,478	FC estimate for budget
50012-Emergency Storage Charge	382,662	386,429	-3,767	-1%	1,545,714	FC estimate for budget
50013-Supply Reliability Charge	240,765	245,447	-4,682	-2%	981,786	FC estimate for budget
-Cost of Purchased Water Sold	8,343,818	5,746,469	2,597,349	45%	22,985,877	
56101-Regular Salaries	1,071,356	1,311,491	-240,135	-18%	5,245,965	
56103-Overtime Paid Comptime Earn.	89,962	99,500	-9,538	-10%	398,000	
56202-Director's Compensation	2,100	3,500	-1,400	-40%	14,000	
56518-Duty Pay	12,474	15,483	-3,009	-19%	61,932	
56520-Deferred Comp-Employer Contrib	36,650	33,626	3,024	9%	134,505	
-Salary & Labor Expenses	1,212,541	1,463,600	-251,059	-17%	5,854,402	
56501-Employer's Share FICA SSI	66,482	76,483	-10,001	-13%	305,934	
56502-Employer's Share Medicare	16,960	19,206	-2,246	-12%	76,824	
56515-Worker's Compensation Ins	189,734	39,751	149,982	377%	159,006	
56516-State Unemployment Ins E.T.T.	950	3,061	-2,111	-69%	12,245	
-Taxes	274,125	138,502	135,623	98%	554,009	
56503-Medical Insurance	255,475	227,917	27,558	12%	911,667	
56504-Dental Insurance	19,841	20,362	-521	-3%	81,450	
56505-Vision Insurance	3,192	2,851	341	12%	11,405	
56506-Life S/T L/T Disability Ins	8,442	13,353	-4,912	-37%	53,412	
56507-Retirement-CalPERS	118,039	131,472	-13,433	-10%	525,888	
56511-Employee Uniform Allowance	6,122	6,068	54	1%	24,273	
56512-Employee Training/Tuition Reim	3,342	5,400	-2,058	-38%	21,600	
56513-Employee Relations	1,489	4,068	-2,578	-63%	16,270	
56524-Other Post Employment Benefits	6,480	-	-		-	
56530-Gasb 68 Pension	644,806	107,500	537,306	500%	430,000	Entire Year Paid in July
-Fringe Benefits	1,067,229	518,991	548,237	106%	2,075,965	
52176-Overhead Transfer To Gen Fund	1,953,192	1,953,192	-0	0%	7,812,768	

Positive = Over Budget

Negative = Under Budget

	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
-Transfers	1,953,192.00	2,006,106	-52,914	-3%	8,024,423	
60000-Equipment	10,137	16,125	-5,988	-37%	64,500	
60100-Computers	133,810	25,125	108,685	433%	100,500	
63100-Equipment Maintenance	38,561	39,925	-1,364	-3%	159,700	
63102-Equipment Maintenance Contract	2,288	7,931	-5,643	-71%	31,725	
63200-Equipment Rental	11,704	24,250	-12,546	-52%	97,000	
63400-Kitchen Supplies	3,703	3,500	203	6%	14,000	
63401-Building Maintenance	30,001	30,175	-174	-1%	120,700	
63404-Backflow Expenses	14,631	35,750	-21,119	-59%	143,000	
63421-Fuel And Oil	45,784	37,500	8,284	22%	150,000	
63422-Repair Supplies Auto	27,324	17,500	9,824	56%	70,000	
65000-Property/Liability Insurance	484,163	175,000	309,163	177%	700,000	Entire Year Paid in July
65100-District Paid Insurance Claims	7,437	42,500	-35,063	-83%	170,000	
65200-Miscellaneous Expense	1	0	1	0%	0	
69000-Postage	4,573	11,625	-7,052	-61%	46,500	
70000-Professional Services	405,773	258,050	147,723	57%	1,032,200	
70100-Annual Audit Services	18,660	8,750	9,910	113%	35,000	
70300-Legal Services	42,226	120,000	-77,774	-65%	480,000	
70400-Bank Service Charges	14,618	15,000	-382	-3%	60,000	
72000-Supplies & Services	416,344	289,700	126,644	44%	1,158,800	
72001-Right Of Way Expenses	43,516	50,000	-6,484	-13%	200,000	
72010-Tank Maintenance	2,781	251,000	-248,219	-99%	1,004,000	
72150-Regulatory Permits	6,642	16,650	-10,008	-60%	66,600	
72200-Books & Resources	0	650	-650	-100%	2,600	
72400-Dues & Subscriptions	67,092	140,351	-73,259	-52%	561,403	
72500-Safety Supplies	13,222	15,125	-1,903	-13%	60,500	
72600-Sewer Line Cleaning	34,645	10,000	24,645	246%	40,000	
72700-Printing & Reproductions	1,771	1,813	-41	-2%	7,250	
72702-Public Notices & Advertising	200	438	-238	-54%	1,750	
72900-Stationary & Office Supplies	509	1,250	-741	-59%	5,000	
73000-Small Tools & Equipment	8,327	15,700	-7,373	-47%	62,800	
74000-Communicatons & Phone Bills	2,647	3,250	-603	-19%	13,000	
74100-Phone Bill	22,805	22,500	305	1%	90,000	

Positive = Over Budget

Negative = Under Budget

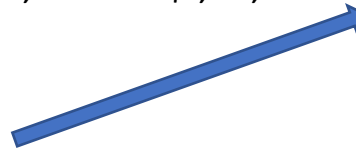
	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
75300-Travel, Conferences & Training	4,707	19,693	-14,985	-76%	78,770	
75400-Workforce Development	2,200	12,075	-9,875	-82%	48,300	
75500-Recruitment	4,632	4,000	632	16%	16,000	
77000-Sewage Treat.-Oceanside Plant	0	310,552	-310,552	-100%	1,242,209	
78000-Utilities - Electricity	188,137	146,875	41,262	28%	587,500	
78300-Hazardous Waster Material Disposal	0	2,500	-2,500	-100%	10,000	
78700-Utilities - Propane	0	3,750	-3,750	-100%	15,000	
78900-Trash Pick-Up	4,228	2,500	1,728	69%	10,000	
-Other Operating Expenses	2,119,799	2,189,077	-69,278	-3%	8,756,307	
EXPENSE-Operating Expense	14,970,704	12,062,746	2,907,959	24%	48,250,982	
Operating Revenue (Expenses)	342,169	-104,397	446,567	-428%	-417,589	
Non Operating :						
49301-Property Tax Rev. - Ad Valorem	9,033	12,625	-3,592	-28%	50,500	
-Property Tax Revenue	9,033	113,750	-104,717	-92%	455,000	
49200-Interest Revenues	-	-	-			
-Investment Income	-	-	-			
49050-Revenue Billing Adjustments	37	-	37		-	
49102-Non Oper Inc - NSF Check Fees	-	750	-750	-100%	3,000	
49107-Recycling Revenue	10,761	2,000	8,761	438%	8,000	
49108-Non Oper Inc-Rents And Leases	1,683	-	1,683		-	
49109-Miscellaneous Revenue	16,539	43,750	-27,211	-62%	175,000	
49114-Misc Revenue - Eng. Services	1,600	1,250	350	28%	5,000	
57050-Expense Billing Adjustments	-	-	-		-	
57525-Loan Costs	-	-	-		-	
-Other Nonoperating Revenue/Expense	30,621	47,750	-17,129	-36%	191,000	
-Non Operating Revenue (Expenses)	39,653	161,500	-121,847	-75%	646,000	
Debt Service		593,707	-593,707	-100%	2,374,827	
Current Year Net Revenue Less Expense*	\$ 381,823				\$ (2,146,416)	

*Does not Include: Depreciation Expense

Operating & Debt Service Fund Balances

Fund Balances:	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	New Water Sources	Debt Service	TOTAL
	FY 21/22	FY 21/22	FY 21/22	FY 21/22	FY 21/22	FY 21/22	FY 21/22
Beginning Available Balance	\$2,155,921	\$604,192	\$1,415,445	\$811,176	\$1,539,015	\$829,804	\$7,355,553
Transfer to Water Capital	(2,416,115)						(2,416,115)
Transfer to/from Rate Stabilization							0
Lawsuit Proceeds-Water Supplier	908,191						
Budgeted Operating Surplus (Loss)	2,818,557	195,502	8,492,768			(2,374,827)	9,132,000
Transfers In/(Out)			(8,492,768)			2,374,827	(6,117,941)
Projected Ending Available Balance	\$3,466,554	\$799,694	\$1,415,445	\$811,176	\$1,539,015	\$829,804	\$8,861,688

Completely Funded by FY25 & FY26



Water Capital - Fund 60 Projected Balance	Year 1	Year 2	Year 3	Year 4	Year 5
	<i>Adopted</i>	<i>Adopted</i>	<i>Adopted</i>	<i>Adopted</i>	<i>Adopted</i>
	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>
Fund Balances:	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Beginning Available Balance*	\$8,555,327	\$5,075,636	\$4,912,127	\$5,050,059	\$8,162,721
Interfund Loan from Sewer**					
Transfer from Operating Reserves	2,416,115	5,783,725	2,892,536	2,535,388	5,619,379
Transfer from WSUP***					
Forecasted Capacity Fees	1,085,876	1,485,266	1,177,396	5,037,275	5,037,275
Total Available Funding	12,057,318	12,344,627	8,982,059	12,622,721	18,819,375
Proposed Budget - Capital Project Budgets-Wholesale Water Efficiency****	(3,375,000)	(1,825,000)			
Proposed Budget - Capital Project Budgets-Water	(5,352,103)	(7,009,375)	(4,915,000)	(5,575,000)	(6,800,000)
Adopted Budget CIP Funding Percent 80%	(6,981,682)	(7,432,500)	(3,932,000)	(4,460,000)	(5,440,000)
Projected Ending Available Balance	\$5,075,636	\$4,912,127	\$5,050,059	\$8,162,721	\$13,379,375

*Beginning balances are higher than expected due to higher sales, improved water loss, operational salaries/benefits being charged to WSUP, and year-end Wastewater fund true-ups.

