



THIS MEETING WILL BE CONDUCTED WITH IN PERSON ATTENDANCE PERMITTED. THE CDC STILL RECOMMENDS MASKING FOR ALL INDIVIDUALS BUT IS NOT MANDATORY. PARTICIPATION WILL ALSO BE AVAILABLE VIA VIDEO CONFERENCE OR TELECONFERENCE.

TO PARTICIPATE IN THE MEETING VIA VIDEO OR TELECONFERENCE, GO TO <https://rainbowmwd.zoom.us/j/82521741222> OR CALL 1-669-900-6833 or 1-346-248-7799 or 1- 253-215-8782 or 1-301-715-8592 or 1-312-626-6799 or 1-929-205-6099 (WEBINAR/MEETING ID: 825 2174 1222).

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

RAINBOW MUNICIPAL WATER DISTRICT BOARD MEETING

Tuesday, June 28, 2022

Closed Session 11:30 a.m.

Open Session 1:00 p.m.

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

District Office

3707 Old Highway 395

Fallbrook, CA 92028

Board Agenda Policies

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

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

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

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

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

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

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

Board meetings will be audio and video recorded with copies available upon request. Requests for audio recordings will be fulfilled once draft minutes for such meeting have been prepared. There are no costs associated with obtaining copies of audio and video recordings; however, these recordings will only be retained according to the policies provided in the District's Administrative Code. Copies of public records are available as a service to the public; a charge of \$.10 per page up to 99 pages will be collected and \$.14 per page for 100 pages or more.

If you have special needs because of a disability which makes it difficult for you to participate in the meeting or you require assistance or auxiliary aids to participate in the meeting, please contact the District Secretary, (760) 728-1178, by at least noon on the Friday preceding the meeting. The District will attempt to make arrangements to accommodate your disability.

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 11:30 a.m. and Open Session at 1:00 p.m. Tuesday, June 28, 2022, 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 in attendance wishing to address the Board regarding Closed Session agenda items should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. Any person attending the meeting remotely wishing to address the Board regarding Closed Session agenda items may email or mail in their comments to the Board Secretary one hour before the Closed Session scheduled start time to be read to the Board prior to their adjournment to Closed Session or may speak to the Board 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 (Government Code §54956.9(d)(2))**

* Two Items

(*) - Asterisk indicates a report is attached.

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

* TC Construction Company, Inc. v. Rainbow Municipal Water District, et al.

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

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. 22-14 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 in attendance wishing to address the Board regarding matters not on this agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. Any person attending remotely wishing to address the Board regarding matters not on this agenda should indicate their desire to speak or may email or mail their comments to the Board Secretary one hour before the Open Session scheduled start time. All written public comments received will be read to the Board during the appropriate portion of the meeting. No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes unless a longer period is permitted by the Board President.

(*) - Asterisk indicates a report is attached.

***16. APPROVAL OF MINUTES**

- A. May 24, 2022 - Regular Board Meeting

***17. 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 May 26, 2022
 - 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 Rates

18. COMMITTEE REPORTS

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

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

***19. PUBLIC HEARINGS**

- A. **DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 22-14 FOR ID 1 STANDBY CHARGES**
(Ordinance No. 22-14 establishes water availability charges for all of the Rainbow Municipal Water District Improvement District – Improvement District No. 1.)
- B. **DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-18 APPROVING THE AMENDED AND RESTATED RESOLUTION TO CONFIRM PARTICIPATION IN SCIP**
(Adoption of Resolution 22-18 will amend and restate the District joining the Statewide Community Infrastructure Program, authorizing the California Statewide Communities Development Authority to accept property owner applications, special assessments, form assessment districts, community facilities districts within the District, terms and conditions of community facilities district financing, acquisition agreements, and other authorizing actions.)

(*) - Asterisk indicates a report is attached.

BOARD ACTION ITEMS

- 20. CONSENT TO THE OMISSION OF SIGNATURES FROM THE FINAL MAP FOR COUNTY OF SAN DIEGO TRACT NO. 5354-4, AND MAKE A FINDING THAT THE FINAL MAP WILL NOT UNREASONABLY INTERFERE WITH THE FREE AND COMPLETE EXERCISE OF THE DISTRICT'S EASEMENTS (DIVISION 4)**
(The District holds an easement within the boundaries of Tract No. 5354-4 which will not be affected by the recording of the Final Map for Tract No. 5354-4. The Final Map may not be recorded without a signature omission letter from the District stating that the Final Map will not unreasonably interfere with the free and complete exercise of the District's Easements.)
- *21. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-14 APPROVING FISCAL YEAR 2022-2023 OPERATING & CAPITAL IMPROVEMENT BUDGET**
(The Operating & Capital Improvement Budget for FY 2022-2023 has been reviewed by the Board of Directors, Budget and Finance Committee, and staff and is being presented to the Board for final adoption.)
- *22. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 22-16 — 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 JULY 1, 2022 THROUGH JUNE 30, 2023**
(The grade structure included in Resolution No. 22-16 Draft A is revised to reflect the new pay grades in accordance with the MOUs between the District and the bargaining units. Draft B of Resolution No. 22-16 adjust the pay grades in accordance with the MOUs and adds new job classifications in accordance with the Staffing Analysis.)
- *23. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-17 — A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT CONSENTING TO ENTER THE JOINT PROTECTION PROGRAMS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY**
(Resolution No. 22-17 provides consent for the District to enter the Joint Protection Programs of the Association of California Water Agencies/Joint Powers Insurance Authority.)
- *23A. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-19 RESCINDING RESOLUTION OF NECESSITY, NO. 22-02, PERTAINING TO REAL PROPERTY LOCATED AT 5858 CAMINO DEL CIELO, BONSALE, CA 92003**
(Adoption of Resolution No. 22-19 will rescind the Resolution of Necessity, Resolution No. 22-02, which authorized the acquisition by eminent domain of an interest in real property for public use and authorized and directed condemnation of portions of San Diego County Assessor's Parcel Number 127-010-05.)
- *24. DISCUSSION AND POSSIBLE ACTION FOR A VARIANCE REQUEST FROM CUSTOMER (AVALOS) FOR THE DIFFERENCE IN ACCOUNT CLASS RATES FROM JUNE 2021 TO APRIL 2022 (Division 1)**
(RMWD received a request from customer, Amanda Avalos, requesting her account be changed from Agricultural Domestic to Single Family Residential due to high monthly operation and maintenance fees.)
- *25. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA 2022 BOARD OF DIRECTORS ELECTIONS SEAT B**
(RMWD received an email with the link to cast the RMWD vote as well as notifying that the ballot ends at 5:00 p.m. on July 16, 2022 as well as a letter of support from Don Bartz, General Manager for Phelan Pinon Hills CSD.)
- 26. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

(*) - Asterisk indicates a report is attached.

BOARD INFORMATION ITEMS

***27. STATEMENT OF AUDITING STANDARDS (SAS) 114 PLANNING LETTER**

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

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Operations Comments

1. Operations Report

C. Engineering Comments

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

D. Human Resource & Safety Comments

1. Human Resources Report

E. Finance Comments

- 1. 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*

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

30. ADJOURNMENT - To Tuesday, July 26, 2022 at 1:00 p.m.

ATTEST TO POSTING:

Pam Moss
Pam Moss
Secretary of the Board

6-22-22 @ 10:30 a.m.
Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

BOARD OF DIRECTORS CONSIDER ADOPTING RESOLUTION NO. 22-15 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 May 24, 2022. 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. 22-15 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

June 28, 2022

RESOLUTION NO. 22-15

**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 May 24, 2022; 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 May 24, 2022. 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 28th day of June 2022, 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
MAY 24, 2022**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on May 24, 2022 was called to order by President Hamilton at 11:42 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 Hamilton, Director Mack, Director Stewart, Director Moss *(arrived at 11:54 a.m.)*.

Also Present: General Manager Kennedy, Legal Counsel Smith, Engineering Technician Rubio, Human Resources Manager Harp, Engineering and CIP Program Manager Williams, Information Systems Specialist Espino.

Absent: Director Gasca.

Also Present Via Teleconference or Video Conference:

Legal Counsel Duran-Brown.

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

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

There were no amendments to the agenda.

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 11:44 a.m.

(*) - Asterisk indicates a report is attached.

6. CLOSED SESSION

- A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - * Two Items
- B. Appointment, Employment, Evaluation of Performance – Public Employees (Government Code § 54957(B)(1))

The meeting reconvened at 1:00 p.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 Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on May 24, 2022 was called to order by President Hamilton at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. *(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 Hamilton, Director Mack, Director Moss, Director Stewart.

Also Present: General Manager Kennedy, Legal Counsel Smith, Engineering Technician Rubio, Human Resources Manager Harp, Finance Manager Largent, Engineering and CIP Program Manager Williams, Operations Manager Gutierrez, Information Technology Manager Khattab, Information Systems Specialist Espino, Customer Service and Communications Supervisor Gray.

Absent: Director Gasca.

Also Present Via Teleconference or Video Conference:

Construction and Meters Supervisor Lagunas.

Three members of the public were present for Open Session in person, via teleconference or video conference.

***11. BOARD OF DIRECTORS CONSIDER ADOPTING RESOLUTION NO. 22-13 RENEWING STATE OF EMERGENCY FINDINGS FOR ASSEMBLY BILL 361 (AB 361)**

Motion:

That the Board renew the state of emergency findings.

(*) - Asterisk indicates a report is attached.

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

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

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

Absent: Director Gasca.

Legal Counsel confirmed that if there were no Board Members attending the meeting remotely, roll call votes would not be necessary during this meeting except for the adoption of ordinances.

12. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

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

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

There were no amendments to the agenda.

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 or video conference.

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).

There were no comments.

16. EMPLOYEE RECOGNITIONS

- A. Excellence Coin Awards**
 - 1. Cynthia Gray

Mr. Kennedy announced Cynthia Gray was the fourth employee to receive all four Excellence Coins noting Ms. Gray started at RMWD as the Administrative Analyst and now supervisors the customer service department which began just shortly before the pandemic outbreak. He congratulated Ms. Gray as he presented her with a plaque in recognition of her achievement.

Ms. Gray gave credit to all the people she has the privilege to work with noting the amount of integrity, innovation, responsibility, professionalism, and teamwork that surges through RMWD is absolutely inspiring.

(*) - Asterisk indicates a report is attached.

***17. APPROVAL OF MINUTES**

A. April 26, 2022 - Regular Board Meeting

Motion:

To approve the minutes.

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

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

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

Absent: Director Gasca.

***18. 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)

There was no report given.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting April 28, 2022

Mr. Kennedy reported the SDCWA Board will meet next week at which time they will review some of the mid-term adjustments as well as the work of the committee looking at restructuring the rate system. He mentioned a few water districts located down south as well as the City of San Diego have sent letters noting they recognize the issues SDCWA faces but would like the process to move a little slower due to the impact of roll off from new water supply projects that will impact SDCWA revenues.

2. CSDA

Director Mack reported the speaker at the May 19th CSDA Quarterly Dinner spoke on cyber security who provided a great deal of good information. Mr. Kennedy pointed out Mr. Khattab arranged for the speaker.

Director Mack mentioned the speaker mentioned there was a 12-day program where their consultants would work with local water districts in assisting in getting them set up to where they needed to be; however, they would not be able to return to those agencies for approximately two years later due to their rigorous schedules. He pointed out the comment of most interest was should RMWD be hacked, the appropriate staff would contact the San Diego authorities who would in turn immediately contact Sacramento so that within in a few hours the Governor would sign an emergency agreement for funding assistance. Discussion ensued.

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Mr. Kennedy announced the next SDCSDA quarterly meeting may be held at the Butcher Shop.

3. LAFCO

Mr. Kennedy noted the next meeting would be held on June 6, 2022.

4. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton noted the committee will meet in July.

5. ACWA

Director Mack stated he attended the JPIA meetings held just prior to the start of the 2022 ACWA Spring Conference noting elections were held as well as voted to allow RMWD to rejoin their property and liability insurance programs. He mentioned Director Drake from Rincon del Diablo as well as others had some kind words to say about RMWD. Mr. Kennedy stated this was all a testament to RMWD staff. Discussion followed.

Director Mack announced RMWD did not win the ACWA Innovation Award although it was a finalist. He stated regardless, he was proud of RMWD.

Director Mack mentioned there was also discussion related to jobs lost due to the current drought conditions as well as how there seemed to be a cold reception to RMWD rejoining ACWA's insurance programs from other local members of Region 10 including SDCWA.

Director Stewart added the amount of savings associated with RMWD being reaccepted back into ACWA was remarkable. He asked Ms. Harp for the estimated budget reduction. Ms. Harp stated the current quote would be approximately \$200,000 less; however, since they have not quoted the cybersecurity and employee dishonesty lines, it will be a little less in total. Director Stewart stated the Budget and Finance Committee had discussed the savings range would be between \$150,000-\$180,000 which is significant, especially when considering RMWD will be dealing with an agency that provides insurance specifically designed for water districts.

Director Mack added another benefit was that ACWA returns unused portions of money back to its member agencies. Director Stewart agreed noting although the refunds would depend on the size of the agency and premium, it would be significant in reducing the overall insurance costs.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Stewart reported he attended sessions at the ACWA Spring Conference where discussions were focused on the future of California's water supply. He said of most interest was one conclusion that if this year was representative of how climate changes were affecting California's weather, the reservoir systems were no longer adequate or valid to what is happening. He explained due to not receiving 350" of annual snowfall throughout the watershed that melts nice and slowly starting in April through August so that the reservoirs can be filled nice and slowly so water can be distributed and redistributed, it is unlikely this will be the future because reservoirs are in the wrong place trying to gather the wrong water. He said this means unfortunately there will be even more reliance on the Sacramento River and the delta.

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Mr. Kennedy pointed out storage and conveyance are going to be helpful; however, it cannot be one without the other.

D. Directors Comments

Director Mack expressed his appreciation for Mr. Gutierrez's prompt response to his report of a possible leak on Huntley.

President Hamilton added he too contact Mr. Gutierrez to follow up on a call he received from a constituent regarding an inactive water meter that was activated at 200 psi and how pleased he was to learn a crew member had already been dispatched to address the matter.

Director Moss stated she wanted to bring it to the attention of Mr. Gutierrez and Ms. Largent that the Directors have discussed and want them to both attend the Special Districts Leadership Academy scheduled for September in Napa.

E. Legal Counsel Comments

1. Attorney Report: Brown Act Update

Legal Counsel summarized the information contained in his written report noting there were two bills currently pending in the legislature to possibly amend the Brown Act to deal with virtual meeting requirements post pandemic and emergency declarations. He noted one has less requirements than the other. He explained if the Board by majority vote agrees to allow virtual meetings, then AB1944 would require those directors attending virtually to be identified by name, have a live stream for public members to join virtually, and an already posted agenda be revised and reposted to reflect a director's plan to attend in person is changed to virtual attendance. He said the other bill would require that at least a quorum of the directors attend in person at the same location that is identified on the agenda, the meeting be open to the public within the boundaries of the agency's jurisdiction, the directors attending remotely would need to attend both by audio and video, a call-in option must be made available to the public, there must be a pause of there is any sort of internet disruption, public must be allowed the opportunity to submit comments in advance as well as live, and there must be a procedure to accommodate reasonable requests that must be stated on the agenda. He noted both bills were still pending as of this morning.

Director Hamilton inquired as to whether there was a preference to one bill over the other. Legal Counsel stated most of the agencies like the first one because the requirements are much less; however, the industry groups seem to have worked with the author of the second bill, so that may be more favored.

Mr. Kennedy inquired as to whether either of these would require adopting a resolution each month. Legal Counsel confirmed both would eliminate the need for adopting a monthly resolution.

19. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported the committee mainly discussed preparation of the budget.

(*) - Asterisk indicates a report is attached.

B. Communications and Customer Service Committee

Mrs. Gray reported the committee was in the process of discussing some important items related to communicating with RMWD customers at a greater level as well as ways of making a better impact on the community.

C. Engineering and Operations Committee

Mr. Nelson reported the committee received a number of project updates as well as discussed another project at length that the Board will hear more about later. He noted this as well as the Budget and Finance Committee took any action on any agenda items before the Board today.

PRESENTATIONS

20. STAFFING ANALYSIS PRESENTATION

Ms. Harp share a staffing analysis presentation noting the goal is to review some of the items talked about last month in terms of overtime, turnover rates, projected turnover, employee survey results, as well as labor booked to the CIP versus operations budget. She said she will then give a high-level overview of the District’s current structure, demographics of the workforce, retirement eligibility, staffing continuity plan, and the critical position inventory, as well as what needs to be done to prepare for the upcoming retirements and increase capacity for CIP projects in engineering and construction including the opportunity to potentially in-source some of those to conduct a proper cost analysis for future budget cycles.

Ms. Harp recapped overtime remains high for the second fiscal year in a row and how staff level discussions have taken place as to what can be done to mitigate some of these issues. She reviewed the total hours booked for construction as well as engineering, respectively, as well as shared how estimates for CIP hours were calculated.

Ms. Harp reported RMWD’s turnover has remained steady at a five-year average of 12% which was well below the national average as well as in comparison for utilities. She also referenced the RMWD’s current organizational chart noting Ms. Largent has two supervisors reporting directly to her and Mr. Gutierrez with three supervisors and fleet mechanic reporting directly to him.

Ms. Harp noted the number of employees was growing; however, the number of employees eligible for full retirement immediately was also growing. She reviewed the critical position inventory, turnover drivers, as well as the unemployment rate trend lines. She talked about the primary drivers for staffing needs as well as the recommended solutions.

President Hamilton inquired as to whether adding two FTE’s to construction and removing one from meters would be adequate. Ms. Harp confirmed.

Ms. Harp explained adding an analyst position in Engineering would allow for significant overlap for knowledge transfer with the Engineering Technician as well as offload administration and analysis from other positions. She pointed out this may be a permanent headcount increase; however, that would not be determined as to how this additional position will impact labor distribution within the engineering department until after the current Engineering Technician retires at which time more data can be collected. She shared what the projected engineering labor distribution would look like with the analyst position noting the Engineering Technician position may or may not be replaced with an administrative assistant.

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Director Mack inquired as to whether the analyst position would pay similar to that of the Engineering Technician. Ms. Harp stated although the comp analysis has not yet been performed for the analyst role, it would most likely be an exempt level position at a few pay grades higher but illegible for overtime; therefore, it would be similar in terms of the budget. She pointed out it was believed that adding this position would increase the CIP capacity by approximately 900 hours per year (an increase of 26% of the hours currently spent in that department), the developer capacity by almost 400 hours per year (27% increase of what is currently spent on developer projects) but would only increase the department overhead and operation hours by 10%.

Ms. Harp explained the staffing recommendation for the additional of a temporary Electronics Technician to replace the Lead Technical Services position can be deferred until the next fiscal year; however, staff wanted to continue communications with the Board of staff's intent to make this recommendation in the future.

Ms. Harp mentioned staff was recommending changes to the reporting structure within the finance department to move a couple of positions from reporting directly to the Finance Manager to the Senior Accountant which would provide closer attention to staff when the Finance Manager is more involved in external affairs, conferences, etc. She noted this would be a growth opportunity for the Senior Accountant as well.

Ms. Harp stated another recommendation would be to convert the part-time assistant to a full-time Human Resource Specialist position to cover numerous additional duties that have been added to that role since it was filled three and one-half years ago. She noted there will be a great deal more that can be accomplished with full time capacity. She confirmed ways have been found to cut the human resources department operations budget to more than offset the costs of making this position full-time.

Ms. Harp noted staff would like to receive feedback from the Board today so that any comments received related to these staffing recommendations can be implemented into the actual budget document that will be presented to the Board for official action in June. She solicited the Board for any questions, feedback, and input so staff will know what to include in the budget proposal next month.

Director Mack asked for clarification that Ms. Harp would like to have the new hires to be effective after July 1, 2022. Ms. Harp confirmed this was correct.

President Hamilton inquired as to the total changes in headcount. Ms. Harp answered the total headcount change would be 2.25. Mr. Kennedy pointed out the analyst position may be temporary. Ms. Harp reiterated this position will also provide enough time to gather the data both for construction and engineering as to how much it really increased the capacity to deliver on those CIP and support developers.

President Hamilton asked whether the plan was to move more CIP projects internally. Mr. Kennedy responded this was one of the reasons for bringing these construction crews in so it can be determined what it will take including whether RMWD can be cost competitive and beat the costs of hiring outside contractors especially at prevailing wage. He noted should it be determined this does not work, then staffing can be scaled down as attrition occurs. He clarified the goal was to achieve more continuity within the crews as well as take whatever CIP money available and build as many feet of pipe per dollar as possible. Ms. Harp added one of the challenges is that RMWD barely has enough staff to keep up with all the leaks and repairs as it is now and that in order to gather enough data to conduct a true cost analysis, the amount of time it takes to perform

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the CIP work will be more than reality than what would be needed in the future if crews continually need to be pulled off work to respond to leaks and such.

President Hamilton asked how long it takes to bring a new full-time employee on board. Ms. Harp stated approximately forty days to hire. Mr. Kennedy explained new hires would be integrated into other crews and take experienced crew members on these other projects. Mr. Gutierrez agreed with Mr. Kennedy in that the more seasoned employee would work on doing new lines. Ms. Harp mentioned most candidates do not already have a Class A license; therefore, it would be a minimum of six months before they can drive one of RMWD's Class A vehicles.

Director Moss asked for the total gross fiscal impact associated with these staffing recommendations. Ms. Largent stated she would be reviewing these impacts as well as other assumptions in the presentation she will be giving following this one.

President Hamilton questioned whether the addition of two full-time employees would be efficient enough to reduce the levels of overtime if construction was going to start being brought internally and the same number of leaks continue to occur. He recommended staff consider increasing the construction full-time employees a bit. Mr. Kennedy explained this would be the first approach for this year to ensure there are enough resources and then determine what type of production can be achieved.

Ms. Harp stated the fiscal impact for each new construction employee at an entry-level hire was approximately \$90,000 per year; however, some of that is planned to be charged to CIP projects. President Hamilton clarified he did not disagree with the approach, he was just concerned was related to increasing construction allocations in terms of labor and only adding "x" and everything else remaining the same, "x" may be underestimated. It was acknowledged that a mid-year adjustment could be made should it be determined the staffing numbers needed to be recalibrated.

21. FY22-23 OPERATING AND CAPITAL BUDGET ASSUMPTIONS PRESENTATION

Mrs. Largent shared a presentation noting she will review all the impacts on the operations budget including those changes presented by Ms. Harp. She pointed out the projections for this year's actuals has been increased and how the water demands were still budgeted at 13,500 acre feet. She reviewed the information provided related to variable rate revenue, fixed rate revenue, rate increases, and expenses noting some increases will be seen compared to last year's budget.

Ms. Largent pointed out the Water Fund Reserve Level chart shows the stepped-approach being taken to get to the minimum Board-approved reserve levels by FY26 including the rate stabilization. She reviewed the Estimated Rate Increases Based on the Two Different Supplier Scenarios slide noting the rate increase plan for the next five years has been updated since the detachment will not be taking place in FY23. Mr. Kennedy noted regardless of how long the detachment takes, RMWD has to plan for the worst financially and continue to execute its CIP. He stated the next rate increase would not be necessary if LAFCO had already approved the attachment; however, since that did not occur as of yet, this information highlights the penalty RMWD ratepayers are facing while remaining under SDCWA. He said should the detachment be approved this year it may be possible for RMWD to give reduced rates to its customers and still meet the capital needs.

Ms. Largent reviewed the information related to Wholesale Water Costs included in this budget noting all CY2022 pass-through expenses from SDCWA and how the CY2023 wholesale water costs have not yet been provided but will be passed through with RMWD's January 2023 rate increase as already approved.

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Ms. Largent noted the Variable Revenue by Rate Class has not changed much except for a few customers moving from SAWR to regular agriculture. She mentioned RMWD was 66% agricultural overall.

Ms. Largent continued with reviewing the new items included in the Operating Capital Items FY2023 Budget noting five vehicles will be replaced and how there is a smoother vehicle replacement plan now in place. Mr. Kennedy pointed out because RMWD's vector truck has been decommissioned and would cost \$500k to \$1m to replace, there was \$40,000 allocated for a trailer jetter to have something available as opposed to waiting for other resources to assist with vector-related services. President Hamilton inquired as to whether there was any opportunity for an interagency cooperation on this type of situation. Mr. Kennedy stated he signed an agreement with FPUJ just for liability transfer mainly for using their vectors, but it is not for full-time maintenance. Discussion ensued.

Ms. Largent provided details of each section of the Operating Budget Summary by Fund information being presented including changes to the General Operating, Water Operating, and Wastewater Operating funds pointing out where the proposed changes presented by Ms. Harp have been incorporated. Discussions followed.

Ms. Largent pointed out with the \$3.8 million surplus projected for this year, starting July 1, 2022, RMWD will start with \$2.7 million available in the water operating fund. She mentioned RMWD was budgeting a surplus of almost \$2.3 million as well as \$2.5 million to be transferred to the capital plan. She stated the wastewater fund will start with approximately \$800,000; however, there will not be a transfer to wastewater capital unless a rate increase is implemented that is high enough for a transfer to occur this year which is causing the need for an immediate wastewater cost of service study. She mentioned all the required minimum reserves according to the five-year plan have been kept including getting the rate stabilization fund back up to the minimum fund level by FY26. She concluded with explaining the numbers provided for the new water sources fund.

Ms. Largent reviewed the Capital Budget Assumptions noting the forecasts are \$10.2 million in water and \$19.4 million in wastewater over the next five years. She talked about the information provided for the Water Capital Fund 60 Project Balance, Water Capital Project Budgets, Wholesale Water Efficiency Fund 62 Capital Project Budgets, and Wastewater Fund 52 & 53 Projected Fund Balance, and Wastewater Capital Project Budgets.

Ms. Largent summarized the recommendations including continuing on the path of the five-year plan with the Year 2 rate increase going into effect on August 1, 2022. Discussion ensued regarding the timing of mailing water rate increase notices as well as the information those notices should include.

President Hamilton inquired how much inflation increases have been factored into the operational costs. Ms. Largent stated there is generally a 3%-4% inflation rate. Mr. Kennedy noted adjustments may need to be made should costs such as fuel not come down. Ms. Largent agreed noting it will need to be determined which percentage to use to update the cost of service study. President Hamilton stated he would rather not grossly underestimate the cost impact may be as a result of the CPI changes. Ms. Largent stated this was being monitored very closely.

Mr. Kennedy noted this was the general outline of what will be presented to the Board in June for consideration. He accredited the ability to finally be able to transfer operating revenues into capital reserves to the commitment of the Board.

(*) - Asterisk indicates a report is attached.

BOARD ACTION ITEMS

- *22. CONSIDER APPROVAL OF THE FOURTH AMENDMENT TO THE UNRECORDED JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION, PARTIAL RELEASE OF JOINT LIEN CONTRACT, AND PARTIAL TERMINATION OF ORIGINAL HOLDING AGREEMENT FOR SAN DIEGO TRACT NO. 4736-1 (DIVISION 1)**

Mr. Williams introduced David Pallinger, the developer for the Bonsall Oaks Development. He provided a brief explanation of the amendment noting it was a necessary housekeeping item.

Director Moss inquired as to how removing parcels affects the project. Mr. Pallinger explained this was strictly a bookkeeping activity to allow the developer to substitute the lien contract with a bond.

Motion:

To accept Option 1 – Make a determination that the action defined herein does not constitute a “project” as defined by CEQA, authorize the General Manager to execute the Fourth Amendment To the Unrecorded Joint Agreement To Improve Major Subdivision, Partial Release Of Joint Lien Contract, and Partial Termination Of Original Holding Agreement for San Diego Tract No. 4736-1 (Final Map 13856), and authorize the General Manager to execute the Joint Agreement To Improve Major Subdivision County Of San Diego Tract No. 4736-1 (Lots 2-60 of the Amended Map of County of San Diego Tract No. 4736-1) (Phase 1A, PDS2021-LDMJIP-50090) (Single District).

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

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

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

Absent: Director Gasca.

- 23. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

There were no requests.

BOARD INFORMATION ITEMS

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

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Operations Comments**
 - 1. Operations Report
- C. Engineering Comments**
 - 1. Engineering Report
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
- D. Human Resource & Safety Comments**
 - 1. Human Resources Report

(*) - Asterisk indicates a report is attached.

E. Finance Comments

- 1. 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

The information and financial items were received and filed.

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

It was noted CIP presentation, budgets, and other housekeeping items will be on the next meeting agenda.

26. ADJOURNMENT

The meeting was adjourned by President Hamilton to a regular meeting on June 28, 2022 at 1:00 p.m.

The meeting was adjourned at 2:50 p.m.

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.



REVISED (attachment)
SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
MAY 26, 2022

- 9.1 Professional services agreement with Harvey Consulting Group to provide Environmental Consulting Services for the 2023 Regional Water Facilities Master Plan and Climate Action Plan in an amount not to exceed \$730,000.
The Board authorized the General Manager to award a professional services agreement with Harvey Consulting Group to provide Environmental Consulting Services for the 2023 Regional Water Facilities Master Plan and Climate Action Plan for a 30-month period in an amount not to exceed \$730,000.
- 9.2 Resolution setting preliminary, informal terms and conditions for the Lakeside Water District's proposed Yerba Valley Annexation.
The Board adopted Resolution No. 2022-09, establishing preliminary, informal terms and conditions for the Lakeside Water District's proposed Yerba Valley Annexation, and requesting that the Metropolitan Water District of Southern California set formal terms and conditions.
- 9.3 Support of Poseidon Financing Activities.
The Board adopted Resolution No. 2022-10 to support Poseidon Resources (Channelside) LP in their application to the California Pollution Control Financing Authority; and authorized the General Manager to amend the Clean Energy Capital, LLC, Financial Advisory Services Agreement to increase the amount by \$399,725, from \$100,000 to \$499,725.
- 9.4 Professional services contract with Hazen and Sawyer for design and engineering support services for the First Aqueduct Treated Water Tunnel Bifurcation Structures and Hubbard Hill Vent Structures project.
The Board authorized the General Manager, or designee, to award a professional services contract to Hazen and Sawyer for a not-to-exceed amount of \$921,000 to provide design and engineering support services for the First Aqueduct Treated Water Tunnel Bifurcation Structures and Hubbard Hill Vent Structures project.
- 9.5 Professional services contract with Simpson Gumpertz & Heger Inc. for prestressed concrete cylinder pipe failure risk analysis and repair prioritization.
The Board authorized the General Manager to execute a professional services contract with Simpson Gumpertz & Heger Inc., for prestressed concrete cylinder pipe failure risk analysis and repair prioritization, for a total not-to-exceed amount of \$500,000.
- 9.6 Professional Services Contract with Kiewit Infrastructure West Co. to provide professional engineering services for the potential San Vicente Energy Storage Facility.
The Board authorized the General Manager, or designee, to execute a professional services contract with Kiewit Infrastructure West Co. for a total not-to-exceed amount of \$7,800,000, to provide professional engineering services for the potential San Vicente Energy Storage Facility.
- 9.7 Notice of Completion of the Pipeline 4 West Lilac Urgent Repair.
The Board authorized the General Manager, or designee, to accept the urgent repair work as complete, record the Notice of Completion, and release all funds held in retention to J.F. Shea Construction, Inc., following expiration of the Notice of Completion period.

- 9.8 Amendment 3 to the professional services contract with Pure Technologies U.S., Inc., for acoustic fiber optic cable monitoring services on Pipelines 3, 4, 5, and the Crossover Pipeline.
The Board authorized the General Manager to execute Amendment 3 to the professional services contract with Pure Technologies U.S., Inc., to extend the contract term for an additional five (5) years, in the amount of \$1,670,000 for continued acoustic fiber optic cable monitoring services, increasing the authorized cumulative contract amount from \$2,319,949 to \$3,989,949.
- 9.9 Adopt positions on various state bills.
The Board adopted the following positions: oppose on AB 1931 (Rivas, Luz), relating to Community water systems: lead pipes; support on AB 2081 (Garcia, Eduardo), relating to Municipal water districts: water service: Indian lands; and, oppose unless amended on SB 1157 (Hertzberg), relating to Urban water use objectives: indoor residential water use.
- 9.10 Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
- 9.11 Resolution setting a Public Hearing date and Preliminary Assessment for Rates and Charges.
The Board adopted Resolution No. 2022-11 setting the time and place for a public hearing on June 23, 2022, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding the recommended rates and charges to be effective January 1, 2023.
- 9.12 Ordinance making amendments to Chapters 2.00, 5.00, and 7.00 of the Administrative Code.
The Board adopted Ordinance No. 2022-02, an ordinance of the Board of Directors of the San Diego County Water Authority making amendments to chapters 2.00, 5.00, and 7.00 of the Administrative Code.
- 9.13 Approval of Minutes.
The Board approved the minutes of the Special Board Meeting of April 14, 2022 and the Formal Board of Directors' meeting of April 28, 2022.
- 9.14 CLOSED SESSIONS:
1. Because General Counsel Hattam has stayed longer in his position than anticipated and is soon retiring from the Water Authority, at his request per Administrative Code section 2.08.110 the Board approved an amendment to his current contract that would allow him, as of June 1, 2022, to represent persons who have no conflicts with the Water Authority, and are not public agency matters or related to water issues.
 2. The Board approved the inclusion of the General Manager and General Counsel going forward in the GC interviews and hiring process.
 3. The Board approved the Kecker Van Nest & Peters LLP legal services two-year contract through June 2023 be amended to increase the approved maximum from \$2.7 million to \$6.4 million; and approved \$10,449,112.78 of the \$14,649,112.78 which MWD paid to the Water Authority this year for attorney's fees and costs be immediately paid out to the member agencies as shown on the attached chart, with the remainder being used for the \$3.7 million increase in the Kecker contract, and \$500,000 for trial-related costs and expenses.

Disbursement of MWD Litigation Proceeds (#3)

<u>Member Agency</u>	<u>% Share (CY'11-CY'14)*</u>	<u>Distribution*</u>
Carlsbad M.W.D.	3.81%	\$398,486.16
Del Mar, City of	0.24%	\$25,437.77
Escondido, City of	3.95%	\$413,035.48
Fallbrook P.U.D.	2.05%	\$214,147.54
Helix W.D.	6.42%	\$670,500.25
Lakeside W.D.	0.78%	\$81,947.89
Oceanside, City of	5.30%	\$553,708.49
Olivenhain M.W.D.	4.60%	\$480,219.85
Otay W.D.	7.13%	\$744,805.69
Padre Dam M.W.D.	2.61%	\$272,579.02
Pendleton Military Reserve	0.01%	\$1,167.52
Poway, City of	2.63%	\$275,019.40
Rainbow M.W.D.	3.03%	\$316,338.19
Ramona M.W.D.	1.34%	\$140,501.77
Rincon Del Diablo M.W.D.	1.42%	\$148,535.56
San Diego, City of	39.84%	\$4,162,448.72
San Dieguito W.D.	0.83%	\$86,656.82
Santa Fe I.D.	1.69%	\$176,303.07
Sweetwater Authority	1.97%	\$205,895.20
Vallecitos W.D.	3.58%	\$374,558.41
Valley Center M.W.D.	3.00%	\$313,768.93
Vista I.D.	3.54%	\$369,938.92
Yuima M.W.D.	0.22%	\$23,112.13
Total		\$10,449,112.78



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: June 28, 2022
RE: Attorney Report: Water Rates
501668-0002

I. INTRODUCTION.

This attorney report provides an update on a recent appellate court decision involving water rate charges for both agricultural and non-agricultural water users. In *City of San Buenaventura v. United Water Conservation District*, the Second District Court of Appeal ruled that a statute requiring water agencies to set fixed ratios of higher rates for non-agricultural users violates the California State Constitution. (Case Number B312471, May 25, 2022). Specifically, the court considered whether Water Code section 75594, which requires water agencies to charge non-agricultural users three to five times more than agricultural users for groundwater production violates Proposition 26.

In finding a constitutional violation, the appellate court held that Water Code § 75594's mandate that water districts charge non-agricultural users at least three times more than agricultural users -- regardless of the users' proportionate impacts on groundwater resources -- conflicts with Proposition 26's cost-of-service requirement and is therefore facially unconstitutional.

II. BACKGROUND.

In *City of San Buenaventura v. United Water Conservation District*, the City challenged the District's groundwater pumping charges. The District manages water acquisition and distribution from groundwater resources in central Ventura County, California. The District imposes groundwater pumping charges to fund operations and conservation activities such as groundwater replenishment, storage and recharge, infrastructure improvements and water treatment projects to prevent degradation of the local water supply. The District's charges are based on the volume of water that is pumped within its service area.

Relying on provisions in the Water Code, the District's groundwater extraction charge rates were to be "fixed and uniform" for two classes of use: agricultural purposes and all other purposes. Water Code section 75594 requires that the charges for non-

agricultural use be set at a rate that is between three and five times the fixed and uniform rate established for agricultural water use.

Water Code section 75594 provides:

“Any ground water charge in any year shall be established at a fixed and uniform rate for each acre-foot for water other than agricultural water which is not less than three times nor more than five times the fixed and uniform rate established for agricultural water. However, any groundwater charge in any year for water other than agricultural water used for irrigation purposes on parks, golf courses, schools, cemeteries, and publicly owned historical sites may be established at a fixed and uniform rate for each acre-foot which shall not be less than the rate established for agricultural water, nor more than the rate established for all water other than agricultural water.”

The District set its rates at the minimum 3:1 ratio accordingly.

In 2017, the California Supreme Court determined that the District’s groundwater pumping charges did not violate Proposition 218, because the charges were not imposed on property or on any person in their capacity as a property owner. However, the Supreme Court left open the question of whether the statute requiring a 3:1 ratio in the rates violated Proposition 26. On remand, the appellate court determined the administrative records were insufficient and instructed the trial court to allow the parties to supplement the records.

Instead of supplementing the records, the parties litigated the rates for the more recent 2019-2020 water year. The City alleged that the 2019-2020 rates charged by the District violated Proposition 26, because they were not allocated to the City and other non-agricultural users in a manner that bore a reasonable relationship to the City’s burdens on or benefits from the District’s activities. The City further argued that the 3:1 minimum ratio under Water Code section 75594 was unconstitutional under Proposition 26.

III. COURT’S ANALYSIS.

Under Proposition 26, local agency fees and charges are classified as taxes unless they qualify under one of seven exceptions, two of which are:

- Charges imposed for a specific benefit conferred or privilege granted, or
- A government service or product provided directly to the payor that is not provided to those not charged.

Water fees and charges must accordingly not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege, or providing the service or product. In addition, the manner in which those water costs are allocated must bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The burden of demonstrating a water fee or charge is not a tax is on the local agency imposing the fee or charge.

Based on an independent review of the record, the trial court determined the District had not met its burden to show that the groundwater pumping charges were consistent with Proposition 26. The trial court also concluded that Water Code section 75594 is unconstitutional because its 3:1 minimum ratio is inconsistent with Proposition 26's cost-of-service requirement. In reviewing the record, the trial court found the following:

1. Non-agricultural users do not enjoy a more reliable groundwater supply than agricultural users.
2. Agricultural users do not have a preferential right to pump the safe yields of the basins that the District augments.
3. A report stated that credits regarding recharge on agricultural lands do not reflect an accurate cost-based valuation for replenishment.

The trial court accordingly ruled that the evidence supporting the water rates did not show a "fair or reasonable relationship" between the 3:1 ratio and the relative burdens on, or benefits received from, the District's services by agricultural and non-agricultural customers. The trial court also concluded that Water Code § 75594's mandate that the District charge non-agricultural users at least three times more than agricultural users did not properly evaluate the proportionate impacts on groundwater resources and Proposition 26's cost-of-service requirements under applicable case law.

On appeal, the District did not challenge the trial court's findings as unsupported. Instead, the District argued that the administrative record also supported contrary findings. The appellate court rejected this argument and affirmed the trial court's ruling. In reaching this conclusion, the appellate court reasoned that, even if the District's contention was true that the record supported contrary findings, the appellate court would still be bound by the trial court's rulings to the extent they are supported by substantial evidence.

In construing the evidence relied upon by the trial court, the appellate court concluded: "based on the evidence that the District's rates for the 2019-2020 water year did not bear a 'reasonable relationship to the [City's] burdens on or benefits of [the District's] conservation activities, as Article XIII C requires,'" the District's groundwater pumping charges violated Proposition 26.

Additionally, with respect to the unconstitutionality of Water Code section 75594, the court acknowledged that there may be instances in which a 3:1 ratio is justified. The court stated the justification would not result from compliance with the express terms of the statute, but rather by satisfying the constitutional requirements under Proposition 26.

IV. CONCLUSION.

In *City of San Buenaventura v. United Water Conservation District*, the court of appeal affirmed the trial court, holding that:

- (1) the groundwater extraction charge adopted by the water district for the water year at issue was invalid as to non-agricultural users and had to be set aside; and
- (2) Water Code section 75594 violates Article XIII C, §1(e) of the state constitution because it mandated a particular allocation ratio among different classes of customers, regardless of a particular user's proportionate cost of service.

The appellate court's decision is an important reminder that -- even where legislation authorizes a permissible range of charges -- pursuant to Propositions 26 and 218, water agencies still bear the burden of proving a fee is exempt from the definition of a "tax." For water charges, agencies must show that charges do not exceed the reasonable costs of the government activity, and the manner in which costs are allocated bear a fair or reasonable relationship to the customer's burdens on, or benefits received from, the governmental activity.

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BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 22-14 FOR ID 1 STANDBY CHARGES

BACKGROUND

The Board approves the proposed ID 1 standby charges annually.

DESCRIPTION

Ordinance No. 22-14 establishes water availability charges for all of the Rainbow Municipal Water District Improvement District – Improvement District No. 1. The water availability charges remain unchanged from the previous fiscal year.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

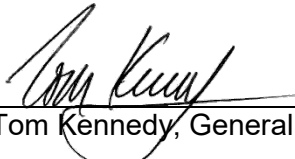
In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

1. Adopt Ordinance No. 22-14.
2. Adopt Ordinance No. 22-14 with revisions.
3. Provide staff with direction.

STAFF RECOMMENDATION

It is recommended the Board of Directors adopt Ordinance No. 22-14.


Tom Kennedy, General Manager

June 28, 2022

ORDINANCE NO. 22-14

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

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

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

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

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

WHEREAS, a duly noticed public hearing was held by the Board on June 28, 2022, to hear and consider all objections or protests to said readiness to serve water service standby availability charge for Improvement District No. 1, at which time all persons were given an opportunity to be heard.

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

1. The Board of Directors hereby finds and determines that Readiness to Serve Water Availability service is made available to all lands within Improvement District No. 1, and hereby establishes readiness to serve water service standby assessments or availability charges which shall be assessed against all such lands whether water service is actually presently utilized on such lands or not.
2. The water availability charges hereby established in said Improvement District No. 1 for the fiscal year commencing July 1, 2022, and ending June 30, 2023, shall be as follows:

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

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

3. The officers of this District shall, on or before August 1, 2022, furnish in writing to the Board of Supervisors of San Diego County and to the San Diego County Auditor-Controller, a description of each parcel of land within said District upon which said readiness to serve water availability charge is to be levied and collected for the fiscal year 2022-2023, together with the amount of water availability charge fixed on each parcel of land.
4. The Board of Directors, pursuant to Section 71635 of the Municipal Water District Law of 1911, hereby directs the Board of Supervisors of the County to levy, in addition to any other taxes it levies, the readiness to serve water service availability charge in the amounts of the respective parcels as fixed by the Board of Directors.
5. Certified copies of this Ordinance shall be delivered to the Board of Supervisors of the County of San Diego and to said County Auditor-Controller by the Clerk of the Board of this District.
6. The President of the Board of Directors shall sign this ordinance and the Clerk of the Board of Directors shall attest thereto and shall within fifteen days of its adoption cause it or a summary of it to be published in a newspaper of general circulation; and thereupon and thereafter this ordinance shall take effect and be in force upon the effective date of the resolution ordering the formation of Improvement District No. 1 pursuant to California Water Code Section 72014.
7. Ordinance 21-02 is hereby canceled.

Adopted this 28th day of June 2022.

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-18 APPROVING THE AMENDED AND RESTATED RESOLUTION TO CONFIRM PARTICIPATION IN SCIP

BACKGROUND

The California Statewide Communities Development Authority (CSCDA) is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. 530 cities, counties and special districts throughout California are members of CSCDA, including the District. The Statewide Community Infrastructure Program (SCIP) was instituted by CSCDA in 2002 to allow owners of property in participating cities, counties, and special districts to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits through pooled special assessment districts program. SCIP was expanded to include financing of public capital improvements directly in addition to just fees, and has now been further expanded to include community facilities districts (CFDs), as provided for in the Amended and Restated Resolution. Since its inception SCIP has issued over \$930 million in land secured special assessment and CFD bonds for development projects in California.

Since joining SCIP in 2020, the District has participated in one SCIP pooled revenue bond financing for the Fairview project in the SCIP 2021A series, funding approximately \$1,021,000 in District fees. Prior to joining the pooled program, the District participated in a community facilities financing conducted by CSCDA for the Horse Creek Ridge project, funding over \$20 million in District fees and improvements.

When a property owner chooses to participate, and the District approves the application, the selected public capital improvements, facilities, and/or development impact fees owed to the District will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will form the district and impose an assessment or special tax, as applicable, on the owner's property to repay the portion of the bonds issued to finance the fees paid with respect to the property (no one developer within the SCIP pool is responsible for the payment related to any other project). With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance, and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued, or the fees will be funded directly from the proceeds of the SCIP bonds. In both cases, the fees are subject to requisition by the District at any time to make authorized fee expenditures, and the District is never at risk for payment of its fees. If improvements or facilities are contemplated, the proposed Amended and Restated Resolution includes a form of acquisition agreement, which outlines how a developer will be reimbursed for improvements as they are certified complete by the District.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments or special taxes imposed on their property.

- Instead of paying cash for public capital improvements and/or development impact fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- The property owner can choose to pay off the assessments or special taxes at any time.
- For home buyers, paying for the costs of public infrastructure through an assessment or special tax is superior to having those costs "rolled" into the cost of the home. Although the tax bill is higher, the amount of the mortgage is smaller, making it easier to qualify. Moreover, because the assessment/special tax financing is at tax-exempt rates, it typically comes at lower cost than mortgage rates.
- Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or community facilities district had access to tax-exempt financing. SCIP can finance projects as low as \$500,000, which would not be economical on a stand-alone basis.

The benefits to the District include:

- As in conventional assessment district and CFD financing, the District is not liable to repay the bonds issued by CSCDA or the assessments or special taxes, as applicable, imposed on the participating properties.
- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. A participating city, county or special district can provide tax-exempt financing to property owners through SCIP while committing virtually no staff time to administer the program.
- Providing tax-exempt financing helps participating cities, counties or special districts cushion the impact of rising public capital improvements costs and development impact fees on new development. Many developers rely on assessment district or CFD financing through SCIP in making the decision to purchase land, thereby improving a city's, county's or special district's competitive advantage in attracting new development.
- The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving the participating city, county or special district immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the assessments or special taxes on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing may be directed back to the participating city, county or special district for use on public infrastructure, or lower property taxes subject to applicable federal tax limitations.

DESCRIPTION

Now it is before the Board of Directors to consider modifications to its original SCIP Resolution (No. 20-06, adopted by CSCDA on May 26, 2020) which will allow for the financing of fees and facilities through the formation of CFDs in addition to the current assessment district program. By adding CFD's, developers can finance a broader range of County fees such as the police, fire, library, general city fee and the housing in-lieu fee. It will also allow the developer more flexibility in adjusting tax rates by specific product type, assist in forming separate improvement areas when projects need to be phased, and provide for more facilities to be financed similar in type to the fees.

The proposed Amended and Restated Resolution authorizes CSCDA to accept applications from owners of property within the planning jurisdiction of the District to apply for tax-exempt financing of public capital improvements and development impact fees through SCIP. It also authorizes CSCDA to form assessment districts and community facilities districts within the District's boundaries, conduct assessment and special tax proceedings and levy assessments and special taxes against the property of participating owners. The authorization of CSCDA to form assessment districts within the District's boundaries, conduct assessment

proceedings, and levy assessments against the property of participating owners previously approved by this Board would remain in effect. The proposed Amended and Restated Resolution approves the form of an acquisition agreement, attached thereto as Exhibit B, to be entered into between the District and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

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

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

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Adopting the Amended and Restated Resolution will have minimal direct cost to the District. If a group of customers or a developer wish to engage in the program, they would pay the staff costs related to that action.

Option 1:

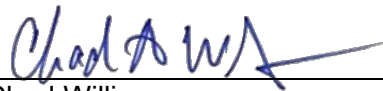
- Make a determination that the action defined herein does not constitute a “project” as defined by CEQA.
- Adopt Resolution Number 22-18, Amended and Restated Resolution of the Board of Directors of the Rainbow Municipal Water District Authorizing the District to Join the Statewide Community Infrastructure Program; Authorizing the California Statewide Communities Development Authority to Accept Applications from Property Owners, Conduct Special Assessment Proceedings and Levy Assessments and Special Taxes and to Form Assessment Districts and Community Facilities Districts Within the Territory of the Rainbow Municipal Water District; Embodying a Joint Community Facilities Agreement Setting Forth the Terms and Conditions of Community Facilities District Financings; Approving Form of Acquisition Agreement For Use When Applicable; and Authorizing Related Actions.
- Authorize the General Manager to proceed with all documentation and filings to authorize membership in SCIP.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering and CIP Program
Manager

06/28/2022

RESOLUTION NO. 22-18

AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT AUTHORIZING THE DISTRICT TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS AND SPECIAL TAXES AND TO FORM ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS WITHIN THE TERRITORY OF THE RAINBOW MUNICIPAL WATER DISTRICT; EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF COMMUNITY FACILITIES DISTRICT FINANCINGS; APPROVING FORM OF ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a joint exercise of powers authority, lawfully formed and operating within the State pursuant to an agreement (the "Joint Powers Agreement") entered into as of June 1, 1988 under the authority of Title 1, Division 7, Chapter 5 (commencing with Section 6500) of the California Government Code (the "JPA Law"), the members of which include numerous cities, counties and local agencies in the State of California, including the Rainbow Municipal Water District (the "District"); and

WHEREAS, the Joint Powers Agreement authorizes the Authority to undertake financing programs under any applicable provisions of State law to promote economic development, the stimulation of economic activity, and the increase of the tax base within the jurisdictional boundaries of its members (such members, the "Program Participants"); and

WHEREAS, as one of the Programs under the Joint Powers Agreement, the Authority has established the Statewide Community Infrastructure Program ("SCIP") to allow the financing of certain public capital improvements to be constructed by or on behalf of property owners for acquisition by the District or another public agency (the "Improvements") and improvements eligible for funding from certain development impact fees (the "Fees") levied in accordance with the Mitigation Fee Act (California Government Code Sections 66000 and following) and other authority providing for the levy of fees on new development to pay for public capital improvements (collectively, the "Fee Act") through the levy of special assessments pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the "1913 Act") and the issuance of improvement bonds (the "Local Obligations") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid special assessments; and

WHEREAS, the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State (the "Mello-Roos Act") is an applicable provision of State law available to, among other things, finance public improvements necessary to meet increased demands placed upon local agencies as a result of development; and

WHEREAS, the Authority also uses SCIP to allow the financing of Fees and Improvements through the levy of special taxes and the issuance of Local Obligations under the Mello-Roos Act upon the security of the special taxes; and

WHEREAS, the District desires to allow the owners of property being developed within its jurisdiction (“Participating Developers”) to participate in SCIP and to allow the Authority to conduct proceedings and to form community facilities districts (“CFDs”) and to issue Local Obligations under the Mello-Roos Act, as well as to conduct assessment proceedings to form assessment districts (“Assessment Districts”) under the 1913 Act and to issue Local Obligations under the 1915 Act, to finance Fees levied on such properties and Improvements, provided that such Participating Developers voluntarily agree to participate and consent to the levy of such assessments or special taxes, as applicable; and

WHEREAS, from time to time when eligible property owners within the jurisdiction of the District elect to be Participating Developers, the Authority will conduct proceedings under the 1913 Act and the Mello-Roos Act and issue Local Obligations under the 1915 Act and the Mello-Roos Act to finance Fees payable by such property owners and Improvements and, at the conclusion of such proceedings, will levy assessments or special taxes, as applicable on such property within the territory of the District; and

WHEREAS, both the Authority and the District are “local agencies” under the Mello-Roos Act; and

WHEREAS, the Mello-Roos Act permits two or more local agencies to enter into a joint community facilities agreement to exercise any power authorized by the Mello-Roos Act; and

WHEREAS, the District desires to enter into such an agreement with the Authority to authorize the Authority to form CFDs from time to time within the territorial limits of the District to finance Fees payable by such property owners and Improvements; and

WHEREAS, the District has previously presented Resolution No. 20-06 of the Board of Directors of the Rainbow Municipal Water District, authorizing the District to join the Statewide Community Infrastructure Program; authorizing the California Statewide Communities Development Authority to accept applications from property owners, conduct special assessment proceedings and levy assessments within the territory of the Rainbow Municipal Water District; approving a form of acquisition agreement; and authorizing related actions (the “Original Resolution”), and such Original Resolution was adopted on May 26, 2020; and

WHEREAS, the District now wishes to amend and restate the Original Resolution; and

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

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

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

WHEREAS, the Authority may issue revenue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (the "Marks-Roos Act") to acquire Local Obligations and thereby provide the proceeds to finance the Fees and Improvements; and

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

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

Section 1. This Amended and Restated Resolution shall constitute full "local approval," under Section 9 of the Joint Powers Agreement, and under the Authority's Local Goals and Policies (defined below), for the Authority to undertake and conduct proceedings in accordance herewith and under the Mello Roos Act to form CFDs with boundaries that shall be coterminous with the District's official boundaries of record at the time of such proceedings or any portion thereof (the "Proposed Boundaries"), and to authorize a special tax and to issue bonds with respect thereto; provided that the Participating Developers, who shall be the legal owners of such property at the time of formation of the CFD, execute a written consent to the levy of special tax in connection with SCIP by the Authority and execute a ballot in favor of the formation of such CFD and the Mello-Roos Act.

Section 2. The District hereby consents to the conduct of special assessment proceedings by the Authority in connection with SCIP pursuant to the 1913 Act and the issuance of Local Obligations under the 1915 Act on any property within the Proposed Boundaries; provided, that:

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI; and
- (2) The Participating Developers, who shall be the legal owners of such property at the time of the formation of the Assessment District, execute a written consent to the levy of assessments in connection with SCIP by the Authority and execute an assessment ballot in favor of such assessment in compliance with the requirements of Section 4 of Article XIID of the State Constitution.

Section 3. The Joint Powers Agreement, together with the terms and provisions of this Amended and Restated Resolution, shall together constitute a separate joint community facilities agreement between the District and the Authority under the Mello-Roos Act for each CFD formed. As, without this Amended and Restated Resolution, the Authority has no power to finance District Fees and/or District Improvements (as such terms are defined herein) in proceedings under the Mello-Roos Act to form the CFD, adoption by the Commission of the Authority of each Resolution of Intention to form a CFD under the Mello-Roos Act to finance District Fees and District Improvements shall constitute acceptance of the terms hereof by the Authority with respect to such CFD.

Section 4. This Amended and Restated Resolution and the agreement it embodies are determined to be beneficial to the residents/customers of the District and are in the best interests of the residents of the District, and of the future residents of the area within the proposed CFDs and Assessment Districts. The District hereby finds and declares that the issuance of revenue bonds by the Authority to purchase Local Obligations in connection with SCIP will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs, and the more efficient delivery of local agency services to residential and commercial development within the District.

Section 5. The Authority has adopted Local Goals and Policies as required by Section 53312.7 of the Mello-Roos Act. The District approves the use of those Local Goals and Policies in connection with the formation of CFDs. The District hereby agrees that the Authority may act in lieu of the District under those Local Goals and Policies in forming and administering the CFDs.

Section 6. The Authority has prepared and will update from time to time the “SCIP Manual of Procedures” (the “Manual”), and the District will handle Fee revenues and funds for Improvements for properties participating in SCIP in accordance with the procedures set forth in the Manual.

Section 7. Pursuant to the Mello-Roos Act and this Amended and Restated Resolution, the Authority may conduct proceedings under the Mello-Roos Act to form the CFDs and to have such CFDs authorize the financing of any or all of the facilities and Fees set forth on Exhibit C, attached hereto. All of the facilities, whether to be financed directly or through Fees, shall be facilities that have an expected useful life of five years or longer and are facilities that the District or other local public agencies, as the case may be, are authorized by law to construct, own or operate, or to which they may contribute revenue. Exhibit C may be modified from time to time by written agreement between an authorized representative of the Authority and of the District. The facilities are referred to herein as the “Improvements,” and the Improvements to be owned by the District are referred to as the “District Improvements.” The Fees paid or to be paid to the District are referred to as the “District Fees.”

Section 8. For Fees paid or to be paid to another agency by any particular CFD (an “Other Local Agency”), the Authority will obtain the written consent of that Other Local Agency before issuing Local Obligations to fund such Fees, as required by the Mello-Roos Act. For the Improvements to be owned by an Other Local Agency, the Authority will separately identify them in its proceedings, and will enter into a joint community facilities agreement with such Other Local Agency prior to issuing Local Obligations to finance such Improvements, as required by the Mello-Roos Act. Each joint community facilities agreement with each Other Local Agency will contain a provision that the Other Local Agency will provide indemnification to the District to the same extent that the District provides indemnification to the Other Local Agency under the terms of this Amended and Restated Resolution.

Section 9. At the time of formation of each CFD, the District will certify to the Commission of the Authority that all of the District Improvements including the improvements to be constructed or acquired with the proceeds of District Fees to be funded by such CFD are necessary to meet increased demands placed upon the District as a result of development occurring or expected to occur within the proposed CFDs in the form attached hereto as Exhibit D. Any appropriate officer or staff of the District is authorized to execute and deliver such certificate in substantially the form attached hereto as Exhibit D, with such changes as such signatory shall approve. Joint community facilities agreements with other local agencies will each contain a requirement that each Other Local Agency will make identical certification in connection with respect to the Improvements to be owned by, and Fees paid or to be paid to, such Other Local Agency equivalent to that made by the District in this paragraph.

Section 10. The Authority will apply the special tax collections initially as required by the documents under which any Local Obligations are issued; and thereafter, to the extent not provided in the Local Obligations documents, may pay its own reasonable administrative costs incurred in the administration of the CFDs. The Authority will remit any special tax revenues from any particular CFD remaining after the final retirement of all related Local Obligations to the District and to the other local agencies in the proportions specified in the Authority's proceedings. The District will apply any such special tax revenues it receives for authorized District Improvements or District Fees and its own administrative costs only as permitted by the Mello-Roos Act. The joint community facilities agreements with each Other Local Agency must require the Other Local Agency to apply the special tax revenues they receive for their authorized Improvements and Fees under the CFDs and for their own related administrative costs only as permitted by the Mello-Roos Act.

Section 11. The Authority will administer the CFDs, including employing and paying all consultants, annually levying the special tax and all aspects of paying and administering the Local Obligations, and complying with all State and Federal requirements appertaining to the proceedings, including the requirements of the United States Internal Revenue Code. The District will cooperate fully with the Authority in respect of the requirements of the Internal Revenue Code and to the extent information is required of the District to enable the Authority to perform its disclosure and continuing disclosure obligations with respect to the Local Obligations and any revenue bonds, although the District will not participate in nor be considered to be a participant in the proceedings respecting the CFDs (other than as a party to the agreement embodied by this Amended and Restated Resolution) nor will the District be or be considered to be an issuer of the Local Obligations nor any revenue bonds. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency.

Section 12. In the event the Authority completes issuance and sale of Local Obligations, and Local Obligation proceeds become available to finance the Improvements, the Authority shall establish and maintain a special fund for each development project (the "Acquisition and Construction Fund"). The portion of Local Obligation proceeds which is intended to be utilized to finance the Improvements and Fees shall be deposited in the Acquisition and Construction Fund. The Acquisition and Construction Fund will be available both for District Improvements and District Fees and for the Improvements and Fees pertaining to each Other Local Agency. Subaccounts shall be created as necessary.

Section 13. As respects the Authority and each Other Local Agency, the District agrees to fully administer, and to take full governmental responsibility for, the construction or acquisition of the District Improvements and for the administration and expenditure of the District Fees including but not limited to environmental review, approval of plans and specifications, bid requirements, performance and payment bond requirements, insurance requirements, contract and construction administration, staking, inspection, acquisition of necessary property interests in real or personal property, the holding back and administration of retention payments, punch list administration, and the Authority and each Other Local Agency shall have no responsibility in that regard. The District reserves the right, as respects each Participating Developer, to require the Participating Developer to contract with the District to assume any portion or all of this responsibility. The Authority is required to obtain provisions equivalent to this paragraph in the joint community facilities agreement with each Other Local Agency.

Section 14. The District agrees to indemnify and to hold the Authority, its other members, and its other members' officers, agents and employees, and each Other Local Agency and their officers, agents and employees (collectively, the "Indemnified Parties") harmless from any and all

claims, suits and damages (including costs and reasonable attorneys' fees) arising out of the design, engineering, construction and installation of the District Improvements and the improvements to be financed or acquired with the District Fees. The District reserves the right, as respects each Participating Developer, to require the Participating Developer to assume by contract with the District any portion or all of this responsibility. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency naming the District and its officers, agents and employees as Indemnified Parties with respect to each Other Local Agency's respective Improvements and the improvements to be constructed or acquired with each Other Local Agency's Fees.

Section 15. As respects the Authority and each Other Local Agency, the District agrees – once the District Improvements are constructed according to the approved plans and specifications, and the District and the Participating Developer have put in place their agreed arrangements for the funding of maintenance of the District Improvements – to accept ownership of the District Improvements, to take maintenance responsibility for the District Improvements, and to indemnify and hold harmless the Indemnified Parties to the extent provided in the preceding paragraph from any and all claims, etc., arising out of the use and maintenance of the District Improvements. The District reserves the right, as respects the Participating Developer, to require the Participating Developer by contract with the District to assume any portion or all of this responsibility. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency naming the District and its officers, agents and employees as Indemnified Parties.

Section 16. The District acknowledges the requirement of the Mello-Roos Act that if the District Improvements are not completed prior to the adoption by the Commission of the Authority of the Resolution of Formation of the CFD for each respective development project, the District Improvements must be constructed as if they had been constructed under the direction and supervision, or under the authority of, the District. The District acknowledges that this means all District Improvements must be constructed under contracts that require the payment of prevailing wages as required by Section 1720 and following of the Labor Code of the State of California. The Authority makes no representation that this requirement is the only applicable legal requirement in this regard. The District reserves the right, as respects the Participating Developer, to assign appropriate responsibility for compliance with this paragraph to the Participating Developer.

