



RAINBOW MUNICIPAL WATER DISTRICT
Tuesday, January 22, 2019
Closed Session – Time: 12:00 p.m.
Open Session - Time: 1:00 p.m.

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

District Office **3707 Old Highway 395** **Fallbrook, CA 92028**

Board Agenda Policies

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

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

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

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

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

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

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

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

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

(*) - Asterisk indicates a report is attached.

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 12:00 p.m. and Open Session at 1:00 p.m. Tuesday, January 22, 2019, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
 2. **ROLL CALL: Brazier ___ Hamilton ___ Gasca ___ Mack ___ Rindfleisch ___**
 3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
 4. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. *Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
 5. **CLOSED SESSION**
 - A. Conference with Legal Counsel—Anticipated Litigation (Government Code §54956.9(d)(2))
 - Three Items
 6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
- Time Certain: 1:00 p.m.
7. **PLEDGE OF ALLEGIANCE**
 8. **PRESENTING OF ELECTION CERTIFICATES**
 - A. Miguel Gasca (Division 3)
 - B. Carl Rindfleisch (Division 4)
 9. **REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
 10. **REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
 11. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. *No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*

(*) - Asterisk indicates a report is attached.

***12. APPROVAL OF MINUTES**

- A. December 4, 2018 - Regular Board Meeting

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

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

- A. President's Report (President Brazier)
- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - A. Summary of Board Meeting December 6, 2018
 - 2. CSDA
 - 3. LAFCO
 - 4. San Luis Rey Watershed Council
 - 5. Santa Margarita River Watershed Watermaster Steering Committee
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attendance Requests and Reports
- D. Directors Comments
- E. Legal Counsel Comments
 - 1. Attorney Report – Proposed Revisions to Clean Water Act (501668-0002)

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

- A. Budget and Finance Committee
 - 1. November 13, 2018 Minutes
 - 2. December 11, 2018 Minutes
- B. Communications and Customer Service Committee
 - 1. November 1, 2018 Minutes
 - 2. December 6, 2018 Minutes
- C. Engineering and Operations Committee
 - 1. October 3, 2018 Minutes
 - 2. November 7, 2018 Minutes
 - 3. December 5, 2018 Minutes

CONSENT CALENDAR

***15. APPROVAL OF RESOLUTION NO. 19-01 ESTABLISHING CHECK SIGNING AUTHORITY**

(The purpose of this Resolution is to update the current established check signing responsibility to the current authorized signers of checks due to a change in Board Members.)

***16. CONSIDER APPROVAL OF AN AMEDED AND RESTATED AGREEMENT BETWEEN THE CITY OF OCEANSIDE AND THE RAINBOW MUNICIPAL WATER DISTRICT FOR THE CONTRUCTION, USE, MAINTENANCE AND OPERATION OF WASTWATER, TRANSMISSION, TREATMENT AND DISPOSAL FACILITIES**

(This agenda item will amend the existing wastewater services agreement with the City of Oceanside.)

(*) - Asterisk indicates a report is attached.

BOARD ACTION ITEMS

- 17. DISCUSSION AND POSSIBLE APPOINTMENT OF BOARD OFFICERS AND REPRESENTATIVES**
(Administrative Code Policy Section 3.01.020.01 - Bi Annual Organizational Meeting states the Board of Directors shall hold an organizational meeting at its regular meeting in January of the odd numbered year or as determined by the Board.)
- *18. CONSIDER ESTABLISHING THE 2019 REGULAR BOARD MEETING SCHEDULE**
(The Board will consider establishing the 2019 Board of Directors Regular Meeting schedule, to include moving the September 24, 2019 meeting to another date in September at 1:00 p.m. and combining the November and December regular Board meetings to Monday, December 3, 2019, at 1:00 p.m.)
- *19. PRESENTATION AND ACCEPTANCE OF THE AUDIT REPORT AND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2018**
(Annually, the District contracts for the preparation of an independent audit and compilation of the year-end financial statements with a Certified Public Accountant (CPA) firm. This year the District authorized for the second year with White Nelson Diehl Evans LLP to conduct the fiscal year 2017-18 annual audit. An overview of the audit and year-end financial statements will be presented by the audit firm.)
- *20. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES AGREEMENT TO PROVIDE CORROSION ENGINEERING SERVICES FOR CORROSION PROTECTION PROGRAM DEVELOPMENT AND APPROPRIATE UP TO \$222,586 TO THE PROJECT BUDGET**
(By instituting a corrosion control program, the District can slow down the deterioration of pipes and extend the useful life of the existing infrastructure. This professional services agreement will allow HDR to develop a corrosion protection program specifically tailored to fit the District's needs.)
- *21. DISCUSSION AND POSSIBLE ACTION TO APPROVE A CHANGE ORDER FOR REDESIGN SERVICES FOR THE RAINBOW HEIGHTS PUMP STATION REHABILITATION PROJECT**
(This change order for the Rainbow Heights Pump Station Replacement Project will account for an increase in design cost to replace the existing infrastructure with a premanufactured pump station. The increased design cost is estimated to result in a significant decrease to the construction cost for the project. Also, a premanufactured pump station will have a higher quality and will result in a longer useful life with lower maintenance costs.)
- *22. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 19-01 APPROVING ADDITION OF ADMINISTRATIVE CODE POLICY CHAPTER 8.30 – LEAK POLICY**
(In reviewing the current RMWD Administrative Code for policies and procedures directly related to customer leaks, it was found such policy does not exist. A draft policy related to leaks has been prepared for the Board to consider incorporating into the Administrative Code.)
- *23. CONSIDER APPROVAL OF A MEMORANDUM OF UNDERSTANDING FOR PHASE I: DATA COLLECTION FOR DEVELOPMENT OF A GROUNDWATER SUSTAINABILITY PLAN FOR THE UPPER SAN LUIS REY GROUNDWATER BASIN**
(This action item is to approve a Memorandum of Understanding that formalizes the District's participation in the development of the Upper San Luis Rey Groundwater Sustainability Agency.)
- *24. CONSIDER SETTING THE DATE AND TIME FOR A PUBLIC HEARING TO CONSIDER ADOPTING INCREASES IN THE RATES FOR RAINBOW MUNICIPAL WATER DISTRICT SERVICE FEES EFFECTIVE APRIL 1, 2019**
(This action item is for the setting of the date and time for a public hearing to adopt water rate increases.)

(*) - Asterisk indicates a report is attached.

- *25. **DISCUSSION AND POSSIBLE ACTION TO APPROVE CONTRACT FOR MANAGED PRINT SERVICES WITH KYOCERA DOCUMENT SOLUTIONS WEST LLC IN THE AMOUNT OF \$2,288.81 PER MONTH FOR 63 MONTHS**
(This action item is to consider approval of a contract for Managed Print Services with Kyocera Document Solutions West LLC.)
- 26. **DISCUSSION AND ACTION TO APPROVE VACATION OF A SECTION OF A 20-FOOT EASEMENT TO RAINBOW MUNICIPAL WATER DISTRICT PER RECORDER'S FILE NO. 155877. JULY 31, 1959, 7803-129 O.R.**
(The vacation of a section of the District easement located on the Walz property will require the execution of a quitclaim document and Exhibit showing the section of easement to be quitclaimed back to the property owner.)
- 27. **AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

INFORMATION ITEMS

- 28. **DISCUSSION REGARDING PROCESS FOR SCHEDULING SPECIAL BOARD MEETINGS**
(President Brazier has requested an item to discuss the process for scheduling future Special Board meetings.)
- *29. **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
 - D. **Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
 - E. **Finance Comments**
 - 1. Interim Financial Statement
 - 2. Treasurer Report
 - 3. Credit Card Breakdown
 - 4. Directors' Expense
 - 5. Check Register
 - 6. Water Sales Summary
 - 7. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
- 30. **LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING**
- 31. **ADJOURNMENT - To Tuesday, February 26, 2019 at 1:00 p.m.**

ATTEST TO POSTING:


 Hayden Hamilton
 Secretary of the Board

1-15-19 @ 8:00 a.m.

 Date and Time of Posting
 Outside Display Cases

(*) - Asterisk indicates a report is attached.

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 4, 2018**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on December 4, 2018 was called to order by President Brazier at 11:36 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

Present: Director Brazier, Director Gasca, Director Hamilton, Director Mack, Director Stewart (*arrived at 12:00 p.m.*).

Also Present: General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Associate Engineer Powers, Administrative Analyst Gray, Project Manager Johnson.

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

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

President Brazier suggested the appointment of treasurer state who the appointment will be on the agenda itself. She also recommended the words “discussion and possible action” be removed on future consent calendar items.

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

There were no comments.

The meeting adjourned to Closed Session at 11:39 a.m.

5. **CLOSED SESSION**

- A. Conference with Legal Counsel–Anticipated Litigation (Government Code §54956.9(d)(2))
 - Five Items
- B. Consider Personnel Matter-General Manager Performance Evaluation (Government Code §54957)

6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

The meeting reconvened at 1:22 p.m.

(*) - Asterisk indicates a report is attached.

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Legal Counsel reported the Board met in Closed Session to discuss multiple matters. He stated there were five items discussed under Item #5A and one under #5B with one reportable action which was the Board reaching a settlement on a claim filed by Dr. Faramarz Jamshidi regarding alleged property damage incurred as a result of a storm event. He noted the settlement agreement will be finalized shortly and will be available upon request.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #6.

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

President Brazier noted some language changes were suggested for the Consent Calendar items and the Finance Manager would be appointed as Treasurer under Item #17 if approved.

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

There were no comments.

11. EMPLOYEE RECOGNITIONS

A. Kyle Schilling (5 Years)

Mr. Kennedy mentioned Kyle Schilling has been with the District's construction department for five years. Mr. Schilling thanked everyone for the opportunity to work at such a great water district works and how since he resides in the area, he enjoys serving his local water community. Mr. Kennedy presented Mr. Schilling with a plaque and check in recognition of his service.

B. David Hill (20 Years)

Mr. Kennedy asked David Hill about his first job when hired at RMWD. Mr. Hill replied he was hired as the janitor/landscaper and was now the inspector noting how he has enjoyed working with the employees over the past twenty years. Mr. Kennedy presented Mr. Hill with a plaque and check in recognition of his service.

C. Ed Bradley (30 Years)

Mr. Kennedy asked Ed Bradley what RMWD was like thirty years ago. Mr. Bradley stated it was a little more "wild west" that long ago. Mr. Kennedy mentioned Mr. Bradley currently works as RMWD's main electrician and asked what things he has done throughout his time at the District. Mr. Bradley said he started as a meter reader, working on different valves, as well as helping other crews. He said one of the fun things about working for a smaller agency is the variety it provides. Mr. Kennedy thanked Ed Bradley for his thirty years of service as he presented him with a watch, plaque and check.

(*) - Asterisk indicates a report is attached.

***12. APPROVAL OF MINUTES**

A. October 23, 2018 - Regular Board Meeting

Motion:

To approve the minutes as written.

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

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

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

13. BOARD OF DIRECTORS' COMMENTS/REPORTS

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

A. President's Report (President Brazier)

There was no report given.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting October 25, 2018

Mr. Kennedy referenced the summary report provided in the packet. He noted SDCWA gave Moosa Creek pipeline project contractor a \$350,000 change order due to water being hit when they were digging in the creek. He mentioned SDCWA did come up with some strategies to deal with their pension benefit issues. He said SDCWA indicated they entered into an agreement with Valley Center Municipal Water District and Yuima on their emergency ESP pump station project but would not start the CEQA process for RMWD's emergency ESP pump station until next year. He stated he did check with SDCWA and found RMWD has spent over \$17 Million on ESP facilities since 2004 to which the District does not have access.

2. CSDA

Director Mack thanked the Board for approving his attendance at the recent Legislative Committee meeting held in Sacramento in November that he was invited to as an applicant. He stated although he was not allowed to vote on matters, he was permitted to participate in the discussions. He noted one of the items discussed was giving guidance to CSDA by determining goals for them to achieve in 2019. He explained the process taken to arrive at the goals presented. He mentioned other discussions that took place including MWD obtaining customer information. He reported he was selected to serve on the Election and Bylaws Committee.

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Mr. Kennedy shared information shared at the November CSDA Quarterly Dinner Meeting. He reported the he, Jim Peasley, and Rich Stevenson were re-elected to serve on the San Diego Chapter Executive Board.

3. LAFCO

Mr. Kennedy reported LAFCO will be seeking nominations for two Special District seats in the near future.

4. San Luis Rey Watershed Council

Director Stewart reported there were a series of meetings held a few months ago and how a great deal of time was spent on looking at the Administrative Code; however, the work on the draft has not yet been completed. He also shared the work being conducted related to researching grants. He suggested the Board give this information consideration when appointing their next Council representative.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton said he was looking forward to the meeting scheduled for January 2019.

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

1. Board Seminar/Conference/Workshop Training Attendance Requests and Reports

President Brazier reminded the Board Members to include the benefits to their District in their written reports following these events.

Director Gasca shared information from the written report he prepared as follow up to the oral report he provided at the October 23, 2018 RMWD Board meeting on the American Academy of Environmental Engineers and Scientists workshop he attended in October. He noted a copy of the briefing provided was available to be forwarded via email.

Director Mack reported on the 2018 ACWA Fall Conference noting how he realized how truly disconnected the State was from water districts based on the miscommunications and information shared during one of the sessions. Director Gasca reported he attended eight different sessions and ultimately decided to stay an extra day after learning the Bureau of Reclamation would be holding a session. Director Hamilton reported he focused on the Water Fix aspect of the conference; noting he found the most educational to be “Fins, Furs, Feathers, and Farms” as he summarized the information learned.

D. Directors Comments

Director Stewart stated he has been privileged to serve with all the members of the Board and how he found the members to reach a consensus more often than not. He acknowledged there has been huge advancements made at the District over the past two and one-half years in which he has worked. He thanked the initial Board responsible for his appointment and stated it was his hopes to continue to serve at RMWD as part of one of the RMWD standing committees. He wished everyone the very best in continuing what they have so ably begun in transforming the District to one that is professionally managed overseen by a consensus Board with all the right motives to create the best agency possible to serve this community and ratepaying public. President Brazier thanked Director Stewart for his kind remarks.

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Director Mack noted he attended the annual Fallbrook Christmas Parade and suggested RMWD participate next year as part of community events if possible. He also thanked Director Stewart for the opportunity to work with him. He complimented each Board Member on their experience, positive interaction with each other, and how proud he was to be a part of a supportive and unbiased Board.

Director Gasca told Director Stewart it was a pleasure working with him.

- E. Legal Counsel Comments**
 - 1. Attorney Report - State Mandates (501668-0002)**

Legal Counsel briefed the Board on the new court ruling related to state mandates being denied. He noted this ruling was being appealed at which time he will provide the Board with updates. Mr. Kennedy mentioned Ms. Washburn has provided information to the State regarding past mandates for which they could not find records of payment for which the District hopes to receive payment.

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

- A. Budget and Finance Committee**
 - 1. October 9, 2018 Minutes**

Mr. Stitle reported he was not present at the past meeting. Discussion ensued regarding the final audit report. Mr. Kennedy explained there were some incorrect journal entries that altered the numbers. Ms. Largent stated these entries had to do with depreciation and GASB adjustments.

- B. Communications and Customer Service Committee**
 - 1. October 4, 2018 Minutes**

Ms. Gray reported the committee reviewed the Flume project noting a survey would be mailed out shortly after which the results will be shared with the Board. She stated the committee reviewed the leak policy as well as discussed the water service upgrade and ABM projects, respectively. She announced Mike Daily has resigned from the committee effective in January 2019, reiterating there were opportunities for Director Stewart to participate on the committee.

- C. Engineering and Operations Committee**

Mr. Strapac introduced RMWD's new Project Manager, Sarah Johnson. He also reported the committee discussed the corrosion protection RFP, a variance, as well as the level of detail the Board would like included in the agenda packet operations department report.

President Brazier called for a break at 2:31 p.m.

The meeting reconvened at 2:43 p.m.

PRESENTATION

15. SDCWA/MWD SETTLEMENT PROPOSAL PRESENTATION

Mr. Kennedy shared a presentation given at the SDCWA Member Agency Managers Meeting. He explained why this information was no longer confidential. He reviewed, summarized and explained the five key terms. He mentioned the correspondence passed between MWD and

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SDCWA as well as the meetings with both parties. He stated although SDCWA wanted this matter resolved by January 1, 2019, it was most likely not probable.

CONSENT CALENDAR ITEMS

- *16. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-27 - AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST
- 17. DISCUSSION AND POSSIBLE APPOINTMENT OF TREASURER
- *18. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 18-18 DESIGNATING TRACY LARGENT AS CONTRACT SIGNER FOR ALL UNION BANK TRANSACTIONS
- *19. APPROVAL OF RESOLUTION NO. 18-19 ESTABLISHING CHECK SIGNING AUTHORITY
- *20. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-16 — 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 DECEMBER 4, 2018 THROUGH JUNE 30, 2019
- *21. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-25 - AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.09 – COMMITTEES

Motion:

To approve the Consent Calendar.

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

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

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

BOARD ACTION ITEMS

- *22. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE NO. 17-07 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT

Mr. Powers talked about the application for variance received from Bob Marnett. He noted Mr. Marnett currently has a 1” meter on his 7.4-acre parcel that no longer has several hundred avocado trees. He pointed out Mr. Marnett provided a great deal of data showing his water use over the past several years which was compared to District records and verified. He mentioned this matter was reviewed by the Engineering and Operations Committee at their recent meeting at which time Mr. Marnett recused himself from the discussion.

Motion:

To accept the variance.

(*) - Asterisk indicates a report is attached.

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

Vote: Motion passed (summary: Ayes = 4, Noes = 0, Abstain = 1).

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

Abstain: Director Brazier.

23. DISCUSSION AND POSSIBLE APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT TO PROVIDE A RECORD OF SURVEY FOR FOUR (4) PARCELS COMPRISING DISTRICT HEADQUARTERS

Mr. Strapac stated RMWD current sits on four individual parcels of land currently zoned for agricultural purposes that do not appear on a true subdivision map; therefore, to move forward in any type of development or possible construction, one of the first steps necessary to take is identifying the boundaries of the parcels and monument them with appropriate corners. He pointed out since a Record of Survey has not been done, one must be formed to create a file that is recorded with the County with the monuments set. He stated engineering staff has prepared and released an RFP to which five proposals and responses were received with all very close in both price and scope; however, after staff evaluation based on qualifications and the proposals, it was being recommended the Board select KDM Meridian to conduct the work.

President Brazier asked if this was the first part of RMWD getting their records updated as part of moving forward. Mr. Strapac confirmed.

Mr. Kennedy explained right now there was money budgeted for this; however, in future years money will need to be taken from the CIP reserves appropriated to the current fiscal year. Discussion ensued regarding the increasing development in the area and the District's location becoming a desirable property.

Director Stewart inquired about what transpires once the survey is completed in terms of obtaining the title insurance. He recommended the District contact a title insurance company to make sure what is being done adds up to something with which title can be insured. Mr. Strapac agreed as well as pointed out the survey proposals were also required to meet ALTA requirements as well.

Director Gasca asked about County fees associated with the Record of Survey. Mr. Kennedy stated funds would be appropriated from the reserves into the current fiscal year budget into a specified project related to new headquarters building. It was noted the recording fees were relatively inexpensive.

Director Mack questioned the property being zoned for agriculture. Mr. Strapac and Mr. Kennedy clarified stated the lots are currently zoned agriculture, but RMWD is not subject to County zoning rules. Director Mack asked if the property would have to be rezoned for commercial. Mr. Kennedy said should a development go forward at some point, there will be discussion with the County for a General Plan Amendment. He added the County has expressed interest in getting land from the District for a river park as well as noted this property would also be a key place for the County to rezone because it is next to several major transportation hubs plus it is not being used for agriculture.

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Motion:

To adopt Option 1 - Authorize the General Manager to execute the Professional Services Agreement with KDM Meridian for a Record of Survey for the four (4) parcels of the District headquarters. Appropriate \$75,000 to the CIP budget, \$57,460 for the RoS, and the remaining amount for implementation, administration, and RFP for the planning efforts for the remainder of this fiscal year.

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

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

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

***24. DISCUSSION AND POSSIBLE ACTION TO QUITCLAIM SEWER EASEMENT ON PALOMAR COMMUNITY COLLEGE DISTRICT, NORTH COUNTY CAMPUS PROPERTY**

Mr. Powers addressed the Board regarding the quitclaim of a sewer easement at the new Palomar College campus. He stated recently there was construction of a new sewer line to connect the Pala Mesa sewer line running under Interstate 15 that now connects from there directly to the Horse Ranch Creek Road sewer main to the new lift station at Pankey Road. He said because of this new sewer line there is an existing sewer line partially abandoned just east of Interstate 15 running north and south along with five manholes, staff finds it would be appropriate to quitclaim the easement which contains that sewer line. He explained this would quitclaim something RMWD no longer needs and does not see a need for it in the future due to where it is in an environmental area.

Director Stewart asked if it was outside the parking lot area of the college. Mr. Powers confirmed it was located between the parking lot and freeway.

Director Hamilton asked if there was any argument for keeping the southern section. Mr. Kennedy responded it would all go away with the new Campus Park development and brought into roadways. He added the new system was a far superior alternative to the older system.

Director Gasca inquired about the horizontal section in the handout not being marked out in green and whether in the future the remaining main located in the south will be abandoned with the flow being redirected to the lift station. Mr. Kennedy confirmed the flows will be picked up and brought into the new lift station.

Mr. Marnett asked if the District has an obligation to remove the piping and manholes when abandoned. Mr. Kennedy stated the District was not required to dig anything up, but rather ensure they are properly sealed and no longer convey any water.

Motion:

To approving the action to quitclaim sewer easement on Palomar Community College District.

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

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

(*) - Asterisk indicates a report is attached.

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

***25. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-26 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 5.05.050 – RECORDS RETENTION POLICY**

Mr. Kennedy expressed many thanks to Ms. Washburn and Ms. Gray for doing a great deal of work with the assistance of other staff members in dealing with numerous old records kept at the District offices. He explained the records were carefully cataloged including 120 boxes of records received from the District’s previous Legal Counsel firm of which ten were kept and transferred to Nossaman to retain. He pointed out the updated policy defines each different type of record, a retention schedule, the regulatory requirement, as well as each department responsible to retention and disposition of records. He talked about the plans to move forward with implementing a Records Management Program with a goal of keeping and tracking records electronically and lessen the risk of loss.

Director Gasca inquired about the media types listed and whether paper records would transition into electronic records over time. Mr. Kennedy explained the media types listed are the current manner in which the records are being kept noting the intention would be to shift to more electronic records at which time the Administrative Code would be updated to reflect those changes.

Director Mack noted there has been talk of trying to actively get record retention laws changed in the near future.

Director Stewart commended and congratulated staff for their work on this project. He asked if Legal Counsel has reviewed the policy to ensure all the retention periods are correct. Legal Counsel confirmed he has reviewed the policy. Director Stewart stated with staff following Legal Counsel’s guidance, there would not be much to change.

President Brazier seconded Mr. Kennedy’s shout out to Ms. Washburn and Ms. Gray noting they sacrificed their dignity as well as a great deal of hot hours spent in the storage containers. Ms. Gray stated without the staff members’ support and encouragement, she and Ms. Washburn could not have gotten this done timely and well; it was a major group effort.

Motion:

To adopt the policy and Ordinance No. 18-26.

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

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

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

***26. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-21, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING MIKE DAILY FOR HIS OUTSTANDING SERVICE AS A VOLUNTEER ON THE DISTRICT’S COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE**

Director Hamilton said all he could say was that the committee did not function without Mike Daily. Ms. Gray added he has been one of the best Chairpersons serving on a committee who knows how to run a meeting, is very engaged, and has participated in each of the community events.

(*) - Asterisk indicates a report is attached.

Mr. Kennedy mentioned Mr. Daily was on the committee when it was in a tough place when the ad-hoc committee had taken over communications during the LAFCO matter.

President Brazier stated she served on the Communications Committee before Mr. Daily came on board who gave it a new life.

Motion:

To approve Resolution 18-21 as written.

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

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

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

***27. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-22, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING WILLIAM "BILL" STEWART FOR HIS OUTSTANDING SERVICE AS A DIRECTOR**

Mr. Kennedy mentioned it can be challenging to find someone to seek appointment when Board vacancies arise and how supportive it was to have Director Stewart becoming a member of the Board. He said Director Stewart's experience and interest in investing in the District's infrastructure were very helpful during his tenure. He thanked Director Stewart for his service and said he looked forward to his continued participation.

Director Stewart said it has been a joy serving on the Board as well as reiterated he believes the District was on the brink of some exciting things which is why he would like to

President Brazier stated it is a pleasure to serve on a Board where, in spite of disagreements, they come together and support the will of the majority and go forward. She told Director Stewart she was glad he was a part of it.

Motion:

To approve Resolution No. 18-22.

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

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

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

28. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests submitted.

(*) - Asterisk indicates a report is attached.

BOARD INFORMATION ITEMS**29. UPDATE ON FINANCIAL PLAN – 2019 RATE INCREASE**

Mr. Kennedy noted this presentation was related to the District's financial plan and water rate increases. He recalled the Board adopted a one-year Proposition 218 notice. He stated although the plan was to utilize the model, during the transition of personnel in the finance department, Raftelis was consulted to assist the District with the rate model he was sharing as part of his presentation. He summarized the information being presented as well as the steps to be taken for adjusting and completing the model including discussions with the Budget and Finance Committee.

Director Mack inquired as to the circulating wet weather predictions. Director Stewart stated this information was shared through the San Luis Rey Watershed Council in which there was a solid prediction this will be a big El Nino winter for Southern California.

Mr. Kennedy referenced the end reserve balances noting the Administrative Code policy establishing these balances. He explained when the Board discusses this at their next meeting, there will be a report provided with various scenarios on capital funding, water demands, escalation rate expectations, etc. as well as a recommendation for a forecast of possible rate increases for Board consideration. He provided examples for smoothing out the model structure noting this information was based on a great deal of hard to predict variables; however, it was clear in order to get anywhere close to having enough money to perform pipeline replacements there was some work required on the numbers.

Director Mack inquired about future development. Mr. Kennedy acknowledged future development would assist with stabilizing rates; however, the District cannot base decisions on promises of development because often those promises do not come through.

Mr. Kennedy talked about different scenarios he proposes to present at the next Board meeting. Discussion ensued.

Mr. Kennedy recommended the Board schedule a Special Board joint meeting with the Budget and Finance Committee for January 8, 2018 and set the public hearing for February as part of complying with the Prop 218 notification regulations.

30. FLUME PROJECT UPDATE

Mr. Kennedy summarized the results of the pilot program to date as well as solicited the Board for input and feedback as to how they would like to proceed based on some of the options he shared. Discussion ensued.

Ms. Gray noted she would also ask the pilot program participants about their thoughts as to the value of the device in comparison it brings to the ratepayers.

Director Hamilton expressed he wants the customers to make some type of investment in the device costs. Discussion followed.

Discussion ensued regarding whether a public relations program should be implemented as well as to what degree does RMWD want to be involved.

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Mr. Nelson suggested the District, for a relatively small number of units, purchase or heavily subsidize the units and then conduct one round of a first-come-first-serve program or lottery to test the elasticity of demand followed by providing a way for those who were not fulfilled at the conclusion of the program to contact Flume directly to purchase the device at a substantial discount. He explained this would assist the District in determining the actual demand for such devices as opposed to investing a great deal of money in the devices and then discovering there are not as many active takers as anticipated. Director Hamilton agreed with this idea and recommended Mr. Kennedy negotiate a discount for a specified number of units and then passing the discount along to the customer.

Mr. Kennedy stated he would work out a few options to present to the Communications and Customer Service Committee for recommendations for the Board to consider.

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

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Staff Training Reports

C. Operations Comments

1. Operations Report

D. Engineering Comments

1. Engineering Report

E. Customer Service and Meters Comments

1. Customer Service and Meters Report

F. Human Resource & Safety Comments

1. Human Resources Report
2. Organizational Chart

G. Finance Comments

1. Interim Financial Statement
2. Treasurer Report
3. Credit Card Breakdown
4. Directors' Expense
5. Check Register
6. Water Sales Summary
7. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Gutierrez noted future newsletters will now contain small segments of what is transpiring in each of the operational departments. He mentioned he would be working in conjunction with engineering on the ABM project including public outreach. He talked about the Emergency Response Plan being updated as well as the status of the recent incident involving a vehicle and fire hydrant. Discussion ensued.

President Brazier reiterated she would like to leave the information on valve maintenance in the operations report.

Ms. Harp formally welcomed Ms. Largent as RMWD's new Finance Manager. She also announced the Employee Recognition Banquet RSVP's are needed from Board Members in the next week or so.

(*) - Asterisk indicates a report is attached.

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Motion:

To receive and file information and financial items.

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

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

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

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

It was noted selection of the Board officers and representatives and the corrosion protection program will be on the regular meeting agenda for January 2019.

33. ADJOURNMENT - To Tuesday, January 8, 2019 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a Special meeting on January 8, 2019 at 1:00 p.m.

The meeting was adjourned at 4:50 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING December 6, 2018

- 9-1. Amendment 3 to the services contract with Baker Electric, Inc., for electrical preventative maintenance, inspection, testing, and repair services.
The Board authorized the General Manager to approve Amendment 3 with Baker Electric, Inc., for \$400,000 to provide additional electrical preventative maintenance, inspection, testing, and repair services, increasing the contract amount from \$965,000 to \$1,365,000.
- 9-2. Construction contract with Kiewit Infrastructure West, Inc., for the Northern First Aqueduct Structures and Lining Rehabilitation Project.
The Board authorized the General Manager to award a construction contract to Kiewit Infrastructure West, Inc., in the amount of \$30,400,000 for the Northern First Aqueduct Structures and Lining Rehabilitation Project.
- 9-3. Resolution setting preliminary, informal terms and conditions for the Lakeside Water District's proposed Yerba Valley Annexation.
The Board adopted Resolution No. 2018-21 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.
- 9-4. Contract Amendments for Hawkins Delafield & Wood LLP, Clean Energy Capital Securities and Louis Berger Group associated with the Lewis Carlsbad Desalination Plant Intake Modifications Project.
- a. The Board authorized the General Counsel to amend the legal services agreement with Hawkins Delafield & Wood LLP as special counsel to include new transactional legal work for the Claude "Bud" Lewis Carlsbad Desalination Plant (CDP) project intake and discharge system modifications phased implementation. This will add \$318,000 to the contract, increasing the authorized cumulative amount from \$180,000 to \$498,000.
 - b. The Board authorized the General Manager to amend the professional services contract with Clean Energy Capital Securities LLC to include work for the CDP project intake and discharge system modifications phased implementation. This will add \$257,500 to the contract, increasing the authorized cumulative amount from \$140,000 to \$397,500 and extend the term from its current end date of December 31, 2018 to June 30, 2020.
 - c. The Board authorized the General Manager to amend the professional services contract with Louis Berger Group to include work for the CDP project intake and discharge system modifications phased implementation. This will add \$250,400 to the contract, increasing the authorized cumulative amount from \$1,287,692 to \$1,538,092 and extend the term from its current end date of December 31, 2018 to June 30, 2021.
- 9-5. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.

- 9-6. Vote Entitlement and Representation Resolution for Calendar Year 2019.
The Board adopted Resolution No. 2018-22 establishing the vote and representative entitlements of each member agency effective January 1, 2019.
- 9-7. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2019.
The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2019.
- 9-8. Approve the Refinancing of the Claude “Bud” Lewis Carlsbad Desalination Project Conveyance Pipeline and approve related debt management activities.
- a. The Board adopted Resolution No. 2018- 23 approving the refunding of California Pollution Control Financing Authority \$203,215,000 Water Furnishing Revenue Bonds, Series 2012 (San Diego County Water Authority Desalination Project Pipeline) via a negotiated sale; a Preliminary Limited Offering Memorandum, a Bond Purchase Agreement and other documents and agreements necessary to accomplish tax exempt project refinancing through the California Pollution Control Financing Authority (CPCFA); and
 - b. The Board approved the amendment to the Legal Services Agreement with Polsinelli LLP, Bond Counsel to increase the amount by \$175,000 from \$344,000 for as-needed services, Pipeline Refunding bond counsel services and disclosure counsel services to \$519,685.
 - c. The Board approved the amendments to the Financial Advisory Services agreements with Montague DeRose and Associates, LLC and Acacia Financial Group, Inc to increase the amount by \$260,000, from \$976,250 for Carlsbad Desalination debt and debt refinancing transaction fees to \$1,236,250.
- 9-9. Water Conservation Authority Amended and Restated Joint Powers Agreement.
The Board approved the Amended and Restated Joint Powers Agreement creating the Water Conservation Authority. Authorize the Water Authority’s representative to the Water Conservation Authority to sign the final agreement on behalf of the Water Authority Board of Directors.
- 9-10. Proposed 2019 Legislative Policy Guidelines.
The Board adopted the proposed 2019 Legislative Policy Guidelines.
- 9-11. Water Authority Sponsorship of Legislation in the 2019 State Legislative Session.
The Board approved to sponsor or co-sponsor the following legislative proposals:
- Legislative Proposal #1 to seek grant eligibility for public-private partnership projects, like the Carlsbad desalination intake facility.

- Legislative Proposal #2 to create opportunities for bulk energy storage projects to advance as transmission assets to improve grid reliability.
- Legislative Proposal #3 to provide a path of reciprocity for military veterans to apply their skills and experiences toward water and wastewater system operation certifications.

9-12. Audit Committee Annual Report.

The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066 and the Comprehensive Annual Financial Report (CAFR) for Fiscal Year ended June 30, 2018.

9-13. Defer Biennial Review of Representatives to the Metropolitan Water District of Southern California to the January 24, 2019 Board meeting.

The Board approved deferral of the Biennial review of representatives to the Metropolitan Water District of Southern California to the January 24, 2019 Board meeting.



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: January 22, 2019
RE: Attorney Report re: Proposed Revisions to Clean Water Act
501668-0002

I. INTRODUCTION.

This attorney report provides an update on revisions to the Clean Water Act proposed by the United States Environmental Protection Agency (“EPA”) and the Army Corps of Engineers.

If adopted, the proposed revisions will narrow the scope of EPA’s Clean Water Act jurisdiction over adjacent wetlands and tributaries by redefining the nature of waters subject to EPA’s permitting authority including wetlands, streams, drainages, ditches and tributary water bodies.

II. BACKGROUND.

On December 11, 2018, in a move that follows on the heels of litigation over the controversial 2015 effort to redefine “waters of the United States” under the federal Clean Water Act, the EPA and the Army Corps of Engineers (collectively, the “Agencies”) proposed a new definition of jurisdictional waters that would replace the 2015 Waters of the United States Rule (“2015 WOTUS Rule”).

The proposed rule, if finalized, would change the definition of what is and is not considered water subject to Clean Water Act jurisdiction, with the stated goal of providing tribes and states more authority over their own water resources, while also providing greater regulatory certainty to the regulated industries and the public. The proposed rule does this principally by narrowing down what would be considered a “water of the United States” under the Clean Water Act.

It should be noted that while slimming down Clean Water Act jurisdiction may reduce the number of Clean Water Act Section 402 National Pollutant Discharge Elimination System Permits (“NPDES”) and Section 404 Permits for discharges of dredge and fill material, it may also have a deleterious consequence for certain other permitting efforts.

Specifically, Section 404 permits often provide a “federal nexus” that enables agencies to use the more streamlined and simpler “Section 7 process” to seek clearances under the federal Endangered Species Act (“ESA”) for incidental impacts to species listed as endangered and threatened, and to habitat designated as critical habitat under the ESA. Since Clean Water Act jurisdiction authorizing issuance of Section 404 permits would be more limited, the ability to establish a federal nexus as necessary to use the more streamlined “Section 7” process for Endangered Species Act clearances would also be more limited.