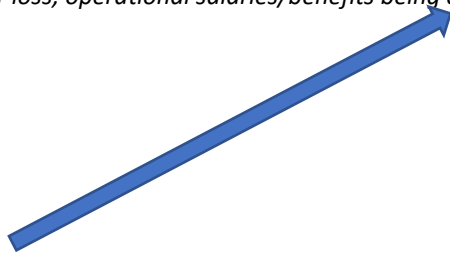
**Interfund Loan from Wastewater to Water not necessary.

***WSUP Transfer not necessary.

****Budget for Year 2 increased by \$1,825,000.

Target Balance

Minimum (1 year of 5-year average CIP)	\$	5,649,236
Ideal Target (2 year of 5-year average CIP)	\$	11,298,473



Water Capital Project Budgets:

Project #	Project Name	Year-to-Date	Year 1	Year 2	Year 3	Year 4	Year 5
		Expended 10/31/2021 FY 21/22	Adopted Budget FY 21/22	Planned Budget FY 22/23	Planned Budget FY 23/24	Planned Budget FY 24/25	Planned Budget FY 25/26
300007	Programatic EIR for Existing Easements	\$ 73,755	\$ 75,000				
300008	New District Headquarters	24,524	150,000	450,000	2,000,000		
600001	Rainbow Heights PS (#1) Upgrades/Recon*	345,413	1,050,000				
600002	Gird to Monserate Hill Water Line	-			140,000	1,400,000	
600003	San Luis Rey Imported Return Flow Recovery	2,837					600,000
600007	Pressure Reducing Stations	7,114	500,000	750,000	250,000	750,000	250,000
600009	Isolation Valve Installation Program	-	50,000	600,000	500,000	500,000	500,000
600015	Water Condition Assessment	744				50,000	
600017	Pressure Reducing Station Replacement Program (Combined with 60007)	281					
600019	Water System Monitoring Program	116,519	184,375	184,375	25,000		
600021	Pipeline Upgrade Project	-					
600026	Camino Del Rey Waterline Reloaction	30	100,000	2,000,000			
600030	Corrosion Prevention Program Development and Implementation	1,169	250,000	600,000	600,000	600,000	600,000
600037	Live Oak Park Road Bridge Replacement	369	600,000	-			
600040	Vallecitos PS Relocation	125		1,100,000	1,000,000		
600047	Communitty Power Resiliency Generator Grant (Generator at Sumac)	1,254	50,000				
600048	Northside Zone Supply Redundancy	-					500,000
600049	Gomez/Magee Pump Station Upgrades and Sumac Radio Tower	-	500,000	450,000	400,000		
600050	Lookout Mountain Electrical Upgrade	-				1,000,000	1,000,000
600051	North Feeder and Rainbow Hills Water Line Replacements	-				150,000	1,850,000
600055	Pipe Lining Pilot Project	123	-	350,000			
600058	Electrical Panel Switches	-	160,000				
600067	Pala Mesa Fairways 383 A and C	-				250,000	
600068	Sarah Ann Drive Line 400 A	-	100,000	275,000			
600069	Wilt Road (1331)	-					500,000
600071	Del Rio Estates Line Ext 503	-				250,000	
600072	Katie Lendre Drive Line	-	-	250,000			
600072	East Heights Line 147L	-					500,000
600073	East Heights Line 147A	-					250,000
600074	Via Zara - PUP	-				125,000	
600075	Roy Line Ext	-					250,000
600077	Rainbow Water Quality Improvement	4,657	950,000				
600080	Los Alisos South 243	-				500,000	
600081	Heli-Hydrant on Tank	139,094	149,728				
N/A	Department Level Capital Expenses	-	483,000				
Total		\$ 718,008	\$ 5,352,103	\$ 7,009,375	\$ 4,915,000	\$ 5,575,000	\$ 6,800,000

*Budget for Year 1 increased by \$1,050,000 per September 2021 Board Action.

Wholesale Water Efficiency Capital Project Budgets:

Project #	Project Name	Year-to-Date	Year 1	Year 2	Year 3	Year 4	Year 5
		Expended 10/31/2021 FY 21/22	Proposed Budget FY 21/22	Planned Budget FY 22/23	Planned Budget FY 23/24	Planned Budget FY 24/25	Planned Budget FY 25/26
600008	Weese WTP Permanent Emergency Interconnect and Pressure Station	\$ -	\$ 1,325,000				
600013	Hutton & Turner Pump Stations (SDCWA Shutdown Pump Stations)	40,528	5,350,000				
	Morro Pump Station		1,525,000				
600029	Via Ararat Drive Waterline Project	-					
600031	Olive Hill Estates Transmission Line Reconnection	-					
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor	9,623	3,375,000	1,825,000			
600035	Tank and Reservoir Mixing Upgrades	-					
600038	Blue Breton Water System Looping Project	-					
600078	Wilt Road Feeder (18 inch Water Line)	30,194	3,720,000				
600079	Gird Road 1,600' upsize from 12" to 18" or larger	-	1,325,000				
Total		\$80,345	\$16,620,000	\$1,825,000	\$0	\$0	\$0
Budgeted		9,623	3,375,000	1,825,000	-	-	-
Potential Financing		\$70,722	\$13,245,000	\$0	\$0	\$0	\$0

Wastewater - Fund 52 & 53 Projected Fund Balance

Fund Balances:	Year 1	Year 2	Year 3	Year 4	Year 5
	<i>Adopted</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>
	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>
	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Beginning Available Balance*	\$6,430,455	\$4,203,056	\$2,682,324	\$1,174,702	\$5,894,168
Restricted CFD Funds (Citro)	5,000,000	5,000,000			
Interfund Loan**					
Transfer from Operating Reserves	500,000	500,000	500,000	500,000	500,000
Forecasted Sewer Connections	717,601	254,268	42,378	4,469,466	4,469,466
Less: Capital Project Budgets 100%	(8,445,000)	(7,275,000)	(2,050,000)	(250,000)	0
Projected Ending Available Balance	\$4,203,056	\$2,682,324	\$1,174,702	\$5,894,168	\$10,863,635

*Beginning balances are lower than expected due to year-end Wastewater fund true-ups.

**Interfund Loan from Wastewater to Water not necessary.

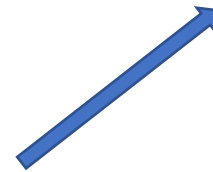
Target Balance

Minimum (1 year of 5-year average CIP)

\$ 3,604,000

Ideal Target (2 year of 5-year average CIP)

\$ 7,208,000



Wastewater Capital Project Budgets:

Project #	Project Name	Year-to-Date	Year 1	Year 2	Year 3	Year 4	Year 5
		Expended 10/31/2021	Adopted Budget	Planned Budget	Planned Budget	Planned Budget	Planned Budget
		FY 21/22	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
530001	Thoroughbred Lift Station and Sewer Improvements/LS1 Replacement	\$ 120,517	\$ 8,000,000	\$ 7,000,000	\$ 250,000	\$ 250,000	\$ -
530006	Sewer System Rehabilitation Program	-	30,000				
530015	Sewer System Condition Assessment Program	-					
530017	N River Road Land Outfall Rehabilitation (Operations Project)	64,765	\$250,000				
530018	Fallbrook Oaks Forcemain and Manhole Replacement	-		\$150,000	\$1,650,000		
530020	Rancho Viejo LS Wet Well Expansion	-	100,000				
530021	Almendra Court, I-15 Crossing Sewer Rehabilitation	-			150,000		
530023	Replace Rancho Monserate LS Emergency Generator	-		125,000			
530024	Old River Road LS Equalization Basin	-					
530025	Old River Road LS to Stallion Outfall Repair (Combine with 530017)	-					
N/A	Department Level Capital Expenses	-	65,000				
N/A	City of Oceanside WW Plant	-					
		\$ 185,282	\$ 8,445,000	\$ 7,275,000	\$ 2,050,000	\$ 250,000	\$ -

Water Service Upgrade Project

	Project Savings
Original Contract	\$10,700,000
Estimated Expenses thru March 2022	(9,910,143)
Contract Savings	789,857
Internal Labor Utilization (Budgeted Operating Cost Reduction)*	970,811
Total Savings	\$ 1,760,668.00

**This is a budgeted operational cost reduction, which reduced expenses for water operating, resulting in a higher fund balance than anticipated in water operating. The resulting higher fund balance in water operating is a result of indirect use of the WSUP funds.*

Estimated Ending Zion Account Balance**	\$ 955,414.00
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***Of the total, \$629,272 is debt reserve, which reduces future operating/debt expenses.*