Section 17. The form of the Acquisition Agreement attached hereto as Exhibit B is hereby approved, and the Board President or the Board Vice President or such officer's designee (the "Authorized Officer") is authorized to execute, and deliver to the Participating Developer, the Acquisition Agreement on behalf of the District in substantially that form, with such changes as shall be approved by the Authorized Officer after consultation with Legal Counsel and the Authority's bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 18. After completion of the District Improvements and appropriate arrangements for the maintenance of the District Improvements, or any discrete portion thereof as provided in Section 53313.51 of the Mello-Roos Act and in the Acquisition Agreement, to the satisfaction of the District, and in conjunction with the District's acceptance thereof, acquisition of the District Improvements shall be undertaken as provided in the Acquisition Agreement.

Section 19. The District hereby consents to the formation of the CFDs in accordance with this Amended and Restated Resolution and consents to the assumption of jurisdiction by the Authority for the proceedings respecting the CFDs with the understanding that the Authority will hereafter take each and every step required for or suitable for consummation of the proceedings,

the levy, collection and enforcement of the special tax, and the issuance, sale, delivery and administration of the Local Obligations, all at no cost to the District and without binding or obligating the District's general fund or taxing authority.

Section 20. The terms of the Agreement embodied by this Amended and Restated Resolution may be amended by a writing duly authorized, executed and delivered by the District and the Authority, except that no amendment may be made after the issuance of the Local Obligations by the Authority that would be detrimental to the interests of the bondholders without complying with all of the bondholder consent provisions for the amendment of the bond resolutions, bond indentures or like instruments governing the issuance, delivery and administration of all outstanding Local Obligations.

Section 21. Except to the extent of the indemnifications extended to each Other Local Agency in the Agreement embodied by this Amended and Restated Resolution, and the District's agreement to take responsibility for and ownership of the District Improvements, no person or entity, including the Participating Developer, shall be deemed to be a third party beneficiary of this Amended and Restated Resolution, and nothing in this Amended and Restated Resolution (either express or implied) is intended to confer upon any person or entity other than the Authority and the District (and their respective successors and assigns) any rights, remedies, obligations or liabilities under or by reason of this Amended and Restated Resolution.

Section 22. The District shall be identified as a third-party beneficiary of all joint community facilities agreements between the Authority and each Other Local Agency to the extent of the indemnification provisions and the provisions whereby each Other Local Agency agrees to take responsibility for and ownership of their Improvements.

Section 23. The appropriate officials and staff of the District are hereby authorized and directed to make SCIP applications available to all property owners who are subject to Fees for new development within the District and/or who are conditioned to install Improvements and to inform such owners of their option to participate in SCIP; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The staff persons listed on the attached Exhibit E, together with any other staff persons chosen by the Board President from time to time, are hereby designated as the contact persons for the Authority in connection with SCIP.

Section 24. The appropriate officials and staff of the District are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by bond counsel in connection with the participation in SCIP of any districts, authorities or other third-party entities entitled to own Improvements and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the District, as are reasonably required by the Authority in accordance with the Manual to implement SCIP and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the Local Obligations and any other bonds for SCIP. To that end, and pursuant to Treasury Regulations Section 1.150-2, the staff persons listed on Exhibit E, or other staff person acting in the same capacity for the District with respect to SCIP, are hereby authorized and designated to declare the official intent of the District with respect to the public capital improvements to be paid or reimbursed through participation in SCIP.

Section 25. This Amended and Restated Resolution shall take effect immediately upon its adoption. The Secretary of the Board of Directors of the Rainbow Municipal Water District is hereby authorized and directed to transmit a certified copy of this Amended and Restated Resolution to the Secretary of the Authority. This Amended and Restated Resolution shall remain

in force with respect to any Assessment District and CFD formed until all Local Obligations have been retired and the authority to levy the special tax conferred by any CFD proceedings and to levy the assessment conferred by any assessment proceedings has ended or is otherwise terminated. The Original Resolution shall remain in force with respect to any Assessment District formed pursuant to its authority until all Local Obligations have been retired and the authority to levy the assessment conferred by any assessment proceedings carried out pursuant to the Original Resolution has ended or is otherwise terminated.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of June 2022 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn M. Washburn, Board Secretary

This Resolution supersedes Resolution No. 20-06 passed and adopted on May 26, 2020.

EXHIBIT A TO THE RESOLUTION

FORM OF RESOLUTION OF INTENTION
TO BE ADOPTED BY CSCDA

RESOLUTION NO. __SCIP-

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

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

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

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

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

Section 1. The above recitals are true and correct.

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

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

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

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

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

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

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

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

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

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

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

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

By _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A TO THE RESOLUTION OF INTENTION

DESCRIPTION OF WORK

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

PAYMENT OF IMPACT FEES

CAPITAL IMPROVEMENTS*

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

[End of Form of Resolution of Intention]

EXHIBIT B TO THE RESOLUTION
FORM OF ACQUISITION AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

ACQUISITION AGREEMENT

BY AND BETWEEN
RAINBOW MUNICIPAL WATER DISTRICT
AND
[DEVELOPER]

Dated as of _____, 20__

ACQUISITION AGREEMENT

Recitals

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

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

C. The Developer has applied for the financing of, among other things, certain public capital improvements to be owned by the Local Agency (collectively, the “Acquisition Improvements”) through the California Statewide Communities Development Authority (the “Authority”) and its Statewide Community Infrastructure Program (“SCIP”). [For CFDS:][The Acquisition Improvements are to be owned and operated by the Local Agency, and the financing is to be accomplished through a community facilities district which will be administered by the Authority under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the “Act”). On [____], 20[], the Local Agency entered into a Joint Community Facilities Agreement authorizing the Authority to form a community facilities district (the “District”) within the territorial limits of the Local Agency to finance, among other things, the Acquisition Improvements. On [____], 20[], the Authority formed the District and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of conferring the District authority on the Authority Commission.] [For Assessment Districts:][The Acquisition Improvements are to be owned and operated by the Local Agency, and the financing is to be accomplished through an assessment district (the “District”) which will be administered by the Authority under and pursuant to Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the “1913 Act”) and the issuance of improvement bonds (the “Local Obligations”) under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the “1915 Act” and, together with the “1913 Act” the “Act”).]

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

E. Under SCIP, the Authority intends to levy [assessments] [special taxes] and issue bonds, in one or more series, to fund, among other things, all or a portion of the costs of the Acquisition Improvements. The portion of the proceeds of the [special taxes and] bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the “Available Amount”.

F. The Authority will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A is a description of the Acquisition Improvements, which includes authorized discrete and usable portions, if any, of the public capital improvements, [pursuant to Section 53313.51 of the Act,] to be acquired from the Developer.

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

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

I. Attached to this Agreement are Exhibit A (*Acquisition Improvements and the Eligible Portions*

thereof) and Exhibit B (*Form of Requisition*), which are incorporated into this Agreement for all purposes. In consideration of Recitals A through I, inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.

Agreement

ARTICLE I

DEFINITIONS; DISTRICT FORMATION AND FINANCING PLAN

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

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

“Acquisition and Construction Fund” means the “Rainbow Municipal Water District Acquisition and Construction Fund” established by the Authority pursuant to Section 1.03 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements and which fund may be held as a subaccount within a fund established under the Authority Trust Agreement and may be commingled with acquisition and construction fund monies available for other public capital improvements.

“Acquisition Improvement” shall have the meaning assigned to such term in the recitals and are further described in Exhibit A.

“Acquisition Price” means the total amount eligible to be paid to the Developer upon acquisition of an Acquisition Improvement as provided in Section 2.03 not to exceed the Actual Cost of the Acquisition Improvement.

“Act” has the meaning ascribed thereto in Recital C.

“Actual Cost” means the total cost of an Acquisition Improvement, as documented by the Developer to the satisfaction of the Local Agency and as certified by the Local Agency Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement including grading, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer’s cost of any real property or interest therein that is either necessary for the construction of such Acquisition Improvement (e.g., temporary construction easements, haul roads, etc.), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the Local Agency or its designee, (e) the Developer’s cost of environmental evaluation or mitigation required for such Acquisition Improvement, (f) the amount of any fees actually paid by the Developer to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Acquisition Improvement, (g) the Developer’s cost for construction and project management, administration and supervision services for such Acquisition Improvement, (h) the Developer’s cost for professional services related to such Acquisition Improvement, including engineering, accounting, legal, financial, appraisal and similar professional services, and (i) the costs of construction financing incurred by

the Developer with respect to such Acquisition Improvement.

“Actual Cost Certificate” means a certificate prepared by the Developer detailing the Actual Cost of an Acquisition Improvement, or an Eligible Portion thereof, to be acquired hereunder, as may be revised by the Local Agency Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of [_____], 20[___].

“Authority” means the California Statewide Communities Development Authority.

“Authority Trust Agreement” means a Trust Agreement entered into by the Authority and an Authority Trustee in connection with the issuance of bonds.

“Authority Trustee” means the financial institution identified as trustee in an Authority Trust Agreement.

“Available Amount” shall have the meaning assigned to the term in Recital E.

“Bonds” means bonds or other indebtedness issued by the Authority as tax-exempt or taxable bonds or other indebtedness, in one or more series, that is to be repaid by the District.

“Code” means the Streets and Highways Code or the Government Code of the State of California, as applicable.

“Developer” means [Developer], its successors and assigns.

“Disbursement Request Form” means a requisition for payment of funds from the Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof in substantially the form contained in Exhibit B hereto.

“District” shall have the meaning assigned to the term in Recital C.

“Eligible Portion” shall have the meaning ascribed to it in Section 2.03 below.

“Installment Payment” means an amount equal to ninety percent (90%) of the Actual Cost of an Eligible Portion.

“Local Agency” means the Rainbow Municipal Water District.

“Local Agency Engineer” means the Engineer of the Local Agency or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

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

[“Special Taxes” means annual special taxes, and prepayments thereof, authorized by the District to be levied by the Commission of the Authority.]

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

Section 1.02. Participation in SCIP. [For CFDs:][The Local Agency has entered into a Joint Community Facilities Agreement with the Authority for the purpose of accepting applications from time to time of developers within the Local Agency’s jurisdictional boundaries.] Developer has applied for financing through SCIP of the Acquisition Improvements, and such

application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Acquisition Account (as defined in Section 1.03 below), neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of SCIP financing for the Acquisition Improvements.

Section 1.03. Deposit and Use of Available Amount.

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

(b) The Authority will cause the SCIP Trustee to establish and maintain an account (the “Acquisition Account”) for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein and pursuant to the Authority Trust Agreement. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the Local Agency as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, (ii) shall be applied by the Authority [to call Bonds or to reduce Special Taxes as the Authority shall determine][as provided in Section 10427.1 of the Code to pay a portion of the assessments levied on the Project property in the District].

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

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the

design consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts; Indemnification. State law requires that all Acquisition Improvements not completed prior to the formation of the District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the requirements set forth in Exhibit C hereto with respect to the bidding and contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

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

Certain soft costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project. In those instances, the total costs under such contracts will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Amounts allocated to an Acquisition Improvement will be further allocated among the Eligible Portions of that Acquisition Improvement, if any, in the same proportion as the amount to be reimbursed for hard costs for each Eligible Portion bears to the amount to be reimbursed for hard costs for the entire Acquisition Improvement. Costs will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. The costs of certain

environmental mitigation required to mitigate impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer.

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

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

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for an Acquisition Improvement from the Acquisition and Construction Fund shall in every case be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that the Acquisition Improvement satisfies all Local Agency regulations and ordinances and is otherwise complete and ready for acceptance by the Local Agency, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already publicly owned) comprising the Acquisition Improvement, and the property which is subject to the [assessments/Special Taxes] of the District, is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) All due and payable property taxes, and installments of [assessments/Special Taxes] shall be current on property owned by the Developer or under option to the Developer that is subject to the lien of the District.

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

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

Section 2.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the

Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

ARTICLE III

MISCELLANEOUS

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

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

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

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or

acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

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

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

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

If to the Local Agency:

Rainbow Municipal Water District
[Address to come]

If to the Developer:

[Developer]
[Address to come]

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

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

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

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

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

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

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

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

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

[The remainder of this page intentionally left blank]

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

RAINBOW MUNICIPAL WATER DISTRICT

By:
Board [Vice] President

ATTEST:
Secretary the Board of Directors

By:

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

By:
Signature

.....
Print Name

Exhibit A to the Acquisition Agreement

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

[To be completed based on Final Engineer's Report]

Funding includes amounts for incidental costs associated with the capital improvements, including, but not limited to, contingency, design, engineering, and construction management.

<u>ACQUISITION IMPROVEMENTS</u>	<u>TOTAL AMOUNT*</u>
[].....	\$[]
[].....	\$[]

* Estimated. Acquisition Price will be determined based on Actual Cost as further described in this Acquisition Agreement.

Exhibit B to the Acquisition Agreement

FORM OF SCIP REQUISITION

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

Re: Statewide Community Infrastructure Program

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

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

The undersigned hereby certifies as follows:

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

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Title: _____

EXHIBIT C TO THE RESOLUTION

ELIGIBLE FACILITIES AND FEES

Eligible facilities and fees that may be financed by a CFD formed by CSCDA through SCIP include all improvements and fees authorized under the Mello-Roos Act, including but not limited to the following:

Transportation Improvements

Eligible roadway improvements include, but are not limited to: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, bus and transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed herein also include any and all necessary underground potable and recycled water, sanitary sewer, and storm drainage system improvements.

Water System Improvements

Authorized facilities include any and all water facilities designed to meet the needs of development within the CFD. These facilities include, but may not be limited to: water storage, treatment and distribution facilities including waterlines and appurtenances, gate valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading and paving; curbs and gutters; booster pump stations & power; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

Recycled Water System Improvements

Authorized facilities include any and all recycled water system facilities designed to meet the needs of development within the CFD. These facilities include, but may not be limited to: treatment and distribution facilities including pipelines and appurtenances, gate valves, flow meters, booster pump pressurization system, and other improvements related thereto - such as site clearing, grading and paving; curbs and gutters; booster pump stations; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

Drainage System Improvements

Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development within the CFD. These facilities include, but may not be limited to: excavation and grading, pipelines and appurtenances, outfalls and water quality measures, detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; access roads, gates, and fencing; and striping and signage and other improvements related thereto.

Wastewater System Improvements

Authorized facilities include any and all wastewater facilities designed to meet the needs of development within the CFD. These facilities include, but may not be limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main lines; force mains; lift stations; upgrades to existing lift stations; odor-control facilities; and permitting related thereto; and related sewer system improvements.

Park, Parkway and Open Space Improvements

Authorized facilities include any and all improvements to parks, parkways and open space required for

development within the CFD. These facilities include, but may not be limited to: grading, turf, shrubs and trees, landscaping irrigation, site lighting, drainage, sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges, storm drain crossings, wetland mitigation, hawk mitigation for authorized facilities herein, access gates and fencing and related open space improvements. Authorized facilities include acquisition of any and all parkland as well as open space/bike trail/public access easements required for development within the CFD.

School and Educational Facilities

Authorized facilities include classroom renovation, updates to school safety and security systems, technology improvements, energy efficiency improvements, school modernization and retrofitting, and new classroom and school construction as required for development within the CFD.

Development Impact Fees

Authorized facilities include the direct funding of any of the above referenced facility types for which the Local Agency collects a development impact fee.

Other Incidental Expenses and Bond Issuance Costs

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the CFD; issuance of bonds (if any); determination of the amount of taxes; collection of taxes; payment of taxes; costs of calculating and providing reimbursements from one-time special tax payments; or costs otherwise incurred in order to carry out the authorized purposes of the CFD; and any other expenses incidental to the formation and implementation of the CFD and to the construction, completion, inspection and acquisition of the authorized facilities.

EXHIBIT D TO THE RESOLUTION

FORM OF INCREASED DEMANDS CERTIFICATE

To: California Statewide Communities Development Authority

Re: Statewide Community Infrastructure Program – Community Facilities District for *[Project]*

The undersigned, a duly authorized officer of the RAINBOW MUNICIPAL WATER DISTRICT (the “Local Agency”) hereby certifies that the public capital improvements and development impact fees identified below are necessary to meet increased demands placed upon the Local Agency as a result of development within the proposed community facilities district for the *[Project]*:

[List improvements/fees here]

RAINBOW MUNICIPAL WATER DISTRICT

By: _____

Title: _____

EXHIBIT E TO THE RESOLUTION

RAINBOW MUNICIPAL WATER DISTRICT CONTACTS FOR SCIP PROGRAM

Primary Contact

Name:
Title:
Mailing Address:
Delivery Address (if different):
E-mail:
Telephone:
Fax:

Secondary Contact

Name:
Title:
Mailing Address:
Delivery Address (if different):
E-mail:
Telephone:
Fax:

[Add additional contacts as needed]

CERTIFICATION OF RESOLUTION

I, the undersigned, the duly appointed and qualified Secretary of the Board of Directors of the Rainbow Municipal Water District, do hereby certify that the foregoing Resolution No. _____ was duly adopted at a regular meeting of the Board of Directors of the Rainbow Municipal Water District duly and regularly held at the regular meeting place thereof on the _____ day of _____, 2022, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

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

Notice of public was published in [name of newspaper] at least 5 days prior to the hearing.

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

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

Dated: _____, 2022



Secretary of the Board of Directors

RAINBOW MUNICIPAL WATER
DISTRICT

By: _____

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

CONSENT TO THE OMISSION OF SIGNATURES FROM THE FINAL MAP FOR COUNTY OF SAN DIEGO TRACT NO. 5354-4, AND MAKE A FINDING THAT THE FINAL MAP WILL NOT UNREASONABLY INTERFERE WITH THE FREE AND COMPLETE EXERCISE OF THE DISTRICT'S EASEMENTS (DIVISION 4)

BACKGROUND

The Citro development on the border of the Rainbow Municipal Water District ("District") boundaries has been in process for several years. The development consists, generally, of 844 residences which include some high-density homes. The annexation of the Citro development, formerly Meadowood, was finalized and recorded with the County of San Diego in July 2021. The residential development is located immediately East of Horse Ranch Creek Road, East of I-15 and north of SR-76. Water and sewer improvements are currently under construction.

The District is the holder of an easement within the boundaries of Tract No. 5354-4 which was dedicated per Map No. 16444. Map No. 16444 created large master parcels along Meadowood Street, Valencia Point, Ponderosa Place, and Orchard Trails. The proposed Final Map for Tract No. 5354-4 will split the master parcels into individual residential lots. The easement granted to the District per Map No. 16444 is present on the proposed Final Map for Tract No. 5354-4 and an additional easement to benefit the District is proposed to be granted and accepted on the Final Map.

DESCRIPTION

According to the Subdivision Map Act, a tentative and final map shall be required for all subdivisions creating five or more parcels, five or more condominiums as defined in section 783 of the Civil Code, a community apartment project containing five or more parcels, or for the conversion of a dwelling to a stock cooperative containing five or more dwelling units, except where exclusions apply. According to section 66436, "A statement, signed and acknowledged by all parties having any record title interest in the subdivided real property, consenting to the preparation and recordation of the final map is required." However, "if the legislative body determines that division and development of the property in the manner set forth on the approved tentative map will not unreasonably interfere with the free and complete exercise of the public entity or public utility right-of-way or easement, the signature of the public entity or public utility may be omitted."

The proposed signature omission letter would state that recording the Final Map will not unreasonably interfere with the free and complete exercise of the District's Easements. This finding by the Board would allow the Final Map to be recorded without the signature and acknowledgement by the District on the Final Map itself. District staff and legal counsel have reviewed the matter and determined that approving the signature omission letter will not degrade the District's rights in any way.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. The District must provide the correct documentation at the outset of development to ensure that easements and rights-of-way are in place to operate and maintain infrastructure that is to be accepted by the Board.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The action before the Board does not present any fiscal impacts.

Option 1:


- Make a determination that the action defined herein does not constitute a “project” as defined by CEQA.
- Consent to the omission of signatures from the Final Map for Tract No. 5354-4.
- Make a finding that the same Final Map will not unreasonably interfere with the free and complete exercise of any easements held by Rainbow Municipal Water District within the boundaries of the map.
- Authorize the General Manager to send a letter acknowledging the finding to the County of San Diego.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering & CIP Program Manager

06/28/2022



BOARD ACTION

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-14 APPROVING FISCAL YEAR 2022-2023 OPERATING & CAPITAL IMPROVEMENT BUDGET

BACKGROUND

The Operating & Capital Improvement Budget for FY 2022-2023 has been reviewed by the Board of Directors, Budget and Finance Committee, and staff.

DESCRIPTION

This proposed FY 2022-2023 Budget is now presented to the Board for final adoption.

Attachments:

Resolution No. 22-14
FY 2022-2023 Operating & Capital Improvement Plan (CIP) Budget
CIP FY 2021-2022 Update
Staffing Analysis

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

The budget will serve as a guideline to generate the funds for the operations and maintenance, capital improvements and debt service of the District.

1. Approve Resolution No. 22-14 adopting the 2022-2023 Budget in its present form.
2. Direct the Staff to make further adjustments to the budget.

STAFF RECOMMENDATION

Staff recommends the Board adopt Resolution No. 22-14 approving the 2022-2023 Operating & Capital Improvement Budget.


Tracy Largent, CPA
Finance Manager

June 28, 2022

RESOLUTION NO. 22-14

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2022

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, there has been presented to the Board of Directors a proposed Annual Operating and Capital Improvement Budget for The Fiscal Year Ending June 30, 2023 (“2023 Budget”); and

WHEREAS, on June 28, 2022, the Board of Directors received and considered all comments regarding the proposed 2023 Budget; and

WHEREAS, the proposed 2023 Budget has been reviewed and considered by the Board of Directors and it has been determined to be in the best interests of the District to adopt said budget for the sound financial operation of the District;

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

1. The 2023 Budget, as detailed in the budget document entitled “Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2023,” is hereby adopted. A copy of the 2023 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Year 2022-2023, pursuant to the 2023 Budget, are hereby appropriated and may be expended by the departments or funds for which they are designated.
3. The proposed amount of the San Diego County Water Authority Rate pass-through, as allowed shall be increased effective 01/01/2023.
4. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
5. If any section, subsection, sentence, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.
6. This Resolution will be effective immediately upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28 day of June 2022 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:
ATTEST:

Hayden Hamilton, Board President

Dawn M. Washburn, Board Secretary

STAFFING ANALYSIS

2022 Update and Projections

Presented by Karleen Harp

Human Resources Manager

May 24, 2022 Regular Board Meeting

Staffing Analysis Overview



Past

Recap Overtime Trends
Turnover
Quit Rates
Employee Survey Results
Labor used for CIP



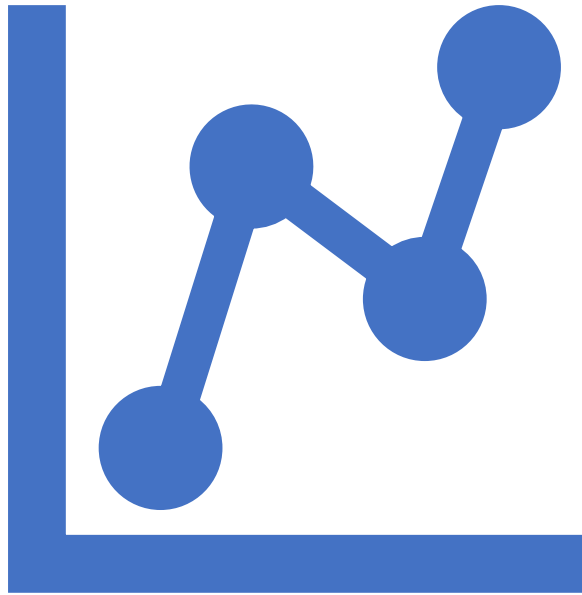
Present

Organizational structure
Workforce generational demographics
Retirement eligibility
Staffing Continuity Plan
Critical Position Inventory



Future

Need to plan for upcoming retirements
Need to increase project capacity in Engineering
Opportunity to insource CIP projects



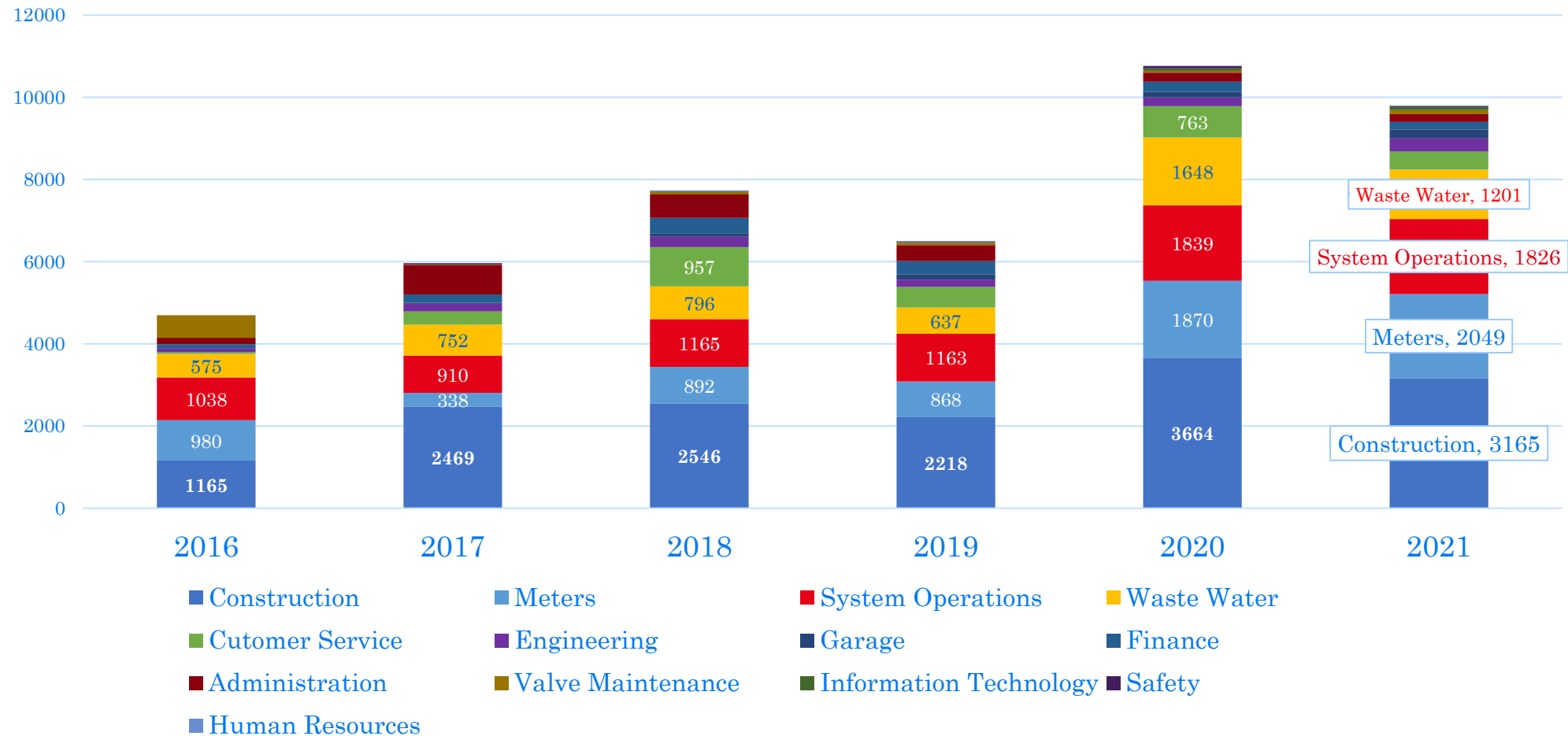
Past

Analysis of historical trends, and the prior year's turnover, overtime, and employee survey insights

- Overtime was down 9% in 2021
- Still 57% higher than 2016-2019 average OT



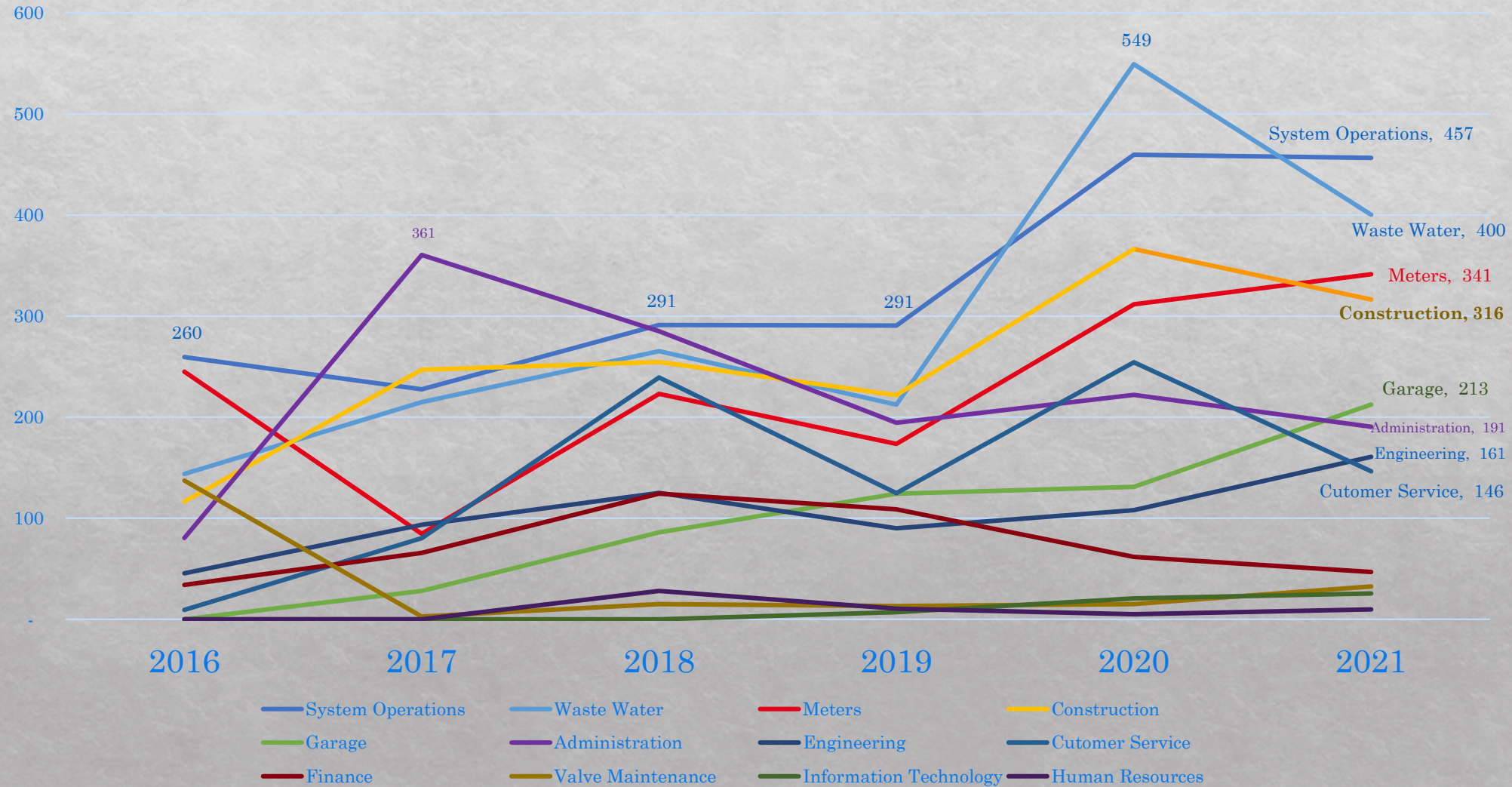
Total Overtime by Department



Average Overtime per Employee by Department

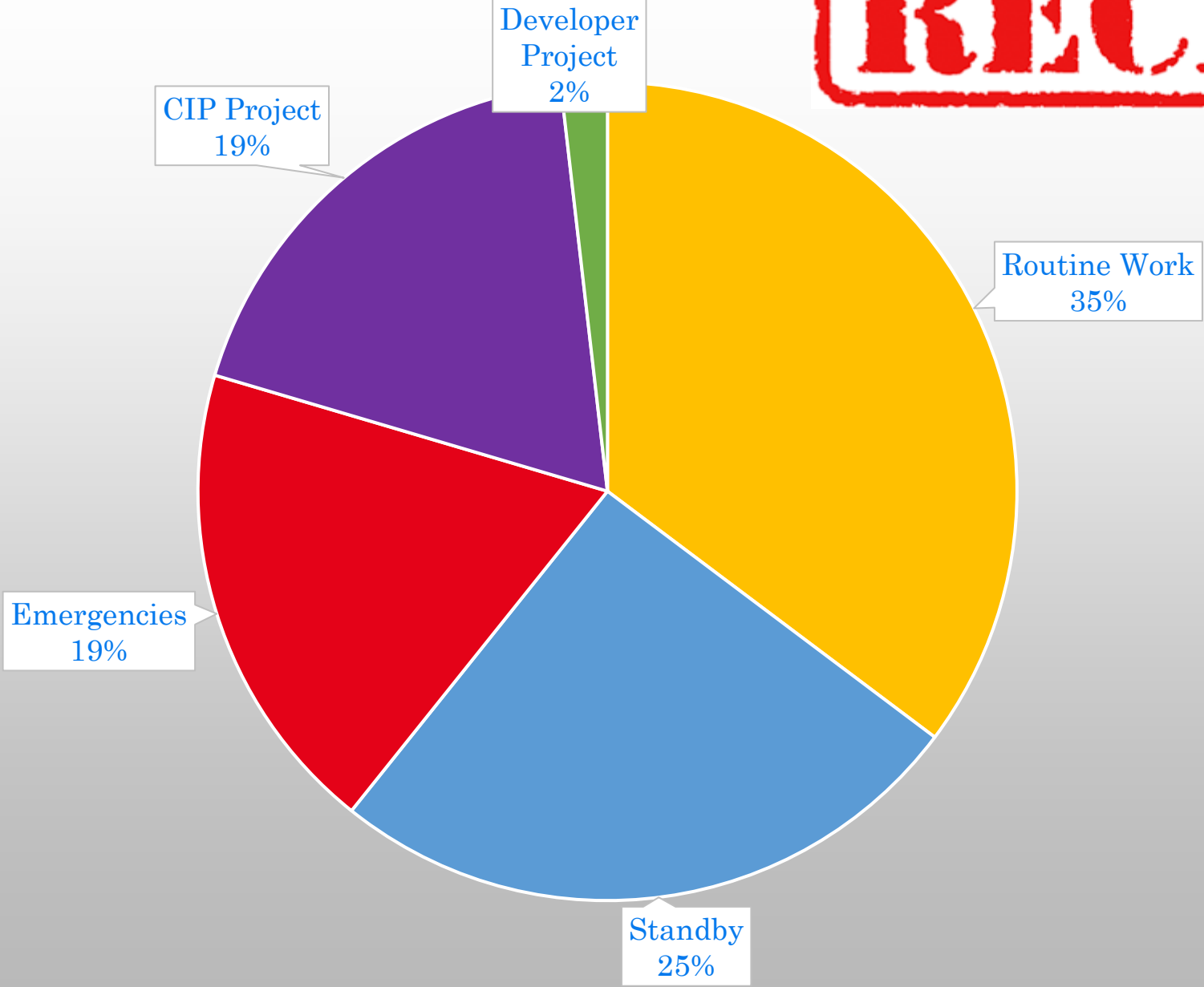


Average OT per Hourly Employee



RECAP

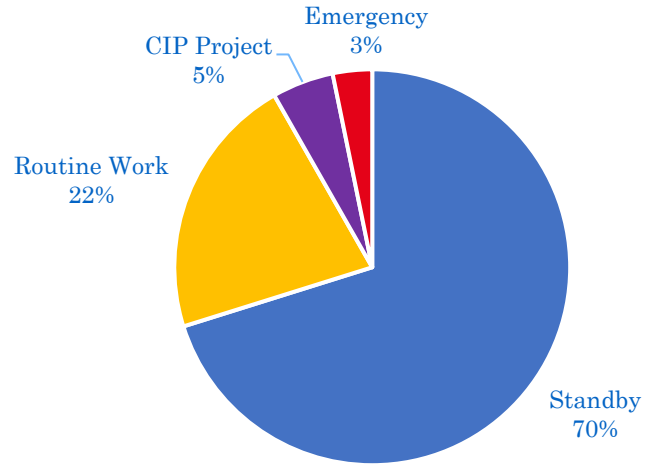
Primary Sources of Overtime District-Wide in 2021



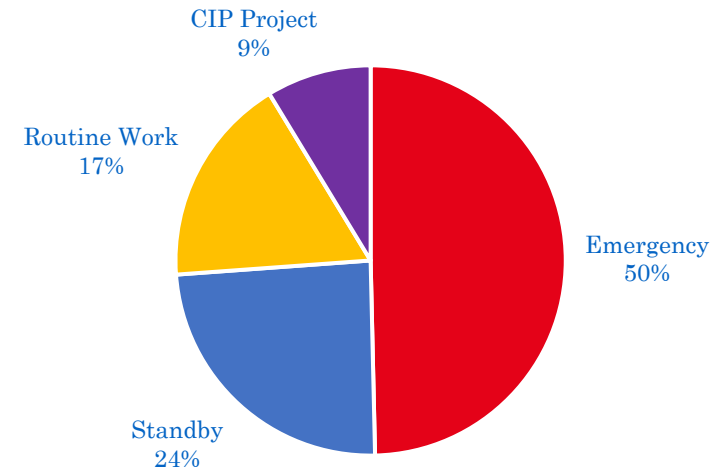
Primary Overtime Drivers for Top 4 Departments



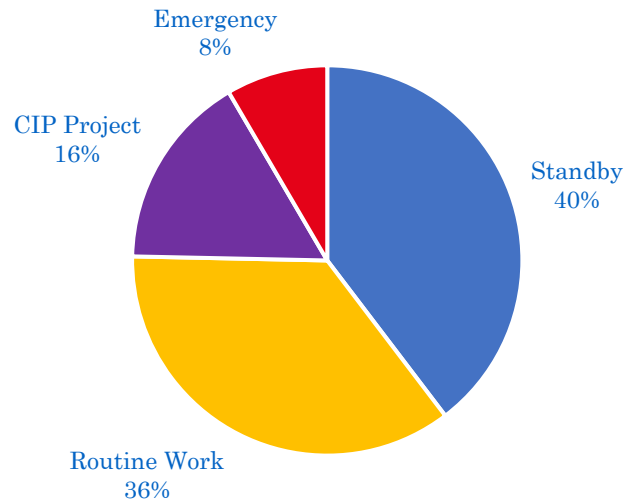
System Ops Standby Overtime
1789 Total, 457 per hourly EE



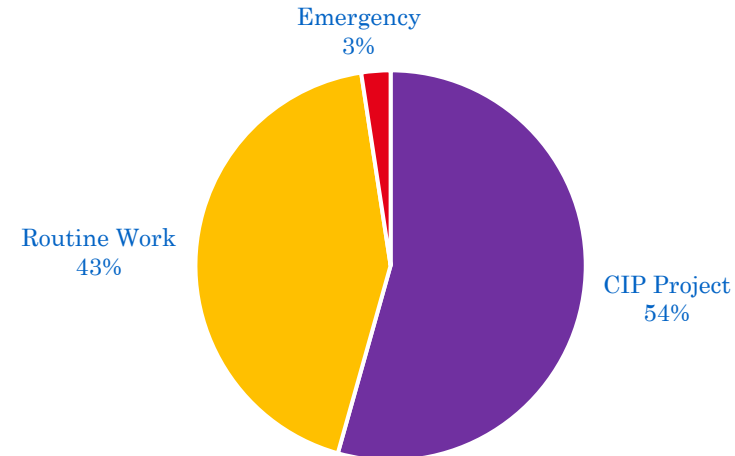
Construction Overtime
3164 Total, 316 per hourly EE



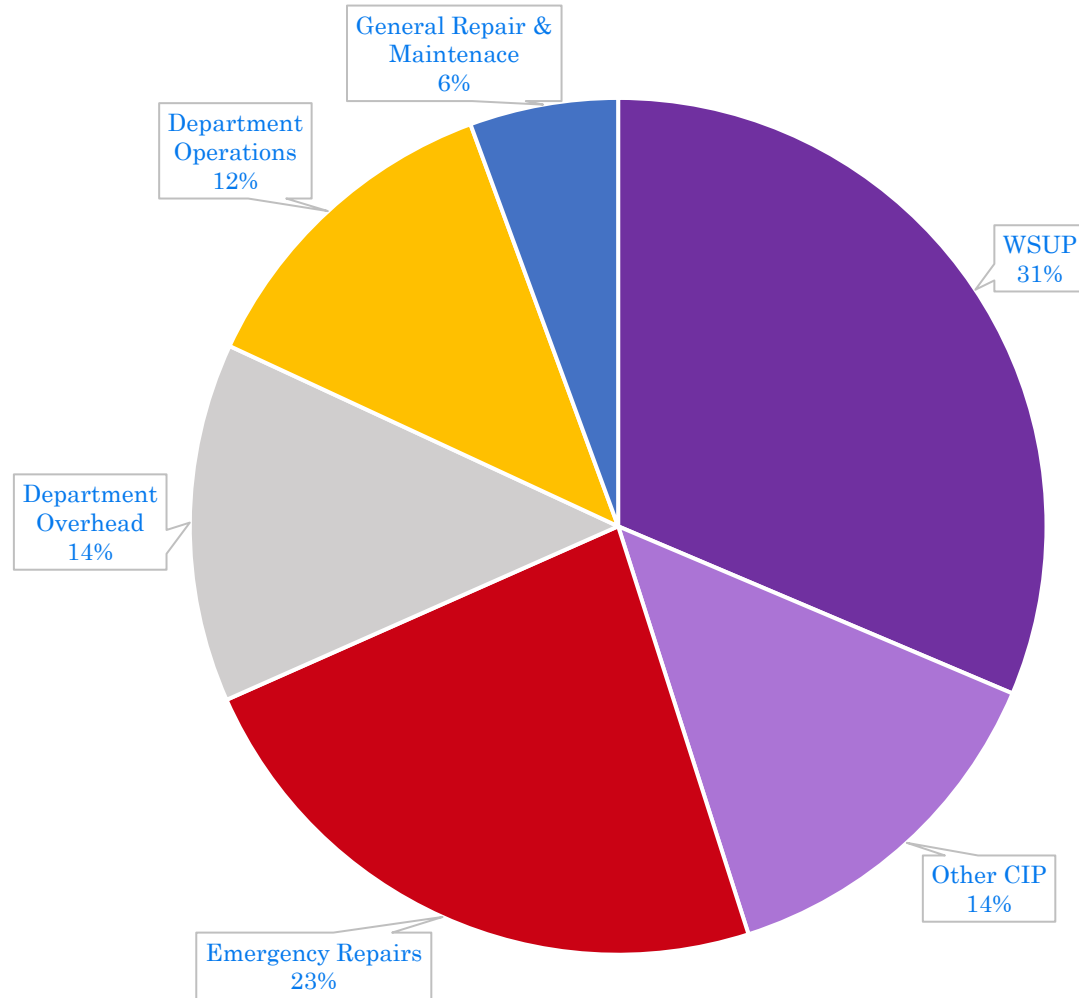
Wastewater Overtime
1201 Total, 400 per hourly EE



Meters Department Overtime
2048 Total, 341 per hourly EE



Total Time Booked in Construction
(Straight Time, OT, All Departments)



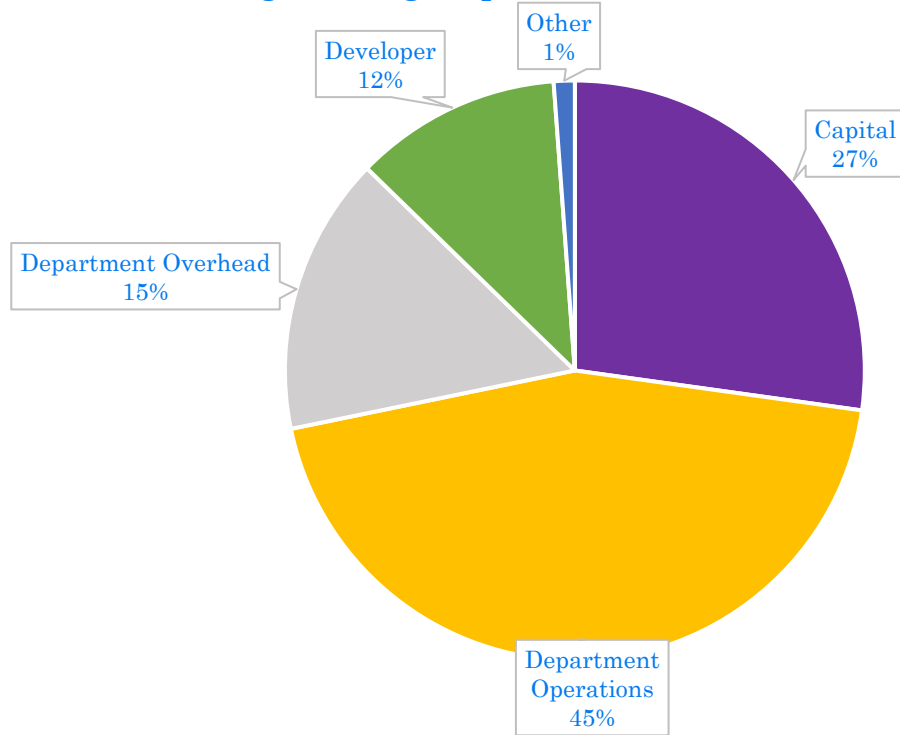
Construction Time

Total booked =
26,666 hours =
13 FTE

Construction
staff only = 10
FTE

Borrowed staff
time = 4,709
hours = 2 FTE

Engineering Department Labor Allocation



Engineering Department Time

Total labor allocated = 12,867 hours

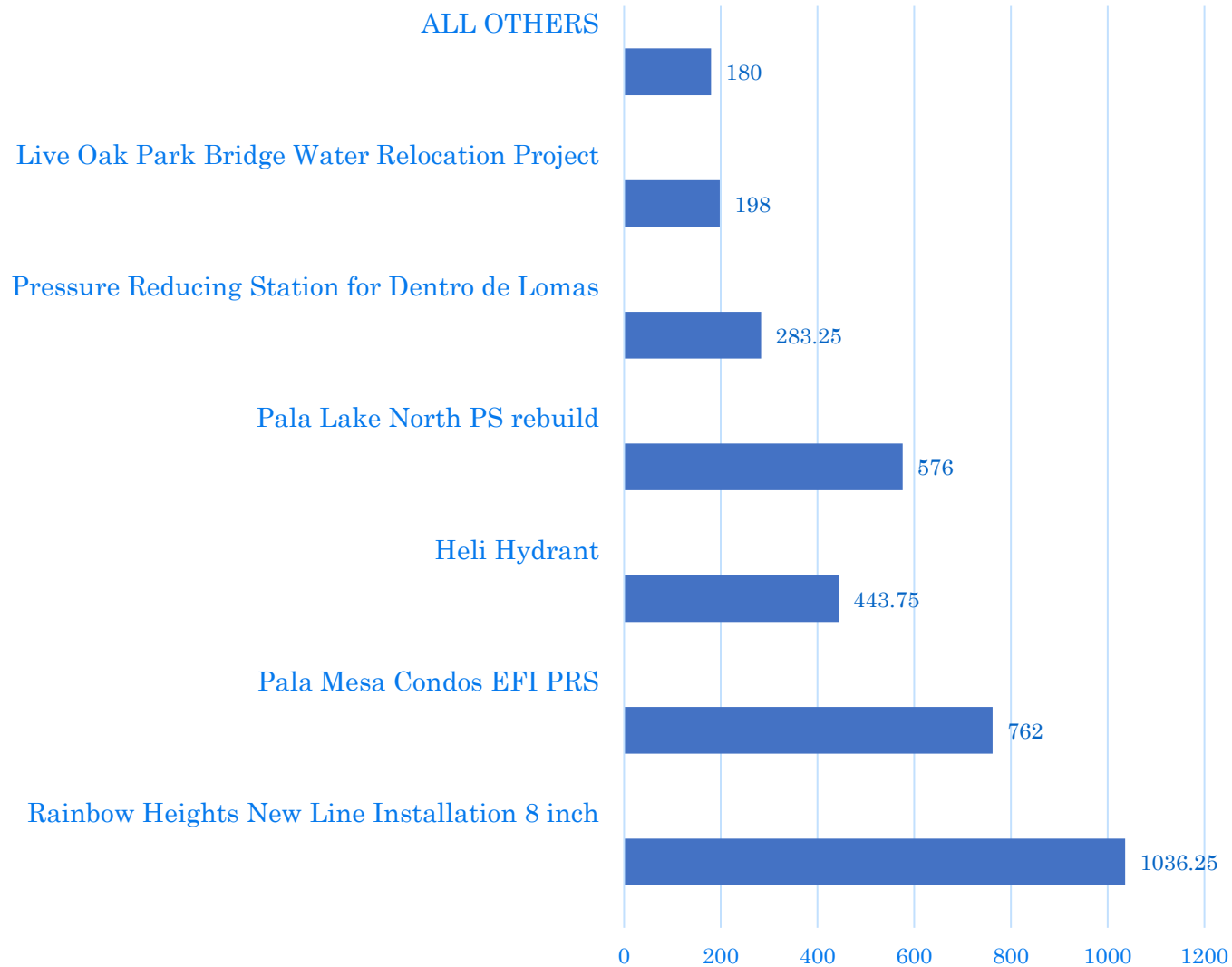
Labor Allocation by Position	Department Percent	Project Managers	Dept Manager	Engineer	Inspector	Technician
Capital	27%	48%	21%	13%	17%	19%
Department Operations	45%	42%	56%	40%	41%	47%
Department Overhead	16%	9%	19%	26%	12%	17%
Developer	12%	1%	3%	20%	28%	15%
Other	1%	1%	1%	1%	2%	2%

CIP Time (other than WSUP)

.74 labor
hours per
linear ft of
pipe

670 hours per
pressure
station

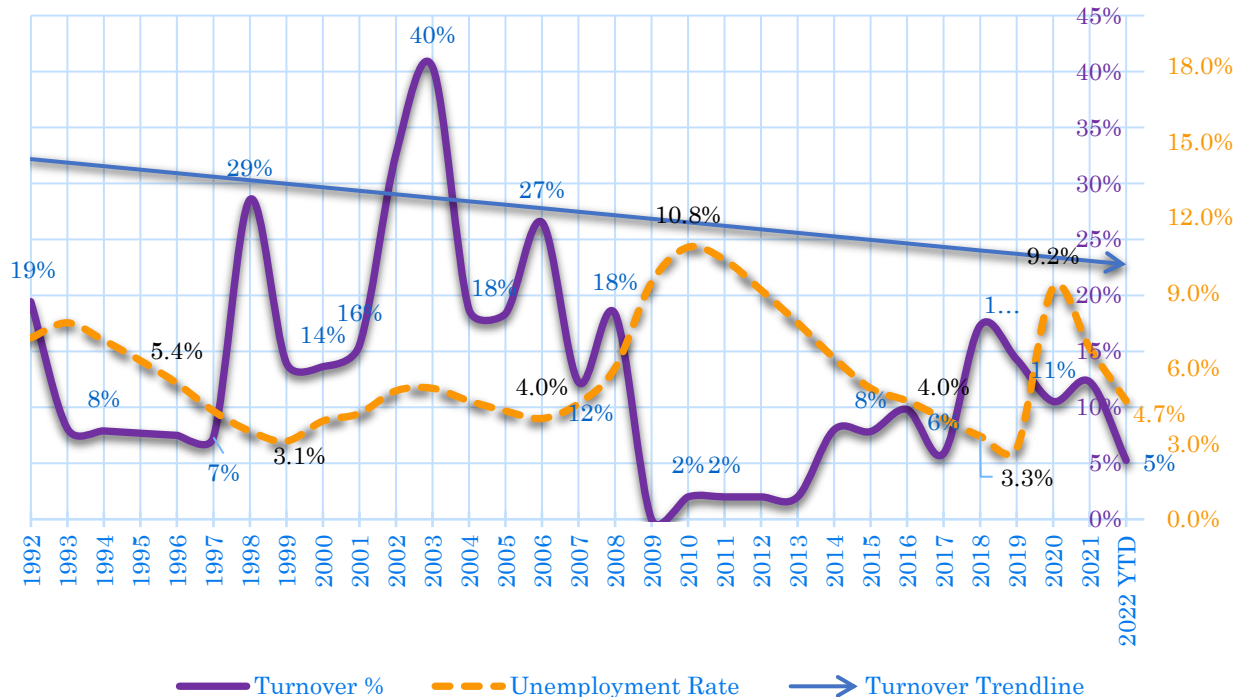
CIP Hours from Construction



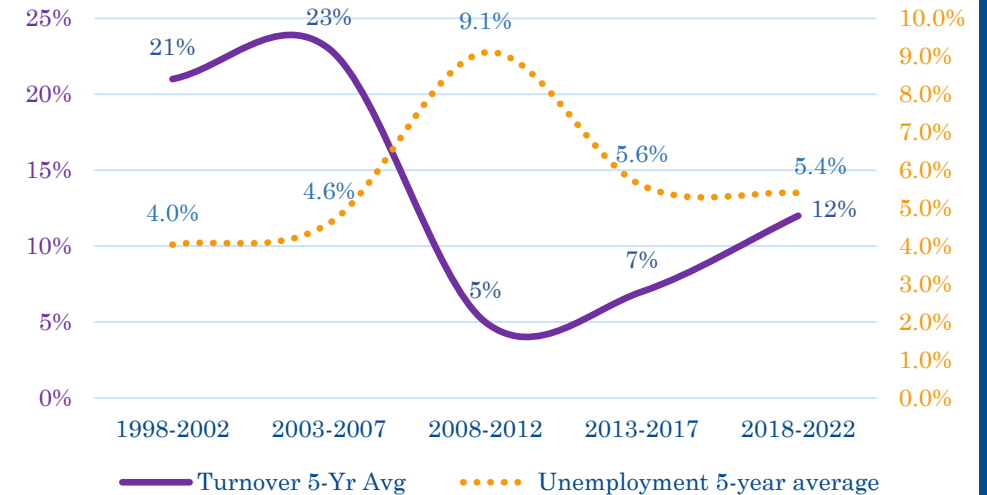
Historical Turnover and Unemployment Rates

- 30-year average turnover rate is steady at 13% per year, or 6 employees per year.
- Most recent 5-year average turnover is 12%, a very slight downward trend

Historical Turnover (all reasons)
with Unemployment Rate



Historical Turnover
(5-year rates, all reasons)



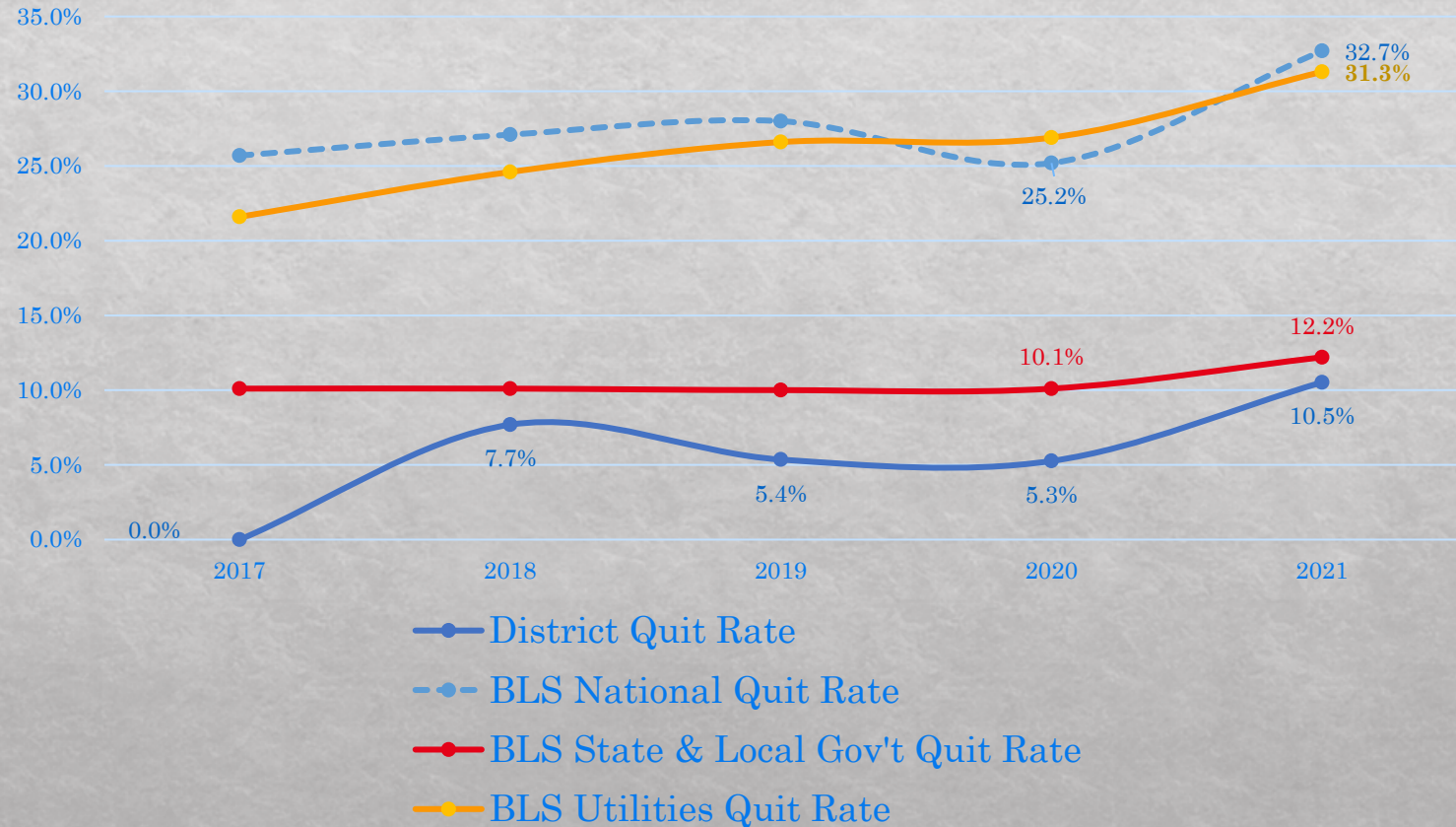
Unemployment rate data source: Bureau of Labor Statistics

Quit Rates

DISTRICT DATA

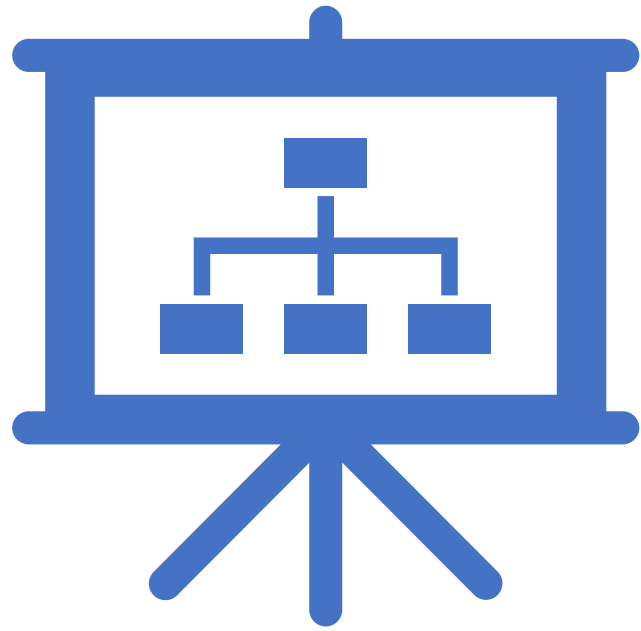
- Ranged 0-10.5% per year for past 5 years
- District Total Quit Rate Increased in 2021 but still below national average quit rates at 10.5%
 - National quit rate increased by one third between 2020 and 2021
 - Local Governments quit rate increased by one fifth in 2021

District Quit Rate Compared to National Averages



Source:

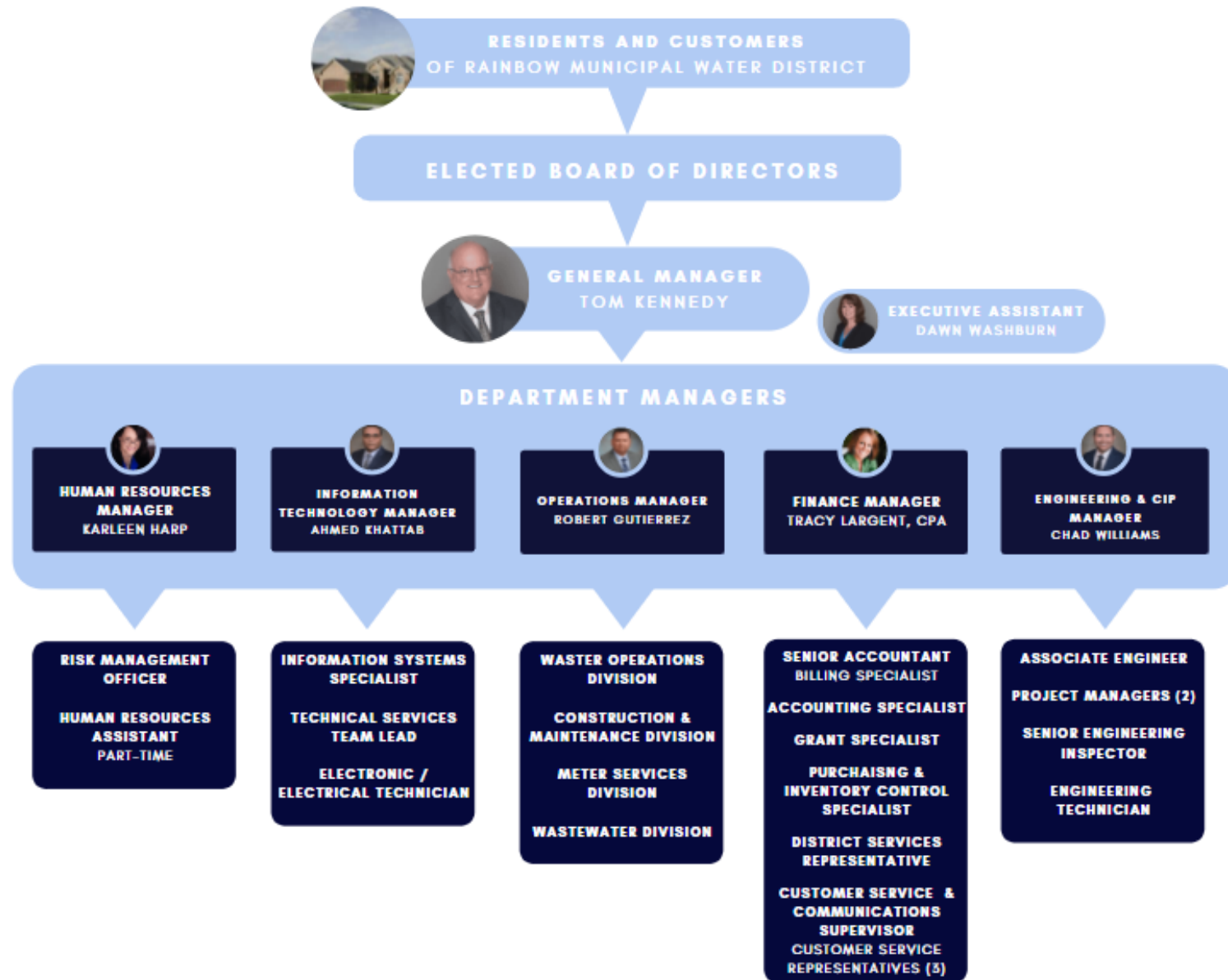
https://www.bls.gov/news.release/archives/jolts_03092022.htm



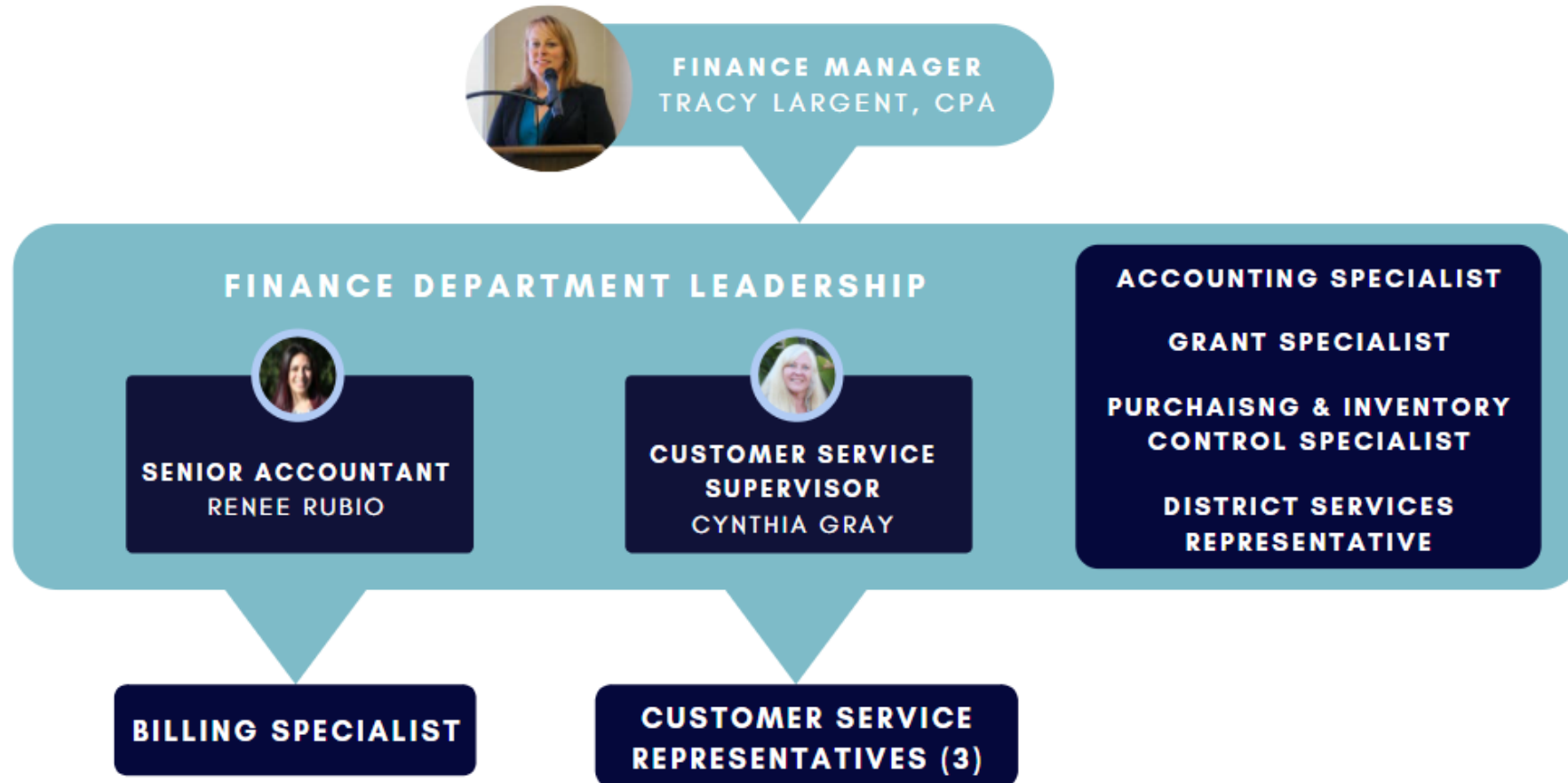
Present

Analysis of the current state of the District's staffing levels, challenges, and opportunities.