III. RULE ANALYSIS.

In redefining “waters of the United States” the Agencies focus on the overlap between the two separate opinions issued by the United States Supreme Court in *Rapanos v. United States*, 547 U.S. 715 (2006) regarding the scope and reach of jurisdictional waters. In this context, the Agencies make a conscious move to codify in regulation those factors considered important for determining jurisdictional waters as described in the opinion authored by Justice Scalia, rather than relying primarily on the opinion authored by Justice Kennedy as prior rules and guidance did. Against this legal backdrop, the Agencies frame the proposed redefinition as “proposing outer bounds for their authority under the Clean Water Act” Specifically, the proposed redefinition makes the following changes:

- Removes the separate definitions of interstate waters and interstate wetlands as separate categories of waters of the United States;
- Redefines “tributary” to mean “a river, stream, or similar naturally occurring surface water connection that contributes perennial or intermittent flow to a traditional navigable water or territorial sea in a typical year either directly or indirectly through other jurisdictional waters.” (This is likely to decrease the number of waters that are considered jurisdictional tributaries);
- Excludes streams and drainages that flow only ephemerally from the definition of “tributary”;
- Adds definitions for “perennial,” “intermittent,” and “ephemeral”;
- Redefines “ditches” as “simply artificial channels used to convey water” and includes them as waters of the United States only if they meet specific criteria (that they are (1) otherwise a water of the United States; (2) are constructed in a tributary; or (3) are constructed in an adjacent wetland);
- Redefines “lakes and ponds” to be jurisdictional waters only in three instances (that they (1) are otherwise a water of the United States; (2) contribute perennial or intermittent flow to a water of the United States in a typical year; or (3) are flooded by another water of the United States in a typical year);
- Retains the regulatory definition of “wetlands,” but redefines “adjacent wetlands” to mean “wetlands that abut or have a direct hydrologic surface connection to other ‘waters of the United States’ in a typical year.” This redefinition excludes wetlands that are physically separated from waters of the United States or are present in uplands, and notably requires that the hydrologic connection between

a water of the United States and an adjacent wetland be a surface connection. This is likely to decrease the number of wetlands considered jurisdictional adjacent wetlands, and responds to the concern that, under the 2015 WOTUS Rule, wetlands up to 1500 feet away from a jurisdictional water with no connection fell within Clean Water Act jurisdiction (notwithstanding the “significant nexus” requirements set forth in *Rapanos*);

- Clarifies that any feature that is not explicitly included in the definition of “waters of the United States” is excluded, in an attempt to limit the discretion of regulators to assert broader jurisdiction than set forth in the regulations on a case-by-case basis. Features that are not part of the proposed definition of “waters of the United States” include:
 - Groundwater, including groundwater drained through subsurface drainage systems;
 - Ephemeral surface features and diffuse stormwater run-off (including directional sheet flow over uplands);
 - Ditches that do not meet the newly-established requirements;
 - Prior converted cropland (which is subject to a new definition and explanation under the proposed rule);
 - Artificially irrigated areas;
 - Artificial lakes and ponds constructed in uplands;
 - Water-filled depressions in uplands;
 - Stormwater control features excavated or constructed in upland to convey, treat, infiltrate, or store stormwater run-off;
 - Wastewater recycling structures constructed in upland; and
 - Waste treatment systems (which are subject to a new definition which “would include all components, including lagoons and treatment ponds (such as settling or cooling ponds), designed to convey, retain, concentrate, settle, reduce, or remove pollutants, either actively or passively, from wastewater prior to discharge”).

The stated purpose of these changes is to create a rule with “bright lines” to clarify what is and is not subject to Clean Water Act jurisdiction, providing greater clarity for the Agencies, States, Tribes, regulated entities, and the public. In the case of both prior converted cropland and waste treatment systems, the proposed rule is meant to clarify preexisting exclusions from waters of the United States by providing a clearer delineation for the bounds of the Clean Water Act’s reach and when the exclusions may not apply. However, at least with respect to water treatment systems, the exclusion under the proposed rule is actually narrower, and not as helpful to agencies as the exclusion under the 2015 WOTUS Rule.

IV. CONCLUSION.

If implemented, the proposed rule will have the effect of slimming down the Clean Water Act jurisdiction over adjacent wetlands and tributaries through the revised definitions, as well as through the introduction of additional exclusions from the

definition of “waters of the United States.” The proposed rule responds to multiple concerns raised about the broadened scope of Clean Water Act jurisdiction under the 2015 WOTUS Rule.

The Notice of Proposed Rulemaking provides a 60-day comment period that will end in February, and will include one public meeting on Jan. 23. The notice indicates that the Agencies seek public comment on all aspects of the proposed rule. Responses to comments must be prepared and considered by the Agencies prior to adopting the rule as final. After the proposed rule is adopted as final, it is likely that litigation will follow. Thus, it is likely that the currently applicable 2015 WOTUS Rule or its predecessor is likely to remain in effect for a substantial period of time.

Narrowing the scope of waters subject to federal jurisdiction is nonetheless expected to drive States to fill the gap with State regulation. In California specifically, with regard to public infrastructure or private development, State regulators have commented that the proposed redefinition of “waters of the United States” will put momentum behind California’s adoption of new regulations creating an expansive State law permitting program for discharges of dredge and fill material. In addition, the California State Water Resources Control Board has announced its intent to propose additional regulations regarding California’s dredge and fill program, with a hearing to adopt the proposed regulations on January 22, 2019.

AES/AES

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
NOVEMBER 13, 2018**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on November 13, 2018 by Vice Chairperson Ross in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. Vice Chairperson Ross, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Ross, Member Hensley, Member Moss (*arrived at 1:10 p.m.*), Member Gasca, Alternate Nelson.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Finance Manager Largent.

Absent: Member Stitle, Customer Service Supervisor Rubio.

One member of the public was present.

4. **SEATING OF ALTERNATES**

It was noted Mr. Nelson would be serve as an alternate at this meeting.

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

Mr. Kennedy introduced Tracy Largent, RMWD's new Finance Manager, to the committee.

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

There were no comments.

7. **REVIEW OF ADMINISTRATIVE CODE POLICY 2.09 – COMMITTEES**

Mr. Kennedy noted the Board requested are review of the committee's policy be reviewed with all three RMWD committees as well as asked staff to monitor to make sure the appropriate steps are taken to avoid self-dealing and stays clear of any boundaries.

COMMITTEE ACTION ITEMS

8. **COMMITTEE MEMBER COMMENTS**

There were no comments.

Ms. Moss reported on the tours she recently attended and how she found them to be amazing in terms of learning what is transpiring within water system operations. She provided a poster of the California Aqueduct from the 1930's for the District to keep. Mr. Kennedy stated if anyone was interested in attending the Citizens Water Academy they should let him know so staff can get them registered and how upon graduation they would be invited to attend the same type of tours.

Discussion ensued regarding how the rates are broken down on the water bills and the involvement of MWD and SDCWA in setting water rates.

Discussion went to Item #15.

***9. APPROVAL OF MINUTES**

A. October 9, 2018

Motion:

To approve the minutes.

Action: Approve, Moved by Member Hensley, Seconded by Member Gasca.

Motion passed unanimously.

10. ABM UPDATE

Mr. Kennedy reported the financing was funded. He noted the debt services reserve fund was transferred to the Trustee to hold, which is essentially the last debt payment which will save the District on interest. He explained this means some of the reserves would be restricted in this regard; however, financially it was the best move. He pointed out ABM has some meters they were currently working with IT staff to make sure the transfers go well as well as with the metering staff to establish the protocols and standard procedures. He mentioned the utility billing software implementation was in progress with data loaded and testing has begun. He stated staff has stated they would not be comfortable until February before going live. He noted there were plans to prepare a four-page newsletter explaining the process in more detail; however, that would be delayed until a month before the project start date to be timely.

Mr. Kennedy talked about one of the benefits of having Ms. Largent on board at RMWD is that she has spent several years as a consultant for a software firm doing data conversion and implementation of financial software. He confirmed he was referring to leveraging the full package of Infor software. He stated staff was ready to move payroll from Springbrook to ADP in January 2019.

Member Moss arrived at the meeting at 1:10 p.m.

Mr. Kennedy concluded by reiterating the financing went through with one at 3.09% and the other at 3.18% interest rates.

Mr. Hensley asked Ms. Largent if she had experienced with Infor in particular. Ms. Largent stated she worked with numerous software applications including when she worked at a government fund accounting software company where they took all types of software and transitioned them over, but not Infor.

Mr. Gasca asked for an opportunity to review Ms. Largent's resumé so he has a better understanding of her background which in turn makes it easier for him to speak eloquently on

how things are improving at the District. Ms. Largent stated she would be happy to share her resume. Mr. Kennedy offered to direct staff to send the resumés to the committee members. Ms. Largent summarized her diverse background and work experience.

11. WATER RATES REVIEW

Mr. Kennedy stated staff planned to bring the water rates review to the committee as part of preparing to go out for the Prop 218 notice in December; however, with the transitioning of the Finance Manager position there was more detail Raftelis needs to produce the rate model. He noted there was a philosophical question related to the ABM project regarding the justification of water loss which he explained in greater detail. He solicited the committee for their input on the options he provided. Discussion ensued.

Mr. Nelson agreed the model be as much of a reflection of reality as possible; however, he needed some clarification. Ms. Moss recommended having a separate line item in the model. Mr. Gasca asked if there was any benefit to averaging. Discussion followed.

Mr. Kennedy stated he will be asking the Board at the December meeting to hold a Special Board Meeting in early January to comply with Prop 218 requirements. He suggested the Board and Budget and Finance Committee possibly hold a joint meeting on January 8, 2019.

12. AUDIT REVIEW

David Foreman with White Nelson Diehl Evans, LLP gave a presentation entitled “June 30, 2018 Audited Finance Statements (with June 30, 2017 for comparative purposes)”. He mentioned this was the same presentation he would give to the Board with possible revisions. He reported the firm would be giving RMWD a clean opinion.

Discussion ensued regarding the financial reporting for postemployment benefits other than pensions, reserves, surplus, as well as water sales and purchases.

Discussion took place about the comparison made against nine other agencies and RMWD’s Condition Assessment study.

Mr. Foreman referenced the two letters addressed to the District explaining the purpose for each including the two major journal entries made during the audit process. Mr. Kennedy stated he would have Ms. Largent review the information provided as well as talk to Ms. Martinez about the transfer of money into the trust through the CSDDA. Discussion followed.

Mr. Kennedy inquired as to whether the management letters qualifying RMWD for the CSDA District of Distinction audit committee. Mr. Foreman said he honestly does not believe the District can have any management letter issues associated with its audit to achieve this award; however, he agreed this year’s audit was much cleaner than last year’s and the District made great progress. Mr. Kennedy thanked Mr. Foreman for his honesty and encouraged him to look hard and long at everything so improvements are made.

Mr. Flint asked for clarification on the key ratios presented in the report. Mr. Foreman provided an explanation and clarification.

13. CAPITALIZATION POLICY REVIEW

Mr. Kennedy stated Ms. Rubio had provided the draft policy to the auditors for their review and input. Mr. Foreman said he had not yet reviewed the policy but would do so prior to the December committee meeting.

14. REVIEW THE FOLLOWING:

- A.** Income Statement
- B.** Balance Sheet
- C.** Cash Flow
- D.** Treasurer's Report

Ms. Largent said this was the first opportunity she has had to see the packet of information supplied to the committee each month and how it would be changing. She confirmed there was no income statement this month. She stated she would be working on the transparency of information provided in the trial balances as well supplying recurring updates on the reserve balances.

Mr. Ross asked when the reporting information will be updated with software transition. Mr. Kennedy explained the steps anticipated and how it would take approximately one year to complete. Ms. Largent said she will start working on the fund balances immediately.

Mr. Flint inquired as to what could be done in the upcoming year to fix the disconnect between the income statement and reconciling with the audit. Ms. Largent explained some of things she will be working on to get the statements rectified.

Discussion went to Item #8.

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

It was noted the water rate review, Capitalization Policy Review, and preparation for finalizing the audit need to be on the next committee agenda. Mr. Kennedy proposed the Board hold a joint meeting with the committee on January 8, 2018 to discuss the water rates.

16. ADJOURNMENT

Motion:

To adjourn.

Action: Adjourn, Moved by Member Moss, Seconded by Member Gasca.

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

Ayes: Member Ross, Member Hensley, Member Moss, Member Gasca, Alternate Nelson.

The meeting adjourned at 2:53 p.m.

Randy Ross, Committee Vice Chairperson

Dawn M. Washburn, Board Secretary

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 11, 2018**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on December 11, 2018 by Chairperson Stitle in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:01 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle, Member Ross, Member Moss, Member Gasca, Alternate Nelson.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Finance Manager Largent.

Absent: Member Hensley, Customer Service Supervisor Rubio.

One member of the public was present.

4. **SEATING OF ALTERNATES**

Mr. Stitle noted Mr. Nelson would be seated as an alternate.

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

Mr. Kennedy asked for the ABM Contract to be added to the agenda. Mr. Stitle agreed to add this item as #11A.

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

There were no comments.

COMMITTEE ACTION ITEMS

7. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*8. **APPROVAL OF MINUTES**

A. November 13, 2018

It was noted in Item #4 "Mr. Flint" should be "Mr. Nelson".

Motion:

To approve the minutes as revised.

Action: Approve, Moved by Member Ross, Seconded by Member Moss.

Vote: Motion passed (summary: Ayes = 4, Noes = 0, Abstain = 1).

Ayes: Member Ross, Member Moss, Member Gasca, Alternate Nelson.

Abstain: Member Stitle.

9. FINANCIAL PLAN AND 2019 WATER RATE REVIEW

Mr. Kennedy referenced the two documents provided as handouts noting the District's standing compared to last year. He mentioned there was a joint Special Board and Budget and Finance Committee meeting scheduled for January 8, 2019; however, he was notified President Brazier would not be available on this date. He said it was being considered to hold off on bringing this matter to the entire Board until their January 22, 2019 regular meeting which in turn would allow staff more time to prepare the information to be presented.

Ms. Largent gave a presentation on the Capital Improvement Program (CIP) noting various scenarios run through the rate models to arrive at options from which the committee and Board can choose.

Discussions ensued regarding billing impacts, water pressure issues, and capital budgeting.

Mr. Kennedy pointed out the model being presented does not include forecasting.

It was noted there should be an item on the Engineering and Operations Committee meeting agenda, a review of the history of demands, residential versus TSWAR, as well as implementation of a capital replacement fund as a fix charge earmarked and possibly escalated over time.

Mr. Kennedy stated he would notify the Board the January 8, 2019 Special Board meeting would not be taking place, but the regular Budget and Finance Committee meeting will stay as scheduled for January 8, 2019.

10. AUDIT REVIEW AND FINALIZING

Ms. Largent noted this was scheduled to be presented to the Board at the January 8, 2019 joint meeting; however, since that meeting has been cancelled, it will be presented on January 22, 2019 instead. She stated she asked the auditor to highlight the results of cashflows as well as take out some of the information on the GASB 75. She reported the current packet includes cleaned up balance sheets which she will continue to review to ensure the information is reported and labeled correctly. She reported the CloudeSuite Financials implementation has been moved up to January 28, 2019 with a plan to go live July 1, 2019.

Discussion ensued regarding steps to assist with closing each year sooner, including scheduling interim audits.

11. CAPITALIZATION POLICY REVIEW

Mr. Kennedy explained the auditor has not yet had an opportunity to review the policy; therefore, this item should be brought back at the next committee meeting.

11A. DISCUSSION REGARDING ABM PROJECT

Mr. Kennedy provided information regarding the ABM contract. Discussion ensued regarding the project development costs and whether these were disclosed during the ABM project discussions at previous committee meetings.

Mr. Nelson stated ABM approached RMWD stating they were willing to help the District develop this project which would normally be the same as preparing a proposal. He said preparing of a proposal is typically not a line item in any consulting project but rather covered in the operating and maintenance; therefore, this appears to be a double bill.

Mr. Stitle inquired as to whether this was a guaranteed maximum contract. Mr. Kennedy stated it was guaranteed not to exceed with the understanding RMWD would pay ABM for the work plus the profit markup and should there be any savings, those would be passed back to the District.

It was confirmed the committee members had the same recollection and understanding as Mr. Kennedy in terms of the services to be provided and the project contract details.

Discussion ensued.

12. REVIEW THE FOLLOWING:

- A. Income Statement
- B. Balance Sheet
- C. Cash Flow
- D. Treasurer's Report

Ms. Largent noted the improvements made on the balance sheet which she will continue to work on cleaning up the reports provided to give a clearer understanding of the information. She talked about the steps to be taken during the initial software transition.

Mr. Kennedy mentioned the other software transitions are planned to go into effect January 1, 2019. Discussion ensued regarding the benefits associated with moving to ADP for payroll.

13. DISCUSSION AND POSSIBLE ACTION TO APPOINT 2019 COMMITTEE OFFICERS

Motion:

Harry Stitle continue as the committee chairperson and Randy Ross as Vice Chairperson.

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

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

Ayes: Member Stitle, Member Ross, Member Moss, Member Gasca, Alternate Nelson.

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

It was noted the water rate review, an update on ABM, the auditor's final report, and reserve allocation review should be on the next committee agenda.

15. ADJOURNMENT

The meeting was adjourned with a motion made by Member Ross and seconded by Member Gasca.

The meeting adjourned at 2:43 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

**MINUTES OF THE COMMUNICATIONS AND CUSTOMER SERVICE
COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
NOVEMBER 1, 2018**

1. **CALL TO ORDER** – The Communications and Customer Service Committee Meeting of the Rainbow Municipal Water District on November 1, 2018 was called to order by Chairperson Daily at 3:35 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Daily, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Daily, Member Kirby, Alternate Gray.

Absent: Member Hamilton, Member Johnson.

Also Present: Executive Assistant Washburn, District Engineer Strapac.

No members of the public were present.

4. **SEATING OF ALTERNATES**

Mr. Daily stated for the record Mrs. Gray would be seated as an alternate.

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

There were no changes.

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

Mrs. Gray introduced Steve Strapac, District Engineer, who will present information on Item #12.

7. **REVIEW OF ADMINISTRATIVE CODE POLICY 2.09 – COMMITTEES**

Mrs. Gray mentioned the Board requested this policy be handed out to all the committee members so they understand their role in communicating with the Board. Mr. Strapac added there was also concern about self-dealing by members of other committees with some members possibly using the committee to advance their own personal causes.

Mr. Daily suggested this policy could be provided to prospective committee members as part of a welcome packet.

COMMITTEE ACTION ITEMS

***8. APPROVAL OF MINUTES**

A. October 4, 2018

Motion:

To approve the minutes.

Action: Approve, Moved by Alternate Gray, Seconded by Member Kirby.

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

Ayes: Member Daily, Member Kirby, Alternate Gray.

9. VIDEO PRESENTATION UPDATE

Mrs. Gray talked about how she has been reviewing photos, the videographer was making cuts to Mr. Hitt's interview, and possibly dividing the presentation into two parts. She stated she hoped to have something for the next committee meeting to present.

10. WATER SERVICE UPGRADE PROJECT UPDATE

Mr. Strapac mentioned a new Project Manager will start on November 13, 2018 who will be helping with many of RMWD's Capital Improvement Projects.

Mrs. Gray pointed out an article was published in the previous month's newsletter. She announced the voting results on the logo choices. Discussion ensued.

11. FLUME PROJECT UPDATE

Mr. Strapac shared his experience with utilizing the Flume device as part of the pilot program as a ratepayer and the District Engineer. He stated he was pleased.

Mr. Daily inquired as to when the feedback period will expire. Mrs. Gray stated November would conclude the three-month comment period. She explained the communications will come to RMWD through Flume.

Mrs. Gray pointed out there were three participants no capable of fully installing the devices. Discussion ensued regarding when this would be taken to the Board for consideration.

Mrs. Gray solicited Mr. Strapac and the committee members on the draft "Flume Pilot Study Questionnaire". Ms. Rubio pointed out "detected" in Question #4 should be "detect". Discussion ensued regarding the benefits of having an app to assist in tracking water use. Mrs. Gray suggested adding a question related to grove managers utilizing the app to more efficiently run the grove owner's system. Mr. Strapac recommended asking whether the customer would be willing to pay for the device.

12. LEAK POLICY REVIEW

Mr. Strapac referenced the draft Leak Policy for Section 8.30 of the Administrative Code. Ms. Rubio pointed out adjustments were only applying to variable rates.

Mr. Daily asked if the draft policy presented was manageable by the customer service team members. Ms. Rubio stated she was looking forward to having this policy in place in that it would allow for more positive information to be presented to the customers and overall improve customer service altogether once getting through the initial adjustment of implementing a new policy. Mr. Strapac pointed out this leak policy will assist customer service throughout RMWD's staff, including engineering.

Mrs. Kirby asked about staff's process for checking for leaks. Ms. Rubio explained the steps taken by staff when investigating a reported leak. Mrs. Kirby stated her agency has dropped the word "leak" and instead use the term "high usage" or "meter running" due to those customers told they have a "possible leak" hiring a leak detection company for which they seek reimbursement from the agency. Ms. Rubio stated she has recently started encouraging the customer service staff to pass along to the customers that Mission Resource Conservation District conducts free leak evaluations. Mrs. Kirby did note; however, RMWD was asking for repair receipts which she found to be a good idea. Discussion followed.

13. PUBLIC COMMUNICATIONS AND OUTREACH ITEMS

- A.** Topics
- B.** Strategic Plan Objectives
- C.** Calendar
- D.** Snipes Calendar
- E.** Updates from Other Committees

Mr. Strapac referenced the proposed Administrative Code updates related to disputed bills. Mrs. Gray mentioned staff was currently reviewing this policy and proposing additional revisions to the language currently before the committee. Discussion ensued.

Mrs. Gray pointed out there were some objectives added to the Strategic Plan related to communications. Mr. Daily inquired as to how often the objectives are reviewed. Mrs. Gray answered she attempts to conduct a mid-year review; however, if that does not take place, an annual review is conducted.

Mr. Daily asked if there were any changes made to the Calendar per Item #13C. Mrs. Gray pointed out the Board has added all community events to the goals and objectives and how her visibility at the Bonsall School District has been increased significantly since her involvement with the Bonsall Rotary.

Ms. Rubio and Mr. Strapac provided updates from the Budget and Finance and Engineering and Operations Committees, respectively. Discussion ensued regarding the pipeline replacement project.

14. REVIEW AND ANALYSIS OF RMWD RELATED MEDIA STORIES

Discussion ensued regarding the KPBS article on the SDCWA settling legal disputes with MWD as well as The Village News article on water rights and the Division 4 elections.

15. COMMITTEE MEMBER COMMENTS

Mr. Daily announced it was his intent to resign from the committee effective January 1, 2019. Mrs. Kirby suggested putting something in The Village News soliciting for committee members.

16. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE MEETING

It was noted the video presentation update, water service update, flume project, bill dispute policy review, discussion regarding the use of “leak” versus “high usage”, and annual committee chairperson elections should be on the next committee agenda.

17. ADJOURNMENT

The meeting was adjourned by a motion made by Member Daily.

The meeting adjourned at 4:58 p.m.

Mike Daily, Committee Chairperson

Dawn M. Washburn, Board Secretary

**MINUTES OF THE COMMUNICATIONS AND CUSTOMER SERVICE
COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 6, 2018**

1. **CALL TO ORDER** – The Communications and Customer Service Committee Meeting of the Rainbow Municipal Water District on December 6, 2018 was called to order by Chairperson Daily at 3:33 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Daily, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Daily, Member Hamilton, Member Johnson (*arrived at 3:50 p.m.*), Alternate Gray.

Also Present: Executive Assistant Washburn, Finance Manager Largent, Project Manager Johnson, Customer Service Supervisor Rubio.

Absent: Member Kirby, Member Johnson, General Manager Kennedy.

Two members of the public were present.

4. **SEATING OF ALTERNATES**

Mr. Daily seated Alternate Gray.

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

There were no changes to the agenda.

Discussion returned from Item #12.

Mr. Daily recommended an item be added as #12A to discuss committee membership.

Discussion went to Item #12A.

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

Sarah Johnson introduced herself as the new RMWD Project Manager.

Bill Stewart introduced himself as a Board Member until the end of the day due to the recent election results; however, he was interested in serving on the committee. He thanked Mr. Daily for his service.

Mike Griffiths introduced himself as a member of the public interested in observing and possibly serving on this committee.

Tracy Largent introduced herself as the new RMWD Finance Manager.

COMMITTEE ACTION ITEMS

***7. APPROVAL OF MINUTES**

A. November 1, 2018

Motion:

To approve the minutes as written.

Action: Approve, Moved by Alternate Gray, Seconded by Member Hamilton.

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

Ayes: Member Daily, Member Hamilton, Alternate Gray.

8. FLUME PILOT STUDY SURVEY

Ms. Gray updated the committee on a recent weekly phone meeting and how they will be adopting a new version of the software. She said based on this information, RWMD will most likely go forward with a second pilot study. Mr. Hamilton suggested Flume be asked what happens to those customers participating in the current pilot program.

Ms. Rubio asked if the second pilot program would have the same participants or new customers would be selected. Ms. Gray stated it would be a new set of customers.

Ms. Gray noted discussions were ongoing with the Board on this project which she will share with the committee going forward.

9. WATER SERVICE UPGRADE PROJECT UPDATE

Ms. Gray referenced the handout containing updated versions of the logo samples. She solicited for committee input. Mr. Hamilton pointed out the first two should stay “project upgrade” as opposed to “upgraded project”. It was agreed using the blank ink as opposed to blue would be best. Mr. Hamilton suggested reducing the size of the logo and shifting it to the right or left top portion of the page and then emphasize the name of the project.

Ms. Johnson asked if a test install was scheduled for January, would this logo be prepared in time for the start of the water service upgrade project pilot program kickoff. Discussion ensued regarding the project timeframes. It was noted Board approval was not required for project signage.

10. BILL DISPUTE POLICY UPDATE

Ms. Rubio referenced the current and proposed updated copies of the policy regarding bill disputes as she reviewed the changes being proposed. She noted the updated policy will go to the board for consideration in January. There was no additional input on the policy from the committee.

Member Johnson joined the meeting at 3:50 p.m.

11. DISCUSSION REGARDING “LEAK” VERSUS “HIGH USAGE” LANGUAGE

Ms. Gray explained at the November Committee meeting, Ms. Kirby had stated why she suggested RMWD use the work “high usage” as opposed to “leak” as a means of protecting the District from excessive claims for reimbursement.

Ms. Johnson inquired about what transpires when landlords of multi-residential properties include high water usage in their rental agreements. Discussion ensued.

Ms. Rubio offered to bring sample door hangers to the next committee meeting to share with the members and get their input.

12. DISCUSSION AND POSSIBLE ACTION TO APPOINT 2019 COMMITTEE OFFICERS

Ms. Washburn announced the Board of Directors approve a Resolution commending Mr. Daily for his service on the Communications and Customer Service Committee including serving as Committee Chairperson.

Ms. Gray nominated Jeanna Kirby as Chairperson.

Motion:

Member Kirby serve as Committee Chairperson and Member Johnson as Committee Vice Chairperson.

Action: Approve, Moved by Alternate Gray, Seconded by Member Hamilton.

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

Ayes: Member Daily, Member Hamilton, Member Johnson, Alternate Gray.

Discussion returned to Item #5.

12A. DISCUSSION OF COMMITTEE MEMBERSHIP

Motion:

To recommend to the Board that Bill Stewart be appointed as a member of the Communications and Customer Service Committee at their January Board meeting.

Action: Approve, Moved by Member Johnson, Seconded by Member Daily.

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

Ayes: Member Daily, Member Hamilton, Member Johnson, Alternate Gray.

13. PUBLIC COMMUNICATIONS AND OUTREACH ITEMS

- A.** Topics
- B.** Strategic Plan Objectives

- C. Calendar
- D. Snipes Calendar
- E. Updates from Other Committees

Discussion ensued regarding ideas for each of the items listed.

14. REVIEW AND ANALYSIS OF RMWD RELATED MEDIA STORIES

Mr. Daily noted this item was intended to keep the committee savvy in terms of what is being said about RMWD in the media.

15. COMMITTEE MEMBER COMMENTS

Mr. Hamilton mentioned Director Mack suggesting RMWD participate in the Fallbrook Christmas Parade with a float next year. He recommended the committee investigate the cost as well as evaluate the practicality or feasibility of such. Ms. Gray offered to investigate this and bring the committee some information. Discussion ensued.

Mr. Hamilton inquired as to the status of the video presentation. Ms. Gray stated there has not been any more progress made; however, the videographer has accepted a job up north and will not be available as of January. She noted 400 photographs have been scanned by Mr. Hayden of which some may be useful in the video. She stated the videographer has every intention of completing the project whether that includes finishes the shootings within the next month or in early 2019; however, he was hoping to do something in mid-December, but she was unsure it could be completed that quickly. She said she hopes to go through the photographs she does have, select some to present to Tom for his approval, get those to the videographer to put in the front part of the video. She solicited the committee as to whether they wanted an additional video or review Mr. Hitt's interview before deciding to add another perspective with one more interview. Mr. Hamilton said he would provide Ms. Gray with another bunch of photographs he has scanned; however, they may be out of chronological order.

Mr. Daily recommended a welcome package be prepared to present to the incoming and new committee members.

Customer relations to be added to Item #13 as a recurring item.

Discussion ensued regarding communicating any potential rate changes to the public.

Ms. Washburn thanked Mr. Daily for his service noting it has been pleasure working with him and that he will be missed. Mr. Daily appreciated the comments and stated he could not be happier with the progress this committee has made.

16. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED COMMUNICATIONS AND CUSTOMER SERVICE COMMITTEE MEETING

It was noted the flume pilot study, Water Service Upgrade Project, door hanger review, and utilizing "leak" versus "high usage" discussion item need to be on the next committee agenda.

17. ADJOURNMENT

The meeting was adjourned by a motion made by Member Daily.

The meeting adjourned at 4:41 p.m.

Julie Johnson, Committee Vice Chairperson

Dawn M. Washburn, Board Secretary

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
OCTOBER 3, 2018**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on October 3, 2018 was called to order by Chairperson Prince at 3:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Prince, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Prince, Member Taufer, Member Brazier, Member Marnett.

Also Present: General Manager Kennedy, District Engineer Strapac, Associate Engineer Powers, Operations Manager Gutierrez, Project Manager Gerdes, Right-Of-Way and Facilities Coordinator Brown, Engineering Tech Rubio.

Absent: Member Stitle, Member Ratican, Member Robertson, Alternate Nelson, Alternate Kirby.

No members of the public were present.

4. **SEATING OF ALTERNATES**

There was no seating of alternates.

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

There were no changes.

6. **PUBLIC COMMENT RELATING TO ITEMS ON THE AGENDA**

There were no comments.

COMMITTEE ACTION ITEMS

7. **APPROVAL OF MINUTES**

A. September 5, 2018

Motion: Approve the minutes as written.

Action: Approve, Moved by Member Brazier, Seconded by Member Marnett.

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

Ayes: Member Prince, Member Brazier, Member Taufer, Member Marnett.

Absent: Member Stitle, Member Ratican, Alternate Nelson, Alternate Kirby.

8. RIGHTS-OF-WAY POLICY REVIEW

Ms. Brown provided copies of Mr. Nelson's comments regarding the draft Right-of-Way Policy. She proceeded to go through the policy inviting the committee members to provide comments.

Mr. Taufer asked for the definition of a Right-of-Way. Ms. Brown responded a Right-of-Way encompasses more rights and an easement was more defined.

Mr. Kennedy said regarding existing easements, any existing non-conforming use would be dealt with similar to future non-conforming uses. Ms. Brazier stated just because there was no mechanism in place before does not mean it should not be enforced. Mr. Prince asked if the District was changing existing easements. Mr. Kennedy responded no. He pointed out that he was not aware of any easement allowing anyone to build on top of the District's easements.

Mr. Stapac said the policy would provide staff direction and procedures. He explained the policy would not take away land or place greater encumbrances on a person's property. Mr. Kennedy said the policy also establishes the process for staff to issue encroachment permits.

Mr. Prince placed his focus on existing easement situations, which had no clear policy in place. Mr. Kennedy responded the District has clear legal rights under existing easement documents, which describe the District's rights and what is prohibited. Discussion ensued.

Mr. Prince expressed concerns regarding changes to the Right-of-Way Policy being reviewed by legal before the committee's approval, if approved. He stated, in his opinion the policy related more to legal than engineering. He asked for a legal opinion on what the District has compared to what would be changed. Ms. Brazier pointed out the District was not changing anything. She explained the District was only building on the current legal easements. Mr. Kennedy explained the District would be able to enforce everything in the old policy that was in the new policy. Mr. Prince replied he would feel better to have an attorney review the new policy. Mr. Kennedy stated all documents are reviewed by the District's legal counsel prior to going to the Board. Ms. Brazier pointed out a couple of technical rules to the committee, she said the committee does not officially "approve", it merely provides recommendations. The Board hires and directs legal counsel, the committee does not. Discussion ensued.

Mr. Prince repeated concerns with the new changes and how it would affect existing easements. Mr. Kennedy reiterated the new policy would not alter any existing easements. Mr. Prince focused on having the policy reviewed by the attorney. Mr. Kennedy stated the attorney is given final drafts to review and not in process drafts, in order to keep costs down. He said he prefers the committee review the engineering aspects of the draft and set aside the legal concerns for now.

Ms. Brazier stated the Engineering and Operations committee was to operate on those two subjects, legal not being within this committee's purview. She said this policy does not matter unless the Board votes on it and makes it part of the Administrative Code with the force of law. She continued, prior to the votes legal counsel will review the policy and recommend to the Board whether there were any concerns.

Mr. Kennedy wanted to discuss Mr. Nelson's comments. Mr. Prince mentioned the committee would review the engineering aspects of the policy and take a break from the legality aspects. Discussion ensued regarding Mr. Nelson's comments, administrative corrections and other committee member comments.

Mr. Marnett suggested engineering and operations staff review and correct the inconsistencies prior to approving the policy.

Mr. Prince stated he was not ready to do anything but would rather see it all over again. He said he does not want to delay anything and was totally in support of this by the way, but he could see a great deal of conflict. He specified as far as legal he does not want to give any approval without any sort of legal position on how this might affect existing landowners. He noted as far as new contracts, business, and developments he does not have a problem with that because people can read them, and they could be drafted, but where he can see a lot of problems is with existing easements. Mr. Kennedy reiterated existing easements would not be affected. Ms. Brazier stated that the Board could approve the policy with or without any input from the committee. She explained the Board seeks input from the committee to guide their choices, although they don't have to. Mr. Prince suggested based on the comments provided to revise the policy and bring it back for review. Discussion ensued.

Mr. Kennedy voiced concerns of delaying the policy approval for two months. He recommended going forward to the Board and expressing any concerns within the motion.

Motion:

Mr. Prince made a motion to have the Right-of-Way Policy reviewed by legal counsel, prior to the committee's recommendation. No second. Motion died.

Ms. Brazier stated legal counsel will review the policy, but not at the committee's instruction. She explained the motion cannot stipulate any action to be taken, because the committee cannot command any action. She said the committee's function is advisory only to the Board. Discussion ensued.

Motion:

Mr. Marnett made a motion to conditionally approve the Right-of-Way Policy with engineering cleanup. No second. Motion died.

9. TANK FALL PROTECTION

Mr. Strapac said based on the committee's recommendation staff would be recommending to the Board to award the tank fall protection to Suez Advanced Solutions (Utility Service Co., Inc.).

10. CORROSION PROTECTION PROGRAM

Mr. Strapac said the RFP was out and he has been receiving numerous questions from interested consultants. He anticipates receiving at least four proposals. Mr. Strapac stated the selected firm would develop a corrosion prevention program. Discussion ensued.

11. CODE OF ETHICS AND CLIMATE CHANGE POLICIES REVIEW

Mr. Kennedy said the Board adopted the Code of Ethics and Climate Change policies last month. He directed the committee to the Code of Ethics Policy and pointed out how the policy also applies to committee members. He briefly discussed the following items:

- All appointed members of the District's Standing Committees represent the Board of Directors on the committees and are held to the same expectations.

- The ethics on how to follow the decision-making process.
- Non-Partisan Board Policy – staying away from partisan politics. Refrain from partisan discussions.
- Matters of Personal Interest – staying away from or recuse oneself from matters of personal interest. Leaving the room during discussion. Eliminate the perception of the conflict of interest.

Mr. Kennedy said the Climate Change Policy directs the Board of Directors to follow the science that forecasts the climate changes by staying within the explanations in the policy.

12. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING

The following agenda items were suggested:

- Corrosion Protection Program
- Misc. Pipeline Replacement Project
- Service Upgrade Project (Meters)
- Review of Operations data going to the Board
- Operations Department Overview

13. ADJOURNMENT

The meeting adjourned at 5:07 p.m.

Timothy Prince, Committee Chairperson

Dawn M. Washburn, Board Secretary

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
NOVEMBER 7, 2018**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on November 7, 2018 was called to order by Chairperson Prince at 3:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Prince, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Prince, Member Stitle, Member Taufer, Member Ratican, Member Marnett, Alternate Nelson, Member Brazier (*arrived at 3:10 p.m.*).

Also Present: General Manager Kennedy, District Engineer Strapac, Associate Engineer Powers, Operations Manager Gutierrez, Right-Of-Way and Facilities Coordinator Brown, Engineering Technician Rubio.