Rainbow MWD Developer Projections - Water

Installations

Developer/Development Name (Active) (Inactive)	Purchased	Anticipated Sales (Connections)						Water LF	PRS	Timing
		FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	Total			
DR Horton/Horse Ridge Creek	430	25					25	34407	1	Completed/not yet board accepted
Richmond American Homes/Horse Ridge Creek	113						0			Completed/not yet board accepted
Campus Park West						9	9			
Four Star/Fairview (FKA Lilac Del Cielo)	75	51	24				75	2247	1	Recent Activity
Cal West/Golf Green Estates/SL Rey	97	28					28	5475		Completed/not yet board accepted
Beazer/Pala Mesa Highlands	129	25					25	10089	1	Completed/not yet board accepted
Bonsall Oaks/Polo Club						154	154	21531	3	
Ocean Breeze (Vessels)						396	396			
Rancho Viejo Phase 3						47	47			
Campus Park West						291	291			
Tripoint(FKA Parde)/Citro(FKA Meadowood)*		17	82	121	104	53	377		1	In Progress
Single Service Laterals		5	5	5	5	5	25			See Notes**
TOTAL WATER METERS	844.0	151	111	126	109	955	1,452			

Revenue Projections

Meter Size (in)	Revenue Per Meter (Existing)	Anticipated Sales					
		FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	Total
5/8	6,241	51	24			330	405
3/4	10,401	90	82	117	102	597	988
1	16,642	6	5	7	7	21	46
1 1/2	27,043			1			1
2	62,406						-
3	124,812	2		1			3
4	208,020	2				7	9
Total		151	111	126	109	955	1,452
Total Revenue		\$2,019,897	\$1,085,876	\$1,485,266	\$1,177,396	\$10,074,549	\$15,842,984
Estimated Fee credits from CFD Reimbursement			(\$1,164,912)	(\$1,402,056)	(\$162,242)		(\$2,729,210)
Total Cash Revenue from Developer		\$2,019,897	(\$79,036)	\$83,210	\$1,015,154	\$10,074,549	\$13,113,774

Notes:

*Actual amount will vary depending on final agreements.

**Average from last 10 years.

Rainbow MWD Developer Projections - Sewer

Installations

Development Name (Active) (Inactive)	Purchased (EDUs)	Anticipated Sales (EDUs)							Sewer LF	IS	Timing
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	Total			
DR Horton/Horse Ridge Creek	723							0	29916	1	Completed/not yet board
Richmond American Homes/Horse Ridge Creek	169.5							0			Completed/not yet board
Campus Park West								9	9		
Four Star/Fairview (FKA Lilac Del Cielo)	77.8		7.5	31.4				39	1382		Recent
Cal West/Golf Green Estates/SL Rey	120.3		25.8					26	4318		Completed/not yet board
Beazer/Pala Mesa Highlands	160.18		35.7					36	11501		Completed/not yet board
Bonsall Oaks/Polo Club	102.9			6.4				89.8	21027		Recent
Ocean Breeze (Vessels)								479	479		Recent
Rancho Viejo Phase 3								47	47		Recent
Monserate Winery				10	15				25		
Campus Park West								5	5		
Tripoint(FKA Parde)/Citro(FKA Meadowood)*	368.4			422	422				844		
Misc. SFR	1.2		3	3	3	3	3	3	15		
TOTAL EDUs	1,723.28	-	72	473	440	3	633	1621			

Revenue Projections

		Purchased (EDUs)	Anticipated Sales						
			FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	Total
Existing Fee	\$ 14,126	1,723.28		72	473	440	3	633	1,621
Meadowood									
Total			-	72	473	440	3	633	1,621
Total Revenue			\$0	\$1,017,072	\$717,601	\$254,268	\$42,378	\$8,938,933	\$10,970,252 **

Notes:

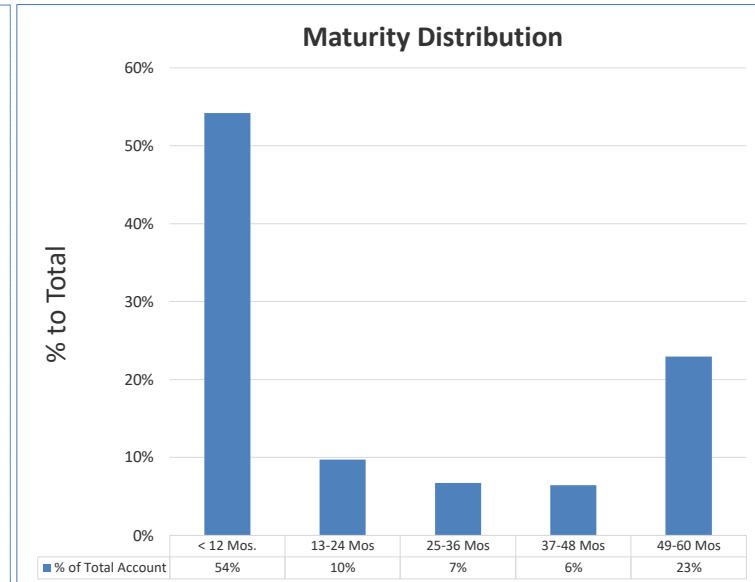
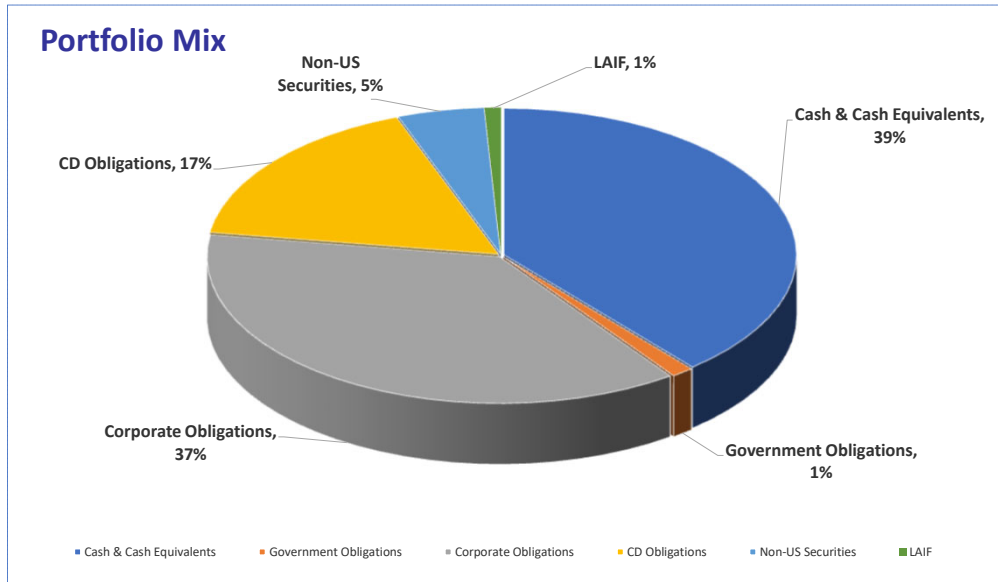
*Actual amount will vary depending on final agreements. \$10,500,000 will be paid from CFD.

RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 PORTFOLIO SUMMARY
 9/30/2021