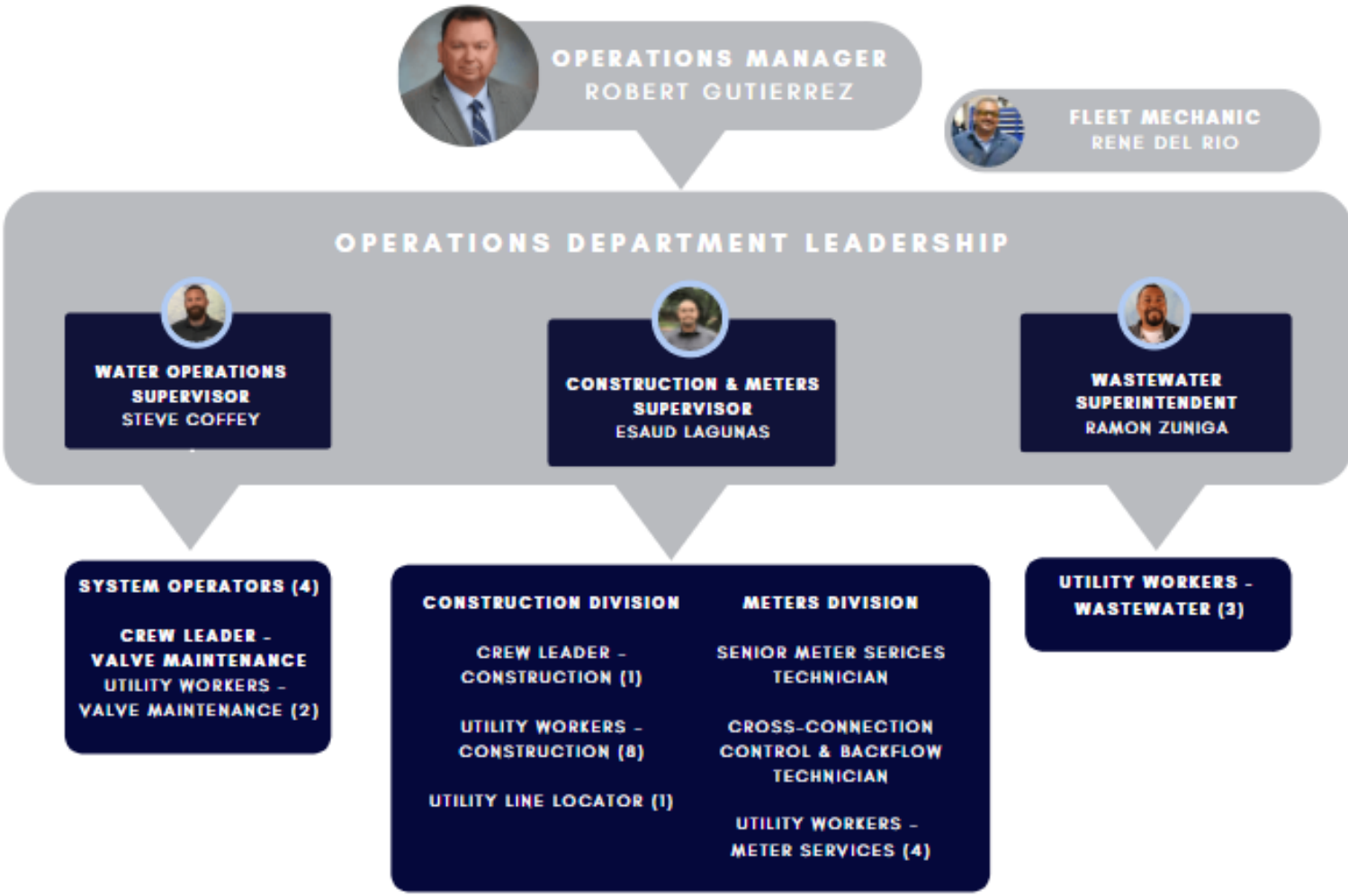
2022 Organizational Chart



2022 Organization Chart: Finance Group

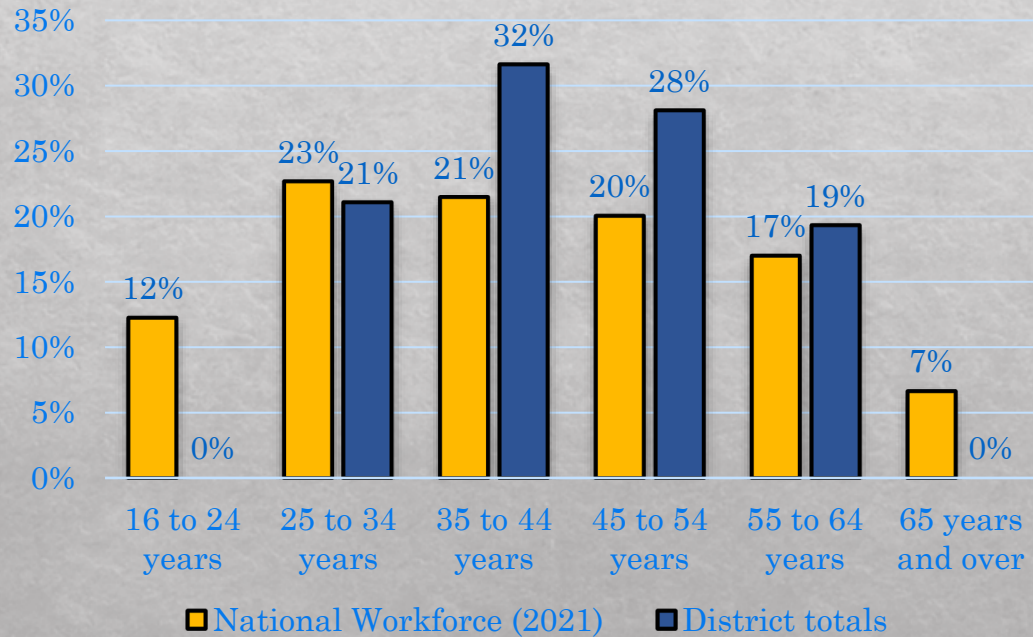


2022 Organization Chart: Operations Group

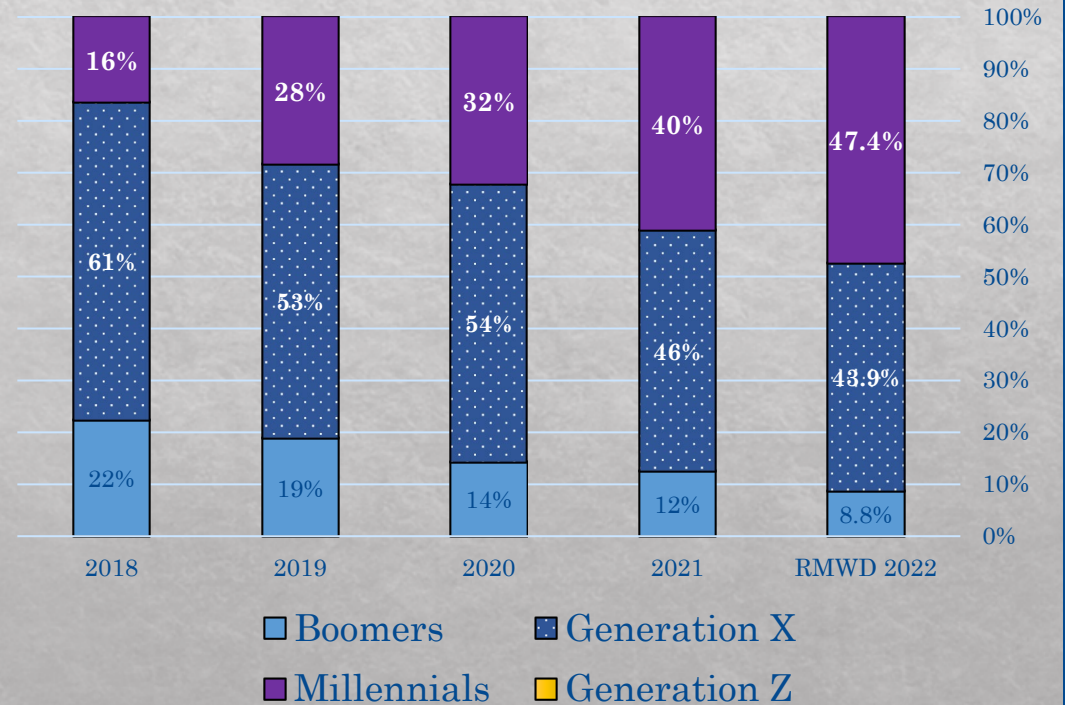


2022 Generational Mix of Workforce

Workforce Generations (matched to BLS data ranges)



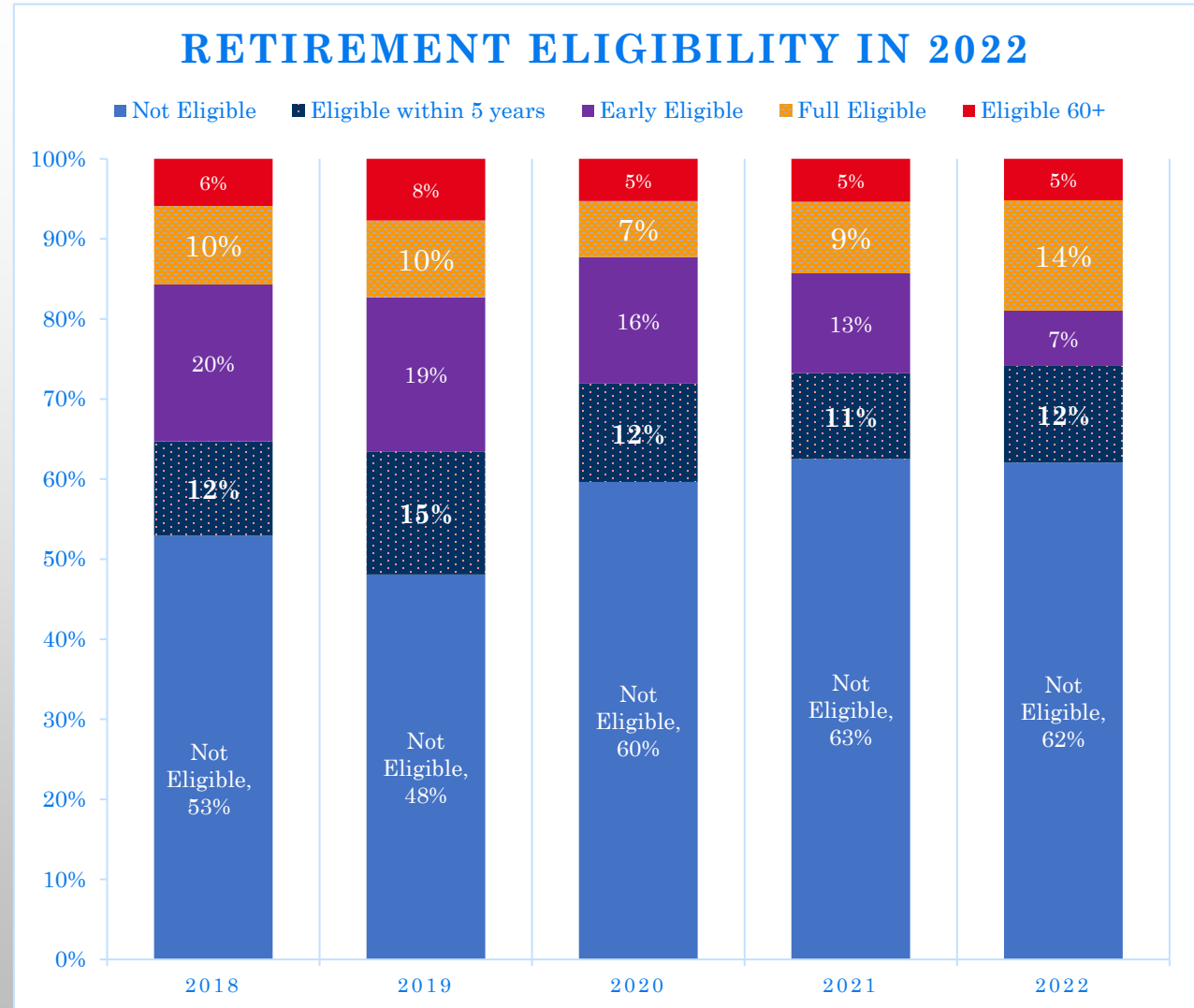
Generational Demographics



Retirement Eligibility

- 38% are eligible for retirement *or will be* within the next 5 years
 - 26% of our workforce is eligible to retire now (early or full)
 - 19% of our workforce is eligible for full 2.5% retirement
 - 12% will be eligible for retirement within five years

RECAP



Job title	Department	Retirement Vulnerable Y/N	Single Incumbent? Y/N	Specialized knowledge or expertise Y/N	Difficult to replace Y/N	Difficult to retain Y/N	Risk of Attrition Y/N	Leadership, Technical, or Executive Support	Priority Level
General Manager	Admin	Y	Y	Y	Y	N	Y	Y	1
Engineering Technician	Engineering	Y	Y	Y	Y	N	Y	Y	1
Construction & Meters Supervisor	Construction	N	Y	Y	Y	N	Y	Y	2
Construction Leads	Construction	Y	Y	Y	Y	N	N	Y	2
Finance Manager	Finance	N	Y	Y	Y	N	Y	Y	2
HR Manager	HR	N	Y	Y	Y	N	Y	Y	2
Electrical/Electronics Technician	IT	Y	Y	Y	Y	N	N	Y	2
Technical Services Lead	IT	Y	Y	Y	Y	N	N	Y	2
Operations Manager	Operations	N	Y	Y	Y	N	Y	Y	2

RECAP

Staffing Continuity Plan: Critical Position Inventory

Highest priority knowledge transfer needs based on retirement horizon, complexity of work and institutional knowledge:

- General Manager (in progress)
- **Engineering Technician**
- **Technical Services Lead** (*electrician*)
- Electrical / Electronics (SCADA) Technician (in progress)
- Construction Lead (in progress)



Future

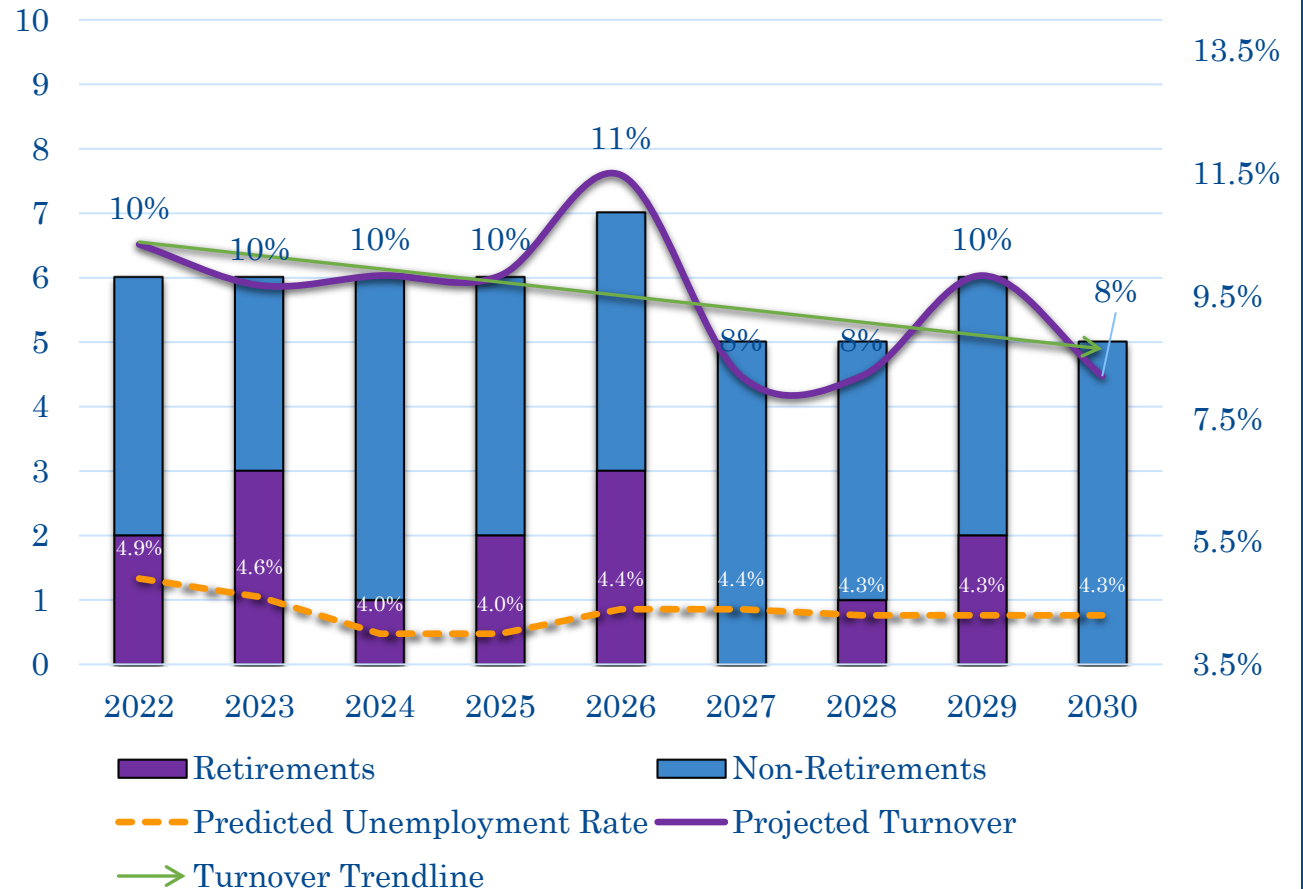
Analysis of the staffing needs to address anticipated retirements, turnover, and opportunity to insource CIP for cost savings..

UPDATE

Anticipated Turnover Drivers

- The next few years' turnover is expected to be impacted by retirements:
 - Six likely within the next two years
 - Eleven within the next five years
 - Fourteen within eight years
- High nationwide turnover may be mitigated by District's competitive salaries & benefits
- Work/Life Balance:
 - Employee Survey revealed lower satisfaction among employees who are caretakers
 - Overtime remains high

Projected Turnover with Unemployment Rate 2022-2030



Sources: <https://www.cbo.gov/publication/57014>
<https://www.bls.gov/opub/mlr/2021/article/projections-overview-and-highlights-2020-30.htm>

Drivers of Staffing Needs

RECAP

UPDATE



High priority positions for knowledge transfer

Engineering Technician
Technical Services
(electrician)



Water Wholesale Efficiency Project

Funding must be used within two years
Increased need for staffing capacity in Construction & Engineering
Opportunity to test in-house CIP installations to collect data



Overtime remains high and is impacting staff

Two consecutive years of higher than typical overtime



Finance Manager spending more time on external affairs

Creates capacity constraints and need for more attention to staff
Reduced span of control creates opportunity to develop Senior Accountant



Part-time HR Assistant is at maximum capacity

At hours limit for part-time status
Duties have evolved since hired due to new HR programs and adaptations to COVID
Qualified to do much more related to training programs, recruiting, benefits administration

Staffing Solutions Recommended



UPDATE

Addition of two Utility Workers in Construction

- One FTE to bring Department back to previous level
- Additional needed to have capacity needed to insource capital projects
 - Water wholesale efficiency project
 - Pressure reducing stations
 - Mitigate need to stop CIP projects to respond to emergencies
- Goal is to gather more data points to get better baseline of hours required by project type and do cost comparison of insourcing and outsourcing.
- Estimated 10% increase to hours charged to operating budget
- *One headcount moved from Meters after employee left, only need one additional for FY 22-23*

Construction Needs Analysis

CIP Labor Needs	Est. Hours Needed	Target Production	Hours Needed
Pressure Stations	670 hours each	8 per year	5,360
Pipeline Replacements	.74 per linear foot	7,300 linear ft. scheduled	5,402
		5 FTE Equivalent →	10,762

Current Capacity with 10 FTEs	Hours	Percent
General Repair & Maintenance	1,588	8%
Department Operations	3,424	16%
Department Overhead	3,536	17%
Emergency Repairs	4,924	24%
Additional Capacity for CIP Work (68% of planned in-house CIP)	7,328	35%
Overtime Estimate with 10 FTEs	OT Hours	
Standby	800	
Emergency Repairs	2,054	
Overtime per FTE	285	

Capacity with 12 FTEs (straight time)	Hours	Percent
General Repair & Maintenance, Line Locates, etc.	1,997	8%
Department Operations	3,700	15%
Department Overhead (breaks, holidays, PTO)	4,243	17%
Emergency Repairs	4,972	20%
Additional Capacity for CIP Work (93% of planned in-house CIP)	10,048	40%
Overtime Estimate with 12 FTEs	OT Hours	
Standby	800	
Emergency Repairs	2,006	
Overtime per FTE	234	

Staffing Solutions Recommended



Addition of Analyst position in Engineering

- Overlap with Engineering Technician for institutional knowledge transfer
- Offload administration & analysis from other positions to increase capacity
- Possible permanent headcount increase:
 - If additional capacity is charged to Capital and Developments as anticipated, the additional headcount would not impact operational budget
 - Provides 1-2 years to analyze actual labor allocation to ensure predictions are accurate
 - If accurate, would replace Engineering Technician with Administrative Assistant
 - If not accurate, would return to current headcount or conduct further needs analysis

Projected Engineering Department Labor Distribution with Analyst Position: 14,816 hours

Target Labor Distribution	Department Percent	Project Managers	Dept Manager	Engineer	Inspector	Analyst	Technician
Capital	30%	54%	28%	18%	20%	26%	11%
Department Operations	42%	32%	50%	36%	36%	50%	60%
Department Overhead	14%	13%	15%	15%	13%	13%	17%
Developer	13%	1%	6%	30%	30%	10%	10%
Other	1%	0%	1%	1%	1%	1%	2%

Allocation of Additional Staffing	Hours	Percent
Increased CIP Capacity	908	26%
Increased Developer Capacity	395	27%
Increased Department Operations	545	10%
Increased Department Overhead	191	10%
Other	40	27%

Other Staffing Recommendations

UPDATE

TEMPORARY addition of Electrical/Electronics Technician for 1 year overlap

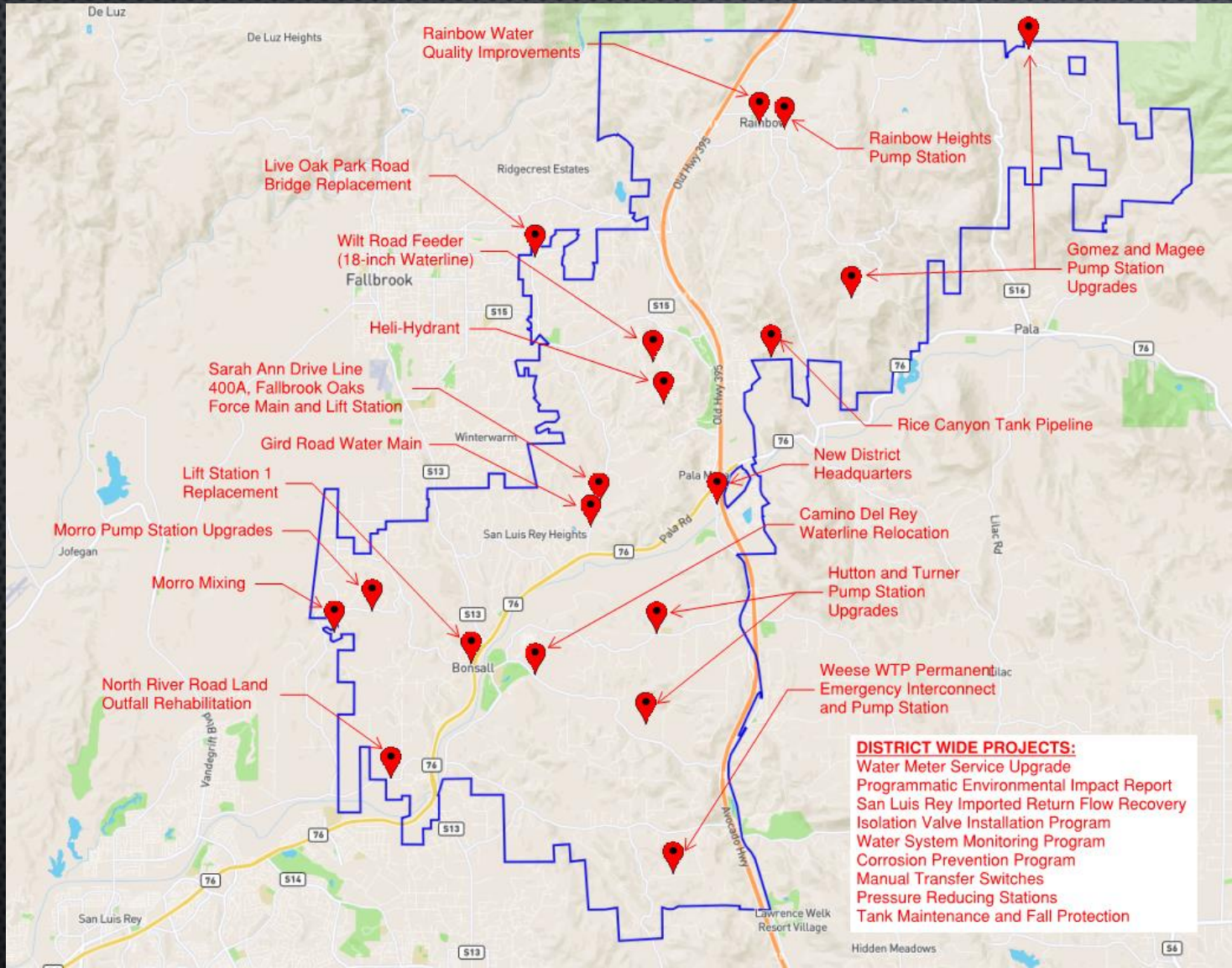
- Overlap with Technical Services Lead before retirement for knowledge transfer
- Plan not to refill Technical Services Lead after retirement
- *This recommendation can be deferred to FY 23-24, and split between two fiscal years*

Change in Reporting Structure in Finance

- Move District Services Representative and Accounting Specialist under Senior Accountant
- Reduce number of direct reports of Finance Manager to increase availability for other focus areas
- Provide closer attention to staff
- Growth opportunity for Senior Accountant to increase span of control

Convert part-time HR Assistant to full time HR Specialist position

- HR Assistant position has grown to include significant additional duties since hired
- Employee communications (newsletter, all-hands presentations), event planning (health fair, banquet, etc.), supporting Risk Management Officer and Safety Advisory Group, recruiting hourly positions
- If full-time, could also assist with in-house training and development programs
- Free HR Manager capacity for more complex projects (compensation studies, workforce planning, etc.)
- Able to cut department operations budget to offset increase in salary and benefits



DISTRICT WIDE PROJECTS:
 Water Meter Service Upgrade
 Programmatic Environmental Impact Report
 San Luis Rey Imported Return Flow Recovery
 Isolation Valve Installation Program
 Water System Monitoring Program
 Corrosion Prevention Program
 Manual Transfer Switches
 Pressure Reducing Stations
 Tank Maintenance and Fall Protection



FY 21/22 CIP PROJECT UPDATES

DOLLAR AMOUNTS FOR ALL
PROJECTS ARE THROUGH APRIL
2022

JUNE 14, 2022

FY 21/22
COMPLETED
CIP PROJECTS

4 PROJECTS
COMPLETED



RAINBOW HEIGHTS PUMP STATION (600001) DIVISION 5

- Current Phase: NOC Filed
- 100% Complete
- FY 21/22 Approved Budget: \$1,573,672
- Amount Spent in FY21/22: \$1,460,277
- Change Orders: Two (2) totaling \$69,237



WATER SERVICE UPGRADE PROJECT (600027 & -28) DIVISION ALL

- Current Phase: NOC Filed
- 100% Complete
- FY 21/22 Funding Secured:
\$10,499,810
- Amount Spent:
\$11,101,889
- Change Orders: Five (5)
totaling \$649,515

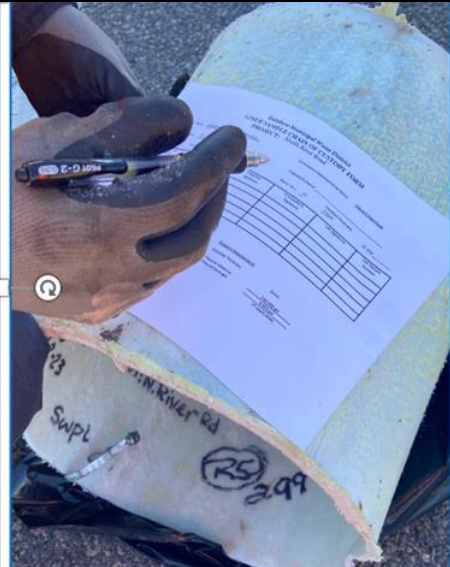
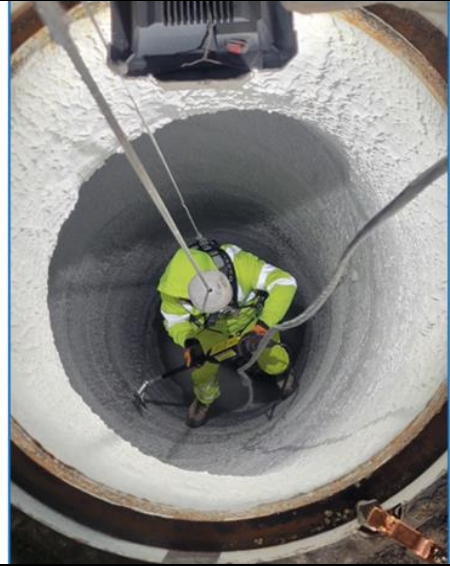


HELI-HYDRANT

(600081)

DIVISION 3

- Current Phase: NOC Filed
- 100% Complete
- FY 21/22 Approved
Budget: \$230,000
- Amount Spent in FY21/22:
\$194,627
- Change Orders: None

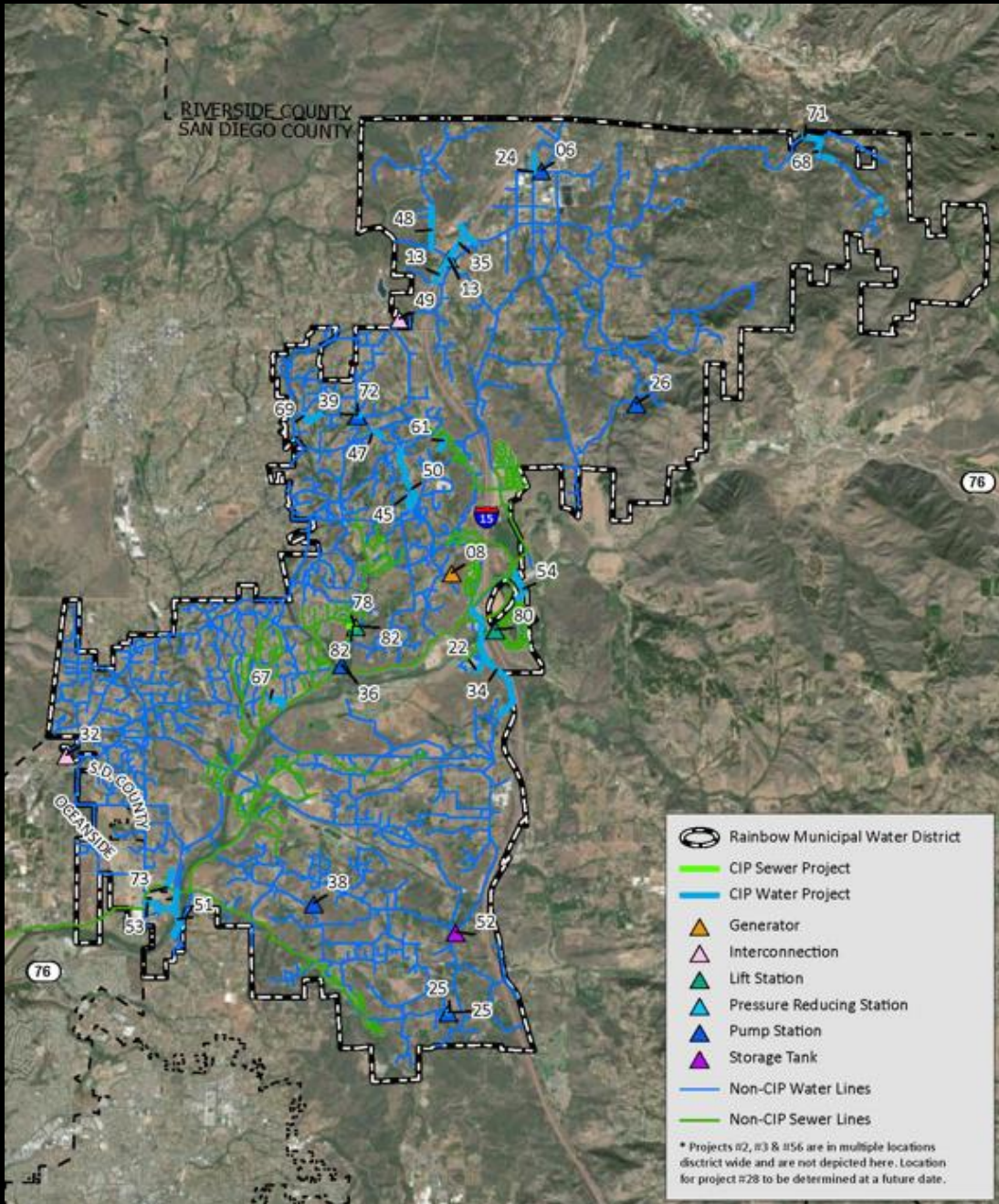


NORTH RIVER ROAD LAND OUTFALL REHABILITATION (PHASE 2 & 3) (530017) DIVISION 2

- Current Phase: NOC Filed
- 100% Complete
- FY 21/22 Approved Budget: \$536,759
- Amount Spent in FY21/22: \$454,593
- Change Orders: Three (3) totaling a credit of \$100,433

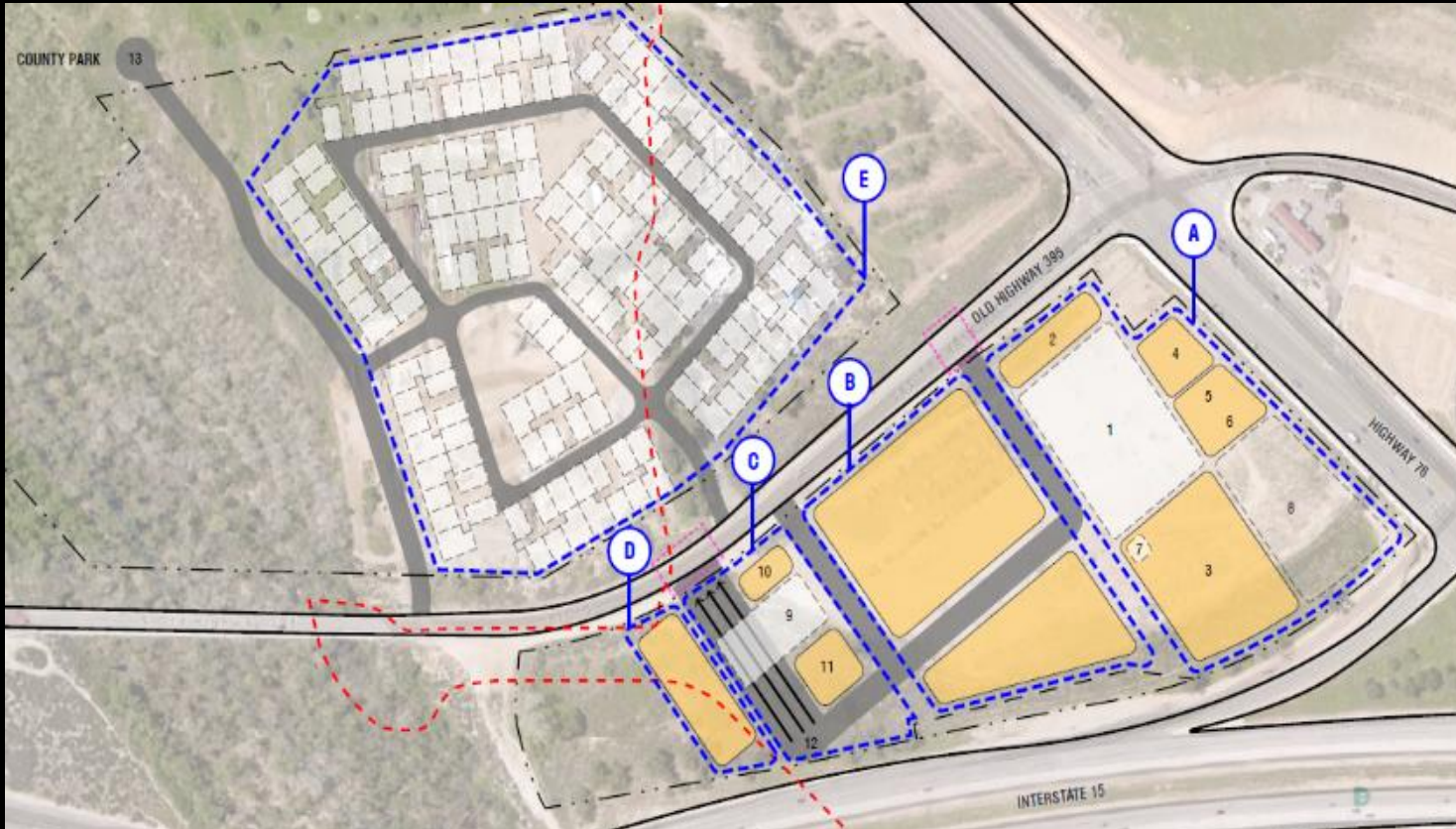
FY 21/22
CIP PROJECTS
IN PROGRESS

22 PROJECTS IN
PROGRESS



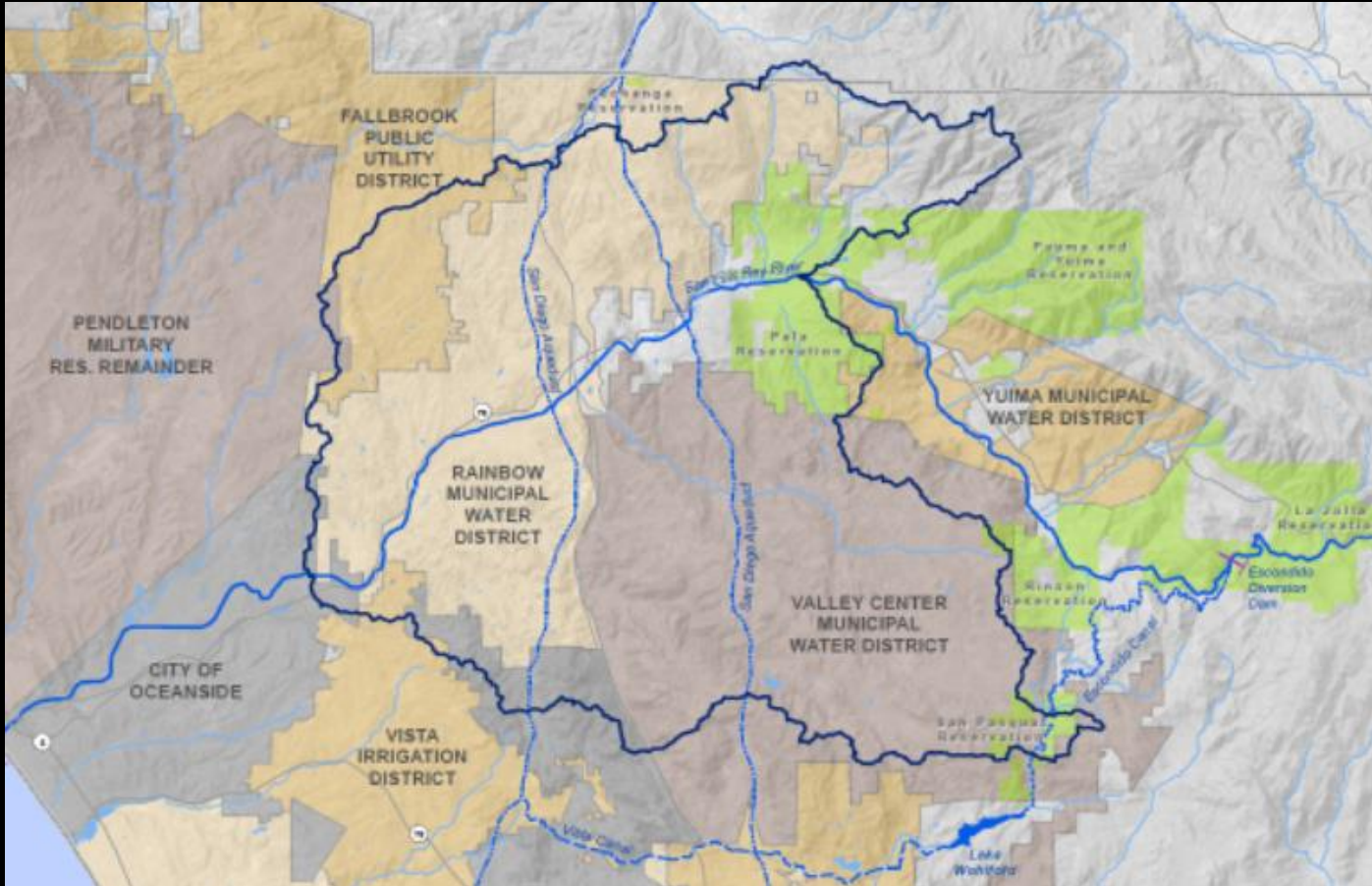
PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT (300007) DIVISION ALL

- Current Phase: Planning
- 75% Complete
- FY 21/22 Approved Budget: \$202,765
- Amount Spent in FY21/22: \$142,452
- FY 21/22 Change Order: One (1) totaling \$65,140



NEW DISTRICT HEADQUARTERS (300008) DIVISION 1

- Current Phase: Planning
- 10% Complete
- FY 21/22 Approved Budget: \$75,000
- Amount Spent in FY21/22: \$42,602
- FY 21/22 Change Orders: None



SAN LUIS REY IMPORTED RETURN FLOW RECOVERY (600003) DIVISION ALL

- Current Phase: Planning
- 15% Complete
- FY 21/22 Approved Budget: \$200,000
- Amount Spent in FY21/22: \$13,122
- FY 21/22 Change Orders: None



ISOLATION VALVE INSTALLATION PROGRAM (600009) DIVISION ALL

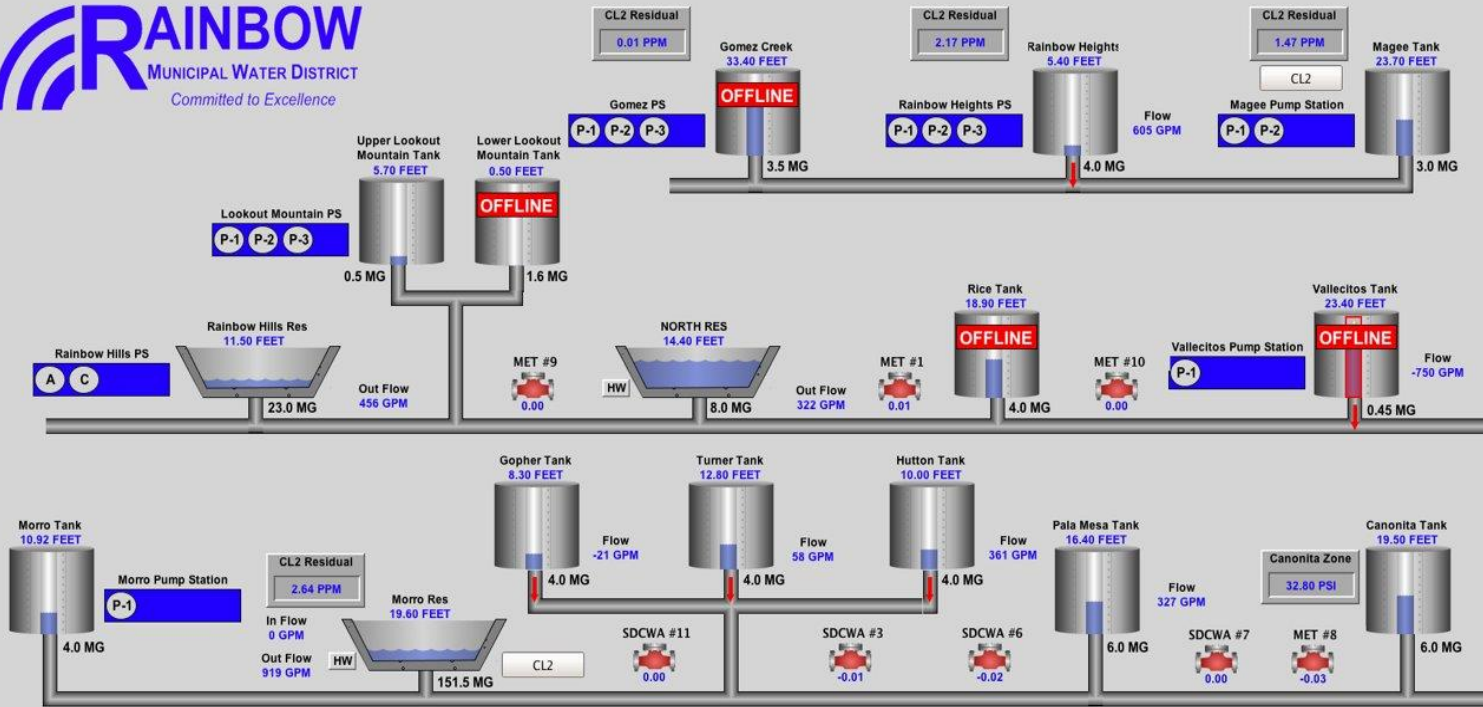
- Current Phase: Planning
- 15% Complete
- FY 21/22 Approved Budget: \$500,000
- Amount Spent in FY21/22: \$6,725
- FY 21/22 Change Orders: None



MORRO MIXING

(600035) DIVISION 2

- Current Phase: Construction
- 90% Complete
- FY 21/22 Approved Budget: \$123,000
- Amount Spent in FY21/22: \$41,110
- FY 21/22 Change Orders: None



WATER SYSTEM MONITORING PROGRAM (600019) DIVISION ALL

- Current Phase: Construction
- 35% Complete
- FY 21/22 Approved Budget: \$184,375
- Amount Spent in FY21/22: \$165,184
- FY 21/22 Change Orders: None



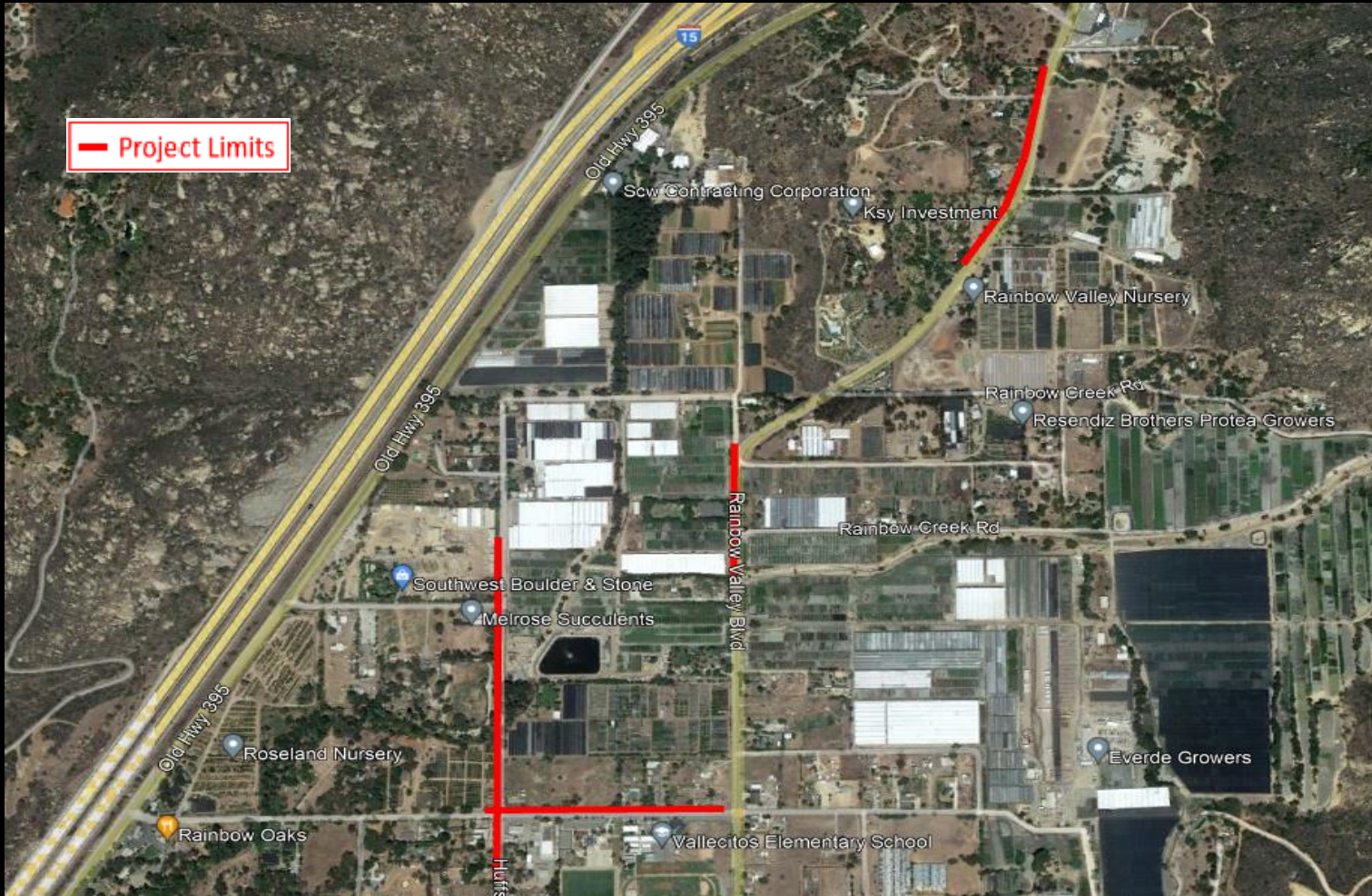
CAMINO DEL REY WATERLINE RELOCATION (600026) DIVISION 1

- Current Phase: Planning
- 5% Complete
- FY 21/22 Approved Budget: \$25,000
- Amount Spent in FY21/22: \$142
- FY 21/22 Change Orders: None



LIVE OAK PARK ROAD BRIDGE REPLACEMENT (600037) DIVISION 5

- Current Phase: Construction
- 40% Complete
- FY 21/22 Approved Budget: \$600,000
- Amount Spent in FY21/22: \$43,209
- FY 21/22 Change Orders: One (1) totaling \$24,290



RAINBOW WATER QUALITY IMPROVEMENTS (600077) DIVISION 5

- Current Phase: Design
- 30% Complete
- FY 21/22 Approved Budget: \$150,000
- Amount Spent in FY21/22: \$20,959
- FY 21/22 Change Orders: One (1) totaling \$6,290



CORROSION PREVENTION PROGRAM (600030) DIVISION ALL

- Current Phase: Construction
- 85% Complete
- FY 21/22 Approved Budget: \$638,000
- Amount Spent in FY21/22: \$335,008
- FY 21/22 Change Orders: None



GOMEZ & MAGEE PUMP STATION UPGRADES AND SUMAC RADIO TOWER

(600047) DIVISION 4 &5

- Current Phase: Design
- 25% Complete
- FY 21/22 Approved Budget: \$50,000
- Amount Spent in FY21/22: \$12,794
- FY 21/22 Change Orders: None



MANUAL TRANSFER SWITCHES

(600058) DIVISION ALL

- Current Phase: Design
- 25% Complete
- FY 21/22 Approved Budget: \$80,000
- Amount Spent in FY21/22: \$6,332
- FY 21/22 Change Orders: None

SARAH ANN DRIVE LINE 400A, FALLBROOK OAKS FORCE MAIN AND LIFT STATION (600068 & 530018) DIVISION 3

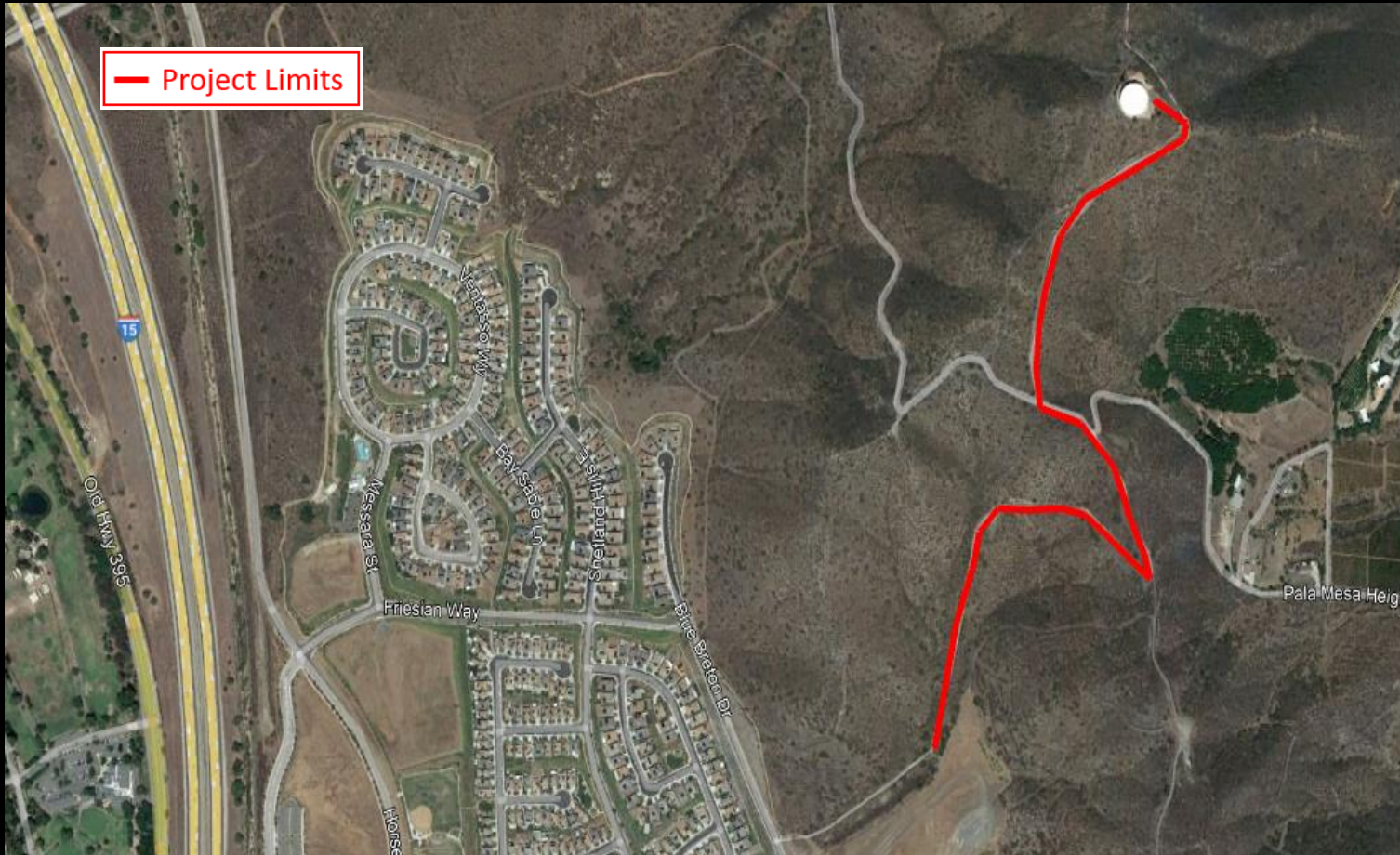


- Current Phase: Design
- 25% Complete
- FY 21/22 Approved Budget: \$30,000
- Amount Spent in FY21/22: \$0
- FY 21/22 Change Orders: None

RICE CANYON TANK PIPELINE

(600034)

DIVISION 4 & 5



- Current Phase: Construction
- 65% Complete
- FY 21/22 Approved Budget: \$2,700,000
- Amount Spent in FY21/22: \$1,675,174
- FY 21/22 Change Orders: Ten (10) totaling \$428,072



LIFT STATION 1 REPLACEMENT (530001) DIVISION 1, 2 & 4

- Current Phase: Construction
- 35% Complete
- FY 21/22 Approved Budget: \$6,500,000
- Amount Spent in FY21/22: \$3,167,176
- FY 21/22 Change Orders: Two (2) totaling a credit of \$305,098



PRESSURE REDUCING STATIONS (600007 & 600017) DIVISION ALL

- Current Phase: Construction
- 35% Complete
- FY 21/22 Approved Budget: \$150,000
- Amount Spent in FY21/22: \$82,397
- FY 21/22 Change Orders: None

FACILITY MAINTENANCE PROJECT



TANK MAINTENANCE & FALL PROTECTION (GL ACCOUNT 01-32- 72010) DIVISION ALL

- Current Phase: Construction
- 50% Complete
- FY 21/22 Approved Budget: \$1,004,000
- Amount Spent in FY21/22: \$680,527
- FY 21/22 Change Orders: None

WHOLESALE WATER EFFICIENCY PROJECTS



HUTTON & TURNER PUMP STATION UPGRADES (600013) DIVISION 1

- Current Phase: Design
- 15% Complete
- FY 21/22 Approved Budget: \$500,000
- Amount Spent in FY21/22: \$159,677
- FY 21/22 Change Orders: None



GIRD ROAD WATER MAIN (600079) DIVISION 3

- Current Phase: Design
- 30% Complete
- FY 21/22 Approved Budget: \$50,000
- Amount Spent in FY21/22: \$0
- FY 21/22 Change Orders: None



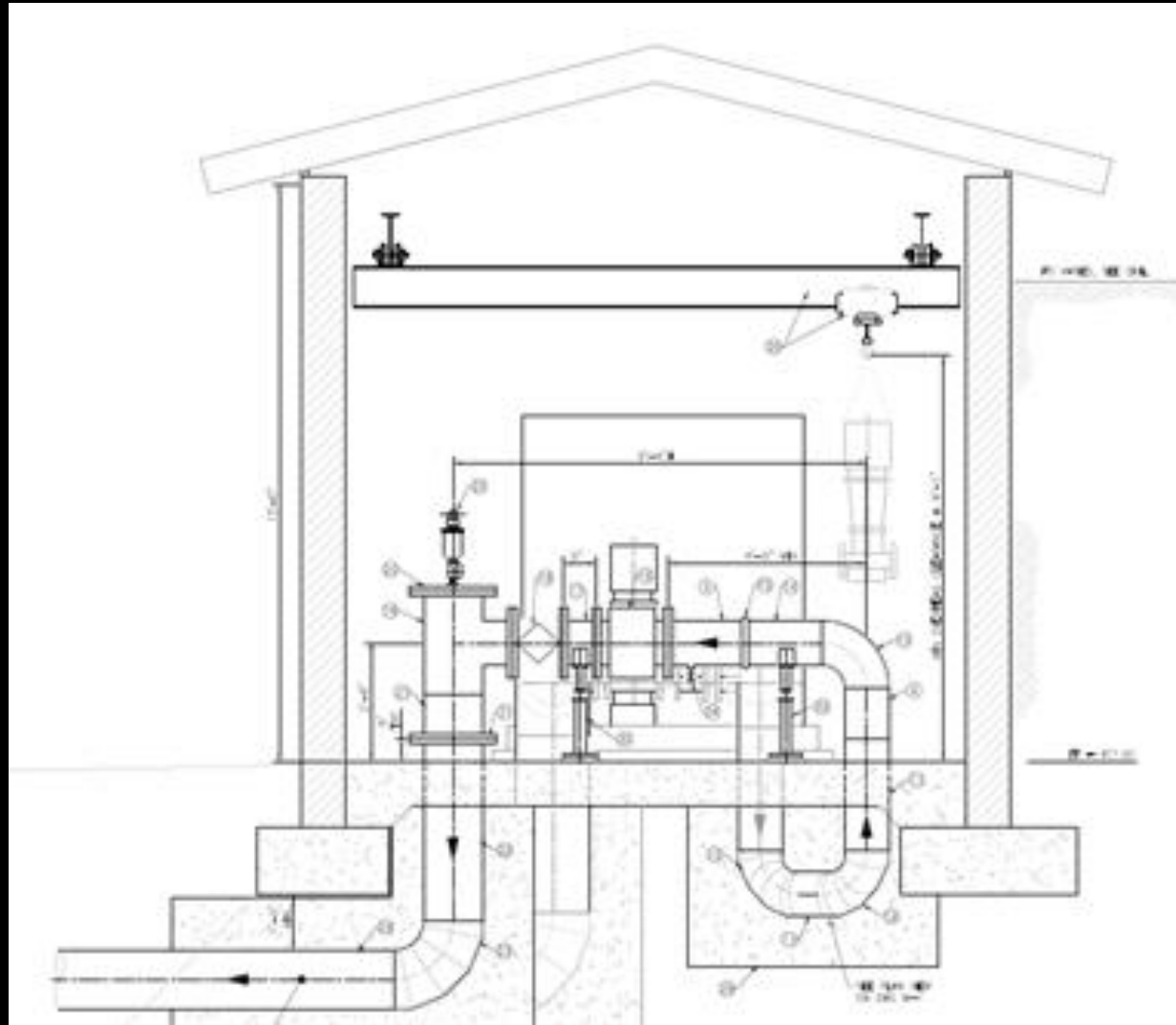
WILT ROAD FEEDER (18-INCH WATER LINE) (600078) DIVISION 3

- Current Phase: Design
- 20% Complete
- FY 21/22 Approved Budget: \$134,000
- Amount Spent in FY21/22: \$35,265
- FY 21/22 Change Orders: None

MORRO PUMP STATION UPGRADES (600084) DIVISION 2



- Current Phase: Planning
- 0% Complete
- FY 21/22 Approved Budget: \$50,000
- Amount Spent in FY21/22: \$0
- FY 21/22 Change Orders: None



WEESE WTP PERMANENT EMERGENCY INTERCONNECT AND PUMP STATION (600008) DIVISION 1

- Current Phase: Design
- 10% Complete
- FY 21/22 Approved Budget: \$25,000
- Amount Spent in FY21/22: \$860
- FY 21/22 Change Orders: None

QUESTIONS?