Excused: Alternate Kirby, Member Robertson.

No members of the public were present.

4. **SEATING OF ALTERNATES**

Mr. Nelson was invited to take a voting seat.

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

Mr. Strapac requested adding a possible Change Order for Pump Station 1 at Rainbow Heights to use an EFI pre-manufactured pump station. It was confirmed it would be added as Item #12A.

6. **PUBLIC COMMENT RELATING TO ITEMS ON THE AGENDA**

There were no comments.

7. **REVIEW OF ADMINISTRATIVE CODE POLICY 2.09 – COMMITTEES**

Mr. Kennedy stated Board President Brazier requested this be on each of the committee agendas to provide direction for the committee members. He said the Board has directed him to ensure committee discussions stay on topic relative to the agenda items and stop any discussion when something could be considered a committee member working through a personal interest functioning as a committee member or taking an unethical path.

It was recommended the sentence relating to the first initial committee chairpersons be removed from the policy.

Ms. Brazier joined the meeting at 3:10 p.m.

COMMITTEE ACTION ITEMS

***8. APPROVAL OF MINUTES**

A. October 3, 2018

Mr. Prince requested the first paragraph, second sentence on Page 5 of 6 be reviewed and revised to state his intent in that he wanted to support the policy but wanted it to go through Legal Counsel first. Mr. Kennedy offered to have staff listen to the recording to determine what was stated and make any necessary revisions accordingly. It was noted the minutes approval would be postponed until next month.

No action taken.

9. REVIEW CORROSION PROTECTION PROGRAM SELECTION AND PROVIDE RECOMMENDATION TO BOARD

Mr. Strapac noted a request for proposal was put out last month to which responses were received. He mentioned the staff's selection would be HDR due to their familiarity with what RMWD needed as opposed to merely telling the District what they would do for it. Mr. Stitle inquired as to the costs involved. Mr. Strapac noted this information would be provided in the proposals being supplied for committee review; however, HDR came in at the middle in terms of pricing.

Mr. Nelson asked for the total estimated value of this engagement and over what duration of time. He also inquired if staff was seeking the committee's support of their recommendation to the Board to select the contractor staff preferred. Mr. Strapac answered affirmatively. Mr. Nelson noted when a set of proposals is received by the committee, the members do not always have an opportunity to review all the materials, but rather a summary was provided comparing the proposals and significant elements as well as fundamental criteria for selection including why a particular firm was chosen. He said although he supports the need for a corrosion program, he would be compelled to abstain from making a recommendation due to his not having much information for which to base his decision. He requested a synopsis be sent to each committee member.

Mr. Kennedy agreed to have a summary of the proposals emailed to the committee members and then this matter be continued until the next committee meeting.

Mr. Strapac explained Qualification Base Selection (QBS).

Discussion ensued regarding the causes of corrosion.

No action taken.

10. MISCELLANEOUS PIPELINE PROJECT UPDATE

Mr. Strapac reported Omnis had just started working on the design effort. Mr. Kennedy noted this project was part of the District's response to the Condition Assessment Program in which certain pipelines with high break rates have been made identified as high priority. He explained the goal was to move old pipelines out of customer properties to manage the District's risk.

Mr. Nelson inquired as to whether the District was legally permitted to engage in a design-build configuration with a very aggressive valued engineering and constructability review led by staff. Mr. Strapac explained staff sought Legal Counsel's opinion on this matter who in turn provided detailed information that limited what the District was permitted to do. Mr. Kennedy pointed out this was mainly related to treatment plants as opposed to pipeline projects.

Mr. Strapac pointed out most of the costs on this project were associated with the surveys due to private roads and easements. Mr. Kennedy would like to manage risk and control costs. Discussion followed.

Discussion ensued regarding making sure the proper processes are followed including the use of certified welders and conducting proper inspections.

11. SERVICE UPGRADE PROJECT

Mr. Kennedy reported the Notice to Proceed has been issued and the contractor has been mobilized to the District. He announced the Board approved the resolution to obtain the financing and the funding was now in place. He stated the main limiting factor now would be the completion of the utility billing system conversion which should be completed in January-February 2019.

Mr. Kennedy mentioned the Project Manager recently hired will start on November 13th and how this project will be one of the first she will be tasked to oversee. He also said the plan will be to mail the customers a four-page newsletter with detailed information regarding this project as well as place signage at each section at which work is being conducted. He pointed out at the completion of each phase, the project will stop to allow for review and adjustments to be made as deemed necessary. He noted the stopping phase has been built into the project schedule. He explained the steps to be taken related to the utility billing. He stated regular updates will be provided to the committee as the project progresses.

Mr. Stille asked if information regarding each segment will be provided on the website. Mr. Kennedy answered information would be on the website; however, since the project will be dynamic and moving around, there will be a logo placed on barricades with basic descriptions as well as a link to the website for the customer to get more details. He added there may be a need to notify customers in advance provide advance notification to some customers that their meter boxes need to be cleared.

12. DISCUSSION REGARDING APPLICATION FOR VARIANCE TO ORDINANCE NO. 17-07

Mr. Marnett recused himself from the discussion at 4:08 p.m.

Mr. Powers explained Mr. Marnett has requested a variance to Ordinance No. 17-07 allowing Mr. Marnett to qualify for Capacity Class B which has a referenced meter size of 3/4". He stated Mr. Marnett currently has a 1" meter; however, the information provided in the handout shows the usage over the past several years has been well below the required maximum for Capacity Class B averaging approximately 8 units per month. He pointed out a comparison of Mr. Marnett's usage with RMWD's records was conducted and the usage do match exactly. He referenced the chart Mr. Marnett also provided as backup documentation.

Mr. Powers stated staff believes if Mr. Marnett's usage continues as it has been for several years, his usage will not reach the maximum usage for Capacity Class B. He clarified the policy states lot sizes less than .5 acres can qualify for a 3/4" meter, whereas Mr. Marnett's land is 7.36 acres which was why he was requesting a variance. He pointed out when the Ordinance No. 17-07 stating .5 acres may qualify for 3/4" meters, it was to protect the District by preventing someone

with a very large lot getting a 3/4" meter and then increasing their usage by thousands of units. He suggested a recommendation to the Board include granting a variance with Mr. Marnett signing the same type of agreement included with the last variance the Board granted. He explained this agreement states if the usage exceeds the maximum usage of 50 units per month for a rolling twelve-month period, there would be a three-month period opportunity to cure and should it not be cured, customer will be required to pay the additional capacity fees matching their usage.

Mr. Taufer asked about the process to replace the meter. Mr. Powers stated the administrative downsize would be effective when and if the Board approves the variance; however, the actual meter exchange would take place as part of the meter replacement project.

Mr. Kennedy explained Mr. Marnett did downsize from a 1 1/2" meter to a 1" meter originally because at that time he was not allowed to downsize further due to the parcel size. Discussion ensued regarding the cost information Mr. Marnett provided.

Mr. Kennedy noted the question before the committee was whether this was a candidate that would meet the intent of the variance process the Board could approve with the terms and conditions provided in a signed agreement. He confirmed the proper format was followed. Discussion followed regarding further downsizing.

It was confirmed the District does record these agreements to tie them to the property.

Ms. Brazier asked if something should be added to the Administrative Code in the event RMWD receives a large volume of applications. Mr. Kennedy said this is something to take into consideration if it becomes too numerous.

Discussion ensued.

Motion:

The committee recommend to the Board it approve the variance with the recommended staff stipulation that there be an agreement between the homeowner and the District as specified by the staff and such agreement be recorded and run with the land and the perpetuity.

Action: Approve, Moved by Alternate Nelson, Seconded by Member Stitle.

Vote: Motion passed (summary: Ayes = 5, Noes = 0, Abstain = 1).

Ayes: Member Prince, Member Stitle, Member Taufer, Member Brazier, Alternate Nelson.

Abstain: Member Ratican.

Absent: Member Marnett

Excused: Alternate Kirby, Member Robertson.

Mr. Marnett joined the meeting at 4:32 p.m.

12A. CHANGE ORDER OF PUMP STATION 1 AT RAINBOW HEIGHTS ROAD

Mr. Strapac stated he will be bringing a Change Order for Pump Station 1 at Rainbow Heights Road to change the design to a pre-manufactured structure and complete pump station by EFl. He pointed out it would be manufactured in a controlled factory. He noted the estimated savings is \$2000,000; however, there would be an increase cost for design but a decrease in construction costs. Discussion followed.

13. REVIEW OF OPERATIONS BOARD REPORTS

This item was addressed under Item #14.

14. OPERATIONS DEPARTMENT OVERVIEW

Mr. Gutierrez explained when he started at RMWD seven weeks ago, he was provided a pile of documents the Operations Department supplies to the Board. He stated this item was to get input from the committee as to the level of detail of information and its relevance should be provided to the Board. Mr. Prince recommended an overview of the operations department be provided prior to discussing the reports.

Mr. Gutierrez summarized his background and work experience within operations. He stated as the RMWD Operations Manager, he manages the wastewater collection, water operations, water quality, construction and maintenance, fleet service, technical services, as well as the meters department. He explained Mr. Kennedy has directed him to review the process of the department and consider what changes may be necessary to streamline some of the status quo processes; therefore, he was seeking recommendations for narrowing down the board reports to relevant and important information.

Mr. Stitle suggested Mr. Gutierrez select a dozen items and anticipate what would be completed over the course of a year and use percentages as opposed to actual numbers. Mr. Kennedy pointed out if there is no value to the reports, he would prefer staff not waste time preparing them. Mr. Gutierrez suggested he provide monthly operational updates at the Engineering and Operations Committee meetings.

Mr. Nelson said he would like to hear about the units that fall under operations, what each does, as well as the overall organizational performance. He explained this information would assist with determining the type of reports to be provided. He pointed out whatever information the Board wants in reports should be in their reports and how he would not advocate requesting reports be prepared for the committee that differ from those supplied to the Board.

Mr. Taufer stated he would think the Board would be interested if a problem on a project, whether it will be something that creates a major change in scheduling ultimately affecting other departments. Mr. Kennedy explained there are multiple projects transpiring every day; therefore, the pace and volume may not be something of relevance. He added; however, a matrix can be built-in based on the information provided in the EAM system including the productive output.

Mr. Gutierrez mentioned he was an adjunct instructor at Palomar College for Water Distribution I and Water Distribution II.

15. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING

It was determined the following items should be on the next committee agenda:

- Corrosion Overview
- Change Order for Rainbow Heights Pump Station
- Introduction of Project Manager
- Miscellaneous Pipe Relocation
- Record of Survey
- Operations Department Overview

16. ADJOURNMENT

The meeting was adjourned to Wednesday, December 5, 2018 by a motion made by Member Prince.

The meeting adjourned at 5:01 p.m.

Timothy Prince, Committee Chairperson

Dawn M. Washburn, Board Secretary

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 5, 2018**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on December 5, 2018 was called to order by Chairperson Prince at 3:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Prince, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Prince, Member Stitle, Member Taufer, Member Marnett, Alternate Nelson.

Also Present: General Manager Kennedy, District Engineer Strapac, Associate Engineer Powers, Operations Manager Gutierrez, Project Manager Johnson, Right of Way/Facilities Coordinator Brown, Engineering Technician Rubio, Mechanic Del Rio.

Excused: Member Brazier, Member Ratican, Member Robertson, Alternate Kirby.

Members of the public present: Mr. and Mrs. Walz, Mr. Molnar, Mr. Lo.

4. **SEATING OF ALTERNATES**

Mr. Nelson was invited to take a voting seat.

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

Mr. Strapac requested Item 16 be omitted. He also requested modifying Items 12 and 13 to project updates and not proposal discussions.

6. **PUBLIC COMMENT RELATING TO ITEMS ON THE AGENDA**

There were no comments.

Mr. Strapac introduced Mrs. Johnson the new Project Manager in the Engineering Department. He said she has a great deal of construction experience dealing with the delivery of public schools as well as other public facilities on the contractor side.

COMMITTEE ACTION ITEMS

7. **APPROVAL OF MINUTES**

A. October 3, 2018

B. November 7, 2018

Motion: Approve October minutes as written and November minutes with corrections.

Action: Approve, Moved by Member Prince, Seconded by Member Marnett.

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

Ayes: Member Prince, Member Stitle, Member Taufer, Member Marnett, Alternate Nelson.

Abstain: Member Stitle on the October 3, 2018 minutes only.

8. DISCUSSION AND POSSIBLE EASEMENT VACATION OF A DISTRICT EASEMENT

Ms. Brown said as part of the pressure reducing station upgrade at the Saratoga Estates a survey was conducted to confirm the easement location. She said the survey discovered two easements side by side on the property, in addition to encroachment issues in the easement where the pressure reducing station was located. She mentioned the property owners Mr. and Mrs. Walz were present. She pointed out the location of the easements were going right in the middle of the Walz's property, although one easement appeared unoccupied. She said staff was working with the Walz's to remove the encroachments, this would enable staff to maintain the pressure reducing station and then bring it above grade with a new station. Ms. Brown stated the Walz's were requesting vacation of the unoccupied easement.

Ms. Brown solicited discussion on recommendation to either grant or not grant vacation of the unoccupied easement. She mentioned possible costs with vacating the easement and requesting payment from the property owner.

Mr. Kennedy said the value of an easement not having any public use is essentially nothing. He said should the committee approve to go forward, his recommendation to the Board would be to pay county filing costs associated with vacating/quitclaiming the easement and administrative cost in preparing the documents.

Mr. Prince asked why the facilities were being moved above ground. Mr. Stapac stated due to ease of maintenance and safety. Discussion ensued.

Mr. Walz was invited to present information. He directed attention to his handout in particular, "Exhibit B" – to discuss the proposed location of the dumpster on the northside of the existing easement. He also pointed out "Exhibit D" – the existing Pressure Relief Station encroaching on his property. He suggested to have a document identifying the District's encroachment on their property. Mr. Kennedy stated as part of this process the District's intention was to remove the entire structure and place it on the District's easement. Mr. Walz said he was ready to proceed as soon as the District provided written notice to proceed. Mr. Kennedy explained that the Committee could only make recommendations to the Board and only the Board had the legal authority to accept or quitclaim an easement. He stated the next Board Meeting was scheduled on January 8, 2019.

Motion: Recommend to the Board approval of the abandonment of the easement.

Action: Approve, Moved by Member Prince, Seconded by Member Stitle.

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

Ayes: Member Prince, Member Stitle, Member Taufer, Member Marnett, Alternate Nelson.

9. DISCUSSION OF POSSIBLE SEWER PROJECT TO CONNECT VIA MONTELLANO

Mr. Strapac said Mr. Molnar and Mr. Lo (property owners) are requesting installation of a proposed private sewer lift station on a property in the southern portion of the District not currently served by sewer.

Mr. Powers provided a map showing the approximate location of the property owners' private lift station. He explained there were five commercial properties that the owners would like to connect to the District's sewer system. He pointed out between the commercial property and the District's sewer system there was the crossing of the San Luis River or a long distance going either north or south on Highway 76. He said the owners proposed starting from the area of the proposed lift station going south through agricultural parcels and pumping the wastewater into the District's gravity main.

Mr. Powers said typically in these situations this would be considered a developer project. He explained where the owners would pay for the design and go through the District's and other agencies approval process.

Mr. Molnar stated there were six general commercial parcels that were unable to connect to the District's sewer system. He pointed out he had a recorded easement to place the private lift station and sewer line to connect to the District's line. He mentioned the commercial businesses would be a benefit to the community. He said he was seeking the District's support regarding the private lift station, prior to going any further. Discussion ensued.

Mr. Kennedy stated the District would have to conduct state law research regarding whether multiple parcels could be served from a private lift station. He listed the following items to be researched:

- Responsible party for operations and maintenance.
- Compliance with state law.
- Pumping through other properties through easements - verify recording of easements and permitted uses.
- Capacity available in the District's system.
- Development fees paid to the District.
- Responsible party for billing of the wastewater.

Mr. Kennedy stated the District was neutral on development and as far as support for this project. He explained the District does not support or oppose projects, although the District reviews plans and ensures standards are met. Discussion ensued.

Discussion went to Item 11.

10. ~~SURPLUS LAND EVALUATION~~ Title Change to: UNDERUTILIZED LAND

Mr. Strapac stated this item was informational only. Ms. Brown said the Board requested that staff review the District's underutilized land. She stated Clark Land Resources was contracted to conduct preliminary analysis for the following three District parcels:

1. The old Bonsall Reservoir - 6.19 acres, Dabbs lease, suited for estate residential.
2. Land next to Beck Reservoir - 4.68 acres, vacant, suited for estate residential.
3. Morro Tank site - 5.17 acres, water reservoir tank near eastern boundary, tennis court encroachment on southern portion of site.

Ms. Brown pointed out there were several appraisal methods when considering the sale of the properties, such as, Full Narrative, Market Value, Standard Bank and Comparative Analysis. Mr. Kennedy recommended not spending considerable amount of funds appraising properties with low value. He said this data was provided solely for information and no Board recommendation was required at this time. Discussion ensued.

Discussion went to Item 17.

11. OPERATIONS DEPARTMENT OVERVIEW

Mr. Gutierrez said this was the first of a series of presentations regarding the District's Operations. He stated the Fleet Services Department would be the first in the series. He mentioned a short writeup would also be included in the monthly newsletter for each Department. He said Operations has five different departments (Fleet Services, Maintenance & Construction, Operations, Meter Services, and Waste Water). He discussed all the services conducted by the Fleet Mechanic as follows:

Fleet Services:

Conduct annual smog testing.

12 vehicle diesel vehicle inspections (California Heavy-Duty Diesel Inspection Program HDVIP).

Periodic Smoke Inspection Program (PSIP).

Purchasing and specifying new vehicles.

Assist with offsite generators.

Disposes of waste oil, tires, batteries per State of California Department of recycling & recovery.

Fleet Services-Vehicles:

36 Light to medium duty.

4 Heavy duty includes the dump & vector.

4 Equipment trailers.

5 Off road vehicles 1 skid steer, 2 backhoes, 1 excavator.

15 Trailers utility & enclosed.

220 KW towable generator.

Fleet Services-Trailers:

1 District stationary generator.

2 light towers, 1 towable compressor, 1 towable welder, 1 towable 6" trash pump.

2 trailer mounted portable restroom.

2 arrowboards.

1 6,000 lb. forklift.

2 trailer mounted pump stations.

Fleet Services – Small Equipment:

8 1"-3" trash pumps.

4 gas powered compactors.

12 weed trimmers. (State CalFire Contract – fire prevention workers)

4 chain saws.

12 saw cutters.

8 portable generators 1,000-5,000 watt.

Fleet Services:

\$633,455.00 annual budget.

Fleet mechanic is A.S.E certified in brakes, suspension, steering.

G1 maintenance & light repair.

Certificate of training on comprehensive air brake systems operation, maintenance & components.

Certificate of training California Council on Diesel Education and Technology (CCDET) heavy duty diesel engine emissions control for testing procedures per section 2180 ET title 13 California Code of Regulations.

Mr. Gutierrez stated all the above work was completed by one mechanic that has been with the District for over 15 years. He introduced Mr. Del Rio the District's mechanic and commended his efforts.

Mr. Prince inquired how long the District held an average vehicle. Mr. Gutierrez responded per District policy the factors considered were mileage, age, money invested. He continued once those items were evaluated, including the cost to replace the vehicle and anticipated return when auctioned the information was provided to Mr. Kennedy. Mr. Kennedy said the wear and tear was different depending on the types of vehicles. He stated in general vehicles were evaluated at 7 years or 70 thousand miles. Discussion ensued.

12. DISCUSSION REGARDING RECORD OF SURVEY PROPOSALS

Mr. Strapac said the Board approved the award of the Land Surveying Services – Record of Survey contract to KDM Meridian at the December 4th, 2018 meeting. He pointed out the Professional Service Agreement was already sent to the consultant and anticipates work to start next week. He explained the record of survey was for the District's headquarters of 33 acres with approximately 7 acres unusable. Discussion ensued.

13. DISCUSSION REGARDING PIPE RELOCATION PROPOSALS

Mrs. Johnson said notices were sent out to 64 residents notifying them that Omnis' subconsultant KDM Meridian would be conducting property surveys for a period of approximately two weeks. She explained the consultant would be identifying rights-of-way, easements, and property lines. She pointed out that within the pipeline relocation there were four main projects.

14. DISCUSSION REGARDING CORROSION PROTECTION PROPOSALS

Mr. Strapac presented the Corrosion Prevention Program consultant selection synopsis. He summarized following information:

- Four proposals were received – Coffman, Corpro, HDR, and National Corrosion.
- RFP sent out on September 10, 2018 and proposals were due by October 9, 2018.
- District staff members evaluated proposals independently.
- Final scoring identified HDR as the highest ranked consultant.

Discussion went to the evaluation and negotiation process.

Mr. Nelson stated there was great value in having the firm assist the District in devising a corrosion protection program that already reviewed the condition of the pipes and identified the pipes that were conducive to corrosion. He said the firm has the advantage of having been selected for a previous contract in open competition. He stated the District needed continuity and selecting HDR would be the right choice, therefore he supported staff's recommendation.

Mr. Prince inquired as to staff's recommendation. Mr. Strapac said staff's recommendation was to recommend to the Board to approve the contract award to HDR. Discussion ensued.

Motion: Recommend staff's recommendation to the Board.

Action: Approve, Moved by Alternate Nelson, Member Prince seconded.

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

Ayes: Member Prince, Member Stitle, Member Taufer, Member Marnett, Alternate Nelson.

15. DISCUSSION REGARDING DESIGN OF PUMP STATION 1

Mr. Strapac presented the Rainbow Heights Pump Station Change Order No. 6, for a pre-manufactured pump station. He pointed out premanufactured pump stations were manufactured in closed facilities, pre-fit parts no field fitting, coated and protected from corrosion internally.

Mr. Strapac said staff evaluated the options for a "pre-manufactured" verses "build on-site" pump station. He discussed the following findings:

1. Pre-manufactured were less expensive to build and install.
2. Constructed under "factory" conditions, not field conditions:
 - Higher quality welds, etc.
 - Much less contamination.
 - Theoretically less required maintenance.
3. "Tighter" working conditions for maintenance as compared to "build on site" option.
4. The upsides to the pre-manufactured facilities outweighed the downsides.
5. Staff requested costs from designer to change to pre-manufactured.
6. Increased design costs due to "late change".

Mr. Strapac discussed the projects five change orders history with a current contractual total of \$252,966. He pointed out there was an unused amount of \$68K left on Change Order No. 5, which could be applied to Change Order No. 6. He noted the contractual total would be revised to \$288,918 with this credit. He said the difference in construction costs would be approximately \$250K. Discussion ensued.

Mr. Kennedy would like to know if the committee would agree with staff's recommendation for the design change order and forward the recommendation for Board approval. Discussion ensued.

Motion: Recommend staff's recommendation to move forward with the change order to the Board.

Action: Approve, Moved by Alternate Nelson, Seconded by Member Stitle.

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

Ayes: Member Prince, Member Stitle, Member Taufer, Member Marnett, Alternate Nelson.

Discussion went to Item 10.

16. DISCUSSION REGARDING DESIGN OF WEESE WTP PERMANENT EMERGENCY INTERCONNECT AND PUMP STATION

This agenda item was omitted.

17. DISCUSSION AND POSSIBLE ACTION TO APPOINT 2019 COMMITTEE OFFICERS

Ms. Washburn entered the meeting at 5:10 p.m.

Mr. Kennedy stated the committee was to appoint 2019 Committee Officers. He asked Ms. Washburn whether the committee was to vote or discuss appointment of officers. Ms. Washburn stated the committee had to appoint new Committee Officers now to take place in January 2019.

Mr. Kennedy recommended making Mr. Robertson an alternate and Mr. Nelson a member.

Ms. Washburn stated that Ms. Brazier informed her prior to the meeting that she would not be attending.

Ms. Washburn said that Mr. Kirby mentioned on several occasions, since he was unable to attend the meetings; he was willing to remove himself if someone wanted to take his place. Discussion ensued.

Motion: Recommend adding Mr. Nelson as a full member.

Action: Approve, Moved by Member Prince, Seconded by Member Stitle.

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

Ayes: Member Prince, Member Stitle, Member Taufer, Member Marnett, Alternate Nelson.

Mr. Kennedy suggested alternating the current committee officers. Discussion ensued.

Motion: Recommend Mr. Nelson become the Chair and Mr. Prince become the Vice Chair effective the first meeting in January 2019.

Action: Approve, Moved by Member Stitle, Seconded by Member Marnett.

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

Ayes: Member Prince, Member Stitle, Member Taufer, Member Marnett, Alternate Nelson.

18. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING

- Weese Treatment Plant
- Operations Department Review
- Record of Survey Status
- Pipe Relocation Status

- ABM Update

19. ADJOURNMENT to

The meeting adjourned at 5:18 p.m. to January 2, 2019.

Timothy Prince, Committee Chairperson

Dawn M. Washburn, Board Secretary

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

APPROVAL OF RESOLUTION NO. 19-01 ESTABLISHING CHECK SIGNING AUTHORITY

BACKGROUND

As part of the payroll and accounts payables process, RMWD has specific individuals designated as authorized signers of checks.

DESCRIPTION

The purpose of this Resolution is to update the current established check signing responsibility to the current authorized signers of checks due to a change in Board Members.

Resolution No. 19-01 will replace Resolution No. 18-19.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Chapter 5.01 – Banking

Strategic Focus Area Four: Fiscal Responsibility

BOARD OPTIONS/FISCAL IMPACTS

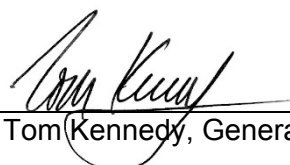
- Option 1: Approve attached Resolution No. 19-01.
Option 2: Approve attached Resolution No. 19-01 with Board recommended revisions.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



Tom Kennedy, General Manager

1/22/19

RESOLUTION NO. 19-01

**RESOLUTION OF THE BOARD OF DIRECTORS
OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CHECK SIGNING RESPONSIBILITIES
AND DESIGNATING AUTHORIZED SIGNERS OF CHECKS**

WHEREAS, the Rainbow Municipal Water District maintains an accounts payable checking account for the purposes of paying vendors, and a payroll checking account for the purpose of paying employees, and

WHEREAS, the bank requires that responsible parties be designated as authorized signers of these accounts, and

WHEREAS, it is appropriate to establish check signing responsibilities and designate authorized signers;

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

1. The following persons be designated as authorized signers on the checking accounts of the District:

Accounts Payable Authorized Signers:

Harriette "Helene" Brazier, Director
Claude "Hayden" Hamilton, Director
Michael Mack, Director
Miguel Gasca, Director
Carl Rindfleisch, Director
Tom Kennedy, General Manager
Tracy Largent, Finance Manager
Steve Strapac, District Engineer

Payroll Authorized Signers:

Tom Kennedy, General Manager
Tracy Largent, Finance Manager
Steve Strapac, District Engineer

2. Accounts payable checks under \$50,000 shall be signed by members of the management staff and checks over \$50,000 shall be signed by one member of the management staff and one Board member.
3. Payroll checks will be signed by one member of the management staff.
4. Resolution 19-01 rescinds Resolution 18-19.

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 22nd day of January 2019 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

January 22, 2018

SUBJECT

CONSIDER APPROVAL OF AN AMEDED AND RESTATED AGREEMENT BETWEEN THE CITY OF OCEANSIDE AND THE RAINBOW MUNICIPAL WATER DISTRICT FOR THE CONTRUCTION, USE, MAINTENANCE AND OPERATION OF WASTWATER, TRANSMISSION, TREATMENT AND DISPOSAL FACILITIES

BACKGROUND

For the last several decades, the District has contracted with the City of Oceanside to provide wastewater conveyance, treatment and disposal services. Wastewater collected in the District's service area is conveyed into the City of Oceanside system with the connection point being at the intersection of North River Road and Stallion Drive in Oceanside. The City conveys the wastewater from this point to their San Luis Rey wastewater treatment plant about three miles to the west. The District currently has 1.5 Million gallons per day of capacity in both the conveyance and treatment facilities.

DESCRIPTION

This amendment to the contract is required to update some of the terms of the contract to better suit current conditions. This contract amendment clarifies some areas which were somewhat unclear in the existing contract, primarily how to manage a process where one or the other party wanted to end the contract. The existing contract does not contain any language that governs the process – the new contract does, using a five year notification process.

The revised agreement also clarifies a several other areas related to the Districts rights and obligations under the contract.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Focus Area Two: Asset Management – this revised agreement will be the cornerstone of our work with the City of Oceanside for wastewater conveyance, treatment, and disposal

Strategic Focus Area Four: Fiscal Responsibility - this revised agreement provides improved fiscal clarity for the District as it relates to costs from the City of Oceanside.

BOARD OPTIONS/FISCAL IMPACTS

There are no specific fiscal impacts to this amendment as the financial components are not changing.

The Board has several options:

1. Approve the revised contract as presented here. The City of Oceanside City Council will be considering the revised agreement at their February 8, 2019 Council meeting. Once both agencies approve the contracts will be executed by the GM and City Manager.
2. Provide suggested modifications to the revised agreement and approve the agreement as revised. This will require staff to consult with City of Oceanside staff to determine whether these modifications will be acceptable to the City.
3. Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends approval of Option 1.



Tom Kennedy, General Manager

January 22, 2019

**AMENDED AND RESTATED AGREEMENT BETWEEN THE CITY OF OCEANSIDE,
CALIFORNIA
AND THE RAINBOW MUNICIPAL WATER DISTRICT FOR THE
CONSTRUCTION, USE, MAINTENANCE AND OPERATION OF
WASTEWATER, TRANSMISSION, TREATMENT AND DISPOSAL FACILITIES**

THIS AGREEMENT, made and entered into as of the _____ day of _____ 2019, by and between the CITY OF OCEANSIDE, California, a municipal corporation, hereinafter referred to as "City", and the RAINBOW MUNICIPAL WATER DISTRICT, a public corporation organized and existing under the Municipal Water District Act of 1911, Division 20 of the Water Code of the State of California hereinafter referred to as "RMWD" or "District".

RECITALS

WHEREAS, City and RMWD each provide wastewater collection and conveyance facilities and/or services within the San Luis Rey Basin;

WHEREAS, City and RMWD own wastewater conveyance, treatment and disposal facilities located in the City of Oceanside and rights in such facilities, and City is willing to treat and dispose of wastewater for RMWD;

WHEREAS, City and RMWD have each determined it is in the best interests of the respective parties to jointly participate in the use, operation, and maintenance of certain existing and future wastewater facilities;

WHEREAS, the Federal Water Pollution Control Act of 1972, as amended (Clean Water Act) (33 U.S.C Sec. 1251 *et seq.*), and the Porter-Cologne Water Quality Act (Water Code, Sec. 13000 *et seq.*) establish goals for the elimination of water pollution of navigable waters;

WHEREAS, in accordance with the aforementioned statutes, the City's treatment and discharge of wastewater into navigable waters must comply with the standards promulgated by the Environmental Protection Agency, the State Water Resources Control Board and the San Diego Regional Water Quality Control Board requirements;

WHEREAS, RMWD, pursuant to Chapter 5, Part 5, Division 20, may enter into contracts with other public agencies to carry out the purposes of RMWD and City, pursuant to Section 37392.1 of the Government Code of the State of California, may enter jointly with public corporations to provide sewers, sewage treatment and disposal facilities;

WHEREAS, City and RMWD previously entered into agreements dated January 2, 1973, September 10, 1980, and February 13, 2002, to jointly participate in the construction, use, and operation and maintenance of a Wastewater Conveyance and Treatment System to serve the City and RMWD;

WHEREAS, the parties' prior agreements are more than a decade out of date and it is appropriate to revise and restate the previous agreement to reflect current and future needs;

WHEREAS, the City of Oceanside and RMWD acknowledge that they are obligated to comply with the Revenue Program Guidelines of the *Policy for Implementing the State Revolving Fund for the Construction of Wastewater Treatment Facilities* published by the California State Water Resources Control Board, dated June 18, 1998, or as it may be revised from time to time, because the City has received state and federal grants and loans funding; and

WHEREAS, the City and RMWD desire to enter into an Agreement that reflects and satisfies all Environmental Protection Agency, the California State Water Resources Control Board and the San Diego Regional Water Quality Control Board requirements.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties do hereby agree as follows:

Section I. Purpose

The parties enter into this Agreement to provide for the construction, operation, maintenance and replacement of a wastewater system to serve the respective parties' needs, and to establish their respective rights and interests in the wastewater system. The parties will finance the construction, operation, maintenance and replacement of the wastewater system as herein provided.

Section II. Definitions

"Agreement" means this Agreement which is entitled "An Agreement between the City of Oceanside and the Rainbow Municipal Water District for the Construction, Use, Maintenance and Operation of Wastewater, Transmission, Treatment and Disposal Facilities."

"Biochemical Oxygen Demand" (BOD) means the measure of the biologically decomposable material in wastewater, as determined by the procedures specified in the most current edition of "Standard Methods for the Examination of Water and Wastewater", or any successor publication which establishes the industry standard.

"Capacity" means the maximum flow rate for pipes and pumps, and/or the quantity handled during a 24-hour period for wastewater treatment plant facilities.

"Capacity Entitlement" means the fully transferable contractual right possessed by RMWD to discharge wastewater into the City's Wastewater System pursuant to this Agreement up to the limit set forth in Exhibit "B" attached hereto. RMWD shall have the right, in its sole and absolute discretion, to transfer or assign all or any portion of its Capacity Entitlement.

"Capital Improvement Costs" are costs associated with the planning, design, financing, construction, or reconstruction of facilities.

"City of Oceanside Wastewater System or Wastewater System" shall mean and consist of those facilities and contract rights to facilities which are shown and/or described in Exhibit "A" attached hereto and incorporated by this reference, including any amendments thereto authorized by this Agreement. As of the date of this Agreement, this

includes the City's Treatment Plants, the Interceptor Sewer - First Reach, Interceptor Sewer - Second Reach, the Land Outfall, and the Ocean Outfall.

"City's Treatment Plants" means the San Luis Rey and La Salina Wastewater Treatment Plants located on land owned by the City.

"Fixed Costs" means capacity costs based on equivalent meters and customer costs based on number of customers.

"Flow" means the amount of wastewater discharged by the City and RMWD.

"Flow Rate" means the volume of flow over a specified period of time, expressed as: gallons per minute (gpm), cubic feet per second (cfs), etc.

"HCF" means one hundred cubic feet or 748 gallons and is the standard unit for measure for municipal water service. Also sometimes referred to as a billing unit or CCF.

"Interceptor Sewer - First Reach" means that portion of the interceptor sewer constructed by City from near the intersection of North River Road with College Road to the San Luis Rey Wastewater Treatment Plant and includes the North Valley Sewer Lift Station.

"Interceptor Sewer - Second Reach" means that portion of the interceptor sewer constructed by City from the intersection of North River Road with Stallion Road to near the intersection of North River Road with College Road to connect with First Reach.

"Interceptor Sewer - Third Reach" means that portion of the interceptor sewer constructed by RMWD from the intersection of North River Road with Stallion Road to RMWD's collection system, as shown on said Exhibit "A".

"Land Outfall" means the transmission facilities from City's San Luis Rey Wastewater Treatment Plant to the ocean outfall as shown on said Exhibit "A" and includes the pumping plant.

"MGD" means millions of gallons per day flow rate.

"Ocean Outfall" means the Outfall as shown on said Exhibit "A."

"Point of Delivery" means the location of the meter to measure RMWD's flow of wastewater being delivered to City as shown on said Exhibit "A", said meter being at the westerly end of Interceptor Sewer —Third Reach.

"Operation and Maintenance Costs" are the costs of those items and activities required by sound engineering and management practices to keep the conveyance, treatment and disposal facilities functioning in accordance with all applicable laws, rules, and regulations.

"Replacement Reserve" means a reserve established pursuant to Clean Water Act requirements and funded annually. This reserve is established to provide funds for obtaining and installing equipment, accessories, and/or appurtenances which are

necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.

“Revenue Program” means the rate schedule and analysis, to be mutually agreed upon annually by RMWD and the City, that demonstrates that each class of wastewater discharger is paying its fair and equitable share of the cost of operating and maintaining the City of Oceanside Wastewater System, complying with the Revenue Program Guidelines of the *Policy for Implementing the State Revolving Fund for the Construction of Wastewater Treatment Facilities* published by the California State Water Resources Control Board, dated June 18, 1998, or as it may be revised from time to time.

“RMWD Wastewater System” shall mean and consist of those facilities and contract rights to facilities which are shown and/or described in Exhibit “D” attached hereto and incorporated by this reference, including any amendments thereto authorized by this Agreement. As of the date of this Agreement, this includes the Interceptor Sewer - Third Reach and the Capacity Entitlement.