Quarter 1 FY 21/22

TYPE	ISSUER	CUSIP	Bond Rating	Date of Maturity	Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity	Object
Money Market Funds	First American Government Trust	31846V567				\$ 2,742,817	\$ 2,742,817				0	11508
	Willimington Trust	CSCDA 2017-01				\$ 50,000	\$ 50,000				0	10301
Money Market Funds	Zions Bank	7326251D				\$ 629,259	\$ 629,259	2.090%			0	10310
Money Market Funds	Zions Bank	7326250				\$ 1,329,873	\$ 1,329,873	2.060%			0	10311
Money Market Funds	Zions Bank	7326251E				\$ 1,642,563	\$ 1,642,563	2.090%			0	10309
Total Cash & Cash Equivalents					\$ -	\$ 6,394,513	\$ 6,394,513					
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,000	\$ 200,938	\$ 202,970	1.900%	1.800%	\$ 1,909	292	11508
Total Government Obligations					\$ 200,000	\$ 200,938	\$ 202,970					
Callable 9/10/25	AMERICAN HOND FIN CORP MTN	02665WDN8		09/10/25	\$ 500,000	\$ 506,050	\$ 497,495	1.000%	1.300%	\$ 2,500	1441	11508
Stepped 1/26/26	BANK OF AMERICA	06048WK82		01/26/26	\$ 1,000,000	\$ 997,000	\$ 963,290	0.610%	0.610%	\$ 3,050	1579	11508
Bullet	BANK OF AMERICA CORP	06051GEU9	A2	01/11/23	\$ 475,000	\$ 490,794	\$ 492,946	3.300%	2.300%	\$ 7,838	468	11508
Callable 9/30/23	CITIGROUP INC	17298CKE7	A3	09/30/23	\$ 1,000,000	\$ 1,000,000	\$ 987,390	1.000%	1.000%	\$ 5,000	730	11508
Callable 05/28/26	JPMORGAN CHASE & CO	48128G3N8		05/28/26	\$ 1,000,000	\$ 1,000,000	\$ 990,960	1.200%	1.200%	\$ 6,000	1701	11508
Callable 11/18/2021	MB FINL BK NA CHIC IL	55266CZJ8		11/18/21	\$ 247,000	\$ 247,000	\$ 247,906	2.810%	2.850%	\$ 3,470	49	11508
Callable 6/27/2024	MORGAN STANLEY PVT BK PURCHA	61760AL49		06/24/24	\$ 245,000	\$ 245,000	\$ 256,152	2.290%	2.250%	\$ 2,805	998	11508
Callable 3/1/22	UNION BK CALIF N A MEDIUM TERM	90520EAH4	A2	04/01/22	\$ 308,000	\$ 315,377	\$ 311,742	3.150%	1.900%	\$ 4,967	183	11508
Callable 3/1/22	UNION BK CALIF N A MEDIUM TERM	90520EAH4	A2	04/01/22	\$ 290,400	\$ 297,355	\$ 293,928	3.150%	1.900%	\$ 4,683	183	11508
Callable 3/1/22	UNION BK CALIF N A MEDIUM TERM	90520EAH4	A2	04/01/22	\$ 281,600	\$ 288,344	\$ 285,021	3.150%	1.900%	\$ 4,541	183	11508
Callable 9/22/26	UNION BK SALT LAKE CITY UT - CD	90348JT59		09/22/26	\$ 249,000	\$ 249,000	\$ 248,509	0.950%	0.950%	\$ 1,183	1818	11508
Medium Term Note	WELLS FARGO CO MTN	94974BFY1		06/03/26	\$ 500,000	\$ 567,925	\$ 556,870	4.100%	3.650%	\$ 10,250	1707	11508
Total Corporate Issues					\$ 6,096,000	\$ 6,203,845	\$ 6,132,211					
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7		03/29/23	\$ 240,000	\$ 240,000	\$ 249,576	2.860%	2.900%	\$ 3,432	545	11508
FDIC Ins. CD	CAPITAL ONE BANK (USA) NAT	1402TAW7		06/19/24	\$ 245,000	\$ 245,000	\$ 257,757	2.520%	2.500%	\$ 3,087	993	11508
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RKL4		11/22/22	\$ 250,000	\$ 250,000	\$ 256,463	2.400%	2.400%	\$ 3,000	418	11508
FDIC Ins. CD	FIRST NATL BK MCGREGOR TEX	32112UDA6		06/28/24	\$ 249,000	\$ 250,743	\$ 262,493	2.300%	2.150%	\$ 2,884	1002	11508
FDIC Ins. CD	FLAGSTAR BK FSB TROY MICH	33847E2K2		06/13/22	\$ 245,000	\$ 246,749	\$ 249,104	2.440%	2.200%	\$ 3,010	256	11508
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3		06/14/22	\$ 245,000	\$ 245,000	\$ 248,947	2.340%	2.350%	\$ 2,867	257	11508
FDIC Ins. CD	JPMORGAN CHASE BK NA COLUMBU	48128UHS1		07/31/25	\$ 249,000	\$ 249,000	\$ 247,274	0.550%	0.550%	\$ 685	1400	11508
FDIC Ins. CD	MERRICK BK SOUTH JORDAN UTAH	59013KBV7		07/31/24	\$ 249,000	\$ 249,000	\$ 260,185	2.200%	2.200%	\$ 2,739	1035	11508
FDIC Ins. CD	MORGAN STANLEY	61747MF63		01/11/23	\$ 246,000	\$ 246,000	\$ 253,803	2.630%	2.650%	\$ 3,235	468	11508
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 240,000	\$ 249,919	2.900%	2.950%	\$ 3,480	558	11508
FDIC Ins. CD	STATE BK INDIA CHICAGO ILL	856283N69		06/26/25	\$ 248,000	\$ 252,166	\$ 247,692	0.950%	0.940%	\$ 1,198	1365	11508
Total CD Obligations					\$ 2,706,000	\$ 2,713,659	\$ 2,783,214					
Medium Term Note	Credit Suisse Ag New York	22550L2G5		8/7/2026	\$ 500,000	\$ 801,916	\$ 788,640	1.250%	1.250%	\$ 5,012	1772	11508
Total Non-US Securities					\$ 500,000	\$ 801,916	\$ 788,640					
Subtotal Long Term Pooled Investment					\$ 9,502,000	\$ 16,314,870	\$ 16,301,548					
Portfolio Totals	Local Agency Investment Fund (LAIF)**	0.999927969				\$ 146,433	\$ 147,684				0	10103
						\$ 16,461,303	\$ 16,449,232					



This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. The District has sufficient cash flow to meet six months of obligations. This is in effect is in compliance with the current Investment Policy.

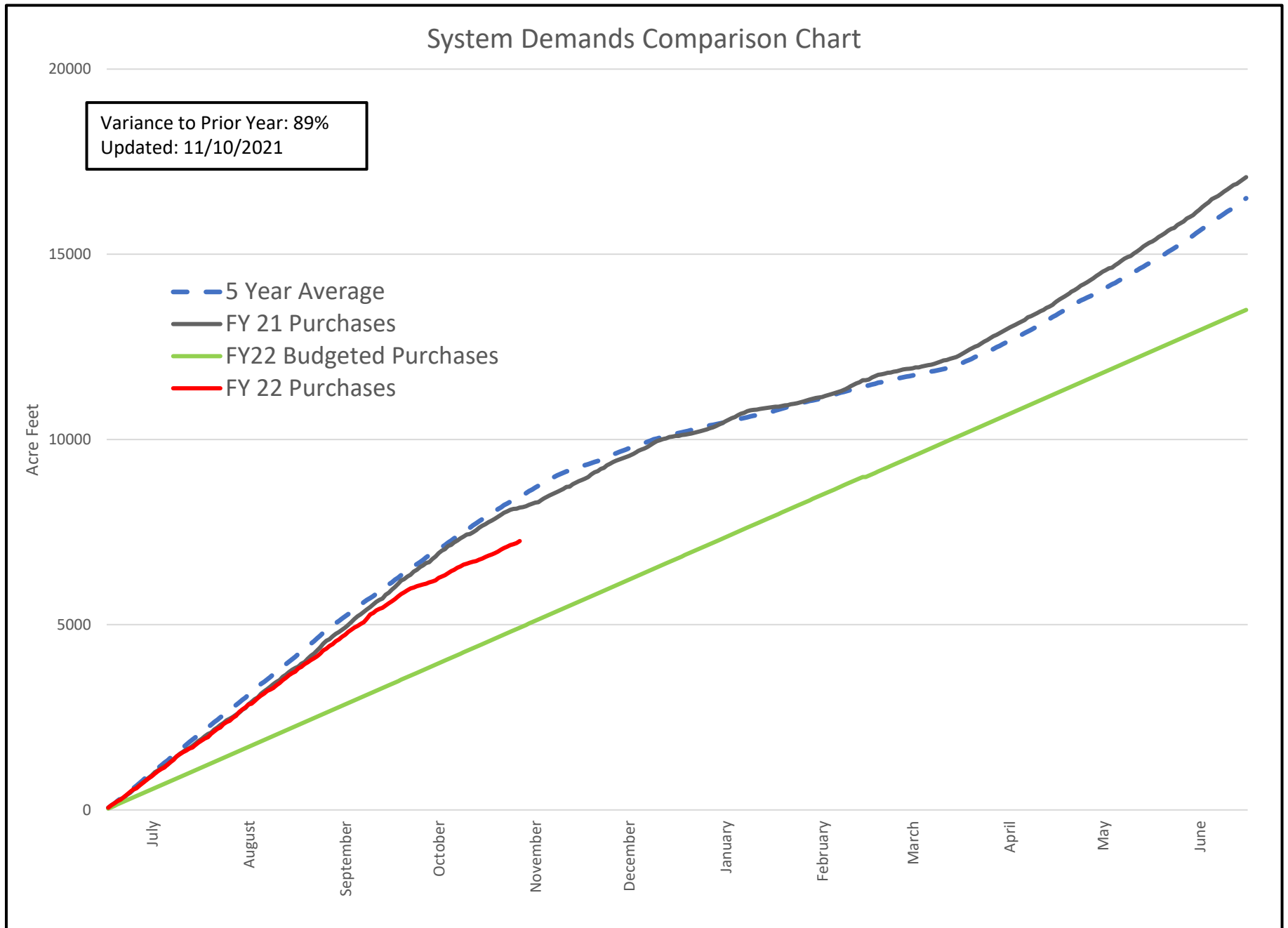
Tracy Largent

11/2/2021

Tracy Largent, Treasurer

*Source of Market Value - US Bank monthly statements

**Source of LAIF FMV - CA State Treasurer Pooled Money Investment Account @ <https://www.treasurer.ca.gov/pmia-laiif/reports/valuation.asp>



Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2021-2022

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
549	AD	49,878	120,877	132,208										696
402	AG	126,020	156,517	188,678										1,082
271	CM	43,597	45,074	58,754										338
24	CN	9,809	7,353	8,900										60
21	IS	4,094	3,585	3,722										26
114	MF	14,171	12,501	14,634										95
	PC	105,195	87,728	98,194										668
	PD	104,423	101,695	108,445										722
319	SC	54,638	-	-										125
1012	SD	86,465	-	-										198
5851	SF	186,785	176,948	193,467										1,279
8563	Total	785,075	712,278	807,002	-	-	-	-	-	-	-	-	-	5,290