Fiscal Year 2022-23

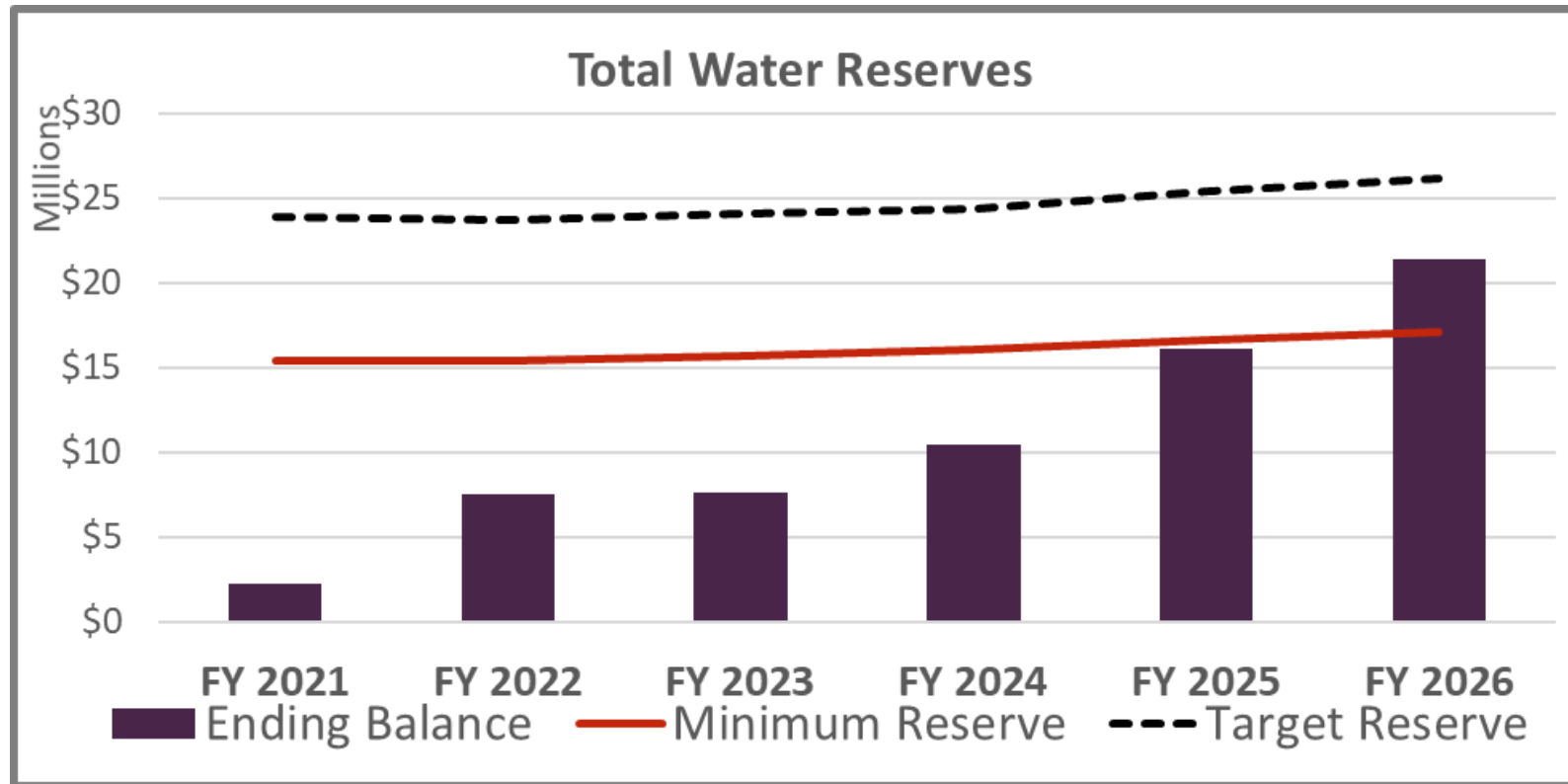
Rainbow MWD

Operating & Capital Improvement Plan (CIP) Budget

Operating Budget Assumptions

- **Rate Increases:**
 - *5% Revenue Adjustment as of August 1, 2022 per Cost-of-Service Study 5-year plan*
 - *Due to delay in LAFCO application for detachment*
 - *SDCWA Pass Through Charges as of January 1, 2022*
 - *CY 2023 - Wholesale Water Costs are in draft form*
 - *Costs will pass-through 1/1/2023*

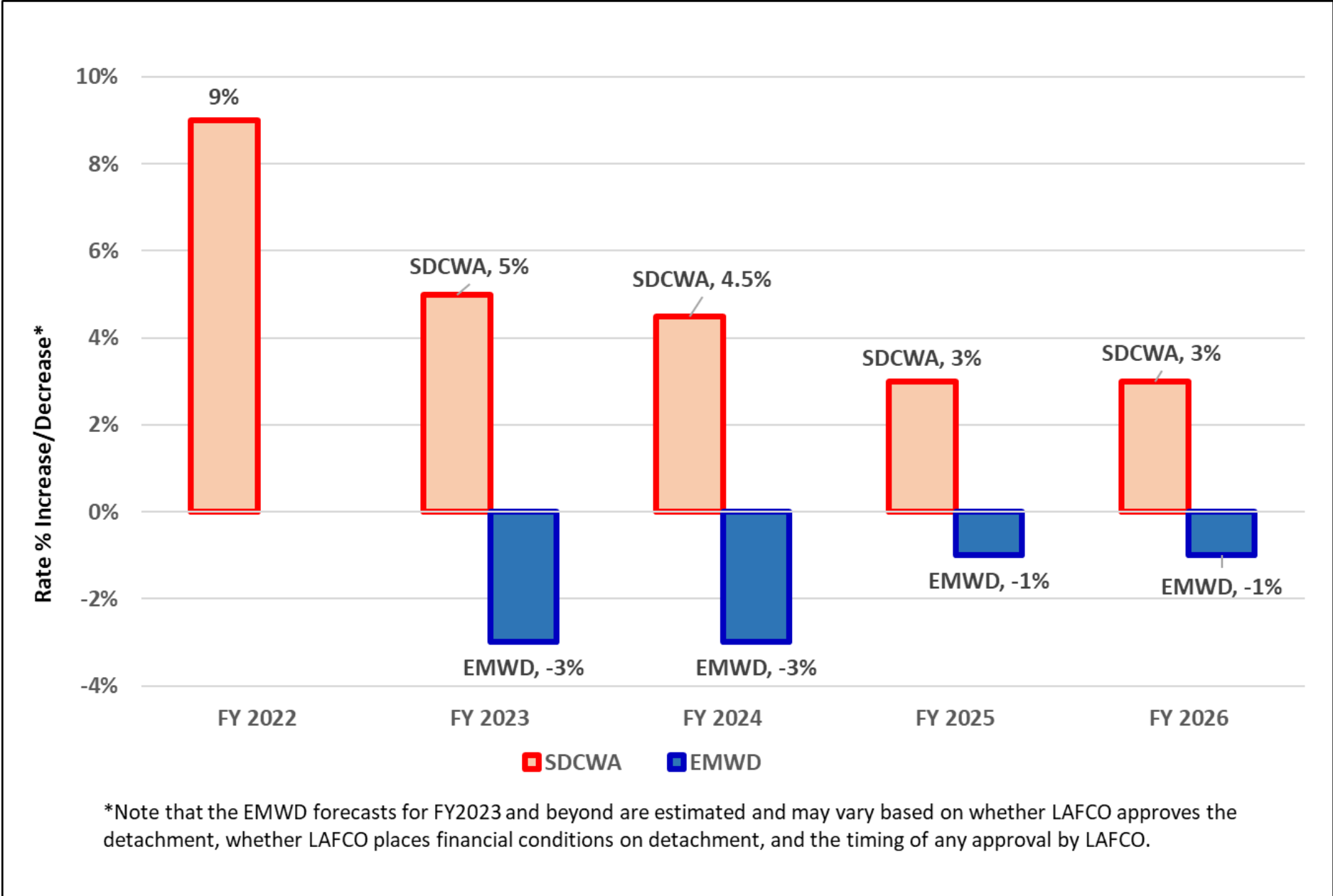
Water Fund Reserve Level



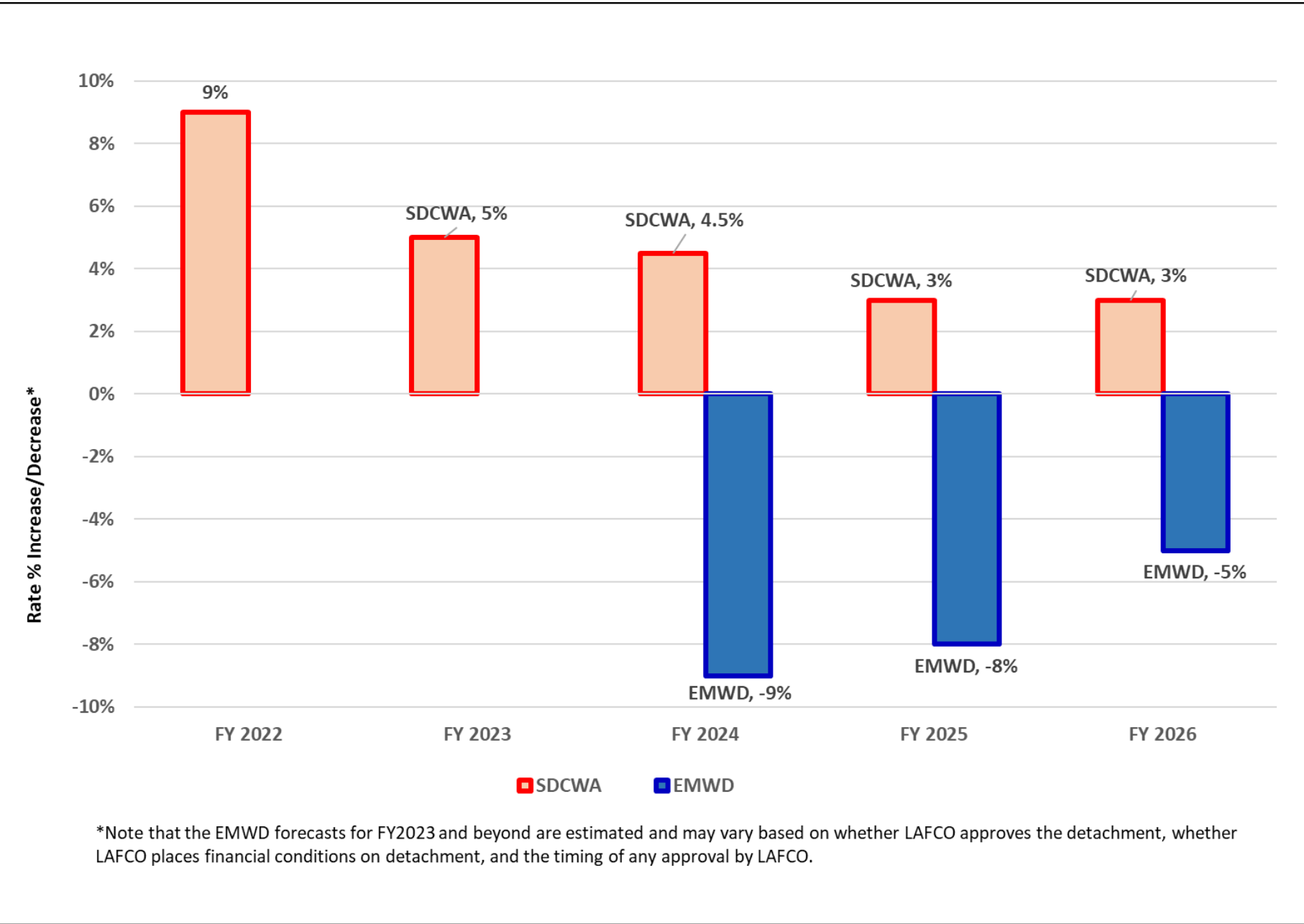
Remember - Rainbow rates had not been raised in almost 3 years!!!

- The rate increases approved in August 2021 enable a stepped approach to get to Minimum Reserve levels by FY 2026.

Estimated Rate Increases Based on the Two Different Supplier Scenarios

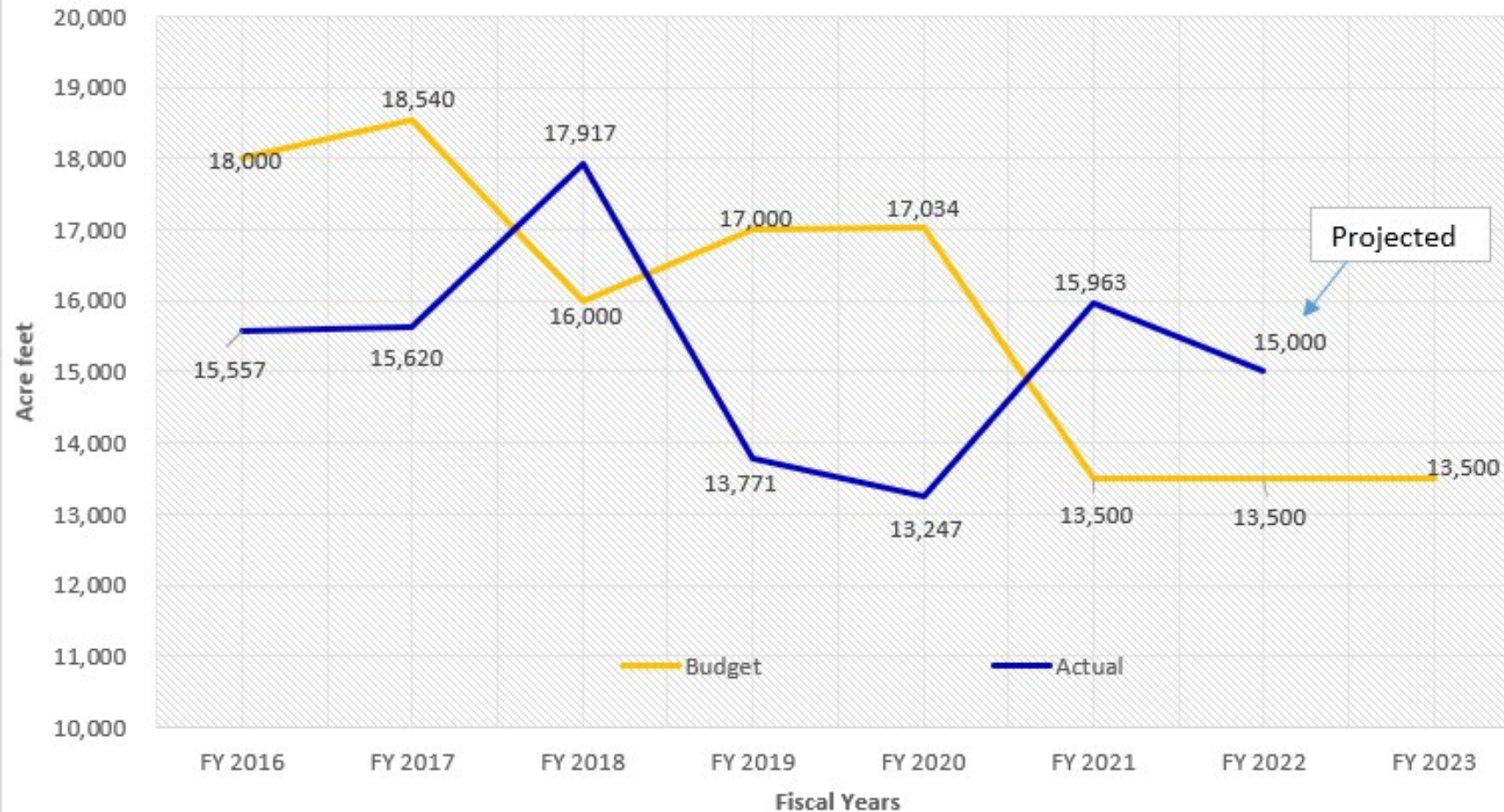


Estimated Rate Increases Based on the Two Different Supplier Scenarios



Revenue – Water Demand Assumptions

Water Sales Comparison



Revenues:

Water Demand Budget ~ 13,500 AF

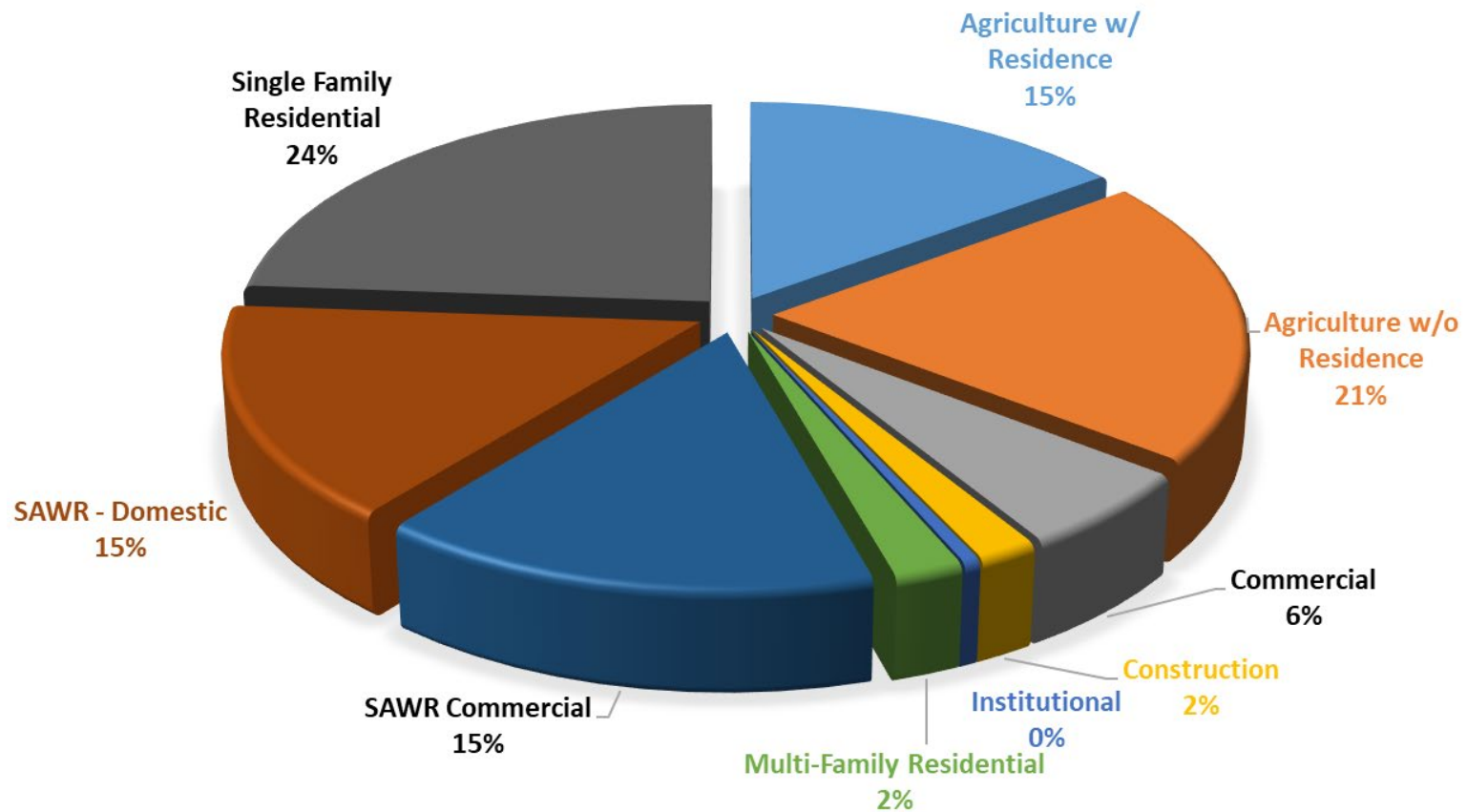
➤ Variable Rate Revenue

- Restriction Estimate 12,735 AF
 - 20% reduction for Single Family and Multi Family
 - 15% reduction on SAWR
 - Ag – no reduction
 - Based on PY Sales

➤ Fixed Rate Revenue

- Current connections plus developer planned connections in Citro and Bonsall Oaks.

Variable Revenue by Rate Class



Operating Budget Assumptions

Expenses:

- *Staffing Analysis Changes*
- *Fuel Increase 33%*
- *Reestablishment of Training & Travel*
- *Wastewater Cost of Service Study*

Operating Capital Items in FY 2023 Budget

Capital Asset Purchases - Construction

Skid Steer & Trailer	\$	125,000
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Capital Asset Purchases - Meters

Meters		63,000
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Capital Asset Purchases - Garage

A/C Recycler Machine		10,000
Unit #13 Silverado 1500		58,425
Unit #16 Silverado 2500		81,865
Unit #20 Silverado 2500		81,865
Unit #60 Silverado 1500		58,425
Unit #36 Silverado 3500		89,060

Capital Asset Purchases - Wastewater

Manhole CIP Rehab (10)		50,000
Trailer Jetter		40,000
Impeller upgrade for Horsecreek LS		30,000

Total	\$	687,640
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Operating Budget Summary by Fund

	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
Water Operating						
Water Revenues	\$ 33,983,258	\$ 43,696,720	\$ 41,114,791	\$ 43,975,091	\$ 44,836,269	9%
Water Expenses	34,941,459	41,494,429	38,561,030	40,170,379	40,663,668	5%
Water Operating Net Income	\$ (958,201)	\$ 2,202,291	\$ 2,553,761	\$ 3,804,713	\$ 4,172,601	
Wastewater Operating						
Wastewater Revenues	3,279,882	3,425,743	3,940,743	3,699,343	3,805,743	-3%
Wastewater Expenses	2,957,274	2,166,077	3,625,153	3,964,196	4,319,481	19%
Wastewater Operating Net Income	\$ 322,608	\$ 1,259,666	\$ 315,590	\$ (264,853)	\$ (513,738)	
General Operating						
General Revenues	7,177,298	8,955,571	8,365,633	8,180,076	9,148,280	9%
General Expenses	7,644,285	9,133,343	8,463,650	8,028,073	9,148,280	8%
General Operating Net Income	(466,987)	(177,773)	(98,018)	152,004	-	
CHANGE IN NET POSITION	(\$1,102,580)	\$3,284,185	\$2,771,333	\$3,691,863	\$3,658,864	

General Operating

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget	\$ Change from FY 22 Budget
Operating Revenues							
Water Overhead Transfer	\$ 5,334,257	\$ 7,176,180	\$ 6,746,207	\$5,680,326	\$ 6,859,307	2%	\$113,100
Wastewater Overhead Transfer	784,259	1,505,529	1,484,426	1,484,426	1,608,973	8%	
Other General Fund Revenue	1,058,782	273,862	135,000	1,015,324	680,000	404%	545,000
Total Operating Revenues	\$ 7,177,298	\$ 8,955,571	\$ 8,365,633	\$8,180,076	\$ 9,148,280	9%	782,647
Operating Expenses							
Board of Directors	\$ 23,336	\$ 16,843	\$ 40,475	\$ 28,401	\$ 50,101	24%	9,626 <i>Travel</i>
Garage	541,960	500,159	455,786	557,195	632,322	39%	176,536 <i>Fuel 33%, Supplies</i>
Administration	2,388,894	2,151,451	2,213,668	1,886,824	2,081,342	-6%	(132,326) <i>Prof Serv & Legal down-Total \$1M</i>
Human Resources	299,268	380,374	395,238	276,697	416,674	5%	21,435 <i>FT HR Assist</i>
Risk Management	866,462	960,809	1,039,899	932,496	940,192	-10%	(99,707) <i>District Claims</i>
Information Technology Services	452,011	954,149	1,500,137	1,310,160	1,604,844	7%	104,707
Finance	630,302	807,353	967,728	807,860	1,169,321	21%	201,593 <i>Travel & Grant Position</i>
Customer Service	716,867	701,148	533,278	567,754	594,822	12%	61,544 <i>CS Position</i>
Engineering	952,421	1,624,692	887,442	1,015,880	1,228,663	38%	341,221 <i>Management Analyst & % Capital Allocation</i>
GASB 68 Pension	772,764	1,036,365	430,000	644,806	430,000	0%	0
Total Operating Expenses	\$ 7,644,285	\$ 9,133,343	\$ 8,463,650	\$8,028,073	\$ 9,148,280	8%	684,629
CHANGE IN NET POSITION	\$ (466,987)	\$ (177,773)	\$ (98,018)	\$ 152,004	\$ -		\$98,018

Water Operating

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget	\$ Change from FY 22 Budget	
Operating Revenues								
Water Sales	\$ 33,151,021	\$ 41,766,896	\$ 40,234,126	\$ 42,038,323	\$ 43,655,604	9%	\$ 3,421,478	<i>Includes 5% Revenue Adjustment</i>
Other Water Services	315,532	139,218	324,665	202,826	324,664	0%	(1)	
Total Operating Revenues	\$ 33,466,553	\$ 41,906,114	\$ 40,558,791	\$ 42,241,149	\$ 43,980,268	8%	3,421,477	
Operating Expenses								
Purchased Water	21,917,914	25,916,888	22,985,877	24,280,021	23,701,080	3%	715,203	
Pumping	530,777	627,399	741,756	794,515	765,164	3%	23,408	
Operations	2,834,726	2,039,649	2,290,432	2,558,427	2,612,699	14%	322,267	<i>Utilities & Equip Maintenance</i>
Valve Maintenance	522,686	434,169	481,133	421,804	368,077	-23%	(113,055)	<i>Locator Position moved to Construction</i>
Construction	2,180,808	2,493,042	2,216,005	2,394,417	2,405,684	9%	189,679	<i>FT Position moved from Meters</i>
Meters	1,163,331	1,190,147	1,142,892	1,018,259	874,243	-24%	(268,649)	<i>FT Position moved to Construction</i>
General Fund Transfer	3,343,424	6,418,308	6,328,342	6,328,342	6,859,307	8%	530,965	<i>Travel, fuel, positions, capital allocation</i>
Total Operating Expenses	\$ 32,493,666	\$ 39,119,602	\$ 36,186,436	\$ 37,795,785	\$ 37,586,254	4%	1,399,817	
Non-Operating Revenues								
Investment Income	2,553	458	-	100,000	100,000	0%	100,000	
Property Tax Revenue	410,029	438,511	620,000	621,041	650,000	5%	30,000	
Other Non-Operating Revenue	104,123	1,351,637	106,000	1,012,901	106,000	0%	0	
Total Non-Operating Revenues	\$ 516,705	\$ 1,790,606	\$ 726,000	\$ 1,733,942	\$ 856,000	18%	130,000	
Non-Operating Expenses								
Debt Service	2,447,793	2,374,827	2,374,594	2,374,594	3,077,414			
Total Non-Operating Expenses	\$ 2,447,793	\$ 2,374,827	\$ 2,374,594	\$ 2,374,594	\$ 3,077,414	30%	702,820	
CHANGE IN NET POSITION	\$ (958,201)	\$ 2,202,291	\$ 2,723,761	\$ 3,804,713	\$ 4,172,601		\$ 1,448,840	
	13,200AF	15,900AF	13,500AF	15,000AF	13,500AF			

Wastewater Operating

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget	Change from FY 22 Budget
Operating Revenues							
Wastewater Revenues	\$ 3,168,882	\$ 3,314,743	\$ 3,874,743	\$ 3,614,743	\$ 3,739,743	-3%	\$ (135,000)
Other Revenues	111,000	111,000	66,000	84,600	66,000	0%	0
Total Wastewater Revenues	\$3,279,882	\$ 3,425,743	\$ 3,940,743	\$ 3,699,343	\$ 3,805,743	-3%	\$ (135,000)
Operating Expenses							
Total Payroll Expenses	615,146	644,213	623,418	693,682	678,835	9%	55,417
Total Maintenance & Supply	1,557,869	16,335	1,517,309	1,786,088	2,031,672	34%	514,363 <i>Line cleaning & Equipment Rental</i>
General Fund Transfer	784,259	1,505,529	1,484,426	1,484,426	1,576,608	6%	92,182
Total Wastewater Expenses	\$2,957,274	\$ 2,166,077	\$ 3,625,153	\$ 3,964,196	\$ 4,287,115	18%	\$ 661,962
CHANGE IN NET POSITION	\$ 322,608	\$ 1,259,666	\$ 315,590	\$ (264,853)	\$ (481,372)		\$ (796,962) <i>Rate Increase will be Needed in FY23</i>

A Cost-of-Service Study is Budgeted for FY 23 to bring Wastewater Rates in line with costs.

Transfers from Operating are **100% contingent on Rate Increases** for FY 22-26

Operating & Debt Service Fund Balances

Fund Balances:	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	New Water Sources	Debt Service	TOTAL
	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 21/22
Beginning Available Balance	\$2,733,343	\$799,694	\$1,415,445	\$1,622,352	\$1,539,015	\$829,804	\$8,939,653
Budgeted Operating Surplus (Loss)	4,172,601	(513,738)			200,000		3,858,864
Budgeted Transfer to Water Capital*	(3,500,000)				(600,000)		(4,100,000)
Transfer to/from Rate Stabilization	(800,000)			800,000			
Transfers In/(Out)							0
Projected Ending Available Balance	\$2,605,944	\$285,956	\$1,415,445	\$2,422,352	\$1,139,015	\$829,804	\$8,698,517

*Transfer from Operating to Capital is based on Cost of Service Study. The transfer amount in any FY on this sheet is from PY proceeds and is determined after year end close, audit, and completion of Reserve Policy Calculations.

Capital Budget Assumptions

Capital Funding - *Proposed 5-year Plan*

Funding

- *Based on Transfers from Operating Fund and Rate Increases approved for FY 22 through FY 26*
- *FY 23 Forecasted Capacity Fees Water \$10.2M, Wastewater \$18.9M*
- *Wholesale Water Efficiency Loan \$10M at 4.02%*
- *Grant Opportunities*

Capital Budget Assumptions

Capital Outlay - *Proposed 5-year Plan*

Water Capital Projects

- 5-Year Budget \$28M
 - FY23 Budget \$7.3M

Wholesale Water Efficiency Capital Projects

- 5-Year Budget \$10M
 - Includes 2 projects to be done in-house at an estimated savings of \$3M
 - Savings are contingent on in-house staffing level capacity

Wastewater Capital Projects

- 5-Year Budget \$18.8M
 - FY23 \$10.9M

Transfers from Operating are **100% contingent on Rate Increases** for FY 22-26

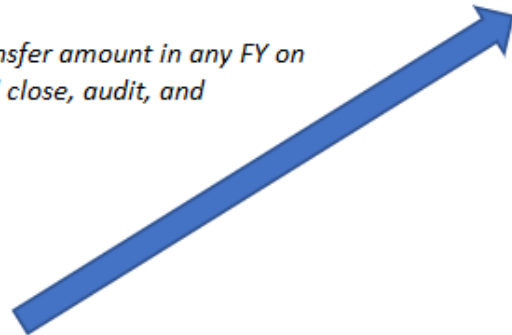
Water Capital - Fund 60 Projected Balance

	<i>Adjusted Budget</i> FY 21/22	<i>Year 1 Proposed Budget</i> FY 22/23	<i>Year 2 Proposed Budget</i> FY 23/24	<i>Year 3 Proposed Budget</i> FY 24/25	<i>Year 4 Proposed Budget</i> FY 25/26	<i>Year 5 Proposed Budget</i> FY 25/27
Fund Balances:						
Beginning Available Balance	\$8,555,327	\$7,488,906	\$5,379,016	\$5,555,797	\$8,573,788	\$7,198,337
Budgeted Transfer from Operating Reserves*	2,416,115	3,500,000	3,000,000	3,000,000	3,000,000	3,000,000
New Water Sources Funds		600,000	600,000	0	0	0
Forecasted Capacity Fees	2,756,301	1,162,750	356,781	3,342,991	3,384,549	1,974,197
Total Available Funding	13,727,743	12,751,656	9,335,797	11,898,788	14,958,337	12,172,534
Less Capital Project Budgets-Water	(6,238,837)	(7,372,640)	(3,780,000)	(3,325,000)	(7,760,000)	(5,750,000)
Projected Ending Available Balance	\$7,488,906	\$5,379,016	\$5,555,797	\$8,573,788	\$7,198,337	\$6,422,534

*Transfer from Operating to Capital is based on Cost of Service Study. The transfer amount in any FY on this sheet is from PY operating/rate revenue and is determined after year end close, audit, and completion of Reserve Policy Calculations.

Target Balance

- Minimum (1 year of 5-year average CIP) \$ 5,597,528
- Ideal Target (2 year of 5-year average CIP) \$ 11,195,056



Water Capital Project Budgets:

#	Project	Year-to-Date			Year 1	Year 2	Year 3	Year 4	Year 5
		Expended 4/30/2022	Adjusted Budget	Projected Spend	Planned Budget	Planned Budget	Planned Budget	Planned Budget	Planned Budget
		FY 21/22	FY 21/22	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
300007	Programatic EIR for Existing Easements**	\$ 142,452	\$ 202,765	\$ 202,765	\$ 75,000	\$ -	\$ -	\$ -	\$ -
300008	New District Headquarters	42,602	75,000	-	50,000	500,000	500,000	500,000	500,000
600001	Rainbow Heights PS (#1) Upgrades/Recon*	1,460,277	1,573,672	1,573,672					
600003	San Luis Rey Imported Return Flow Recovery	13,122	200,000	-	600,000	600,000			
600007	Pressure Reducing Stations	81,009	150,000	150,000	150,000	150,000	500,000	150,000	150,000
600009	Isolation Valve Installation Program	6,725	500,000	-	500,000				
600019	Water System Monitoring Program	165,184	184,375	-	185,000	25,000			
600026	Camino Del Rey Waterline Reloaction	142	25,000	25,000	25,000	25,000	25,000		
600030	Corrosion Prevention Program Development and Implementation****	335,008	638,000	638,000	600,000	600,000	600,000	600,000	
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor***	1,675,174	2,700,000	2,700,000	2,900,000				
600035	Morro Mixing	41,110	123,000	123,000					
600037	Live Oak Park Road Bridge Replacement	43,209	50,000	50,000	600,000				
600040	Vallecitos PS Relocation	124	-	-			500,000	1,400,000	200,000
600043	Eagles Perch Water Pipeline Improvements (PUP)		-	-			300,000	1,300,000	
600047	Communitty Power Resiliency Generator Grant (Generator at Sumac)	12,794	50,000	50,000		1,050,000			
600048	Northside Zone Supply Redundancy	-	-	-				150,000	
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	
600058	Electrical Panel Switches	6,332	80,000	80,000		130,000			
600065	Rainbow Glen Water Main Replacement	9,322							
600067	Pala Mesa Fairways 383 A and C	-	-	-			250,000		
600068	Sarah Ann Drive Line 400 A	-	30,000	30,000	-			35,000	1,500,000
600069	Wilt Road (1331)	-	-	-				150,000	350,000
600070	Katie Lendre Drive Line (PUP)	-	-	-					250,000
600071	Del Rio Estates Line Ext 503	-	-	-					250,000
600072	East Heights Line 147L	-	-	-					150,000
600073	East Heights Line 147A	-	-	-					250,000
600074	Via Zara - PUP	-	-	-				125,000	250,000
600075	Roy Line Ext	-	-	-					250,000
600077	Rainbow Water Quality Improvement	20,959	150,000	-	920,000				
600080	Los Alisos South 243	-	-	-					150,000
600081	Heli-Hydrant on Tank	194,627	230,000	230,000					
	Moosa Line & Valves					200,000			
NA	Department Level Capital Expenses	-	386,400	386,400	767,640	500,000	500,000	500,000	500,000
Total		\$ 4,251,320	\$ 7,348,212	\$ 6,238,837	\$ 7,372,640	\$ 3,780,000	\$ 3,325,000	\$ 7,760,000	\$ 5,750,000

Wholesale Water Efficiency Fund 62 Capital Project Budgets:

Funded by Western Alliance Loan

Project #	Project Name	Year-to-Date	Year 1	Year 2	Year 3	Year 4	Year 5
		Expended 4/30/2022	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Approved Budget
		FY 21/22	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
600008	Weese WTP Permanent Emergency Interconnect Pump Station	\$ 860	\$ 25,000	\$ 825,000	\$ -	\$ -	\$ -
600013	Hutton & Turner Pump Stations (SDCWA Shutdowns)	159,677	500,000	2,375,000	2,475,000		
600084	Morro Pump Station		50,000	250,000	1,225,000		
600078	Wilt Road Feeder (18 inch Water Line)	35,265	134,000	750,000	444,000		
600079	Gird Road 1,600' upsize from 12" to 18" or larger	-	50,000	597,000			
Total		\$230,223	\$759,000	\$4,797,000	\$4,144,000	\$0	\$0
		-	-	-	-	-	-
Financing		\$230,223	\$759,000	\$4,797,000	\$4,144,000	\$0	\$0
Projected Ending Available Balance			\$8,941,000	\$4,144,000	\$0		

**Cost of Service Study &
Rate Increase needed in FY23!**

Wastewater - Fund 52 & 53 Projected Fund Balance

	<i>Adjusted Budget</i> FY 21/22	<i>Year 1 Proposed Budget</i> FY 22/23	<i>Year 2 Proposed Budget</i> FY 23/24	<i>Year 3 Proposed Budget</i> FY 24/25	<i>Year 4 Proposed Budget</i> FY 25/26	<i>Year 5 Proposed Budget</i> FY 25/26
Fund Balances:						
Beginning Available Balance*	\$6,430,455	(\$242,768)	(\$611,842)	(\$69,464)	\$1,752,466	\$2,849,565
Restricted CFD Funds (Citro)		10,500,000				
Interfund Loan**						
Transfer from Operating Reserves			500,000	500,000	500,000	500,000
Forecasted Sewer Connections	508,536	42,378	42,378	1,471,929	4,047,099	3,383,177
Total Available Funding	6,938,991	10,299,611	(69,464)	1,902,466	6,299,565	6,732,742
Less: Capital Project Budgets-Wastewater	(7,181,759)	(10,911,452)	0	(150,000)	(3,450,000)	(4,375,000)
Projected Ending Available Balance	(\$242,768)	(\$611,842)	(\$69,464)	\$1,752,466	\$2,849,565	\$2,357,742

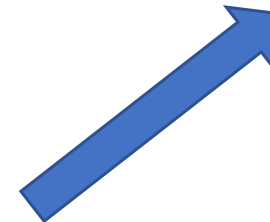
Target Balance

Minimum (1 year of 5-year average CIP)

\$ 4,338,642

Ideal Target (2 year of 5-year average CIP)

\$ 8,677,284



Wastewater Capital Project Budgets:

Project #	Project Name	Year-to-Date Expended 4/30/2022	Adjusted Budget FY 21/22	Year 1 Planned Budget FY 22/23	Year 2 Planned Budget FY 23/24	Year 3 Planned Budget FY 24/25	Year 4 Planned Budget FY 25/26	Year 5 Planned Budget FY 26/27
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement)	\$ 3,167,176	\$ 6,500,000	\$10,791,452	\$ -	\$ -	\$ -	\$ -
530006	Sewer System Rehabilitation Program	-	30,000					
530017	N River Road Land Outfall Rehabilitation (Operations Project)	454,593	536,759					
530018	Fallbrook Oaks Forcemain and Manhole Replacement	-	-				\$150,000	1,650,000
530019	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar		50,000					100,000
530020	Rancho Viejo LS Wet Well Expansion	-	-				500,000	1,000,000
530023	Replace Rancho Monserate LS Emergency Generator	-	-					125,000
XXXXX	HQ B-Plant Dry Well		-				250,000	1,000,000
XXXXX	HQ B-Plant Generator Replacement		-			50,000	250,000	500,000
XXXXX	Pala Mesa Sewer CIPP Lining		-			50,000	650,000	
XXXXX	Oakcliff Sewer CIPP Lining		-			50,000	650,000	
XXXXX	Old River Road between LS#1 & LS#2		-				1,000,000	
N/A	Department Level Capital Expenses	-	65,000	120,000				
Total		\$ 3,621,769	\$ 7,181,759	\$10,911,452	\$ -	\$ 150,000	\$ 3,450,000	\$ 4,375,000

Recommendation:

- Staff is recommending approval of Resolution 22-14 adopting the Fiscal Year 2022-2023 Budget in its present form.

Supplemental Information...

WATER REVENUE

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed*	% Change from FY 22 Budget
01-99-41110	Water Sales-SF, MF, CM, IS	\$ 7,615,763	\$ 9,919,500	\$ 9,624,692	\$ 9,085,901	\$ 10,427,223	8%
01-99-41120	Water Sales-Agriculture Dom	980,383	1,412,186	1,078,144	4,036,254	4,018,492	273%
01-99-41160	Water Sales- Agriculture	3,485,134	4,141,221	3,961,854	5,772,256	5,745,822	45%
01-99-41170	Water Sales-Construction	114,888	584,430	79,300	429,065	542,306	584%
01-99-41180	Water Sales - TSAWR Com	4,582,146	4,676,021	3,790,189	3,368,936	2,535,668	-33%
01-99-41190	Water Sales- TSAWR Dom	3,224,834	6,109,637	5,204,097	4,080,196	3,063,630	-41%
01-99-42120	Monthly O&M Charges - RMWC	7,651,130	8,668,323	10,349,497	8,995,337	10,574,720	2%
01-99-42121	Monthly O&M Charges - CWA	4,590,501	5,238,813	5,242,912	5,362,716	5,846,502	12%
01-99-42130	Readiness-To-Serve Rev	295,131	296,550	295,130	296,550	295,130	0%
01-99-42140	Pumping Charges	611,112	720,215	608,312	611,112	606,112	0%
01-99-43101	Operating Inc Turn On Fees	-	50	5,000	50	5,000	0%
01-99-43102	Operating Inc Penalty/Int Chgs	-	0	-	-	-	-
01-99-43104	Operating Income R.P. Charges	239,327	28,414	245,665	28,414	245,665	0%
01-99-43106	Operating Inc Water Letter Fee	-	-	-	1,700	-	-
01-99-43108	Operating Inc Plans & Specs	-	-	-	-	-	-
01-99-43110	Operating Inc Inspections	44,295	67,215	20,000	129,123	20,000	0%
01-99-43111	Operating Inc Install Fees, Hyd	2,070	5,175	2,000	5,175	2,000	0%
01-99-43114	Operating Inc-Miscellaneous	-	4,910	7,000	4,910	7,000	0%
01-99-43116	New Meter Sales/Install Parts	29,760	32,035	40,000	32,035	40,000	0%
01-99-43117	Notice Delivery Revenue	80	1,419	5,000	1,419	5,000	0%
Total Operating Revenues		\$ 33,466,553	\$ 41,906,114	\$ 40,558,791	\$ 42,241,149	\$ 43,980,269	8%
01-00-49102	Non-Operating Inc-NSF Ck Fee:	-	0	3,000	0	3,000	0%
01-00-49107	Recycling Revenue	5,897	12,901	8,000	12,901	8,000	0%
01-00-49109	Miscellaneous Revenue	98,226	1,338,736	95,000	1,000,000	95,000	0%
01-00-49200	Interest Revenues-Water Fund	2,553	458	-	100,000	100,000	-
01-00-49301	Property Tax Rev. - Ad Valorem	410,029	438,511	620,000	621,041	650,000	5%
Total Non-Operating Revenues		\$ 516,705	\$ 1,790,606	\$ 556,000	\$ 1,733,942	\$ 856,000	54%
TOTAL WATER REVENUES		\$ 33,983,258	\$ 43,696,720	\$ 41,114,791	\$ 43,975,091	\$ 44,836,269	9%

PURCHASED WATER

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
01-99-50001	Water Purchases	\$18,045,733	\$ 21,771,163	\$18,917,958	\$ 19,986,659	\$ 19,252,770	2%
01-99-50003	Water in Storage	(121,495)	136,725	-	-	-	0%
01-99-50005	Ready to Serve Charge	503,754	493,806	466,806	498,780	453,090	-3%
01-99-50006	Infrastructure Access Charge	579,672	694,944	751,044	694,944	758,424	1%
01-99-50008	Ag Credit-TSAWR	(1,026,642)	(1,241,399)	(1,204,869)	(1,009,721)	(774,683)	36%
01-99-50010	Customer Service Charge	1,085,054	1,091,801	1,065,960	1,109,124	1,048,554	-2%
01-99-50011	Capacity Reservation Charge	400,230	419,928	461,478	419,934	403,188	-13%
01-99-50012	Emergency Storage Charge	1,616,669	1,603,377	1,545,714	1,603,380	1,539,042	0%
01-99-50013	Supply Reliability Charge	834,939	946,543	981,786	976,920	1,020,696	4%
	Total Purchased Water	\$21,917,914	\$ 25,916,888	\$22,985,877	\$ 24,280,021	\$ 23,701,080	3%
01-99-52176	Overhead Transfer to General	3,343,424	6,418,308	6,328,342	6,328,342	6,859,307	8%
		\$ 3,343,424	\$ 6,418,308	\$ 6,328,342	\$ 6,328,342	\$ 6,859,307	\$ 0

PUMPING EXPENSE

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
01-31-56101	Regular Salaries	\$ 25,602	\$ 27,498	\$ 28,456	\$ 11,032	\$ 29,864	5%
01-31-56103	Overtime & Comp Time	2,797	2,646	500	782	1,000	100%
	Total Payroll Expenses	\$ 28,399	\$ 30,144	\$ 28,956	\$ 11,814	\$ 30,864	7%
01-31-63100	Equipment Maint. & Repair	23,379	72,577	56,500	8,511	57,000	1%
01-31-63401	Building Maintenance	17,463	15,149	11,000	27,065	4,000	-64%
01-31-72000	Supplies & Services	23,026	36,332	195,000	108,088	33,000	-83%
01-31-73000	Small Tools & Equipment	-	-	300	-	300	0%
01-31-78000	Utilities - Electricity	438,511	473,197	450,000	639,037	640,000	42%
	Total Maintenance & Supply	\$ 502,378	\$ 597,255	\$ 712,800	\$ 782,701	\$ 734,300	3%
	TOTAL PUMPING EXPENSES	\$ 530,777	\$ 627,399	\$ 741,756	\$ 794,515	\$ 765,164	0%

OPERATIONS EXPENSE

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
01-32-56101	Regular Salaries	\$ 842,651	\$ 713,272	\$ 510,902	\$ 654,004	\$ 548,660	7%
01-32-56103	Overtime & Comp Time	111,954	128,312	90,000	97,234	100,000	11%
01-32-56501	Employer's Share SSI	49,351	38,621	32,829	34,158	35,057	7%
01-32-56502	Employer's Share Medicare	11,774	9,969	7,821	8,614	8,389	7%
01-32-56503	Medical Insurance	116,938	96,285	98,661	87,957	88,449	-10%
01-32-56504	Dental Insurance	11,636	9,482	9,695	8,775	9,695	0%
01-32-56505	Vision Insurance	1,401	1,132	1,130	1,041	1,130	0%
01-32-56506	Life, S/T, L/T Disability Ins.	11,535	5,297	6,168	5,521	6,626	7%
01-32-56507	Retirement-CalPERS	78,661	57,694	62,144	54,067	66,449	7%
01-32-56512	Tuition Reimbursement	711	440	2,000	-	1,000	-50%
01-32-56515	Worker's Comp. Insurance	29,737	18,157	19,598	32,517	30,025	53%
01-32-56516	State Unemployment Ins, E.T.T.	1,701	1,295	1,190	1,701	1,085	-9%
01-32-56518	Duty Pay	14,100	13,600	20,644	17,688	20,644	0%
01-32-56520	Deferred Compensation	17,600	17,195	17,550	17,413	18,200	4%
	Total Payroll Expenses	\$1,299,750	\$ 1,110,750	\$ 880,332	\$1,020,689	\$ 935,409	6%
01-32-60000	Electronics	9,213	5,071	13,000	14,834	13,000	0%
01-32-63100	Equipment Maint. & Repairs	4,403	7,143	11,000	-	8,000	-27%
01-32-63102	Equipment Maint. Contract	4,568	31,989	25,500	3,728	33,500	31%
01-32-63200	Equipment Rental	99,006	41,356	42,000	41,992	42,000	0%
01-32-63401	Building Maintenance	13,094	44,956	26,000	27,728	22,000	-15%
01-32-72000	Supplies & Services	574,108	309,600	200,000	407,895	88,000	-56%
01-32-72010	Tank Maintenance	757,731	416,189	1,004,000	890,564	1,327,690	32%
01-32-72150	Regulatory Permits	55,782	52,149	58,600	58,256	58,600	0%
01-32-72700	Printing & Reproductions	-	-	2,000	-	1,000	-50%
01-32-73000	Small Tools & Equipment	3,045	5,226	15,500	15,475	7,500	-52%
01-32-75300	Travel/Conferences/Training	380	-	-	2,048	1,000	0%
01-32-78000	Utilities	13,646	15,220	12,500	75,217	75,000	500%
	Total Maintenance & Supply	\$1,534,976	\$ 928,899	\$ 1,410,100	\$1,537,738	\$1,677,290	19%
	TOTAL OPERATIONS EXPENSES	\$2,834,726	\$ 2,039,649	\$ 2,290,432	\$2,558,427	\$2,612,699	14%

VALVE MAINTENANCE EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
01-33-56101	Regular Salaries	\$ 269,703	\$ 203,285	\$ 284,646	\$ 204,444	\$ 202,860	-29%
01-33-56103	Overtime & Comp Time	11,257	3,010	5,000	8,544	7,000	40%
01-33-56501	Employer's Share SSI	23,318	17,767	17,648	17,457	12,577	-29%
01-33-56502	Employer's Share Medicare	5,453	4,276	4,127	4,130	2,941	-29%
01-33-56503	Medical Insurance	71,620	58,936	59,736	54,276	34,970	-41%
01-33-56504	Dental Insurance	7,172	5,890	5,817	5,294	3,878	-33%
01-33-56505	Vision Insurance	854	687	678	617	452	-33%
01-33-56506	Life, S/T, L/T Disability Ins.	3,561	2,992	3,245	2,788	2,317	-29%
01-33-56507	Retirement-CalPERS	38,613	32,586	34,727	29,135	24,769	-29%
01-33-56512	Tuition Reimbursement	631	473	1,000	469	1,000	0%
01-33-56515	Worker's Comp. Insurance	16,088	10,682	10,343	16,829	10,528	2%
01-33-56516	State Unemployment Ins, E.T.T.	952	777	714	933	434	-39%
01-33-56520	Deferred Compensation	10,625	8,350	8,450	8,206	5,850	-31%
	Total Payroll Expenses	\$ 459,847	\$ 349,712	\$ 436,133	\$ 353,123	\$ 309,577	-29%
01-33-72000	Supplies & Services	61,098	75,800	40,000	68,008	55,000	38%
01-33-73000	Small Tools & Equipment	1,171	8,658	5,000	673	3,500	-30%
01-33-75300	Travel/Conferences/Training	570	-	-	-	-	0%
	Total Maintenance & Supply	\$ 62,839	\$ 84,457	\$ 45,000	\$ 68,681	\$ 58,500	30%
	TOTAL VALVE MAINTENANCE EXPENSES	\$ 522,686	\$ 434,169	\$ 481,133	\$ 421,804	\$ 368,077	-23%

CONSTRUCTION EXPENSES

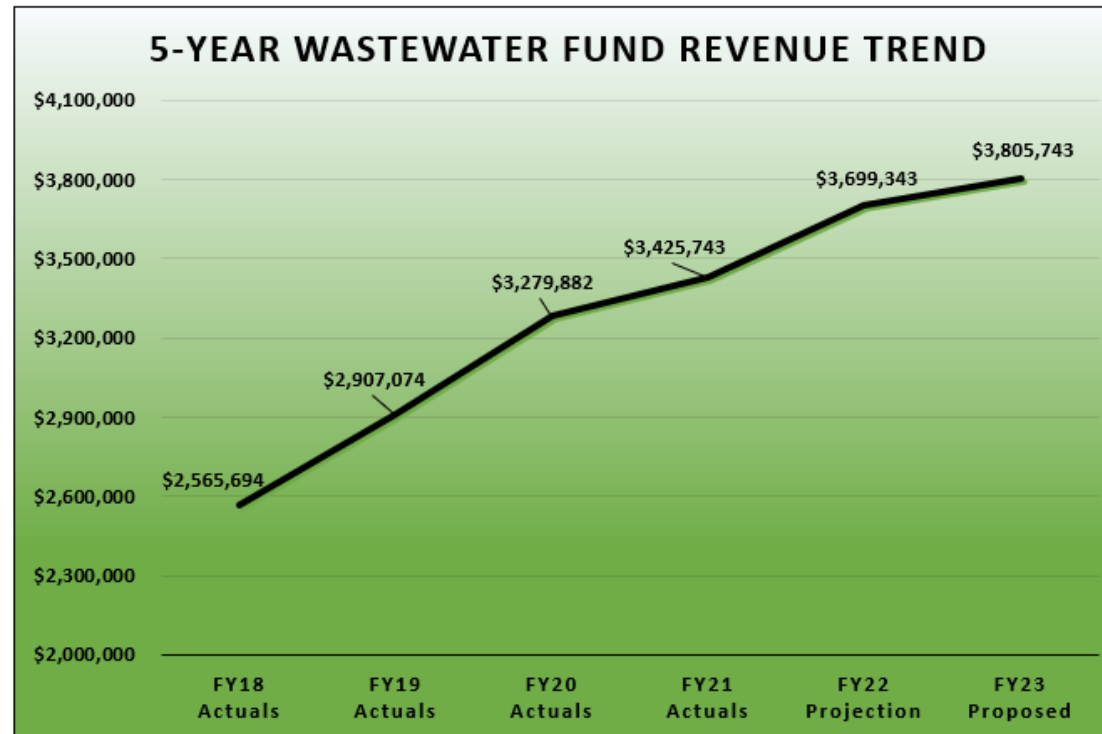
GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
01-34-56101	Regular Salaries	\$ 690,352	\$ 547,133	\$ 917,496	\$ 560,362	\$ 824,580	-10%
01-34-56103	Overtime & Comp Time	145,791	163,828	145,000	173,335	140,000	-3%
01-34-56501	Employer's Share SSI	54,415	48,684	53,207	47,454	46,883	-12%
01-34-56502	Employer's Share Medicare	14,065	12,143	13,304	12,100	11,956	-10%
01-34-56503	Medical Insurance	175,173	184,125	179,176	182,542	150,151	-16%
01-34-56504	Dental Insurance	16,854	19,212	17,445	17,075	14,069	-19%
01-34-56505	Vision Insurance	2,246	2,431	2,487	2,373	1,863	-25%
01-34-56506	Life, S/T, L/T Disability Ins.	8,436	10,915	9,777	10,209	9,414	-4%
01-34-56507	Retirement-CalPERS	92,391	100,035	88,492	84,105	80,240	-9%
01-34-56512	Tuition Reimbursement	1,407	8,572	5,000	7,900	5,000	0%
01-34-56515	Worker's Comp. Insurance	34,370	40,757	33,339	54,962	42,796	28%
01-34-56516	State Unemployment Ins, E.T.T.	3,011	3,620	2,618	3,906	1,788	-32%
01-34-56518	Duty Pay	16,800	13,600	20,644	17,101	20,644	0%
01-34-56520	Deferred Compensation	25,030	27,213	33,020	26,392	21,801	-34%
	Total Payroll Expenses	\$1,280,339	\$ 1,182,267	\$ 1,521,005	\$ 1,199,816	\$ 1,371,184	-10%
01-34-72000	Supplies & Services	672,072	1,141,087	475,000	1,081,566	804,500	69%
01-34-72001	Easement Maintenance	214,950	159,202	200,000	102,319	200,000	0%
01-34-73000	Small Tools & Equipment	10,902	10,486	10,000	5,615	20,000	100%
01-34-75300	Conferences/Training	2,545	-	10,000	5,102	10,000	0%
	Total Maintenance & Supply	\$ 900,469	\$ 1,310,774	\$ 695,000	\$ 1,194,601	\$ 1,034,500	49%
	TOTAL CONSTRUCTION EXPENSES	\$2,180,808	\$ 2,493,042	\$ 2,216,005	\$ 2,394,417	\$ 2,405,684	9%

METERS EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
01-35-56101	Regular Salaries	\$ 533,738	\$ 536,321	\$ 614,426	\$ 426,845	\$ 431,494	-30%
01-35-56103	Overtime & Comp Time	47,297	50,120	45,000	40,225	40,000	-11%
01-35-56501	Employer's Share SSI	36,828	36,894	38,094	28,210	26,753	-30%
01-35-56502	Employer's Share Medicare	8,613	8,633	8,909	6,598	6,257	-30%
01-35-56503	Medical Insurance	132,813	159,311	156,147	116,113	104,000	-33%
01-35-56504	Dental Insurance	14,573	13,678	11,634	10,090	9,695	-17%
01-35-56505	Vision Insurance	1,735	1,726	1,582	1,179	1,130	-29%
01-35-56506	Life, S/T, L/T Disability Ins.	5,871	6,424	6,991	5,518	4,908	-30%
01-35-56507	Retirement-CalPERS	58,522	66,707	7,490	37,671	44,877	499%
01-35-56512	Tuition Reimbursement	1,929	545	1,500	109	1,000	-33%
01-35-56515	Worker's Comp. Insurance	22,734	23,728	19,701	30,105	22,395	14%
01-35-56516	State Unemployment Ins, E.T.T.	1,904	2,569	1,666	2,126	1,085	-35%
01-35-56520	Deferred Compensation	19,425	17,120	16,250	12,181	13,650	-16%
	Total Payroll Expenses	\$ 885,982	\$ 923,777	\$ 929,392	\$ 716,971	\$ 707,243	-24%
01-35-63404	Backflow Expenses	134,225	172,192	143,000	99,679	98,500	-31%
01-35-72000	Supplies & Services	132,615	89,631	55,000	193,261	50,000	-9%
01-35-73000	Small Tools & Equipment	9,832	4,547	13,500	6,481	13,500	0%
01-35-75300	Training, Conferences/Travel	677	-	2,000	1,868	5,000	150%
	Total Maintenance & Supply	\$ 277,349	\$ 266,370	\$ 213,500	\$ 301,288	\$ 167,000	-22%
	TOTAL METER EXPENSES	\$1,163,331	\$1,190,147	\$1,142,892	\$1,018,259	\$ 874,243	-24%