“State Revolving Fund” means the Loan Program created by the Federal Clean Water Act and various California State laws including the Clean Water Bond Law of 1984, the Safe, Clean, Reliable Water Supply Act (1996 Bond Law), and any subsequent bond laws. The primary purpose of the State Revolving Fund is to finance wastewater treatment facilities necessary to prevent water pollution, recycle water, correct nonpoint source and storm drainage pollution problems, and thereby protect and promote the health, safety, and welfare of the inhabitants of the State of California.

“Strength” means the measurement of SS and BOD within the wastewater flow and any other measurement required by law after the date of this Agreement.

“Suspended Solids” (SS) means the insoluble solid matter in wastewater that is separable by laboratory filtration, as determined by the procedures specified in the most current edition of “Standard Methods for the Examination of Water and Wastewater”, or any successor publication which establishes the industry standard.

“Transmission System” means the Interceptor Sewer -- Third Reach, Interceptor Sewer -- Second Reach, Interceptor Sewer - First Reach, and the North Valley Lift Station.

“Variable Costs” means transmission system costs based on flow and treatment costs based on flow and sewage strength.

Section III. Scope

The City of Oceanside Wastewater System is located in San Diego County as outlined on the attached map, attached hereto as Exhibit “A”, and incorporated by this reference, consisting of facilities necessary to collect, treat and dispose of sewage in accordance with requirements of local, State and Federal agencies having jurisdiction over such matters. RMWD’s Wastewater System is outlined on Exhibit “D,” incorporated by this reference.

From time to time the Wastewater System will be upgraded or enlarged in accordance with the provisions of this Agreement and for capital projects costing more

than \$250,000, the City will notify RMWD in March of each new budget year of the proposed work and in July of each new budget year of the adopted Capital Improvement Plan and its intention to perform the work

Section IV. Ownership and Operation of the Wastewater System

A. Rights of Parties

The City is the owner of the Wastewater System shown on and/or described on Exhibit A, which ownership is subject to RMWD's Capacity Entitlement.

RMWD is the owner of the RMWD Wastewater System, including the Interceptor Sewer – Third Reach and RMWD's Capacity Entitlement in the Wastewater System.

Subject to the terms of this Agreement, and in conformance with all applicable laws, the City may transfer ownership of all or part of the Wastewater System at any time with the prior written consent of RMWD. In the event of a transfer, the City's successor shall be bound by the terms of this Agreement.

B. Wastewater System Services

The City shall provide wastewater transmission, treatment and disposal services to RMWD through the Wastewater System and the Interceptor Sewer - Third Reach, under terms set forth in this Agreement. The City shall operate the Wastewater System and the Interceptor Sewer - Third Reach in an efficient and economical manner, maintaining it in good repair and working order, all in accordance with recognized sound engineering and management practices. The City shall convey, treat, and dispose of all wastewater received under this Agreement in such a manner as to comply with all applicable laws, rules and regulations.

C. Funding Obligations

Nothing in this Section or in this Agreement shall obligate the City to make any payment for the acquisition, construction, maintenance or operation of the Wastewater System from moneys derived from taxes or from any income and revenue of the City other than moneys in or sewer revenues which go into the Sewer Revenue Fund and from construction funds derived from such outside sources as state or federal grants, sewer revenue bonds and State Revolving Fund Loans.

D. Financial Statements

1. The City shall keep appropriate records and accounts of all costs and expenses relating to conveyance, treatment, disposal, and reuse of wastewater; and the acquisition, planning, design, construction, administration, monitoring, operation and maintenance of the Wastewater System and the Interceptor Sewer - Third Reach.

2. Said records and accounts shall be subject to reasonable inspection by any authorized representative of RMWD. Further, said accounts and records shall be audited annually by an independent certified public accounting firm appointed by

the City, and mutually acceptable to RMWD, pursuant to generally accepted accounting principles. A copy of the Comprehensive Annual Financial Report prepared by the City's independent auditors shall be provided to RMWD within 30 days after completion of the audit.

Section V. RMWD's Rights

RMWD has paid for 10.00 percent of the City's construction cost of the Interceptor Sewer — First Reach and 58.25 percent of the City's construction cost of the Interceptor Sewer — Second Reach. RMWD has paid for 100 percent of Interceptor Sewer – Third Reach. In addition, RMWD has paid for 1.5 MGD in the San Luis Rey Treatment Facility as well as the City's Land and Ocean Outfall.

As of the effective date of this Agreement, RMWD holds the following Capacity Entitlement in the Wastewater System:

	<u>2018 Agreement Capacity Entitlement</u>
Wastewater Treatment Plant	1.5 MGD
Land Outfall	1.5 MGD
Ocean Outfall	1.5 MGD
Transmission Facility	
First Reach	1.5 MGD
Transmission Facility	
Second Reach	1.5 MGD

RMWD owns the Interceptor Sewer -- Third Reach based on its payment of 100 percent of the construction costs. If the City expands the Wastewater System in the future to increase its capacity in all or any portion of the system, RMWD shall have the first right of refusal to purchase additional Capacity Entitlement in an amount proportional to RMWD's contribution to City's construction costs. For example, if the City will expand to add 10 MGD of capacity in all or part of the Wastewater System, and RMWD contributes half of the construction costs for the expansion, then RMWD will be entitled to an additional 5 MGD of Capacity Entitlement in that part of the Wastewater System. If RMWD's rights change in the future pursuant to an expansion of the Wastewater System under this section, the parties shall promptly update Exhibit D to reflect the then-current extent of RMWD's Wastewater System and its Capacity Entitlement in Oceanside's Wastewater System.

RMWD has no obligation to pay any costs for City's expansion of the Wastewater System, and RMWD may elect in its sole discretion whether to pay or contribute to City's construction costs. If RMWD elects not to pay any construction costs in connection with an expansion, then RMWD shall forgo its option to purchase additional Capacity Entitlement under this section in connection with that expansion.

Total construction costs for City's expansion of the Wastewater System, upon which RMWD's option to purchase additional Capacity Entitlement is based, shall not include any costs to upgrade any part of the Wastewater System for indirect potable reuse or to make any improvements that are not required for purposes of expanding the Wastewater System to increase its capacity. Any costs to upgrade the system for indirect potable reuse or to make any improvements that are not required for purposes of

expanding the Wastewater System to increase its capacity must be segregated and deducted from the total construction costs upon which RMWD's option to purchase additional Capacity Entitlement is based.

As identified in Section VII, penalties will be applied should RMWD exceed RMWD's allotted capacity.

Section VI. Limitations on Types and Condition of Wastewater

Wastewater discharged by RMWD into the interceptor sewer shall be essentially domestic in character. BOD shall not exceed 250 mg/1, TDS shall not exceed 1200 PPM, and SS shall not exceed 250 mg/l. Volatile organic compounds, abnormal concentrations of heavy metals, or other chemical constituents detrimental to wastewater treatment shall not be permitted in any wastewater discharged into the interceptor sewer. As provided in Section VIII-B of this Agreement RMWD's wastewater flows will be measured for strength.

A. RMWD will comply with all applicable laws, rules, and regulations including its regulatory obligations associated with discharge of wastewater into its respective system and from such system into the City's Wastewater System.

B. RMWD will prevent to the maximum extent practicable, the infiltration and inflow of surface, ground or storm waters into its wastewater system as detailed under Exhibit "B". RMWD will not deliberately discharge stormwater into the City's Wastewater System.

C. In the event a regulatory agency imposes any penalty or takes other enforcement action relating to the conveyance, treatment, or disposal of wastewater in or from the Wastewater System, the City shall determine whether the City or RMWD or any other agency caused or contributed to such penalty or enforcement actions. The City shall allocate the penalty or other relief, including the costs of defense, to the party or parties responsible. Each responsible party shall be obligated to pay its share of such penalty or other relief, and any costs of defense. In the event that the City cannot make such an allocation, the City shall share the cost of such penalty or other relief with RMWD based on each party's respective contribution to Flow and Strength.

D. If RMWD's discharge into the interceptor sewer exceeds these requirements or any additional requirements imposed on the City by the San Diego Regional Water Quality Control Board, the City may perform additional treatment of RMWD's wastewater. The incremental maintenance and operational cost of said treatment shall be paid by RMWD at the time and manner provided for in Section IX hereof.

E. The City has enacted an industrial pretreatment ordinance as well as an Inter-jurisdictional Pretreatment Agreement with RMWD. RMWD shall, by execution of this Agreement, agree to conform to and enforce the Ordinance and Inter-jurisdictional Agreement.

F. RMWD will insure that all industrial users of its wastewater system are regulated by an effective industrial pretreatment program that conforms to all applicable laws, rules and regulations and that is acceptable to the City. RMWD will not discharge any sewage

originating outside its respective boundaries into the City's Wastewater System without prior written City approval.

G. When any commercial or industrial activity occurs upstream of the Point of Delivery, RMWD agrees to sample and test monthly for BOD, SS, and TDS, and quarterly for Cd, Cr, Cu, Pb, Ni, and Zn at the Point of Delivery. In addition, RMWD is required to provide the City with a summary of analytical results from an annual full priority pollutant scan. Wastewater sampling and analysis shall be performed in accordance with the City's National Pollutant Discharge Elimination System (NPDES) Order No. 2000-11 and any subsequent amendments thereto. The City may require RMWD to perform such additional testing as may be necessary to identify detrimental elements or compounds.

Section VII. Limitations on Quantities of Wastewater

The City agrees to receive, treat, and discharge RMWD's wastewater in quantities delivered to the City at the Point of Delivery up to a maximum quantity of 1,500,000 gallons during a 24-hour day.

Said maximum quantity shall be considered exceeded if more than 1,500,000 gallons (average dry weather flow — "ADWF") is delivered each 24-hour day for ten (10) or more days in three consecutive calendar months. If the maximum quantity is exceeded for more than ten (10) days in three consecutive calendar months a penalty will apply. The penalty will be seven and a half (7.5) times the current unit cost for capacity, transmission and treatment on flows that exceed RMWD's allocated capacity. The penalty shall last until such time as RMWD meets the flow requirements for three (3) consecutive calendar months.

City will monitor RMWD flows and require RMWD to comply with the City's NPDES permit (Order No. 2000-11), Section G. Reporting Requirements, Paragraph 17. a.-c., to insure adequate future capacity.

If RMWD exceeds 95 percent of its allotted capacity, RMWD will be required to place a moratorium on sewer connections in its service area.

Section VIII. Flow and Strength Measurements

A. Flow Monitoring

RMWD has installed at the Point of Delivery a meter for the purpose of measuring the amount of wastewater delivered by RMWD to the City. All costs associated with the meter and installation of a replacement meter, if any, shall be paid by RMWD. The City shall approve the type of meter and method of installation of said meter. Flow metering equipment shall include redundant measuring techniques over the entire range of flows for which the station is intended to measure. Flow shall be monitored continuously.

B. Strength Reporting

RMWD shall install a City-approved wastewater strength sampling station adjacent to their existing flow metering station. Strength shall be sampled monthly for the first two years after the date of this Agreement and then quarterly thereafter. Strength samples

shall be collected for 24 uninterrupted hours each month or quarter such that each day of the week is represented over a seven sample period and no day of the week is represented in more than four out of twelve consecutive 24-hour samples. Each 24-hour composite sample shall consist of 24 individual samples, which are combined, such that each sample represents the volume of wastewater discharged during the time between samples. All strength samples shall be taken at the same location as the flow measurement station using an automatic sampling device.

Section IX. System of Charges

A. Charges Authorized

The City agrees to implement and RMWD agrees to abide by a system of charges as detailed under Exhibit "C". This system allows the City to equitably recover from RMWD that district's proportional share of the net Wastewater System Costs through the imposition of a Wastewater Service Charge (WSC). The charges established by the City shall not discriminate against RMWD's customers, and shall be calculated on the same basis as comparable charges for City customers. Such charges shall be set at the lowest cost consistent with maintaining safe and environmentally sound sewer service to all users.

B. Wastewater Service Charge (WSC)

The City shall determine the WSC based on projected Wastewater System Costs (as defined below and detailed under Exhibit "C") for the forthcoming fiscal year.

1. Wastewater System Costs

The following shall be considered Wastewater System Costs for purposes of calculating the annual WSC.

a. Except as provided in Excluded Costs, Subsection 2 below, the annual costs associated with wastewater treatment administration, general administrative allocation, operation, maintenance, annual debt service costs and other periodic financing costs and charges attributable to jointly debt financed facilities, capital improvements, insurance, premiums, claims payments and claims administration costs of the Wastewater System, including projected overhead costs.

b. A share of the annual costs associated with transmission costs of the categories listed above. This includes labor, maintenance, and utilities for the North Valley Sewer Lift Station and other joint transmission system facilities as herein defined.

c. Funding of a replacement reserve as required by the Revenue Program mutually agreed upon by RMWD and the City.

2. Excluded Costs

The following shall not be considered Wastewater System Costs for purposes of calculating the annual WSC:

- a. Costs related to the City's municipal collection system as determined by reasonable calculations.
- b. A share of City General Administrative allocation related to the municipal collection system, any bad debts, and administrative charges in lieu of taxes.
- c. Costs related to the treatment of sewage from any person or agency that is not party to this Agreement.
- d. Capital Improvement Costs of any non-Wastewater System facility.
- e. Debt service associated with City's municipal collection system capital program.
- f. Debt service associated with City's share of wastewater treatment reclamation, transmission, and outfall system capital programs.
- g. Fines or penalties imposed on the City as a result of the operation of the Wastewater System.
- h. Costs incurred by the City, including attorneys' fees, necessary to implement the terms of this Agreement.

C. Calculation of the WSC Rates

1. Variable Operations & Maintenance (O&M) (These are detailed under Exhibit "C", Sections 3 and 4)

- a. Each year, the City shall prepare a sample fiscal year (FY) estimate based on the City's Water Utilities Wastewater Division Program FY Budget for the prior year setting forth the cost categories, methodologies and sampling data used as a base for Strength Based Billing (SBB). The City shall provide the final draft of the fiscal year estimate to RMWD for its review and concurrence at least thirty (30) prior to adopting the estimate. SBB includes not only projected Flow but also Strength (BOD and SS). Strength and flow assumptions for the upcoming fiscal year will be based on the prior year's actual sampling and flow data.
- b. The City shall determine the unit WSC variable rates by allocating net costs (Variable Wastewater System Costs less Variable Wastewater System Revenues), if any, among the parameters of Flow, BOD, and SS. This allocation is based on the City's mutually approved Revenue Program cost allocation factors for Operation and Maintenance (O&M) and Capital Costs allocated to the three parameters. The City may revise the calculations to include any other measurement required by law after the

effective date of this Agreement with consent of RMWD, which consent shall not be unreasonably withheld.

c. The net variable cost allocated to each of the three parameters (Flow, BOD, and SS) shall be divided by the total Wastewater System quantity for that parameter to determine the unit rates for Flow, BOD and SS at the point of delivery into the Oceanside Wastewater System.

d. RMWD shall pay for variable transmission cost based on Flow as detailed under Exhibit "C", Section 3.

e. RMWD shall pay for variable treatment costs based on Flow, BOD, and SS as detailed in Exhibit "C", Section 4.

2. Fixed O&M and Capital Costs (These are detailed under Exhibit "C", Sections 1 and 2)

a. RMWD shall, on an annual basis, provide City the total number of residential and non-residential units connected to RMWD's sewer system on a per meter size basis. The number of equivalent meters shall be the basis for capacity related fixed cost allocation.

b. The City shall determine the unit WSC capacity related fixed rate by allocating net fixed costs (Fixed Wastewater System Costs less Fixed Wastewater System Revenues) divided by the total Wastewater System number of equivalent meters. This is detailed under Exhibit "C", Section 1.

c. RMWD shall pay for customer related costs on a per account basis as detailed under Exhibit "C", Section 2.

3. Replacement Reserve
(This is detailed under Exhibit "C", Section 5)

a. Pursuant to EPA and SWRCB requirements a separate line item for replacement must be shown in the calculation of the annual revenue requirement for the WSC. Replacement costs include all expenditures required for the Wastewater System to operate for its design life.

b. Annually a deposit will be made by RMWD into a replacement account established by RMWD for such purposes and acceptable to the City of an amount equal to RMWD's proportional share of straight-line depreciation of the Wastewater System. RMWD's proportional share of the straight line depreciation shall be based on RMWD's proportional contribution to the City's construction costs. RMWD's bank shall send City monthly statements for the replacement account to the attention of the Water Utilities Director.

c. Funds in the RMWD replacement account will, insofar as possible, be invested, and actual interest accrued to the account. Disbursements from said account shall be made by the RMWD's bank upon vouchers

prepared and certified by the City for necessary replacement capital projects. For such capital projects costing more than \$25,000, the City must notify RMWD in July of each year of its intention to perform the work. RMWD shall have the absolute right to decline to pay or fund any part of the cost of a proposed project that is included in estimates of O&M and Capital Costs pursuant to Sections 1 and 2 above.

d. If the amount in the account is insufficient to pay for RMWD's share of the necessary replacement capital projects, the District shall fund its share of replacement costs from other District funds.

e. If RMWD is unable to forward the requisite funds to the City in a timely fashion, it may request the City to advance the required funds. If the City is required to advance funds the City shall be entitled to interest on the advanced funds equal to the rate of return on the investment of the City's portfolio. In the event RMWD fails to reimburse the City the required funds, with interest, within ninety (90) calendar days following submittal of a voucher, RMWD shall be liable for additional interest on the outstanding principal and interest owed at the legal rate. Nothing in this section shall construe the City to advance such funds.

D. Estimate and Billing Schedule and Year End Adjustment

1. Estimate — The City shall estimate the WSC rates on an annual basis. The City shall quantify the WSC rates based on costs developed in the annual budget for the Water Utilities — Wastewater Division and by estimating the quantity of Flow, BOD, SS, and equivalent meters for each party, based on that party's actual flow, cumulative data of sampling for BOD and SS over the preceding years, and most recent equivalent meter count. City will provide a copy of its adopted budget to RMWD as part of the budgetary process.

2. The City shall bill RMWD on a monthly basis in an amount equal to 1/12th (one-twelfth) of the annual amount determined above. Each bill shall be paid within thirty (30) days of mailing. Monthly billings will consist of total estimated cost for RMWD, based on RMWD's prior year-metered flow, estimated BOD and SS, and equivalent meter and customer counts.

3. Interest charges shall accrue on the unpaid balance of any monthly billing from the date payment is due at the rate of five percent (5%) per annum. Acceptance by the City of any partial payment shall not constitute a waiver of the City's right to levy late charges, to collect interest on the full amount due, or to demand payment in full.

4. Year-End Adjustments — At the end of each fiscal year, the City shall determine the actual Wastewater System Costs as set forth in the City's audited Financial Statements and the actual Flow as well as the cumulative strength data and number of equivalent meters. The City shall make any necessary adjustments to the unit rates for Flow, BOD, SS or equivalent meters based on actual costs for the year. The City shall then recalculate the variable and fixed portions of the WSC

for the year using actual costs for the year, actual Flow, cumulative strength factors, and equivalent meters for the City and RMWD. The City shall credit any future charges or bill for any additional amounts due, the quarter after the prior year costs have been audited.

Section X. Construction By City

Construction costs shall be prorated to the parties in accordance with capacity rights reserved in that particular segment of work. For the purposes of this Agreement, City's construction cost of each facility shall be determined by computing the total construction cost of each facility, including the cost of land and rights of way, engineering, administrative costs, inspection and legal fees directly attributable to said construction after deducting from said total construction cost the amount of previous Federal and State grant and or loan funds received by City for previous construction. If grants and or loans received by City are not allocated to the respective facilities, the total amount of the grant and or loan received for the entire project shall be allocated to the respective facilities in the proration that the total construction cost of each facility bears to the total construction cost of all the facilities.

A. Administrative Construction Costs

The administrative-construction expense for construction projects will be prorated between the parties based upon the parties' respective capacity rights in the project. RMWD shall pay the City a general administrative overhead charge equaling 2.7 percent of RMWD's share of the cost to design and construct the project.

B. Deposits and Disbursements

1. The City shall have no obligation to proceed with advertising for bids for new construction projects until RMWD deposits in a separate District construction fund account established for such purposes and acceptable to the City RMWD's share of estimated project costs. If the bids for the work indicate the deposit is insufficient, the City shall notify RMWD. RMWD shall within 30 days increase the deposit so that the account will have sufficient funds for RMWD's share of the work. RMWD's bank shall send City monthly statements for the construction fund account to the Water Utilities Director.

2. Funds in the construction fund account will be invested, and actual interest will accrue to the account. Disbursements from said account shall be made by RMWD's bank upon vouchers prepared and certified by the City and approved by RMWD.

3. If RMWD is unable to deposit the requisite funds into the construction fund in a timely fashion, it may request the City to advance the required funds. If the City advances funds, it shall be entitled to interest on the advanced funds equal to the rate of return on the investment of the City's portfolio plus 5 percent. In the event RMWD fails to reimburse the City the required funds, with interest, within 90

calendar days, RMWD shall be liable for additional interest at a rate of 10 percent per year. Nothing in this section shall require the City to advance such funds.

4. If RMWD fails to deposit funds to the construction fund account it shall bear the entire cost of any contract penalties that may be incurred because of District's failure.

Section XI. Reclaimed Water System Operation

Nothing contained herein is intended to limit or govern the rights of either party to own, operate, produce and or distribute reclaimed water independent of the other party, nor is anything contained herein intended to give either party rights to any such existing facilities.

Section XII. Dispute Resolution

The parties shall first attempt to resolve any claim, controversy or other dispute arising under this Agreement by negotiations among the staff of each party. If resolution cannot be reached, the parties shall mediate the claim, controversy or other dispute arising under this Agreement. The costs of mediation shall be borne equally by each party.

Section XIII. General Provisions

A. Revenue Program Requirements

RMWD shall prepare a Revenue Program as required by the Environmental Protection Agency and State Water Resources Control Board for all agencies benefiting from State and Federal grants and/or State Revolving Fund loans. The Revenue Program shall comply with the applicable Federal and State laws and regulations, including the Revenue Program Guidelines of the *Policy for Implementing the State Revolving Fund for the Construction of Wastewater Treatment Facilities* published by the California State Water Resources Control Board, dated June 18, 1998, or as it may be revised from time to time. The City shall provide the final draft of its Revenue Program to RMWD for its review and concurrence at least thirty (30) days prior to adopting the Revenue Program. Biannually, while this Agreement is in effect, RMWD shall provide the City with a copy of RMWD's Revenue Program for that upcoming fiscal year. Any actions by State or Federal agencies against the City for RMWD's failure to submit a Revenue Program approvable by the State Water Resources Control Board, which results in expense or damage to the City, shall be the sole responsibility of RMWD. RMWD shall reimburse the City for all such expense or damage as provided for in Section IX, Subdivision D.3 hereof.

B. Termination

This Agreement shall continue in full force and effect until terminated by five (5) years prior written notice of a party hereto.

Renewal; Option for Continued Service

No later than two (2) years prior to the end of the Agreement or any extension of this Agreement, the parties shall commence good faith negotiations for the extension or renewal of this Agreement. If the parties are unable to agree thereon, then RMWD by written notice given to City at least one (1) year prior to the expiration of said term, may elect to receive continued service after the expiration of said term upon the following conditions:

The discharge limitations shall be determined as provided in Section VI hereof.

The Wastewater Service Charge rate shall be determined as provided in Section IX hereof.

The City shall maintain and operate the Wastewater System under substantially the same physical conditions of service as prevailed during the last year preceding the expiration of said term.

Other terms and conditions of continued service shall be reasonable and equitable and shall be mutually agreed upon and, if they provide for continued service for a specified number of years, RMWD shall have the option to receive further continued service upon the expiration of that and each succeeding period of continued service.

C. Allocation Upon Total or Partial Termination

If both parties desire to terminate this Agreement or to terminate use of a portion of the Wastewater System, the property acquired hereunder, which use is to be terminated, shall be disposed of by the City and the proceeds thereof divided or distributed to the parties in the same proportion as party's contributions to construction costs for the facility or equipment in question. Property to be disposed of shall have its value determined in a mutually agreeable manner.

If one party gives notice to terminate this Agreement unilaterally, the other party shall have a right of first purchase that may be exercised until the effective date of termination. The price and terms of sale shall be determined in a mutually agreeable manner during the first year of the five (5) year notice period.

D. Defense And Indemnity

1. Claims Arising From Sole Acts or Omissions of the City

The City hereby agrees to defend and indemnify RMWD, its agents, officers and employees from any claim, action or proceeding against RMWD, arising solely out of the acts or omissions of the City in the performance of this Agreement. At its sole discretion, RMWD may participate at its own expense in the defense of any claim, action or proceeding, but such participation shall not relieve the City of any obligation imposed by this Agreement. RMWD shall notify the City of any claim, action or proceeding and cooperate fully in the defense.

2. Claims Arising From Sole Acts or Omissions of RMWD

RMWD hereby agrees to defend and indemnify the City, its agents, officers and employees from any claim, action or proceeding against the City, arising solely out of the acts or omissions of RMWD in the performance of this Agreement. At its sole discretion, the City may participate at its own expense in the defense of any such claim, action or proceeding, but such participation shall not relieve RMWD of any obligation imposed by this Agreement. The City shall notify RMWD promptly of any claim, action or proceeding and cooperate fully in the defense.

3. Claims Arising From Concurrent Acts or Omissions

The City hereby agrees to defend itself, and RMWD hereby agrees to defend itself, from any claim, action or proceeding arising out of the concurrent acts or omissions of the City and RMWD. In such cases, the City and RMWD agree to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in paragraph 5, below.

4. Joint Defense

Notwithstanding paragraph 3, above, in cases where the City and RMWD agree in writing to a joint defense, the City and RMWD may appoint joint defense counsel to defend the claim, action or proceeding arising out of the concurrent acts or omissions of RMWD and the City. Joint defense counsel shall be selected by mutual agreement of the City and RMWD. The City and RMWD agree to share the costs for such joint defense and any agreed settlement in equal amounts, except as provided in paragraph 5, below. The City and RMWD further agree that neither party may bind the other to a settlement agreement without the written consent of both the City and RMWD.

5. Reimbursement and/or Reallocation

Where a trial verdict allocates or determines the comparative fault of the parties, the City and RMWD may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments and awards, consistent with such comparative fault.

E. Insurance

The City shall maintain, during the life of this Agreement, such public liability and property damage insurance as shall protect parties from claims for damages or personal injury, including accidental death, as well as from claims for property damage, which may arise from its operations under this Agreement, whether such operations be by the City or by any contractor or subcontractor or anyone directly or indirectly employed by the City. The amount of such insurance shall be as from time to time determined by the parties.

RMWD shall maintain, during the life of this Agreement, such public liability and property damage insurance as shall protect parties from claims for damages or personal injury, including accidental death, as well as from claims for property damage, which may arise from its operations under this Agreement, whether such operations be by RMWD or

by any contractor or subcontractor or anyone directly or indirectly employed by RMWD. The amount of such insurance shall be as from time to time determined by the parties.

F. Agreement Binding on All Parties

The provisions of this Agreement shall inure to the benefit of, and be binding upon, each of the parties and their successors and assigns.

G. Captions

The captions contained herein are for the convenience of the parties and shall not be considered in interpreting this Agreement, construed as part of this Agreement or as full or accurate descriptions of the terms hereof.

H. Prior Agreements

This Agreement supersedes the prior agreements of the parties and is substituted therefor, provided, however, all apportionment of costs, expenses or liability heretofore made or incurred shall not be affected by terms hereof.

I. Review

The chief executive officer of each party shall examine this Agreement at least every five (5) years and jointly report thereon to the governing Boards of the parties.

J. Amendments and/or Changes to Agreement

Any amendments and/or changes to this Agreement must be in writing, signed by a duly authorized representative of the parties hereto, and must expressly state the mutual intent of the parties to amend this Agreement as set forth herein.

K. Notice

1. Any notice required under this Agreement shall be written and shall be served either by personal delivery, mail or fax.

2. In the case of service by personal delivery or fax, no additional time, in days, shall be added to the time in which a right may be exercised and an act may be done.

3. In the case of the service by mail, notice must be deposited in a post office, mailbox, sub-post office, substation, or mail chute, or other like facility regularly maintained by the United States Postal Service, in a sealed envelope, with postage paid, addressed to the representative(s) of the a party on whom it is to be served, at the office set forth in Section 4 below. The service is complete at the time of deposit. Any period of notice and any right to duty to do any act or make any response within any period or on a date certain after service of notice by mail shall be extended five days. Any period of notice and any right or duty to do any act or make any response within any period or on a date certain after service of notice

by Express Mail or other method of delivery providing for overnight delivery shall be extended by two court days.

4. Any notice required this Agreement shall be served on the following representative(s) of the parties:

City of Oceanside:

Water Utilities Director
City of Oceanside Water Utilities Department
300 North Coast Highway
Oceanside, CA 92054

Rainbow Municipal Water District:

General Manager
Rainbow Municipal Water District
PO Box 2500
Fallbrook, CA 92088-2500

L. Construction of Agreement

Each party, with the assistance of competent legal counsel, has participated in the drafting of this Agreement and any ambiguity should not be construed for or against any Party on account of such drafting.

M. Severability

Should any non-material provision of the Agreement be held invalid or illegal, such invalidity or illegality shall not invalidate the whole of this Agreement, but, rather, the Agreement shall be construed as if it did not contain the invalid or illegal part, and the rights and obligations of the parties shall be construed and enforced accordingly.

N. Choice of Law

This Agreement shall be construed and enforced pursuant to the laws of the State of California.

O. Authority to Enter into Agreement

Each party represents and warrants that its respective obligations herein are legal and binding obligations of such party, that each party is fully authorized to enter into this Agreement, and that the person signing this Agreement hereinafter for each party has been duly authorized to sign this Agreement on behalf of said party.

P. Attorneys Fees

In any adversarial proceedings between the parties, the prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees. If there is no clear prevailing party, the Court shall determine the prevailing party and provide for the award of costs and reasonable attorneys' fees. In considering the reasonableness of either

party's request for attorneys' fees as a prevailing party, the Court shall consider the quality, efficiency, and value of the legal services and similar/prevaling rate for comparable legal services in the local community.

Q. Waiver of Breach

No waiver or indulgence of any breach or series of breaches of this Agreement shall be deemed or construed as a waiver of any other breach of the same or any other provision hereof or affect the enforceability of any part of all of this Agreement. No waiver shall be valid unless executed in writing by the waiving party.

R. Awareness of Contents/Legal Effect

The parties expressly declare and represent that they have read the Agreement and that they have consulted with their respective counsel regarding the meaning of the terms and conditions contained herein. The parties further expressly declare and represent that they fully understand the content and effect of this Agreement and they approve and accept the terms and conditions contained herein, and that this Agreement is executed freely and voluntarily.

Section XIV. Signatures

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and execute this Agreement on behalf of the respective legal entities of the Rainbow Municipal Water District and the City of Oceanside.

**RAINBOW MUNICIPAL
WATER DISTRICT**

CITY OF OCEANSIDE

BY: _____
SIGNATURE

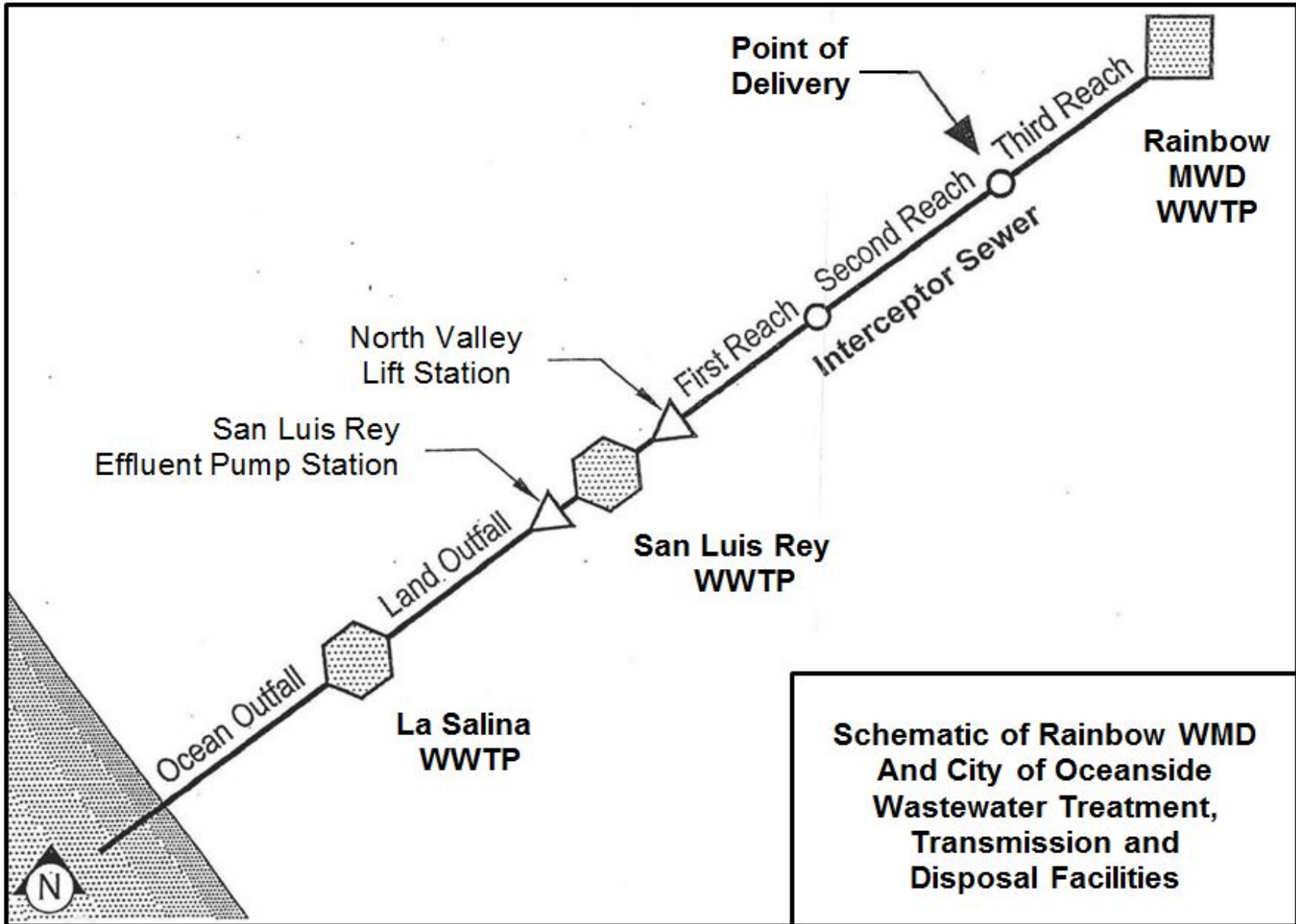
BY: _____
MICHELLE LAWRENCE CITY
MANAGER

TOM KENNEDY
GENERAL MANAGER

ATTEST: CITY CLERK

APPROVED AS TO FORM:
ALFRED SMITH
GENERAL COUNSEL

APPROVED AS TO FORM
CITY ATTORNEY



ALLOWABLE INFILTRATION

The average specification allowance is 500 gallons per day (gpd) in diameter inch per mile (ASCE, Design and Construction of Sanitary and Storm Sewers). This would appear, to be a good estimate of the average infiltration into Reaches One and Two, without making detailed, time-consuming measurements of the actual system.

DETERMINATION OF INFILTRATION FLOWS

Based on the figure of 500 gallons per day in diameter inch per mile, the total infiltration flows shall be as follows:

Reach One:
(500 gpd/in/mile) (54.779 in-miles) = 27,390 GPD

Reach Two:
(500 gpd/in/mile) (16.405 in-miles) = 8,203 GPD

ALLOCATION OF INFILTRATION FLOWS

- a. Reach One: Since District's capacity in this reach is 10.00% of design capacity, it shall be assumed that District's share of the infiltration flow in this reach shall be 10.00%.
 $(10.00\%) (27,390 \text{ GPD}) = 2,739 \text{ GPD}$
- b. Reach Two: Since District's capacity in this reach is 58.25% of design capacity, it shall be assumed that District's share of the infiltration flow in this reach shall be 58.25%.
 $(58.25\%) (8,203 \text{ GPD}) = 4,778 \text{ GPD}$
- c. District's total infiltration flow allocation of $2,739 + 4,778 = 7,517 \text{ GPD}$ shall be added to the measured flow at the Point of Delivery to determine the gallonage for which the District shall be billed.