FISCAL YEAR 2020-2021

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
549	AD	34,763	39,406	46,230										276
402	AG	109,886	131,840	137,233										870
271	CM	43,615	49,777	48,946										327
24	CN	6,330	12,547	10,164										67
21	IS	2,513	2,972	3,359										20
114	MF	14,151	14,484	14,090										98
	PC	-	-	-										-
	PD	-	-	-										-
319	SC	137,945	133,502	160,919										993
1012	SD	186,337	204,966	223,721										1,412
5851	SF	169,793	186,711	189,918										1,254
8563	Total	705,333	776,205	834,580	-	-	-	-	-	-	-	-	-	5,317

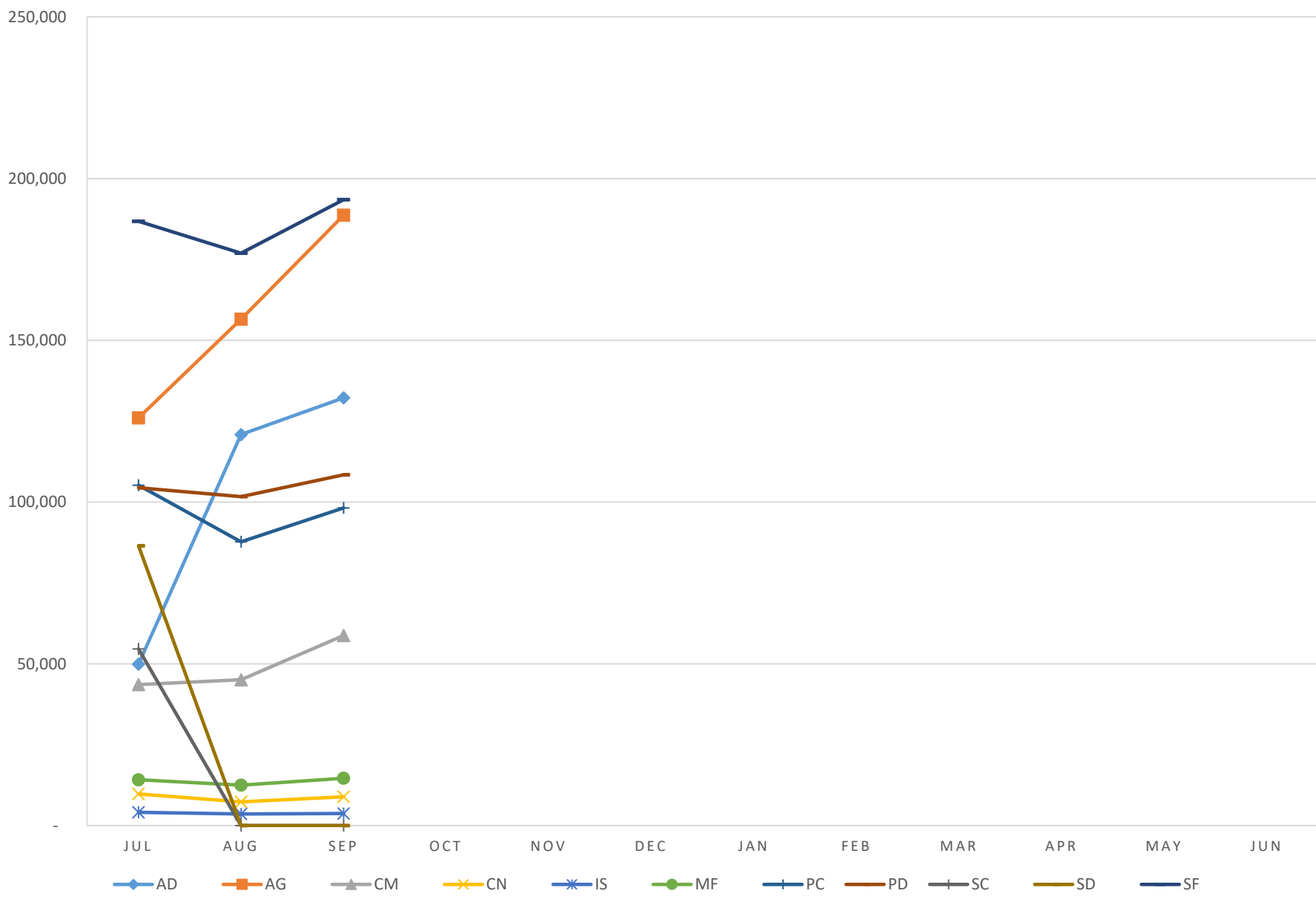
FISCAL YEAR 2019-2020

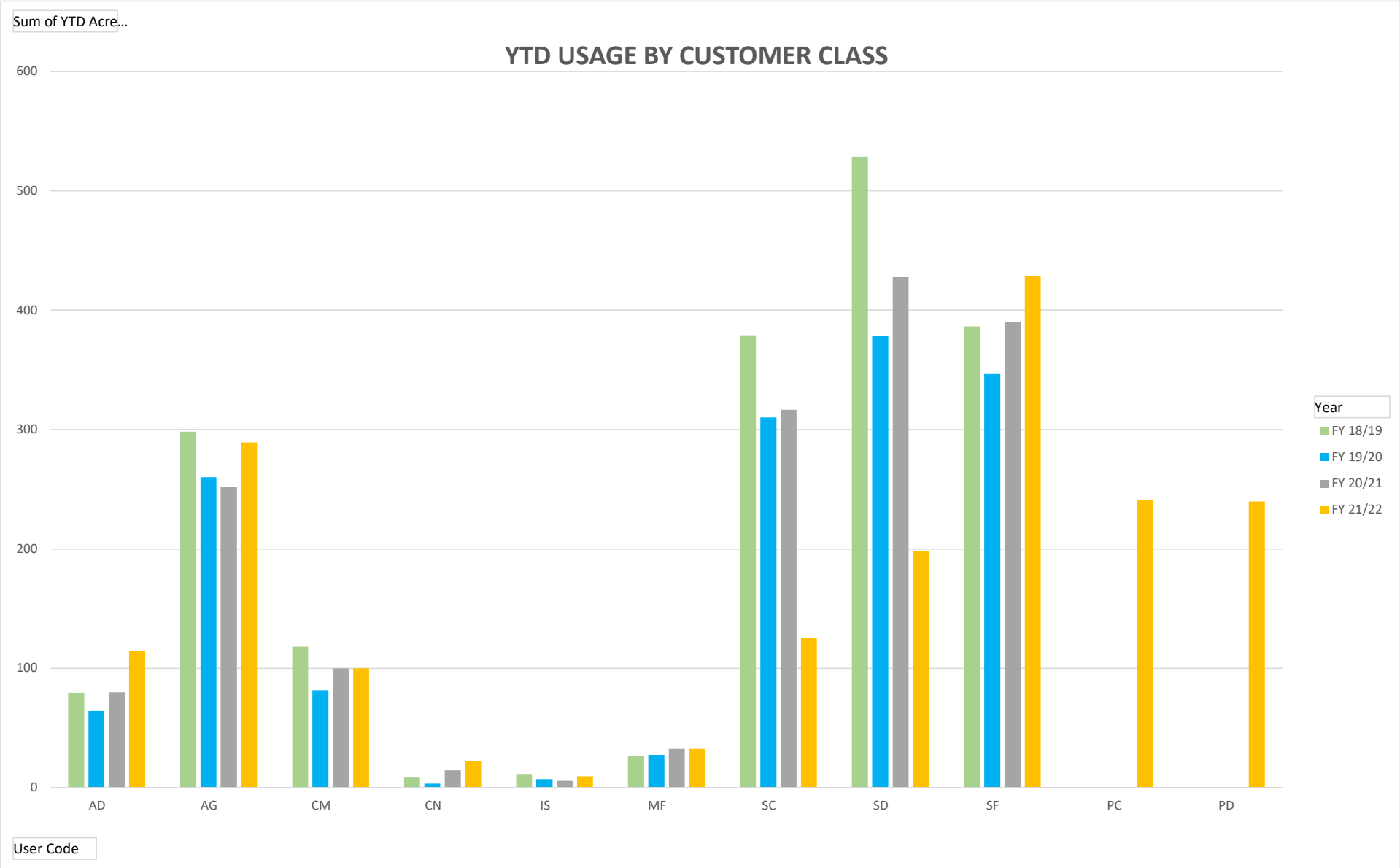
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
553	AD	28,018	36,530	36,506										232
400	AG	113,285	139,802	139,715										902
267	CM	35,561	46,750	44,883										292
19	CN	1,484	1,549	1,183										10
21	IS	3,060	1,799	1,946										16
114	MF	11,910	11,187	11,539										80
323	SC	135,069	157,307	156,337										1,030
1021	SD	164,817	213,262	218,596										1,370
5536	SF	150,907	188,769	182,811										1,199
8254	Total	644,111	796,955	793,516	-	-	-	-	-	-	-	-	-	5,130