WASTEWATER REVENUES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
02-99-41112	Sewer Charges-Established Acct	\$ 3,168,882	\$ 3,314,743	\$ 3,874,743	\$ 3,614,743	\$ 3,739,743	-3%
02-99-43100	Sewer-Oak Crest Service Charges	24,000	24,000	-	15,600	-	0%
02-99-43106	Operating Inc-Sewer Letter Fee	2,000	2,000	1,000	1,400	1,000	0%
02-99-43108	Operating Income - Plan Check/Inspection Fee	25,000	25,000	5,000	-	5,000	0%
02-99-49109	Miscellaneous Revenue	5,000	5,000	5,000	2,600	5,000	0%
02-99-49301	Property Tax Rev - Ad Valorem	55,000	55,000	55,000	65,000	55,000	0%
Total Wastewater Revenues		\$ 3,279,882	\$ 3,425,743	\$ 3,940,743	\$ 3,699,343	\$ 3,805,743	-3%



WASTEWATER EXPENSES

GL Account	Description	FY 2020	FY 2021	FY 2022	FY 2022	FY 2023	% Change
		Actual	Actual	Budget	Projected	Proposed	from FY 22 Budget
02-61-56101	Regular Salaries	\$ 353,979	\$ 367,120	\$ 369,774	\$ 380,388	\$ 389,619	5%
02-61-56103	Overtime & Comp Time	46,699	49,723	30,000	74,399	55,000	83%
02-61-56501	Employer's Share SSI	24,622	25,508	22,926	27,896	24,156	5%
02-61-56502	Employer's Share Medicare	5,758	5,971	5,362	6,569	5,649	5%
02-61-56503	Medical Insurance	82,823	92,686	85,872	89,255	85,946	0%
02-61-56504	Dental Insurance	6,957	7,412	6,884	6,987	6,884	0%
02-61-56505	Vision Insurance	854	891	803	832	803	0%
02-61-56506	Life, S/T, L/T Disability Ins.	3,846	3,893	5,362	3,893	4,457	-17%
02-61-56507	Retirement-CalPERS	42,243	46,894	45,112	43,023	47,572	5%
02-61-56512	Tuition Reimbursement	1,595	1,420	2,000	781	2,000	0%
02-61-56515	Worker's Comp. Insurance	22,693	19,010	20,263	32,907	26,104	29%
02-61-56516	State Unemployment Ins, E.T.T.	952	1,036	845	1,330	770	-9%
02-61-56518	Duty Pay	14,000	14,200	20,644	17,189	20,644	0%
02-61-56520	Deferred Compensation	8,125	8,450	7,573	8,233	9,230	22%
	Total Payroll Expenses	\$ 615,146	\$ 644,213	\$ 623,418	\$ 693,682	\$ 678,835	9%
02-61-60000	Electronics	3,105	12,749	10,000	-	12,000	20%
02-61-63100	Equipment Maint./Repairs	33,552	56,698	47,000	47,875	58,972	25%
02-61-63200	Equipment Rental	3,237	1,497	6,000	19,217	40,000	567%
02-61-70000	Professional Services	24,979	106,014	-	17,002	40,000	0%
02-61-72000	Supplies & Services	137,634	129,513	77,000	188,427	129,000	68%
02-61-72150	Regulatory Permits	6,673	6,074	8,000	9,076	8,000	0%
02-61-72200	Books & Resources	200	840	500	-	500	0%
02-61-72400	Dues & Subscriptions	538	538	600	717	600	0%
02-61-72600	Sewer Line Cleaning/Maint.	23,084	58,867	40,000	179,244	150,000	275%
02-61-73000	Small Tools & Equipment	1,490	3,127	3,000	5,037	4,000	33%
02-61-75300	Travel/Conferences/Training	928	185	-	788	600	0%
02-61-77000	Sewage Treat.- Oceanside	1,242,209	(443,656)	1,242,209	1,242,209	1,500,000	21%
02-61-78000	Utilities	72,050	79,298	70,000	74,678	75,000	0%
02-61-78300	Hazardous Waste Disposal	8,190	4,590	10,000	1,820	10,000	0%
02-61-78700	Utilities-Propane	-	-	3,000	-	3,000	0%
	Total Maintenance & Supply	\$ 1,557,869	\$ 16,335	\$ 1,517,309	\$1,786,088	\$ 2,031,672	34%
02-99-52176	Overhead Transfer to Gen Fund	784,259	1,505,529	1,484,426	1,484,426	1,608,973	8%
	Total Transfers	\$ 784,259	\$1,505,529	\$ 1,484,426	\$1,484,426	\$ 1,608,973	8%
	TOTAL WASTEWATER EXPENSES	\$ 2,957,274	\$2,166,077	\$ 3,625,153	\$3,964,196	\$ 4,319,481	19%

GENERAL FUND REVENUES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-99-42200	Water Overhead Transfer	\$ 5,334,257	\$ 7,176,180	\$ 6,746,207	\$ 5,680,326	\$ 6,859,307	2%
03-99-42200	Wastewater Overhead Transfer	784,259	1,505,529	1,484,426	1,484,426	1,608,973	8%
03-99-43102	Operating Inc Penalty Charges	266,874	93,116	50,000	688,220	500,000	900%
03-99-43108	Operating Inc Plan Check Rev.	179,445	15,964	50,000	213,344	100,000	100%
03-99-49108	Non-Op. Inc-Rents & Leases	172,559	58,794	-	-	-	0%
03-99-49109	Miscellaneous Revenue	431,955	101,020	30,000	106,493	75,000	150%
03-99-49114	Misc Revenue - Eng. Services	7,950	4,968	5,000	7,267	5,000	0%
Total General Fund Revenues		\$ 7,177,298	\$ 8,955,571	\$ 8,365,633	\$ 8,180,076	\$ 9,148,280	9%

BOARD OF DIRECTOR EXPENSES

<u>GL Account</u>	<u>Description</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Actual</u>	<u>FY 2022 Budget</u>	<u>FY 2022 Projected</u>	<u>FY 2023 Proposed</u>	<u>% Change from FY 22 Budget</u>
03-20-56202	Board Member Expenses	\$ 11,400	\$ 12,750	\$ 14,000	\$ 15,000	\$ 14,000	0%
03-20-56501	Employer's Share FICA SSI	674	814	868	930	868	0%
03-20-56502	Employer's Share FICA Medicare	158	202	203	218	203	0%
03-20-56515	Worker's Compensation Ins.	199	-48	84	112	0	-100%
	Total Payroll Expenses	\$ 12,431	\$ 13,718	\$ 15,155	\$ 16,260	\$ 15,071	-1%
03-20-72000	Supplies & Services	13	0	100	157	120	20%
03-20-75300	Travel/Conferences/Training	10,892	3,125	25,220	11,985	34,910	38%
	Total Supplies Expenses	\$ 10,905	\$ 3,125	\$ 25,320	\$ 12,142	\$ 35,030	38%
	TOTAL BOARD EXPENSES	\$ 23,336	\$ 16,843	\$ 40,475	\$ 28,401	\$ 50,101	24%

GARAGE EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-36-56101	Regular Salaries	\$ 87,445	\$ 102,887	\$ 96,201	\$ 79,209	\$ 105,460	10%
03-36-56103	Overtime & Comp Time	9,373	8,511	6,000	15,917	12,000	100%
03-36-56501	Employer's Share SSI	5,922	6,645	5,964	5,969	6,539	10%
03-36-56502	Employer's Share Medicare	1,385	1,554	1,395	1,396	1,529	10%
03-36-56503	Medical Insurance	17,312	18,917	4,495	17,735	19,866	342%
03-36-56504	Dental Insurance	1,793	1,910	238	1,734	1,939	715%
03-36-56505	Vision Insurance	213	223	226	202	226	0%
03-36-56506	Life, S/T, L/T Disability Ins.	976	988	1,097	988	1,205	10%
03-36-56507	Retirement-CalPERS	10,157	10,675	11,737	9,743	12,877	10%
03-36-56512	Tuition Reimbursement	50	-	100	-	100	0%
03-36-56515	Worker's Comp. Insurance	4,690	3,789	4,495	7,072	6,264	39%
03-36-56516	State Unemployment Ins, E.T.T.	238	259	238	345	217	-9%
03-36-56520	Deferred Compensation	2,500	2,600	2,600	2,533	2,600	0%
	Total Payroll Expenses	\$ 142,054	\$ 158,958	\$ 134,786	\$ 142,843	\$ 170,822	27%
03-36-60000	Equipment	12,174	15,315	15,000	6,785	15,000	0%
03-36-63100	Equipment Maintenance	76,415	18,944	40,000	30,791	40,000	0%
03-36-63421	Fuel & Oil	166,030	162,040	150,000	193,518	200,000	33%
03-36-63422	Repair, Supplies, Auto	70,222	86,345	70,000	102,737	80,000	14%
03-36-72000	Supplies & Services	68,622	52,083	40,000	72,275	120,000	200%
03-36-73000	Small Tools & Equipment	6,253	6,474	6,000	8,246	6,000	0%
03-36-75300	Travel/Conferences/Training	190	-	-	-	500	0%
	Total Maintenance & Supply	\$ 399,906	\$ 341,201	\$ 321,000	\$ 414,351	\$ 461,500	44%
	TOTAL GARAGE EXPENSES	\$ 541,960	\$ 500,159	\$ 455,786	\$ 557,195	\$ 632,322	39%

ADMINISTRATION EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-41-56101	Regular Salaries	\$ 524,227	\$ 361,300	\$ 404,456	\$ 382,054	\$ 431,882	7%
03-41-56103	Overtime & Comp Time	12,972	11,412	13,000	4,885	7,500	-42%
03-41-56501	Employer's Share SSI	28,834	28,834	16,743	12,312	17,655	5%
03-41-56502	Employer's Share Medicare	7,989	7,989	5,865	5,104	6,262	7%
03-41-56503	Medical Insurance	57,315	57,315	32,634	28,438	30,838	-6%
03-41-56504	Dental Insurance	4,748	4,748	2,583	2,081	2,583	0%
03-41-56505	Vision Insurance	798	798	452	398	452	0%
03-41-56506	Life, S/T, L/T Disability Ins.	3,911	3,911	3,161	3,006	4,993	58%
03-41-56507	Retirement-CalPERS	64,589	64,589	49,344	47,535	52,733	7%
03-41-56511	Employee Uniform Allowance	21,328	21,328	24,273	27,234	28,000	15%
03-41-56512	Tuition Reimbursement	-	-	1,000	-	1,000	0%
03-41-56515	Worker's Comp. Insurance	41,233	41,233	10,566	42,579	16,064	52%
03-41-56516	State Unemployment Ins, E.T.T.	1,129	1,129	476	589	434	-9%
03-41-56520	Deferred Compensation	7,675	7,675	2,600	2,534	2,600	0%
	Total Payroll Expenses	\$ 776,748	\$ 612,261	\$ 567,153	\$ 558,750	\$ 602,997	6%
03-41-63200	Equipment Rental	66,655	45,542	49,000	46,286	49,000	0%
03-41-63400	Kitchen Supplies	17,197	14,729	14,000	14,469	15,000	7%
03-41-63401	Building Maintenance	161,199	106,514	92,700	79,948	90,100	-3%
03-41-70000	Professional Services	571,843	603,036	720,000	450,963	570,000	-21%
03-41-70300	Legal Services	508,558	480,874	450,000	377,191	400,000	-11%
03-41-72000	Supplies & Services	19,123	31,454	52,650	72,637	56,800	8%
03-41-72400	Dues & Subscriptions	62,828	64,694	65,865	84,154	66,145	0%
03-41-72702	Public Notices/Advertising	670	510	750	667	750	0%
03-41-72900	Stationary & Office Supplies	6,854	3,970	5,000	3,778	4,000	-20%
03-41-74000	Communications & Phone Bills	9,950	11,876	13,000	12,016	13,000	0%
03-41-74100	Phone Bill	107,022	101,081	90,000	93,546	108,000	20%
03-41-75300	Travel/Conferences/Training	8,963	2,359	16,550	4,842	16,550	0%
03-41-78000	Utilities-Electricity	52,607	52,254	55,000	61,696	62,000	13%
03-41-78700	Utilities -Propane	6,022	9,312	12,000	8,007	9,000	-25%
03-41-78900	Trash Pick-Up	12,655	10,986	10,000	17,873	18,000	80%
	Total Maintenance & Supply	\$ 1,612,146	\$ 1,539,190	\$ 1,646,515	\$ 1,328,074	\$ 1,478,345	-10%
	TOTAL ADMIN. EXPENSES	\$ 2,388,894	\$ 2,151,451	\$ 2,213,668	\$ 1,886,824	\$ 2,081,342	-6%

Human Resources Expenses

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-42-56101	Regular Salaries	\$ 173,892	\$ 284,403	\$ 202,129	\$ 195,751	\$ 236,495	17%
03-42-56103	Overtime & Comp Time	371	456	500	-	2,000	300%
03-42-56501	Employer's Share SSI	10,124	11,736	10,455	7,451	12,365	18%
03-42-56502	Employer's Share Medicare	2,602	3,292	2,931	2,846	3,429	17%
03-42-56503	Medical Insurance	13,249	10,602	7,734	6,748	27,444	255%
03-42-56504	Dental Insurance	737	952	644	567	2,583	301%
03-42-56505	Vision Insurance	213	223	226	199	452	100%
03-42-56506	Life, S/T, L/T Disability Ins.	1,560	1,579	1,349	1,579	2,124	57%
03-42-56507	Retirement-CalPERS	10,674	12,917	11,680	9,649	14,000	20%
03-42-56512	Tuition Reimbursement	1,338	535	500	2,129	3,000	500%
03-42-56515	Worker's Comp. Insurance	717	696	784	1,246	1,372	75%
03-42-56516	State Unemployment Ins, E.T.T.	488	518	476	602	434	-9%
03-42-56520	Deferred Compensation	3,375	3,520	3,510	4,342	8,450	141%
	Total Payroll Expenses	\$ 219,340	\$ 331,429	\$ 242,918	\$ 233,110	\$ 314,149	29%
03-42-56513	Employee Relations	6,672	5,084	16,270	10,701	17,650	8%
03-42-70000	Professional Services	5,414	6,190	54,700	2,480	11,000	-80%
03-42-70300	Legal Services	4,296	-	10,000	-	10,000	0%
03-42-72000	Supplies & Services	2,369	694	1,500	1,062	2,500	67%
03-42-72200	Books & Resources	-	-	100	-	100	0%
03-42-72400	Dues & Subscriptions	6,859	1,390	1,450	4,134	1,575	9%
03-42-75300	Travel/Conferences/Training	757	-	4,000	-	4,500	13%
03-42-75400	Workforce Development	39,569	19,522	48,300	7,456	38,350	-21%
03-42-75500	Recruitment	13,992	16,065	16,000	17,755	16,850	5%
	Total Maintenance & Supply	\$ 79,928	\$ 48,945	\$ 152,320	\$ 43,587	\$ 102,525	-33%
	TOTAL HR EXPENSES	\$ 299,268	\$ 380,374	\$ 395,238	\$ 276,697	\$ 416,674	5%

RISK MANAGEMENT EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-43-56101	Regular Salaries	\$ 203,217	\$ 195,800	\$ 122,195	\$ 187,025	\$ 126,509	4%
03-43-56103	Overtime & Comp Time	2,604	2,503	-	1,286	1,500	
03-43-56501	Employer's Share SSI	10,655	33,625	7,576	10,486	7,844	4%
03-43-56502	Employer's Share Medicare	4,566	2,834	1,772	2,493	1,834	4%
03-43-56503	Medical Insurance	13,124	16,714	20,412	24,508	14,101	-31%
03-43-56504	Dental Insurance	1,578	1,681	1,939	2,381	1,939	0%
03-43-56505	Vision Insurance	213	223	226	308	226	0%
03-43-56506	Life, S/T, L/T Disability Ins.	1,161	1,175	1,351	1,175	1,935	43%
03-43-56507	Retirement-CalPERS	8,077	8,692	9,275	11,674	6,602	-29%
03-43-56512	Tuition Reimbursement	2,484	351	1,000	6,145	-	-100%
03-43-56515	Worker's Comp. Insurance	4,432	4,014	4,440	7,586	4,587	3%
03-43-56516	State Unemployment Ins, E.T.T.	238	259	238	1,038	217	-9%
03-43-56520	Deferred Compensation	1,275	-	-	1,895	4,550	100%
	Total Payroll Expenses	\$ 253,624	\$ 267,871	\$ 170,424	\$ 258,003	\$ 171,844	1%
03-43-63100	Equipment Maintenance	3,531	2,940	5,200	2,475	5,200	0%
03-43-63102	Equipment Maintenance Contract	6,139	3,988	6,225	3,337	7,625	22%
03-43-65000	Property Liability Insurance	285,426	402,599	475,000	487,114	450,000	-5%
03-43-65100	District-Paid Claims	252,762	167,045	290,000	103,578	200,000	-31%
03-43-72000	Supplies & Services	22,494	54,930	25,000	18,613	27,000	8%
03-43-72200	Books & Resources	220	570	1,000	-	1,000	0%
03-43-72400	Dues & Subscriptions	2,749	372	3,550	-	3,923	11%
03-43-72500	Safety Supplies	38,361	60,469	60,500	57,336	68,100	13%
03-43-75300	Travel/Conferences/Training	1,156	25	3,000	2,040	5,500	83%
	Total Maintenance & Supply	\$ 612,838	\$ 692,938	\$ 869,475	\$ 674,493	\$ 768,348	-12%
	TOTAL RISK MGMT. EXPENSES	\$ 866,462	\$ 960,809	\$ 1,039,899	\$ 932,496	\$ 940,192	-10%

IT EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-44-56101	Regular Salaries	\$ -	\$ 375,203	\$ 494,100	\$ 389,802	\$ 527,967	7%
03-44-56103	Overtime & Comp Time	-	4,573	15,000	4,858	15,000	0%
03-44-56501	Employer's Share SSI	-	25,482	28,524	25,279	30,108	6%
03-44-56502	Employer's Share Medicare	-	6,451	7,164	6,507	7,656	7%
03-44-56503	Medical Insurance	-	56,362	63,199	58,313	60,354	-5%
03-44-56504	Dental Insurance	-	3,712	5,167	4,621	5,167	0%
03-44-56505	Vision Insurance	-	817	904	836	904	0%
03-44-56506	Life, S/T, L/T Disability Ins.	-	4,231	4,086	5,045	6,062	48%
03-44-56507	Retirement-CalPERS	-	40,815	43,891	37,734	46,306	6%
03-44-56512	Tuition Reimbursement	-	293	1,000	3,333	10,500	950%
03-44-56515	Worker's Comp. Insurance	-	14,446	20,031	32,301	29,830	49%
03-44-56516	State Unemployment Ins, E.T.T.	-	1,036	952	1,368	868	-9%
03-44-56520	Deferred Compensation	-	6,355	7,150	6,967	7,150	0%
	Total Payroll Expenses	\$ -	\$ 539,774	\$ 691,169	\$ 576,963	\$ 747,871	8%
03-44-60000	Electronics	-	-	25,000	4,267	25,000	0%
03-44-60100	Computers	68,422	73,147	100,500	238,485	100,500	0%
03-44-70000	Professional Services	-	14,779	50,000	4,333	50,000	0%
03-44-72000	Supplies & Services	-	15,111	109,000	32,331	119,500	10%
03-44-72400	Dues & Subscriptions	383,589	311,338	502,968	448,621	532,973	6%
03-44-73000	Small Tools & Equipment	-	-	9,500	5,162	17,000	79%
03-44-75300	Conferences/Meetings	-	-	12,000	-	12,000	0%
	Total Maintenance & Supply	\$ 452,011	\$ 414,375	\$ 808,968	\$ 733,198	\$ 856,973	6%
	TOTAL IT EXPENSES	\$ 452,011	\$ 954,149	\$ 1,500,137	\$ 1,310,160	\$ 1,604,844	7%

FINANCE EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-51-56101	Regular Salaries	\$ 371,693	\$ 429,514	\$ 583,807	\$ 459,300	\$ 733,371	26%
03-51-56103	Overtime & Comp Time	9,767	11,195	15,000	5,181	5,000	-67%
03-51-56501	Employer's Share SSI	23,212	29,915	33,325	32,164	41,969	26%
03-51-56502	Employer's Share Medicare	5,680	7,606	8,465	8,456	10,634	26%
03-51-56503	Medical Insurance	51,578	78,643	87,181	81,420	100,775	16%
03-51-56504	Dental Insurance	4,548	6,610	7,750	7,336	9,689	25%
03-51-56505	Vision Insurance	844	1,206	1,356	1,250	1,582	17%
03-51-56506	Life, S/T, L/T Disability Ins.	2,536	4,375	6,305	5,556	8,381	33%
03-51-56507	Retirement-CalPERS	23,544	35,339	39,678	35,627	49,667	25%
03-51-56512	Tuition Reimbursement	901	6,737	5,000	15,327	8,030	61%
03-51-56515	Worker's Comp. Insurance	3,588	5,316	4,372	6,892	10,542	141%
03-51-56516	State Unemployment Ins, E.T.T.	969	1,345	1,428	2,683	1,519	6%
03-51-56520	Deferred Compensation	13,630	17,840	19,760	19,589	23,920	21%
	Total Payroll Expenses	\$ 512,490	\$ 635,641	\$ 813,428	\$ 680,781	\$1,005,081	24%
03-51-69000	Postage	44,964	46,653	46,500	28,922	46,500	0%
03-51-70100	Annual Audit Services	18,698	30,200	35,000	29,040	37,840	8%
03-51-70400	Bank Service Charges	46,140	61,472	60,000	55,480	60,000	0%
03-51-72000	Supplies & Services	1,241	32,703	-	1,828	1,000	100%
03-51-72400	Dues & Subscriptions	(195)	258	300	460	400	33%
03-51-72700	Printing & Reproductions	-	-	3,500	3,568	3,500	0%
03-51-75300	Travel/Conferences/Training	6,964	425	9,000	7,782	15,000	67%
	Total Maintenance & Supply	\$ 117,812	\$ 171,712	\$ 154,300	\$ 127,079	\$ 164,240	6%
	TOTAL FINANCE EXPENSES	\$ 630,302	\$ 807,353	\$ 967,728	\$ 807,860	\$1,169,321	21%

CUSTOMER SERVICE EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-52-56101	Regular Salaries	\$ 256,250	\$ 339,012	\$ 223,290	\$ 313,583	\$ 295,820	32%
03-52-56103	Overtime & Comp Time	25,027	28,799	25,000	18,931	21,000	-16%
03-52-56501	Employer's Share SSI	17,246	19,047	13,844	15,576	18,341	32%
03-52-56502	Employer's Share Medicare	4,098	4,454	3,238	3,643	4,289	32%
03-52-56503	Medical Insurance	50,591	57,234	50,058	54,529	57,949	16%
03-52-56504	Dental Insurance	5,014	5,620	4,522	5,281	6,461	43%
03-52-56505	Vision Insurance	947	1,039	678	846	904	33%
03-52-56506	Life, S/T, L/T Disability Ins.	2,375	3,172	2,528	2,602	3,349	32%
03-52-56507	Retirement-CalPERS	20,172	25,502	22,039	22,096	27,625	25%
03-52-56512	Tuition Reimbursement	417	218	1,000	0	1,000	0%
03-52-56515	Worker's Comp. Insurance	2,130	934	866	1,345	1,716	98%
03-52-56516	State Unemployment Ins, E.T.T.	1,411	1,483	714	1,074	868	22%
03-52-56520	Deferred Compensation	10,450	7,150	6,500	6,300	6,500	0%
Total Payroll Expenses		\$ 396,128	\$ 493,665	\$ 354,278	\$ 445,806	\$ 445,822	26%
03-52-66000	Bad Debt Expense/Billing Adj.	-	137	-	-	-	0%
03-52-72000	Supplies & Services	320,549	207,108	177,000	121,879	147,000	-17%
03-52-72700	Printing & Reproductions	-	239	1,000	-	1,000	0%
03-52-75300	Travel/Conferences/Training	190	-	1,000	68	1,000	0%
Total Maintenance & Supply		\$ 320,739	\$ 207,483	\$ 179,000	\$ 121,948	\$ 149,000	-17%
TOTAL CS EXPENSES		\$ 716,867	\$ 701,148	\$ 533,278	\$ 567,754	\$ 594,822	12%

ENGINEERING EXPENSES

GL Account	Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change from FY 22 Budget
03-91-56101	Regular Salaries	\$ 423,074	\$ 428,871	\$ 394,087	\$ 431,623	\$ 605,928	54%
03-91-56103	Overtime & Comp Time	4,875	9,103	8,000	7,211	6,000	-25%
03-91-56501	Employer's Share SSI	23,454	20,502	23,929	25,912	35,923	50%
03-91-56502	Employer's Share Medicare	5,696	5,525	6,269	6,305	8,786	40%
03-91-56503	Medical Insurance	83,028	71,564	50,446	75,518	82,212	63%
03-91-56504	Dental Insurance	8,202	7,117	5,429	7,019	7,897	45%
03-91-56505	Vision Insurance	1,216	1,021	656	1,062	1,044	59%
03-91-56506	Life, S/T, L/T Disability Ins.	8,182	5,248	1,991	6,566	6,956	249%
03-91-56507	Retirement-CalPERS	64,394	56,789	32,810	59,777	66,359	102%
03-91-56512	Tuition Reimbursement	2,289	0	500	1,655	2,000	300%
03-91-56515	Worker's Comp. Insurance	7,648	6,331	10,124	13,420	12,216	21%
03-91-56516	State Unemployment Ins, E.T.T.	1,385	1,036	690	1,435	1,003	45%
03-91-56520	Deferred Compensation	17,600	14,120	9,542	16,128	16,240	70%
Total Payroll Expenses		\$ 651,044	\$ 627,225	\$ 544,472	\$ 653,630	\$ 852,563	57%
03-91-60000	Equipment	1,914	704	1,500	1,649	1,500	0%
03-91-70000	Professional Services	184,430	850,909	242,500	223,982	250,000	3%
03-91-70300	Legal Expenses	49,974	58,701	55,000	79,794	60,000	9%
03-91-72000	Supplies & Services	64,036	83,663	35,050	53,388	45,000	28%
03-91-72200	Books & Resources	-	749	1,000	-	1,000	0%
03-91-72400	Dues & Subscriptions	385	1,205	3,170	3,012	7,600	140%
03-91-72700	Printing & Reproductions	-	-	750	-	500	-33%
03-91-72702	Public Notices & Advertising	585	811	1,000	88	500	-50%
03-91-75300	Travel/Conferences/Training	54	725	3,000	337	10,000	233%
Total Maintenance & Supply		\$ 301,378	\$ 997,467	\$ 342,970	\$ 362,250	\$ 376,100	10%
TOTAL ENGINEERING EXPENSES		\$ 952,421	\$ 1,624,692	\$ 887,442	\$ 1,015,880	\$ 1,228,663	38%

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 22-16— 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 JULY 1, 2022 THROUGH JUNE 30, 2023

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 RMWD website, and is published on a website hosted by the California State Controller.

The memoranda of understandings (MOUs) with all three bargaining units, approved by the Board by separate resolutions, include a provision for Pay Grade adjustments to be effective July 1, 2022, based on the most recently published 12-month change in CPI-U for San Diego County, with a minimum adjustment of .5%. The most recent date for which CPI-U data is available is May 2022.

	San Diego CPI-U Value
May 2021	317.141
May 2022	343.502

The 12-month change is 8.3%

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ESA0 <https://data.bls.gov/pdq/SurveyOutputServlet>
 Not Seasonally Adjusted
 Series Title: All items in San Diego-Carlsbad, CA, all urban
 Area: San Diego-Carlsbad, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2019 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2019	295.761		297.226		300.303		299.333		301.033		301.520		299.433
2020	302.564		302.589		301.317		305.611		304.443		306.334		303.932
2021	307.688		315.035		317.141		323.906		324.138		326.422		319.761
2022	332.990		339.852		343.502								

12-month Percentage Change 8.3%

In addition to the adjustment to the pay ranges, staff recommends adding new job classifications to the salary grade structure. The proposed changes are aligned with the recommendations in the staffing analysis that was presented to the Board at the May Board meeting, and include the following:

- **Addition of the Human Resources Specialist I and II** classification series in grades N3 and N4. This series represents a promotional pathway for the Human Resources Assistant and adding these classifications would not add to District headcount.
- **Addition of the Analyst series (Administrative Analyst I, II and Management Analyst)** in grades N5, N6 and E7. Staff recommends adding one headcount to the Engineering Department to be hired into this series.
- **Reclassification of the Senior Accountant** position from grade E8 to E7, based on an updated labor market analysis. This would become an individual contributor position with no direct reports, and staff recommends leaving this position vacant.
- **Addition of Accounting Supervisor** classification to grade E8. The incumbent Senior Accountant would be reclassified into the Accounting Supervisor position and two additional Finance Department staff would report to this position.

DESCRIPTION

The grade structure included in Resolution No. 22-16 is revised to reflect an 8.3% increase in the ranges for each pay grade in accordance with the memoranda of understanding with the District's three bargaining units. Staff has prepared two draft resolutions for the Board's consideration:

Draft A of Resolution No. 22-16 includes only the 8.3% pay grade adjustment.

Draft B of Resolution No. 22-16 includes the 8.3% pay grade adjustment, as well as the additional job classifications recommended by staff.

Resolution No. 22-16 rescinds Resolution No. 22-06.

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

There is no direct fiscal impact; resolution No. 22-16 does not directly adjust any employee's pay rate. Base pay cost-of-living adjustments (COLAs) are separate personnel actions and are limited to 1.5% in 2022 according to the memoranda of understanding with the bargaining units. The staffing changes that the proposed new job classifications would allow are reflected in the proposed 2022-23 fiscal year budget presented to the Board for consideration under separate action today.

1. Option 1: Approve Resolution No. 22-16 as presented in Draft A.
2. Option 2: Approve Resolution No. 22-16 as presented in Draft B.

STAFF RECOMMENDATION

Staff recommends approval of Draft B of Resolution No. 22-16



Karleen Harp
Human Resources Manager

June 28, 2022

**RESOLUTION NO. 22-16 RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RATES FOR DISTRICT EMPLOYEES**

EFFECTIVE JULY 1, 2022 TO JUNE 30, 2023

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	\$ 149,583	\$ 215,376	\$ 12,465	\$ 17,948	\$ 5,753.18	\$ 8,283.70
E10	Human Resources Manager Information Technology Manager	\$ 130,070	\$ 188,561	\$ 10,839	\$ 15,713	\$ 5,002.68	\$ 7,252.34
E9	Associate Engineer Construction and Meters Supervisor Project Manager Senior IT and Applications Analyst Water Operations Supervisor	\$ 113,118	\$ 163,998	\$ 9,426	\$ 13,666	\$ 4,350.67	\$ 6,307.61
E8	Construction and Maintenance Supervisor Information Technology and Applications Analyst Meter Services Supervisor Risk Management Officer Senior Accountant Wastewater Superintendent	\$ 98,363	\$ 142,588	\$ 8,197	\$ 11,882	\$ 3,783.20	\$ 5,484.17
E7	Grants Specialist	\$ 85,533	\$ 123,990	\$ 7,128	\$ 10,332	\$ 3,289.74	\$ 4,768.84

Draft A

**RESOLUTION NO. 22-16 RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RATES FOR DISTRICT EMPLOYEES**

EFFECTIVE JULY 1, 2022 TO JUNE 30, 2023

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	\$ 93,866	\$ 136,116	\$ 7,822	\$ 11,343	\$ 45.13	\$ 65.44
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	\$ 81,631	\$ 118,357	\$ 6,803	\$ 9,863	\$ 39.25	\$ 56.90
N5	Accounting Specialist II Electrical / Electronics Technician I Engineering Technician II Information Systems Specialist II Mechanic II Senior Utility Line Locator Senior Meter Services Technician System Operator II Utility Worker III - Construction Utility Worker III - Valve Maintenance Utility Worker III - Wastewater Services	\$ 70,962	\$ 102,899	\$ 5,914	\$ 8,575	\$ 34.12	\$ 49.47
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 Purchasing & Inventory Control Specialist II System Operator I Utility Line Locator Utility Worker II - Construction Utility Worker II - Meter Services Utility Worker II - Valve Maintenance Utility Worker II - Wastewater Services	\$ 61,716	\$ 89,456	\$ 5,143	\$ 7,455	\$ 29.67	\$ 43.01

**RESOLUTION NO. 22-16 RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RATES FOR DISTRICT EMPLOYEES**

EFFECTIVE JULY 1, 2022 TO JUNE 30, 2023

Non-Exempt Pay Grades	Job Classification	Annual Equivalent		Monthly Range		Hourly Pay Rate	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
N3	Administrative Assistant I						
	Billing Specialist I						
	Customer Service Representative II						
	District Services Representative						
	Purchasing & Inventory Control Specialist I	\$ 53,654	\$ 77,814	\$ 4,471	\$ 6,485	\$ 25.80	\$ 37.41
	Utility Worker I - Construction						
	Utility Worker I - Meter Services						
N2	Utility Worker I - Valve Maintenance						
	Utility Worker I - Wastewater Services						
N2	Customer Service Representative	\$ 46,636	\$ 67,667	\$ 3,886	\$ 5,639	\$ 22.42	\$ 32.53
	Human Resources Assistant						
N1	Interns	\$ 40,590	\$ 58,870	\$ 3,383	\$ 4,906	\$ 19.51	\$ 28.30

Resolution No. 22-16 rescinds Resolution No. 22-06

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of June, 2022 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

**RESOLUTION NO. 22-16 RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RATES FOR DISTRICT EMPLOYEES**

EFFECTIVE JULY 1, 2022 TO JUNE 30, 2023

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	\$ 149,583	\$ 215,376	\$ 12,465	\$ 17,948	\$ 5,753.18	\$ 8,283.70
E10	Human Resources Manager Information Technology Manager	\$ 130,070	\$ 188,561	\$ 10,839	\$ 15,713	\$ 5,002.68	\$ 7,252.34
E9	Associate Engineer Construction and Meters Supervisor Project Manager Senior IT and Applications Analyst Water Operations Supervisor	\$ 113,118	\$ 163,998	\$ 9,426	\$ 13,666	\$ 4,350.67	\$ 6,307.61
E8	Accounting Supervisor Construction and Maintenance Supervisor Information Technology and Applications Analyst Meter Services Supervisor Risk Management Officer Senior Accountant Wastewater Superintendent	\$ 98,363	\$ 142,588	\$ 8,197	\$ 11,882	\$ 3,783.20	\$ 5,484.17
E7	Grants Specialist Management Analyst Senior Accountant	\$ 85,533	\$ 123,990	\$ 7,128	\$ 10,332	\$ 3,289.74	\$ 4,768.84

**RESOLUTION NO. 22-16 RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RATES FOR DISTRICT EMPLOYEES**

EFFECTIVE JULY 1, 2022 TO JUNE 30, 2023

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N6	Administrative Analyst II 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	\$ 81,631	\$ 118,357	\$ 6,803	\$ 9,863	\$ 39.25	\$ 56.90
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Draft

**RESOLUTION NO. 22-16 RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RATES FOR DISTRICT EMPLOYEES**

EFFECTIVE JULY 1, 2022 TO JUNE 30, 2023

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	Administrative Assistant II						
	Billing Specialist II						
	Cross Connection Control and Backflow Technician						
	Engineering Inspector I						
	Engineering Technician I						
	Human Resources Specialist II						
	Information Systems Specialist I	\$ 61,716	\$ 89,456	\$ 5,143	\$ 7,455	\$ 29.67	\$ 43.01
	Purchasing & Inventory Control Specialist II						
	System Operator I						
	Utility Line Locator						
	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						
	Human Resources Specialist I						
	Purchasing & Inventory Control Specialist I	\$ 53,654	\$ 77,814	\$ 4,471	\$ 6,485	\$ 25.80	\$ 37.41
	Utility Worker I - Construction						
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	Human Resources Assistant						
N1	Interns	\$ 40,590	\$ 58,870	\$ 3,383	\$ 4,906	\$ 19.51	\$ 28.30

Resolution No. 22-16 rescinds Resolution No. 22-06

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of June, 2022 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-17 — A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT CONSENTING TO ENTER THE JOINT PROTECTION PROGRAMS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY

BACKGROUND

Rainbow Municipal Water District has participated in the worker's compensation, property, and liability insurance programs of the Special District Risk Management Authority since 2005. Due to significant SDRMA rate increases over the past three years, District staff explored alternative coverage options. Staff secured an offer of coverage from the Association of California Water Agencies-Joint Powers Insurance Authority (ACWA-JPIA) that would save the District approximately \$234,353 in premium costs for the 2022-23 fiscal year, and an estimated \$130,000 in claims costs, for a total estimated savings of \$364,353 annually.

Coverage History

Before 2005, the District participated in the Association of California Water Agencies-Joint Powers Insurance Authority (ACWA-JPIA) programs for worker's compensation, property, and liability insurance. In 2005, ACWA-JPIA declined to renew the District's coverage due to the District's high loss runs and ACWA-JPIA's assessment that the District was a poor risk for the member pool.

When the District switched to SDRMA in 2005, it did so with a \$100,000 deductible for its liability coverage. The District has processed all claims below the deductible in-house since 2005, which resulted in claims expenses that ranged from \$51,000 to \$250,000 and averaged \$130,000 annually since 2018.

Risk Mitigation Efforts

Since 2005, the Board and District staff have worked to mitigate the District's risk exposure by investing in capital projects and making improvements to policies, procedures, and training. Some improvements implemented over several years that mitigated the District's risk included:

- Covering Morro reservoir
- Placing Beck reservoir and dam out of service
- Conducting the condition assessment to prioritize pipeline replacements
- Funding pipeline rehabilitation and replacement projects
- Adding pressure reducing stations to decrease pressure in the distribution system
- Upgrades to pump stations, such as adding fire sprinklers, roofs, and adding rocks around the pumps.
- Adding permanent railings around the wells at lift stations
- Good housekeeping in the garage, weld shop, pump stations, lift stations, and construction storage areas
- Implementing weed abatement best practices

Significant Rate Increases from SDRMA for the Third Consecutive Year

In 2020, SDRMA increased the District's contribution rates by 40% for the 2020-21 plan year. In 2021, SDRMA issued an estimated contribution for the 2021-22 plan year that indicated a 72% increase in the District's premium, after the April 1 deadline to notify SDRMA of the District's intent to withdraw, bringing the premiums for property and liability coverage to an estimated \$700,037 for the following plan year. On May 25, 2021, the Board of Directors voted to lower the District's liability limit from \$10 million per occurrence to \$5 million per occurrence, bringing the District's property and liability premiums for the 2021-2022 plan year down to \$483,294.

On June 22, 2021, at the direction of the Board, the District served SDRMA a protest letter and notice of its intent to withdraw as a member agency effective July 1, 2022. Therefore, the District's coverage with SDRMA will expire at 11:59 PM on June 30, 2022.

Despite the District's notice of intent to withdraw, SDRMA provided the District with early rate indication letters for the 2022-23 plan year, for the District's consideration in the event it could not secure alternative coverage. On January 18, 2022, the early budget estimate received from SDRMA was between \$581,763 and \$613,694.

ALTERNATIVE COVERAGE OPTIONS EXPLORED:

Insurance Brokerage Services

To explore the broadest set of options available to the District, staff issued a Request for Proposals for brokerage services to market the District to the broader insurance marketplace. AP Keenan & Associates and HUB International submitted proposals, and the District selected AP Keenan.

AP Keenan approached several markets, including carrier and JPA options, on behalf of the District. AP Keenan was able to secure Workers' Compensation and Liability quotes from CalMutuals Joint Powers Risk and Insurance Management Authority (JPRIMA). However, they were unsuccessful in obtaining quotes for Property coverage based on the District's wildfire risk. AP Keenan received declinations on the property exposure from Glatfelter's water program, JPRIMA, Chubb, Travelers, and wholesale markets. Based on what AP Keenan was able to find in the broader insurance market, they advised staff that the District is likely best served with moving forward with a risk sharing pool for property coverage.

Cal Mutuals Joint Powers Risk and Insurance Management Authority (JPRIMA)

JPRIMA Membership would be required to obtain coverage. Cal Mutuals assisted with lobbying for the legislation which supported the formation of JPRIMA, and Cal Mutuals also provides support and resources to the JPA. As such, all JPRIMA members are required to join Cal Mutuals Water Association. The first year's dues are waived for new members, and JPRIMA members' dues are discounted vs. regular members. Cal Mutuals bills new members directly at their insurance renewal date.

Liability Coverage Proposal

JPRIMA released a formal quote for Rainbow Municipal Water District that includes Liability, Auto Liability, Crime, Public Officials & Management Liability (Wrongful Acts, Employment Practices Liability) and Excess Liability. JPRIMA has a common anniversary date of April 1; therefore, the quote was a pro-rated proposal from 7/1/22 – 4/1/23 at \$202,150 plus admin fees of \$20,315 = \$222,465 total cost. The annualized contribution is \$280,276 plus \$28,128 admin fees = **\$308,404**.

The primary General Liability limit was quoted at \$10 million with a \$50,000 deductible and an Excess Limit of \$10 million, bringing the total limits to \$20 million. JPRIMA's limits are significantly higher than the District's current limit, reflecting a \$15 million increase in total limits of liability and a \$50,000 reduction in retention. JPRIMA is 100% reinsured, so there is no joint/several liability, no assessments, and no future liability.

Worker's Compensation Coverage Proposal

Zenith Insurance Company quoted the Workers' Compensation through JPRIMA with an annual premium of \$134,581 plus \$7,983 in taxes & fees. The pro-rated premium presented in the proposal is the water industry program (developed with JPRIMA), which has a common expiration of May 1, 2023. Board of Directors and Volunteers will be included, subject to a premium charge of \$250. The premium quoted is with an experience modification factor of 1.0. For the Zenith direct insurance program, the three-year commitment is waived. However, six months' notice is required to exit the program. The insured can exit at the next renewal if the base rate increases more than 15%.

Property Coverage

JPRIMA declined to quote property coverage due to the wildfire risk.

Association of California Water Agencies Joint Powers Insurance Authority

The District applied to rejoin the ACWA-JPIA property, liability, worker's compensation, dishonesty, and cyber liability programs beginning July 1, 2022. After evaluating the District's risk profile, their staff recommended accepting the District's application to rejoin the pool. The ACWA-JPIA Board voted to accept Rainbow Municipal Water District back into the pool at its May 2, 2022, Board meeting. If the District rejoins the pool, there is a commitment to stay in the programs for three years.

Staff Acknowledgements and ACWA-JPIA Evaluation Process

Charmaine Esnard, Risk Management Officer, was responsible for completing the District's application to rejoin the ACWA-JPIA risk pool. She coordinated with Administration, Engineering, Finance, HR, and Operations to gather the extensive documentation and information requested for the application. Ms. Esnard coordinated the onsite visits with the ACWA-JPIA's risk assessment team and is the primary contact for ACWA-JPIA. Ms. Esnard spent the past several years updating the District's safety policies, contributing to the favorable assessment of the District's risk.

ACWA-JPIA requested to review extensive documents and records. Dawn Washburn, Executive Assistant, and Delia Rubio, Engineering Technician, were able to supply the requested documents from their respective departments quickly. The ACWA-JPIA's Lead Risk Control Advisor remarked that only about 2% of Districts could provide such professionally written documents within such a limited window of time.

On April 5th and 6th, the District was assessed by several ACWA-JPIA's Risk Control team members. This assessment included a tour of the District's facilities. Steve Coffey, System Operations Supervisor, and Ramon Zuniga, Wastewater Superintendent, accompanied the assessors to their respective sites and provided a wealth of knowledge about each site and information about future planned projects for improvement. Their professionalism and detailed knowledge of the District's capital improvement projects that have been completed and planned left a favorable impression of the quality of staff employed by the District. Some specific factors noted by the ACWA-JPIA's risk control assessment team included:

- Upgrades made at pump stations, including improvements like sprinklers for fire mitigation and covering the pump stations. These were both noted as best practices, especially since the covers acted as a means of protection to the employees working on the equipment and prevent the equipment from getting sun damaged.
- Use of rock around the pumps. Many districts don't cover the area around their pumps, which gets muddy when it rains or is just overgrown with weeds. The rocks control weeds, decreasing the occurrence of dangerous animals such as snakes hiding among the overgrowth and improving accessibility to the pumps.
- The railings at the lift stations around the access points for the wells. The Lead Risk Control Advisor elaborated that he has been advocating to other districts the value of protecting employees from falls by placing railings around these points. He commended Rainbow for having them installed as part of

the infrastructure, rather than the temporary railings some other Districts use. Mr. Zuniga advocated installing those permanent railings when the developer failed to do so during construction.

- The cleanliness of the pump stations and lift stations, including weed abatement and all equipment was neatly organized and put away. It was evident that the excellent housekeeping wasn't just because of the assessment, but because Mr. Zuniga and Mr. Coffey and their teams are diligent in ensuring the sites are consistently well maintained.
- Good housekeeping in the garage, despite having only one mechanic and lots of equipment, parts and hazardous material stored in a cramped space. Rene Del Rio, Senior Fleet Mechanic, has worked diligently over several years to organize the equipment in the garage.
- Good housekeeping in construction spaces. The weld shop was cleared of unnecessary equipment, tools were organized to ensure the appropriate distance between equipment. Esaud Lagunas, Construction and Meters Supervisor, Wayne Nault, Construction Lead, and Utility Workers Justin Demary, Bernie Nuñez, and other construction team members work together to maintain proper housekeeping despite the cramped space and amount of equipment stored in the weld shop. The assessors also commented that they rarely found a construction sign storage area organized as neatly, facilitating easy access, and arranged by sign type as the District's is.
- The professionalism of the contractors working on Thoroughbred Lift Station, and their obvious attentions to safety. The Lead Risk Control Assessor commended the engineering department for making an excellent choice of contractor.
- The documentation that Mr. Lagunas provided of the projects the Construction team is undertaking to improve the facilities and any maintenance programs in place to preserve district equipment.

Liability Coverage Proposal

ACWA-JPIA submitted a proposal for coverage to the District that includes a liability program limit of \$55 million, including coverage for drones that follow FAA Part 107 Rules and Regulations of Title XIV. There are lower sub-limits for terrorism, communicable disease, subsidence, lead, and mold. There is no deductible for the liability program.

The ACWA-JPIA's plan year runs from October 1 through September 30, so the proposal is to join the pool for the remainder of ACWA-JPIA's 2021-23 plan year. Each member agency pays a deposit premium upfront, designed to cover the costs of pool & excess insurance, general and administrative expenses, and the cost of claims within the Member's retrospective allocation point (RAP). The minimum RAP for the liability program is \$25,000. The first RAP adjustment takes place four years after the inception of each coverage year and continues annually after that until all claims for that coverage year are closed.

The District's 2021-22 estimated deposit premium would be \$216,107 for the liability program. A 15% increase is anticipated for the 2022-23 plan year, which would bring the **estimated deposit premium to \$248,523 for 2022-23**. Because final billing is retrospective, this is a deposit only. The actual costs could go up or down depending on the District's and the pool's actual losses.

Property Coverage Proposal

The property program limit is \$500 million, with lower program sub-limits for mechanical breakdown, off-premises service interruption, flood, earthquake, money, and securities. **Total premiums would be \$106,606 for the plan year**, including adding coverage for two new lift stations and 12 water tanks that were not previously covered.

Worker's Compensation Coverage Proposal

The ACWA-JPIA offered to honor the District's current experience modification rate of .84 based on our 3-year loss history for worker's compensation claims. There is a minimum retrospective allocation point of \$15,000 for each member agency. No upfront deposit is required; the deposit premium is payable quarterly

based on the actual payroll for each worker’s compensation class code. The rates are anticipated to decrease by 5% for the 2022-23 plan year that begins October 1, 2022. **Staff estimates the quarterly expense for worker’s compensation coverage through ACWA-JPIA to be \$30,989, or \$123,956 annually.**

Cyber Liability Coverage Estimate (exact proposal pending)

The aggregate policy limit would be \$5 million for each policy period, with lower limits for business interruption, income loss, and eCrime coverage. The retention schedule would be \$100,000 for each claim or loss. **The estimated annual premium for Cyber Liability Coverage is \$12,000.**

Crime / Dishonesty Coverage Proposal

Limit of coverage up to \$1 million with a \$1,000 deductible will have an **estimated annual premium of \$1,000.**

DESCRIPTION

Resolution No. 22-17 formally accepts the ACWA-JPIA’s proposal to join the property, liability, and worker’s compensation programs and directs staff to pay the deposit premiums required to secure coverage effective July 1, 2022.

Resolution 22-17 supersedes Resolution No. 05-17.

Attachments:

- A - SDRMA early rate indication letter for the 2022-23 plan year.
- B - JPRIMA liability proposal pro-rated for the remainder of the 22-23 plan year that began April 1, 2022.
- C - JPRIMA/Zenith worker’s compensation proposal for the remainder of the 22-23 plan year.
- D - ACWA-JPIA’s coverage proposal for Rainbow Municipal Water District dated June 15, 2022

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

Per 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.

BOARD OPTIONS/FISCAL IMPACTS

The fiscal impact would be significant savings to the District’s property and liability insurance premium expenses, and reduced claims costs, based on the following quotes:

SDRMA		JPRIMA		ACWA-JPIA	
Property & Liability:	\$581,763	Liability:	\$308,404	Liability:	\$248,523
<i>(with \$100,000 deductible)</i>		<i>(with \$50,000 deductible)</i>		<i>(with \$0 deductible)</i>	
Worker’s Comp:	\$144,675	Property:	<i>Declined to quote</i>	Property:	\$106,606
		Worker’s Comp:	\$142,564	Cyber Liability:	\$12,000
				Crime:	\$1,000
				Worker’s Comp:	\$123,956
TOTAL:	\$726,438	TOTAL:	\$450,968	TOTAL:	\$492,085

Although exact amounts are unknown due to retrospective billing and pending quotes on the cyber liability program, estimated savings would be as follows:

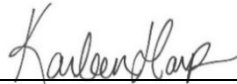
Reduction in premium costs:	\$234,353
<u>Reduction in average claims costs:</u>	<u>\$130,000</u>
Total estimated savings:	\$364,353

OPTION 1: Approve Resolution 22-17. This option will allow staff to take the actions necessary to secure coverage effective July 1, 2022, through the ACWA-JPIA.

OPTION 2: Do not approve Resolution 22-17 and provide staff with an alternate direction. The District's coverage with SDRMA will expire at 11:59 PM on June 30, 2022, and the District will not be insured unless coverage is secured elsewhere before that time.

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 22-17.



Karleen Harp
Human Resources Manager

June 28, 2022

RESOLUTION NO. 22-17

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RAINBOW MUNICIPAL WATER DISTRICT
CONSENTING TO ENTER THE JOINT PROTECTION
PROGRAMS OF THE ASSOCIATION OF CALIFORNIA
WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY**

WHEREAS, pursuant to the provisions of Section 990, 990.4, 990.8, and 6500 of the Government Code, this District wishes to enter into an agreement with various other districts entitled "Joint Powers Agreement: Creating the Association of California Water Agencies/Joint Powers Insurance Authority" (the Authority), for the purpose of participating in the Joint Powers Insurance Authority created thereby, which since its formation has provided for and administered joint protection programs as more fully set forth in said agreement; and

WHEREAS, said joint protection programs offer significant advantages to this District in terms of cost, liability protection, property protection, workers' compensation protection, and services, and entering such programs, on the conditions hereinafter set forth, appears to be in the best interest of the District.

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

Section 1. That the Rainbow Municipal Water District hereby consents pursuant to the above-mentioned Joint Powers Agreement, and the resolutions and policies enacted in implementation of such Agreement, to enter said joint protection programs.

Section 2. That the District hereby elects to join the Liability, Property, and Workers' Compensation Programs sponsored by the Authority.

Section 3. That the District hereby selects \$25,000 as its Retrospective Allocation Point (RAP) for the first partial year of participation under the Authority's cost allocation formula for liability exclusive of Dam Failure Liability.

Section 4. That the District hereby selects \$15,000 as its Retrospective Allocation Point (RAP) for the first partial year of participation under the Authority's cost allocation formula for workers' compensation liabilities.

Section 5. That the Treasurer of this District is hereby authorized to pay to the ACWA/Joint Powers Insurance Authority its first deposit premium.

Section 6. That the Secretary of the Board of Directors of this District is directed to certify a copy of this resolution and to forward the same resolution, the signed Joint Powers Agreement, and the JPIA deposit premium payment promptly by mail to the Association of California Water Agencies/Joint Powers Insurance Authority, P.O. Box 619082, Roseville, California, 95661, at which time coverage will commence the 1st day of July 2022.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of June 2022 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn M. Washburn, Board Secretary

This Resolution supersedes Resolution No. 05-17 passed and adopted on the 11th day of May 2005.



1112 I Street, Suite 300
Sacramento, California 95814-2865
T 916.231.4141 or 800.537.7790 * F 916.231.4111

Maximizing Protection. Minimizing Risk. * www.sdrma.org

January 18, 2022

Rainbow Municipal Water District
Ms. Karleen Harp
Human Resources Manager
3707 Old Highway 395
Fallbrook, California 92028

Re: 2022-23 Property/Liability Early Budget Estimates

Dear Ms. Harp,

In preparation for the 2022-23 Property/Liability Program renewal on July 1, 2022, we are providing our program members with a preliminary renewal contribution estimate to help with budget planning for the 2022-23 fiscal year. We will continue to provide updates as we obtain renewal cost information from our program excess/reinsurers over the next few months. **Final contribution amounts will not be confirmed until we issue the 2022-23 renewal invoices in early June.**

Your agency's Property/Liability 2022-23 estimated contribution is **\$581,763** to **\$613,694** based on the following assumptions:

- A 5% increase in operating budget from the 2021-22 program year
- Your agency's current exposures and losses currently on record with SDRMA, which include a 19.72% increase to the value of scheduled buildings and 14.17% increase to the value of scheduled contents *
- Pool reinsurance rate increases of 12.5% to 25% based on early estimates from our reinsurance brokers
- Credit Incentive Program (CIP) points for 2021-22 that your agency may have earned are not yet calculated and, therefore, not considered in this estimate

* Per board policy, SDRMA trends property values based on trending factors published by Marshall & Swift as set forth in the fourth quarter of the prior calendar year. Marshall & Swift trending factors can represent increases or decreases to property values to reflect inflation of construction, building materials and other costs associated with replacement or repair of damaged property. Trending factors apply to both buildings/structures and contents. Properties added to your policy during the current policy year or appraised within the last year will not be impacted by the trending factors until the next renewal for 2023-24.

This budget estimate is specifically provided to assist you with preliminary budgeting and is NOT a renewal indication, renewal quote, or a “not-to-exceed” contribution. The final renewal contribution amount may be in excess of this estimate depending on the changing conditions of the insurance market over the next few months. Since we do not have the 2022-23 renewal rates from the program excess/reinsurers, we recommend you budget towards the upper end of the range, plus any differences in exposure or losses which have not yet been reported to SDRMA.

Once we receive your agency’s 2022-23 Renewal Questionnaire in February, with updated exposure information, we will distribute an updated budget estimate. If you make any substantial changes to your policy over the next few months, and would like an updated contribution estimate, please contact our Finance Department at accounting@sdrma.org or 800.537.7790.

Members considering withdrawal from coverage with SDRMA for the 2022-23 program year are required to submit a **“Notice of Intent to Withdraw” by April 1, 2022** in accordance with SDRMA Bylaws and must have completed the initial three full program year commitment period. If you have any questions about withdrawing from our program, please contact Ellen Doughty at edoughty@sdrma.org or 800.537.7790.

On behalf of the SDRMA Board of Directors and our entire risk management team, we thank you for your continued participation in our programs.

Sincerely,
Special District Risk Management Authority

A handwritten signature in blue ink that reads "Laura S. Gill".

Laura S. Gill, ARM, ARM-P, CSDM
Chief Executive Officer



**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

**COVERAGE PROPOSAL
Rainbow Municipal Water District**

**COVERAGE PERIOD
7/1/2022 - 4/1/2023**

**PRESENTED BY:
Keenan & Associates**



**Insurance Administrator
www.alliedpublicrisk.com
Allied Community Insurance Services, LLC
CA License Number: 0L01269
National Producer Number: 17536322**



PREMIUM SUMMARY

NOTE: This proposal is prepared from information supplied to us on the application submitted by you or insurance broker. It may or may not contain all terms requested on the application. Coverage is provided by the JPRIMA Memorandum of Coverage (MOC) and subject to its terms, exclusions, conditions and limitations. A specimen MOC is available for your review, as is the JPRIMA Member Agreement. Enrollment in the JPRIMA requires execution of the JPRIMA Member Agreement as well as membership in the California Association of Mutual Water Companies (Cal Mutuals).

PAGE	COVERAGE SECTION		PREMIUM
3-7	SECTION 1. PROPERTY (Property, Equipment Breakdown & Mobile Equipment, if offered in the section)	\$	N/A
8	SECTION 2. COMMERCIAL CRIME	\$	2,252.00
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$	45,199.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (Wrongful Acts, Employment Practices & Employee Benefits, Privacy and Network Risk, if offered in the section)	\$	30,783.00
12	SECTION 5. BUSINESS AUTO	\$	62,407.00
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$	61,509.00
MEMBER CONTRIBUTION		\$	202,150.00
JPRIMA ADMINISTRATION FEES		\$	20,315.00
TOTAL AMOUNT DUE*		\$	222,465.00
*Payment is due within thirty (30) days of binding.			

NOTES:

The JPRIMA MOC has a common anniversary date of April 1, 2022.

Terrorism coverage is automatically included for Property and General Liability.

Binding is subject to a signed/dated JPRIMA application. Annualized contribution is \$280,276 + \$28,128 (Admin Fees) = \$308,404

COVERAGE PROPOSAL FOR MEMBER: Rainbow Municipal Water District
EFFECTIVE DATE: 7/1/2022 - 4/1/2023
DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

The MOC may contain limits, exclusions, and limitations that are not detailed in this proposal.

SECTION 1. PROPERTY*

***PROPERTY IS INCLUDED IN THE PROPOSAL: No**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Proprietary & Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	N/A
Blanket Coverage Extension: A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	N/A
Equipment Breakdown / Boiler & Machinery:	Not Included
Mobile Equipment (scheduled):	N/A
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	N/A
Mobile Equipment (borrowed, rented & leased):	N/A
Flood Zone X: (shaded/unshaded)	N/A

DEDUCTIBLES:

- N/A _____ Property
- N/A _____ Mobile Equipment
- N/A _____ Equipment Breakdown (aboveground & less than 50 feet belowground)
- N/A _____ Equipment Breakdown (greater than 50 feet belowground)
- N/A _____ Flood Zone X (per occurrence)
- N/A _____ Unmanned Aircraft (Drone)

COVERAGE HIGHLIGHTS:

- Blanket Property Limits & Blanket Coverage Extension Limits
- No Coinsurance
- Equipment Breakdown

VALUATION:

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

KEY EXCLUSIONS:

- Earthquake & Earth Movement
- Flood (unless coverage is designated above, such coverage would be limited to locations in Zone X only)

COVERAGE PROPOSAL FOR MEMBER: Rainbow Municipal Water District
EFFECTIVE DATE: 7/1/2022 - 4/1/2023
DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

- **New Locations or Newly Constructed Property:**
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense.
- **Pollution Remediation Expenses:**
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the coverage period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**
Pays up to \$250,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**
Pays up to \$250,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.

KEY DEFINITIONS

■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock; but only if such penstock is scheduled in the policy;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Glass which is part of a building or structure;
- Hydrants, but only if scheduled in the policy;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 100 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 100 feet of premises described in the Declarations;
- Underground vaults and machinery.

■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

KEY DEFINITIONS *(continued)*

■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions."

■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment or structures;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises; or
- Dumpsters, concrete trash containers, or permanent recycling bins;

■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
 - a. Insulating or refractory material;
 - b. Buried vessel or piping;
 - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - (1) Feed water piping between any boiler and its feed pump or injector;
 - (2) Boiler condensate return piping; or
 - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
 - d. Structure, foundation, cabinet or compartment containing the object;
 - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
 - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
 - g. Felt, wire, screen, die, extrusion, lathe, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



PROPERTY SUBLIMITS:

Coverage			Limit		
Accounts Receivable	<input type="checkbox"/>	\$500,000	<input type="checkbox"/>	\$1,000,000	<input type="checkbox"/>
Valuable Papers and Records	<input type="checkbox"/>	\$500,000	<input type="checkbox"/>	\$1,000,000	<input type="checkbox"/>
Contamination	<input type="checkbox"/>	\$250,000	<input type="checkbox"/>	\$500,000	
Tools and Equipment Owned by Your Employees	<input type="checkbox"/>	\$5,000	<input type="checkbox"/>	\$10,000	<input type="checkbox"/>
Personal Effects and Property of Others	<input type="checkbox"/>	\$5,000	<input type="checkbox"/>	\$10,000	<input type="checkbox"/>
New Locations or Newly Constructed Property		\$1,000,000			
Business Personal Property at New Locations		\$1,000,000			
Backup/Overflow of Water from Sewer, Drain, Sump		\$250,000			
Utility Services – Direct Damage		\$250,000			
Utility Services –		\$250,000			
Business Income and Extra Expense					
Dependent Business Premises		\$250,000			
Property at Other Locations		\$250,000			
Pollution Remediation Expense (specified cause of loss)		\$250,000			
Outdoor Property (unscheduled)		\$			
Contract Penalties		\$100,000			
Pollution Remediation Expense (covered cause of loss)		\$100,000			
Property in Transit		\$100,000			
SCADA Upgrades		\$100,000			
Indoor and Outdoor Signs (unscheduled)		\$50,000			
Limited Coverage for “Fungus”, Wet Rot or Dry Rot		\$50,000			
Fine Arts		\$25,000			
Fire Department Service Charge		\$25,000			
Fire Protection Devices		\$25,000			
Key and Lock Replacement Expenses		\$25,000			
Trees, Shrubs & Plants (maximum \$1,000 any one item)		\$25,000			
Arson Reward		\$10,000			
Rental Reimbursement – Mobile Equipment		\$10,000			
Cost of Inventory or Adjustment		\$5,000			
Non-Owned Detached Trailers		\$5,000			
Water Contamination Notification Expenses		\$5,000			
Patterns, Dies, Molds, Forms		\$2,500			
Debris Removal		25% of scheduled limit plus \$250,000			
Ordinance or Law Provision		100% of scheduled limit plus 25%			

NOTES:

Contribution is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

Property, Flood, Earthquake and Mobile Equipment coverages are Excluded.