Exhibit "C"

ALLOCATION OF INFILTRATION / INFLOW FOR INTERCEPTOR SEWER REACH ONE AND REACH TWO BETWEEN DISTRICT AND CITY

REACH ONE

STA 4+ 58.20 to STA 104 + 80.62

STA 4 + 58.20 to STA 66 + 68.21 —> 30" Ø

STA 66 + 68.21 to STA 104 + 80.62 —> 27" Ø

6210.01' of 30" Ø —> 19.495 in-miles

3812.41' of 27" Ø —> 35.284 in-miles

TOTAL 54.779 in-miles

REACH TWO

STA 104+ 80.62 to STA 148 + 28.04

STA 104 + 80.62 to STA 132 + 69.19 —> 21" Ø

STA 132 + 69.19 to STA 148 + 28.04 —> 18" Ø

2788.57' of 21" Ø —> 11.091 in-miles

1588.85' of 18" Ø —> 5.314 in-miles

TOTAL 16.405 in-miles

Exhibit "C"

**Calculation of Rainbow Municipal Water District
Annual Cost Based on FY02 Budget**

1. Capacity Cost – Based on Equivalent Meters

	Equivalent Meters	Unit Cost	RMWD Annual Cost
City of Oceanside	50,869.50		
Rainbow MWD	2,852.50	5.3%	
	<u>53,722.00</u>		
Capacity Cost	\$668,203	12.44	
Rainbow Annual Cost			\$ 35,479.87

2. Customer Cost – Based on Number of Customers

	No. Customers	Unit Cost	RMWD Annual Cost
City of Oceanside	38,218		
Rainbow MWD	1		
	<u>38,219</u>		
Customer Cost	\$611,787	\$16.01	
Rainbow Annual Cost			\$ 16.01

3. Transmission System Cost (North Valley Pump Station)

	Annual Flow (MG)*	Unit Cost	RMWD Annual Cost
North Valley Pump Station	965.91		
Rainbow MWD	272.54	28.2%	
Transmission Costs	\$172,639.39	\$178.73	
Rainbow Annual Cost			\$ 48,711.44

Formula: (Transmission Cost/North City Annual Flow x RMWD Flow)

Exhibit "C"

**Calculation of Rainbow Municipal Water District
Annual Cost Based on FY02 Budget**

*Based on FY01 flows

4. Treatment Cost (Based on Flow and Sewage Strength)

	Annual Flow (MG) and Strength (lbs.)	Allocation %	Unit Cost
Treatment Cost	\$8,268,118		
Total System			
Flow (MG)	5,513.683	35.7%	\$ 535.344
BOD (lbs.)	10,307,969.346	38.3%	\$ 0.307
SS (lbs.)	9,299,451.409	26.0%	\$ 0.231
Rainbow Contribution			Annual Cost
Flow (MG)	272.537		\$ 145,901.10
BOD (lbs.)	454,476.782		\$ 139,649.56
SS (lbs.)	454,576.782		\$ 105,082.39
Rainbow Annual Cost			\$ 390,633.06

Formula: Rainbow Annual Treatment Cost Determination:

(Treatment Cost x 35.7% / Flow x Rainbow Flow) +

(Treatment Cost x 38.3% / BOD Annual Capacity x Rainbow Annual BOD

Contribution + (Treatment Cost x 26% / SS Annual Capacity x Rainbow Annual
SS Contribution)

Based on 200 mg/l BOD & 200 MGL TSS

Exhibit "C"

**Calculation of Rainbow Municipal Water District
Annual Cost Based on FY02 Budget**

5. Annual Replacement Reserve Contribution Calculation:

	Lineal Feet	Pipe Size	Dep. Per Foot	Annual Dep.
Reach One				
	6,210.01	30"	\$ 17.02	\$ 105,694.37
	3,812.41	27"	\$ 16.10	\$ 61,379.80
Reach Two				
	2,788.57	21"	\$ 11.50	\$ 32,068.56
	1,558.85	18"	\$ 18.48	\$ 28,807.55
Land Outfall				
	33,384.00	24"	\$ 13.87	\$ 463,036.08
	400.00	27"	\$ 16.10	\$ 6,440.00
Ocean Outfall				
	8,314.00	36"	\$ 34.22	\$ 284,505.08
Pump Stations				
Buildings and Structures				\$ 840,748.64
Improvements Other Than Buildings				\$ 721,800.67
Furniture, Fixtures & Office Equipment				\$ 26,593.55
Other Machiner & Equipment				
Services and Connections				
Total Annual Depreciation				\$ 1,589,142.86
Unit Cost Per MG				\$ 466.31
Rainbow Annual Cost				\$ 127,086.17

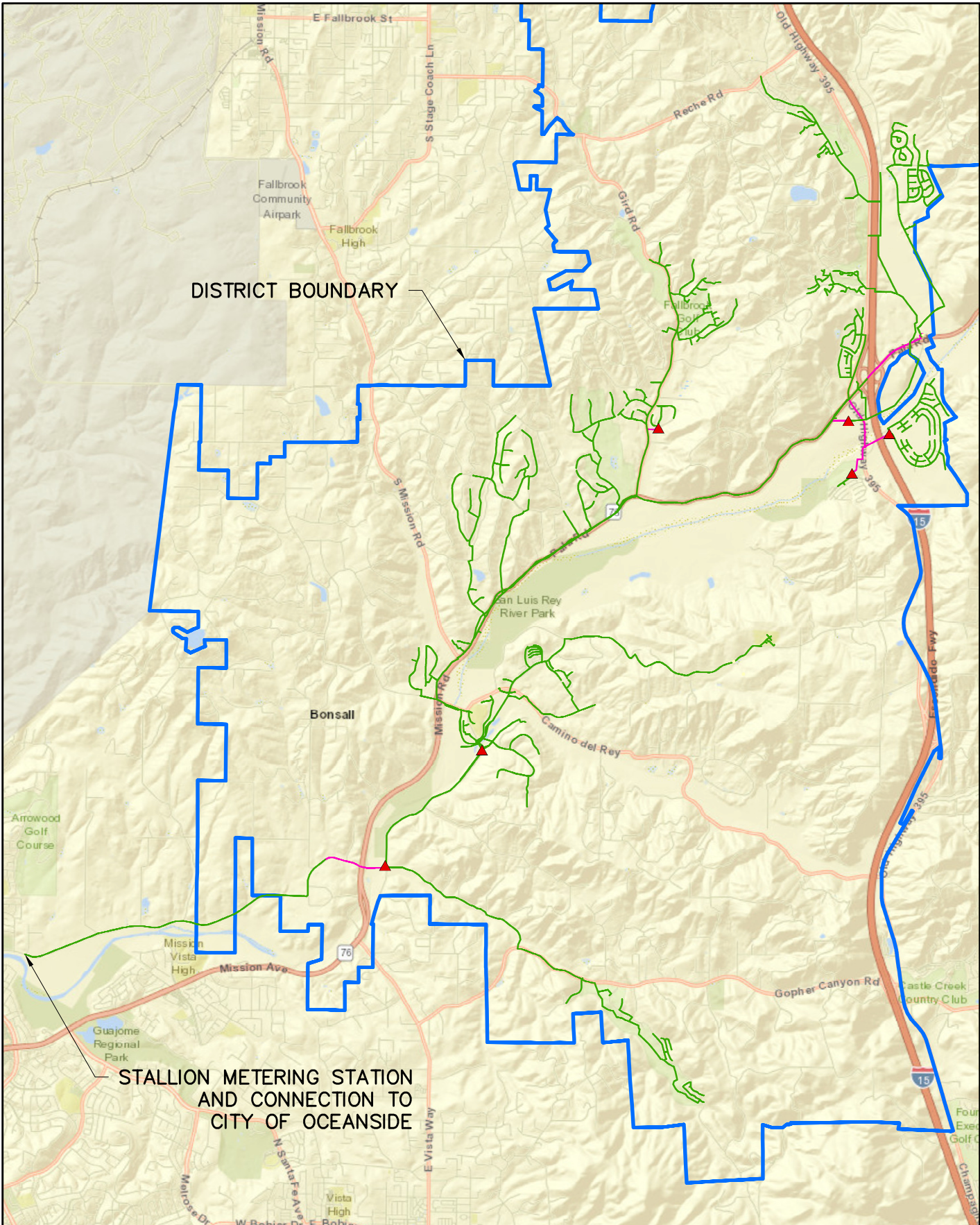
Formula: (Total Depreciation/Total Flow in MG x Rainbow Annual Flow)

Exhibit "C"

**Calculation of Rainbow Municipal Water District
Annual Cost Based on FY02 Budget**

Summary of Costs:

Fixed Service Charge	Monthly	Annual
Capacity Cost	\$ 2,956.66	\$ 35,479.87
Customer Cost	\$ 1.33	\$ 16.01
	<u>\$ 2,957.99</u>	<u>\$ 35,495.88</u>
Commodity Cost	Per MG	Annual
Collection	\$ 178.73	\$ 48,711.44
Treatment	\$ 1,433.32	\$ 390,633.06
Replacement	\$ 466.31	\$ 127,086.17
	<u>\$ 2,078.36</u>	<u>\$ 566,430.67</u>
Total Estimated Annual Cost		<u>\$ 601,926.55</u>



DISTRICT BOUNDARY

STALLION METERING STATION AND CONNECTION TO CITY OF OCEANSIDE



RAINBOW MUNICIPAL WATER DISTRICT
WASTEWATER SYSTEM
 Page 91 of 321

EXHIBIT D

JANUARY 2019



BOARD ACTION

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

DISCUSSION AND POSSIBLE APPOINTMENT OF BOARD OFFICERS AND REPRESENTATIVES

BACKGROUND

Administrative Code Policy Section 3.01.020.01 - Bi Annual Organizational Meeting states the Board of Directors shall hold an organizational meeting at its regular meeting in January of the odd numbered year or as determined by the Board. At this meeting the Board will elect a President and Vice President from among its members to serve until the next biannual meeting and may appoint the Executive Assistant as the Board's Secretary and the Finance Manager as its Treasurer.

DESCRIPTION

Due to the November 6, 2018 election results with a change in the Board of Directors and Administrative Code Section 3.01.020.01, the Board will need to consider appointments of the Board Officers and Representatives as well as Board Member committee assignments.

At their December 4, 2018 meeting, the Board approved the appointment of Tracy Largent, Finance Manager, as the District's Treasurer.

The positions under consideration are as follows:

Board President	Board Vice-President
Board Secretary	Treasurer
CSDA Representative	Santa Margarita River Watershed Watermaster Steering Committee
LAFCO Representative	San Luis Rey Watershed Council and Alternate
SDCWA Representative	ACWA Representative and Alternate
Communications and Customer Service Committee	Budget and Finance Committee
Engineering and Operations Committee	

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

Administrative Code: Section 3.01.020.01 – Bi-Annual Organizational Meeting
Section 2.09 - Committees

BOARD OPTIONS/FISCAL IMPACTS

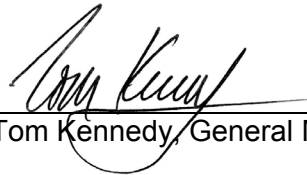
Make and accept appointment nominations for Board consideration and action.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff supports direction.



Tom Kennedy, General Manager

January 22, 2019

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

CONSIDER ESTABLISHING THE 2019 REGULAR BOARD MEETING SCHEDULE

BACKGROUND

Regular Meetings of the Board of Directors are currently scheduled for the fourth Tuesday of each month with the November and December meetings combined and held on the first Tuesday in December of each calendar year.

DESCRIPTION

The Board will consider establishing the 2019 Regular Board Meeting schedule to include possibly rescheduling the September 24, 2019 meeting to accommodate for Board Member attendance at the CSDA 2019 Annual Conference in Anaheim, California on September 25-28, 2019 as well as combining the November and December 2019 meetings to be held on Tuesday, December 3, 2019 at 1:00 p.m.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Six: Communication

Administrative Code Section 3.01.010 – Regular Meetings

BOARD OPTIONS/FISCAL IMPACTS

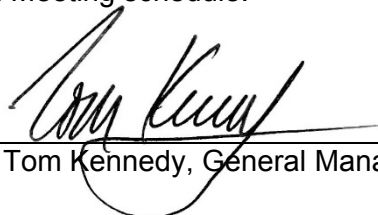
Establish the 2019 Regular Board Meeting schedule.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

The Board establish the 2019 Regular Board Meeting schedule.



Tom Kennedy, General Manager

January 22, 2019

RAINBOW MUNICIPAL WATER DISTRICT

2019 REGULAR BOARD MEETING SCHEDULE 4th Tuesday of the Month

~~ Meetings will begin at a time announced on each month's respective agenda for Closed Session items. Open Session items will start time certain at 1:00 p.m. ~~

January 22

February 26

March 26

April 23

May 28

June 25

July 23

August 27

September 24

October 22

*December 3

* The November and December Board meetings will be combined into one meeting to be held on December 3, 2019 (*per Board action taken on January 24, 2017*).

Special Meetings may be scheduled as needed.

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

PRESENTATION AND ACCEPTANCE OF THE AUDIT REPORT AND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2018

BACKGROUND

Annually, the District contracts for the preparation of an independent audit and compilation of the year-end financial statements with a Certified Public Accountant (CPA) firm. This year the District authorized for the second year with White Nelson Diehl Evans LLP to conduct the fiscal year 2017-18 annual audit.

The Budget & Finance Committee considered and recommended the audited financial statements for acceptance for the year ended June 30, 2018 at the Board's November meeting.

DESCRIPTION

Annually, the District prepares the annual Financial Report for the District by an independent audit of the financial statements performed. This year's audit was performed by White Nelson Diehl Evans LLP.

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

The annual financial report is segregated into three sections: 1.) Introductory Section, including independent auditor's report; 2.) Financial Section, including the financial statements and notes; and 3.) required supplementary information.

The statements present a picture of the District's financial condition. The following are highlights of the District's financial condition that are depicted within the Fiscal Year 2017-18 audit.

- The District's ending net position was \$82,879,978.
- The District had a loss from operations in the amount of \$3,769,252 in the current year compared to a loss from operations of \$3,976,747 in the previous year. Included in current year loss is depreciation of \$3,648,435. The net loss disaggregated from depreciation was \$120,817.
- The District had a net increase in cash and investments of \$962,017 compared to a decrease of \$3,051,342 in the previous year. The favorable increase in the current year is due to an increase in water demand and proceeds from capital contributions.
- This year the District had \$3,066,497 worth of net additions to capital assets compared to \$425,652 last year.

This year the district implemented GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The changes for GASB 75 are designed to standardize the way OPEB expense is calculated and displayed in order to have consistency and comparability between reporting entities. Part of this implementation required a prior period adjustment to remove the prior OPEB liability of \$369,558 from the Statement of Net Position and restate it at \$709,869 using the new guidelines.

Audit adjustments – The District, in conjunction with the District’s external audit firm, made two adjustments during the audit. The first adjustment decreases Developer Deposits and increased Cost Reimbursement Revenue in the amount of \$634,000 for revenue that should have been recognized as expenses that were incurred on the Highway 76 project. The second adjustment was for connection fee revenue in the amount of \$2,750,000 associated with an acquisition agreement that was determined incomplete; the revenue should not be recognized until the required work is performed.

The audit received an unqualified opinion of the representation of the financial records. An unqualified opinion indicates that the financial records have been maintained in accordance with the standards known as Generally Accepted Accounting Principles (GAAP).

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

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

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

BOARD OPTIONS/FISCAL IMPACTS

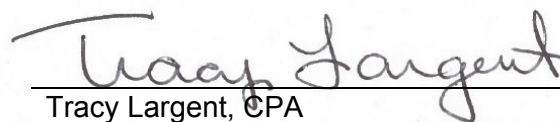
Board option of non-acceptance would result in no changes to the numbers presented within the audit itself.

ATTACHMENTS

- Audited Financial Report FY 18
- Management Letter
- Other Comments Letter
- Communication with those Charged with Governance Letter

STAFF RECOMMENDATION

Staff recommends the Board of Directors accept the June 30, 2018 audit of the District by the CPA firm of White Nelson Diehl Evans LLP.



Tracy Largent, CPA
Finance Manager

January 22, 2019



Rainbow Municipal Water District

Annual Financial Report

**For the Fiscal Year Ended
June 30, 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

We have audited the accompanying financial statements of Rainbow Municipal Water District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rainbow Municipal Water District as of June 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Notes 1c, 7 and 11 to the financial statements, the District adopted Governmental Accounting Standards Board's Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which required retrospective application resulting in a \$340,311 reduction of previously reported net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Proportionate Share of the Net Pension Liability - Defined Benefit Pension Plans, Schedule of Contributions - Defined Benefit Pension Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions - OPEB, be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on Management's Discussion and Analysis, Schedule of the Proportionate Share of the Net Pension Liability - Defined Benefit Pension Plans, Schedule of Contributions - Defined Benefit Pension Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions - OPEB because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

White Nelson Dick Evans LLP

Carlsbad, California
December 17, 2018

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

As management of the Rainbow Municipal Water District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Required Supplemental Information.

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

FINANCIAL HIGHLIGHTS

The District's ending net position was \$82,879,978.

The change in net position for the fiscal year was a decrease of \$406,092.

The District had a loss from operations in the amount of \$3,769,252 in the current year compared to a loss from operations of \$3,976,747 in the previous year.

This year the District had \$3,066,497 worth of net additions to capital assets compared to \$425,652 last year.

In addition to the 457 plan, the District introduced a deferred compensation plan in accordance with Internal Revenue Code Section 401(a) in 2018. This plan is administered through National Benefits Services and is available to all employees hired after July 1, 2012. Non-exempt employees hired on or before June 30, 2012 have the option of participating in the plan by waiving the retirement medical reimbursement benefit.

This year the district implemented GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The changes for GASB 75 are designed to standardize the way OPEB expense is calculated and displayed in order to have consistency and comparability between reporting entities. Part of this implementation required a prior period adjustment to remove the prior OPEB liability of \$369,558 from the Statement of Net Position and restate it at \$709,869 using the new guidelines.

OVERVIEW OF FINANCIAL STATEMENTS

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

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

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

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

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

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

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

DISTRICT'S FINANCIAL ANALYSIS

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

The District's net position from the prior fiscal year decreased by 0.5%. Operating revenue for this fiscal year increased 15.2% over the prior year.

Operating expenses increased by 13.1% from the prior year due to increased wholesale cost of water purchases as a result of the increase in water sales. Non-operating expenses decreased by 85.1% or \$1,949,975 due to previous year's abandonment of capital assets.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

DISTRICT'S FINANCIAL ANALYSIS (continued)

Statement of Net Position

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

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

Net position may serve over time, as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$82,879,978 as of June 30, 2018.

Total liabilities increased as a result of the increase to the District's pension and OPEB liability. The fiscal year 2018 Net Pension Liability had an increase of \$1.02 million compared to fiscal year 2017 and an increase of \$2.44 million compared to fiscal year 2016. Net Pension Liability is reported at \$7,031,525 million for Fiscal Year 2018 and it is based on the District's proportionate share of the net pension liability for the Miscellaneous Classic and PEPRA plans under the CalPERS retirement program. The District's Net Pension Liability was \$6,009,026 and \$4,584,303 for fiscal years 2017 and 2016, respectively.

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

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

DISTRICT'S FINANCIAL ANALYSIS (continued)

**Table 1
Condensed Statement of Net Position**

	2018	2017	\$ Change	% of Change
ASSETS				
Current assets	\$ 35,910,134	\$ 33,878,794	\$ 2,031,340	6.0%
Noncurrent assets	81,135,315	81,717,253	(581,938)	-0.7%
TOTAL ASSETS	<u>117,045,449</u>	<u>115,596,047</u>	<u>1,449,402</u>	1.3%
DEFERRED OUTFLOWS OF RESOURCES				
	2,605,346	2,350,628	254,718	10.8%
LIABILITIES				
Current liabilities	6,965,292	6,499,958	465,334	7.2%
Noncurrent liabilities	29,370,060	27,702,708	1,667,352	6.0%
TOTAL LIABILITIES	<u>36,335,352</u>	<u>34,202,666</u>	<u>2,132,686</u>	6.2%
DEFERRED INFLOW OF RESOURCES				
	435,465	457,939	(22,474)	-4.9%
NET POSITION				
Net investment in capital assets	65,399,076	65,217,530	181,546	0.3%
Restricted for future capacity	894,491	894,491	-	0.0%
Unrestricted	16,586,411	17,174,049	(587,638)	-3.4%
TOTAL NET POSITION	<u>\$ 82,879,978</u>	<u>\$ 83,286,070</u>	<u>\$ (406,092)</u>	-0.5%

Statement of Revenues, Expenses and Changes in Net Position

The District's total operating revenues for the fiscal year ended June 30, 2018, excluding inter-fund transfers, increased by \$5,476,417 to \$41,617,724. This was due primarily to the increased water sales to customers.

The District's total operating expenses increased by \$5,268,922 to \$45,386,976 due to the increased wholesale cost of water purchases as a result of the increase in water sales.

The loss from operations was \$3,769,252.

The following table presents a summary of the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2018:

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

DISTRICT'S FINANCIAL ANALYSIS (continued)

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

	2018	2017	\$ Change	% of Change
OPERATING REVENUES	\$ 41,617,724	\$ 36,141,307	\$ 5,476,417	15.2%
OPERATING EXPENSES	(45,386,976)	(40,118,054)	(5,268,922)	13.1%
NON-OPERATING REVENUES	946,292	925,203	21,089	2.3%
NON-OPERATING EXPENSES	(342,414)	(2,292,389)	1,949,975	-85.1%
INCOME BEFORE CAPITAL CONTRIBUTIONS	(3,165,374)	(5,343,932)	2,178,558	-40.8%
CAPITAL CONTRIBUTIONS	2,972,963	156,302	2,816,661	1802.1%
CHANGES IN NET POSITION	(192,411)	(5,187,630)	4,995,219	-96.3%
NET POSITION, BEGINNING	83,286,070	93,254,051	(9,967,981)	-10.7%
PRIOR PERIOD ADJUSTMENT	(213,681)	(4,780,351)	4,566,670	-95.5%
NET POSITION, BEG. RESTATED	83,072,389	88,473,700	(5,401,311)	-6.1%
TOTAL NET POSITION, ENDING	\$ 82,879,978	\$ 83,286,070	\$ (406,092)	-0.5%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

**Table 3
Changes in Capital Assets**

	2018	2017	\$ Change	% of Change
Land	\$ 1,977,490	\$ 1,977,490	\$ -	0.0%
Construction in progress	3,187,889	3,150,012	37,877	1.2%
Buildings and improvements	1,026,247	969,773	56,474	5.8%
Reservoir, pipelines, and tanks	142,994,055	141,120,689	1,873,366	1.3%
Meters	1,074,936	622,478	452,458	72.7%
Equipment	4,335,822	3,989,111	346,711	8.7%
Investment in sewer rights	8,111,102	7,811,490	299,612	3.8%
Less: accumulated depreciation	(81,572,225)	(77,923,790)	(3,648,435)	4.7%
Total capital assets, net	\$ 81,135,315	\$ 81,717,253	\$ (581,937)	-0.7%

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt

**Table 4
Changes in Debt**

	2018	2017	\$ Change	% of Change
Loan Payable SRF Morro	\$ 8,968,676	\$ 9,403,814	\$ (435,138)	-4.6%
Loan Payable SRF Beck	6,767,563	7,095,909	(328,346)	-4.6%
Total debt	<u>\$ 15,736,239</u>	<u>\$ 16,499,723</u>	<u>\$ (763,484)</u>	-4.6%

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's Board of Directors and management considered many factors when setting the fiscal year 2018 budget, user fees, and charges. These indicators were taken into consideration when adopting the District's budget for year 2019.

CONTACTING THE DISTRICT

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

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF NET POSITION June 30, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 11,898,761
Restricted cash and cash equivalents	894,491
Investments	13,357,047
Accounts receivable - water and sewer, net	7,637,920
Interest receivable	124,745
Taxes and assessments receivable	11,211
Other receivables	216,920
Inventories	1,478,854
Prepaid expenses	290,185
Total Current Assets	<u>35,910,134</u>

Noncurrent Assets:

Capital assets:

Land	1,977,490
Construction in progress	3,187,889
Buildings and improvements	1,026,246
Reservoir, pipelines, and tanks	142,994,055
Meters	1,074,936
Equipment	4,335,822
Investment in sewer rights	8,111,102
Less: accumulated depreciation	<u>(81,572,225)</u>
Total Noncurrent Assets	<u>81,135,315</u>
Total Assets	<u>117,045,449</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts from pension	<u>2,605,346</u>
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(Continued)

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF NET POSITION (Continued)
June 30, 2018

LIABILITIES

Current liabilities:

Accounts payable	\$ 6,279,655
Accrued expenses	201,945
Construction meter deposits	90,294
Developer deposits	5,652
Current portion of notes payable	387,746
Total Current Liabilities	<u>6,965,292</u>

Noncurrent Liabilities:

Net OPEB liability	719,601
Compensated absences	440,203
Net pension liability	7,031,525
Prepaid capacity fees	5,830,238
Notes payable, net of current portion	15,348,493
Total Noncurrent Liabilities	<u>29,370,060</u>
Total Liabilities	<u>36,335,352</u>

DEFERRED INFLOWS OF RESOURCES

Deferred amounts on pension	<u>435,465</u>
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NET POSITION

Net investment in capital assets	65,399,076
Restricted	894,491
Unrestricted	16,586,411
Total Net Position	<u>\$ 82,879,978</u>

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the year ended June 30, 2018

OPERATING REVENUES

Water sales	\$ 38,105,712
Wastewater revenue	2,520,622
Other operating revenue	991,390
Total Operating Revenues	<u>41,617,724</u>

OPERATING EXPENSES

Cost of purchased water sold	27,040,873
Water pumping	591,529
Transmission and distribution	4,777,964
Meter services	1,003,899
Sewer collection services	1,646,593
General and administrative	4,272,246
Engineering	1,254,293
Finance	601,322
Customer service	549,822
Depreciation	3,648,435
Total Operating Expenses	<u>45,386,976</u>
Operating Income (Loss)	<u>(3,769,252)</u>

NONOPERATING REVENUES (EXPENSES)

Property tax revenue	616,027
Investment income	(27,761)
Other nonoperating revenue	358,026
Interest expense	(342,414)
Total Nonoperating Revenues (Expenses)	<u>603,878</u>
Income Before Capital Contributions	(3,165,374)
Capital Contributions	<u>2,972,963</u>
Changes in Net Position	<u>(192,411)</u>
Net Position, Beginning of Year, As Originally Stated	83,286,070
Prior Period Adjustment	<u>(213,681)</u>
Net Position, Beginning of Year, As Restated	<u>83,072,389</u>
Net Position, End of year	<u>\$ 82,879,978</u>

The accompanying notes are an integral part of the financial statements.

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF CASH FLOWS For the year ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers for water sales and service	\$ 40,184,542
Payments for the purchase of water	(26,420,040)
Payments to vendors and suppliers for materials and services	(5,891,512)
Payments for employee wages, benefits and related costs	(7,507,874)
	<hr/>
Net Cash Provided (Used) by Operating Activities	365,116

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from property taxes	<hr/> 615,519
Net Cash Provided (Used) by Noncapital Financing Activities	<hr/> 615,519

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(3,066,497)
Proceeds from capital contributions	3,857,878
Other nonoperating revenue	358,026
Principal paid on notes payable	(763,484)
Interest paid on notes payable	(342,414)
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	43,509

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(7,023,529)
Proceeds from sales and maturities of investments	6,053,000
Interest received	280,822
	<hr/>
Net Cash Provided (Used) by Investing Activities	(689,707)
Net Increase (Decrease) in Cash and Cash Equivalents	334,437
Cash and Cash Equivalents, Beginning of Year	<hr/> 12,458,815
Cash and Cash Equivalents, End of Year	<hr/> <u>\$ 12,793,252</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

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RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF CASH FLOWS (Continued) For the year ended June 30, 2018

Reconciliation of operating income (loss) to net cash flows provided (used) by operating activities:

Operating Income (Loss)	\$ (3,769,252)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation and amortization	3,648,435
GASB 68 pension and GASB 75 OPEB adjustments	755,039
Changes in operating assets and liabilities:	
(Increase) Decrease in operating assets:	
Accounts receivable	(1,253,728)
Other receivables	(179,454)
Inventory	381,250
Prepaid expenses	144,113
Increase (Decrease) in operating liabilities:	
Accounts payable	720,198
Accrued expenses	(56,628)
Compensated absences	(28,392)
Construction meter deposits	3,535
Net Cash Provided (Used) by Operating Activities	<u>\$ 365,116</u>

Reconciliation to Statement of Net Position

Cash and cash equivalents	\$ 11,898,761
Restricted cash and cash equivalents	894,491
Total cash and cash equivalents	<u>\$ 12,793,252</u>

The accompanying notes are an integral part of the financial statements.

June 30, 2018

1. Summary of Significant Accounting Policies

a. Organization

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

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

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

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

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

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

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

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

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

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

Net Investment in Capital Assets

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

1. Summary of Significant Accounting Policies (Continued)
- b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Restricted Net Position

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

Unrestricted Net Position

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

- c. New Accounting Pronouncements:

Current Year Standards:

- GASB Statement No. 75 – “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*,” effective for periods beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for postemployment benefits other than pensions. Accounting changes adopted to conform to the implementation of this statement should be applied retroactively. The result of the implementation of this statement decreased net position at July 1, 2017 of the District by \$340,311.
- GASB Statement No. 81 – “*Irrevocable Split-Interest Agreements*,” effective for periods beginning after December 15, 2016, and this did not impact the District.
- GASB Statement No. 82 – “*Pension Issues*,” effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017, and did not impact the District.
- GASB Statement No. 85 – “*Omnibus 2017*,” effective for periods beginning after June 15, 2017, and did not impact the District.
- GASB Statement No. 86 – “*Certain Debt Extinguishment Issues*,” effective for periods beginning after June 15, 2017, and did not impact the District.

Pending Accounting Standards:

GASB has issued the following statements which may impact the District’s financial reporting requirements in the future:

- GASB 83 – “*Certain Asset Retirement Obligations*” effective for periods beginning after June 15, 2018.
- GASB 84 – “*Fiduciary Activities*” effective for periods beginning after December 15, 2018.
- GASB 87- “*Leases*,” effective for periods beginning after December 15, 2019.
- GASB 88 – “*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*” effective for periods after June 15, 2018.
- GASB 89 – “*Accounting For Interest Cost Incurred before the End of a Construction Period*” effective for periods beginning after December 15, 2019.
- GASB 90 – “*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*” effective for periods beginning after December 15, 2018.

1. Summary of Significant Accounting Policies (Continued)

d. Deferred Outflows/Inflows of Resources:

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

- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.
- Deferred outflow related to pensions for changes in proportion. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2017.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2017.
- Deferred outflows from pensions resulting from the changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

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

- Deferred inflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2017.
- Deferred inflows from pensions resulting from the changes in assumptions and differences between employer contributions and proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

1. Summary of Significant Accounting Policies (Continued)

e. Cash, Cash Equivalents and Investments

Cash and cash equivalents

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

State Investment Pool

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

Investment Valuation

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

f. Water Sales

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

g. Allowance for Doubtful Accounts

The District recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. Water and sewer accounts receivable at June 30, 2018 have been reduced by an allowance for doubtful accounts of \$252,976.

h. Inventories

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

i. Prepaid Expenses

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

j. Restricted Assets

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

1. Summary of Significant Accounting Policies (Continued)

k. Capital Assets and Depreciation

Capital assets are valued at cost when constructed or purchased. Donated assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are valued at their estimated fair market value on the date accepted. The District capitalizes all assets with a historical cost of at least \$5,000 and a useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

Buildings	10-50 years
Water Systems	10-50 years
Improvement of Sites	7-25 years
Equipment	5-10 years
Capacity Rights	17 years

l. Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Changes in compensated absences for the year ended June 30, 2018, were as follows:

Balance		Balance	
July 1, 2017	Additions	Deletions	June 30, 2018
\$ 468,595	\$ 36,757	\$ (65,149)	\$ 440,203

m. Capital Contributions and Capacity Fee Liability

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

n. Property Taxes

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

1. Summary of Significant Accounting Policies (Continued)**o. Pensions**

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

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. As of June 30, 2018, the following timeframes are used:

Valuation Date (VD) June 30, 2016
Measurement Date (MD) June 30, 2017
Measurement Period (MP) July 1, 2016 to June 30, 2017

p. Other Postemployment Benefits

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

q. Interest Expense

The District incurs interest charges on long-term debt. Interest expense for the year ended June 30, 2018 was \$342,414 and was reflected as nonoperating on the Statement of Revenues, Expenses and Changes in Net Position. The District did not capitalize any interest during the year ended June 30, 2018.

r. Use of Estimates

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

2. Cash, Cash Equivalents, and Investments

Cash and investments at June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:	<u>2018</u>
Current Assets:	
Cash and cash equivalents	\$ 11,898,761
Restricted cash and cash equivalents	894,491
Investments	<u>13,357,047</u>
Total cash and investments	<u>\$ 26,150,299</u>

Cash and investments consist of the following:

Cash on hand	\$ 1,200
Deposits with financial institutions	4,299,026
Investments	<u>21,850,073</u>
Total cash and investments	<u>\$ 26,150,299</u>

Investments Authorized by the California Government Code and the District’s Investment policy:

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy.

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

2. Cash, Cash Equivalents, and Investments (Continued)

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy.

Disclosures Relating to Interest Rate Risk:

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

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity at June 30, 2018.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Local Agency Investment Fund (LAIF)	\$ 7,598,535	\$ 7,598,535	\$ -	\$ -	\$ -
Money Market Mutual Funds	894,491	894,491	-	-	-
Negotiable Certificates of Deposit	2,876,379	-	-	2,876,379	-
Medium-Term Notes	4,755,471	-	-	4,755,471	-
U.S. Sponsored Entities	5,725,197	-	495,015	5,230,182	-
Total	\$ 21,850,073	\$ 8,493,026	\$ 495,015	\$ 12,862,032	\$ -

2. Cash, Cash Equivalents, and Investments (Continued)

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s Investment Policy, or debt agreements, and the Moody’s rating for each investment type at June 30, 2018.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End				
			Exempt from Disclosure	AAA	AA	A	Not Rated
Local Agency Investment Fund (LAIF)	\$ 7,598,535	N/A	\$ -	\$ -	\$ -	\$ -	\$ 7,598,535
Money Market Mutual Funds	894,491	N/A	-	-	-	-	894,491
Negotiable Certificates of Deposit	2,876,379	N/A	-	967,185	-	-	1,909,194
Medium-Term Notes	4,755,471	A2	-	-	1,919,065	2,836,406	-
U.S. Sponsored Entities	<u>5,725,197</u>	N/A	<u>-</u>	<u>5,725,197</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 21,850,073</u>		<u>\$ -</u>	<u>\$ 6,692,382</u>	<u>\$ 1,919,065</u>	<u>\$ 2,836,406</u>	<u>\$ 10,402,220</u>

Concentration of Credit Risk:

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. Investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments is as follows:

Issuer	Investment Type	2018
Federal National Mortgage Association	U.S. Govt Sponsored Entities	\$ 2,417,812
Federal Home Loan Mortgage Corporation	U.S. Govt Sponsored Entities	\$ 2,122,571

2. Cash, Cash Equivalents, and Investments (Continued)

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018, \$3,913,623 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

Fair Value Measurements:

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.
- Level 2: Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

2. Cash, Cash Equivalents, and Investments (Continued)

Fair Value Measurements (Continued):

The asset’s or liability’s level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the District’s management. District management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment or liability within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to District management’s perceived risk of that investment or liability.

The following is a description of the recurring valuation methods and assumptions used by the District to estimate the fair value of its investments. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by District management.