FISCAL YEAR 2018-2019

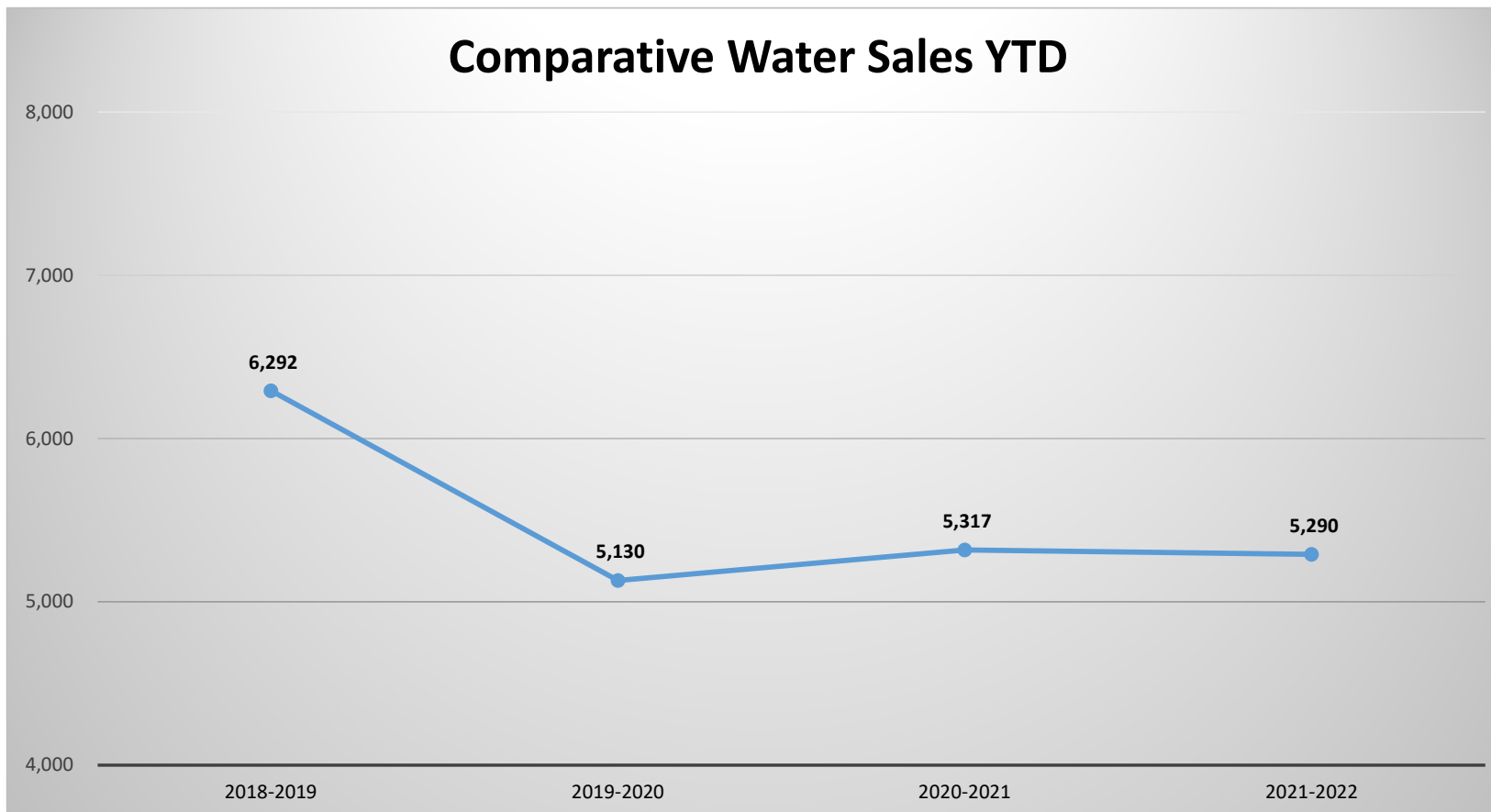
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	34,648	47,312	45,104										292
402	AG	129,946	149,080	154,084										994
264	CM	51,483	67,254	66,114										424
23	CN	3,982	27,189	4,915										83
21	IS	4,964	3,824	3,852										29
112	MF	11,653	12,856	13,798										88
323	SC	165,088	203,887	203,899										1,315
1024	SD	230,264	264,247	273,401										1,763
5468	SF	168,323	192,173	207,384										1,304
8199	Total	800,351	967,822	972,551	-	-	-	-	-	-	-	-	-	6,292

USAGE BY CUSTOMER CLASS FY 21-22





Comparative Water Sales YTD from Prior Years



FY Total



Check Register September 2021

Description	Bank Transaction Code	Issue Date	Amount
FALLBROOK WASTE AND RECYCLING	CHECK	09/01/2021	458.02
VERIZON WIRELESS	CHECK	09/01/2021	5,765.55
AIRGAS USA, LLC	ACH	09/03/2021	548.58
ARAMARK UNIFORM SERVICES	CHECK	09/03/2021	863.38
AT&T LONG DISTANCE	CHECK	09/03/2021	34.15
BABCOCK LABORATORIES, INC	ACH	09/03/2021	213.00
BOOT BARN INC	CHECK	09/03/2021	534.02
BRAND ASSASSINS	ACH	09/03/2021	9,063.21
BRENDA CARDEN	CHECK	09/03/2021	57.72
BRUCE ATCKISON	CHECK	09/03/2021	66.32
CAMDEN HALL	CHECK	09/03/2021	1,219.82
COLONIAL LIFE & ACCIDENT INS.	CHECK	09/03/2021	60.71
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	09/03/2021	41,144.31
CONTROLLED MOTION SOLUTIONS	CHECK	09/03/2021	3.00
CORE & MAIN LP	CHECK	09/03/2021	26,758.63
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	09/03/2021	1,819.00
CRACKS & CORNERS CLEANING SERVICE	ACH	09/03/2021	1,657.00
CSDA, SAN DIEGO CHAPTER	CHECK	09/03/2021	30.00
DAVID SEYMOUR	CHECK	09/03/2021	1,089.00
DENNIS YERKE	CHECK	09/03/2021	115.44
DIAMOND ENVIRONMENTAL SERVICES	CHECK	09/03/2021	556.05
DLM ENGINEERING, INC.	CHECK	09/03/2021	1,900.00
FALLBROOK ACE HARDWARE	CHECK	09/03/2021	14.32
FALLBROOK EQUIPMENT RENTAL	ACH	09/03/2021	2,037.05
FALLBROOK PUBLIC UTILITY DIST	CHECK	09/03/2021	1,102.00

Description	Bank Transaction Code	Issue Date	Amount
FALLBROOK WASTE AND RECYCLING	CHECK	09/03/2021	1,110.36
FERGUSON WATERWORKS #1083	CHECK	09/03/2021	22,470.62
FLOYD GRAVES III	CHECK	09/03/2021	81.85
FLYERS ENERGY LLC	ACH	09/03/2021	7,972.65
FREEDOM AUTOMATION, INC.	CHECK	09/03/2021	15,234.50
GOLDEN BELL PRODUCTS, INC.	CHECK	09/03/2021	2,178.71
HACH	CHECK	09/03/2021	1,737.49
HARRIS & ASSOCIATES, INC.	ACH	09/03/2021	26,565.00
HASA INC.	CHECK	09/03/2021	1,606.89
HAWTHORNE EQUIPMENT	CHECK	09/03/2021	135.00
HELIX ENVIRONMENTAL PLANNING INC	CHECK	09/03/2021	13,157.79
HILL BROTHERS CHEMICAL CO.	CHECK	09/03/2021	955.18
HOCH CONSULTING, APC	CHECK	09/03/2021	24,822.50
HOUSTON AND HARRIS	CHECK	09/03/2021	11,972.50
ICONIX WATERWORKS (US) INC	ACH	09/03/2021	35,166.88
INFOR (US), INC.	ACH	09/03/2021	360.00
INFOSEND, INC.	CHECK	09/03/2021	6,690.80
KDM MERIDIAN	CHECK	09/03/2021	1,500.00
KENNEDY/JENKS CONSULTANTS INC	ACH	09/03/2021	20,024.64
KEVIN MILLER	ACH	09/03/2021	363.00
KIMBALL MIDWEST	CHECK	09/03/2021	1,461.44
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	09/03/2021	400.00
LIQUID ENVIRONMENTAL SOLUTIONS OF CA, LLC	ACH	09/03/2021	177.44
LOURDES WILLETT	CHECK	09/03/2021	55.19
MOBILE MINI, INC	CHECK	09/03/2021	915.48
MOBILE MODULAR	CHECK	09/03/2021	3,499.30
NORTH COUNTY WELDING SUPPLY	CHECK	09/03/2021	51.75
PACIFIC PIPELINE SUPPLY	CHECK	09/03/2021	339.88
PALOMAR BACKFLOW	ACH	09/03/2021	844.54
PARADISE CHEVROLET CADILLAC	ACH	09/03/2021	48,671.66
PAUL DUENAS	CHECK	09/03/2021	200.00
PERRAULT CORPORATION	CHECK	09/03/2021	4,673.24
PETER IPPOLITO	CHECK	09/03/2021	57.72