COVERAGE PROPOSAL FOR MEMBER: Rainbow Municipal Water District

EFFECTIVE DATE: 7/1/2022 - 4/1/2023

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

The MOC may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 2. COMMERCIAL CRIME*

***COMMERCIAL CRIME IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

COVERAGE GROUP SELECTED	EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
X	\$2,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

DEDUCTIBLE:

\$1,000 each claim

DESIGNATED EMPLOYEE BENEFIT PLAN(S):

COVERAGE HIGHLIGHTS:

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

NOTES:

COVERAGE PROPOSAL FOR MEMBER: Rainbow Municipal Water District
EFFECTIVE DATE: 7/1/2022 - 4/1/2023
DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 3. GENERAL LIABILITY*

***GENERAL LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Occurrence
- Defense Costs Outside the Limit
- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Per Occurrence	\$1,000,000
General Aggregate	\$10,000,000
Products & Completed Operations Aggregate	\$10,000,000
Personal & Advertising Injury Limit	\$1,000,000
Damage to Premises Rented to You	\$1,000,000
Medical Payments	\$10,000

DEDUCTIBLE:

\$50,000 Per Occurrence or Offense including expenses

COVERAGE HIGHLIGHTS:

- Duty to Defend
- Broad Definition of Enrolled Named Member
- Blanket Additional Enrolled Named Member
- Water & Wastewater Testing Errors & Omissions
- Expanded Pollution Liability
- Failure to Supply (no ISO limitation)
- Lead (potable water)
- Waterborne Asbestos (potable water)
- Product Recall
- Impaired Property
- Fungi & Bacteria

OPTIONAL COVERAGE(S):

Inverse Condemnation

COVERAGE PROPOSAL FOR MEMBER: Rainbow Municipal Water District

EFFECTIVE DATE: 7/1/2022 - 4/1/2023

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

- **Water & Wastewater Testing Errors & Omissions:**
Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.
- **Failure To Supply:**
Coverage is provided for bodily injury or property damage arising out of the failure of any Enrolled Named Member to adequately supply water.
- **Waterborne Asbestos:**
Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.
- **Contractual Liability - Railroads:**
Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing. Available via endorsement only.
- **Pollution:**
Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:
 - Potable water which you supply to others;
 - Chemicals you use in your water or wastewater treatment process;
 - Natural gas or propane gas you use in your water or wastewater treatment process;
 - Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
 - Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
 - Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
 - Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
 - Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
 - Sudden and accidental events that are neither expected nor intended by an Enrolled Named Member. However, no coverage is provided under this exception for petroleum underground storage tanks.
- **Damage to Impaired Property or Property Not Physically Injured**
Coverage is provided for bodily injury or property damage arising from your potable water, nonpotable water, or wastewater as well as any loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.
- **Fungi or Bacteria**
Coverage is provided for bodily injury or property damage arising from any “fungi” or bacteria that are, are on, or are contained in a good or product intended for consumption; or to any injury or damage arising out of or caused by your water, irrigation, or wastewater intake, outtake, reclamation, treatment and distribution processes.
- **Recall of Products, Work or Impaired Property**
Coverage applies to any injury or damage arising out of or caused by your potable water, nonpotable water, or wastewater for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of: “Your product”; “Your work”; or “Impaired property”; if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

NOTES:

Dam Failure for Beck Dam is Excluded. GL deductible applies to both bodily injury and property damage.



SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY*

***PUBLIC OFFICIALS & MANAGEMENT LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Wrongful Acts	\$1,000,000 per act
Employment Practices (including third party discrimination)	\$1,000,000 per offense
Employee Benefit Plans	\$1,000,000 per act
Injunctive Relief	\$5,000 per act
	\$10,000,000 aggregate limit

PRIVACY LIABILITY AND NETWORK RISK¹:

Privacy & Network Security Wrongful Acts	-N/A per act
⁴ Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date:12/31/1899. Privacy Deductible: None.	
* \$1,000,000 maximum annual aggregate applies per Enrolled Named Member, with a \$2,000,000 coverage form aggregate applicable to all participating Enrolled Named Members.	

OPTIONAL COVERAGE(S):

Inverse Condemnation

RETROACTIVE DATE:

N/A

DEDUCTIBLE:

\$1,000 Each Wrongful Act or Offense excluding expenses

\$100,000 EPLI Deductible including expenses

COVERAGE HIGHLIGHTS:

- Duty To Defend
- Broad Definition of Enrolled Named Member including Past and Future Employees
- Outside Directorship

NOTES:

Cyber Coverage is Excluded.

COVERAGE PROPOSAL FOR MEMBER: Rainbow Municipal Water District

EFFECTIVE DATE: 7/1/2022 - 4/1/2023

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 5. BUSINESS AUTO*

***BUSINESS AUTO IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

PORTFOLIO:

Coverage	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$100,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV
Towing & Rental Car Reimbursement (covered accident)		\$75 per Day up to 30 Days
Fleet Automatic		Included

DEDUCTIBLE:

Liability: None
 Comprehensive: \$500
 Collision: \$1,000

NOTES:

Please refer to auto terms provided for per unit coverage. Please confirm units #32 and #34 are not duplicates.



SECTION 6. EXCESS LIABILITY*

***EXCESS LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Following Form
- Occurrence
- Defense Costs Outside the Limits

LIMITS:

\$10,000,000/\$10,000,000

SCHEDULED UNDERLYING POLICIES:

Commercial General Liability -Yes
 Hired and Non-Owned Auto Liability - Yes
 Owned Auto Liability - Yes
 Public Officials & Management Liability - Yes
 Wrongful Acts -Yes
 Employment Practices - Yes
 Employee Benefit Plans - Yes
 Employers' Liability: *(minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000)* - No
 Other:

NOTABLE EXCLUSION:

- Workers' Compensation
- Uninsured Motorists / Underinsured Motorists
- Underlying Limits < \$1,000,000 except for Employers' Liability

NOTES:

Employers' Liability subject to JPRIMA security requirements.

Please provide current WC declaration page for EL consideration in Excess line.



A FAIRFAX Company

The Premier Workers' Compensation Specialist

Proposal # R0BSQYA
Date: 05/24/2022
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook CA 92028-9372

George Pappas
ALLIED COMMUNITY INSURANCE SERVICES LLC
Prod Cd: 093499A 20.0
(717) 657-9671
11452 EL CAMINO REAL
SUITE 250
SAN DIEGO CA 92130

Workers' Compensation Proposal

Policy Period: 07/01/2022 at 12:01 a.m. to 05/01/2023 at 12:01 a.m.
Employer's Liability Limits: 1,000,000/1,000,000/1,000,000
Group Membership: WATER INDUSTRY GROUP >= \$10,000

Estimated Payroll : \$4,877,829
Total Estimated Premium (without fees): \$112,090
Total State Fees & Assessments: \$6,649
Total Estimated Premium Incl Charges: \$118,739

Selected Payment Plan

Selected Payment Option: Installment Plan
Billing Type: Direct Bill
Frequency: Monthly
Deposit Premium: \$16,814 / 15%
State Fees & Assessments: \$998
Total Due Up Front: \$17,812

Zenith Insurance Company and its wholly owned subsidiary ZNAT Insurance Company (together, "Zenith") offer flexible payment options and there is never a charge for installments.

You will be billed directly by Zenith Insurance Company.

The remaining amount due will be paid in 8 installments of \$12,617.

Dividend Plan for WATER INDUSTRY GROUP >= \$10,000

This proposal is based on the employer's membership in the WATER INDUSTRY GROUP >= \$10,000, and if accepted, will make the insured member eligible for future dividends which may be declared by the Zenith Insurance Company Board of Directors. Under California workers' compensation insurance, a dividend is a refund to the policyholder that represents a portion of the premium that the insurer did not need to pay claims or meet expenses.

Under California law it is unlawful for an insurer to promise the future payment of dividends under an unexpired workers' compensation policy or to misrepresent the conditions for dividend payment. Dividends are payable only pursuant to conditions determined by the Board of Directors or other governing board of the Zenith Insurance Company following policy expiration. Forfeiture of a right to, reduction in the amount of, or delay in the payment of a policyholder's dividend due to the policyholder's failure to accept renewal of the policy or subsequent policies issued by the same insurer is illegal and constitutes an unfair practice.

It is a misdemeanor for any insurer or officer or agent thereof, or any Insurance broker or solicitor, to promise the payment of future workers' compensation dividends. Past dividend performance is no guarantee of an insurer's future dividend performance.

This proposal is good until 07/01/2022 at 12:01 a.m. and is subject to the terms and conditions of the policy for which this proposal is given, including any special conditions and/or exclusions that may apply. This proposal does not constitute an insurance policy.

- * This proposal is based on information given to us. Please verify the information contained in this proposal and read the Proposal Disclaimer carefully.
- * This proposal was issued by: Zenith Insurance Company, 7440 N. Palm Avenue Suite #103, Fresno, CA 93711 Phone: (559) 449-4715, Underwriter: Lori Henson

Comments

Board members & volunteers are subject to a flat charge of \$250 which is not included in this quote but will be reflected by endorsement on policy issuance.

Binding is subject to:

*Written Board resolution indicating Board members and all volunteers are to be included as employees at the time of bind. *Service audit to be completed within 90-days of inception to verify classifications.

California Premium Calculation
Zenith Insurance Company

STATE COVERAGE									
State	From	Through	Class Code	Description	No. of Emp FT/PT	Est. Payroll	Manual Rate	Est. Manual Premium	Est Net Rate*
CA	07/01/22	05/01/23	7520-0	WATER COMPANIES--ALL EMPLOYEES--INCLUDING CONSTRUCTION OR EXTENSION OF LINES.	31/0	3,009,688	3.85	115,873	3.08
CA	07/01/22	05/01/23	7580-0	SANITARY OR SANITATION DISTRICTS OPERATION--ALL EMPLOYEES.	4/0	367,183	3.95	14,504	3.16
CA	07/01/22	05/01/23	8742-0	SALESPERSONS--OUTSIDE.	1/0	96,071	0.92	884	0.74
CA	07/01/22	05/01/23	8810-0	CLERICAL OFFICE EMPLOYEES--N.O.C.	12/1	1,404,887	0.63	8,851	0.50

*Est. Net Rate is the manual rate modified by an experience modification factor (if applicable) and other adjustments.

California Adjustments and Calculation Details

07/01/22 to 05/01/23

State Manual Premium			\$140,112
Employers Liability Limits 1,000,000 Per Accident 1,000,000 Per Disease 1,000,000 Policy Limit		(.00%)	\$0
Risk Adjustment		(-20.00%)	\$-28,022
State Regulatory Assessment		.054462	\$6,105
Ciga Charges		0	\$0
State Regulatory Fraud Assessment		.004856	\$544
Total State Assessments			\$6,649
Total Estimated Policy Premium & Fees			\$118,739

Notices and Disclaimers

PROPOSAL DISCLAIMER: *This proposal is subject to the information provided by you and/or the insurance agent, verification of this information and the applicable rates and underwriting guidelines applicable at the time. All proposals are for illustration purposes only; the actual premiums and coverage will be based on certain underwriting criteria, manuals, rates, rating plans and classifications. We reserve the right to change our manuals and apply the changes to the policy if authorized by law or a governmental agency regulating this insurance. The premium calculation details shown are estimates. The final premium will be determined after the policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by the policy. The final premium may also be affected by certain state legislative and/or regulatory changes. If the final premium is more than the premium you paid to us, you must pay us the balance. If the final premium is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy. You may be subject to a cancellation penalty in the event you cancel the policy prior to the policy expiration date. In the event any provision of this proposal and any provision of the policy, including endorsements, if any, are inconsistent or conflicting, the inconsistent or conflicting provision of the policy shall control.*

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE: *Coverage for acts of terrorism is included in the proposal. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under the coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019, and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the annual premium that is attributable to coverage for acts of terrorism is CA \$0.00 per \$100 of payroll and does not include any charges for the portion of losses covered by the United States government under the Act.*

NOTICE OF MEDICAL PROVIDER NETWORK/PANEL: *Our medical management team maintains a comprehensive medical provider network or panel depending on the region, that includes a full range of health care providers, primary, and specialty care physicians, as well as hospitals and associated services. The health care service providers in our network have been selected based on their geographic location, specialty and credentials. All workers' compensation medical treatment provided under the policy will be administered by appropriately credentialed providers according to nationally accepted evidence-based treatment guidelines.*

CALIFORNIA EXECUTIVE OFFICER, PARTNER, MANAGING MEMBER EXCLUSIONS: *Any Officer, Director, Partner or Managing Member that desires to be excluded from coverage must complete the attached waiver (one signed waiver per excluded individual) - the law strictly prohibits our ability to exclude these individuals from coverage until we have received and accepted a signed waiver. Please return any/all signed waivers with binding order or instructions to your local Zenith underwriting office.*

California Short-Rate Cancellation Disclosure Notice

**IMPORTANT NOTICE ABOUT THE POLICY OF INSURANCE FOR WHICH YOU HAVE APPLIED
 PLEASE READ THE FOLLOWING INFORMATION CAREFULLY**

The policy for which you have applied contains a cancellation provision that permits us to refund premium on a basis other than the pro rata when you cancel the policy. Under the policy for which you have applied, if you cancel the policy, your final premium will be calculated based on the time your policy was in force with us, increased by the percentage specified in the short-rate cancellation table listed below.

Short Rate Cancellation Table

Short Rate Cancellation Table FOR TERM OF ONE YEAR							
Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium
1	5%	95-98	37%	219-223	69%		
2	6%	99-102	38%	224-228	70%		
3-4	7%	103-105	39%	229-232	71%		
5-6	8%	106-109	40%	233-237	72%		
7-8	9%	110-113	41%	238-241	73%		
9-10	10%	114-116	42%	242-246	74%	(8 mos.)	
11-12	11%	117-120	43%	247-250	75%		
13-14	12%	121-124	44%	251-255	76%		
15-16	13%	125-127	45%	256-260	77%		
17-18	14%	128-131	46%	261-264	78%		
19-20	15%	132-135	47%	265-269	79%		
21-22	16%	136-138	48%	270-273	80%	(9 mos.)	
23-25	17%	139-142	49%	274-278	81%		
26-29	18%	143-146	50%	279-282	82%		
30-32	19%	147-149	51%	283-287	83%		
33-36	20%	150-153	52%	288-291	84%		
37-40	21%	154-156	53%	292-296	85%		
41-43	22%	157-160	54%	297-301	86%		
44-47	23%	161-164	55%	302-305	87%	(10 mos.)	
48-51	24%	165-167	56%	306-310	88%		
52-54	25%	168-171	57%	311-314	89%		
55-58	26%	172-175	58%	315-319	90%		
59-62	27%	176-178	59%	320-323	91%		
63-65	28%	179-182	60%	324-328	92%		
66-69	29%	183-187	61%	329-332	93%		
70-73	30%	188-191	62%	333-337	94%	(11 mos.)	
74-76	31%	192-196	63%	338-342	95%		
77-80	32%	197-200	64%	343-346	96%		
81-83	33%	201-205	65%	347-351	97%		
84-87	34%	206-209	66%	352-355	98%		
88-91	35%	210-214	67%	356-360	99%	(3 mos.)	
92-94	36%	215-218	68%	361-365	100%	(12 mos.)	

PRIVACY NOTICE FOR CALIFORNIA RESIDENTS

This Privacy Notice for California Residents supplements the information contained in Zenith's Privacy Statement (<https://www.thezenith.com/zenith/privacy-center/privacy-statement>), Zenith's Privacy Policy for California Residents (<https://www.thezenith.com/zenith/privacy-center/privacy-policy-for-california-residents>), and any other privacy notices previously provided to you. This notice applies solely to natural persons who are residents in the State of California ("consumers" or "you"). We adopt this notice to comply with the California Consumer Privacy Act of 2018 ("CCPA") and any terms defined in the CCPA have the same meaning when used in this notice.

Information We Collect

As insurance companies that write workers' compensation insurance and commercial property and casualty insurance, we collect personal information about you when it is necessary to conduct the business of insurance.

When you or a business you are associated with applies for workers' compensation insurance or you or a business you are associated with is a workers' compensation insurance policyholder, we may collect the following information: 1) your name; 2) your physical and mailing address; 3) your email address; 4) your telephone number; 5) your signature; 6) your Social Security number, federal employer identification number or other federal or state identification number; 7) your date of birth; 8) your and your employees' driver's license numbers; 9) salaries and compensation paid by the business to you, other owners and your employees; 10) prior insurance policy numbers, loss runs and insurance experience and history; 11) information about your financial assets; 12) education, employment, and employment history and/or professional employment information to verify your eligibility or those of other owners for exclusion from coverage under the workers' compensation law; 13) your marital status and 14) your bank account number and details, credit card number and details, and other financial information to process premium payments and refunds.

Some of the items listed above may be considered personal information subject to the CCPA. In general, we will have collected the following categories of personal information from consumers similar to you within the last twelve (12) months (please see Zenith's Privacy Policy for CCPA referenced above for a complete list of categories Zenith will have collected):

Category	Examples	Business Purpose
A. Identifiers	A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver's license number, passport number, or other similar identifiers.	<ul style="list-style-type: none"> • Communicating with you • Underwriting your policy • Administering or investigating a claim • Making payments to you • Honoring our contractual obligations • Improving our products and services • Security Purposes • Complying with law
B. Personal information categories described in the California Customer Records Statute (Cal. Civ. Code § 1798.80(e))	A name, signature, Social Security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information.	<ul style="list-style-type: none"> • Communicating with you • Underwriting your policy • Administering or investigating a claim • Making payments to you, taking payments from you • Honoring our contractual obligations • Improving our products and services • Security Purposes • Complying with law
C. Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, genetic information (including familial genetic information).	<ul style="list-style-type: none"> • Underwriting your policy • Administering or investigating a claim • Making payments to you, taking payments from you • Honoring our contractual obligations • Complying with law • Improving our products and services • Security Purposes
D. Commercial Information	Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.	<ul style="list-style-type: none"> • Underwriting your policy • Administering or investigating a claim • Honoring our contractual obligations • Complying with law • Improving our products and services
E. Internet or other electronic network activity information	Browsing history, search history, information on a consumer's interaction with a website, application, or advertisement.	<ul style="list-style-type: none"> • Administering or investigating a claim • Improving our products and services • Underwriting your policy

I. Professional or employment-related information	Current or past job history or performance evaluations, income and salary details, credentialing information.	<ul style="list-style-type: none"> • Underwriting your policy • Administering or investigating a claim • Complying with law
J. Education information that is not publicly available and that is personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 U.S.C. § 1232g)	Education records directly related to a student maintained by an educational institution or party acting on its behalf, such as grades, transcripts, class lists, student schedules, student identification codes, student financial information, or student disciplinary records.	<ul style="list-style-type: none"> • Underwriting your policy • Administering or investigating a claim • Complying with law

Personal information does not include:

- Publicly available information from federal, state or local government records.
- Deidentified or aggregated consumer information.
- Information excluded from the CCPA's scope such as personal information collected, processed, sold or disclosed pursuant to the Gramm-Leach-Bliley Act and implementing regulations ("GLBA"), the California Financial Information Privacy Act ("CFIPA"), and the Driver's Privacy Protection Act of 1994 ("DPPA").

When information is subject to an exclusion, your rights under the CCPA are limited.

Use of Personal Information

We may use or disclose the personal information we collect for one or more of the following business purposes:

- To fulfill or meet the reason you provided the information. For example, if you applied for Workers' Compensation insurance, we will collect your bank account details if you wish to pay your premium by electronic funds transfer.
- To review, investigate, process and pay claims.
- To provide you with support and respond to your inquiries, including investigating and addressing your concerns and monitoring and improving our responses.
- To create, maintain, customize, and secure your account with us, including detecting security incidents and debugging to identify and repair errors that impair existing functionality.
- To process your requests, premium payments transactions, and other payments to and from you and prevent transactional fraud.
- For testing, research, analysis, and product development, including to develop and improve our Website, products, and services.
- To respond to law enforcement requests, regulatory agency requests and as required or allowed by applicable laws, court order, rules or regulations.
- As described to you when collecting your personal information or as otherwise set forth in the CCPA or as otherwise set forth in this Privacy Policy and any other CCPA Privacy Notice (for example, the business purposes set forth in the chart above).
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of Zenith's assets in which personal information held by Zenith is among the assets transferred.
- To conduct fraud investigations and report fraud pursuant to applicable laws, court order, rules or regulations.

Zenith will not collect additional categories of personal information or use the personal information we collected for materially different, unrelated, or incompatible purposes without providing you notice. The business purposes listed above may also apply to the categories of personal information in the chart above.

Your Rights and Choices

Effective January 1, 2020, the CCPA provides consumers (California residents) with specific rights regarding their personal information. You have the right to know about personal information collected, disclosed or sold. In addition, you have the right, subject to certain exceptions, to request deletion of personal information. You can learn more about your CCPA rights and how to exercise them by visiting our Privacy Policy for California Residents at <https://www.thezenith.com/zenith/privacy-center/privacy-policy-for-california-residents>.

CCPA WC PN (Ed. 01/20)

Insured Name : Rainbow Municipal Water District	Policy No:
Insurer/Company No :	Producing Branch: 004

WAIVER OF WORKERS' COMPENSATION COVERAGE

Pursuant to California Labor Code Sections 3351 and 3352, I hereby certify, under penalty of perjury, that I am: [check one box only]

If the Insured is a Corporation:

- An officer or member of the board of directors of the above-named insured, which is a **quasi-public or private corporation**, and that I own at least **ten percent (10%)** of the issued and outstanding stock of the above-named insured corporation. As a qualifying officer or director, I elect to be excluded from the corporation's workers' compensation insurance policy with the above-referenced insurer.
- An officer or member of the board of directors of the above-named insured, which is a **quasi-public or private corporation**, and: 1) I own at least **one percent (1%)** of the issued and outstanding stock of the above-named insured corporation; and 2) my parent, grandparent, sibling, spouse or child owns at least ten percent (10%) of the issued and outstanding stock of the above-named insured corporation; and 3) I am covered by a health insurance policy or a health care service plan. As a qualifying officer or director, I elect to be excluded from the corporation's workers' compensation insurance policy with the above-referenced insurer.
- An owner of a **professional corporation**, as defined in Section 13401 of the Corporations Code, and: 1) I am a practitioner rendering the professional services for which the professional corporation is organized; and 2) I am covered by a health insurance policy or a health care service plan. As a qualifying owner, I elect to be excluded from the corporation's workers' compensation insurance policy with the above-referenced insurer.
- An officer or member of the board of directors of the above-named insured which is a **cooperative corporation** organized pursuant to the Cooperative Corporation Law, as set forth in Part 2 (commencing with Section 12200) of Division 3 of Title 1 of the Corporations Code, and I am covered by both: 1) a health insurance policy or a health care service plan; and 2) a disability insurance policy that is comparable in scope and coverage, as determined by the Insurance Commissioner, to a workers' compensation insurance policy. As a qualifying officer or director, I elect to be excluded from the corporation's workers' compensation insurance policy with the above-referenced insurer.

If the Insured is a Partnership:

- A general partner of the above-named insured which is a **partnership**. As a qualifying general partner, I elect to be excluded from the partnership's workers' compensation insurance policy with the above-referenced insurer. If the Insured is a Limited Liability Company:
- A managing member of the above-named insured which is a **limited liability company**. As a qualifying managing member, I elect to be excluded from the limited liability company's workers' compensation insurance policy with the above-referenced insurer.

Applicable to All:

By signing this waiver, I understand and agree to the following:

- I am providing a sworn statement regarding my ownership interests in the above-named insured and my eligibility to choose to waive workers' compensation coverage for myself.
- Neither the insurer nor the producer will be required to investigate, verify or confirm the accuracy of the facts contained in this waiver.
- I will not be entitled to benefits under the policy even if the facts contained in the waiver are inaccurate. There will be a conclusive presumption that I will not be covered under the insured's workers' compensation policy with the above-referenced insurer if an employment-related injury occurs.
- The waiver shall be effective upon the date of receipt and acceptance by the above-referenced insurer.
- I consent to backdating the date of receipt and acceptance of the waiver to the policy inception date or up to 15 business days prior to the date of actual receipt by the insurer, whichever is less.
- The waiver shall remain in effect until I provide a written withdrawal of the waiver.

If none of these categories apply to the structure of your business, please consult your agent for guidance.

PRINT INDIVIDUAL'S FULL NAME

TITLE

SIGNATURE

DATE

ACCEPTED:

ZENITH AUTHORIZED REPRESENTATIVE

DATE

NOTE TO EMPLOYER: The exclusion will be endorsed to the policy upon our receipt and acceptance of a signed and properly completed form. The person electing exclusion must sign this form. Company representatives may not sign on behalf of the individual. One exclusion per form. Submit additional forms if needed.

Please return any/all signed waivers to your local Zenith underwriting office.



The Premier Workers' Compensation Specialist



TheZenith®

A FAIRFAX Company

Zenith is the premier specialist in workers' compensation nationally. We combine depth of expertise with a forward-thinking approach to achieve the highest level of service and outcomes for our clients. We foster strong relationships with our valued independent agents and brokers. Together, we're able to explore solutions and address your business needs. We believe insurance is a long-term investment in your employees and the success of your business. Great businesses become even better when they invest in the best.

YOU CAN EXPECT US TO:

- Help you reduce workplace injuries and claims, so your business stays productive
- Put your employees first, helping anyone injured on the job get the medical care they need
- Fight fraud, so you can protect what you've built
- Provide attentive and responsive service, so you can focus on your business
- Help you strengthen your business reputation, so you can compete for talent

Your business challenges are unique, and a one-size-fits all solution rarely works.

Our commitment to you includes a focus on helping you reduce claims and their costs, which can lead to a lower experience modification over time. The proof is in the numbers: Zenith's loss ratios are consistently 20 to 30 points better than the industry average.*

INVEST IN THE BEST

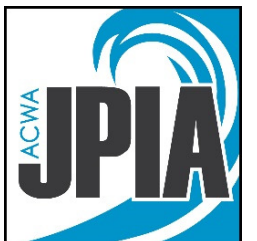
Learn More at TheZenith.com®

*Source: Industry data is from NCCI's 2016 Calendar-Accident Year Underwriting Results and WCIRB Quarterly Experience Report as of 2017, weighting by Zenith's premium distribution by state.



Coverage Proposal

RAINBOW MUNICIPAL WATER DISTRICT



Revised June 15, 2022

Introducing Your Best Protection



OUR MISSION

ACWA JPIA is dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverage and related services to its member agencies.

FORMED BY WATER AGENCIES FOR WATER AGENCIES

Water agencies have a unique set of risks not every provider can cover. In 1979, water agencies banded together to share their risks and associated insurance costs. They empowered ACWA JPIA to provide the best coverage for their needs ... and we delivered.

Today, we are the leader in providing California public water agencies with liability, property, and workers' compensation loss coverage programs as well as employee benefits. Serving only water agencies, our experience, expertise and knowledge are highly tuned to our members' unique requirements.

We are a strong, innovative organization. We continually evolve to serve our members' ever-changing demands with programs designed by them and for them. As your partner, we always battle for your agency's rights and best protection.

ADVANTAGES AT A GLANCE

- Strong, stable risk-sharing pool with over 360 members
- 100 percent member governed, member driven and member focused
- Complete protection programs tailored specifically to water agencies
- Programs with cost savings of 20 to 30 percent compared to commercial insurance
- Value-added services to help reduce claims, keep costs low and protect members
- Trustworthy, reliable and knowledgeable staff dedicated to each member
- Tools, technology and resources to support your agency's needs
- Resourceful, in-house staff with expertise in every service area

WATER AGENCIES HAVE A CHAMPION IN THE JPIA

Public entities created pools beginning in the early 1970s. In fact, ACWA JPIA evolved in 1979 after most commercial insurers abandoned the public entity market. As a result, public entities formed risk pools to reduce and stabilize long-term insurance costs and ensure access to coverage and service critical for local government functions such as the acquisition, treatment and delivery of water.

As a California special district, ACWA JPIA operates as a public entity. We are member owned, member governed and member driven. Our Board of Directors includes a representative from each member's board. Our Board elects an eight-member Executive Committee to work on its behalf with the JPIA management and staff.

Unlike the commercial insurance industry, which uses profits to measure success, ACWA JPIA provides services, coverage and risk management tools with the singular goal of servicing our members. We work closely with each of our members to provide customized programs, resources and services for their needs, no matter the agency size.

HOW WE WORK

Water Agencies must be a member of the Association of California Water Agencies to join the JPIA. Our Board and Executive Committee approve entry into the JPIA. Upon joining, members agree to share the cost of risk by contributing to pooled programs. This pool of funds pays for all member claims and, as a result, reduces the burden of long-term claim costs for all members. At the end of each program year, if claims costs are below anticipated levels, members may be eligible for refunds. ACWA JPIA is proud to be a partner with water agencies throughout California. Quite simply, ACWA JPIA is a proven source of innovation, expertise, education and financial stability.

PROTECTION – EXCLUSIVE TO MEMBERS	SERVICES – EXCLUSIVE TO MEMBERS
<p>PROPERTY PROGRAM</p> <ul style="list-style-type: none"> • \$500 million limits • Pooled retention to \$100,000 per loss • Includes boiler and machinery <p>GENERAL, AUTO, EPL AND PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY COVERAGE</p> <ul style="list-style-type: none"> • Up to \$55 million limits • Pooled retention to \$5 million per occurrence • Funded for catastrophic events • Excess premium returned to members • Employment Practices Liability <p>WORKERS' COMPENSATION</p> <ul style="list-style-type: none"> • Over 6,000 employees covered • Statutory limits • Pooled retention \$2 million • No deductible • In-house claims examiners ranked #1 in California • Funded for catastrophic events <p>EMPLOYEE BENEFITS</p> <ul style="list-style-type: none"> • HMO, PPO and consumer-driven medical plans • HMO and PPO dental plans • Life insurance and disability plans • Employee assistance and wellness programs 	<p>RISK MANAGEMENT SERVICES</p> <ul style="list-style-type: none"> • Certified safety professionals on staff • On-site consultations and risk assessments • Assistance with safety policies <p>HUMAN RESOURCES SUPPORT</p> <ul style="list-style-type: none"> • Certified human resource professionals on staff • Employment practices hotline including free legal consultations • Regional HR group meetings and individual consultations • Employee handbook/policy reviews • Model water district job descriptions <p>EMPLOYEE BENEFITS SERVICES</p> <ul style="list-style-type: none"> • Advocacy and claim support • Legal compliance assistance • Electronic enrollment system <p>TRAINING RESOURCES</p> <ul style="list-style-type: none"> • On-site, local and regional classes • Online courses • Professional development programs <p>CLAIMS SERVICES</p> <ul style="list-style-type: none"> • In-house claims staff • Specialized legal counsel • Investigation and defense

EXCLUSIVE SERVICES TO MEMBERS

ACWA JPIA's commitment to your agency's protection does not stop with our liability, property, workers' compensation and employee benefits programs. We provide additional services and consultations to serve as your trusted, long-term partner.

HUMAN RESOURCES

- Employment hotline
- Employee handbook reviews
- Employment training
- Member advocacy
- Benefits Enrollment support
- Consultation and guidance
- Employee assistance
- Model policies
- Sample forms
- Job description manual (ADA compliant; over 70 water district jobs)
- Regional HR group meetings and networking forums
- Pre-employment physical referrals

TRAINING RESOURCES

- On-site, local and regional classes; annual training conferences
- Online training resources, including live and recorded water-industry specific webinars
- Training library with over 600 DVDs
- Professional development program offering certifications in human resources, operations and supervisor basics
- In-depth, year-long senior leadership certificate program
- Staff development
- In-person training

ACWA JPIA partners with a leading provider for customized web based training specific to water agencies, including courses that are eligible for continuing education credits.

EXCLUSIVE SERVICES TO MEMBERS (CONTINUED)

ACWA JPIA's risk management staff partners with member agencies to cost effectively control exposures to potential losses in all insured programs.

RISK MANAGEMENT STAFF

- Certified Safety Professionals (CSPs)
 - Authorized to teach 10 and 30-hour OSHA and DOSH asbestos courses
 - Staff certified in water distribution, treatment and wastewater
 - On-staff electrical engineer
 - On-staff certified disability management professional
 - On-staff certified industrial hygienist
 - On-staff certified ergonomic assessment specialists
 - On-staff enterprise risk management PRIMA faculty trainer
 - On-staff chartered industrial gas consultant
 - On-staff property appraisers
-

EMPLOYEE BENEFIT SERVICES

- California licensed life and health agent
 - Direct member advocacy for employees with questions or claim issues
 - Assistance with legal compliance – Affordable Care Act
 - Electronic benefits enrollment system allows self-enrollment, district oversight and robust reporting
-

CLAIMS SERVICES

- Experienced in-house claims staff and state-certified examiners experienced with JPIA member agencies
- Statewide claims resources including investigators, adjusters and specialized legal counsel
- Aggressive investigation and defense of questionable claims
- Diligent pursuit of subrogation rights



Liability Coverage Quotation

LIABILITY PROGRAM LIMIT \$55,000,000 *

SUB-LIMITS:

- \$ 5,000,000 - Terrorism
- \$10,000,000 – Communicable Disease
- \$45,000,000 – Subsidence; Lead; Mold

INCLUDES:

- Bodily Injury
- Errors & Omissions
- Public Officials Errors & Omissions Liability
- Accidental Pollution Liability
- Property Damage
- Employment Practices Liability
- Inverse Condemnation
- Automobile Liability

**Coverage afforded for drones that follow FAA Rules and Regulations Part 107 of Title XIV*

ESTIMATED ANNUAL PAYROLL	EXPERIENCE MODIFIER	RETROSPECTIVE ALLOCATION POINT (RAP)	2021-22 ESTIMATED DEPOSIT PREMIUM
\$5,916,898	1.13	\$25,000	\$216,107

Retrospective Allocation Point (RAP)

Member agencies pay a deposit premium based on their estimated annual payroll. This deposit premium is used to pay the Member’s claims it sustains within the coverage period. For purposes of the retrospective premium adjustment, each member selects its own retrospective allocation point (RAP) level. This is the portion of each claim the Member is ultimately responsible for.

Retrospective Premium Adjustment

The first premium adjustment takes place approximately 4 years after the beginning of each coverage year. This process is called a Retrospective Premium Adjustment. The adjustment is determined by the following factors: actual payroll versus estimated payroll, losses within the member’s RAP level, a share of losses above the selected RAP level, a share of general and administrative costs, and a share of interest earned on the funds held. Once these factors have been calculated, the final premium is compared with the deposit premium to determine if a refund is due to the Member. Refunds are issued when the balance exceeds 70% of their current unmodified deposit premium. An annual statement is provided to each Member.



Cyber Liability Coverage Quotation

GROUP PURCHASE PROGRAM (Beazley)

Aggregate Policy Limit **\$5,000,000** Each Policy Period

INCLUDES:

A. Liability Coverage

1. Data and Network Liability	\$5,000,000	Each Claim/Event/Aggregate
2. Regulatory Defense and Penalties	\$5,000,000	Each Claim/Event/Aggregate
3. Payment Card Liability and Costs	\$5,000,000	Each Claim/Event/Aggregate
4. Media Liability	\$5,000,000	Each Claim/Event/Aggregate

B. First Party Coverage

Business Interruption

1. Resulting from Security Breach	\$100,000	Per Member
2. Resulting from System Failure	\$100,000	Per Member

Dependent Business Income Loss Coverage

1. Resulting from Dependent Security Breach	\$1,000,000	Per Member
2. Resulting from Dependent System Failure	\$1,000,000	Per Member

C. eCrime Coverage

1. Fraudulent Instruction	\$ 75,000	Per Member
2. Funds Transfer Fraud	\$ 75,000	Per Member
3. Telephone Fraud	\$ 75,000	Per Member

D. Criminal Reward

\$ 25,000 Per Member

RETENTION SCHEDULE:

\$100,000 Each incident claim or loss
\$ 75,000 for Members with TIV
less than \$10 million

WAITING PERIOD

12 Hours for: Business Income Loss Coverage, Dependent Business Income Loss Coverage, System Failure Business Income Loss Coverage, System Failure Dependent Business Income Loss Coverage, Reputational Damage Coverage

ESTIMATED ANNUAL PREMIUM \$12,000 *

*Subject to insurance carrier's review of completed application



Property Coverage Quotation

PROPERTY PROGRAM LIMIT \$500,000,000

PROGRAM SUB-LIMITS:

Accidental Mechanical Breakdown	\$ 100,000,000	
Extra Expense	\$ 50,000,000	
Off Premises Service Interruption	\$ 25,000,000	
Flood – Program Aggregate	\$ 25,000,000	
Zones A or V	\$ 10,000,000	
Earthquake – program aggregate	\$ 2,500,000	(higher limits available)
Money & Securities	\$ 2,500,000	

DESCRIPTION	INSURABLE VALUES	VALUATION BASIS	ANNUAL PREMIUM
Buildings, Fixed Equipment	\$ 24,880,207	Replacement	\$ 27,667
Contents	\$ 1,473,311	Replacement	\$ 1,638
Business Interruption	\$ 0	Actual Loss Sustained	Not Covered
Mobile Equipment	\$ 585,227	Actual Cash Value	\$ 1,083
Vehicles	Per schedule	Actual Cash Value	\$ 27,171
TOTAL			\$ 57,559

ADDITIONAL PROPERTY	DESCRIPTION	INSURABLE VALUES	VALUATION BASIS	ANNUAL PREMIUM
Horse Creek Lift Station	Building, Fixed Equipment	\$ 744,600	Replacement	\$ 828
Lake Rancho Viejo Lift Station 5	Building, Fixed Equipment	\$ 498,711	Replacement	\$ 555
12 Water Tanks	Buildings, Fixed Equipment	\$ 42,863,200	Replacement	\$ 47,664

DEDUCTIBLES:

Buildings/Fixed Equipment/Contents	\$10,000 per loss
Mobile Equipment Physical Damage	\$1,000 per loss
Auto Physical Damage.....	\$500 per loss
Accidental Mechanical Breakdown	
Turbine Units & associated Equipment,	
Electrical Generators, or Electrical Power Distribution.....	\$50,000
All other objects.....	\$25,000
Service Interruption	24 Hour Waiting Period
Earthquake.....	5%, subject to minimum \$75,000
Flood- All Zones.....	\$100,000



Crime Coverage Quotation

JPIA POOL COVERAGE

Limit of Coverage\$100,000

GROUP PURCHASE (National Union Fire Insurance Company)

Limit of Coverage\$1,000,000

COVERAGE INCLUDES

- Public Employee Dishonesty
- Forgery or Alteration
- Computer Fraud
- Faithful Performance of Duty
- Treasurer or Tax Collector as employees
- Designated Persons as employees – any Director

DEDUCTIBLE PER LOSS \$1,000

ESTIMATED ANNUAL PREMIUM \$1,000 *

*Subject to insurance carrier’s review of completed application



Workers' Compensation & Employers Liability Coverage Quotation

WORKERS' COMPENSATION

Limit of Coverage Up to Statutory Limits

EMPLOYERS' LIABILITY

Bodily Injury by Accident **\$ 4,000,000**
 Bodily Injury by Disease - each employee **\$ 4,000,000**
 Bodily Injury by Disease - policy limit **\$ 4,000,000**

Class Code	Classification	Estimated Annual Payroll	Rate 7/1/2021	Estimated Annual Deposit
7520	Waterworks Operations	\$ 3,693,339	.0406	\$ 149,950
7580	Sanitation	\$ 440,861	.0273	\$ 12,036
8742	Salespersons / Meter Readers	\$ 323,912	.0094	\$ 3,045
8810	Clerical (Board of Directors)	\$ 1,458,786	.0077	\$ 11,233
Total		\$ 5,916,898		\$ 176,262
Economy of Size Discount – 11%				\$ (19,389)
Discounted Premium				\$ 156,874
Experience Modification Factor				.84
Estimated 7/1/21-22 Deposit Premium				\$ 131,774

Minimum Retrospective Attachment Point (RAP) - \$15,000

Deposit premium is payable on a quarterly reporting basis. No up-front deposit is required.

Premium Summary

Program	Estimated Annual Premium	Estimated Annual Premium – 2 program participation	Estimated Annual Premium – 3 program participation
Liability Coverage	\$ 216,107	\$ 211,784	\$ 205,301
Cyber Liability Coverage	\$ 12,000	\$ 12,000	\$ 12,000
Property Coverage	\$ 57,559	\$ 56,408	\$ 54,681
Workers' Compensation Coverage	\$ 131,774	\$ 129,138	\$ 125,185
Crime Coverage	\$ 1,000	\$ 1,000	\$ 1,000

SUBJECTIVITIES:

1. Participation requires an initial three-year commitment;
2. ACWA JPIA Executive Committee approval;
3. Board resolution to join JPIA programs;
4. Application to State Dept. of Industrial Relations for a Certification of Consent to Self Insure.

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-19 RESCINDING RESOLUTION OF NECESSITY NO. 22-02, PERTAINING TO REAL PROPERTY LOCATED AT 5858 CAMINO DEL CIELO, BONSALE, CA 92003

BACKGROUND

District staff and Hoch Consulting have been working on the design plans for the future Hutton and Turner pump stations. The Hutton, Turner, and Gopher Canyon Tanks and the pressure zones they supply regularly receive water from San Diego County Water Authority (SDCWA) connections. However, the SDCWA aqueduct is shutdown at least once per year for inspection and maintenance. During these shutdowns, the District rents, installs and operates temporary pump stations in up to four strategic locations to pump water to the tanks. The Board has already approved a design contract for the replacement of temporary pumps and connection piping at the Weese Water Filtration Plant to pump water to the Gopher Tank. In addition, the Board approved a design contract for the replacement of the temporary pumps which supply Hutton and Turner Tanks based on the return on investment from savings on rental costs.

While the initial design of these pump stations was underway, it became apparent that the regular use of these pumps for moving water from the Morro Zone to the South Zones would allow the District to realize savings of \$132 per Acre Foot of water by importing water from the Metropolitan Water District connections in the North instead of the SDCWA connections, even when the SDCWA aqueduct is operational. District staff has been working with Hoch Consulting on the design of two permanent pump stations: Hutton Pump Station and Turner Pump Station. Locations for the placement of the pump stations were identified and found to be suitable for the project. In order to move forward with the project, the District needed to acquire a permanent and temporary construction easement for the Hutton Pump Station site.

A California Licensed Surveyor was hired in February of 2021 and prepared legal descriptions and plat maps for the permanent easement and temporary construction easement needed for the Hutton Pump Station project. The permanent easement was for an area of 4,308 square feet, while the temporary construction easement was for an area of 1,412 square feet. The temporary construction easement was needed for all necessary and convenient activities associated with construction of the Project, including to maneuver equipment and store materials during construction and is limited to a 12-month period. The easements were located within Division 1. A qualified appraiser was hired to value the easement interests necessary for the Hutton Pump Station project. The fair market value of the easement interests was \$58,900.

On November 3, 2021, the District sent an offer letter to the property owners for the purchase of the aforementioned permanent and temporary easements. The offer letter presented the full fair market value based on the appraisal. The District sent another offer letter to the property owners on March 11, 2022 offering additional compensation for the purchase of the aforementioned easements. District staff worked with the property owners to negotiate a resolution and agreement. However, the negotiations were unsuccessful and the District began to look for alternative sites for the Hutton Pump Station, given the difficulties with the property owner.

District staff identified an alternative location identified as San Diego County Assessor's Parcel No. 127-191-22, located in Bonsall, California. This alternative property is owned by Ocean Breeze Ranch, LLC, a Delaware limited liability company. District staff was able to efficiently negotiate an acquisition from Ocean Breeze Ranch, LLC sufficient for the Hutton Pump Station.

As property for the Hutton Pump Station has been acquired, the District no longer needs to acquire property at 5858 Camino Del Cielo, Bonsall, California 92003, which was the subject of a prior Resolution of Necessity No. 22-02. As such, the District can rescind Resolution of Necessity No. 22-02, pursuant to Code of Civil Procedure section 1245.260, subdivision (c), as a matter of right.

DESCRIPTION

The Board of Directors is being asked to consider the adoption of a Resolution rescinding the prior Resolution of Necessity No. 22-02, which authorized the acquisition by eminent domain of an interest in real property for public use and authorized and directed condemnation of portions of San Diego County Assessor's Parcel Number 127-010-05.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources. Designing and constructing the Hutton and Turner Pump Stations for regular use in transporting water from the Morro Zone to the Hutton and Turner Tanks will allow the District to use a larger ratio of water from a less expensive source and will ensure the availability of water during SDCWA Aqueduct shutdowns. Easements are required to construct the pump stations.

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

The fiscal impact for the acquisition of the original easement would have been \$58,900. Pursuit of the eminent domain process and associated expenses were also an additional cost above the compensation amount and were taken into consideration in budgeting. However, as a result of the new acquisition location, the District acquired the necessary property for less than \$10,000 in just compensation. As such, the fiscal impact from the adoption of this resolution will significantly reduce the expenditure of compensation and legal fees and expenses originally anticipated for the acquisition of the property needed for the Hutton Pump station.

Option 1:

- Make a finding that the action before the Board does not constitute a "project" as defined by CEQA.
- Adopt Resolution No. 22-19 by a two-thirds vote, rescinding the prior Resolution of Necessity No. 22-02, which authorized the acquisition by eminent domain of an interest in real property for public use and authorized and directed condemnation of portions of San Diego County Assessor's Parcel Number 127-010-05.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad A Williams

Chad Williams
Engineering and CIP Program Manager

06/28/2022

RESOLUTION NO. 22-19

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT RESCINDING RESOLUTION OF NECESSITY NO. 22-02, WHICH AUTHORIZED THE ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZED AND DIRECTED CONDEMNATION OF PORTIONS OF SAN DIEGO COUNTY ASSESSOR PARCEL NUMBER 127-010-05

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, the District previously adopted, on January 25, 2022, Resolution of Necessity No. 22-02, for the acquisition of certain easement interests in the property located at 5858 Camino Del Cielo, in Bonsall, an unincorporated community within San Diego County, bearing San Diego Assessor’s Parcel Number 127-010-05 (the “Property”) for public use, to wit: Acquisition of property for the Hutton and Turner Pump Stations Project (the “Project”); and

WHEREAS, the property interests described therein were 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 interests to be acquired for the Project pursuant to Resolution No. 22-02 included (i) a 4,308 square foot permanent easement in the Property (“Easement”), for the purposes of public utilities and general utility purposes including sewer, access, and maintenance purposes, and (ii) a 1,412 square foot temporary construction easement in the Property (“TCE”), for the purposes of all necessary and convenience activities associated with the Project; and

WHEREAS, the District was able to acquire the easement interests necessary for the Project from an alternative site that was found suitable for the Project;

WHEREAS, the District has determined it is no longer necessary to acquire the Easement and TCE from the Property for the Project; and

WHEREAS, the District scheduled a regular hearing for June 28, 2022 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), and gave all interested parties notice and a reasonable opportunity to appear at said hearing; and

WHEREAS, the District may adopt a resolution explicitly rescinding the Resolution of Necessity No. 22-02 pursuant to Code of Civil Procedure section 1245.260, subdivision (c) as a matter of right.

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 explicitly rescinds Resolution of Necessity No. 22-02.
3. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of June 2022 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION FOR A VARIANCE REQUEST FROM CUSTOMER (AVALOS) FOR THE DIFFERENCE IN ACCOUNT CLASS RATES FROM JUNE 2021 TO APRIL 2022 (Division 1)

BACKGROUND

On April 22, 2022, Amanda Avalos contacted the district and requested her account be changed from Agricultural Domestic to Single Family Residential due to high monthly operation and maintenance fees. The customer states that they had tried to do their due diligence in the past to lower their monthly bill, but was never informed of the option to change their account class. Rainbow staff members had been in contact with this customer's husband in June 2021 and his concerns stated were strictly about consumption. The customer is now requesting a credit be added to their account for the difference in operation and maintenance fees between Agricultural and Single Family Residential for June 2021 through April 2022.

DESCRIPTION

The account belonging to 30329 Calle La Reina was changed over from Agricultural (AG) to Single Family Residential (SFR) on April 22, 2022, per the customer's request. During this same phone call, the customer requested that she be issued a credit for the difference in fixed fees for the past year. At that time, we told her that staff did not have authority to issue a credit in this type of situation. The customer stated they contacted us about their high bills and how to lower them a few times since moving into this property. Upon researching our call logs, we listened to the calls we received dating back to June 2021. The call in June 2021 was the customer's husband calling expressing concern over the consumption on their bill. He wanted to know how it was possible to use that amount of water with only showers and minimal outdoor water use. We offered to have a technician check the meter and go over the equipment. The concern and questions that were communicated to us were not about the bill amount; they were specific to the consumption amount. He also asked about the gallons per unit, frequency of billing, and previous owner's usage. The customer has stated the district should have known they did not have a grove and should have changed the rate class when staff went out to check for a leak. The difference in rates between residential and the two different rates the customer was on prior to making the change would have been \$587.39 over the one-year period.

This customer was on the special rate class called TSAWR that was eliminated in 2021 by our wholesale water supplier and replaced with a new program that required customers to actively opt in. During the PSAWR transition last year customers were provided information about rate classes and what would happen if they did not opt into the SDCWA PSAWR program. The customer did not bring this up even though they were noticed of the change. Multiple letters were mailed to the customer prior to this rate class change explaining the need to contact our office to go over what rate class they would like to be move to, stating that no action would result in being switched to the Agricultural Domestic rate class. The customer did not bring this up even though they were noticed of the change.

Rate classes are set up at the start of service and are the customer's choice depending on planned use and the level of each individual customer's tolerable restrictions in case of a drought. Customers who do not have a grove can, and do, choose to stay under the AG rate for various reasons. Some stay on due to future plans to plant a grove. Others prefer to be on AG because this rate class is not subject to as restrictive of water cutbacks during a drought as a non-agriculture (residential) customer. Staff does not review rate class choices with every customer call. **It is not the District's responsibility to know exactly when a particular customer changes use.**

ATTACHMENTS

Attachment A- Administrative Code Variance Application

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

If the Board approves the variance, Rainbow MWD will have to credit a total of \$587.39 to the customer for the difference in fixed fees for June 2021 through April 2022.

- 1) Approve the variance to credit \$587.39, the difference in fixed fees from June 2021 to April 2022.
- 2) Deny the variance request (staff recommendation).
- 3) Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 2.



Tracy Largent, CPA
Finance Manager

June 28, 2022



ADMINISTRATIVE CODE VARIANCE APPLICATION

PROPERTY OWNER OR PRIMARY ACCOUNT HOLDER INFORMATION		
Owner Name: Amanda Avalos	Telephone No.: 7182132935	
Address: 30329 Calle La Reina Bonsall, CA 92003		
Email Address: amandaavalos918@gmail.com	Account No.: 017437-000	
LOCATION OF PROPOSED ADMINISTRATIVE CODE VARIANCE		
Address:	APN:	Acres:
SUPPORTING INFORMATION		
<p>Specific section(s) of the Administrative Code for which this variance is being requested (<i>attach additional pages if needed</i>):</p>		
<p>Reason why the variance should be approved including how the intent of the Administrative Code will be met (<i>attach additional pages if necessary</i>):</p> <p>We reached out to Rainbow Water in June 2021 after moving into our new home in April inquiring why our water bill was so high including but not limited to discussing consumption and the billing statement. Rainbow also had a representative come to our home to assess the property where they could clearly see we do not have a grove on our property. Although I was discouraged from reaching out by the customer service rep, I hope that you will consider granting us a credit to our bill for the overcharge from June 2021 to when our bill was adjusted. I know \$587.39 is not much to you but it makes a big difference for us especially during these difficult times.</p> <p>Please note, I'm signed up for paperless billing as we do not want to receive any bills or communications via snail mail or waste the paper.. All communications should be via email to those that chose this option.</p> <p>Thank you for your time and consideration</p>		

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

M:\Finance\Confidential Customer Service\Engineering Forms\20181003-VarianceApplication.doc

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING CSDA 2022 BOARD OF DIRECTORS ELECTIONS SEAT B

BACKGROUND

CSDA's Elections and Bylaws Committees called for nominations for independent special district board members or their general manager who are interested in leading the direction of CSDA for the 2023-2025 term. All nominations were to be received no later than March 31, 2022.

Rainbow MWD is located in the Southern Network and Don Bartz, General Manager at Phelan Pinon Hills Community Services District has served as the incumbent and is running for re-election.

CSDA stated they will be using a web-based online voting system allowing RMWD to cast its vote easily and securely.

DESCRIPTION

On May 28, 2022, General Manager Kennedy received an email with the link to cast the RMWD vote as well as notifying that the ballot ends at 5:00 p.m. on July 16, 2022.

RMWD received a letter of support from General Manager Bartz seeking support in his re-election to CSDA's Seat B (see attached).

Should the RMWD Board of Directors wish to cast a vote, the ballot has been attached for their reference.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Six: Communication - Active involvement in CSDA helps the District stay abreast of activities in Sacramento that deeply affect our customers. Engagement at CSDA also helps build relationships that can be helpful when we need support on policy issues that are important to our customers.

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.

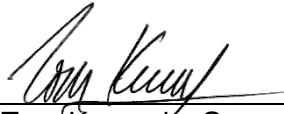
BOARD OPTIONS/FISCAL IMPACTS

There are no fiscal impacts associated with participating in this CSDA election.

1. Vote for one of the three candidates listed on the CSDA 2022 Board of Directors Seat B ballot and direct staff to submit the online ballot according.
2. Do not cast a vote for one of the candidates listed on the CSDA 2022 Board of Directors Seat B ballot.

STAFF RECOMMENDATION

Staff supports direction.



Tom Kennedy, General Manager

June 28, 2022



Home

How It Works

Logout **Tom Kennedy**

CSDA Board of Directors Election Ballot - Term 2023-2025; Seat B - Southern Network

Please vote for your choice

Choose **one** of the following candidates:

- Don Bartz, Phelan Pinon Hills Community Services District*
- Ken Endter, Fallbrook Public Utility District
- Beverli Marshall, Valley Sanitary District

*Incumbent

Don Bartz* [\[view details\]](#)

Ken Endter [\[view details\]](#)

Beverli Marshall [\[view details\]](#)

ContinueCancel

This is the online voting system of CSDA. Powered by [Simply Voting](#).



A. 4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329
P. (760) 868-1212
F. (760) 868-2323
W. www.pphcsd.org

May 23, 2022

Executive Assistant/Board Secretary Dawn Washburn
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

RE: CSDA's Seat B – Southern Network Election

Dear Executive Assistant/Board Secretary Washburn,

It is an honor to be considered for election to CSDA's Seat B - Southern Network to continue my service as a member of the Board of Directors. I have been active with CSDA for over 20 years during my time as General Manager for three different Southern Network agencies. I hold the Certified Special District Manager designation through CSDA and I understand just how valuable membership in CSDA is for special districts. Special districts often do not have a voice with our legislators and CSDA advocates for us. Most recently, when special districts were completely overlooked in regard to state and federal COVID-19 funds, CSDA worked with our legislators to provide COVID-19 funding for special districts.

I have been the General Manager of the Phelan Pinon Hills Community Services District ("District") since it formed 14 years ago. Our District has utilized CSDA's education and legislative programs to educate both District directors and staff in order to establish sound governance and best practices for our authorized services. I have served on CSDA's Professional Development and Membership Committees and recommend all special districts join CSDA to strengthen our coalition and bring recognition to our unique districts.

Because my District provides water, parks and recreation, solid waste, and street lighting services, I will bring a variety of experience and understanding of the needs of special districts in our region. As a regular attendee of CSDA conferences and workshops, I am willing to attend meetings and conferences. As a regular panelist on CSDA's, "So You Want to be a General Manager," workshop, I understand the role CSDA plays in helping general managers manage special districts and how CSDA is essential in training the next generation of managerial staff.

I currently serve as CSDA's representative for the Institute of Local Government and I also serve as an appointed planning commissioner for the City of Hesperia. I understand the land use and other hurdles special districts face when developing projects. I will utilize my legislative relationships for the benefit of CSDA members to advocate for special districts and to ensure we have a voice in the legislature and are considered for funding and grants. I would be honored to receive your vote.

Page 241 of 316

Sincerely,

Don Bartz, General Manager



BOARD OF DIRECTORS

June 28, 2022

SUBJECT

STATEMENT OF AUDITING STANDARDS (SAS) 114 PLANNING LETTER

DESCRIPTION

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 attached letter describes planning stages of the audit for the year ended June 30, 2022.

The audit for year ended June 30, 2022 is scheduled to begin September 6, 2022 with a report issues by approximately November 12, 2022.

ATTACHMENTS

- SAS 114 Letter



Tracy Largent, CPA
Finance Manager

June 28, 2022



June 4, 2022

Tracy Largent
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

Lance, Soll & Lunghard, LLP (“LSL CPAs”) is pleased to confirm our understanding of the services we are to provide for Rainbow Municipal Water District (the “District”) for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements and disclosures of the District as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the District’s basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to the District’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis
2. Required pension-related supplementary schedules
3. Required other post-employment benefits (OPEB) supplementary schedules

The objectives of our audit 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 issue an auditor’s report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:





- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.



Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

1. Improper revenue recognition due to fraud and management override of internal controls are, by professional standards, always considered to be significant risks of material misstatement.
2. The District's pension and OPEB liabilities are based on actuarial valuation reports with a high degree of estimation, which is considered to be a significant risk.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.



The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, and related notes of the District in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, and related notes and that you have reviewed and approved the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation



of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS, *Government Auditing Standards*, and the Uniform Guidance.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to commencement of final fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your



responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of LSL CPAs and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the District's regulatory, federal cognizant, or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of LSL CPAs personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.



The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the District's regulatory, federal cognizant, oversight, or pass-through agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mr. Ryan Domino, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit as previously agreed to by management. To ensure that Lance, Soll, and Lunghard LLP's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are outlined in our contract with you. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

GASB 87 Implementation

Additional procedures will be required to be performed with the implementation of GASB 87. While we do not anticipate adding additional fees to perform these required procedures, additional assistance that would be considered outside the scope of our audit and not routine in nature could require additional billings at our standard hourly rates indicated in our contract with you. Any anticipated additional billings will be discussed with you prior to the work being performed.

You agree that any claim arising out of this Agreement shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Lance, Soll, & Lunghard LLP.

Government Auditing Standards require audit organizations to provide a copy of their most recent external peer review report and any subsequent review reports during the period of the contract. Our 2019 peer review accompanies this letter. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

If any portion of this Agreement is deemed invalid or unenforceable, said findings shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Billing and Payment Terms -- We will bill you for our professional fees and out-of-pocket costs each month as work progresses. Payment is due within 30 days of the invoice date. If payment is not received by the due date, you will be assessed interest charges of 1.5% per month on the unpaid balance.

We reserve the right to suspend or terminate our work for non-payment of fees. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that



may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our services.

Our firm's practice MAY require payment of a retainer upon execution of this engagement letter. You agree that the retainer will be fully earned as our professional time to complete the engagement is incurred. The retainer will be applied to the final billing and any unused balance will be refunded at the end of the engagement.

Electronic Data Communication and Storage -- In the interest of facilitating our services to you, we may send data over the Internet, or store electronic data via computer software applications hosted remotely on the Internet or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications.

Third Party Service Providers or Subcontractors -- In the interest of enhancing our availability to meet your professional service needs while maintaining service quality and timeliness, we may use a third-party service provider to assist us. We require our third-party service providers have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. By accepting the terms and conditions of our engagement, you are providing your consent and allow us to disclose your confidential information to a third-party service provider, if such disclosure is necessary to deliver professional service or provide support services to our firm.

Independent Contractor -- When providing services to your company, we will be functioning as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint ventures, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Any obligations under this agreement are solely obligations of the firm, and no partner, principal, employee or agent of the firm shall be subjected to any personal liability whatsoever to you or any person or entity.

Firm Associations -- The firm is a member of PrimeGlobal, a global association of independent accounting firms. No PrimeGlobal member firm is an agent or partner of the association or of any other member firm. No PrimeGlobal member firm has the authority to enter into any legal obligations on behalf of the association or any other member firm. If the firm introduces you to another PrimeGlobal member firm, this firm specifically denies any liability for any work performed by that firm. You should make your own contractual arrangements with that firm for work that they perform. The fact that you may have been introduced to us by another PrimeGlobal member firm does not make that firm, its partners or its employees responsible for any of our acts or omissions.

The firm is not the agent or partner of PrimeGlobal or any other member firm and does not have the authority to enter into legal obligations on behalf of either the association or any other member firm thereof. You agree that this firm has the sole liability for any work performed under this engagement and you undertake not to make any claim or bring any proceedings against either PrimeGlobal or any other member of PrimeGlobal in relation to work covered by this engagement.



Records Management –

Record Retention and Ownership

We will return all of your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without your written request and our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. A copy of our record retention policy is available upon request.

Our firm destroys workpaper files after a period of seven (7) years from the completion of the engagement as long as you remain a client with us. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

Working Paper Access Requests by Regulators and Others

State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, or the sale of our accounting practice. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.



If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Disclaimer of Legal and Investment Advice -- Our services under this letter do not constitute legal or investment advice unless specifically agreed to in this Letter. We recommend that you retain legal counsel and investment advisors to provide such advice.

Brokerage or Investment Advisory Statements -- If you provide our firm with copies of brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in this engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend you receive and carefully review all statements upon receipt and direct any questions regarding account activity to your banker, broker or investment advisor.

Federally Authorized Practitioner – Client Privilege -- Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations.

This privilege is limited in several important respects. For example, this privilege does not apply to your records, state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings.