The District has no investments categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	June 30, 2018
Investments by Fair Value Level				
U.S. Government Sponsored				
Entity Securities				
FNMA	\$ -	\$ 2,417,812	\$ -	\$ 2,417,812
FHLB	-	991,430	-	991,430
FHLMC	-	2,122,571	-	2,122,571
FFCB	-	193,384	-	193,384
Negotiable Certificates of Deposit	-	2,876,379	-	2,876,379
Medium Term Notes	-	4,755,471	-	4,755,471
Total Investments by Fair Value Level	<u>\$ -</u>	<u>\$ 13,357,047</u>	<u>\$ -</u>	<u>13,357,047</u>
Investments measured at Cost or Net Asset Value (NAV)				
Local Agency Investment Fund (LAIF)				7,598,535
Money Market Mutual Funds				894,491
Total Investments at Cost or Net Assets Value (NAV)				<u>8,493,026</u>
Total Investments				<u>\$ 21,850,073</u>

3. Capital Assets

Changes in capital assets for the year ended June 30, 2018, were as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 1,977,490	\$ -	\$ -	\$ 1,977,490
Construction in progress	3,150,012	1,904,727	(1,866,850)	3,187,889
Total capital assets, not being depreciated	<u>5,127,502</u>	<u>1,904,727</u>	<u>(1,866,850)</u>	<u>5,165,379</u>
Capital assets, being depreciated:				
Buildings and improvements	969,773	56,473	-	1,026,246
Reservoirs pipelines, and tanks	141,120,689	1,873,366	-	142,994,055
Meters	622,478	452,458	-	1,074,936
Equipment	3,989,111	346,711	-	4,335,822
Investment in sewer rights	7,811,490	299,612	-	8,111,102
Total capital assets, being depreciated	<u>154,513,541</u>	<u>3,028,620</u>	<u>-</u>	<u>157,542,161</u>
Accumulated depreciation:				
Buildings and improvements	(890,124)	(29,583)	-	(919,707)
Reservoirs pipelines, and tanks	(72,512,514)	(3,198,519)	-	(75,711,033)
Meters	(338,185)	(54,013)	-	(392,198)
Equipment	(3,089,581)	(202,323)	-	(3,291,904)
Investment in sewer rights	(1,093,386)	(163,997)	-	(1,257,383)
Total accumulated depreciation	<u>(77,923,790)</u>	<u>(3,648,435)</u>	<u>-</u>	<u>(81,572,225)</u>
Total capital assets, being depreciated, net	<u>76,589,751</u>	<u>(619,815)</u>	<u>-</u>	<u>75,969,936</u>
Total capital assets, net	<u>\$ 81,717,253</u>	<u>\$ 1,284,912</u>	<u>\$ (1,866,850)</u>	<u>\$ 81,135,315</u>

Depreciation expense for depreciable capital assets was \$3,648,435 for the year ended June 30, 2018.

4. Long-Term Debt

Changes in long-term debt for the year ended June 30, 2018 were as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Loan Payable SRF Morro	\$ 9,403,814	\$ -	\$ (435,138)	\$ 8,968,676	\$ 220,991
Loan Payable SRF Beck	<u>7,095,909</u>	<u>-</u>	<u>(328,346)</u>	<u>6,767,563</u>	<u>166,755</u>
Total	<u>\$ 16,499,723</u>	<u>\$ -</u>	<u>\$ (763,484)</u>	<u>\$ 15,736,239</u>	<u>\$ 387,746</u>

a. *SRF Morro Loan Payable*

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$10,246,413 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. At June 30, 2018, the amount outstanding was \$8,968,676.

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ 220,991	\$ 93,871	\$ 314,862
2020	448,945	180,778	629,723
2021	458,392	171,331	629,723
2022	468,038	161,685	629,723
2023	477,886	151,837	629,723
2024-2028	2,544,570	604,045	3,148,615
2029-2033	2,823,797	324,817	3,148,614
2034-2035	1,526,057	48,250	1,574,307
Total	<u>\$ 8,968,676</u>	<u>\$ 1,736,614</u>	<u>\$ 10,705,290</u>

b. *SRF Beck Loan Payable*

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$7,731,716 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. At June 30, 2018, the amount outstanding was \$6,767,563.

4. Long-Term Debt (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 166,755	\$ 70,833	\$ 237,588
2020	338,764	136,411	475,175
2021	345,892	129,283	475,175
2022	353,171	122,004	475,175
2023	360,602	114,573	475,175
2024-2028	1,920,076	455,799	2,375,875
2029-2033	2,130,775	245,100	2,375,875
2034-2035	1,151,528	36,408	1,187,936
Total	<u>\$ 6,767,563</u>	<u>\$ 1,310,411</u>	<u>\$ 8,077,974</u>

5. Inventories

Inventories at June 30, 2018 consisted of the following:

	<u>2018</u>
Water inventory	\$ 426,372
Materials inventory	<u>1,052,482</u>
	<u>\$ 1,478,854</u>

6. Defined Benefit Pension Plans

A. General Information about the Pension Plan

Plan Description

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA Miscellaneous Plan On or After January</u>
Hire date	Prior to January 1, 2013	1, 2013
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.944%	6.25%
Required employer contribution rates	10.069%	6.555%

6. Defined Benefit Pension Plans (Continued)

A. General Information about the Pension Plan (Continued)

Contributions

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

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

As of June 30, 2018, Rainbow Municipal Water District reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	<u>2018</u>
Classic & PEPRA Plans	\$ 7,031,525
Total Net Pension Liability	<u>\$ 7,031,525</u>

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District’ proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Rainbow Municipal Water District’s proportionate share of the net pension liability as of the measurement date ended June 30, 2016 and 2017 was as follows:

	<u>Classic & PEPRA Plans</u>
Proportion - June 30, 2016	0.172980%
Proportion - June 30, 2017	0.178370%
Change - Increase (Decrease)	0.005390%

6. Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2018, the District recognized pension expense of \$1,498,224. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 743,649	\$ -
Differences between actual and expected experience	10,454	(129,244)
Change in assumptions	1,119,864	(98,890)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	422,574	(207,331)
Net differences between projected and actual earnings on plan investments	308,805	-
Total	<u>\$ 2,605,346</u>	<u>\$ (435,465)</u>

\$743,649 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2019	\$ 483,339
2020	687,474
2021	402,618
2022	(147,199)
2023	-
Thereafter	-

Actuarial Assumptions

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability determined in the June 30, 2016 actuarial accounting valuation. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

6. Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Classic & PEPRA Plans
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	(1)
Mortality Rate Table	(1)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study (based on CalPERS demographic data from 1997 to 2011) available on the CalPERS website.
- (3) Contract COLA up to 2.75% until Purchasing Power Protection Allowances Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

Change of Assumptions

In fiscal year 2017-2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan and reflects the long-term expected rate of return for the each Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

6. Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

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

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

6. Defined Benefit Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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

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

	Classic & PEPR Plans
1% Decrease	6.15%
Net Pension Liability	\$ 10,722,916
Current Discount Rate	7.15%
Net Pension Liability	\$ 7,031,525
1% Increase	8.15%
Net Pension Liability	\$ 3,974,248

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan:

At June 30, 2018, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

7. Other Postemployment Benefits

Plan Description – Benefits

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

Exempt employees of the District retiring after the later of age 50 and 10 consecutive years of District service are eligible to receive a monthly District contribution towards the purchase of health insurance. Non-exempt employees of the District are eligible after the later of age 50 and 10 consecutive years of District service. The District contribution ends after ten (10) years of benefit payments have been made, even if retiree or spouse are still under age 65 at the time.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

7. Other Post-Employment Benefits (Continued)

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Measurement Date	<u>June 30, 2018</u>
Active Employees Fully Eligible	10
Active Employees Not Yet Eligible	38
Retired Plan Members	<u>6</u>
Total	<u><u>54</u></u>

Total OPEB Liability

The District’s OPEB liability of \$719,601 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.87%
Inflation	2.50%
Projected Salary Increase	3.50%
Expected long term investment rate of return	N/A
Healthcare Cost Trend Rates	7.70% PPO over first 5 years, grading uniformly over 10-year period to 5.00% overall rate
Pre-retirement Turnover	Derived from the July 1, 2015 Rainbow Municipal Water District Actuarial Valuation Report
Mortality	Derived from the RP-2014 Study, with Blue Collar Adjustment, improved generationally using MP-2016 Improvement Rates

The discount rate of 3.87% was based on The Bond Buyer 20-Bond GO Index and was updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

7. Other Post-Employment Benefits (Continued)

Changes in total OPEB Liability

The change in total OPEB liability are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at July 1, 2017	\$ 709,869	\$ -	\$ 709,869
Changes in the Year:			
Service cost	7,607		7,607
Interest on the total OPEB liability	26,991		26,991
Contribution - employer		24,866	(24,866)
Benefit payments	(24,866)	(24,866)	-
Net Changes	<u>9,732</u>	<u>-</u>	<u>9,732</u>
Balance at June 30, 2018	<u>\$ 719,601</u>	<u>\$ -</u>	<u>\$ 719,601</u>

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

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

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB Liability (Asset)	<u>\$ 777,827</u>	<u>\$ 719,601</u>	<u>\$ 668,503</u>

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

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (6.7% decreasing to 4%) or 1-percentage point higher (8.7% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (6.7% over first five years decreasing over 10 year period to 4%)	Healthcare Cost Trend Rates (7.7% over first five years decreasing over 10 year period to 5%)	1% Increase (8.7% over first five years decreasing over 10 year period to 6%)
Total OPEB Liability	<u>\$ 654,354</u>	<u>\$ 719,601</u>	<u>\$ 793,694</u>

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$34,598. At June 30, 2018, the District had no reported deferred outflows of resources and deferred inflows of resources related to OPEB

8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The District purchases commercial insurance for its exposure to risk other than those under the workers' compensation laws. Commercial insurance expense amounted to \$211,465 for the years ended June 30, 2018.

The District's workers' compensation risk exposure is handled by the District's participation in the Special District Risk Management Authority (SDRMA) established by the California Special Districts Association. SDRMA is a risk pooling joint powers authority formed under the California Government Code to provide workers' compensation coverage for SDRMA's member districts. SDRMA purchases excess insurance from commercial carriers to reduce its exposure to large losses. Workers' compensation expense amounted to \$126,630 for the year ended June 30, 2018.

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

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

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

Employee Dishonesty Coverage: \$1,000,000 million per loss includes Public Employee Dishonesty, Forgery or Alteration and Theft, Disappearance and Destruction coverage's effective July 1, 2017.

Property Loss: Replacement cost, for property on file, if replaced, and if not replaced within two years after the loss, paid on an actual cash value basis, to a combined total of \$1 Billion per occurrence, subject to a \$1,000 deductible per occurrence, effective July 1, 2017.

Boiler and Machinery: \$100 Million per occurrence, subject to a \$1,000 deductible per occurrence, effective July 1, 2017.

Public Officials Personal Liability: \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, deductible of \$1000 per claim, effective July 1, 2017.

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

Workers' Compensation Coverage and Employer's Liability: Statutory limits per occurrence for Workers' Compensation and \$5 Million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Certificate of Coverage, effective July 1, 2017.

9. Deferred Compensation Plan

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

All assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries. The District does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or perform the investment function. Therefore, the fair market value of the plan assets at June 30, 2018, in the amount of \$3,709,826, is not included in the District's financial statements.

10. Commitments and Contingencies

Tank Maintenance Commitments

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

Capacity Rights for Sewage Treatment

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

11. Restatement of Prior Year Financial Statements

The District recorded a prior period adjustment in the amount of \$213,681. This adjustment included a reduction of workers compensation insurance expense in the prior year in the amount of \$126,630 and a corresponding increase to fiscal year ended 6/30/2017 net position, and a \$340,311 decrease of fiscal year ended 6/30/2017 net position in the Net OPEB Liability relating to the District's implementation of GASB 75.

Required Supplementary Information

1. Schedule of Proportionate Share of the Net Pension Liability – Defined Benefit Pension Plans

LAST TEN YEARS*

	2018	2017	2016	2015
Miscellaneous & PEPRA Plan				
Plan's Proportionate Share of the Net Pension Liability	0.070900%	0.069440%	0.066790%	0.055960%
Plan's Proportionate Share of the Net Pension Liability	\$ 7,031,525	\$ 6,009,026	\$ 4,584,303	\$ 3,435,302
Plan's Covered Payroll	\$ 4,118,123	\$ 3,679,407	\$ 3,829,237	\$ 3,873,095
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.75%	163.32%	119.72%	88.70%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.31%	74.53%	79.29%	83.26%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 749,380	\$ 654,919	\$ 509,468	\$ 460,700

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

2. Schedule of Contributions – Defined Benefit Pension Plans

LAST TEN YEARS*

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 743,649	\$ 656,639	\$ 369,170	\$ 570,649
Contributions in relation to the actuarially determined contributions	<u>743,649</u>	<u>656,639</u>	<u>369,170</u>	<u>570,649</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,887,469	\$ 4,118,123	\$ 3,679,407	\$ 3,829,237
Contributions as a percentage of covered payroll	19.13%	15.95%	10.03%	14.90%

Notes to Schedule:

Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	Market Value***
Inflation	2.75%**
Salary increases	Depending on age, service, and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 (2.5% @55), 52 years (2% @62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study

* - Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

** - The valuation for June 30, 2012, 2013, and 2014 (applicable to fiscal years ended June 30, 2015, 2016, and 2017 respectively) included the same actuarial assumptions.

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year

Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013, 2014, and 2015 valuations (applicable to fiscal years ended June 30, 2016, 2017, and 2018 respectively).

3. Schedule of Changes in the Net OPEB Liability and Related Ratios

LAST TEN YEARS*

Fiscal year end	<u>6/30/2018</u>
Measurement date	<u>6/30/2018</u>
Total Pension Liability:	
Service cost	\$ 7,607
Interest on total OPEB liability	26,991
Benefit payments, including refunds of	<u>(24,866)</u>
Net Change in Total OPEB Liability	9,732
Total OPEB Liability - Beginning of Year	<u>709,869</u>
Total OPEB Liability - End of Year (a)	<u>719,601</u>
Plan Fiduciary Net Position:	
Contributions - employer	24,866
Benefit payments	<u>(24,866)</u>
Net Change in Plan Fiduciary Net Position	-
Plan Fiduciary Net Position - Beginning of Year	<u>-</u>
Plan Fiduciary Net Position - End of Year (b)	<u>-</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 719,601</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered payroll	\$ 4,346,367
Net OPEB liability as percentage of covered payroll covered - employee payroll	16.56%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* Fiscal year 2018 was the first year of implementation; therefore, only one year is shown.

4. Schedule of Contributions - OPEB

LAST TEN YEARS*

	<u>6/30/2018</u>
Actuarially determined contribution	N/A
Contributions in relation to the actuarially determined contributions	<u>-</u>
Contribution deficiency (excess)	<u>N/A</u>
Covered payroll	\$ 4,346,367
Contributions as a percentage of covered payroll	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the District did make contributions from other District resources in the current year in the amount of \$24,866.

* Fiscal year 2018 was the first year of implementation; therefore, one year shown.

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

We have audited the financial statements of Rainbow Municipal Water District (the District) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 3, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As discussed in Note 1 to the basic financial statements, the District adopted Governmental Accounting Standards Board's Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The adoption of this standard required retrospective application resulting in a \$340,311 reduction of previously reported net position. No other accounting policies were adopted, and the application of other existing policies was not changed during the year ended June 30, 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

The most sensitive estimates affecting the District's financial statements were:

- a. Management's estimate of the fair market value of investments which is based on market values by outside sources.
- b. Management's estimate of useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- c. Management's estimate of the allowance for doubtful accounts is based on historical water revenues, historical loss levels, and an analysis of the collectability of individual accounts.
- d. The actuarially determined contribution, Other Postemployment Benefit (OPEB) expense, net OPEB liability, and corresponding deferred outflows of resources for the District's OPEB plan are based on actuarial valuations by an independent third party actuary.
- e. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

- f. The disclosure regarding depreciation expense reported in Note 1.k.
- g. The disclosure of net pension liability reported in Note 6.
- h. The disclosure regarding Other Post-Employment Benefits reported in Note 7.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Significant Audit Findings (Continued)

Corrected and Uncorrected Misstatements (Continued)

The following misstatements detected as a result of audit procedures were corrected by management:

Developer Deposits were decreased and Cost Reimbursement Revenue was increased by \$634,000 for revenue that should have been recognized as expenses were incurred on the Highway 76 project.

Connection Fees and Accounts Receivables were decreased by \$2,750,000.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2018.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability – Defined Benefit Pension Plans, the Schedule of Contributions - Defined Benefit Pension Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions - OPEB, which are required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

White Nelson Dick Evans LLP

Carlsbad, California
December 19, 2018

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

In planning and performing our audit of the financial statements of the Rainbow Municipal Water District as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Rainbow Municipal Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rainbow Municipal Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rainbow Municipal Water District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

- 1) During the course of auditing developer deposits, WNDE noted that the District had received approximately \$634,000 of deposits to help fund the Highway 76 Water Improvements project and had recorded them as developer deposit liabilities. Generally Accepted Accounting Principles say that when the District has fulfilled its obligation with respect to a deposit that it should be recognized as revenue in that reporting period. Per District representation, the District had performed the required work, so revenue should have been recognized for these deposits.

We recommend the District reconcile all customer and developer deposit accounts at least annually and recognize revenue when the District has performed the work related to the deposit.

Management's Response:

Finance has added an additional step to the year-end reconciliation of Developer Deposits on hand that will require the Engineering department manager to sign off on completion status of projects. We believe this added step will eliminate all errors of this type in the future.

- 1) During the course of auditing miscellaneous accounts receivable, WNDE noted that the District recorded a receivable and connection fee revenue in the amount of \$2,750,000 based on an acquisition agreement between the District and D.R. Horton for capital improvements. Per District representation, the work required to be performed by the District in order to recognize the revenue had not occurred as of June 30, 2018, so revenue should not have been recognized.

We recommend the District only recognize revenue when required work has been performed.

Management's Response:

Inclusion of this additional amount was a misunderstanding regarding the setup of a new Community Facilities District (CFD). The CFD setup was initiated during the FYE 2018 year end close process while the district utilized an interim finance manager.

Rainbow Municipal Water District's written responses to the material weaknesses identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of Management, the Board of Directors, and others within Rainbow Municipal Water District, and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Carlsbad, California
December 19, 2018

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

In planning and performing our audit of the financial statements of the Rainbow Municipal Water District (the District) for the year ended June 30, 2018, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole and, accordingly, we do not express such an opinion.

The Management of the District is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly.

During our audit, we noted certain other matters involving the internal control structure and its operation that we wish to call to your attention. These matters are set forth below with our recommendations for improvement.

Treasurer's Report

In the course of auditing the April 2018 treasurer's report, WNDE attempted to trace the market value of District investments per the Treasurer's Report to the General Ledger, and noted that the general ledger did not match. When WNDE discussed with District staff, it was determined that General Ledger balances for investments were not reconciled, and District staff represented that investments are only reconciled on an annual basis.

We recommend that the District reconcile investment balances to the General Ledger on a monthly basis so that interim financial statements presented to the Board contain reconciled investment balances.

Treasurer's Report

In the course of auditing the April 2018 Treasurer's report, WNDE noted that the District was not reporting the PAR value of investments as required by California Government code.

We recommend the District add the PAR value of investments to the District's monthly treasurer's report.

Fair Market Value Adjustment for Investment in LAIF

In the course of auditing cash and investment balances at June 30, 2018, WNDE noted that the District is not reporting a fair market value adjustment for their investment in LAIF.

We recommend the District report the fair market value of LAIF on the General Ledger.

Information Technology

In review of IT related items at the District, WNDE noted that password changes are not periodically required.

We recommend the District require password changes at least once per year to better safeguard the District's financial records.

Construction in Progress

In the course of auditing construction in process, WNDE noted that one project, the Ascot Meadows Pressure Station, was capitalized as being completed. Per District representation, this project was not completed as of June 30, 2018, and an adjustment was made to put the project back into Construction in Progress.

We recommend the District review all CIP projects at least annually and only capitalize a project when it is determined that it is complete.

Insurance Expense Recognized in Incorrect Accounting Period

In the course of auditing insurance expenses, WNDE noted that worker's compensation insurance expense for fiscal year 2018 had been expensed in fiscal year 2017, causing fiscal year 2018 insurance expense to be understated by \$126,630. A prior period adjustment was recorded to fix this error.

We recommend the District reconcile prepaid insurance and insurance expense at least annually to ensure that expenses are reported in the correct period.

These matters were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the District's financial statements and this letter does not affect our report on these financial statements dated December 19, 2018.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Carlsbad, California
December 19, 2018



December 19, 2018

White Nelson Diehl Evans LLP
2965 Roosevelt Street
Carlsbad CA, 92008

This representation letter is provided in connection with your audit of the financial statements of Rainbow Municipal Water District (the District) as of June 30, 2018, which comprise the financial position as of June 30, 2018, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 19, 2018 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 8, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Rainbow Municipal Water District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the District and involves:

- Management,
- Employees who have significant roles in internal control, or

- Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
 - 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
 - 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
 - 17) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 29) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Revenues and Expenses have been appropriately classified in or allocated in the Statement of Revenues, Expenses, and Changes in Net Position, and allocations have been made on a reasonable basis.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 41) Expenditures of federal awards were below the \$750,000 threshold in year ended June 30, 2018, and we were not required to have an audit in accordance with the Uniform Guidance.
- 42) Prepaid capacity fees liability balance reflects capacity fees previously collected for developers who have not yet connected to the system as of June 30, 2018.
- 43) We have determined that Non-US Corporate Bonds are in compliance with the District's Investment Policy.
- 44) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Signature: _____

Tom King
GM

Title: _____

Signature: _____

Tracy Largent

Title: _____

Finance Manager

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES AGREEMENT TO PROVIDE CORROSION ENGINEERING SERVICES FOR CORROSION PROTECTION PROGRAM DEVELOPMENT AND APPROPRIATE UP TO \$222,586 TO THE PROJECT BUDGET

BACKGROUND

The District maintains over 300 miles of water main infrastructure. As the system continues to age and deteriorate, the District aims to maintain an acceptable level of service by prioritizing cost effective projects to maintain the existing infrastructure. In March 2017, the Board of Directors awarded a professional services agreement to HDR to conduct a condition assessment of the District's water facilities. Through this condition assessment, HDR concluded that there was a very strong correlation between leaks and the presence of both high water pressures and highly corrosive soils. The study recommended developing a corrosion control program to prioritize pipelines suitable for corrosion protection projects. By instituting a corrosion control program, the District can slow down the deterioration of pipes and extend the useful life of the existing infrastructure.

The District prepared an RFP to solicit proposals and select the most qualified firm with expertise in corrosion management. The scope of services focuses on the following:

- 1) Development of a District Corrosion Protection (CP) Program, focusing on high-pressure areas
- 2) Procedures for CP during repairs
- 3) Standards for CP on CIP projects
- 4) Creation of standard details
- 5) Strategy and coordination with the Pressure Station Construction Program

DESCRIPTION

The District issued a Request for Proposals on September 10, 2018. Four firms submitted proposals in response to the RFP by the deadline of October 9, 2018.

- 1) Coffman Engineers
- 2) Corrpro
- 3) HDR
- 4) National Corrosion

Staff reviewed the proposals and evaluated them based on the executive summary, project description, identification of the consultant, project organization and experience, past performance, and the firm's local experience. The staff evaluation found that HDR is experienced and most qualified to perform the work. Staff selected HDR for this project with a fee of \$138,939. The HDR proposal identified additional optional items in the scope which would cost an additional \$53,647 bringing the total fee to \$192,586. The additional optional items include a review of documentation, design of cathodic protection for service lines, and

electromagnetic conductivity testing along priority pipelines with corresponding data analysis and reporting. The proposal was presented to the Engineering and Operations Committee , which recommended that the Board approve the professional services agreement with HDR and appropriate the necessary funds for the base project and the additional optional scope items to allow staff to move forward with the optional items if they are deemed necessary.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. A corrosion protection program will enhance the District’s ability to prioritize corrosion protection projects. These projects will slow the deterioration of pipelines and extend their useful life in a cost effective way.

Strategic Focus Area Four: Fiscal Responsibility. Adding corrosion protection to pipelines with a high likelihood of failure due to corrosion will extend the useful life of the pipelines. In turn, these pipelines will need to be replaced less frequently which will result in significant long term savings.

BOARD OPTIONS/FISCAL IMPACTS

This project was not included in the District’s CIP budget. The base proposed fee for the Engineering services contract is \$138,939. The optional items in the scope would cost an additional \$53,647. In addition to the fee, the project is expected to cost an additional \$30,000 for project management and administration by District staff. In order to pay for this project if approved, the board must appropriate the total expected budget for this project, \$222,586. These funds are available in the Capital Reserves.

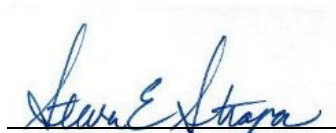
- 1) Authorize staff to award a Professional services contract to HDR to provide Corrosion Engineering services for corrosion Protection Program Development and appropriate \$222,586 to the project budget, allowing staff to utilize the optional services
- 2) Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends option 1.



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

1/22/2019



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

PROFESSIONAL SERVICES AGREEMENT

PROJECT: TITLE
Project No. 000000, Contract No. 19-00

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

RECITALS

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

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PROFESSIONAL SERVICES PROVIDED BY CONSULTANT.

- 1.1** The professional services to be performed by CONSULTANT shall consist of the following: **Engineering services to Develop a Corrosion Protection Program**. The scope of services is more particularly defined in the proposal in Exhibit "A", attached and made a part hereof. Any additional engineering services will be requested in writing as set forth in Section 19.
- 1.2** In performing the services set forth in Exhibit "A", CONSULTANT shall work closely with DISTRICT'S General Manager and staff in performing services in accordance with this

Agreement in order to receive clarification as to the result that DISTRICT expects to be accomplished by CONSULTANT. The General Manager, shall be DISTRICT'S authorized representative in the interpretation and enforcement of all services performed in connection with this Agreement.

1.3 CONSULTANT represents that its employees have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of DISTRICT. This means CONSULTANT is able to fulfill the requirements of this Agreement. Failure to perform all services required under this Agreement constitutes a material breach of the Agreement.

2. TERM AND TIMING REQUIREMENTS.

2.1 This Agreement will become effective on the date stated above, and will continue in effect until the earlier of the completion of services provided for in this Agreement or until terminated as provided under Section 14 of this Agreement.

2.2 CONSULTANT'S performance of services under this Agreement shall be in accordance with the schedule outlined below unless otherwise modified in writing as set forth in Section 19. Failure by CONSULTANT to strictly adhere to these timing requirements may result in termination of this Agreement by DISTRICT.

Task	Due Date
Notice to Proceed	February 1, 2019
30% Submittal	March 28, 2019
60% Submittal	June 6, 2019
90% Submittal	August 15, 2019
Final Submittal	September 27, 2019

2.3 CONSULTANT shall submit all requests for extensions of time for performance in writing to the General Manager no later than two (2) business days after the commencement of the cause of any unforeseeable delay beyond CONSULTANT'S control and in all cases prior the date on which performance is due if possible. The General Manager shall review all such requests and may grant reasonable time extensions for unforeseeable delays which are beyond CONSULTANT'S control.

2.4 For all time periods not specifically set forth herein, CONSULTANT shall respond in the most expedient and appropriate manner under the circumstances, by telephone, fax, hand delivery, e-mail or mail.

3. STUDY CRITERIA AND STANDARDS.

- 3.1 All services shall be performed in accordance with applicable DISTRICT, county, state and federal Codes and criteria. In the performance of its professional services, CONSULTANT shall use the degree of care and skill ordinarily exercised by consultants performing the same or similar work under similar conditions.

4. INDEPENDENT CONTRACTOR.

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

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

- 4.3 CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT represents and warrants that CONSULTANT customarily engages in the independently established trade and business of the same nature as the work to be performed under this Agreement.

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

5. WORKERS' COMPENSATION INSURANCE.

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

6. INDEMNIFICATION, HOLD HARMLESS AND DEFENSE.

- 6.1** All officers, agents, employees and subcontractors, and their agents, who are employed by CONSULTANT to perform services under this Agreement, shall be deemed officers, agents and employees of CONSULTANT. To the extent and in any manner permitted by law, CONSULTANT shall defend, indemnify, and hold DISTRICT, its directors, officers, employees, authorized volunteers and agents, and each of them free and harmless from any claims, demands, liability from loss, damage, or injury to property or persons, including wrongful death, that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of CONSULTANT, including CONSULTANT'S officers, employees and agents, in connection with the services required by this Agreement, including without limitation, the payment of reasonable attorneys' fees and costs. In no event shall the cost to defend charged to the CONSULTAN exceed the CONSULTANT'S proportionate percentage of fault, as determined by a court of law. The foregoing indemnity, hold harmless and defense obligation of CONSULTANT shall apply except to the extent the loss, damage or injury is caused by the sole negligence or willful misconduct of an indemnified party.
- 6.2** To the extent and in any matter permitted by law, CONSULTANT shall defend, indemnify and hold DISTRICT, its directors, officers, employees, authorized volunteers and agents, and each of them free and harmless from and against any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, related to or incident to a breach of any governmental law or regulations, compliance with which is the responsibility of CONSULTANT, except any violation of law due to the DISTRICT'S negligence or willful misconduct.
- 6.3** CONSULTANT shall defend, at CONSULTANT'S own cost, expense and risk, any and all such aforesaid claims, suits, actions or other legal proceedings of every kind that may be brought or instituted against DISTRICT or DISTRICT'S directors, officers, employees, authorized volunteers and agents, and each of them. DISTRICT shall be consulted regarding and approve of the selection of defense counsel.
- 6.4** CONSULTANT shall pay and satisfy any judgment, award or decree that may be rendered against DISTRICT or its directors, officers, employees, authorized volunteers and agents, and each of them, in any and all such aforesaid claims, suits, action or other legal proceeding. CONSULTANT shall not agree without DISTRICT'S prior written consent, to any settlement which would require DISTRICT to pay any money or perform some affirmative act, including in the case of intellectual property infringement any payment of money or performance of some affirmative act to continue using CONSULTANT Products.
- 6.5** CONSULTANT'S indemnification, hold harmless and defense obligation shall survive the termination or expiration of this Agreement.

7. LAWS, REGULATIONS AND PERMITS.

- 7.1** CONSULTANT shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the services required by this Agreement. CONSULTANT shall be liable for, and bear all costs resulting from, any violations of the law in connection with services furnished by CONSULTANT, except any violation of the law due to the DISTRICT'S negligence or willful misconduct.

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

- a) CONSULTANT agrees to comply with and require its subcontractors to comply with the requirements of California Labor Code sections 1720 *et seq.* and 1770 *et seq.*, and California Code of Regulations, title 8, section 16000 *et seq.* (collectively, “Prevailing Wage Laws”) and any additional applicable California Labor Code provisions related to such work including, without limitation, payroll recordkeeping requirements. CONSULTANT and its subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the DIR for all services described in this Section 7.2 of the Agreement and as required by law. The general prevailing wage determinations can be found on the DIR website at: [www://dir.ca.gov/dslr](http://www.dir.ca.gov/dslr). Copies of the prevailing rate of per diem wages may be accessed at the DISTRICT’S administrative office, and shall be made available upon request. CONSULTANT shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services described in this Section 7.2 of the Agreement available to interested parties upon request, and shall post and maintain copies at CONSULTANT’S principal place of business and at all site(s) where services are performed. Penalties for violation of Prevailing Wage Laws may be assessed in accordance with such laws. For example, CONSULTANT shall forfeit, as a penalty to the DISTRICT, Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than stipulated prevailing rates for services performed under this Agreement by CONSULTANT, or any subcontractor under CONSULTANT, in violation of Prevailing Wage Laws.
- b) CONSULTANT and each of its subcontractors shall keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by CONSULTANT or subcontractor in connection with the services performed pursuant to this Agreement. Each payroll shall be certified, available for inspection, and copies thereof furnished as prescribed in California Labor Code sections 1771.4(a)(3)(A) and 1776, including any required redactions. CONSULTANT shall keep the DISTRICT informed as to the location of the records and shall be responsible for the compliance with these requirements by all subcontractors. CONSULTANT shall inform the DISTRICT of the location of the payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change of location and address. Penalties for noncompliance include a forfeiture of One Hundred Dollars (\$100) per calendar day, or portion thereof, for each worker until strict compliance is effectuated, which may be deducted from any moneys due to CONSULTANT.
- c) Eight (8) hours of work shall constitute a legal day’s work. CONSULTANT and any subcontractors shall forfeit, as a penalty to the DISTRICT, Twenty-Five Dollars (\$25) for each worker employed in the execution of services pursuant to this Agreement by CONSULTANT or any subcontractor under him for each calendar day during which such worker is required or permitted to work more

than eight (8) hours in any one (1) calendar day and forty (40) hours in any calendar week in violation of the provisions of the California Labor Code, in particular, sections 1810 to 1815, thereof, inclusive, except services performed by employees of CONSULTANT and its subcontractors in excess of eight (8) hours per day at not less than the rates published by the California Department of Industrial Relations.

- d) CONSULTANT'S attention is directed to the provisions of California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning employment of apprentices by CONSULTANT or any of its subcontractors. If applicable to the services performed under the Agreement, CONSULTANT shall comply with such apprenticeship requirements and submit apprentice information to the DISTRICT. Information relative to apprenticeship standards, wage schedules and other requirements may be obtained from the DIR or the Division of Apprenticeship Standards. Knowing violations of section 1777.5 will result in forfeiture not to exceed One Hundred Dollars (\$100) or Three Hundred Dollars (\$300), depending on the circumstances, for each calendar day of non-compliance pursuant to section 1777.7.
- e) CONSULTANT shall require any subcontractors performing services described in this Section 7.2 of the Agreement to comply with all the above.
- f) CONSULTANT must be, and must require all subcontractors performing services described in this Section 7.2 to be, registered with and have paid the annual fee to the DIR prior to execution of this Agreement pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be listed on a bid proposal for a public works project, or perform services described in this Section 7.2, unless registered with the DIR pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be awarded a contract for public work on a public works project, or perform services described in this Section 7.2, unless registered with the DIR pursuant to Labor Code Section 1725.5. The performance of services described in this Section 7.2 is subject to compliance monitoring and enforcement by the DIR

8. SAFETY.

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

9. INSURANCE.

9.1 INSURANCE COVERAGE AND LIMITS.

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

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

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

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

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

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

- a) DISTRICT, its directors, officers, or employees are to be covered as insureds on the CGL and auto policies with respect to liability arising out of automobiles owned, leased, hired, or borrowed by on or behalf of

CONSULTANT; and with respect to liability arising out of services or operations performed by or on behalf of CONSULTANT including materials, parts, or equipment furnished in connection with such services or operations. General liability coverage can be provided in the form of an endorsement to CONSULTANT'S insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used). The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its directors, officers, employees, or authorized volunteers. The Project Name shall also be included.

- b) For any claims related to the services provided hereunder, CONSULTANT'S insurance shall be primary insurance as respects DISTRICT, its directors, officers, employees, and authorized volunteers. Any insurance, self-insurance, or other coverage maintained by DISTRICT, its directors, officers, or employees shall not contribute to it.
- c) Each insurance policy specified above are to state or be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice (ten (10) days for non-payment of premium) by U.S. mail has been provided to DISTRICT.
- d) In the event any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement (if applicable), CONSULTANT shall notify DISTRICT prior to any changes.

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

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

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

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

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

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

10. NO CONFLICT OF INTEREST.

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

11. OWNERSHIP OF DOCUMENTS.

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

12. CONFIDENTIAL INFORMATION.

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

13. COMPENSATION.

13.1 For services performed by CONSULTANT in accordance with this Agreement, DISTRICT shall pay CONSULTANT in accordance with the schedule of billing rates set forth in Exhibit "A", attached hereto and incorporated herein by reference. . This is a time and materials contract. Overtime work must be authorized by the DISTRICT. No hourly rate changes shall be made during the term of this Agreement. **CONSULTANT'S compensation for all services performed in accordance with this Agreement shall**

not exceed the total contract price of \$192,586. No services shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the General Manager. CONSULTANT shall obtain approval from the General Manager prior to performing any services that result in incidental expenses to the DISTRICT.

13.2 CONSULTANT shall maintain accounting records including the following information:

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

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

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

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

14. TERMINATION OF AGREEMENT.

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

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

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

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

15. ASSIGNMENT AND DELEGATION.

- 15.1** This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of CONSULTANT'S duties be delegated or subcontracted, without the express written consent of DISTRICT. Any attempt to assign or delegate this Agreement without the express written consent of DISTRICT shall be void and of no force or effect. Consent by DISTRICT to one assignment shall not be deemed to be consent to any subsequent assignment.
- 15.2** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

16. AUDIT DISCLOSURE.

Pursuant to Government Code section 8546.7, if the Agreement is over ten thousand dollars (\$10,000), it is subject to examination and audit of the State Auditor, at the request of DISTRICT or as part of any audit of DISTRICT, for a period of three (3) years after final payment under the Agreement. CONSULTANT shall cooperate with any such examination or audit at no cost to DISTRICT.

17. ENTIRE AGREEMENT.

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

18. INTERPRETATION OF THE AGREEMENT.

- 18.1** The interpretation, validity, and enforcement (including, without limitation, provisions concerning limitations of actions) of the Agreement shall be governed by and construed under the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom or rule requiring construction against the draftsman. The Agreement does not limit any other rights or remedies available to DISTRICT.
- 18.2** CONSULTANT shall be responsible for complying with all applicable local, state, and federal laws whether or not said laws are expressly stated or referred to herein.
- 18.3** Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.
- 18.4** Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake of otherwise any such

provision is not inserted, or is not correctly inserted, then upon application of either party, the Agreement shall forthwith be physically amended to make such insertion.