Description	Bank Transaction Code	Issue Date	Amount
PITNEY BOWES INC.	CHECK	09/03/2021	730.93
PRECISION MOBILE DETAILING	ACH	09/03/2021	616.50
RAIN FOR RENT RIVERSIDE	CHECK	09/03/2021	17,519.61
RANCHO FORD LINCOLN MERCURY	CHECK	09/03/2021	304.80
REM MECHANICAL, INC	ACH	09/03/2021	520.50
RHO MONSERATE C.C.H.A.	CHECK	09/03/2021	532.33
RIGHT-OF-WAY ENGINEERING SERV	CHECK	09/03/2021	360.00
SAFETY-KLEEN	ACH	09/03/2021	634.95
SAN DIEGO GAS & ELECTRIC	CHECK	09/03/2021	6,634.21
SCOTT SIMPSON	CHECK	09/03/2021	100.00
SPECIAL DISTRICT RISK	CHECK	09/03/2021	867.92
SPECIALTY MOWING SERVICES, INC.	ACH	09/03/2021	9,220.00
STEVEN MARK DISHON	CHECK	09/03/2021	3,835.00
STREAMLINE	CHECK	09/03/2021	300.00
T S INDUSTRIAL SUPPLY	CHECK	09/03/2021	313.31
TALLEY COMMUNICATIONS	CHECK	09/03/2021	1,342.78
TCN, INC	CHECK	09/03/2021	12.61
TOOLSHED EQUIPMENT RENTALS	CHECK	09/03/2021	409.44
TRAFFIC SAFETY SOLUTIONS, LLC	ACH	09/03/2021	9,930.38
TRAFFIC SUPPLY, INC.	CHECK	09/03/2021	2,985.32
UNDERGROUND SERVICE ALERT	ACH	09/03/2021	327.89
UNDERGROUND SOLUTIONS, INC	CHECK	09/03/2021	2,483.50
UNITED RENTALS NORTHWEST, INC	CHECK	09/03/2021	911.11
VALLEY CONSTRUCTION MANAGEMENT	CHECK	09/03/2021	24,750.00
WATERLINE TECHNOLOGIES INC.	CHECK	09/03/2021	2,009.00
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	09/03/2021	668.51
CHRIS BEUCLER CONSTRUCTION INC	CHECK	09/09/2021	1,614.45
KENNETH OLIVER	CHECK	09/09/2021	139.64
ROLLIN C BUSH	CHECK	09/09/2021	5,000.00
HOME DEPOT CC - ALL (AUGUST 2021 STATEMENT)	EFT	09/13/2021	3,710.23
SDCWA WATER PURCHASE- JULY 2021	WIRE	09/13/2021	2,617,304.28
UNION BANK CC - DEL RIO (AUGUST STATEMENT)	EFT	09/13/2021	39.56
UNION BANK CC - HARP (AUGUST STATEMENT)	EFT	09/13/2021	1,331.41

Description	Bank Transaction Code	Issue Date	Amount
UNION BANK CC - KENNEDY (AUGUST STATEMENT)	EFT	09/13/2021	21.00
UNION BANK CC - KHATTAB (AUGUST STATEMENT)	EFT	09/13/2021	37.94
UNION BANK CC - LAGUNAS (AUGUST STATEMENT)	EFT	09/13/2021	379.65
NBS BENEFITS-ADMINISTRATION FEES	EFT	09/15/2021	75.00
ACWA-JPIA	ACH	09/17/2021	75,032.22
ADP - ADVICE OF DEBIT #588151419	EFT	09/17/2021	611.70
ADVANCED CONSERVATION MANAGEMENT, INC.	ACH	09/17/2021	8,535.96
AIRGAS USA, LLC	ACH	09/17/2021	787.10
ANGELA EBERHARD	CHECK	09/17/2021	114.38
AT&T	CHECK	09/17/2021	557.02
BABCOCK LABORATORIES, INC	ACH	09/17/2021	2,151.00
BP BATTERY INC.	ACH	09/17/2021	418.25
BRAND ASSASSINS	ACH	09/17/2021	580.75
CDW GOVERNMENT, INC.	CHECK	09/17/2021	5,158.04
CHRIS BROWN	ACH	09/17/2021	15,000.00
COLONIAL LIFE & ACCIDENT INS.	CHECK	09/17/2021	60.71
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	09/17/2021	53,826.31
CORE & MAIN LP	CHECK	09/17/2021	6,934.79
COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	CHECK	09/17/2021	3,774.00
COUNTY OF SAN DIEGO, RCS	CHECK	09/17/2021	770.70
DEXTER WILSON ENGINEERING	CHECK	09/17/2021	3,405.00
ERIC POOLE	CHECK	09/17/2021	3,740.00
FALLBROOK AUTO PARTS	CHECK	09/17/2021	1,210.75
FALLBROOK EQUIPMENT RENTAL	ACH	09/17/2021	178.00
FALLBROOK WASTE AND RECYCLING	CHECK	09/17/2021	504.28
FERGUSON WATERWORKS #1083	CHECK	09/17/2021	16,490.93
FLYERS ENERGY LLC	ACH	09/17/2021	6,598.39
HACH	CHECK	09/17/2021	1,155.01
HARRISON'S EQUIPMENT	CHECK	09/17/2021	436.51
HASA INC.	CHECK	09/17/2021	1,806.89
HOPKINS TECHNICAL PRODUCTS,INC	CHECK	09/17/2021	3,085.81
ICONIX WATERWORKS (US) INC	ACH	09/17/2021	14,429.52
IMPACT DESIGN	CHECK	09/17/2021	667.53

Description	Bank Transaction Code	Issue Date	Amount
INFOR (US), INC.	ACH	09/17/2021	4,360.00
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	09/17/2021	100.00
KNOWBE4, INC.	CHECK	09/17/2021	1,174.25
LANCE, SOLL & LUNGHARD LLP	CHECK	09/17/2021	18,660.00
LAURA MATEO	CHECK	09/17/2021	144.35
MALLORY SAFETY AND SUPPLY, LLC	CHECK	09/17/2021	1,001.01
MASTERCRAFT HOMES GROUP, LLC	CHECK	09/17/2021	29,457.00
MICHAEL MACK	CHECK	09/17/2021	41.44
MODULAR BUILDING CONCEPTS, INC	CHECK	09/17/2021	1,315.63
NOBEL SYSTEMS	ACH	09/17/2021	8,800.00
PALOMAR BACKFLOW	ACH	09/17/2021	298.57
PALOMAR HEALTH	CHECK	09/17/2021	475.00
PARKHOUSE TIRE, INC.	ACH	09/17/2021	2,029.00
PERRAULT CORPORATION	CHECK	09/17/2021	1,802.19
PHIL FILLERS	CHECK	09/17/2021	115.44
POLLARDWATER	CHECK	09/17/2021	139.38
PRECISION MOBILE DETAILING	ACH	09/17/2021	1,145.00
QUALITY CHEVROLET	ACH	09/17/2021	58.17
QUINN COMPANY	CHECK	09/17/2021	4,872.08
RAIN FOR RENT RIVERSIDE	CHECK	09/17/2021	1,660.86
RANCHO FORD LINCOLN MERCURY	CHECK	09/17/2021	197.00
ROBERT BENJAMIN	CHECK	09/17/2021	57.72
RT LAWRENCE CORPORATION	ACH	09/17/2021	2,389.77
RYAN STOCKTON	CHECK	09/17/2021	184.14
SAFETY-KLEEN	ACH	09/17/2021	2,443.99
SAN DIEGO GAS & ELECTRIC	CHECK	09/17/2021	53,023.54
SHERRY YETTER	CHECK	09/17/2021	115.44
SONSRAY MACHINERY LLC.	ACH	09/17/2021	442.01
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	09/17/2021	887.48
SPECIALTY MOWING SERVICES, INC.	ACH	09/17/2021	9,610.20
STEVE PLYER	CHECK	09/17/2021	36.56
T S INDUSTRIAL SUPPLY	CHECK	09/17/2021	2,044.70
THE WELD SHOP, INC	ACH	09/17/2021	925.00

Description	Bank Transaction Code	Issue Date	Amount
TIAA COMMERCIAL FINANCE, INC.	CHECK	09/17/2021	2,718.97
ULINE	CHECK	09/17/2021	441.07
UNDERGROUND SOLUTIONS, INC.	CHECK	09/17/2021	2,483.50
UNITED RENTALS NORTHWEST, INC	CHECK	09/17/2021	766.53
WILLIAM CANNON	CHECK	09/17/2021	115.44
XYLEM INC	CHECK	09/17/2021	3,364.21
		Total:	3,458,456.23

**Director's Expenses
FY 2021-2022**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch	Pam Moss
07/31/21	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS		\$ 150.00	\$ 150.00		\$ 150.00
	Monthly Totals	\$ -	\$ 150.00	\$ 150.00	\$ -	\$ 150.00
08/31/21	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS		\$ 150.00	\$ 450.00	\$ 150.00	\$ 450.00
	Monthly Totals	\$ -	\$ 150.00	\$ 491.44	\$ 150.00	\$ 450.00

**Director's Expenses
FY 2021-2022**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch	Pam Moss
09/30/21	WATER AGENCIES ASSOC OF S.D. CSDA, SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE AND EXPENSES	\$ 150.00	\$ 150.00	\$ 750.00	\$ 300.00	\$ 450.00
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 750.00</u>	<u>\$ 300.00</u>	<u>\$ 450.00</u>

	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch	Pam Moss
REPORT TOTAL (Fiscal Year 2021-22):	\$ 150.00	\$ 450.00	\$ 1,391.44	\$ 450.00	\$ 1,050.00