While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this federally authorized practitioner-client privilege.

Limitations on Oral and Email Communications -- We may discuss with you our views regarding the treatment of certain items or decisions you may face. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may or may not be appropriate to proceed with any decision solely on the basis of any oral or email communication. You accept all responsibility, except to the extent caused by the gross negligence or willful misconduct of LSL CPAs and Advisors, for any loss, cost or expense resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this in a separate engagement letter.

Management Responsibilities -- While we can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee any services that we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.



Conflicts of Interest -- If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product

Mediation -- If a dispute arises out of or relates to the letter including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by letter of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. Any mediator so designated must be acceptable to all parties. The mediation will be conducted in California.

The mediation will be treated as a settlement discussion and, therefore, will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the hiring party.

Limitation of Liability -- LSL CPAs and Advisors liability for all claims, damages, and costs arising from this engagement is limited to three (3) times the total amount of fees paid by you to us for services rendered under this letter.

Indemnification -- You agree to hold LSL CPAs and Advisors harmless from any and all claims which arise from knowing misrepresentations to us by your management, or the intentional withholding or concealment of information from us by your management. You also agree to indemnify us for any claims made against us by third parties, which arise from any of these actions by your management. The provisions of this paragraph shall apply regardless of the nature of the claim.

Designation of Venue and Jurisdiction -- In the event of a dispute, you and we agree that the courts of the state of California shall have jurisdiction, and we agree to submit all disputes to the Superior Court of Orange, California, which is the proper and most convenient venue for resolution. We also agree that the law of the state of California shall govern all such disputes.

Proprietary Information -- You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property we use are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, letters and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, "hard copy" format or other medium.

Statute of Limitations -- You agree that any claim arising out of this letter shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against us.

Termination and Withdrawal -- We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of this letter or as we determine professional standards require. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, or for any liability, including but not limited to, penalties or interest that may be assessed against your resulting from your failure to meet such deadlines.



If this letter is terminated before services are completed, you agree to compensate us for the services performed and expenses incurred through the effective date of termination.

Assignment -- All parties acknowledge and agree that the terms and conditions of this Letter shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

Severability -- If any portion of this Letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Letter.

Code of Professional Conduct -- To ensure that our independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering in any substantive employment discussions with any of our personnel. In accordance with Section 50 of the Board of Accountancy Regulations for the State of California, this shall provide notice that Lance, Soll & Lunghard CPAs, Certified Public Accountants, is licensed by the California Board of Accountancy.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of Rainbow Municipal Water District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.



Rainbow Municipal Water District
Page 13

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

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

LANCE, SOLL & LUNGHARD, LLP

ACCEPTED:

This letter correctly sets forth the understanding of the District:

Signature: Tracy Largent

Title: Finance Manager

Date: 06/07/2022

Report on the Firm's System of Quality Control

January 17, 2020

To the Partners
Lance, Soll & Lunghard, LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants.

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

As a part of our review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2019 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Mark F Wille, APAC". The signature is written in a cursive style with a long horizontal flourish at the end.

Mark F Wille
A Professional Accountancy Corporation



SIGNATURE CERTIFICATE




REFERENCE NUMBER

B1049A69-7AE5-4109-A85C-6FB25B5EFD30

TRANSACTION DETAILS	DOCUMENT DETAILS
<p>Reference Number B1049A69-7AE5-4109-A85C-6FB25B5EFD30</p> <p>Transaction Type Signature Request</p> <p>Sent At 06/04/2022 14:21 EDT</p> <p>Executed At 06/07/2022 08:55 EDT</p> <p>Identity Method email</p> <p>Distribution Method email</p> <p>Signed Checksum 8f9cd4952329d1dec2e908266c9650aa342f5854f4b4d05f9250eeb55ec16189</p> <p>Signer Sequencing Disabled</p> <p>Document Passcode Disabled</p>	<p>Document Name Rainbow Municipal Water District Government Eng Letter 2022 With New Sas 134</p> <p>Filename rainbow_municipal_water_district_government_eng_letter_2022_with_new_sas_1:</p> <p>Pages 15 pages</p> <p>Content Type application/pdf</p> <p>File Size 1.32 MB</p> <p>Original Checksum 76210f40b158b07d6875ec3ac122be85b4c927e76a9f75e1aca19cf59a2c732d</p>

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
<p>Name Tracy Largent</p> <p>Email tlargent@rainbowmwd.com</p> <p>Components 3</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum 78cf24dcd95a678d7c8d7675d1e041c66752fd5de80e0127697d2d6261e86d36</p> <p>IP Address 72.48.109.2</p> <p>Device Chrome via Windows</p> <p>Typed Signature </p> <p>Signature Reference ID 633077F3</p>	<p>Viewed At 06/07/2022 08:54 EDT</p> <p>Identity Authenticated At 06/07/2022 08:55 EDT</p> <p>Signed At 06/07/2022 08:55 EDT</p>

AUDITS

TIMESTAMP	AUDIT
06/04/2022 14:21 EDT	Karla Sanders (karla.sanders@lslcpas.com) created document 'rainbow_municipal_water_district_government_eng_letter_2022_with_new_sas_134_implementation.pdf' on Chrome via Windows from 104.220.32.70.
06/04/2022 14:21 EDT	Tracy Largent (tlargent@rainbowmwd.com) was emailed a link to sign.
06/07/2022 08:54 EDT	Tracy Largent (tlargent@rainbowmwd.com) viewed the document on Chrome via Windows from 72.48.109.2.
06/07/2022 08:55 EDT	Tracy Largent (tlargent@rainbowmwd.com) authenticated via email on Chrome via Windows from 72.48.109.2.
06/07/2022 08:55 EDT	Tracy Largent (tlargent@rainbowmwd.com) signed the document on Chrome via Windows from 72.48.109.2.

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2022	MEETING	LOCATION	ATTENDEES	POST
July	14	SDCWA Special Board Meeting	SDCWA	GM	N/A
July	*	CSDA – San Diego Chapter	TBD	Mack	N/A
July	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
July	*	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
July	*	Council of Water Utilities	Via Zoom (** 3 rd Tuesday in April, June, Aug, Oct)	All Directors, General Manager	N/A
July	6	Engineering & Operations Committee Meeting	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	6/29
July	7	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	6/29
July	11	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
July	12	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	7/6
July	15	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
July	19	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
July	26	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	7/19
July	27	North County Work Group (NCWG)	Rincon Del Diablo, Escondido 8:00 a.m.	General Manager	N/A
July	28	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

- **CHANGES – ADDITIONS - DELETIONS:**

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

Operations Report for May 2022

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

March	Repairs	Installations	Leaks
Mainline	3		3
Service	3		2
Hydrants	2		
Valves	6	6	
Meters			
Blow-Offs	2	1	
Air Vacs	1		
Annual Totals	59	21	40

- **263** utility locates were completed in the month of March - **Annual Total 1263**
- Repaired Service Leaks at 32149 Aqueduct Rd, and Huntley Rd
- Repaired plugged service at Ramona Dr. APN123-492-33
- Repaired mainline leaks at 31675 Wrightwood Rd., 31951 Wrightwood Rd., and 31561 Cottontail Ln.
- Relocated fire hydrant FH15 at Pala Mesa Heights
- Began Modifications to Pala Mesa South (40% complete)
- Repaired fire hydrant FH49 in the Vista Valley Country Club
- Installed 3 gate valves at Gate view and Shady hill in the Rolling Hills community.
- Assisted the meter department with meter updates.

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT:

Water Operations:

- Assessed 0 Water Quality Complaint in May. **Annual total 11.**
- Performed 0 fire flow tests. **Annual total 2.**
- Performed routine maintenance/rebuilding of **6** pressure stations (CLA VALs). **Annual total 37.**

- Collected all tank/reservoirs nitrification samples.
- Rebuilt Lookout Mountain Pump Motor #1 back in service.
- Washed out Gomez tank placed back online.
- Completed 2021 Annual Consumer Confidence Report (CCR)

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Annual Totals
Exercised	78	56	561
Inoperable	3	6	25
Repaired			
Replaced	1	3	27
Installed	0		1

Valve Maintenance completed and/or oversaw the following:

- Assisted with 7 shutdowns- **Annual Total 64.**
- Raised 0 fire hydrants (installed breakaway spoos).
- Replaced 3 air/vacs, 0 wharf heads, 0 Fire hydrants, and 1 gate valve.
- Painted 99 appurtenances- **Annual Total (467).**

METERS DEPARTMENT:

Water Service Upgrade Project

WSUP is **100%** complete, minus a few RTUs and large meters, which are scheduled to arrive in June. Concord has completed their assignments and is no longer working at the district.

Backflows:

- Seven hundred and one (**701**) backflows were tested in the month of May.
- Two thousand eight hundred thirty (**2830**) backflows have been tested so far this year (2022).

Customer Service Requests:

- 240 Service Request were resolved in May. **Annual total 1044**
- 296 Check Bills were completed in the month of May. **Annual total 1640**
- Year to date service requests and check bills: **2684**

WASTEWATER:

Monthly, Semi-Annual, and Annual Reports: California Integrated Water Quality System (CIWQS): Confirmation # 2625702 Reported: "No-Spill Report" for Month: May 2022.

Lift Stations:

May 09, 2022 - Scheduled through Fallbrook propane in removing forty-year relief valve with a more compliant valve per SD county pressure vessels unit.

May 16, 2022 - Horsecreek lift station PLC monitor failure. Six-month delay for delivery installed and reprogrammed.

May 25, 2022 - Golf Club Dr. generator failure. Repairs are pending due to three weeks parts availability. 6" trash pump on site for immediate response.

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

Engineering Report for May 2022

DESCRIPTION

CAPITAL PROJECTS:

Emergency Generators at Huntley-Gomez & Magee Pump Stations (Syska Hennessy Group): The Huntley-Gomez generator was delivered to the District in March and the Magee generator is expected to be delivered in mid-July. District staff contacted multiple consultants to request a proposal for design services in accordance with Section 5.02.110 of the Administrative Code. The District selected Syska Hennessy Group to develop plans and specifications for the installation of both generators. Staff will be requesting the Board to authorize issuing a Professional Services Agreement at the July 2022 Board meeting.

Gird Road Upsize (Omnis): This project is for the installation of an 18-inch pipeline along Gird Road. This project will be constructed inhouse. District staff met with Bonsall Unified School District to discuss use of their property for a project staging area. Staff will be working on a lease agreement. Design plans were finalized, materials ordered, and permit applications submitted to the County.

Hutton and Turner Pump Stations (Hoch Consulting): District staff continues to meet and work with Hoch Consulting on a weekly basis. Hoch is looking at meter data to assess demand for the Hutton Zone to help with calibrating the hydraulic model. District staff has identified the source of power for the Turner pump station site and will be meeting with the property owner's representative to discuss the potential easement acquisition on behalf of SDGE in June. District staff continues to work on the Hutton easement acquisition process.

Live Oak Park Road Bridge Replacement – Water Improvements (Hazard Construction): District staff have been coordinating with the County of San Diego (County) and their contractor, Hazard Construction on their Live Oak Park Road Bridge Replacement Project. The District executed a construction contract with Hazard Construction to relocate an 8-inch and 16-inch water main in early May. A pre-construction meeting was held on May 16, 2022, and a Notice to Proceed was issued shortly thereafter. Hazard Construction will perform the District's water improvements in two phases in conjunction with the County's bridge project.

LS-1 Replacement Project -Thoroughbred and Schoolhouse Lift Stations (JW Fowler Co.): The project started construction in mid-January 2022 and is focused on the Lift Station site off Thoroughbred Lane. The contractor has completed excavation for the emergency storage facility and began excavation on the wet wells and diversion structure. The contractor will complete placement of concrete for the floor slab, walls and all columns by mid-June and will then proceed to form the roof slab. Pipeline installation is expected to begin in late June based on pipe availability. District staff and legal counsel continue to work with property owners to acquire four easements needed for this project. The County approved the design to hang the sewer line off the Camino Del Rey Bridge and Moosa Creek Bridge. District staff executed Change Order 1 Value Engineering proposal 50/50 split with the contractor to utilize Jack and Bore in lieu of microtunneling. District will save a total of \$260,945 credit (\$89,142 near Arco and \$171,803 at Ostrich Farm Creek). Change Order #2 was executed

and included a valued engineering proposal 50/50 split with the contractor to modify the Primus liner material sourcing. The District will save \$44,154.00.

Manual Transfer Switches (Harris & Associates): District staff contacted multiple consultants to request a proposal for design services in accordance with Section 5.02.110 of the Administrative Code. The District selected Harris & Associates to perform design services and will be issuing a Professional Services Agreement in early May. Design services for manual transfer switches at Vallecitos, Rainbow Hills and Morro Hills Pump Stations will begin in May 2022 in anticipation of starting construction in Q1 FY22/23.

Programmatic Environmental Impact Report (Helix Env.): The Draft PEIR was released for 45 Day Public Commenting. The Notice of Availability was mailed out to stakeholders, advertised in the Daily Journal, and filed with the County. The report was uploaded to the District's website and State Clearinghouse. Public comments are due by July 8, 2022. District staff intends to present the PEIR to the Board in August 2022 for approval and certification.

Rainbow Valley Blvd. Cathodic Protection (Farwest CCC): 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 anode wells have been completed at both the Rainbow Hills Pump Station and Rainbow Heights Pump Station. The County provided comments in the end of May to the contractor on the permit application. It is anticipated that the permit will be issued in early June and the project completed by the end of June 22, 2022.

Rainbow Water Quality Improvement Project – Water Main & Service Laterals (Omnis): The County of San Diego is proposing a water quality improvement project in the community of Rainbow, which impacts approximately 22 service laterals, 350 feet of 8-inch water main, 650 feet of 12-inch main and three (3) sections of 8-inch water main. The District's Rainbow Water Quality Improvement Project – Water Main & Service Laterals final plans and specifications are now complete, and project construction will be advertised in June 2022 following the Request for Bid (RFB) process. The solicitation will only be offered to the District's pre-qualified contractors to expedite the procurement process. Per the County of San Diego, all water improvements must be completed by September 2022 to avoid conflicts with the County's construction project.

Rice Canyon Tank 18-Inch Transmission Line (Dexter Wilson Eng.): Cass Arrieta Construction has installed all new pipe associated with the 18-inch Transmission Line. No cultural resources were detected during excavation. The Project Biologist recently determined that the habitat adjacent to the project impact area is no longer occupied by a California gnatcatcher, therefore all noise monitoring activities have ceased. Twelve (12) progress meetings have been held with District staff, Tri-Pointe Homes, Cass Arrieta, and the project's environmental team to discuss construction updates, construction administration, potential constraints, and sensitive resources. Construction is expected to be completed ahead of schedule with a new completion date of October 2022.

San Luis Rey Return Flow Recovery Project (DLM Engineering): The District publicly advertised a Request for Proposal for hydrogeologic and engineering services from February to the end of March. Two (2) proposals were received, and an Evaluation Committee met in April to discuss individual scoring evaluations. Consultant interviews were conducted in May and ongoing contract negotiations are underway.

Sumac Communications Tower PV & Back-Up Battery System (Hoch Consulting): District staff advertised the RFSQ in March and April 2022 and did not receive any Statement of Qualification packages. District staff and Hoch Consulting contacted over ten (10) solar companies to inform them of the project. Due to the delays encountered during procurement there is now an urgent need to construct these facilities to safeguard critical emergency infrastructure.

Wilt Road Pipeline Project (Omnis): Comments on the 60% design were incorporated by the design engineer. District staff is reviewing the latest design submittal and will be providing comments in June.

MAJOR DEVELOPER PROJECTS:

Bonsall Oaks (formally Polo Club): 164 SFR / 205.8 EDUs – A fourth amendment to the unrecorded joint agreement to improve major subdivision Tract No. 4736-1 was made and entered on May 24, 2022, between the Developer, County of San Diego, and the District. District staff has completed plan reviews for Phase 1A and Phase 1A-1 of the construction. 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 pulled off-site and is waiting for materials. The Developer continues to submit plan reviews for future phases of the project.

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. An initial review of improvement plans was completed by District staff in February 2022. The second plan submittal was received on April 28, 2022, and the review was completed in May.

Citro (Tri Pointe) (formally Meadowood by Pardee Homes): Approximately 844 Units, 926.6 Sewer EDUs - On Pala Road/Horse Ranch Creek Road. 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 has constructed several of the improvements. The contractor is on site excavating and installing both water and sewer main. A second crew is on site testing the water and sewer for the models (phase 1). The Developer has purchased 127 meters to date.

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 water main has been tested and accepted. The Developer is working on meter installs and sewer connections.

Horse Creek Ridge (D.R. Horton): 627 SFR/MF, 430 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.

Horse Creek Ridge Unit 6R5 Promontory (Richmond American Homes): 116 Units, 113 Water Meters (plus irrigation meters and 3 SF meters previously 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, including the provision of as-built plans.

**AS-NEEDED CONTRACT EXPENDITURES REPORT
MAY 2022**

CONTRACT INFO		FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT
Title: As-Needed Land Surveying Services, PSA 18-15 Firm: Johnson-Frank & Assoc. Expires: 8/29/22 CO-01 \$0 NCE BoD 6/22/21.								
CONTRACT AMOUNT:							\$ 50,000.00	
	CIP	2021-04	Closed	5/3/2021	Prepare Plat Map - Thoroughbred Lift Station		\$ 22,403.50	
	CIP	2022-05	Open	5/10/2022	Legal Descriptions/Plat Maps/Easements - Thoroughbred Lift Station		\$ 6,600.00	
					Unspecified		\$ 5,702.10	
TOTALS:							\$ 50,000.00	\$ 50,000.00
Title: As-Needed Land Surveying Services, PSA 18-14 Firm: KDM Meridian, Inc. Expires: 8/29/22 CO-01 \$50K BoD 5/26/20, CO-02 \$50K BoD 6/22/21.								
CONTRACT AMOUNT:							\$ 150,000.00	
	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	
	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	
	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	
	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	
					Unspecified		\$ 60,887.00	
TOTALS:							\$ 150,000.00	\$ 150,000.00
Title: As-Needed Land Surveying Services, PSA #18-15 Firm: Right-of-Way Eng. Expires: 8/29/22 CO-01 \$50K BoD 5/26/20, CO-02 \$50K BoD 6/22/21.								
CONTRACT AMOUNT:							\$ 150,000.00	
	CIP	2021-10	Closed	1/11/2021	Topographic Survey - Rainbow Heights Road		\$ 8,820.00	
	CIP	2021-11	Closed	1/19/2021	Easement Survey - Skycrest Drive.		\$ 7,710.00	
	CIP	2021-12	Closed	2/4/2021	Easement Survey, Legal Desc./Plat Map - Camino Del Cielo. (Additional \$518 was approved by staff.)		\$ 5,490.00	
	CIP	2021-13	Closed	2/23/2021	Easement Survey/County ROW Marking, Topo Map - Camino Del Cielo.	\$ 103,700.70	\$ 2,320.00	
	CIP	2021-14	Closed	2/23/2021	Easement Survey - Skycrest Drive.		\$ 4,720.00	
	CIP	2022-15	Closed	1/25/2022	Old Mission Road (LS-1) - Legal Description & Plat Map		\$ 2,940.00	
	CIP	2022-16	Open	2/1/2022	River Village-Daniels Market (LS-1) - Staking Easements Centerlines/Limits (Additional \$840 was approved by staff.)		\$ 1,470.00	
	CIP	2022-17	Open	4/5/2022	Hutton/Turner - Locate Existing Easements & Stake Limits.		\$ 6,940.00	
	CIP	2022-18	Open	4/28/2022	Hutton Site - Legal Description, Easements, Plats.		\$ 6,790.00	
					Unspecified		\$ 32,569.30	
TOTALS:							\$ 150,000.00	\$ 150,000.00
Title: As-Needed Civil Engineering Services, PSA #19-16 Firm: Dudek Expires: 6/25/22 CO-01 (\$100K) BoD 6/22/21.								
CONTRACT AMOUNT:							\$ 50,000.00	
					Unspecified		\$ 38,212.50	
TOTALS:							\$ 50,000.00	\$ 50,000.00
Title: As-Needed Civil Engineering Services, PSA #19-17 Firm: Omnis Consulting, Inc. Expires: 7/1/22 CO-01 \$150K BoD 6/23/20.								
CONTRACT AMOUNT:							\$ 300,000.00	
	CIP	2021-09	Open	4/19/2021	Sarah Ann Waterline Replacement.		\$ 6,800.00	
	CIP	2021-10	Closed	4/19/2021	Rainbow Water Quality Improvement Relocation Design. Amended for additional design services.		\$ 13,900.00	
	CIP	2021-11	Open	6/9/2021	Wilt Road Water Pipeline Design.		\$ 45,905.00	
	CIP	2021-10A	Open	10/26/2021	Rainbow Water Quality Improvement Relocation Design. Amended for additional design services.		\$ 6,290.00	
	CIP	2021-12	Open	12/15/2021	Additional Services for Wilt Road Water Pipeline Design.		\$ 23,090.00	
	NON-CIP	2021-13	Open	2/3/2022	Rice Canyon Road - Prepare Street Improvement Plans		\$ 8,630.00	
					Unspecified		\$ 14,660.00	
TOTALS:							\$ 300,000.00	\$ 300,000.00
Title: As-Needed Civil Engineering Services, PSA #19-18 Firm: HydroScience Eng., Inc. Expires: 6/25/22 CO-01 \$40K BoD 6/22/21.								
CONTRACT AMOUNT:							\$ 110,000.00	
	CIP	2022-02	Open	2/2/2022	Additional Services for Live Oak Park Road Bridge Crossing. Bid Support/Engineering Services during Construction.		\$ 24,290.00	
					Unspecified		\$ 43,690.00	
TOTALS:							\$ 110,000.00	\$ 110,000.00

**AS-NEEDED CONTRACT EXPENDITURES REPORT
MAY 2022**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT
Title: As-Needed Real Estate Appraisal Services, PSA #19-19 Firm: Anderson & Brabant, Inc. Expires: 6/25/22 CO-01 \$20K BoD 6/22/21.							
CONTRACT AMOUNT:						\$ 40,000.00	
	CIP	2021-03	Closed	4/28/2021	Hutton Pump Station Site Appraisal. (Staff authorized additional work.)		\$ 7,500.00
	CIP	2021-04	Closed	8/11/2021	Thoroughbred Lift Station Appraisal. (Four Reports)		\$ 17,500.00
	CIP	2022-05	Closed	2/1/2022	S. Mission Road (LS-1) - Fair Market Appraisal		\$ 3,500.00
					Unspecified		\$ 500.00
						TOTALS:	\$ 40,000.00 \$ 40,000.00
Title: As-Needed Real Estate Appraisal Services, PSA #19-20 Firm: ARENS Group, Inc. Expires: 6/11/22 CO-01 \$20 BoD 6/22/21.							
CONTRACT AMOUNT:						\$ 40,000.00	
					Unspecified		\$ 28,200.00
						TOTALS:	\$ 40,000.00
Title: As-Needed Geotechnical Services, PSA #19-39 Firm: Leighton Consulting, Inc. Expires: 11/13/22.							
CONTRACT AMOUNT:						\$ 100,000.00	
	CIP	2021-02	Closed	4/15/2021	Turner Pump Station geotechnical exploration.		\$ 14,300.00
	CIP	2021-03	Open	5/15/2021	Hutton Pump Station geotechnical exploration.		\$ 8,450.00
					Unspecified		\$ 68,620.00
						TOTALS:	\$ 100,000.00 \$ 100,000.00
Title: As-Needed Geotechnical Services, PSA #19-40 Firm Ninyo & Moore G.E.S Expires: 11/1/22.							
CONTRACT AMOUNT:						\$ 100,000.00	
	NON-CIP	2021-03	Closed	5/6/2021	Dentro De Lomas - Geotech observation & material testing. Proj. #1		\$ 6,097.00
	CIP	2022-04	Open	2/9/2022	Rice Canyon Road Improvements geotech observation & material testing.		\$ 3,422.00
					Unspecified		\$ 73,728.00
						TOTALS:	\$ 100,000.00 \$ 100,000.00
Title: As-Needed Geotechnical Services, PSA #19-41 Firm: ATLAS (SCST, LLC) Expires 11/20/22.							
CONTRACT AMOUNT:						\$ 100,000.00	
					Unspecified		\$ 63,381.00
						TOTALS:	\$ 100,000.00 \$ 100,000.00
Title: As-Needed Construction Management & Insp. Services, PSA #20-01 Firm: Harris & Associates Expires: 1/28/23 CO-01 \$20K BoD 6/22/21.							
CONTRACT AMOUNT:						\$ 170,000.00	
	CIP	2022-05	Open	1/6/2022	Continued District Wide Inspection Services.		\$ 20,000.00
					Unspecified		\$ 12,730.00
						TOTALS:	\$ 170,000.00 \$ 170,000.00
Title: As-Needed Construction Management & Insp. Services, PSA #20-02 Firm: ReillyConstruction Mnmt. Expires: 1/28/23 CO-01 (\$100K) BoD 6/22/21.							
CONTRACT AMOUNT:						\$ 50,000.00	
					Unspecified		\$ 50,000.00
						TOTALS:	\$ 50,000.00 \$ 50,000.00
Title: As-Needed Environmental Services, PSA #20-03 Firm: Helix Environmental Expires: 2/25/23 CO-01 \$110 BoD 6/22/21, CO-02 \$115K BoD 12/7/21.							
CONTRACT AMOUNT:						\$ 325,000.00	
	CIP	2021-07	Closed	3/25/2021	Rainbow Heights Pipe Installation - Bird Survey.		\$ 5,000.00
	CIP	2021-08	Open	5/21/2021	RMWD HQ - Biological Survey & Buffer Mapping.		\$ 11,684.00
	CIP	2021-09	Open	11/16/2021	CIP General Environmental Support Services		\$ 25,000.00
	CIP	2021-10	Open	11/30/2021	Hutton & Turner Pump Stations - Cultural, Biological, Noise Reports. CEQA - IS/MND.		\$ 46,603.00
	CIP	2021-11	Open	12/8/2021	Rice Canyon Pipeline - Cultural & Tribe Monitoring		\$ 111,400.00
	CIP	2022-12	Open	1/10/2022	LS-1 Environmental Compliance		\$ 48,798.00
					Unspecified		\$ (6,801.00)
						TOTALS:	\$ 325,000.00 \$ 325,000.00

**AS-NEEDED CONTRACT EXPENDITURES REPORT
MAY 2022**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT
Title: As-Needed Environmental Services, PSA #20-04 Firm: Rincon Consultants Expires: 2/25/23 CO-01 \$(15K) BoD 6/22/21.							
CONTRACT AMOUNT:						\$ 85,000.00	
	NON-CIP	22-02	Open	3/3/2022	Nesting Bird Survey at Gopher, Morro and Canonta tanks, prior to tree/vegetation clearing.		\$ 4,185.25
					Unspecified		\$ 77,574.75
TOTALS:						\$ 85,000.00	\$ 85,000.00
Title: As-Needed Environmental Services, PSA #20-05 Firm: Michael Baker International Expires: 3/24/23 CO-01 (15K) BoD 6/22/21.							
CONTRACT AMOUNT:						\$ 85,000.00	
					Unspecified		\$ 85,000.00
TOTALS:						\$ 85,000.00	\$ 85,000.00



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
MAY 2022**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333
Less 5% Contractual Allowance	417
EDUs Set Aside by Board for Emergencies	60
EDUs Connected	5,617 *
EDUs Unconnected/Committed	883
Total EDUs Available for Purchase:	1,357

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES PAID/CREDIT
Bonsall Oaks (Polo Club) - 164 (SF & Other)	206	\$ 2,907,119
Citro (fka Meadowood) - 844 (SF/MF)	568	\$ 10,500,000
Passarelle (HRC Commercial)	97	\$ -
Other Development w/5 or less EDUs - (SF & Other)	13	\$ 164,833
TOTAL UNCONNECTED:	883	\$ 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 in mid-2022. Total EDUs committed 926.6. Total EDUs processed to date 628.4 and 358.6 connected.
3. Passarelle last remaining EDUs.

BOARD OF DIRECTORS

JUNE 28, 2022

SUBJECT

HUMAN RESOURCES REPORT FOR MAY/JUNE 2022

DESCRIPTION

Personnel changes, human resources activities, and safety report for MAY/JUNE 2022

RECRUITMENT:

New Utility Worker I, Noah Bixler- Employee's first day: June 21, 2022.

JUNE ANNIVERSARIES:

6/7/2004	DAWN WASHBURN	18 years
6/18/1992	RAMON ZUNIGA	30 years
6/22/2020	ESAUD LAGUNAS	2 years
6/22/2015	RICARDO ZARAGOZA	7 years
6/29/2015	CARLOS RAMOS	7 years

COIN AWARDS:

Coin Recognition	Employee	Department	Coin Nomination
Teamwork Honorable Mention	Chris Daugherty Malik Tamimi	Finance Engineering	Only a couple of days prior to an important out-of-town conference event, we found ourselves in a bind trying to locate RMWD logo apparel for one of our Directors within a very limited window of time. Chris Daugherty and Malik Tamimi were both witnessed going far above and beyond the regular call of duty to successfully ensure we were able to provide our Board member with the requested attire by the required date. This was achieved through creative solutions both Chris and Malik contributed, along with out-of-town coordination with vendors who were willing to work within our tight turnaround.
Responsibility Honorable Mention	Chris Daugherty	Finance	Chris Daugherty is being nominated for the responsibility coin because he brought forth the idea to HR to eliminate Naturebox and instead order directly from Amazon for the employee snacks. Not only are the snacks better but it's a savings to the district. Thanks Chris!

Professionalism Honorable Mention	Joshua Cruz	Customer Service	Handwritten card to our GM from customer Tom Campbell received on May 16, 2022. "Dear Mr. Kennedy, I called Rainbow Water this morning and Josh answered. It was regarding our backflow. I just must tell you how wonderful and awesome he was. He listened to my problem and took over right away. He even called the people who originally came in February to fix it. He was so attentive and caring. It was a call I was just dreading making because we had received notices that our water would be shut down when it was supposed to be done in February. Josh reassured me that he would take care of it, which he did. Within one hour, it was all taken care of. What a blessing in my life he is, you are so privileged to have him in your employ. What an amazing, caring, and warm person. He represents you well in every way. I want you to know how wonderful he was to me today. Thank you sincerely."
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RISK MANAGEMENT:

Property and Liability and Worker’s Compensation Insurance Renewal

The Risk Management Officer and Human Resources Manager worked with a broker and applied directly to two insurance risk pools to secure more cost-effective coverage. An offer of coverage was received from ACWA-JPIA that would save the District more than \$200,000 annually. Proposal options are presented in Resolution No. 22-17 for the Board’s consideration.

Incidents

There was one injury resulting in modified duty on June 7, 2022.

Safety Training

Vector Solutions online training: 24 completions for the May training period 2022.

Future planning to increase safety awareness throughout the district to include:

- OSHA 30- Training for Supervisors and Crew Leaders to increase awareness of Cal/OSHA requirements.
- Fire Safety Training
- Confined Space Competent Person Training- 8 HR training with Pacific Safety Center.

Claims in Progress/Completed

- Palmerin Vehicle incident- This claim was submitted for reimbursement due to a rock rolling down a hillside where contractors were brush clearing on RMWD property. The contractor’s insurance is currently investigating the incident.

Tailgate/ Office Safety Trainings

- Heat Illness/ Injury Prevention



 Karleen Harp
 Human Resources Manager

6/28/2022

BOARD OF DIRECTORS

June 28, 2022

SUBJECT

FINANCE REPORT FOR JUNE 2022

DESCRIPTION

Summary:

Water Sales:

Budgeted 13,500 AF

Actual March FYTD 21/22 12,187 AF

Actual March FYTD 20/21 13,130 AF

Actual March FYTD 19/20 11,180 AF

Actual March FYTD 18/19 11,700 AF

April 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.

Fund Balance Projections:

Operating Fund Balances have been adjusted to comply with the Board Cash Reserve Policy 5.03.220. The Rate Stabilization Fund is being funded over a five-year period to be fully funded to the board approved level by FY26.

The New Water Sources Reserve Fund, 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 Service portion of the Standby Charge collected by the San Diego County Tax Collector from all parcels within the district. It reflects 38.1% of the revenue received from property tax revenues.

Capital Fund Balances have been updated to reflect the proposed mid-year budget adjustments for Water and Wastewater. The Water Capital Fund reflects a higher available balance than was presented during the FY22 budget planning process due to the operational costs that were charged to the WSUP project.

The Wholesale Water Efficiency project budgets are being presented under separate cover to the board for budget approval but are included here in their planning phase.

Treasury Report:

Interest Revenue for April 2022 was \$3,078 compared to \$25,166 for the prior month. Loss from assets sales was \$0 compared to loss of \$21,076 for the prior month. Investment valuation was down by \$133,152 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 six 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 (APR FYTD22)
- B. Fund Balance & Developer Projections (FY22)
- C. Treasury Report (APR FY22)
- D. Five-Year Water Purchases Demand Chart (through 06/08/2022)
- E. Water Sales Summary (APR FY22)
- F. Check Register (APR FY22)
- G. Directors' Expense Report (APR FY22)
- H. Credit Card Breakdown (APR FY22)
- I. RMWD Properties


Tracy Largent, CPA
Finance Manager

June 28, 2022

Statement of Revenues & Expenses Budget vs. Actual

Operating Funds (Water, Wastewater, & General Funds)

April 30, 2022



Positive = Over Budget

Negative = Under Budget

	FY 21/22 YTD Revenues/Expenditures	FY 21/22 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
Operating :						
41110-Water Sales-SF, MF, CM, IS	8,269,754	8,020,577	249,177	3%	9,624,692	
41112-Sewer Charges-Established Acct	2,432,437	3,128,879	-696,442	-22%	3,754,655	
42120-Monthly O & M Charges	8,154,009	8,624,581	-470,572	-5%	10,349,497	
42121-Monthly O&M Charges - CWA	4,489,659	4,369,093	120,566	3%	5,242,912	
43101-Operating Inc Turn On/Off Fees	600.00	4,167	-3,567	-86%	5,000	
43106-Operating Inc-Sewer Letter Fee	1,000	833	167	20%	1,000	
41120-Water Sales-Ag-Dom Non Cert	2,890,126	898,453	1,991,673	222%	1,078,144	
41160-Water Sales-Ag. Non Discount	4,211,548	3,301,545	910,003	28%	3,961,854	
41170-Water Sales-Construction	407,627	66,084	341,543	517%	79,300	
41180-Water Sales - Tsawr Com	2,572,948	3,158,490	-585,542	-19%	3,790,189	
41190-Water Sales-Sawr Ag/Dom	3,039,317	4,336,748	-1,297,431	-30%	5,204,097	
42130-Readiness-To-Serve Rev Id#1	259,172	245,942	13,231	5%	295,130	
42140-Pumping Charges	521,457	506,926	14,531	3%	608,312	
-Water Sales	37,249,654	36,662,317	587,336	2%	43,994,781	
43102-Operating Inc Penalty/Int Chgs	228,645	416,667	-188,022	-45%	500,000	
43104-Operating Inc. R.P. Charges	222,789	204,721	18,068	9%	245,665	
43108-Operating Inc Plan Check Rev.	1,860	87,500	-85,640	-98%	105,000	
43110-Operating Inc Inspections	1,088	16,667	-15,578	-93%	20,000	
43111-Operating Inc Install Fees Hyd	4,370	1,667	2,703	162%	2,000	
43114-Operating Inc-Miscellaneous	6,195	5,833	362	6%	7,000	
43116-New Meter Sales/Install Parts	22,875	33,333	-10,458	-31%	40,000	
43117-Notice Delivery Revenue	-173	4,167	-4,340	-104%	5,000	
-Other Operating Revenue	487,650	770,554	-282,905	-37%	924,665	
42200-Overhead Trs From Water Sewer	5,859,576	6,510,640	-651,064	-10%	7,812,768	
-Transfers from Water & Waste Water	5,859,576	6,510,640	-651,064	-10%	7,812,768	
REVENUE-Operating Revenue	43,596,880	43,943,512	-346,632	-1%	52,732,214	

Positive = Over Budget

Negative = Under Budget

	FY 21/22 YTD Revenues/Expenditures	FY 21/22 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
50001-Water Purchases	17,142,506	15,764,965	1,377,541	9%	18,917,958	Seasonal
50003-Water In Storage	-252,004	-	-252,004		-	
50005-Ready To Serve Charge	366,546	389,005	-22,459	-6%	466,806	FC estimate for budget
50006-Infrastructure Access Charge	624,996	625,870	-874	0%	751,044	FC estimate for budget
50008-Ag Credit-Sawr	-494,307	-1,004,058	509,751	-51%	-1,204,869	
50010-Customer Service Charge	889,781	888,300	1,481	0%	1,065,960	
50011-Capacity Reservation Charge	381,642	384,565	-2,923	-1%	461,478	FC estimate for budget
50012-Emergency Storage Charge	1,285,581	1,288,095	-2,514	0%	1,545,714	FC estimate for budget
50013-Supply Reliability Charge	815,032	818,155	-3,123	0%	981,786	FC estimate for budget
-Cost of Purchased Water Sold	20,759,774	19,154,898	1,604,876	8%	22,985,877	
56101-Regular Salaries	4,183,319	4,371,638	-188,318	-4%	5,245,965	
56103-Overtime Paid Comptime Earn.	390,629	331,667	58,962	18%	398,000	
56202-Director's Compensation	13,050	11,667	1,383	12%	14,000	
56518-Duty Pay	46,530	51,610	-5,080	-10%	61,932	
56520-Deferred Comp-Employer Contrib	115,660	112,087	3,573	3%	134,505	
-Salary & Labor Expenses	4,749,189	4,878,668	-129,479	-3%	5,854,402	
56501-Employer's Share FICA SSI	261,394	254,945	6,449	3%	305,934	
56502-Employer's Share Medicare	66,827	64,020	2,807	4%	76,824	
56515-Worker's Compensation Ins	231,312	132,505	98,807	75%	159,006	
56516-State Unemployment Ins E.T.T.	13,675	10,204	3,471	34%	12,245	
-Taxes	573,208	461,674	111,534	24%	554,009	
56503-Medical Insurance	797,537	759,723	37,814	5%	911,667	
56504-Dental Insurance	68,590	67,875	715	1%	81,450	
56505-Vision Insurance	10,059	9,504	555	6%	11,405	
56506-Life S/T L/T Disability Ins	45,470	44,510	960	2%	53,412	
56507-Retirement-CalPERS	426,027	438,240	-12,212	-3%	525,888	
56511-Employee Uniform Allowance	23,414	20,228	3,187	16%	24,273	
56512-Employee Training/Tuition Reim	28,766	18,000	10,766	60%	21,600	
56513-Employee Relations	11,788	13,558	-1,771	-13%	16,270	
56524-Other Post Employment Benefits	14,829	-	-		-	
56530-Gasb 68 Pension	644,806	358,333	286,473	80%	430,000	Entire Year Paid in July
-Fringe Benefits	2,071,285	1,729,971	341,314	20%	2,075,965	
52176-Overhead Transfer To Gen Fund	5,859,576	6,510,640	-651,064	-10%	7,812,768	
-Transfers	5,859,576.00	6,510,640	-651,064	-10%	7,812,768	

ATTACHMENT A

Positive = Over Budget

Negative = Under Budget

	FY 21/22 YTD Revenues/Expenditures	FY 21/22 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
60000-Equipment	25,088	53,750	-28,662	-53%	64,500	
60100-Computers	183,427	83,750	99,677	119%	100,500	
63100-Equipment Maintenance	67,499	133,083	-65,584	-49%	159,700	
63102-Equipment Maintenance Contract	5,434	26,438	-21,004	-79%	31,725	
63200-Equipment Rental	91,604	80,833	10,771	13%	97,000	
63400-Kitchen Supplies	12,459	11,667	792	7%	14,000	
63401-Building Maintenance	137,950	108,083	29,867	28%	129,700	
63404-Backflow Expenses	77,650	119,167	-41,516	-35%	143,000	
63421-Fuel And Oil	159,317	125,000	34,317	27%	150,000	
63422-Repair Supplies Auto	80,441	58,333	22,108	38%	70,000	
65000-Property/Liability Insurance	487,114	395,833	91,280	23%	475,000	Entire Year Paid in July
65100-District Paid Insurance Claims	77,684	141,667	-63,983	-45%	170,000	
65200-Miscellaneous Expense	1	-	1	0%	0	
69000-Postage	30,783	38,750	-7,967	-21%	46,500	
70000-Professional Services	598,064	889,333	-291,269	-33%	1,067,200	
70100-Annual Audit Services	21,780	29,167	-7,387	-25%	35,000	
70300-Legal Services	374,883	429,167	-54,284	-13%	515,000	
70400-Bank Service Charges	54,327	50,000	4,327	9%	60,000	
72000-Supplies & Services	2,193,374	1,235,250	958,124	78%	1,482,300	
72001-Right Of Way Expenses	86,437	166,667	-80,230	-48%	200,000	
72010-Tank Maintenance	680,527	836,667	-156,140	-19%	1,004,000	
72150-Regulatory Permits	75,712	55,500	20,212	36%	66,600	
72200-Books & Resources	-	2,167	-2,167	-100%	2,600	
72400-Dues & Subscriptions	414,837	481,586	-66,749	-14%	577,903	
72500-Safety Supplies	49,067	50,417	-1,350	-3%	60,500	
72600-Sewer Line Cleaning	145,335	33,333	112,002	336%	40,000	Using contractors - previously done in-house
72700-Printing & Reproductions	2,676	6,042	-3,366	-56%	7,250	
72702-Public Notices & Advertising	807	1,458	-652	-45%	1,750	
72900-Stationary & Office Supplies	3,107	4,167	-1,059	-25%	5,000	
73000-Small Tools & Equipment	41,515	52,333	-10,819	-21%	62,800	
74000-Communicatons & Phone Bills	9,937	10,833	-896	-8%	13,000	
74100-Phone Bill	84,981	75,000	9,981	13%	90,000	
75300-Travel, Conferences & Training	34,889	71,475	-36,586	-51%	85,770	
75400-Workforce Development	5,592	40,250	-34,658	-86%	48,300	

ATTACHMENT A

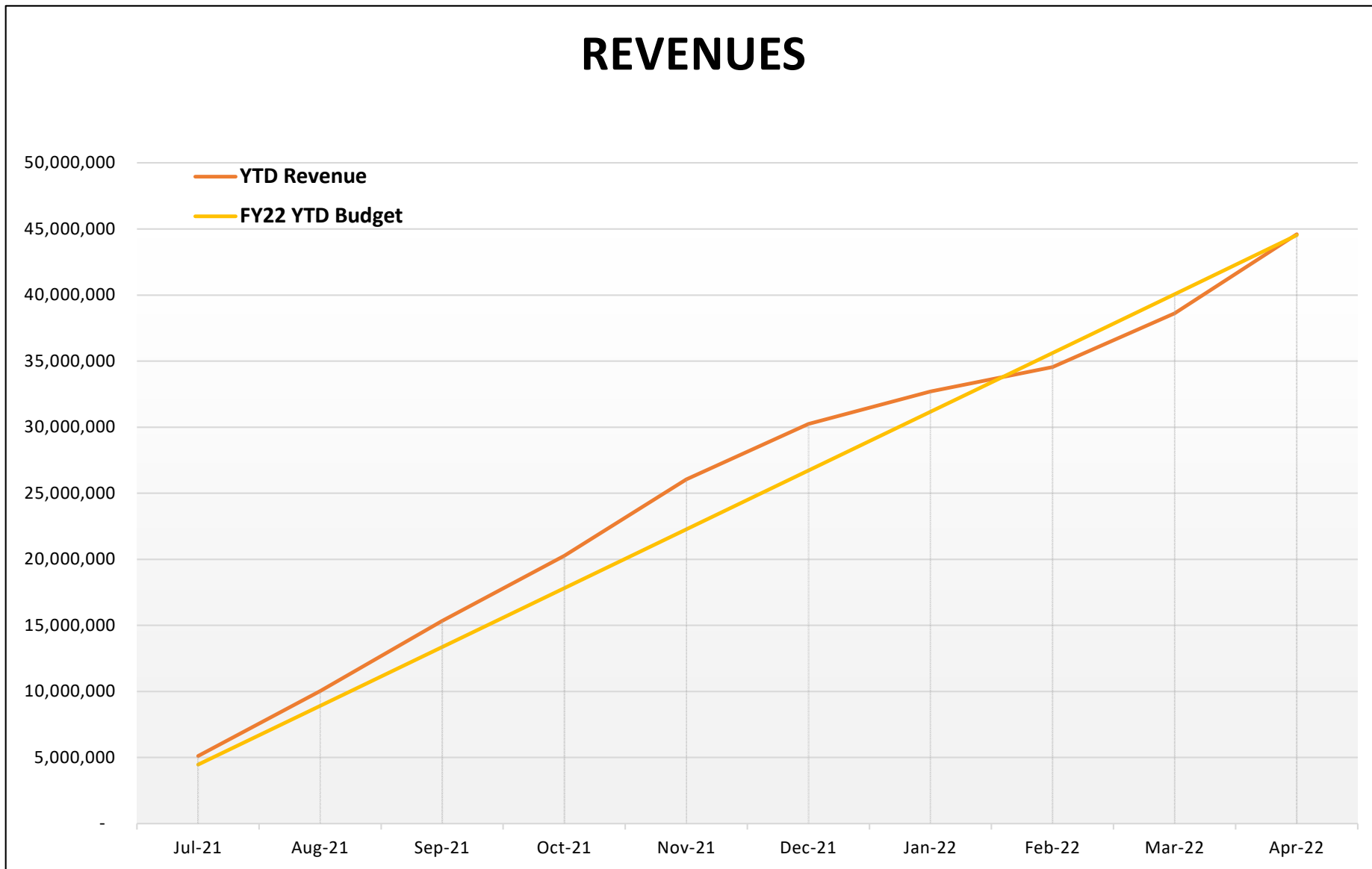
Positive = Over Budget

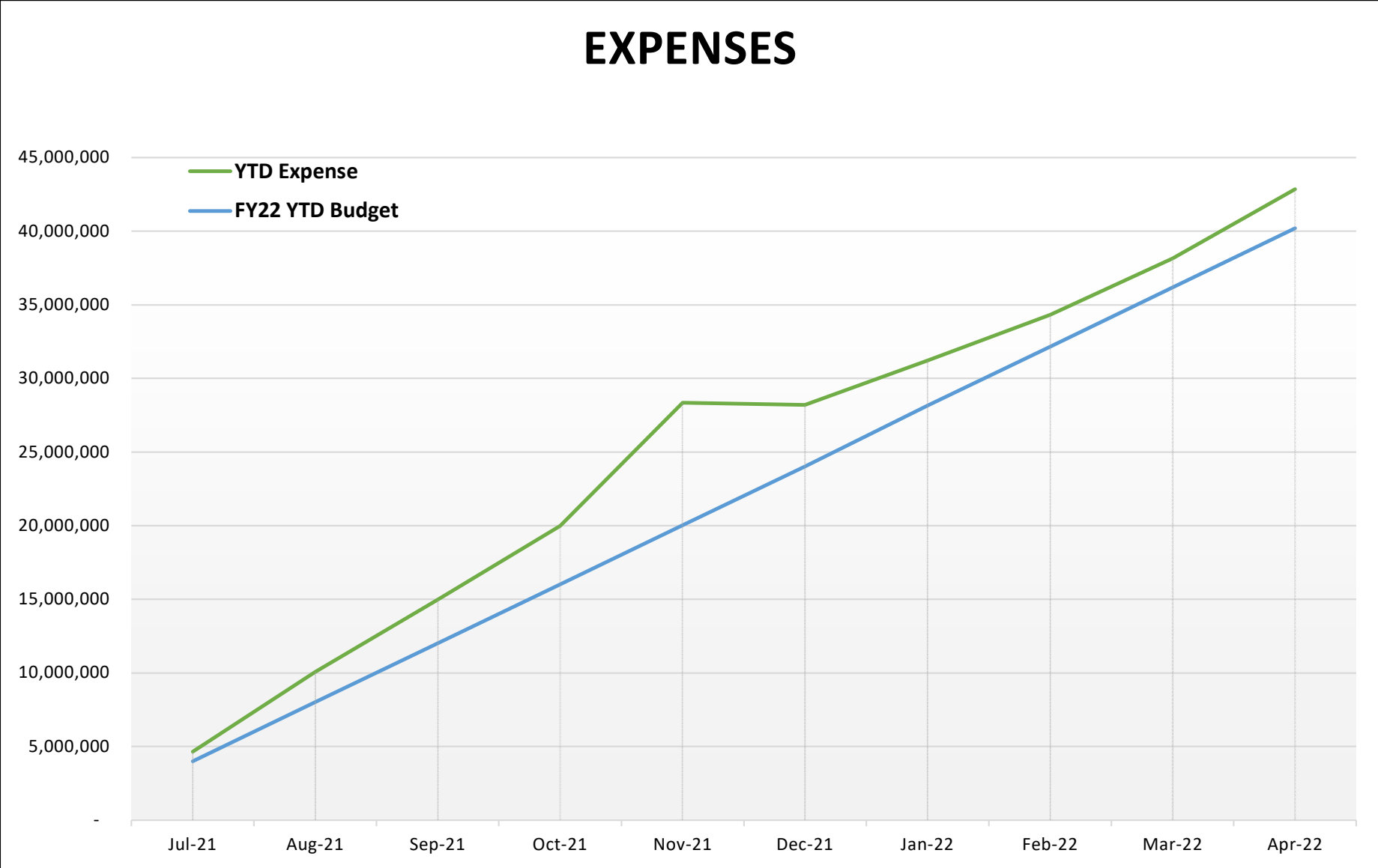
Negative = Under Budget

	FY 21/22 YTD Revenues/Expenditures	FY 21/22 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 21/22 Annual Operating Budget	Notes
75500-Recruitment	14,391	13,333	1,057	8%	16,000	
77000-Sewage Treat.-Oceanside Plant	1,813,705	1,035,174	778,531	75%	1,242,209	A portion of this gets capitalized at year end.
78000-Utilities - Electricity	673,670	489,583	184,086	38%	587,500	
78300-Hazardous Waster Material Disposal	1,365	8,333	-6,968	-84%	10,000	
78700-Utilities - Propane	6,121	12,500	-6,379	-51%	15,000	
78900-Trash Pick-Up	15,118	8,333	6,784	81%	10,000	
-Other Operating Expenses	8,838,667	7,464,422	1,374,244	18%	8,957,307	
EXPENSE-Operating Expense	42,851,699	40,200,273	2,651,426	7%	48,240,328	
Operating Revenue (Expenses)	745,181	3,743,239	-2,998,058	-80%	4,491,887	
Non Operating :						
49301-Property Tax Rev. - Ad Valorem	614,264	420,833	193,430	46%	505,000	
-Property Tax Revenue	614,264	420,833	193,430	46%	505,000	
49200-Interest Revenues	129,218	-	129,218.39			
49203 - Change in Investment Valuation	-743,789	-	-743,789			
-Investment Income	-614,571	-	-614,571			
49050-Revenue Billing Adjustments	-981,503	-	-981,503		-	
49102-Non Oper Inc - NSF Check Fees	-	2,500	-2,500	-100%	3,000	
49107-Recycling Revenue	24,636	6,667	17,970	270%	8,000	
49108-Non Oper Inc-Rents And Leases	3,366	-	3,366			
49109-Miscellaneous Revenue	989,338	145,833	843,505	578%	175,000	
49110 - Gain/Loss from Sale of Assets	-36,677	-	-36,677			
49114-Misc Revenue - Eng. Services	7,700	4,167	3,533	85%	5,000	
49201-Grant Revenue	1,002,381	-	1,002,381			
57050-Expense Billing Adjustments	-	-	-		-	
57525-Loan Costs	-	-	-			
-Other Nonoperating Revenue/Expense	1,009,242	159,167	850,075	534%	191,000	
-Non Operating Revenue (Expenses)	1,008,935	580,000	428,935	74%	696,000	
Debt Service		1,979,023	-1,979,023	-100%	2,374,827	
Current Year Net Revenue Less Expense*	\$ 1,754,115				\$ 2,813,060	

*Does not Include: Depreciation Expense

REVENUES





Operating & Debt Service Fund Balances

Fund Balances:	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	New Water Sources	Debt Service	TOTAL
	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 21/22
Beginning Available Balance	\$2,733,343	\$799,694	\$1,415,445	\$1,622,352	\$1,539,015	\$829,804	\$8,939,653
Budgeted Operating Surplus (Loss)	4,172,601	(513,738)			200,000		3,858,864
Budgeted Transfer to Water Capital*	(3,500,000)				(600,000)		(4,100,000)
Transfer to/from Rate Stabilization	(800,000)			800,000			
Transfers In/(Out)							0
Projected Ending Available Balance	\$2,605,944	\$285,956	\$1,415,445	\$2,422,352	\$1,139,015	\$829,804	\$8,698,517

*Transfer from Operating to Capital is based on Cost of Service Study. The transfer amount in any FY on this sheet is from PY proceeds and is determined after year end close, audit, and completion of Reserve Policy Calculations

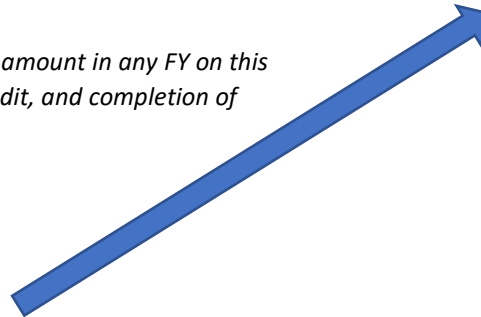
Water Capital - Fund 60 Projected Balance

	<i>Adjusted Budget</i> FY 21/22	Year 1 <i>Proposed Budget</i> FY 22/23	Year 2 <i>Proposed Budget</i> FY 23/24	Year 3 <i>Proposed Budget</i> FY 24/25	Year 4 <i>Proposed Budget</i> FY 25/26	Year 5 <i>Proposed Budget</i> FY 25/27
Fund Balances:						
Beginning Available Balance	\$8,555,327	\$7,488,906	\$5,379,016	\$5,555,797	\$8,573,788	\$7,198,337
Budgeted Transfer from Operating Reserves*	2,416,115	3,500,000	3,000,000	3,000,000	3,000,000	3,000,000
New Water Sources Funds		600,000	600,000	0	0	0
Forecasted Capacity Fees	2,756,301	1,162,750	356,781	3,342,991	3,384,549	1,974,197
Total Available Funding	13,727,743	12,751,656	9,335,797	11,898,788	14,958,337	12,172,534
Less Capital Project Budgets-Water	(6,238,837)	(7,372,640)	(3,780,000)	(3,325,000)	(7,760,000)	(5,750,000)
Projected Ending Available Balance	\$7,488,906	\$5,379,016	\$5,555,797	\$8,573,788	\$7,198,337	\$6,422,534

*Transfer from Operating to Capital is based on Cost of Service Study. The transfer amount in any FY on this sheet is from PY operating/rate revenue and is determined after year end close, audit, and completion of Reserve Policy Calculations.

Target Balance

Minimum (1 year of 5-year average CIP) \$ 5,597,528
 Ideal Target (2 year of 5-year average CIP) \$ 11,195,056



Attachment B

Water Capital Project Budgets:		Year-to-Date	Year 1	Year 2	Year 3	Year 4	Year 5	
		Expended 4/30/2022	Adjusted Budget	Planned Budget	Planned Budget	Planned Budget	Planned Budget	Planned Budget
#	Project	FY 21/22	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
300007	Programatic EIR for Existing Easements**	\$ 142,452	\$ 202,765	\$ 75,000	\$ -	\$ -	\$ -	\$ -
300008	New District Headquarters	42,602	75,000	50,000	500,000	500,000	500,000	500,000
600001	Rainbow Heights PS (#1) Upgrades/Recon*	1,460,277	1,573,672					
600003	San Luis Rey Imported Return Flow Recovery	13,122	200,000	600,000	600,000			
600007	Pressure Reducing Stations	81,009	150,000	150,000	150,000	500,000	150,000	150,000
600009	Isolation Valve Installation Program	6,725	500,000	500,000				
600019	Water System Monitoring Program	165,184	184,375	185,000	25,000			
600026	Camino Del Rey Waterline Reloaction	142	25,000	25,000	25,000	25,000		
600030	Corrosion Prevention Program Development and Implementation****	335,008	638,000	600,000	600,000	600,000	600,000	
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor***	1,675,174	2,700,000	2,900,000				
600035	Morro Mixing	41,110	123,000					
600037	Live Oak Park Road Bridge Replacement	43,209	50,000	600,000				
600040	Vallecitos PS Relocation	124	-			500,000	1,400,000	200,000
600043	Eagles Perch Water Pipeline Improvements (PUP)		-			300,000	1,300,000	
600047	Communitty Power Resiliency Generator Grant (Generator at Sumac)	12,794	50,000		1,050,000			
600048	Northside Zone Supply Redundancy	-	-				150,000	
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	
600058	Electrical Panel Switches	6,332	80,000		130,000			
600065	Rainbow Glen Water Main Replacement	9,322						
600067	Pala Mesa Fairways 383 A and C	-	-			250,000		
600068	Sarah Ann Drive Line 400 A	-	30,000	-			35,000	1,500,000
600069	Wilt Road (1331)	-	-				150,000	350,000
600070	Katie Lendre Drive Line (PUP)	-	-					250,000
600071	Del Rio Estates Line Ext 503	-	-					250,000
600072	East Heights Line 147L	-	-					150,000
600073	East Heights Line 147A	-	-					250,000
600074	Via Zara - PUP	-	-				125,000	250,000
600075	Roy Line Ext	-	-					250,000
600077	Rainbow Water Quality Improvement	20,959	150,000	920,000				
600080	Los Alisos South 243	-	-					150,000
600081	Heli-Hydrant on Tank	194,627	230,000					
	Moosa Line & Valves				200,000			
N/A	Department Level Capital Expenses	-	386,400	767,640	500,000	500,000	500,000	500,000
Total		\$ 4,251,320	\$ 7,348,212	\$ 7,372,640	\$ 3,780,000	\$ 3,325,000	\$ 7,760,000	\$ 5,750,000

Wholesale Water Efficiency Capital - Fund 62 Projected Balance

Funded by Western Alliance Loan

	Funded by Western Alliance Loan					
	<i>Adjusted Budget</i>	Year 1 <i>Approved Budget</i>	Year 2 <i>Approved Budget</i>	Year 3 <i>Approved Budget</i>		
Fund Balances:	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/26
Beginning Available Balance		(\$759,000)	\$4,144,000	\$0	\$0	\$0
Wholesale Water Efficiency Project Funding		9,700,000				
Total Available Funding	0	8,941,000	4,144,000	0	0	0
Less Capital Project Budgets-Wholesale Water Efficiency	(759,000)	(4,797,000)	(4,144,000)	0	0	0
Projected Ending Available Balance	(\$759,000)	\$4,144,000	\$0	\$0	\$0	\$0

Wholesale Water Efficiency Fund 62 Capital Project Budgets:

Funded by Western Alliance Loan

Project #	Project Name	Year-to-Date	Approved	Year 1	Year 2	Year 3	Year 4	Year 5
		Expended 4/30/2022 FY 21/22	Budget FY 21/22	Approved Budget FY 22/23	Approved Budget FY 23/24	Approved Budget FY 24/25	Approved Budget FY 25/26	Approved Budget FY 25/26
600008	Weese WTP Permanent Emergency Interconnect Pump Station	\$ 860	\$ 25,000	\$ 825,000	\$ -	\$ -	\$ -	
600013	Hutton & Turner Pump Stations (SDCWA Shutdowns)	159,677	500,000	2,375,000	2,475,000			
600084	Morro Pump Station		50,000	250,000	1,225,000			
600078	Wilt Road Feeder (18 inch Water Line)	35,265	134,000	750,000	444,000			
600079	Gird Road 1,600' upsize from 12" to 18" or larger	-	50,000	597,000				
Total		\$230,223	\$759,000	\$4,797,000	\$4,144,000	\$0	\$0	\$0
		-	-	-	-	-	-	-
Financing		\$230,223	\$759,000	\$4,797,000	\$4,144,000	\$0	\$0	\$0
Projected Ending Available Balance			\$8,941,000	\$4,144,000	\$0			

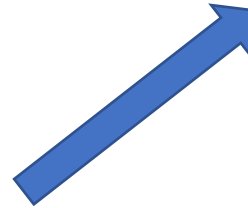
Wastewater - Fund 52 & 53 Projected Fund Balance

	<i>Adjusted Budget</i> FY 21/22	<i>Year 1 Proposed Budget</i> FY 22/23	<i>Year 2 Proposed Budget</i> FY 23/24	<i>Year 3 Proposed Budget</i> FY 24/25	<i>Year 4 Proposed Budget</i> FY 25/26	<i>Year 5 Proposed Budget</i> FY 25/26
Fund Balances:						
Beginning Available Balance*	\$6,430,455	(\$242,768)	(\$611,842)	(\$69,464)	\$1,752,466	\$2,849,565
Restricted CFD Funds (Citro)		10,500,000				
Interfund Loan**						
Transfer from Operating Reserves			500,000	500,000	500,000	500,000
Forecasted Sewer Connections	508,536	42,378	42,378	1,471,929	4,047,099	3,383,177
Total Available Funding	6,938,991	10,299,611	(69,464)	1,902,466	6,299,565	6,732,742
Less: Capital Project Budgets-Wastewater	(7,181,759)	(10,911,452)	0	(150,000)	(3,450,000)	(4,375,000)
Projected Ending Available Balance	(\$242,768)	(\$611,842)	(\$69,464)	\$1,752,466	\$2,849,565	\$2,357,742

Target Balance

Minimum (1 year of 5-year average CIP)
Ideal Target (2 year of 5-year average CIP)

\$ 4,338,642
\$ 8,677,284



Wastewater Capital Project Budgets:

Project #	Project Name	Year-to-Date Expended 4/30/2022	Adjusted Budget FY 21/22	Year 1 Planned Budget FY 22/23	Year 2 Planned Budget FY 23/24	Year 3 Planned Budget FY 24/25	Year 4 Planned Budget FY 25/26	Year 5 Planned Budget FY 26/27
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement)	\$ 3,167,176	\$ 6,500,000	\$ 10,791,452	\$ -	\$ -	\$ -	\$ -
530006	Sewer System Rehabilitation Program	-	30,000					
530017	N River Road Land Outfall Rehabilitation (Operations Project)	454,593	536,759					
530018	Fallbrook Oaks Forcemain and Manhole Replacement	-	-				\$150,000	1,650,000
530019	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar		50,000					100,000
530020	Rancho Viejo LS Wet Well Expansion	-	-				500,000	1,000,000
530023	Replace Rancho Monserate LS Emergency Generator	-	-					125,000
XXXXX	HQ B-Plant Dry Well		-				250,000	1,000,000
XXXXX	HQ B-Plant Generator Replacement		-			50,000	250,000	500,000
XXXXX	Pala Mesa Sewer CIPP Lining		-			50,000	650,000	
XXXXX	Oakcliff Sewer CIPP Lining		-			50,000	650,000	
XXXXX	Old River Road between LS#1 & LS#2		-				1,000,000	
N/A	Department Level Capital Expenses	-	65,000	120,000				
Total		\$ 3,621,769	\$ 7,181,759	\$ 10,911,452	\$ -	\$ 150,000	\$ 3,450,000	\$ 4,375,000

Rainbow MWD Developer Projections - Water

Installations

Developer/Development Name	Purchased	Meters						Total Sales	Timing
		FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 27+		
DR Horton/ Horse Ridge Creek	430							0	Completed/not yet board accepted
Richmond American Homes/ Horse Ridge Creek	113							0	Completed/not yet board accepted
Four Star/ Fairview (FKA Lilac Del Cielo)	51	24						24	Recent Activity
Cal West/ Golf Green Estates /SL Rey	97							0	Completed/not yet board accepted
Beazer/ Pala Mesa Highlands	129							0	Completed/not yet board accepted
Bonsall Oaks /Polo Club			60		105		79	244	
West Lilac					28			28	
Ocean Breeze (Vessels)						198	198	396	
Rancho Viejo Phase 3						47		47	
Campus Park West					283			283	
Tripoint(FKA Parde)/ Citro (FKA Meadowwood)	17	211	347	127				685	In Progress
Single Service Laterals		16	5	8	5			34	See Notes**
TOTAL WATER METERS	837.0	251	412	135	421	245	277	1,741	

Revenue Projections

Meter Size (in)	Revenue Per Meter (Existing)	Meters						Total Sales
		FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 27+	
5/8	6,241	75	60		264	148	218	765
3/4	10,401	158	343	128	147	79	59	914
1	16,642	15	7	7	10	11		50
1 1/2	27,043		1					1
2	62,406	1						1
3	124,812	1	1					2
4	208,020	1				7		8
Total		251	412	135	421	245	277	1,741
Total Revenue without Citro		\$2,756,301	\$534,637	\$126,895	\$3,342,991	\$3,384,549	\$1,974,197	\$17,116,212
Citro Balance Due after Credits			\$628,113	\$229,886				\$857,999
Total Cash Revenue from Developer		\$2,756,301	\$1,162,750	\$356,781	\$3,342,991	\$3,384,549	\$1,974,197	\$17,974,211

Notes:

*Actual amount will vary depending on final agreements.