19. AGREEMENT MODIFICATION.

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

20. DISPUTE RESOLUTION.

Upon the written demand of either party, any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, shall be first submitted to mediation the cost of which shall be borne equally by the parties, if not resolved pursuant to the Government Claims Act, Government Code section 900 *et seq.* if applicable, and prior to the commencement of any legal action or other proceeding. Any mediation shall take place in the State of California, County of San Diego, and shall be concluded within sixty (60) days of the written demand, unless such time is extended by mutual written consent of the parties. Nothing herein waives or excuses compliance with the California Government Claims Act.

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

21. JURISDICTION, FORUM AND VENUE.

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

proceeding to enforce this Agreement whether on grounds of inconvenient forum or otherwise.

22. MAILING ADDRESSES.

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

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

**CONSULTANT: HDR Engineering, Inc.
8690 Balboa Avenue, Suite 200
San Diego, CA 92123
Phone: (858) 712-8308**

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

23. SIGNATURES.

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

24. COUNTERPARTS.

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

25. ATTORNEY'S FEES.

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

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

CONSULTANT _____

RAINBOW MUNICIPAL WATER DISTRICT _____

By _____
CONSULTANT

By _____
GENERAL MANAGER

PRINT NAME

Date: _____

Date: _____

Attest: **Executive Secretary**

Federal Employee ID #

**Approved as to Form:
General Counsel**

NOTARY ACKNOWLEDGEMENT OF CONSULTANT MUST ACCOMPANY THIS DOCUMENT

ORIGINAL

Proposal for

CORROSION PROTECTION PROGRAM DEVELOPMENT

RAINBOW MUNICIPAL WATER DISTRICT

Fallbrook, CA

October 9, 2018





October 9, 2018

Ms. Delia Rubio, PE
Rainbow Municipal Water District
Engineering Department
3707 Old Highway 395
Fallbrook, CA 92028

**Subject: Proposal – Corrosion Engineering Services for
Corrosion Protection Program Development**

Dear Ms. Rubio,

HDR appreciates this opportunity to submit our proposal for Corrosion Engineering Services for Corrosion Protection Program (CPP) Development project for the Rainbow Municipal Water District (District). Selecting HDR to support the District’s CPP will provide the District with the following benefits:

- **A Strategic & Collaborative Approach.** The foundation of our approach relies upon quantifying the root cause of corrosion in your system. This is a critical first step because the most cost effective action to address a corrosion issue is dependent upon understanding the extent and nature of the corrosion (internal, external, or both). We will synthesize our industry expertise with your institutional knowledge and recent data collection to quantify the root cause of corrosion and focus resources to mitigate your corrosion issues.
- **National Expertise, Delivered Locally.** Our nationally recognized, and locally based experts (Dave Spencer, Eric Scherch, Brien Clark, and Graham Bell) *authored* the books on corrosion control and asset management. We have addressed similar challenges in the county including with the City of San Diego, San Diego County Water Authority, City of Carlsbad, Otay Water District, City of Carlsbad, and City of Vista.
- **Efficient Project Delivery.** Our team knows your staff, your infrastructure, your challenges, and your data and information systems. This knowledge will enable HDR to develop a cost effective CPP that complements ongoing efforts in other areas such as pressure management, condition assessment, and renewal decision making. For example, our most recent project with the District (Condition Assessment of Water Facilities) was delivered on-time and under budget.
- **A Turnkey Program** that documents policies, standards, procedures, and information systems in clear and concise terms that will enable staff to continuously execute the CPP.

We are excited about this opportunity to continue to collaborate with you and your staff. If you have any questions or need additional information, please contact Dave Spencer at 858.245.0771.

Sincerely,
HDR Engineering, Inc.

Aaron Meilleur, PE
Vice President
713.714.2300
Aaron.Meilleur@hdrinc.com

David R. Spencer, PE
Project Manager
858.712.8308
David.R.Spencer@hdrinc.com



SECTION 1 Statement

This RFP shall be incorporated in its entirety as a part of HDR Engineering, Inc.'s Proposal.

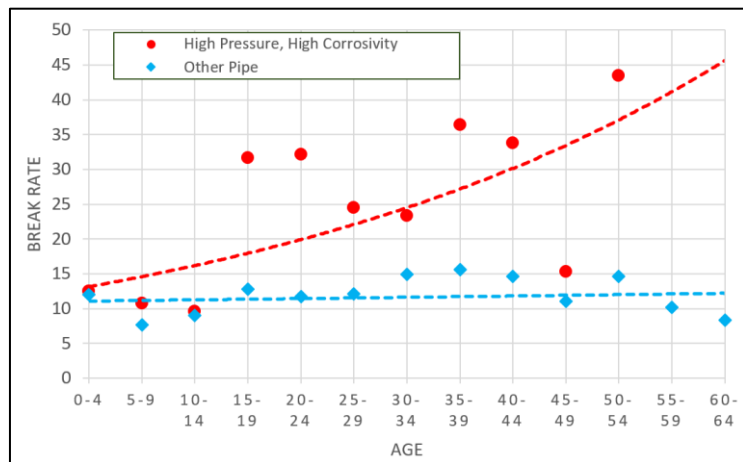
SECTION 2 Statement

This RFP and HDR Engineering, Inc.'s Proposal will jointly become part of the Agreement for Professional Consultant Services for this project when said Agreement is fully executed by HDR Engineering, Inc. and the President of the Board of Directors of the Rainbow Municipal Water District.

SECTION 3 Executive Summary

Rainbow Municipal Water District (District) owns 322 miles of water main infrastructure. As the system continues to age and deteriorate, one of the District's primary goals is to cost effectively sustain desired service levels. Over the past year, HDR has supported the District in moving towards this goal by documenting existing work practices, cleansing historic data, leveraging that data to quantify deterioration drivers and risk, optimizing future data collection, and establishing sustainable rates that strike the appropriate balance between costs and service levels for your community. Now that sustainable aging infrastructure budget are in place, the next step is to focus those investments to maximize the return on that investment.

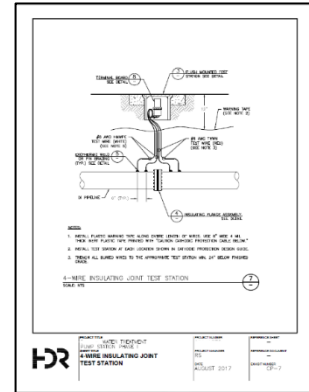
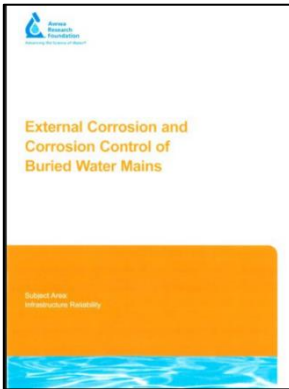
Analysis of the District's system shows that even at the same age, pipes that are exposed to high pressure (190 psi or more) and highly corrosive soils break more often and deteriorate faster than other pipe. Therefore, before investing in expensive pipeline replacement, the District has wisely decided to implement pressure reduction and corrosion protection improvements that will cost effectively extend the useful life of infrastructure. HDR has detailed knowledge of the strengths and weaknesses of the District's data, corrosion standards, risk assessment model, and hydraulic model. This knowledge will enable HDR to develop a cost effective corrosion protection program (CPP) that complements ongoing efforts in other areas such as pressure management, condition assessment, and renewal decision making.



High pressure and corrosivity increase break rates

HDR has been and continues to be a leader in the field of corrosion protection, condition assessment and rehabilitation, for nearly **60 years**. Due to our long history in corrosion control, experience with numerous clients and situations, deep bench of experts, and a vast array of related and associated services, HDR is ideally qualified to assist the District in achieving the CPP goal. Our nationally recognized, and locally based experts have literary

written the Water Research Foundation books on corrosion control and asset management. We have addressed similar challenges in the county including with the City of San Diego, San Diego County Water Authority, City of Carlsbad, Otay Water District, City of Carlsbad, and City of Vista.



The foundation of our approach relies on quantifying the root cause of corrosion in your system. This is a critical first step because the most cost effective action (e.g. opportunity hot-spotting, retro-fitting, soil testing, close-interval survey, internal lining, external joint clamps, replacement) to address a corrosion issue is dependent upon understanding the extent and nature of the corrosion (internal, external, or both). In 2018, we completed WRF 4618 which includes applied research for application of cathodic protection for metallic pipe life extension. To quantify the root cause of corrosion in your system, we will synthesize our industry expertise with your institutional knowledge and recent data collection.

In parallel with quantifying the root cause of corrosion, HDR will support the District in implementing several low hanging fruit initiatives that will provide value regardless of the outcome of the root cause analysis. Throughout this effort, HDR will document strategies, policies, procedures, standards, and information system updates (e.g. EAM CMMS and GIS) in a formal technical memorandum. This will not only document what the District has accomplished, it will also be forward looking, establishing a long term implementation plan, appropriate budgets, and quantifying the benefits of implementing such a program. District staff will be engaged throughout this process. This implementation plan will result in a clear, actionable, and strategic path forward that District staff can carry forward.

SECTION 4 Project Description

i. Project Objective

The objective of this project is to develop a turnkey CPP that will extend the useful life of linear buried infrastructure, improve system performance, and save money. The result of the CPP shall include a written report that documents cost-effective strategies, policies, procedures, standards, and information system updates (e.g. EAM CMMS and GIS). The CPP will compliment ongoing efforts in other areas such as pressure management, condition assessment, and renewal decision making to provide the greatest return on investment for the ratepayer. Our approach to accomplish the objectives of this project are summarized below and described in more detail in the next section.

1. Root Cause Analysis
2. Soil Evaluation

3. Procedures for CP during repairs
4. Standards for CP on CIP Projects
5. Creation of Standard Details
6. Coordination with Pressure Reduction Program
7. Corrosion Protection Program Document

ii. Services and Deliverables to be Provided

Service 1 - Root Cause Assessment

The foundation of our approach relies on quantifying the root cause of corrosion in your system. This is a critical first step because the most cost effective action (e.g. opportunity hot-spotting, retro-fitting, soil testing, close-interval survey, internal lining, external joint clamps, replacement) to address a corrosion issue is dependent upon understanding the extent and nature of the corrosion (internal, external, or both). While District data points to external corrosion as a macro level source of deterioration, institutional knowledge and limited CCTV inspection data suggest that internal corrosion in some poorly installed pipe is the primary problem. For example, the map below shows the District's pipes by installation project. While all of the pipes in this area were installed in the same era using similar materials, the construction project along Lake Sycamore south of La Canada is the only one performing poorly (5 breaks).

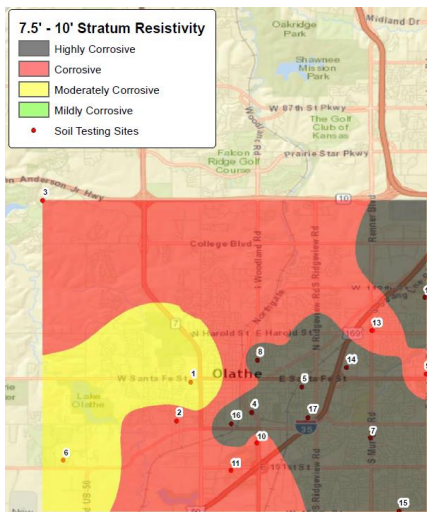
Review of crew comments indicates that these breaks are most likely due to internal corrosion. While the District has documented break records since the mid-1990s, standards were not in place to distinguish between internal and external corrosion. Recently, HDR worked with the District to refine these standards and update the District's EAM CMMS. Once a statistically significant sample set of data is collected, HDR will support the District in characterizing each corrosion related break, analyzing the data, and quantifying the root cause of the District's corrosion issue. This will ensure that future investment in corrosion protection will be cost effective.



Service 2 – Soil Evaluation

HDR has literally written the book on soil corrosivity, authoring such titles as: “External Corrosion and Corrosion Control of Buried Water Mains,” Retrofit and Management of Metallic Pipe with Cathodic Protection: Guidance Document on Technical Feasibility and Economic Value,” and “Understanding, Assessing and Rehabilitation of Internal and External Corrosion of Buried Water/Wastewater Pipes.” Soil resistivity is a major determiner of corrosion rates for ferrous metals, and three methods are used to evaluate the soil resistivity: electromagnetic conductivity survey; Wenner 4-pin survey; and soil sampling and laboratory analysis. In agreement with the RFP our approach consists of the latter, though a creative alternative is available to fine-tune soil collection.

A total of 30 soil samples will be collected at pipe depth. **HDR can collect samples at virtually any pipe depth up to 15 feet using our Geoprobe 5400** truck mounted direct-push machine. We have successfully utilized the Geoprobe cost effectively with minimal surface disruption to collect soil corrosivity samples for San Diego County Water Authority, Metropolitan Water District of Southern California, as well as other clients along the I-15 corridor. This equipment “pushes” tools into the ground without the use of drilling to extract the soil. This leads to fast soil collection that isn’t labor intensive and doesn’t require extensive setup. HDR’s approach includes collecting 2/3 of the samples in areas of corrosive soil. The remaining 1/3 will be collected in areas of less corrosive soil in order to assess the range of soil corrosivity within the District’s service area. GPS coordinates will be obtained at the test locations. Once collected the soil samples will be submitted to HDR’s laboratory for analysis.



HDR’s in-house soil and water laboratory was established in 1993 to provide us with control over quality as well as speed of turnaround. The QA/QC procedures used in our laboratory exceed those used in all other soil corrosivity labs. Our laboratory specializes in soil and water corrosivity testing along with support for failure investigations. In addition, our lab has served as a training program for staff. Personnel that started the lab are still involved in its oversight and are experienced experts of soil and corrosion chemistry. The current total number of soil samples tested is approaching 100,000. HDR’s laboratory is considered the premier soil corrosivity testing laboratory in Southern California due to our stringent quality program and expedient and efficient testing protocols.

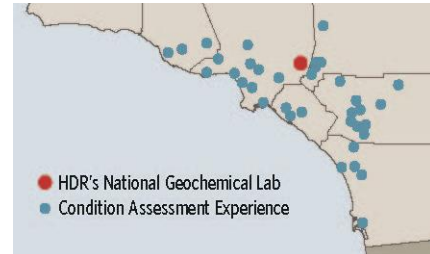
The soil corrosivity results will be tabulated and incorporated into a Geographical Information System (GIS) database. The soil data and field notes will be linked to the appropriate test location. A shapefile (shp) with the soil data attributes will be provided and can be incorporated separately into the District’s GIS system.

Service 3 – Procedures for Corrosion Protection during Repairs

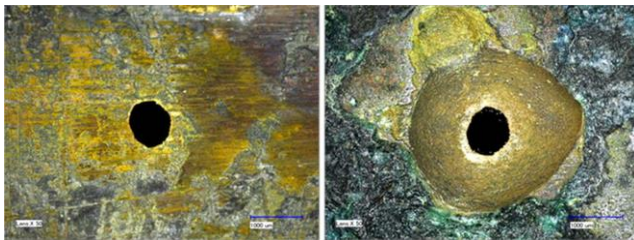
We understand that an effective CPP involves planned maintenance, but must also have a plan in place to take full advantage of unexpected opportunities such a pipe breaks to gather data and inspect pipe condition. Pipe repairs provide an ideal chance to maximize the required investment of the repair by simultaneously performing a failure analysis. An appropriate methodology would be determined for repairs based on pipe characteristics such as material, coating, lining, presence of cathodic protection, operating pressures, diameter, and the criticalness of

reestablishing service. Some of the methods available would consist of collecting pipe samples to investigate the mode of failure (corrosion-internal and/or external, pressure/mechanical damage, etc.), collection of soil and water samples to determine corrosivity, evaluation of past and current cathodic protection, and the possible use of CCTV techniques to assess the internal condition of the pipe and joints.

HDR is a one-stop shop for corrosion engineering services with many capabilities not found in other firms that offer a narrower range of services. One of these is our extensive knowledge and experience with failure investigations. Since the inception of HDR's Corrosion Sector in 1959, we have determined failure mechanisms and mitigation on countless projects ranging from steel, ductile and cast iron piping (internal and external), copper, brass, reinforced concrete structures, stainless steel, etc. We have conducted hundreds of condition assessments and failure analyses throughout the nation, with a focus on Southern California. This includes a failure investigation that HDR performed on the District's North Feeder pipeline in 2009.



Complementing our failure analysis capabilities is HDR's aforementioned in-house soil and water laboratory. In addition to soil and water testing, our laboratory performs other specialized



corrosion and failure analysis testing such as linear polarization resistance (LPR), electrochemical noise (ECN), electrical resistance (ER) probe measurement, ion chromatography, UV-vis spectrophotometry, digital microscopy up to 2000x magnification, and coatings evaluation.

HDR will conduct 10 field failure investigations as part of this service. The detailed assessment will not only provide critical information on the nature of the failures and the best mitigation measures, this time will also be spent training District staff on assessment techniques and the importance of data collection. The failure data entry form that HDR previously generated as part of prior work will be used during the training. Emphasis will be placed on the more subjective fields such as failure root cause, failure type, soil type, and the lining/coating condition.

HDR has a long history of creating standard operating procedures (SOPs) for clients that detail line-by-line the necessary steps required to accomplish the set procedure. These SOPs are detailed yet simple enough to hand to operators for execution. A failure analysis SOP will be developed as part of this service. The failure data entry form that HDR generated will be referenced and incorporated into the workflow. It is anticipated that hot-spot protection will be incorporated as part of the repair procedures or whenever a pipe is exposed and the SOP will be tailored to this end.

Service 4 - Standards for Corrosion Protection on Capital Improvement Projects

As Corrosion Engineers one of our mantras is Benjamin Franklin's axiom, "An ounce of prevention is worth a pound of cure." A comprehensive CPP does not focus just on existing

infrastructure, but also future CIP's by bringing about the most cost-effective union of environment and materials to maximize service life while minimizing the lifetime cost of the project. To accomplish this, the environment has to first be evaluated for all characteristics that might present a threat to materials under consideration. Our standard approach used to evaluate corrosivity are chemical soil and water corrosivity analyses, in-situ electrical resistivity testing, electromagnetic conductivity surveys, stray current investigations, and determination of soil type, soil moisture, and water table depth. Some environments can be made less corrosive such as reducing water corrosivity through treatment. However, there are not practical methods to reduce soil corrosivity on a large scale. Consequently, appropriate materials must be selected that bring about the best balance between cost and expected life.

Material selection involves the joining of the various disciplines involved with a project. Consequently, we are not always given the option of selecting construction materials, but are often presented with a material and asked to determine how to best protect it from deterioration. Standard tools used for corrosion protection are selected coatings and linings (organic or cementitious), chemical corrosion inhibitors, and cathodic protection. It is worth noting that HDR has nationally renowned experts in cathodic protection. In fact, HDR has published numerous manuals through the American Water Works Association's Water Research Foundation, including this year's manual titled *Retrofit and Management of Metallic Pipe with Cathodic Protection: Guidance Document on Technical Feasibility and Economic Value*.

HDR prides itself on its multidimensional approach to corrosion protection. For instance, while HDR has substantial expertise with cathodic protection—including design, implementation, maintenance, and troubleshooting—we only use it after examining all other alternatives. This is because cathodic protection increases costs of design, construction, as well as maintenance and monitoring costs over the life of infrastructure. In addition, if misapplied cathodic protection could potentially expose the District to liability because it can cause stray current corrosion to nearby structures.

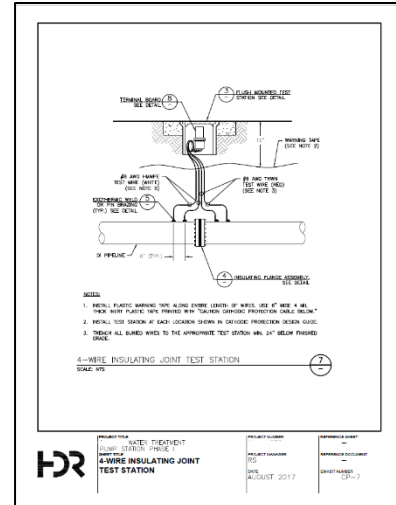
Existing standards will be revised to account for proper corrosion control measures. Cross-references will be incorporated that link to a new corrosion protection guide specification. This new guide spec will provide the District with a template specification section for corrosion control. It will provide direction to the designer on items that may affect the design approach while still providing consistency across designs. A design guide will provide further guidance to the designer on the District's corrosion control expectations. As part of the design guide thresholds for soil corrosivity parameters will be provided. The thresholds will guide the designer to employ the right-sized corrosion protection measures.

Service 5 - Creation of Standard Details

The quality of constructed corrosion mitigation measures can only be as good as the engineering design that preceded it, and the engineering design can only be as good as the instruments, knowledge, and guidance used to produce the design. The District is in need of a library of standard details for corrosion protection in order to standardize the corrosion control philosophy,

ensure consistency across the District’s service area, and simplify continuing operations and maintenance efforts. HDR has been producing and collecting a library of corrosion protection details for nearly 60 years, and have produced standard details for such owners as Eastern Municipal Water District, Orange County Sanitation District, and San Diego County Water Authority, San Diego’s Water Agencies’ Standards (WAS) among many others.

Clearly designed drawings and details communicate concepts that would be nearly impossible with words alone. However, standard details are but one facet of engineering guidance. The standard details produced will be consistent with and accompany the guide specification and design guide produced as part of Service 4.

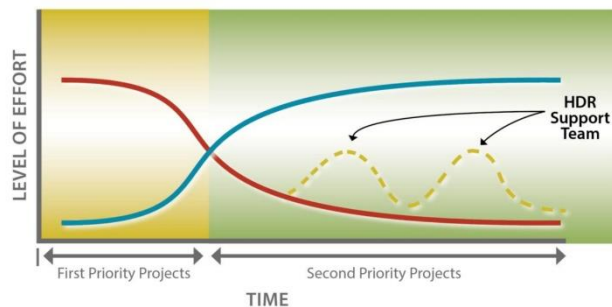


Service 6 - Strategy and Coordination with Pressure Station Construction Program

Analysis of the District’s system shows that even at the same age, pipes that are exposed to high pressure (190psi or more) and highly corrosive soils break more often and deteriorate faster than other pipe. Pressure reduction combined with improvements in corrosion protection could extend service lives of pipelines dramatically. Just as importantly, the high costs of repair, potential liability, and service outages to customers would also be reduced. Customer relations would improve along with water rates. HDR has detailed knowledge of the strengths and weaknesses of the District’s data, risk assessment model, and hydraulic model. This knowledge will enable HDR to develop a cost effective corrosion protection program (CPP) that compliments ongoing efforts in other areas such as pressure management, condition assessment, and renewal decision making.

Service 7 – Corrosion Protection Program Documentation

Throughout this effort, HDR will document strategies, policies, procedures, standards, and information system updates (e.g. EAM CMMS and GIS) in a formal technical memorandum. The final CPP will be structured as a comprehensive turnkey program that can be managed and executed by District staff. Key components will be procedures for corrosion protection during repairs, criteria for corrosion protection of future CIP’s, and standardized drawings and designs. Combined with these primary objectives, we will incorporate, problem solving algorithms, standards for maintenance and in-house condition assessment,



methods to manage quality assurance and quality control—especially with respect to data collection and management, GIS integration, procedures and classification of corrosive soils and mitigation of the various threats it presents. The final deliverable will be the technical memorandum with appendices. HDR will include a database with the CPP to manage data from this project as well as to house previously collected data.

The end goal is to create a sustainable program that will be transitioned to District ownership. For the CPP to be successful we know it must be:

- **Manageable.** Processes or procedures should not be cumbersome.
- **Balanced.** Exhaustive programs are time-consuming and expensive while superficial programs don't solve the problem.
- **Collaborative.** All stakeholders within the District should be included in the process and have buy-in to encourage adoption.
- **Defensible.** Data-driven decision making encourages board adoption and removes emotional judgments and “pet projects”
- **Unique.** One size does not fit all—it should be curtailed for the unique aspects of the District.

iii. Firm Qualification Statement

As mentioned earlier, HDR has been and continues to be a leader in the field of corrosion protection, condition assessments and rehabilitation, for nearly 60 years. Our corrosion services and soil analysis laboratory is based in Claremont, CA. We also have highly qualified corrosion engineers and corrosion technicians in our San Diego office, just minutes from the District's office. We can also draw on the expertise of nearly 10,000 employees in 285 offices throughout the world.

Due to our long history in corrosion control, extensive history and experience with numerous clients and situations, deep bench of experts, and a vast array of related and associated services, HDR is ideally qualified to assist the District in achieving the CPP goal.

Our team has previously reviewed the District's standards and provided recommendations, which provides us with a jump start to this project.

We have provided similar corrosion protection master plans for various water districts, municipalities, and programs such as: San Francisco Public Utilities Commission, Calleguas Municipal Water District, Sacramento Regional County Sanitation District, Orange County Sanitation District, Anchorage Water and Wastewater Utility, City of Sunnyvale, City of Folsom, Willamette Water Supply Program, and Integrated Pipeline Project, among others. On numerous occasions we have also partnered with the Water Research Foundation and other member agencies to provide planning-level technical expertise to the industry at large.

HDR's project manager for this project, **David Spencer, PE**, has more than 17 years of experience in water resources and utilities management services. He is supported by **Brien Clark, PE** / NACE Corrosion Protection Specialist (CP-4) with more than 18 years of corrosion experience, as well as a diverse team of planners, corrosion engineers, and chemists, chosen for their expertise and relevant experience in corrosion protection.

SECTION 5

Identification of Prime Consultant

i. Legal Name/Address of Company



HDR Engineering, Inc.
8690 Balboa Avenue, Suite 200
San Diego, CA 92123

ii. **Legal Form of Company**

S Corporation – Incorporated in NE

iii. **Parent Company**



HDR, Inc.
8404 Indian Hills Drive
Omaha, NE 68114

iv. **Contact Information**



David R. Spencer, PE – Project Manager
8690 Balboa Avenue, Suite 200
San Diego, CA 92123
858.712.8308
David.R.Spencer@hdrinc.com

v. **Number of Staff and Discipline/Job Title**



Our project team includes six key staff members:
David R. Spencer, PE – Water Resources/Project Manager
Brien Clark, PE, NACE CP-4– Corrosion/QAQC
Graham Bell, PhD, PE, FNACE, NACE CP-4 – Corrosion/Principal-In-Charge
James Keegan – Corrosion/Soil Corrosivity Task Leader
Anaissa Sprague, EIT – Corrosion/CPP Development Task Leader
Erika Maiforth, EIT, NACE CP-2 – Corrosion/CPP Development

SECTION 6

Identification of Sub Consultants

HDR will not be utilizing any sub consultants on this project.

SECTION 7

Project Organization and Experience of the Project Team

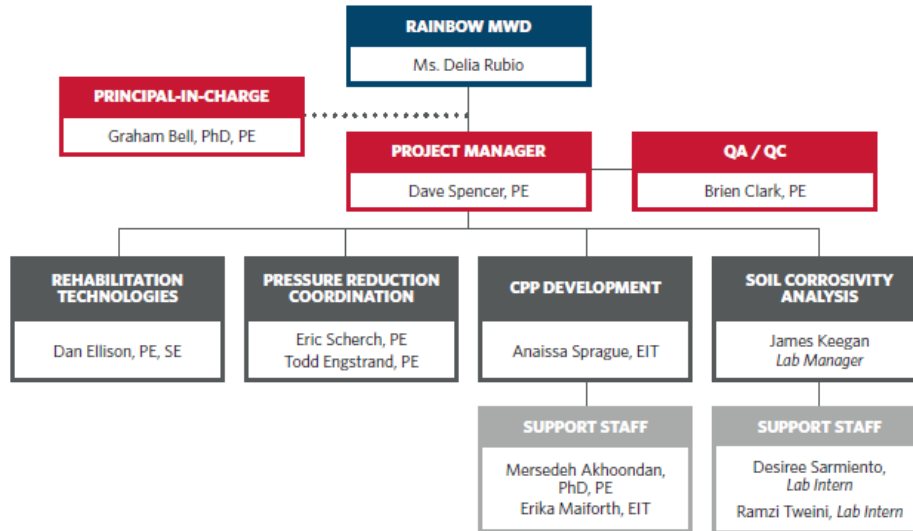
i. **Project Organization**

Our greatest asset is our people.

The District requires a highly qualified, locally based, capable team of experts that can help the District define, plan, design, and implement your Corrosion Protection Program (CPP). For your project, we have customized a team to leverage the knowledge and experience of our technical resources to effectively meet your goals.

Our team has the resources, tools, experience, and commitment to be an effective partner for the District in implementing its CPP.

The organization of our team, key staff members are provided below. Resumes can be found in the Appendix.



ii. Team Experience

Our goal is to engage the best minds and resources to deliver the right solution for you. We accomplish this by combining proven processes, systems, and resources to create a cohesive project team. Most of our team members have a long history with our organization, creating a stable leadership core to guide long-term strategies and daily operations. We also have tremendous global resources available to assist local staff, as requested, to meet your needs.

Our project team has worked together successfully on these similar related projects:

- **Rainbow Municipal Water District** – Condition Assessment of Water Facilities, Fallbrook, CA
- **San Diego County Water Authority** – As-Needed Corrosion Engineering Services
- **Eastern Municipal Water District** – Reach 2 Condition Assessment and Cathodic Protection Design, Nuevo, CA.
- **Western Municipal Water District** – Nondestructive Condition Assessment Alternatives for the Mills Gravity Pipeline, Riverside County, CA.
- **Fallbrook Public Utility District** – Job No. 3006, Pipeline and Valve Replacement Program, Fallbrook, CA
- **Mesa Water District** – Pipeline Integrity 2017-2022, Costa Mesa, CA
- **Padre Dam Municipal Water District** – Pipeline and Valve Risk Prioritization, Santee, CA
- **Tarrant Regional Water District** – Integrated Pipeline Project, Dallas, TX

iii. Project Management Approach

Together, we make great things possible.

The District is seeking a firm with demonstrable experience and qualifications in the discipline of corrosion engineering to develop a corrosion protection program (CPP). HDR understands that the District requires that this CPP must include all necessary components to allow for in-house management.

Every project requires oversight and management to stay on task, on budget, and on schedule. HDR will work closely with District staff in the most complete, cost-effective, and efficient manner to keep project tasks focused. Having worked on many similar projects, our understanding of the District's procedures, staff, and public concerns will provide results that stay within budget and meet schedules.

HDR has a hands-on approach to getting projects done. For every project we prepare a Project Guide that defines the four pillars of project success: Operations, Production, Communication, and QA/QC. The Project Guide clearly defines the responsibilities of all team members, identifies goals and milestones, and provides a comprehensive resource of information for the District, consultant, and sub consultant staff. The Project Guide is a living document that we share with staff and update as information changes or as new task orders are developed.



The Project Guide clearly defines the responsibilities of all team members, identifies goals and milestones, and provides a comprehensive resource of information for the District, consultant, and sub consultant staff. The Project Guide is a living document that we share with staff and update as information changes or as new task orders are developed.

Regular communication throughout the project with the District's Project Manager is essential. All correspondence will be directed through Dave Spencer, HDR's Project Manager, and he will be responsible for sharing information with team members. Team meetings will be held to provide status updates, project tasks, discuss and resolve project issues,

and verify schedule adherence. The results of these meetings will be shared with the District via progress reports, e-mails, and telephone conversations. HDR will prepare schedule updates using Microsoft Project or the District's preferred software program. To monitor schedule versus budget, we employ an Earned Value Tracking application on a weekly basis to identify whether we are completing the necessary tasks efficiently and with the right staff, and to gauge whether we are ahead or behind schedule, based on expenditures. This allows us to identify issues and develop solutions before the project is jeopardized. These and other management tools will be used on a regular basis to monitor each Task.

HDR has a history of providing quality services, while being sensitive to our client's needs. This goal is achieved with HDR's in-house quality control (QC) program, which is designed to accomplish three major objectives:

- Provide senior-level guidance throughout the project;
- Eliminate redundant work and miscommunicated efforts; and
- Ensure consistency in all deliverables.

HDR believes quality assurance (QA) is paramount to the success of any project; we use a process that starts at the kickoff meeting and runs throughout the project.

Quality assurance (QA) at HDR begins with the receipt of each Task Order. A QA team, consisting of our Project Manager, QA manager, and other senior staff from each major discipline will provide guidance and independent reviews. All draft materials will be independently reviewed before final projection; by matching the best-suited staff to the specific needs. In addition, we will constantly be open to and search for ways to benefit each project task by employing economical thinking and ideas without sacrificing quality.

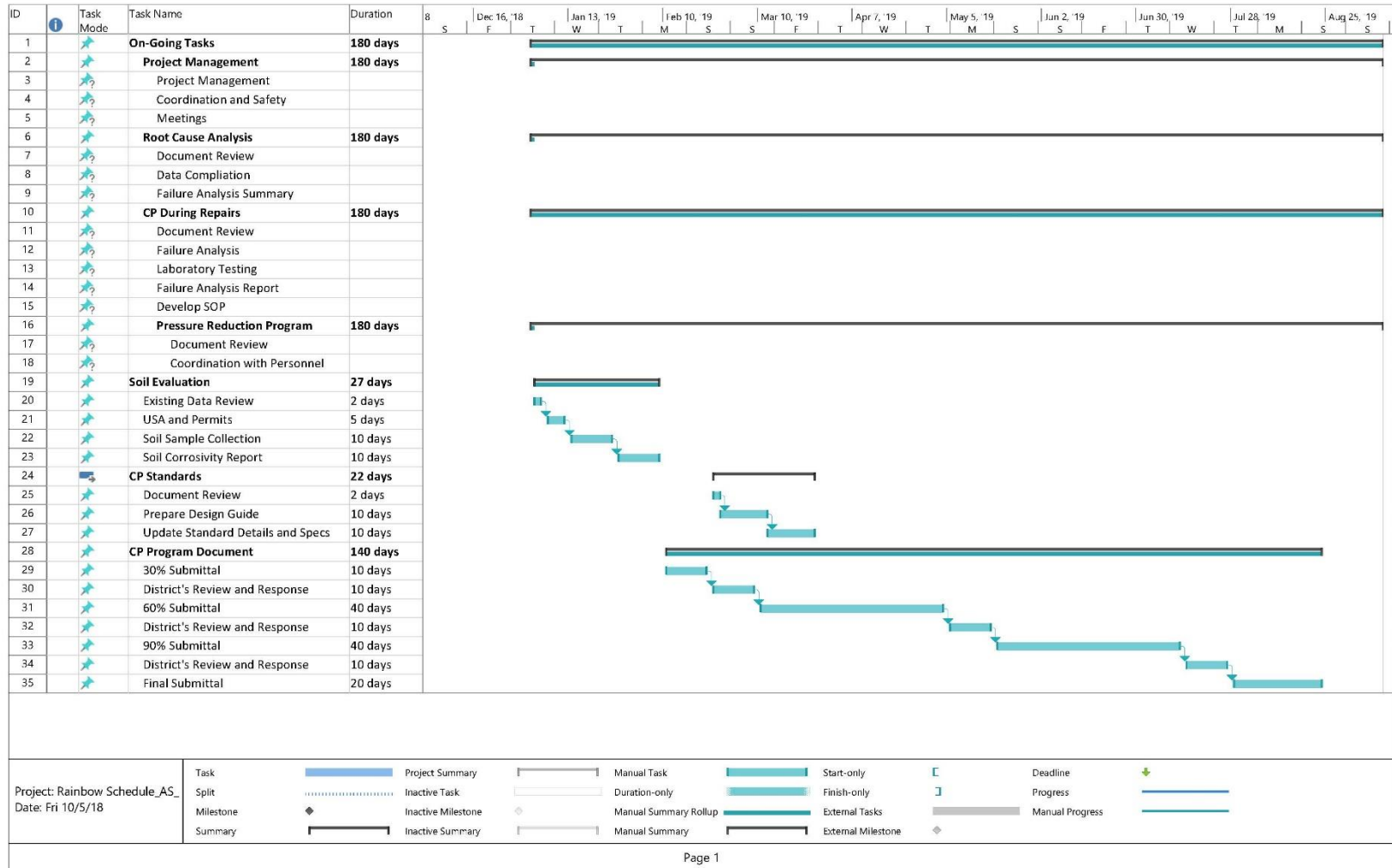


iv. **Project Schedule**

We understand the importance of meeting project schedules.