AMERICAN EXPRESS

September 2021

GL Finance Code	GL Transaction Amount	Description
GL 03 41 63401	84.80	CULLIGAN
GL 03 51 75300	30.00	ALASKA AIRLINES
GL 03 44 60100	0.35	AMAZON WEB SERVICES
GL 03 44 60100	495.62	AMAZON #111-7905798-3197054
GL 03 44 60100	38.90	AMAZON #111-0184886-9161000
GL 03 44 60100	90.50	AMAZON #112-5234925-7398633/PO# 11725
GL 03 44 60100	95.93	AMAZON #111-4625317-5617008
GL 03 36 72000	(318.40)	AMAZON #112-0668547-8982615
GL 01 34 72000	2,289.68	AMAZON #112-3744857-0073861/PO# 11711
GL 01 34 72000	160.74	AMAZON #112-7655008-7443454/PO# 11725
GL 03 44 60100	21.55	AMAZON #111-0854048-6300210
GL 03 44 60100	910.28	AMAZON #111-1841716-8325842
GL 03 44 60100	71.89	AMAZON #111-8159765-1873009
GL 03 44 60100	70.01	AMAZON #111-2510457-2494625
GL 03 91 60000	287.67	AMAZON #112-5244931-4198639/PO# 11694
GL 03 44 60100	495.64	AMAZON #111-6824493-0749829
GL 01 34 72000	354.50	AMAZON #112-0083123-1459479/PO# 11725
GL 03 44 60100	125.94	AMAZON #111-3663162-8561837
GL 03 44 60100	46.32	AMAZON #111-4189309-6206668
GL 03 36 72000	324.82	AMAZON #112-4960563-7894649
GL 03 44 60100	312.33	AMAZON #111-2013290-3601035
GL 03 44 60100	407.28	AMAZON #111-4353251-5277834
GL 03 44 60100	91.30	AMAZON #111-0113409-8109036
GL 03 44 60100	317.05	AMAZON #111-4035427-9031468
GL 01 34 72000	84.03	AMAZON #111-8379496-6393830/PO# 11780
GL 03 44 60100	13.41	AMAZON #111-0795570-6313020
GL 03 42 72000	33.38	AMAZON #111-8859010-7062656

GL Finance Code	GL Transaction Amount	Description
GL 03 44 60100	23.90	AMAZON #111-5364133-2689039
GL 03 44 60100	16.15	AMAZON #111-6345761-0098645
GL 03 44 60100	49.52	AMAZON #111-2747765-5574635
GL 01 34 72000	182.64	AMAZON #112-3582955-1025806/PO# 11725
GL 03 41 56511	180.84	AMAZON #113-3370110-0037006
GL 03 44 60100	74.86	AMAZON #111-1762984-7101840
GL 03 43 72000	2.99	APPLE.COM
GL 03 51 75300	725.00	ACWA
GL 01 34 75300	725.00	ACWA
GL 03 41 75300	725.00	ACWA
GL 03 44 72400	110.00	ATLASSIAN
GL 03 44 60100	40.00	AUTHORIZE.NET, 09-30-21
GL 03 44 60100	1,287.00	BLUEBEAM
GL 03 43 72000	150.00	TOXIC MAIN/US EPA
GL 03 41 75300	(600.00)	CSDA
GL 03 44 60100	192.50	CORELOGIC
GL 01 34 72000	600.00	DIAMOND ENVIRONMENTAL #0003462711
GL 03 44 60100	659.97	DIGITAL RIVER
GL 03 44 60100	359.99	DIGITAL RIVER
GL 03 44 60100	39.44	DIRECT TV
GL 03 43 72500	19.40	GRAINGER #9035623397/PO# 11704
GL 03 43 72500	23.02	GRAINGER #9044597749/PO# 11618
GL 03 43 72500	137.28	GRAINGER #9035868133/PO# 11704
GL 03 36 72000	346.10	GRAINGER #9034023342/PO# 11699
GL 60 99 72000 600028	373.14	GRAINGER #9055878749/PO# 11757
GL 60 99 72000 600028	522.39	GRAINGER #9054998332/PO# 11757
GL 01 34 72000	602.77	GRAINGER #9032757883/PO# 11700
GL 01 32 72000	124.00	GRAINGER #9032757883/PO# 11700
GL 60 99 72000 600028	1,107.98	GRAINGER #9055287164/PO# 11757
GL 03 43 72500	1,189.21	GRAINGER #9035623405/PO# 11704
GL 02 61 72000	2,182.20	GRAINGER #9043862474/PO# 11729
GL 03 41 56511	34.60	IMPACT DESIGN
GL 01 34 72000	190.00	BRAND ASSASSINS INV# 21222
GL 01 34 72000	330.82	BRAND ASSASSINS

GL Finance Code	GL Transaction Amount	Description
GL 03 41 74100	972.65	JIVE
GL 03 44 60100	362.22	AZURE
GL 03 41 63400	750.00	NATUREBOX
GL 03 41 72900	25.02	OFFICE DEPOT #192996705001
GL 03 41 72900	92.79	OFFICE DEPOT #192994346001
GL 01 32 72000	57.75	OFFICE DEPOT #190339492001
GL 03 41 72000	42.95	PALA MESA
GL 03 20 75300	48.92	PALA MESA
GL 03 43 72000	45.43	PAMS DONUTS
GL 03 20 75300	770.40	PORTOLA HOTEL
GL 03 41 75300	835.58	PORTOLA HOTEL
GL 03 51 75300	770.40	PORTOLA HOTEL
GL 03 20 75300	770.40	PORTOLA HOTEL
GL 03 41 63401	706.88	POWELLS
GL 03 41 75300	17.65	PREPASS
GL 03 44 60100	10.00	RING
GL 03 43 72500	410.56	SAFETYDEPOT.COM #11695/PO# 11767
GL 03 43 72500	455.72	SAFETYDEPOT.COM #11575/PO# 11721
GL 01 34 72000	78.23	SMARTSIGN #MSS-254105
GL 03 41 72500	88.72	SMARTSIGN #SMT-431843
GL 03 41 63400	76.50	FRUIT GUYS #5575997
GL 03 41 63400	38.25	FRUIT GUYS #5575079
GL 03 41 63400	76.50	FRUIT GUYS #5574439
GL 03 41 63400	38.25	FRUIT GUYS #5573407
GL 03 44 60100	21.66	WASABI
GL 03 36 72000	300.00	WHIP AROUND
GL 03 41 72000	101.32	Z CAFE
GL 01 34 72000	48.24	Z CAFE
GL 01 35 72000	35.00	ZOHO
GL 03 44 60100	299.87	ZOOM
GL 01 99 15260	9,143.02	WESTERN WATER #1307139-01/PO# 11551 (OCT STATEMENT)
GL 01 99 15260	10,804.63	WESTERN WATER #1307139-02/PO# 11551 (OCT STATEMENT)
GL 01 99 15260	170,514.80	WESTERN WATER #1308788-00/PO# 11730 (OCT STATEMENT)
GL 03 41 72400	90.00	AMERICAN EXPRESS - REWARDS (SEPT STATEMENT)

GL Finance Code	GL Transaction Amount	Description
	218,563.54	American Express (September Statement)

Rainbow Municipal Water District
Property spreadsheet

APN	Description of Use	Acreage
1023000800	North Reservoir	4.8
1023001100	U-1 Pump Station	0.14
1023005000	Rainbow Creek Crossing near North Reservoir	0.89
1023005300	Connection 9	0.01
1024300900	Pump Station across PS1 (not in use)	0.12
1025702000	U-1 Tanks	1.08
1026305400	Pump Station #1	0.33
1026602000	Booster Pump Station #4	0.03
1027001600	Pump Station #3	0.67
1071702800	Connection 7	1.60
1071702900	Pala Mesa Tank	10.35
1080206900	Northside Reservoir	9.23
1082210600	Beck Reservoir	27.25
1082210900	Near Beck Reservoir	4.82
1082211000	Near Beck Reservoir	6.23
1082211800	Near Beck Reservoir - Excess Property (not in use)	4.68
1084210600	Rice Canyon Tank	1.00
1084410300	Canonita Tank	2.41
1091410700	Gomez Creek Tank	1.00
1092310900	Rainbow Heights Tank	0.35
1092330300	Rainbow Heights Tank	0.99
1092341000	Rainbow Heights Concrete Tank - used for SCADA	1.74
1093101800	Vallecitos Tank	0.55
1093822800	Magee Tank	1.03
1093912400	Magee Pump Station	0.3
1100721000	Huntley Road Pump Station	0.52
1102203700	Huntley Chlorination Station (not in use)	0.2
1212011000	Morro Tank	0.31
1212011100	Morro Tank	4.85
1212011200	Morro Reservoir	13.01
1213300900	Morro Reservoir	6.79
1250703200	Sumac Reservoir (Not in Use)	1.72
1250902600	Headquarters	7.38
1250903400	Headquarters	4.43
1250903500	Headquarters	3.40
1250903800	Headquarters	17.03
1251002100	Rancho Viejo Lift Station #5	0.05
1252311800	Hutton Tank	1.39
1252312600	Hutton Tank	0.89
1260803100	Via de los Cepillos Easement	0.47
1261708700	Lift Station #2	0.08
1261708900	Lift Station #2	0.12
1263004200	Lift Station #1	0.01
1270710500	Bonsall Reservoir (Not in Use)	6.19
1270710600	Connection 6	0.28
1271512300	Turner Tank	15.12
1721404300	Gopher Canyon Tank	1.84
	<i>Total</i>	167.68