**Average from last 10 years.

73%
857,999

Rainbow MWD Developer Projections - Sewer

Installations

Development Name	Purchased (EDUs)								Timing	
		FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 27+	Total		
DR Horton/ Horse Ridge Creek	723.9								0	Completed/not yet board
Richmond American Homes/ Horse Ridge Creek	169.5								0	Completed/not yet board
Four Star/ Fairview (FKA Lilac Del Cielo)	52.6	25.2							25	Recent
Cal West/ Golf Green Estates /SL Rey	120.3								0	Completed/not yet board
Beazer/ Pala Mesa Highlands	159.9								0	Completed/not yet board
Bonsall Oaks /Polo Club					96.2				96	Recent
West Lilac									0	Recent
Ocean Breeze (Vessels)						239.5	239.5		0	Recent
Rancho Viejo Phase 3						47			0	Recent
Monserate Winery		7.8							8	
Campus Park West					5				5	
Tripoint(FKA Parde)/ Citro (FKA Meadowwood)*	252.0	126.6	422						549	
Misc. SFR		3	3	3	3				12	
TOTAL EDUs	1,478.20	163	425	3	104	287	240	1,221		

Revenue Projections

	Purchased (EDUs)								Total
		FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 27+		
Existing Fee	\$ 14,126	163	425	3	104	287	240	1,221	
Meadowwood									
Total		163	425	3	104	287	240	1,221	
Total Revenue		\$508,536	\$42,378	\$42,378	\$1,471,929	\$4,047,099	\$3,383,177	\$9,495,497	

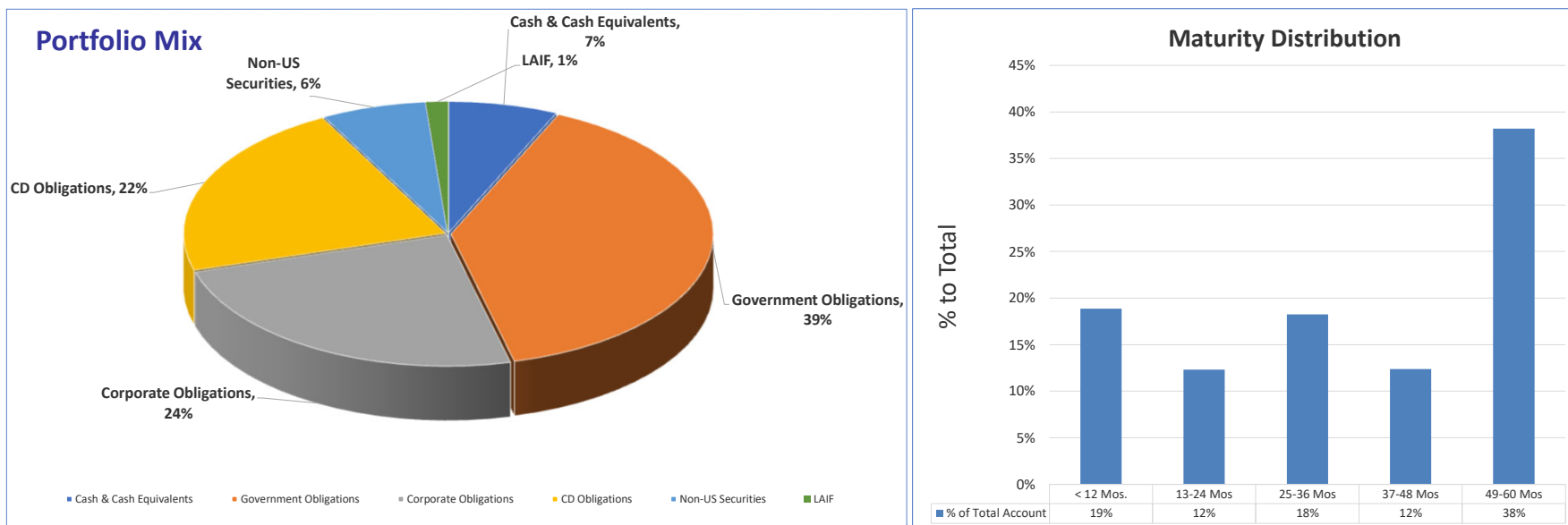
Notes:

*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
 4/30/2022



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				\$ 58,609	\$ 58,609				0	11508
	Willimington Trust	CSCDA 2017-01				\$ 50,000	\$ 50,000				0	10301
Money Market Funds	Zions Bank	7326251D				\$ 629,360	\$ 629,360	2.090%			0	10310
Money Market Funds	Zions Bank	7326250				\$ 6	\$ 6	2.060%			0	10311
Money Market Funds	Zions Bank	7326251E				\$ 20	\$ 41	2.090%			0	10309
Total Cash & Cash Equivalents					\$ -	\$ 737,995	\$ 738,016					
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,000	\$ 200,938	\$ 200,456	1.900%	1.800%	\$ 1,909	80	11508
Non-Callable	FEDERAL FARM CR BKS	3130ARMQ1		10/28/24	\$ 500,000	\$ 542,565	\$ 537,559	2.700%	2.700%	\$ 7,325	912	11508
Non-Callable	FEDERAL FARM CR BKS	3133EDJY9		12/21/23	\$ 450,000	\$ 456,678	\$ 451,575	2.950%	2.950%	\$ 6,736	600	11508
Non-Callable	FEDERAL HOME LOAN BKS	3130AP7B5		09/30/26	\$ 800,000	\$ 800,000	\$ 742,504	0.500%	0.500%	\$ 2,000	1614	11508
Non-Callable	FEDERAL HOME LOAN BKS	3130APAM7		10/14/26	\$ 1,000,000	\$ 995,000	\$ 915,230	0.900%	0.900%	\$ 4,478	1628	11508
Non-Callable	FEDERAL HOME LOAN BKS	3130AQF40		12/20/24	\$ 500,000	\$ 499,710	\$ 476,665	1.000%	1.000%	\$ 2,499	965	11508
Non-Callable	FEDERAL HOME LOAN BKS	3130ARQ61		10/21/24	\$ 500,000	\$ 502,195	\$ 499,045	2.200%	2.200%	\$ 5,524	905	11508
Non-Callable	FEDERAL HOME LOAN BKS	3130ARJH5		04/22/27	\$ 500,000	\$ 500,000	\$ 497,300	3.150%	3.150%	\$ 7,875	1818	11508
Total Government Obligations					\$ 4,450,000	\$ 4,497,086	\$ 4,320,334					
Callable 9/10/25	AMERICAN HOND FIN CORP MTN	02665WDN8		09/10/25	\$ 500,000	\$ 506,050	\$ 460,515	1.000%	1.300%	\$ 2,500	1229	11508
Stepped 1/26/26	BANK OF AMERICA	06048WK82		01/26/26	\$ 500,000	\$ 498,500	\$ 436,120	0.610%	0.610%	\$ 1,525	1367	11508
Callable 9/30/23	CITIGROUP INC	17298CKE7	A3	09/30/23	\$ 1,000,000	\$ 1,000,000	\$ 897,680	1.000%	1.000%	\$ 5,000	518	11508
Callable 05/28/26	JPMORGAN CHASE & CO	48128G3N8		05/28/26	\$ 1,000,000	\$ 1,000,000	\$ 874,560	1.200%	1.200%	\$ 6,000	1489	11508
Total Corporate Issues					\$ 3,000,000	\$ 3,004,550	\$ 2,668,875					
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7		03/29/23	\$ 240,000	\$ 240,000	\$ 242,777	2.860%	2.900%	\$ 3,432	333	11508
FDIC Ins. CD	FLAGSTAR BK FSB TROY MICH	33847E2K2		06/13/22	\$ 245,000	\$ 246,749	\$ 245,566	2.440%	2.200%	\$ 3,010	44	11508
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3		06/14/22	\$ 245,000	\$ 245,000	\$ 245,546	2.340%	2.350%	\$ 2,867	45	11508
FDIC Ins. CD	JPMORGAN CHASE BK NA COLUMBU	48128UHS1		07/31/25	\$ 249,000	\$ 249,000	\$ 230,355	0.550%	0.550%	\$ 685	1188	11508
FDIC Ins. CD	MERRICK BK SOUTH JORDAN UTAH	59013KBV7		07/31/24	\$ 249,000	\$ 249,000	\$ 245,890	2.200%	2.200%	\$ 2,739	823	11508
FDIC Ins. CD	MORGAN STANLEY	61747MF63		01/11/23	\$ 246,000	\$ 246,000	\$ 248,367	2.630%	2.650%	\$ 3,235	256	11508
CD	MORGAN STANLEY PVT BK PURCHA	61760AL49		06/24/24	\$ 245,000	\$ 245,000	\$ 242,462	2.290%	2.250%	\$ 2,805	786	11508
FDIC Ins. CD	STATE BK INDIA CHICAGO ILL	856283N69		06/26/25	\$ 248,000	\$ 252,166	\$ 231,062	0.950%	0.940%	\$ 1,198	1153	11508
CD	SYNCHRONY BANK	87165HE89		10/08/26	\$ 248,000	\$ 248,000	\$ 227,443	0.950%	0.950%	\$ 1,178	1622	11508
CD	UNION BK SALT LAKE CITY UT - CD	90348JT59		09/22/26	\$ 249,000	\$ 249,000	\$ 227,994	0.950%	0.950%	\$ 1,183	1606	11508
Total CD Obligations					\$ 2,464,000	\$ 2,469,916	\$ 2,387,462					
Medium Term Note	Credit Suisse Ag New York	22550L2G5		8/7/2026	\$ 800,000	\$ 801,916	\$ 707,736	1.250%	1.250%	\$ 5,012	1560	11508
Total Non-US Securities					\$ 800,000	\$ 801,916	\$ 707,736					
Subtotal Long Term												
Pooled Investment					\$ 10,714,000	\$ 11,511,462	\$ 10,822,423					
Portfolio Totals	Local Agency Investment Fund (LAIF)**	0.987844701				\$ 147,859	\$ 147,859				0	10103
						\$ 11,659,322	\$ 10,970,282					



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

6/14/2022

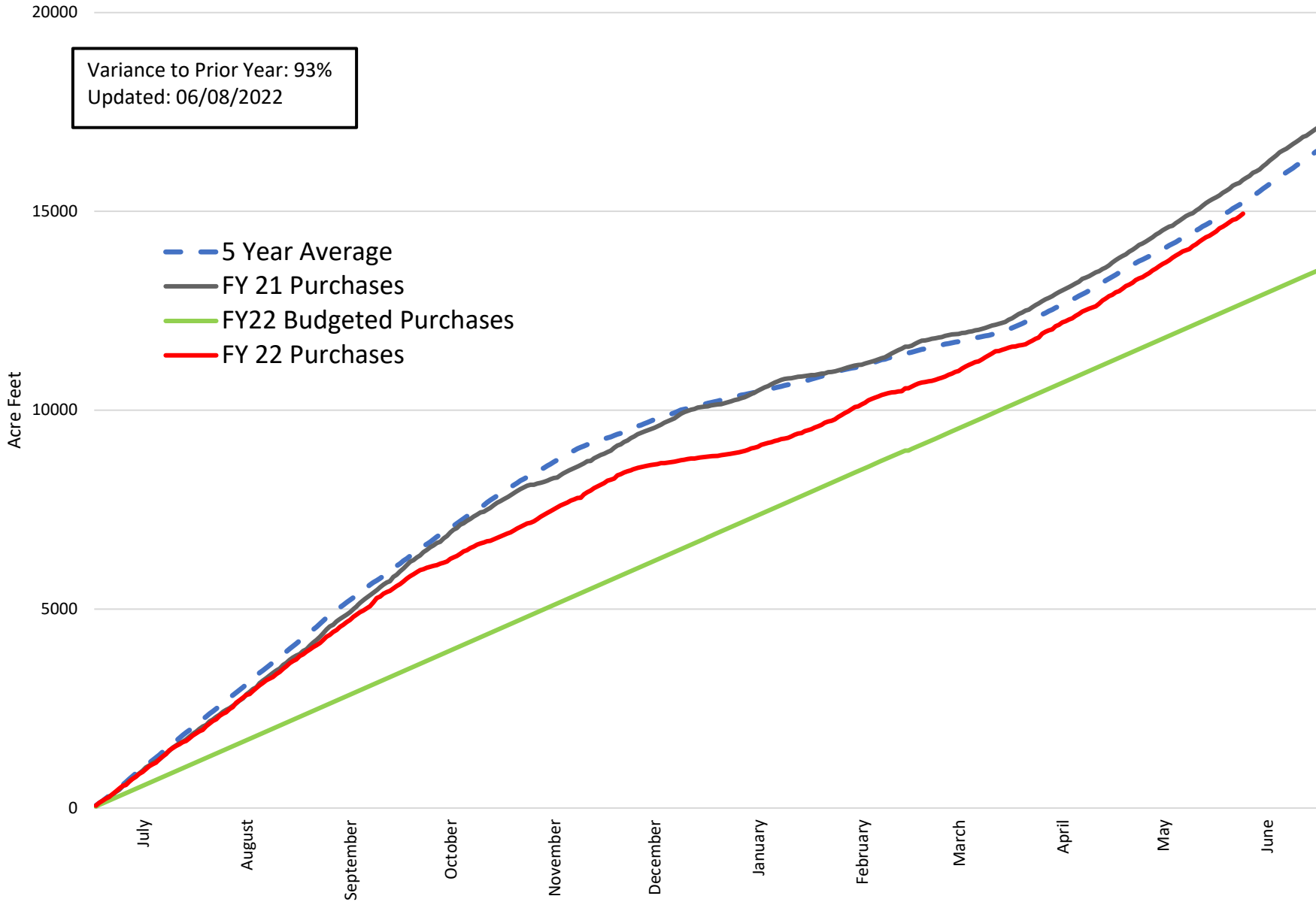
Tracy Largent, Treasurer

*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>

System Demands Comparison Chart

Variance to Prior Year: 93%
Updated: 06/08/2022



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	105,801	71,840	86,788	38,982	51,802	64,159	84,271			1,852
402	AG	126,020	156,517	188,678	141,035	94,403	113,507	37,037	60,738	86,971	113,642			2,568
271	CM	43,597	45,074	58,754	34,843	22,862	24,113	9,971	15,923	20,977	30,355			704
24	CN	9,809	7,353	8,900	4,999	8,247	7,795	9,526	6,874	8,636	10,292			189
21	IS	4,094	3,585	3,722	2,400	1,528	1,795	1,247	1,605	1,502	2,118			54
114	MF	14,171	12,501	14,634	11,363	10,797	11,216	10,215	8,410	10,807	12,185			267
	PC	105,195	87,728	98,194	76,152	51,934	66,232	14,314	38,479	44,840	61,700			1,480
	PD	104,423	101,695	108,445	85,321	56,327	69,973	16,562	44,821	50,216	71,313			1,628
319	SC	54,638	-	-	-	-	-	-	-	-	-			125
1012	SD	86,465	-	-	-	-	-	-	-	-	-			198
5851	SF	186,785	176,948	193,467	155,723	117,189	137,144	77,534	81,001	103,271	130,736			3,122
8563	Total	785,075	712,278	807,002	617,637	435,127	518,563	215,388	309,653	391,379	516,612	-	-	12,187

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	42,502	34,921	21,626	24,948	14,076	14,146	17,159			665
402	AG	109,886	131,840	137,233	129,675	105,410	64,136	68,514	39,558	46,221	51,415			2,029
271	CM	43,615	49,777	48,946	49,458	35,129	19,261	20,216	10,734	14,250	19,251			713
24	CN	6,330	12,547	10,164	14,057	8,403	5,244	9,069	7,677	4,613	6,070			193
21	IS	2,513	2,972	3,359	3,231	1,698	1,013	1,365	568	1,119	1,204			44
114	MF	14,151	14,484	14,090	14,996	12,993	9,384	12,462	8,972	8,359	10,592			277
	PC	-	-	-	-	-	-	-	1,234	14,315	17,961			77
	PD	-	-	-	-	-	-	83	3,574	24,420	30,477			134
319	SC	137,945	133,502	160,919	156,961	123,278	85,624	74,455	110,420	39,051	46,578			2,453
1012	SD	186,337	204,966	223,721	229,964	179,016	112,667	115,867	55,255	54,422	67,372			3,282
5851	SF	169,793	186,711	189,918	189,511	157,332	112,083	128,779	84,894	94,401	107,576			3,262
8563	Total	705,333	776,205	834,580	830,355	658,180	431,038	455,758	336,962	315,317	375,655	-	-	13,130

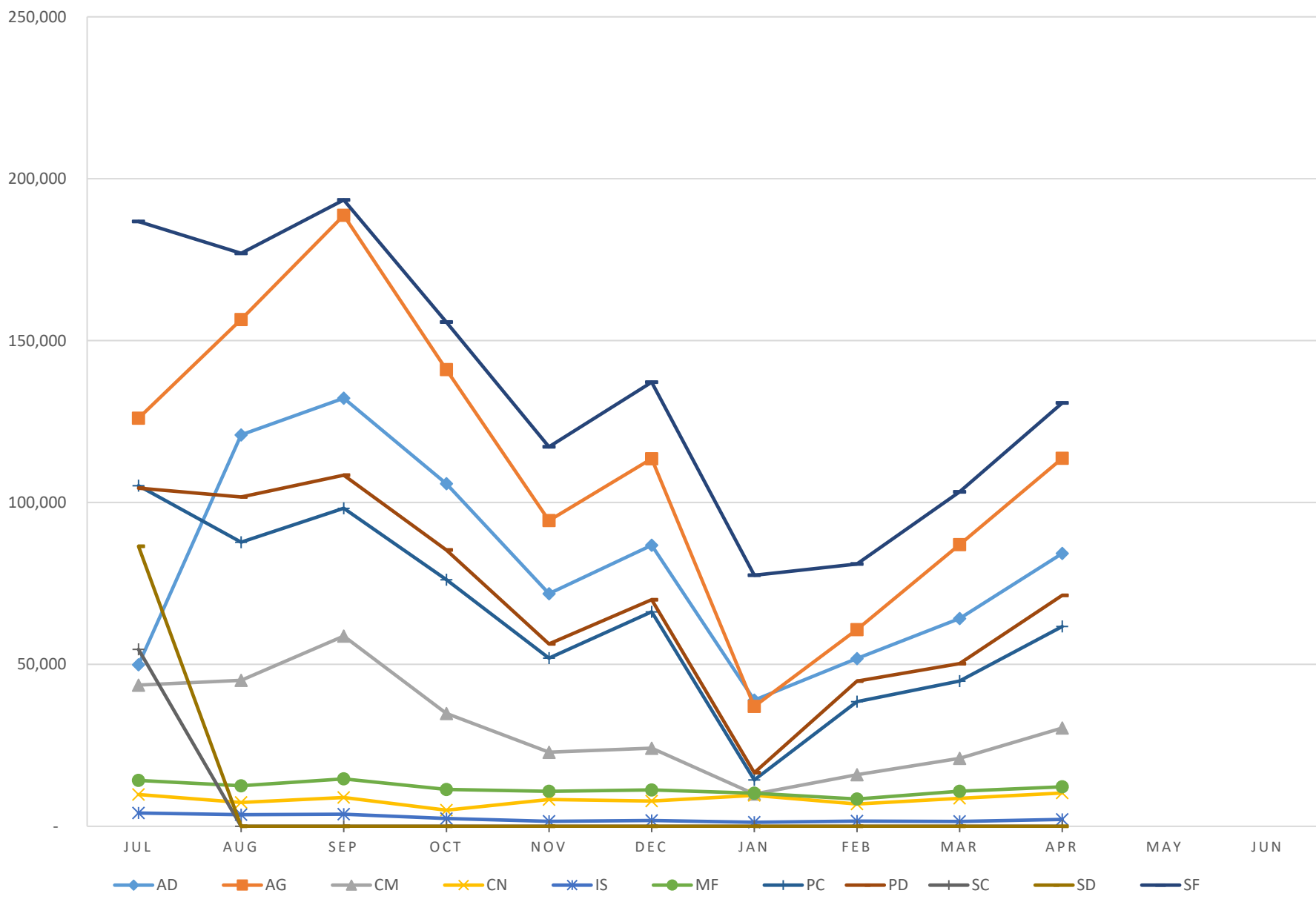
FISCAL YEAR 2019-2020

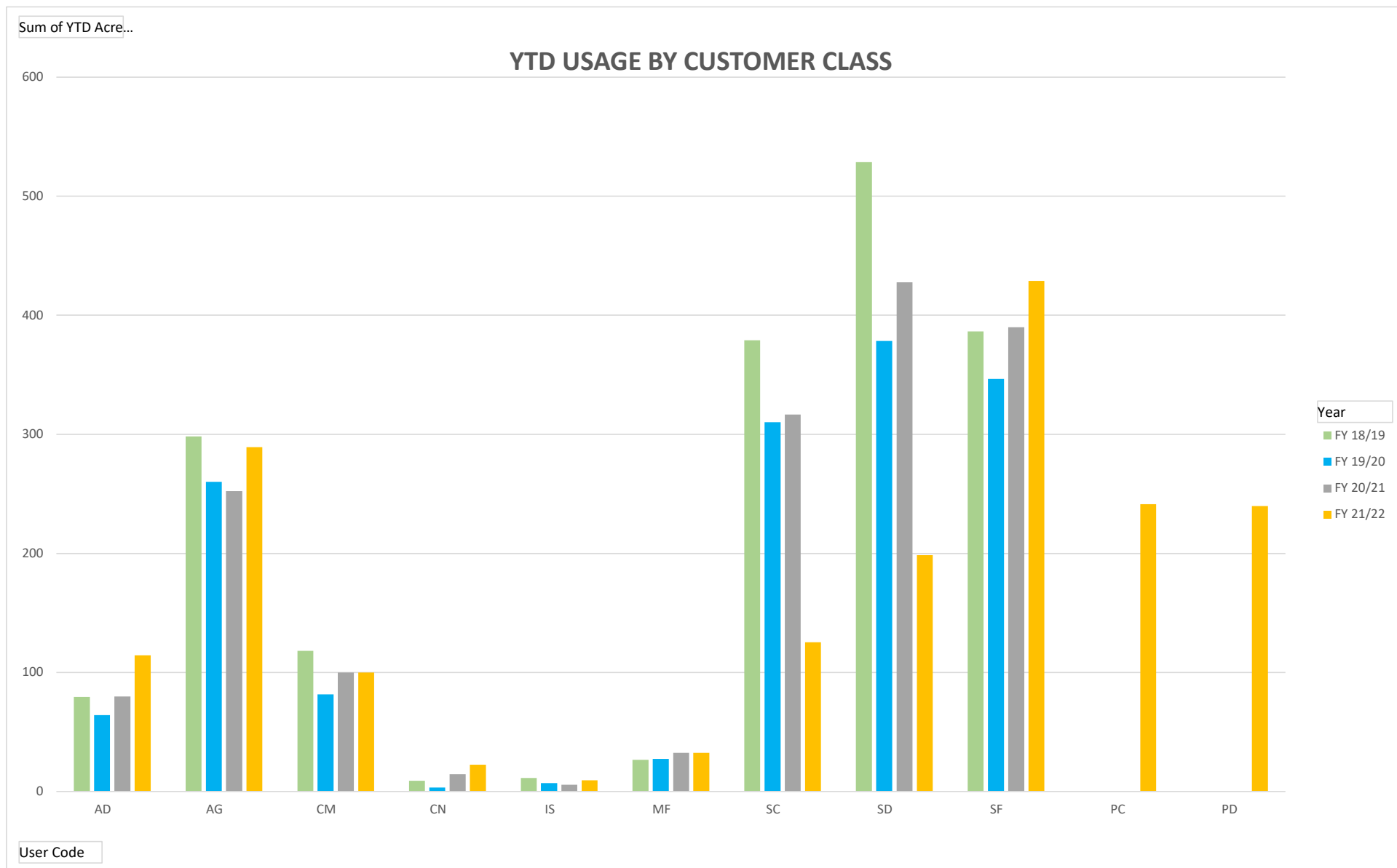
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
553	AD	28,018	36,530	36,506	32,640	37,164	15,379	6,577	13,028	16,047	9,234			531
400	AG	113,285	139,802	139,715	135,633	132,703	48,601	25,028	47,900	52,506	30,084			1,986
267	CM	35,561	46,750	44,883	40,374	29,303	16,496	13,155	9,711	25,311	13,393			631
19	CN	1,484	1,549	1,183	1,041	1,286	314	490	1,126	5,662	448			33
21	IS	3,060	1,799	1,946	2,046	2,048	927	643	1,018	1,351	768			36
114	MF	11,910	11,187	11,539	11,065	12,605	8,386	7,568	9,074	8,716	9,124			232
323	SC	135,069	157,307	156,337	136,485	152,308	47,287	10,146	50,668	60,342	16,027			2,117
1021	SD	164,817	213,262	218,596	179,714	207,689	77,699	21,552	65,024	75,717	26,767			2,872
5536	SF	150,907	188,769	182,811	153,331	174,251	89,028	52,276	70,585	74,004	58,386			2,742
8254	Total	644,111	796,955	793,516	692,329	749,357	304,117	137,435	268,134	319,656	164,231	-	-	11,180

FISCAL YEAR 2018-2019

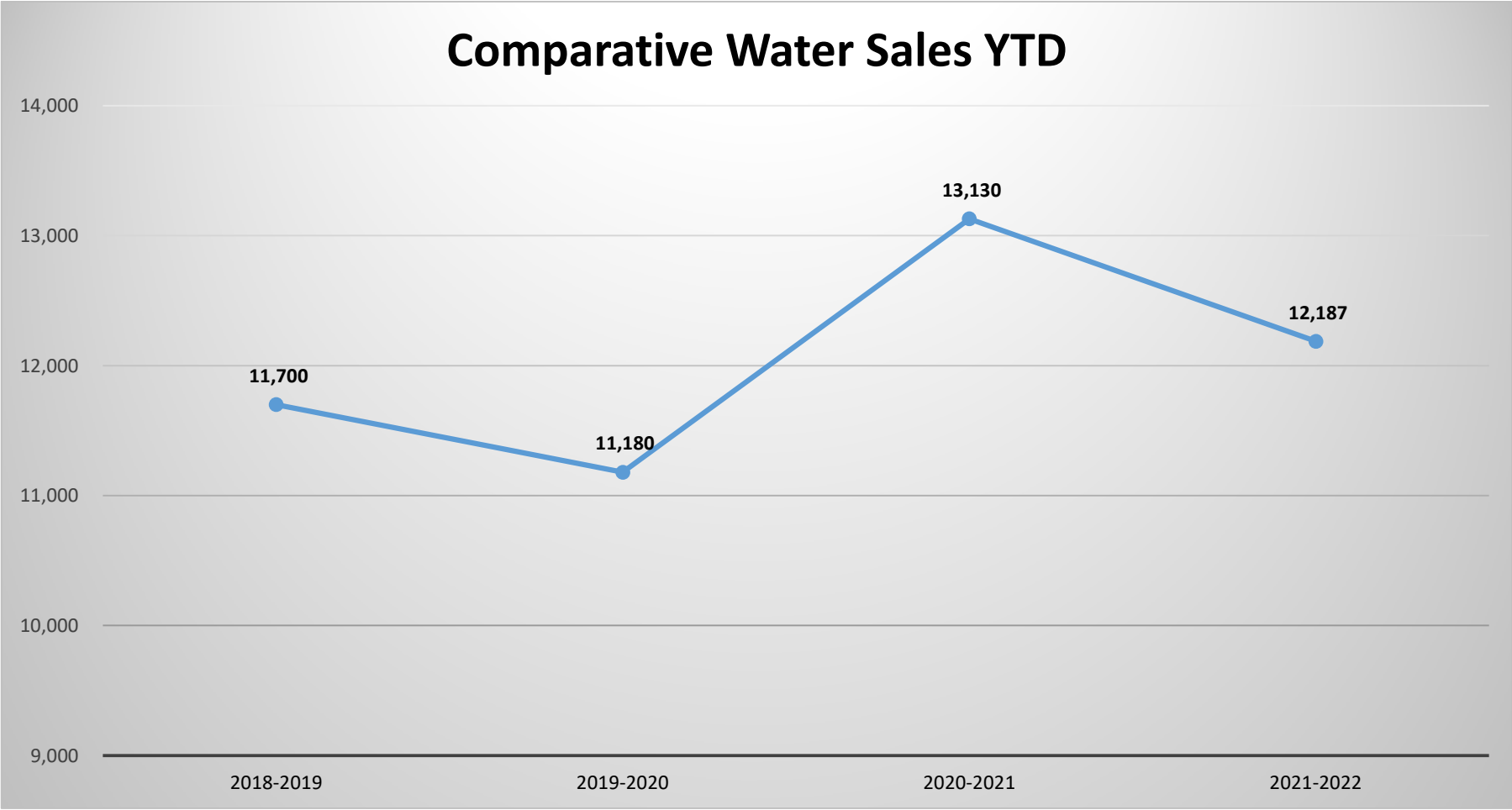
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	34,648	47,312	45,104	28,007	29,134	20,794	9,982	6,874	4,335	10,153			543
402	AG	129,946	149,080	154,084	110,908	93,077	70,762	33,893	21,947	18,274	46,890			1,903
264	CM	51,483	67,254	66,114	36,283	24,307	15,501	10,455	6,708	8,425	11,076			683
23	CN	3,982	27,189	4,915	2,545	3,115	2,815	2,831	829	547	636			113
21	IS	4,964	3,824	3,852	3,447	2,161	1,736	884	864	470	413			52
112	MF	11,653	12,856	13,798	11,513	11,816	10,461	8,551	7,929	6,940	8,289			238
323	SC	165,088	203,887	203,899	134,052	132,762	83,121	22,699	9,624	3,104	38,669			2,289
1024	SD	230,264	264,247	273,401	189,659	170,318	118,228	41,039	22,400	12,611	51,941			3,155
5468	SF	168,323	192,173	207,384	146,492	144,114	114,763	63,252	50,903	35,144	64,480			2,725
8199	Total	800,351	967,822	972,551	662,906	610,804	438,181	193,586	128,078	89,850	232,547	-	-	11,700

USAGE BY CUSTOMER CLASS FY 21-22





Comparative Water Sales YTD from Prior Years





Check Register

April 2022

Description	Bank Transaction Code	Issue Date	Amount
AIRGAS USA, LLC	ACH	04/01/2022	227.61
AMERICAN FENCE CO, INC	CHECK	04/01/2022	677.50
ARAMARK UNIFORM SERVICES	CHECK	04/01/2022	1,508.96
AT&T LONG DISTANCE	CHECK	04/01/2022	32.88
AZUGA, INC.	CHECK	04/01/2022	1,183.95
B & C CRANE SERVICE, INC.	CHECK	04/01/2022	800.00
BAY CITY ELECTRIC WORKS	CHECK	04/01/2022	4,753.93
BP BATTERY INC.	ACH	04/01/2022	556.49
BRYAN ROSE	CHECK	04/01/2022	200.00
CAL A VIE	CHECK	04/01/2022	14,570.00
CDW GOVERNMENT, INC.	CHECK	04/01/2022	6,871.85
CITY OF SAN DIEGO FIRE/EMS	CHECK	04/01/2022	125.00
CLAUDIA RAMIREZ	CHECK	04/01/2022	354.23
COLONIAL LIFE & ACCIDENT INS.	CHECK	04/01/2022	60.71
CORE & MAIN LP	CHECK	04/01/2022	35,327.05
COUNTY OF SAN DIEGO VECTOR	CHECK	04/01/2022	343.16
CRAIG SHOBE	CHECK	04/01/2022	1,430.00
CUSTOM TRUCK BODY & EQUIPMENT, INC.	ACH	04/01/2022	8,047.08
DAWN M LUNA	CHECK	04/01/2022	82.61
DIAMOND ENVIRONMENTAL SERVICES	CHECK	04/01/2022	636.99
ESAUD LAGUNAS	CHECK	04/01/2022	2,644.80
ESCONDIDO METAL SUPPLY, INC.	CHECK	04/01/2022	246.03
FALLBROOK AUTO PARTS	CHECK	04/01/2022	259.77
FALLBROOK IRRIGATION SUPPLIES	CHECK	04/01/2022	102.66
FALLBROOK LOCAL LOCKSMITH	CHECK	04/01/2022	594.97

Description	Bank Transaction Code	Issue Date	Amount
FALLBROOK WASTE AND RECYCLING	CHECK	04/01/2022	469.47
FERGUSON WATERWORKS #1083	CHECK	04/01/2022	3,655.16
FIREHAWK CORPORATION	ACH	04/01/2022	403.70
FLYERS ENERGY LLC	ACH	04/01/2022	9,692.17
FREEDOM AUTOMATION, INC.	CHECK	04/01/2022	880.00
HACH	CHECK	04/01/2022	573.89
HARRIS & ASSOCIATES, INC.	ACH	04/01/2022	6,390.00
HARRISON'S EQUIPMENT	CHECK	04/01/2022	344.68
HILL BROTHERS CHEMICAL CO.	CHECK	04/01/2022	3,979.82
HOCH CONSULTING, APC	CHECK	04/01/2022	6,760.00
ICONIX WATERWORKS (US) INC	ACH	04/01/2022	4,007.87
INFOR (US), INC.	ACH	04/01/2022	1,750.00
INFOSEND, INC.	CHECK	04/01/2022	3,828.59
INLAND KENWORTH (US) INC	ACH	04/01/2022	123.51
JAMIE HERB	CHECK	04/01/2022	394.06
JCG TECHNOLOGIES	CHECK	04/01/2022	450.00
JOANNE WYMAN	CHECK	04/01/2022	6,859.65
JOHN TORELLI	CHECK	04/01/2022	770.14
JUSTIN HIGGINS	CHECK	04/01/2022	1,000.00
KEVIN MILLER	ACH	04/01/2022	363.00
KNOCKOUT PEST CONTROL& TERMITES, INC.	CHECK	04/01/2022	100.00
KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	CHECK	04/01/2022	9.00
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	04/01/2022	4,625.62
LIQUID ENVIRONMENTAL SOLUTIONS OF CA, LLC	ACH	04/01/2022	210.00
MISSION RESOURCE CONSERVATION DISTRICT	ACH	04/01/2022	75.00
MOBILE MODULAR	CHECK	04/01/2022	3,499.30
ONESOURCE DISTRIBUTORS, LLC	CHECK	04/01/2022	3,301.64
PACIFIC PIPELINE SUPPLY	CHECK	04/01/2022	2,603.90
PARKHOUSE TIRE, INC.	ACH	04/01/2022	539.67
PETERS PAVING & GRADING, INC	ACH	04/01/2022	2,975.00
PRECISION MOBILE DETAILING	ACH	04/01/2022	1,050.00
PRINCIPAL LIFE INSURANCE COMPANY	ACH	04/01/2022	7,692.50
PURCHASE POWER PITNEY BOWES, INC	CHECK	04/01/2022	1,100.00
QUALITY CHEVROLET	ACH	04/01/2022	67.58

Description	Bank Transaction Code	Issue Date	Amount
RAIN FOR RENT RIVERSIDE	CHECK	04/01/2022	4,674.12
RENE BUSH	ACH	04/01/2022	363.00
RHO MONSERATE C.C.H.A.	CHECK	04/01/2022	569.79
RT LAWRENCE CORPORATION	ACH	04/01/2022	612.32
SAFETY-KLEEN	ACH	04/01/2022	471.35
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	04/01/2022	40.00
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	04/01/2022	44.73
SAN DIEGO GAS & ELECTRIC	CHECK	04/01/2022	44,865.39
SANCON ENGINEERING	CHECK	04/01/2022	17,183.28
SHRED-IT USA LLC	CHECK	04/01/2022	187.12
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	04/01/2022	925.48
SPECIALTY MOWING SERVICES, INC.	ACH	04/01/2022	11,570.00
T S INDUSTRIAL SUPPLY	CHECK	04/01/2022	460.73
TRI POINTE HOMES	ACH	04/01/2022	633,335.38
UNITED RENTALS NORTHWEST, INC	CHECK	04/01/2022	6,960.22
VILLAGE NEWS	CHECK	04/01/2022	300.00
VISTA VALLEY COUNTRY CLUB	CHECK	04/01/2022	45,947.68
WATERLINE TECHNOLOGIES INC.	CHECK	04/01/2022	1,461.09
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	04/01/2022	532.51
American Express - Rewards (March Statement)	WIRE	04/11/2022	219.00
INVESTMENT TRANSFER	WIRE	04/11/2022	2,000,000.00
SDCWA Water Purchase- February 2022	WIRE	04/11/2022	1,985,407.66
Union Bank CC - Daugherty (March Statement)	EFT	04/14/2022	349.00
Union Bank CC - DelRio (March Statement)	EFT	04/14/2022	38.98
Union Bank CC - DelRio (March Statement) Autopay	EFT	04/14/2022	38.98
Union Bank CC - Harp (March Statement)	EFT	04/14/2022	998.46
Union Bank CC - Harp (March Statement) Autopay	EFT	04/14/2022	998.46
Union Bank CC - Largent (March Statement)	EFT	04/14/2022	1,262.80
Union Bank CC - Largent (March Statement) Autopay	EFT	04/14/2022	1,243.84
Union Bank CC - Williams (March Statement)	EFT	04/14/2022	10.00
ADP - ADVICE OF DEBIT #603481553	EFT	04/15/2022	1,315.78
ADVANCED INFRASTRUCTURE TECH	CHECK	04/15/2022	9,391.32
AIRGAS USA, LLC	ACH	04/15/2022	747.53
ALTA LANGUAGE SERVICES, INC.	CHECK	04/15/2022	55.00

Description	Bank Transaction Code	Issue Date	Amount
ARAMARK UNIFORM SERVICES	CHECK	04/15/2022	1,016.89
ASTRA INDUSTRIAL SERV.INC	ACH	04/15/2022	3,985.85
AT&T	CHECK	04/15/2022	170.97
AT&T	CHECK	04/15/2022	537.10
BABCOCK LABORATORIES, INC	ACH	04/15/2022	1,572.38
BANNER BANK	CHECK	04/15/2022	55,657.79
BASSETT COMMUNICATIONS, INC	CHECK	04/15/2022	2,248.70
BOOT BARN INC	CHECK	04/15/2022	364.22
BOOT WORLD, INC	ACH	04/15/2022	867.75
CHRIS BROWN	ACH	04/15/2022	15,000.00
COLONIAL LIFE & ACCIDENT INS.	CHECK	04/15/2022	60.71
CORE & MAIN LP	CHECK	04/15/2022	10,794.53
COUNTY OF SAN DIEGO, RCS	CHECK	04/15/2022	1,001.91
CWEA	CHECK	04/15/2022	192.00
DAILY JOURNAL CORPORATION	CHECK	04/15/2022	234.00
DIAMOND ENVIRONMENTAL SERVICES	CHECK	04/15/2022	479.13
ELECTRICAL SALES, INC.	CHECK	04/15/2022	1,318.32
ESCONDIDO METAL SUPPLY, INC.	CHECK	04/15/2022	56.98
FALLBROOK AUTO PARTS	CHECK	04/15/2022	233.75
FALLBROOK IRRIGATION SUPPLIES	CHECK	04/15/2022	77.07
FALLBROOK PUBLIC UTILITY DIST	CHECK	04/15/2022	2,825.00
FALLBROOK WASTE AND RECYCLING	CHECK	04/15/2022	1,208.22
FARWEST CORROSION CONTROL COMPANY	CHECK	04/15/2022	315,341.07
FEDEX	CHECK	04/15/2022	250.04
FEDEX (FREIGHT)	CHECK	04/15/2022	5,061.12
FERGUSON WATERWORKS #1083	CHECK	04/15/2022	4,752.31
FLUME TECH	CHECK	04/15/2022	933.38
FLYERS ENERGY LLC	ACH	04/15/2022	5,641.64
FREEDOM AUTOMATION, INC.	CHECK	04/15/2022	6,945.00
GRANGETTO'S-FALLBROOK	CHECK	04/15/2022	587.83
HAAKER EQUIPMENT CO.	ACH	04/15/2022	5,071.50
HACH	CHECK	04/15/2022	188.20
HARRIS & ASSOCIATES, INC.	ACH	04/15/2022	2,450.00
HAWTHORNE MACHINERY COMPANY	CHECK	04/15/2022	3,594.10

Description	Bank Transaction Code	Issue Date	Amount
HOUSTON AND HARRIS	CHECK	04/15/2022	5,830.75
ICONIX WATERWORKS (US) INC	ACH	04/15/2022	5,407.91
JAMES W FOWLER CO	CHECK	04/15/2022	1,057,498.06
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	04/15/2022	400.00
KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	CHECK	04/15/2022	12.00
MOBILE MINI, INC	CHECK	04/15/2022	1,204.86
MODULAR BUILDING CONCEPTS, INC	CHECK	04/15/2022	1,536.51
ONESOURCE DISTRIBUTORS, LLC	CHECK	04/15/2022	6,357.89
OPR COMMUNICATIONS, INC.	CHECK	04/15/2022	7,500.00
PACIFIC PIPELINE SUPPLY	CHECK	04/15/2022	1,731.44
PALOMAR HEALTH	CHECK	04/15/2022	85.00
PAM MOSS	CHECK	04/15/2022	52.65
PARKHOUSE TIRE, INC.	ACH	04/15/2022	1,176.96
POLLARDWATER	CHECK	04/15/2022	661.95
POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	CHECK	04/15/2022	547.00
PRECISION BRAKE & ALIGNMENT	CHECK	04/15/2022	155.00
PRECISION MOBILE DETAILING	ACH	04/15/2022	339.00
QTX MOBILE ACCESSORIES, INC.	CHECK	04/15/2022	1,408.13
QUALITY GATE COMPANY	ACH	04/15/2022	393.00
RAIN FOR RENT RIVERSIDE	CHECK	04/15/2022	46,349.55
REM MECHANICAL, INC	ACH	04/15/2022	642.00
ROLLIN C BUSH	CHECK	04/15/2022	5,094.00
ROY BATCHELOR	CHECK	04/15/2022	2,013.57
RWB PLUMBING SERVICES	CHECK	04/15/2022	419.00
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	04/15/2022	614.74
SAN DIEGO GAS & ELECTRIC	CHECK	04/15/2022	29,706.59
SAN DIEGO LAFCO	CHECK	04/15/2022	16,500.00
SCAP	ACH	04/15/2022	538.00
SOLARWINDS, INC.	CHECK	04/15/2022	1,575.00
STATE OF CA DEPT OF WATER RESOURCES	CHECK	04/15/2022	23,725.00
STREAMLINE	CHECK	04/15/2022	300.00
T S INDUSTRIAL SUPPLY	CHECK	04/15/2022	523.14
TCN, INC	CHECK	04/15/2022	25.78
TEMECULA TROPHY CO.	CHECK	04/15/2022	13.05

Description	Bank Transaction Code	Issue Date	Amount
THE WATER RESEARCH FOUNDATION	CHECK	04/15/2022	5,000.00
TOOLWELL, INC.	CHECK	04/15/2022	772.00
TRACY LARGENT	CHECK	04/15/2022	405.68
ULINE	CHECK	04/15/2022	675.39
UNDERGROUND SERVICE ALERT	ACH	04/15/2022	245.79
US BANK	ACH	04/15/2022	291.67
US CALIBRATION INCORPORATED	CHECK	04/15/2022	915.00
WATERLINE TECHNOLOGIES INC.	CHECK	04/15/2022	5,844.37
WAYNE GOSSETT FORD	CHECK	04/15/2022	105,988.62
WINZER CORP	CHECK	04/15/2022	131.15
ZENNER PERFORMANCE	CHECK	04/15/2022	171.40
WEX - ADMINISTRATION FEES	EFT	04/25/2022	85.00
PAM MOSS	CHECK	04/27/2022	721.47
PRO FLOW A/C & HEATING, INC.	CHECK	04/27/2022	27,887.00
SAN DIEGO COUNTY WATER AUTH.	CHECK	04/27/2022	25.00
SDCWA CAP FEES-3RD QUARTER FY22	WIRE	04/27/2022	257,417.00
A PERFECT SHADE	ACH	04/29/2022	900.00
ACWA-JPIA	ACH	04/29/2022	86,804.32
AIRGAS USA, LLC	ACH	04/29/2022	381.29
ARAMARK UNIFORM SERVICES	CHECK	04/29/2022	2,173.34
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	04/29/2022	962.00
AT&T LONG DISTANCE	CHECK	04/29/2022	32.67
AZUGA, INC.	CHECK	04/29/2022	1,183.95
BONSALL PEST CONTROL	CHECK	04/29/2022	210.00
BOOT BARN INC	CHECK	04/29/2022	951.54
BRAX COMPANY, INC	CHECK	04/29/2022	252.42
CHARLES P. CROWLEY COMPANY, INC.	CHECK	04/29/2022	12,445.71
COMMUNICATION SERVICES	ACH	04/29/2022	1,952.56
COPY 2 COPY	CHECK	04/29/2022	215.61
CORE & MAIN LP	CHECK	04/29/2022	1,901.79
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	04/29/2022	93.00
CRAIG SHOBE	CHECK	04/29/2022	1,185.00
CRANETWORKS SOUTHWEST, INC.	CHECK	04/29/2022	2,411.73
CWEA	CHECK	04/29/2022	192.00

Description	Bank Transaction Code	Issue Date	Amount
CYNTHIA GRAY	CHECK	04/29/2022	56.99
DEXTER WILSON ENGINEERING	CHECK	04/29/2022	2,320.00
DIAMOND ENVIRONMENTAL SERVICES	CHECK	04/29/2022	698.53
FALLBROOK ACE HARDWARE	CHECK	04/29/2022	7.14
FEDEX	CHECK	04/29/2022	63.63
FIREHAWK CORPORATION	ACH	04/29/2022	235.95
FLYERS ENERGY LLC	ACH	04/29/2022	5,949.02
GOLDEN BELL PRODUCTS, INC.	CHECK	04/29/2022	662.66
GRAYBAR ELECTRIC COMPANY, INC.	CHECK	04/29/2022	2,219.56
HELIX ENVIRONMENTAL PLANNING INC	CHECK	04/29/2022	11,255.56
HOME DEPOT CC - ALL (APRIL 2022 STATEMENT)	EFT	04/29/2022	2,742.71
ICONIX WATERWORKS (US) INC	ACH	04/29/2022	7,738.55
IMPACT DESIGN	CHECK	04/29/2022	251.10
INFOSEND, INC.	CHECK	04/29/2022	8,709.68
JAUREGUI & CULVER, INC.	CHECK	04/29/2022	328.98
JD FORD INC	CHECK	04/29/2022	1,084.48
KELLY MOCHEL	CHECK	04/29/2022	877.24
KENNEDY/JENKS CONSULTANTS INC	ACH	04/29/2022	10,007.50
KEVIN MILLER	ACH	04/29/2022	363.00
KNIGHT SECURITY & FIRE SYSTEMS	ACH	04/29/2022	135.00
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	04/29/2022	100.00
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	04/29/2022	4,625.62
LIQUID ENVIRONMENTAL SOLUTIONS OF CA, LLC	ACH	04/29/2022	210.00
MISSION RESOURCE CONSERVATION DISTRICT	ACH	04/29/2022	75.00
MOBILE MODULAR	CHECK	04/29/2022	3,499.30
O'REILLY AUTO PARTS	CHECK	04/29/2022	290.73
PACIFIC PIPELINE SUPPLY	CHECK	04/29/2022	11,215.93
PALA BAND OF MISSION INDIANS	CHECK	04/29/2022	16,694.73
PERRAULT CORPORATION	CHECK	04/29/2022	65.46
PETERSON STRUCTURAL ENGINEERS, INC.	CHECK	04/29/2022	5,768.00
PETTY CASH - ADMINISTRATION	CHECK	04/29/2022	315.50
PITNEY BOWES INC	CHECK	04/29/2022	78.30
POLLARDWATER	CHECK	04/29/2022	347.82
POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	CHECK	04/29/2022	2,035.00

Description	Bank Transaction Code	Issue Date	Amount
PRECISION MOBILE DETAILING	ACH	04/29/2022	1,262.40
PRINCIPAL LIFE INSURANCE COMPANY	ACH	04/29/2022	7,692.50
RAIN FOR RENT RIVERSIDE	CHECK	04/29/2022	615.93
RENE BUSH	ACH	04/29/2022	363.00
RF YEAGER ENGINEERING	CHECK	04/29/2022	1,960.00
RHO MONSERATE C.C.H.A.	CHECK	04/29/2022	643.26
RT LAWRENCE CORPORATION	ACH	04/29/2022	618.38
SAN DIEGO GAS & ELECTRIC	CHECK	04/29/2022	5,347.75
SOLID VICTORY	CHECK	04/29/2022	505.00
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	04/29/2022	925.48
SPECIALTY MOWING SERVICES, INC.	ACH	04/29/2022	9,733.00
SUNBELT RENTALS, INC	CHECK	04/29/2022	226.28
T S INDUSTRIAL SUPPLY	CHECK	04/29/2022	1,123.31
THE WELD SHOP, INC	ACH	04/29/2022	1,293.00
TIAA COMMERCIAL FINANCE, INC.	CHECK	04/29/2022	2,854.92
TRAFFIC SAFETY SOLUTIONS, LLC	ACH	04/29/2022	4,773.00
TRI POINTE HOMES	ACH	04/29/2022	942,285.69
TUFF SHED	CHECK	04/29/2022	3,573.55
UNITED BUILDING MAINTENANCE CENTER LLC	CHECK	04/29/2022	3,800.00
UNITED RENTALS NORTHWEST, INC	CHECK	04/29/2022	3,296.07
VALLEY CONSTRUCTION MANAGEMENT	CHECK	04/29/2022	47,893.00
VERIZON WIRELESS	CHECK	04/29/2022	12,927.75
WATERLINE TECHNOLOGIES INC.	CHECK	04/29/2022	6,063.53
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	04/29/2022	532.51
		TOTAL:	8,287,984.59

**Director's Expenses
FY 2021-2022**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Michael Mack	Pam Moss	William Stewart	Carl Rindfleisch
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	\$ 450.00		\$ 150.00
	Monthly Totals	\$ -	\$ 150.00	\$ 491.44	\$ 450.00	\$ -	\$ 150.00

**Director's Expenses
FY 2021-2022**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Michael Mack	Pam Moss	William Stewart	Carl Rindfleisch
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	\$ 150.00	\$ 150.00	\$ 750.00	\$ 450.00		\$ 300.00
	TRAVEL EXPENSES			\$ 770.40	\$ 1,125.86		
	MILEAGE AND EXPENSES						
	REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ 150.00	\$ 150.00	\$ 1,520.40	\$ 1,575.86	\$ -	\$ 300.00
10/31/21	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00	\$ 300.00	\$ 150.00		\$ 300.00
	TRAVEL EXPENSES						
	MILEAGE AND EXPENSES						
	REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ 150.00	\$ 150.00	\$ 300.00	\$ 150.00	\$ -	\$ 300.00

**Director's Expenses
FY 2021-2022**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Michael Mack	Pam Moss	William Stewart	Carl Rindfleisch
11/30/21	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 EXPENSE REIMBURSEMENT FROM DIRECTORS Monthly Totals	\$ 725.00 \$ 40.00 \$ 150.00	\$ 150.00	\$ 725.00 \$ 600.00 \$ 602.50 \$ 202.72	\$ 725.00 \$ 300.00 \$ 327.12 \$ 57.12	\$ 300.00 \$ 25.02	\$ -
12/31/21	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 Monthly Totals	\$ 150.00	\$ 150.00	\$ 450.00 \$ 685.20 \$ 53.76	\$ 450.00 \$ 322.29 \$ 57.12	\$ 36.64	\$ -
REPORT TOTAL FOR 2021:		\$ 1,365.00	\$ 900.00	\$ 5,781.02	\$ 4,564.51	\$ 361.66	\$ 750.00

**Director's Expenses
FY 2021-2022**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Michael Mack	Pam Moss	William Stewart	Carl Rindfleisch
01/31/22	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 Monthly Totals	\$ 150.00	\$ 300.00	\$ 800.00	\$ 650.00	\$ 450.00	\$ -
2/29/2022	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 Monthly Totals	\$ 150.00	\$ 150.00	\$ 150.00	\$ 175.00 \$ 450.00	\$ 300.00	\$ -

Director's Expenses FY 2021-2022

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Michael Mack	Pam Moss	William Stewart	Carl Rindfleisch
03/31/22	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	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	
	Monthly Totals	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ -
04/30/22	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	\$ 649.00			\$ 600.00		
	Monthly Totals	\$ 3,143.72	\$ 150.00	\$ 150.00	\$ 2,124.12	\$ 300.00	\$ -
REPORT TOTAL FOR 2022:		\$ 3,743.72	\$ 900.00	\$ 1,400.00	\$ 3,699.12	\$ 1,350.00	\$ -



AMERICAN EXPRESS

April 2022

GL Finance Code	GL Transaction Amount	Description
GL 03 42 56513	76.92	1-800-FLOWERS.COM
GL 03 42 56513	80.26	1-800-FLOWERS.COM
GL 03 41 63401	95.30	CULLIGAN
GL 03 44 60100	0.39	AMAZON WEB SERVICES
GL 03 42 56513	1,108.95	AMAZON GIFT CARDS
GL 03 41 63400	46.96	AMAZON #113-1429079-3516240
GL 01 34 72000	91.54	AMAZON #113-8650101-7629828
GL 03 41 63400	84.52	AMAZON #113-1429079-3516240
GL 03 44 60100	374.97	AMAZON #111-9042066-4725062
GL 03 44 60100	128.22	AMAZON #111-5616043-2798623
GL 03 44 60100	593.45	AMAZON #111-9878418-4726635
GL 03 44 60100	64.58	AMAZON #111-6352994-5369031
GL 01 34 72000	299.42	AMAZON #113-5729301-1652223/PO# 12245
GL 03 36 63422	19.37	AMAZON #113-7224614-9862620
GL 03 41 72900	17.37	AMAZON #114-5476770-9875426
GL 03 44 60100	112.46	AMAZON #111-6338796-1104262
GL 03 43 72000	24.27	AMAZON #113-6054633-7789801
GL 03 44 60100	443.26	AMAZON #111-3932309-2528235
GL 03 44 60100	591.43	AMAZON #114-8969344-8801823
GL 03 44 60100	349.90	AMAZON #111-5869084-2966652
GL 02 61 73000	536.36	AMAZON #112-7221389-1691440/PO# 12220
GL 03 44 60100	1,427.70	AMAZON #111-5079388-1005008
GL 03 44 60100	10.65	AMAZON #111-2495866-9048217
GL 01 34 72000	90.04	AMAZON #113-3175957-9512268
GL 03 44 60100	24.76	AMAZON #113-3153388-4558658
GL 03 44 60100	457.94	AMAZON #111-0925251-1037029
GL 03 44 60100	969.74	AMAZON #111-4525242-7091450

GL Finance Code	GL Transaction Amount	Description
GL 03 44 60100	925.32	AMAZON #111-7493231-9008241
GL 03 43 72000	258.75	AMAZON #113-4772000-8484201/PO# 12215
GL 03 44 60100	37.06	AMAZON #111-8380448-3358628
GL 02 61 73000	536.36	AMAZON #112-3696001-4573845/PO# 12220
GL 03 43 72000	23.71	AMAZON #113-1261106-9883413/PO# 12215
GL 02 61 73000	268.18	AMAZON #112-0297089-8590623/PO# 12220
GL 03 44 60100	80.78	AMAZON #111-7437478-0193062/PO# 12220
GL 03 44 60100	102.90	AMAZON #111-1304306-4013822
GL 02 61 73000	536.36	AMAZON #112-2973389-6234605/PO# 12220
GL 01 34 72000	12.39	AMAZON #113-1784790-3993826/PO# 12245
GL 03 44 60100	1,444.95	AMAZON #111-7427466-8129043
GL 01 34 72000	592.62	AMAZON #113-4100258-8593041/PO# 12246
GL 03 44 60100	174.42	AMAZON #111-3948448-6403407
GL 03 44 60100	323.00	AMAZON #111-1951357-7285839
GL 03 43 72000	2.99	APPLE.COM
GL 03 44 72400	110.00	ATLASSIAN
GL 03 44 60100	40.00	AUTHORIZE.NET
GL 03 20 75300	(200.00)	CSDA
GL 03 20 75300	875.00	CSDA
GL 01 34 75300	385.00	AWWA
GL 01 34 75300	385.00	AWWA
GL 01 34 75300	(411.75)	AWWA
GL 03 42 56513	291.99	CARDSANDBANNERS.COM
GL 03 43 72000	3.44	COSD SERVICE FEE
GL 03 43 72000	125.00	CITY OF SAN DIEGO
GL 03 41 63400	394.86	COFFEE AMBASSADOR
GL 03 20 75300	202.95	COSMOPOLITAN
GL 03 43 72000	78.03	CREATIVE SAFETY
GL 02 61 72000	106.50	CUTRATEBATTERIES.COM
GL 03 44 60100	49.44	DIRECT TV
GL 03 42 56513	28.65	DOLLAR TREE
GL 03 41 75300	195.00	NEPTUNE
GL 03 44 72400	1,224.00	LASTPASS
GL 03 41 63401	23.66	GRAINGER #9280744252

GL Finance Code	GL Transaction Amount	Description
GL 03 43 72500	68.92	GRAINGER #9261349253/PO# 12200
GL 03 43 72500	68.92	GRAINGER #9263085533/PO# 12200
GL 01 99 15260	49.80	GRAINGER #9259926153/PO# 12203
GL 01 32 72000	87.40	GRAINGER #9259926153/PO# 12203
GL 01 31 73000	227.78	GRAINGER #9248562564/PO# 12141
GL 03 43 72500	380.60	GRAINGER #9261688866/PO# 12200
GL 03 43 72500	793.93	GRAINGER #9268734499/PO# 12214
GL 03 43 72500	2,808.31	GRAINGER #9264561672/PO# 12200
GL 03 20 75300	(221.50)	HOLIDAY INN
GL 01 34 72000	756.00	IR INDUSTRIAL
GL 01 34 72000	975.81	IR INDUSTRIAL
GL 03 41 74100	1,151.67	JIVE
GL 03 44 60100	190.98	MICROSOFT
GL 03 44 60100	740.32	MITCHELL INSTRUMENT
GL 03 36 63422	1,008.28	RAMMOUNT.COM
GL 03 41 72900	408.25	OFFICE DEPOT #236490200001
GL 03 41 72900	7.37	OFFICE DEPOT #236490200002
GL 03 41 72900	142.63	OFFICE DEPOT #237495344001
GL 03 44 72000	8.28	PALA MESA
GL 03 41 75300	17.65	PREPASS
GL 03 91 72000	69.79	RAINBOW OAKS
GL 03 44 60100	10.00	RING
GL 03 42 56513	20.86	RITE AID
GL 03 20 75300	327.95	SOUTHWEST AIRLINES
GL 03 20 75300	25.00	SOUTHWEST AIRLINES
GL 03 20 75300	25.00	SOUTHWEST AIRLINES
GL 03 20 75300	257.96	SOUTHWEST AIRLINES
GL 03 41 72900	107.74	STAPLES
GL 03 41 63400	46.25	FRUIT GUYS #5595904
GL 03 41 63400	92.50	FRUIT GUYS #5595472
GL 03 41 63400	46.25	FRUIT GUYS #5595047
GL 03 41 63400	92.50	FRUIT GUYS #5594627
GL 03 44 60100	318.32	WASABI
GL 03 41 63401	260.53	WAXIE

GL Finance Code	GL Transaction Amount	Description
GL 03 36 72000	353.58	WHIP AROUND
GL 03 91 72000	27.52	Z CAFE
GL 01 35 72000	40.25	ZOHO
GL 03 44 60100	299.87	ZOOM
	29,440.56	American Express (April 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