The project schedule for the proposed work is continued on the following page.





v. Firm Capacity

The capacity to accomplish work in a strict timeframe requires strong and experienced leaders backed by skilled team members. Our personnel are dedicated to providing sufficient time and effort to produce a quality product. With this in mind, our team members were carefully selected not only for their expertise, but also for their availability to work on the project for its duration. We follow well established and time proven procedures to manage our project work and have assembled a strong team that is available to begin work upon Notice-to-Proceed. You can rely on us to successfully deliver this project.

SECTION 8

Statement of Qualifications

Project Staff Qualifications

For your project, we have customized a team to leverage the knowledge and experience of our technical resources to effectively meet your goals. Most of our team members have a long history with our organization, creating a stable leadership core to guide long-term strategies and daily operations. We also have tremendous global resources available to assist local staff, as requested, to meet your needs.

HDR’s Condition Assessment and Rehabilitation sector has developed many similar corrosion protection programs for agencies in San Diego County, including San Diego County Water Authority, and Otay Water District.

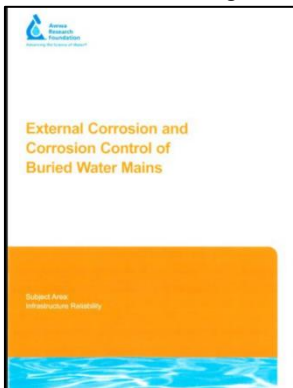
Similar Project Experience

The following relevant projects performed by our project team members are provided in this section to further demonstrate the extent of our experience offered to the District.

Water Research Foundation (WRF) | Project No. 2608 – External Corrosion and Corrosion Control of Buried Water Mains

The WRF recognized that the water industry as a whole is in need of replacing or rehabilitating its aged transmission and distribution lines and mains, and wanted to look for innovative ways to manage the costs while providing the highest quality water service to its customers. This project was implemented to enlighten water purveyors about the relationships between corrosion and its control to extend the service life of buried water mains. The intent of the project was to identify the causes and to provide solutions to mitigate against external corrosion of buried water mains. This project included the development of a Corrosion Control Mater Plan and use of systematic risk-based approach to corrosion control to foster a better understanding of the benefits and value of corrosion control in the water utility industry.

Principal Investigators: Graham Bell, PhD, PE, HDR;
Participating Utilities: San Diego County Water Authority, Louisville Water Company, Washington Suburban Sanitary Commission, Ductile Iron Pipe Research Association, and



Ameron International.

Project Dates: 2004

Client Reference: Frank Blaha, WRF | 6666 W. Quincy Ave., Denver, CO 80235 | 303.895.7982 | fblaha@waterRF.org

San Francisco Public Utilities Commission (SFPUC) | As-Needed Corrosion Control Services, San Francisco, CA

HDR assisted SFPUC with corrosion control engineering services, including corrosion investigation, design, and inspection work. HDR developed corrosion control strategies for SFPUC and was also part of the team that developed the Corrosion Control Master Plan in 1999 and a revised Plan in 2010.

Project Team: Graham Bell, PE – Principal-In-Charge

Project Cost: \$2,000,000

Project Dates: 2008-2014

Client Reference: Mongkol Mahavongtrakul, PE, Corrosion Contract Mgr. |

1155 Market St., San Francisco, CA 94107 | 415.243.2461 |
mmahavongtrakul@sflower.org

"HDR has consistently provided excellent as-needed consultation for corrosion related issues for the SFPUC. HDR developed an outstanding corrosion master plan and performed a comprehensive corrosion survey for the entire SFPUC distribution system. The detailed analysis and recommendations are keys to upgrading our system to NACE standards."

**—Jonathan Chow, Principal Engineer
SFPUC Water Supply and Treatment**

Water Research Foundation (WRF) | Project No. 4618 – Retrofit and Management of Metallic Pipe with Cathodic Protection: Guidance Document on Technical Feasibility and Economic Value



This project investigated technical and economic considerations to retrofit buried metallic pipelines with cathodic protection. The goal was to produce a utility focused design criteria manual, standard specifications, drawings, and financial template/methodology that will provide a consistent financial benefit measurement of the value of the anode retrofit program. Our approach was to build on the foundation of the previous works along with gathering application data and information from utilities in the USA and Canada during workshops, interviews, and surveys. Numerical and qualitative case studies were developed to demonstrate the economic value of cathodic protection.

HDR Project Team Leaders: Graham Bell, PhD, PE; Mersedeh Akhoondan, PhD, PE; Steve Pool, PE; Addison Smith, PE

Participating Agencies: Neil Grigg, PhD – Colorado State University

and Balvant Rajani – Rajani Consultants

Water Research Foundation Participants: Dr. Jian Zhang, Dale Claassen, Andrew Hughes, and Jeff An

Project Dates: 2016-2017

Client Reference: Dr. Jian Zhang | 6666 W. Quincy Ave., Denver, CO 80235 | 303.895.7982 | jzhang@waterRF.org

San Diego County Water Authority (SDCWA) | As-Needed Corrosion Engineering Services, San Diego County, CA

HDR has been providing as-needed corrosion engineering services to SDCWA since 1997. SDCWA is responsible for five major pipelines ranging in diameters from 108 inches to 27-inches and totaling approximately 300 miles. Services provided under this contract consisted primarily of augmenting

SDCWA staff to meet their condition assessment and corrosion monitoring/control requirements within the Aqueduct Protection Program (APP). Established in the early 1990s, the Aqueduct Protection Program is recognized worldwide for its innovations in inspecting, repairing and replacing large-scale water infrastructure to extend the service life of 82 miles of large-diameter, pre-stressed concrete cylinder pipe around the county. Other aspects of the program also included the inspection and protection of their welded steel pipe and bar-wrapped pipe. The APP also requires annual corrosion monitoring studies and as-needed maintenance, implementing the CP systems as required. All results from these studies and designs were presented to the Authority in in-depth reports and discussed during project meetings. HDR has also prepared and given special presentations to the SDCWA staff.



Project Team: Graham Bell, PE – Principal-In-Charge

Project Cost: \$2,000,000 over 3 years

Project Dates: 1997 – present 2018

Client Reference: Nathan Faber, PE, Ops. Planning Mgr. | 610 W. 5ths Ave., Escondido, CA 92025 | 760.480.9867 | nfaber@sdcwa.org

Calleguas Municipal Water District (CMWD) | As-Needed Corrosion Engineering Services, *Thousand Oaks, CA*

CMWD was experiencing failures in one of its PCCP conduits. HDR reviewed existing reports, designs, and survey data and developed work plans for the investigation of CMWD’s existing steel and PCCP pipelines. Recommendations for continued operation were made based on soil and groundwater corrosivity in conjunction with the needs of CMWD and affected communities. Based on this information, HDR developed a PCCP Corrosion Maintenance Master Plan for this water district.

Project Team: Graham Bell, PE – Principal-In-Charge

Client Reference: Susan Mulligan, PE, General Manager | 2100 Olsen Rd., Thousand Oaks, CA 91360 | 805.579.7115 | smulligan@calleguas.com



SECTION 9 Resource Allocation Matrix

Task Description	Personnel Hours									Non-Labor			
	Principal Engineer-MGT420	Project Manager-PJM310	Associate Engineer-PJM300	Senior Staff Scientist-TLB100	Corrosion EIT-ECO200	Field Engineer-ECO200	CAD Operator-BIM210	Project Support-FIN210	Total Hours	Mileage	Encroachment Permits	Geoprobe Costs	Lab Soil Corrosivity Testing
Service 0: Project Management													
Task 0.1: Project Management	6	12		12				32	62				
Task 0.2: Coordination and Safety		4	2	4	2	4	2	4	22				
Task 0.3: Meetings (up to 8)	6	10	24	24	32				96	1,460			
Subtotal	12	26	26	40	34	4	2	36	180	1,460	-	-	-
Service 1: Root Cause Analysis													
Task 1.1: Review Documentation					4				4				
Task 1.2: Data Compilation	1				4				5				
Task 1.3: Failure Analyses Summary	1		2	2	4				9				
Subtotal	2	-	2	2	12	-	-	-	18	-	-	-	-
Service 2: Soil Evaluation													
Task 2.1: Review Existing Soil Data					4				4				
Task 2.2: Collect Soil Samples (x30)									-				
Task 2.2a: USA and Permits								36	36		30		
Task 2.2b: Mobilize and Travel								32	32	1,280			
Task 2.2c: Geoprobe Soil Collection								20	20		5	30	
Task 2.3: Soil Corrosivity Report and GIS	2		8	2	16	12			40				
Subtotal	2	-	8	2	20	100	-	-	132	1,280	30	5	30
Service 3: Procedures for CP during Repairs													
Task 3.1: Review Documentation					4				4				
Task 3.2: Failure Analyses (x10)									-				
Task 3.2a: Mobilization and Travel								40	40				
Task 3.2b: Conduct Investigation								10	10				
Task 3.2c: Laboratory Testing								10	10				10
Task 3.3: Failure Analyses Reports	2		8	2	20	8			40				
Task 3.4: Development of SOP	1		4	2	8				15				
Subtotal	3	-	12	4	32	68	-	-	119	-	-	-	10
Service 4: Standards for CP on CIP's													
Task 4.1: Review and Revise Current Guide Specs	1		4		16				21				
Task 4.2: Prepare Corrosion Control Guide Spec	1		4		16				21				
Task 4.3: Prepare Design Guide	1		4		12				17				
Subtotal	3	-	12	-	44	-	-	-	59	-	-	-	-
Service 5: Creation of Standard Details													
Task 5.1: Review and Mark-up Current Details	1		4		16				21				
Task 5.2: Create New CP Standard Details	1		6		24		24		55				
Subtotal	2	-	10	-	40	-	24	-	76	-	-	-	-
Service 6: Coordination with Pressure RP													
Task 6.1: Review Documentation					4				4				
Task 6.2: Coordination with Pressure RP Personnel				4	8				12				
Subtotal	-	-	4	-	12	-	-	-	16	-	-	-	-
Service 7: CPP Documentation													
Task 7.1: 30% Submittal	1		4	4	24				33				
Task 7.2: 60% Submittal	1		4	4	16				25				
Task 7.3: 90% Submittal	1		2	2	8				13				
Task 7.4: Final CPP	1		2	2	8				13				
Subtotal	4	-	12	12	56	-	-	-	84	-	-	-	-
Creative Alternatives - Optional													
Task 8.1: Review Documentation Project Mgmt		6		6				8	20				
Task 8.2: Service Line Cathodic Protection Design	2		4	6	32		24		68				
Task 8.3: Emag Survey - First-Tier Critical Lines			2	2		48			52	320			
Task 8.4: Emag Survey - Second-Tier Critical Lines			2	4		96			102	640			
Task 8.5: Data Reduction and Plotting			4	6	36				46				
Task 8.6: Final Report	2		4	4	24				34				
Subtotal	4	6	16	28	92	144	24	8	322	960	-	-	-
Total	32	32	102	88	342	316	50	44	1,006	3,700	30	5	40

SECTION 10

Statement

HDR will not be utilizing and sub consultants. In the event we use any sub consultants, HDR acknowledges and understands that we will not be allowed to change the sub consultant without permission from the District.

SECTION 11

Firm's Local Experience

Having completed numerous projects for agencies throughout San Diego County, the HDR team understands what it takes to develop and build a program for the District, on time, and within budget, with the knowledge of being sensitive to the community. Our San Diego based office located in Kearny Mesa, a short distance from the District, allows us to be fully responsive to the District's needs. Utilizing a local team will facilitate communication with the District staff throughout the project, ensuring that the District and HDR team members are continuously aware of the schedule and budget. This local presence also gives HDR the ability to easily coordinate any issues with the local regulatory agencies.

SECTION 12

Creative Alternatives

Alternative 1

The majority of the District's breaks happen on copper services. While service breaks can be less consequential than main breaks, they disrupt customers and require a significant portion of response staff time. Attaching an anode to a service can be cost effective because limited or no excavation is required, and because the anode will not only protect the service, it will also provide some level of protection to the main if the main and the service are electrically continuous. Over the next several years, the District will be replacing meters throughout the system to improve efficiencies and automation. The District should evaluate options to attach anodes to each metallic service while the construction crew is already mobilized to the meter and service. This could be very cost effective in mitigating future service and main line breaks.

Alternative 2

To enhance in the selection of soil sampling locations, we have found the use of electromagnetic conductivity testing (emag) to provide an excellent return on investment. This technique can provide a continuous measurement of soil conductivity/resistivity over the entire length of a pipeline alignment making sure that no corrosive patches are missed. The instrument is simply carried by a technician while walking along an alignment and taking overlapping readings. Also, as the emag survey is being conducted a second person can follow behind in a vehicle and perform Wenner 4-pin testing at locations found to be corrosive by emag to provide resistivity readings at multiple soil depths. Soil sampling locations can then be selected by reviewing a plot of the emag data.



In our experience an average of seven miles or more a day can be measured. Lines with the highest pressures and leak records could be targeted first with additional testing at the District's discretion.



SECTION 13

Professional Fee and Fee Schedule

Fee estimate and fee schedule are being submitted in a separate envelope per the RFP.

SECTION 14

Additions or Exceptions to the District’s Request for Proposal

HDR proposes the following recommendations to the RMWD Agreement. We are happy to discuss any of these items with you.

Page 3-4 | Section 6.1 – Indemnification, Hold Harmless and Defense | Please add the words “active negligence,” to the last sentence: “The foregoing indemnity, hold harmless and defense obligation of CONSULTANT shall except to the extent the loss.....is caused the sole negligence, active negligence, or willful misconduct of an indemnified party.”

Page 6-7 | Section 9.1 – Insurance Coverage and Limits | Please add the words “With the exception of professional liability insurance, which may be on a claims-made basis” to the beginning of the second sentence: “With the exception of professional liability insurance, which may be on a claims-made basis, claims made policies shall not satisfy these insurance requirements unless.....use of such claims made policies.”

Page 7-8 | Section 9.2 (a) – Required Provisions | Please add the word “additional” in the first sentence: “DISTRICT, its direction, officers, or employees are to be covered as additional insured’s on the CGL and auto policies.....or operations.”

Page 8 | Section 9.6 – Evidences of Insurance | Second paragraph, please revise the sentence to read “CONSULTANT shall, upon demand of DISTRICT at any time, deliver to DISTRICT complete, certified copies of all required insurance policies required where the District is named as additional insured.”

APPENDIX

Resumes





David Spencer, PE

Project Manager

EDUCATION

BS, Civil Engineering,
California Polytechnic State
University, San Luis Obispo

REGISTRATIONS

Registered Civil Engineer,
California, #66885

David Spencer developed and implemented condition assessment and renewal programs encompassing over 60,000 miles of pipelines in the U.S. David specializes in developing and implementing practical results-oriented programs for aging water, recycled water, and wastewater infrastructure. He is adept in interacting with all levels of a utility organization from field staff to management. David is currently engaged in the evaluation of several emerging condition assessment technologies including acoustic testing, non-destructive examinations, an ASCE Manual of Practice, and other Water Research Foundation projects. Proficient in ESRI and Microsoft analytical tools, David has supported many high performing utilities in building and refining asset management practices including the Cities of San Diego, Poway, Vista, Phoenix and Honolulu, Vista Irrigation District, Los Angeles Bureau of Sanitation, Johnson County Wastewater, and Seattle Public Utilities.

RELEVANT EXPERIENCE

Water Research Foundation, WRF 4471, Leveraging Data from Non-Destructive Examinations to Help Select Ferrous Water Mains for Renewal, Denver, CO. The goal of the project is to leverage current NDE (Non-destructive Examination) technology to help determine when select ferrous water mains should be renewed. Traditionally, water utilities relied on pipeline leak and break data to determine when pipeline renewal was needed. In recent years, several devices have been introduced that can find structural defects or pinpoint leaks. However, the cost of using these tools can be relatively expensive and the results can be varied. To date, the project has included the testing of five different inspection technologies side-by-side on cast iron main in Los Angeles.

Answers to Challenging Infrastructure Management Questions - Water Research Foundation (WRF), Denver, CO. David authored the asset management chapter of this research project which seeks to integrate and summarize industry research in an understandable manner. Using a question and answer format, the asset management chapter answers "How long will my pipes last?", "When should a pipe be replaced?", "What is the appropriate level of service for water mains repair rates?", and "How do I select pipes for assessment and renewal".

City of Lincoln, NE, Lincoln Water Facilities Master Plan, Lincoln, NE. David developed a condition and asset management framework for system renewal. The project included a review of the city's water capacity requirements, supply availability, treatment capacity and future regulatory requirements, distribution system analysis, development of a water main replacement program, asset management program, and development of a final report.

Vista Irrigation District, City of Vista, CA

HDR was selected by Vista Irrigation District (VID) to prepare an update to their 2000 Potable Water Master Plan. As part of that Master Plan, condition assessment of the District's reservoirs and pipelines is being conducted and prioritization of rehabilitation and replacement projects. David is leading the condition assessment and renewal prioritization components of the project which includes assessing and cleansing existing data, quantifying deterioration, identifying investment scenarios compared with level of service, and incorporating results into the master plan.

2016 Comprehensive Sewer Management Plan, City of Vista, CA. David is developing an asset management program and plan that will close gaps in the asset registers for GIS/Cityworks/Pipelogix/hydraulic model. David will identify likelihood and consequence of failure for asset risk, replacement costs, renewal prioritization, and evaluation of levels of service and associated levels of investment. David will

conduct workshops with operations staff on best practices and SOPs. The results of asset management analysis and asset information will be coordinated with GIS staff for inclusion in appropriate systems and the identification of asset management software. A continuous improvement plan will be developed that includes analysis of existing business processes and systems and identification of prioritized opportunities for improvement for policies, processes and systems.

City of Poway, Utilities Operational Effectiveness Study (UOES), Poway, CA. Project Manager who reviewed operational activities for the potable water, wastewater operations, and recycled water, then assessed their organizational efficiency and effectiveness to prepare an operational effectiveness report with competitive levels for (O&M) of the system with recommended cost savings and improvement strategies. Worked closely with the city's public works department's utilities manager and key representatives from labor, management and employees.

WRF 4480, Development of an Effective Asbestos Cement Distribution Pipe Management Strategy for Utilities, Denver, CO. David participated on this research project that involved developing an effective strategy for management of utility asbestos cement (AC) pipe assets, which included condition assessment and remaining life prediction, water quality optimization, rehabilitation and replacement, renewal prioritization modeling, and cost analysis. Project involved analysis of more than 100 samples of pipe and 20 years of break data for 1,100 miles of East Bay Municipal Utility District (EBMUD) AC pipes.

Water Distribution Asset Management Plan Development, Phoenix, AZ. The City of Phoenix owns and operates approximately 7,000 miles of distribution systems wants to refine its asset management plan for water distribution and transmission mains. David, as the technical lead, provided an overall program assessment which included: data clean-up and analysis, development of long term renewal investment levels, development of near-term renewal project identification and prioritization procedures, and knowledge transfer to City staff to support more efficient and effective data driven decision making.

City of Westminster, Westminster Distribution System Renewal Program Prioritization and Modeling, Denver, CO. Evaluated the water distribution system and prioritized water main repair and replacement projects based on a number of criteria. A risk analysis and prioritization factors matrix was established and was used to develop an optimized pipe and valve replacement capital improvement program (CIP). Role: Asset Management Lead

Asset Management Plan, Otay Water District, Otay, CA. Prepared a district-wide asset management plan as the framework for district staff to implement the ongoing condition assessment and associated service life estimates for all of the fixed assets. The project included the development of asset criticality criteria, condition assessment rating and ranking criteria, and asset valuation methodology that serve as the basis for future rates and bond financing.

Asset Management Program Update - Zone 7 Water Agency, Alameda, CA. Developed Zone 7's asset management program policies and framework including: an information system roadmap, inspection and condition assessment procedures, and repair, rehabilitation and replacement decision making processes for mechanical equipment and pipelines. Implemented a condition assessment program to support development of a near-term rehabilitation and replacement budget.



Brien Clark, P.E.

Manager of Technical Services

Mr. Clark is the Manager of Technical Services for HDR Engineering, Inc. He has been with HDR Engineering since 2000. Mr. Clark has performed condition assessments, external direct assessments, failure analyses, soil corrosivity studies, water aggressivity studies, cathodic protection surveys, cathodic protection/corrosion control designs, and construction checkouts.

EDUCATION

Bachelor of Science –
Chemical Engineering,
California Polytechnic
University, Pomona

REGISTRATIONS

State of California

- Professional Chemical Engineer - #6291

State of Arizona

- Professional Chemical Engineer - #48417

State of Idaho

- Professional Chemical Engineer - #15476

State of New Mexico

- Professional Chemical Engineer - #21879

NACE International

- Cathodic Protection Technologist CP-3 #17978
- Cathodic Protection Specialist CP-4 #17978
- Cathodic Protection Interference

NCCER

- Corrosion Prevention Field Technician 1
- Abnormal Operating Conditions – Field Ops

INDUSTRY TENURE

18 years

Water and Wastewater Condition Assessment and Rehabilitation

Willamette Water Supply | Systemwide CP Review WAF-4

Beaverton, OR

Cathodic Protection Design Reviewer:

A CP review and GAP analysis was performed on the cathodic protection design guide, standard details, guide specification section 26 42 19, and CP-related construction submittals, requests for information (RFI), and design clarifications for projects PLW 1.1, PLM 2.0, PLM 3.0, and PLM 1.0. (2018)

City of Folsom | Phase 1 Water Treatment Plant Pumping Station Corrosion Standards

Folsom CA

Technical Lead/QC Reviewer/Responsible Charge: The City was receiving disparate cathodic protection (CP) designs for various reaches of ductile iron pipe mainlines that were being installed. In order to standardize the designs and have consistent CP system components for future O&M a standard CP approach was created. The CP approach consisted of a design guide, a master specification section, and standard details. Additionally a standard schedule for the number of anodes per pipe diameter and length was generated as part of the CP approach. Corrosion engineering support was also provided during the construction. Technical Lead, QC Reviewer, and Responsible Charge. (2017)

City of Sunnyvale | Sunnyvale Master Plan and Primary Renovations

Sunnyvale, CA

Corrosion Control Lead: The City's overall goal was to renovate the existing 14 mgd Water Pollution Control Plant (WPCP) to a new permitted 29.5 mgd facility suitable to treat and dispose of municipal sewage for the next 40 years. As a major subconsultant to Carollo Engineers, instrumental engineering services were provided for the City's WPCP Master Plan and Primary Treatment Facilities Design Project. This included developing corrosion control design standards—a detailed corrosion control guide that created a uniform and robust corrosion control strategy for all facets of the primary treatment design. Also provided engineering services during construction in the way of answering RFI/RFCs. (2014)

Orange County Sanitation District | Preparation of Corrosion Control Standards

Orange County, CA

Project Engineer/Asst. Project Manager: Performed preparation of pre-review report and comprehensive review of engineering standards including design guidelines, standard drawings, and master specifications to update coatings, material selection, cathodic protection, and corrosion control. A total of 15 new standard details were generated. Investigated limits for the levels of chloride and sulfate contained in water used in the production of concrete from portland cement with recommendations for limits. (2009-2010)

Sacramento Regional County Sanitation District | Preparation of Corrosion Control Standards

Elk Grove, CA

Project Manager/Project Engineer/Task Lead: Created the District's first design guide for corrosion control. Task leader making revisions to the design guide specs for cathodic protection and coatings, and created new guide spec for lead abatement. Reviewed all existing guide specifications for corrosion control incorporation. Mr. Clark was the task leader that made revisions to the guide specs for cathodic protection and coatings, including reviewing all existing guide specifications for corrosion control incorporation. He was the task lead on the creation of the District's first design guide for corrosion control and created a new master guide specification for lead abatement. (2012-2013)

Anchorage Water & Wastewater Utility | 2012 Corrosion Control Master Plan

Anchorage, AK

Project Engineer/Technical Lead on all tasks: As part of a major overhaul of the 2012 Anchorage Water Master Plan, this project focused on the corrosion control aspects of the program. The scope consisted of a review and report of previous corrosion master plans and corrosion related studies (Task 1), a review and proposed revisions to existing corrosion control requirements and standards (DCPM/MASS, Task 2), creation of a comprehensive corrosion control inventory and guide manual (O&M) including standalone standard operating procedures (SOP) for major tasks (Task 3), and recommendations for future corrosion-related capital improvement projects (Task 4). Each task was documented with a separate technical memorandum. (2012-2013)

Tarrant Regional Water District | Integrated Pipeline Project (IPL)

Fort Worth, TX

Technical Reviewer for Polyurethane Weathering TM/Project Engineer/Task Lead/Author/Co-Author: Program consisted of the design of 150 miles of 96- to 108-inch diameter WSP and PCCP with two reservoirs and booster pump stations, divided between nine project design teams. HDR served as program-wide corrosion engineering consultants, tasked with establishing corrosion control and cathodic protection for the entire program. Task lead and lead author of a technical memorandum on the state of the art of polyurethane coating (PUC) products for large-

diameter welded steel pipelines. Co-author on a technical memorandum on the state of the art of pipeline electrical isolation, including recommendations per pipe diameter. (2015-2018)

Eastern Municipal Water District | Preparation of Pipe Drop Standard Detail

Perris, CA

Design Reviewer: Designed cathodic protection for a new standard detail. The detail standardized the number of anodes used based on the diameter and length of pipe crossings. (2008)



Graham E.C. Bell, PH.D; P.E., FNACE
Principal Professional Associate – National Director

Dr. Graham E.C. Bell, P.E., is Sr. Vice President and National Director for HDR's Condition Assessment and Rehabilitation Business Class. Dr. Bell has more than 30 years of experience in designing and testing corrosion control facilities and forensic evaluation of corrosion damage on buried and submerged structures. Dr. Bell is a registered Corrosion Engineer in the State of California and a registered Mechanical Engineer in the States of Arizona, Tennessee, Nevada, Colorado, Ohio, Alaska, Oregon, and South Dakota. Dr. Bell is certified by NACE International as both a Corrosion and Cathodic Protection Specialists, and was named a NACE International Fellow in 2015. Dr. Bell has authored and coauthored more than 60 technical papers and given more than 150 technical conference presentations. Dr. Bell is the current vice chairman for the AWWA Committee on Corrosion (519) and was the Chairman of the NACE International Task Group T-10A-21 on Corrosion Control for Cast and Ductile Iron Pipe. These committees are preparing a new version of their state-of-the-art reports for corrosion control and condition assessment of pipe materials used in the water industry. Dr. Bell currently serves as the Strategic Program Lead on Condition Assessment for the HDR Water Business Group.

EDUCATION

Ph.D – Nuclear Engineering,
 University of California – Los Angeles

Master of Science –
 Engineering
 University of California – Los Angeles

Bachelor of Science –
 Engineering
 University of California – Los Angeles

REGISTRATIONS

Professional Corrosion Engineer – CA No. CR1064
 Professional Mechanical Engineer – TN No. 100976
 Professional Mechanical Engineer – NV No. 11869
 Professional Mechanical Engineer – AZ No. 33070
 Professional Mechanical Engineer – CO No. 46325
 Professional Mechanical Engineer – OH No. 78082
 Professional Mechanical Engineer – AK No. 13928
 Professional Mechanical Engineer – OR No. 88397
 Professional Mechanical Engineer – SD No. 12502
 NACE International

- Cathodic Protection Specialist – No. 5350
- Corrosion Specialist – No. 5350

PROFESSIONAL MEMBERSHIPS

American Water Works Association (AWWA)

Water and Wastewater Condition Assessment and Rehabilitation

San Francisco Public Utilities Commission | Corrosion Control Master Plan and As-Needed Corrosion Control Services

San Francisco, CA

Project Principal. The objective for this \$1.6M project was to determine the potential for corrosion and investigate the existing cathodic protection systems by performing a comprehensive condition assessment on the entirety within a six month time frame. Dr. Bell oversaw the work on development of the 1999 and 2010 corrosion control Master Plans for more than 300 miles of large diameter piping. Work included identifying and implementing appropriate condition assessment inspection technologies and internal inspections. The program resulted in a 10-year program for asset preservation and protection improvement utilizing the concept of risk assessment as a methodology for prioritizing projects and protection.

City and County of San Francisco | Corrosion Control Master Plan and PCCP Stray Current Studies

San Francisco, CA

Dr. Bell conducted a 3-year Corrosion Control Master Planning study of the 108-miles of large diameter piping including approximately 32-miles of PCCP for the San Francisco Water Supply. The project included developing a project-oriented risk based corrosion control master plan that is currently being implemented. The project included evaluating the effects of more than 40 rectifiers, conducting dig-ups and assessments and designing repairs and remediations for the system. In addition, HDR and Dr. Bell are conducting a stray current evaluation to determine and measure the source and magnitude of potentially damaging stray current.

NACE International

- NACE International Fellow

American Society for Testing
and Materials (ASTM)

INDUSTRY TENURE

32+ years

of more than 40 rectifiers, conducting dig-ups and assessments and designing repairs and remediations for the system. In addition, HDR and Dr. Bell are conducting a stray current evaluation to determine and measure the source and magnitude of potentially damaging stray current.

San Diego County Water Authority | As-Needed Consulting Services for Aqueduct Protection Program

San Diego County, CA

Principal in Charge: Dr. Bell has provided condition assessment and corrosion-related work to SDCWA's program the past 15 years. Dr. Bell provided technical support, oversight and training for condition assessment and corrosion consultation for materials and coatings, training of SDCWA APP personnel, and conducting condition monitoring surveys for over 151-miles of parallel large diameter pipe. Project Cost: \$6M

San Diego County Water Authority | As-Needed Corrosion Engineering Contract

San Diego County, CA

Project Manager/Principal-In-Charge: Dr. Bell assisted SDCWA in assessing the condition of their PCCP lines and other mortar coated steel pipelines using traditional and state of the art methods and methodologies. In particular, Dr. Bell and HDR developed the use of electromagnetic soil conductivity testing in conjunction with minimal intrusion soil sampling methods to cost effectively obtain soil corrosivity data on existing pipelines. This methodology was presented in the paper at the 1998 ASCE Pipeline conference in San Diego.

City of Phoenix | Transmission Main Inspection and Assessment Program

Phoenix, AZ

Technical Advisor: Dr. Bell assisted the city in developing their large water main inspection and assessment program. The purpose of this program is to provide inspection and assessment of Phoenix's prestressed concrete cylinder pipelines (PCCP) (approximately 150 miles), 42-inch and larger. This program includes training city staff in the implementation of the program, assisting the city with the inspection and assessment of high priority large diameter pipelines, and providing specialty inspection services as needed. Project Cost: \$3M

Otay Water District | As-Needed Professional Corrosion Services FY 2008 – 2012

San Diego County, CA

Principal-in-Charge: The Otay Water District (District) has an ongoing Cathodic Protection (CP) Program. The program consisted of monitoring and maintaining 60 separate pipelines and 29 reservoirs at the beginning of the project. As The District grew and the program expanded, 19 more piping systems were incorporated. HDR was instrumental for the initiation and implementation of the District's GIS corrosion database. HDR also provided design services for future rehabilitation projects.



Eric Scherch, PE
Asset Manager / Risk Modeling

Eric Scherch has more than 10 years of experience developing, planning, and implementing asset management programs throughout the U.S. His expertise lies in developing statistically significant condition assessment and renewal forecasting for water and wastewater including development of risk models. Eric focuses on risk analysis, operations and maintenance, condition assessment, aging infrastructure renewal forecasting, program alternative evaluation, information systems development, regulatory reporting, staffing analyses, and work planning. Eric has served as a technical lead for clients such as Orange County Sanitation District, City of Vista, City of San Diego, West Basin Municipal Water District, San Antonio Water Systems, City and County of Honolulu, Seattle Public Utilities, Winston-Salem, and Eugene Water & Electric Board.

EDUCATION

BE, Civil Engineering, Duke University

REGISTRATIONS

Registered Civil Engineer, California #74238

PROFESSIONAL MEMBERSHIPS

American Society of Civil Engineers (ASCE), San Diego, Member

Engineers Without Borders USA, San Diego, Project Advisor

RELEVANT EXPERIENCE

2016 Comprehensive Sewer Management Plan, City of Vista, CA. Asset Management Support. Responsible for the development of the risk model, asset management planning and renewal forecasting including workshops with operations, engineering and GIS staff. The program includes identifying likelihood and consequence of failure for asset risk, asset replacement costs, asset renewal prioritization, evaluation of levels of service and associated levels of investment, asset renewal forecasting scenarios and identification of asset management software for risk and renewal forecasting. Includes development condition assessment program recommendations and development of a staff owned program.

Vista Irrigation District, City of Vista, CA. HDR was selected by Vista Irrigation District (VID) to prepare an update to their 2000 Potable Water Master Plan. As part of that Master Plan, condition assessment of the District’s reservoirs and pipelines is being conducted and prioritization of rehabilitation and replacement projects. Eric is providing technical support for the condition assessment and renewal prioritization components of the project which includes assessing and cleansing existing data, quantifying deterioration, identifying investment scenarios compared with level of service, and incorporating results into the master plan.

Water Research Foundation, WRF 4471, Leveraging Data from Non-Destructive Examinations to Help Select Ferrous Water Mains for Renewal, Denver, CO. Analyst. The objective of this project is to demonstrate that NDE can be used cost effectively on some mains, and the results can be used to infer the condition of similar mains. Tailored Collaboration partners: DC Water, Denver Water, Los Angeles Department of Water and Power, Fairfax Water, and Seattle Public Utilities.

Water Distribution Asset Management Plan Development, Phoenix, AZ. Modeler and Analyst. The City of Phoenix owns and operates approximately 7,000 miles of distribution systems wants to refine its asset management plan for water distribution and transmission mains. HDR provided an overall program assessment which included: data clean-up and analysis, development of long term renewal investment levels, development of near-term renewal project identification and prioritization procedures, and knowledge transfer to City staff to support more efficient and effective data driven decision making.

Water Distribution Study, Eugene, OR. Data Analysis and Risk Modeling. HDR assisted the Eugene Water & Electric Board (EWEB) complete a water distribution study for two water districts which receive their retail water service. The objective of the study was to estimate a reasonable annual budget or level of investment (funding) for the districts to effectively maintain their distribution system over the long-term and to meet service goals. Two methodologies were used to assess Service Life Planning using this data: (i) Asset Class Performance Analysis; and (ii) Weibull Failure Rate Analysis. An informal regional utility survey was also conducted to compare the findings from the analysis. HDR worked with EWEB staff to train them in the use of the data-driven model used in the service life analysis.

Condition Assessment Program Support Quick Start Task, Winston-Salem, NC. Eric was the technical Lead for the Condition Assessment Program Support quick start task for the Collection System Improvement Program Manager Services for City/County Utilities Commission in Winston-Salem, NC. Eric lead workshops to determine Near-Term condition assessment work based on risk and worked with staff to determine goals, technologies, data collection needs, and schedules the first two years of the Program. The approach included a statistical sampling methodology for assessment that included determining appropriate sample sizes for each asset class, field data collection, QA/QC, rehabilitation and replacement forecast analysis, and an implementation plan.

Clark County Water Reclamation District, 5-Year Plan for Asset Management Service, Las Vegas, NV. Supported development of Asset Management Policy and Framework and the Asset Management Program Implementation Roadmap for approximately 2,000 miles of gravity sewer system. Services included working collaboratively with stakeholders to develop a 5-year roadmap with level of effort that organized key initiatives according to the framework into categories including asset registry, condition assessment, remaining useful life, life-cycle and replacement costs, levels of service, business risk, optimization of operations and maintenance investment, optimize capital investment, and funding strategy. Example initiatives include adding process and instrumentation diagrams to the CMMS to establish a direct link to SCADA, semi-automated work order generation for condition assessment, develop replacement planning model for long-term renewal forecasting, and integrate asset management program key performance indicators into a dashboard or reporting workflow.

West Basin Municipal Water District, Asset Management Consulting Services, Los Angeles, CA. Provided asset management consulting services for the District's unique operations, which include treating wastewater to five different levels of recycled water quality for industrial, municipal, and public customers. Services included working collaboratively with stake holders to develop asset management program, asset management framework, and opportunities for improvement in the following focus areas: Asset Databases; Inspection and Condition Assessment; Rehabilitation and Replacement; Financial Planning; Operations and Maintenance; Inventory Management; Information Technology; and Asset Management Strategies. Opportunities for improvement were organized into an implementation plan with level of effort forecasts and schedules. Supported a pilot implementation of asset management processes and opportunities for improvement identified in the implementation plan and supported implementation of asset management software.



Anaissa Sprague

Corrosion EIT

Anaissa Sprague is an Assistant Project Manager with HDR Engineering, Inc. She has been with the company since 2008. Mrs. Sprague has performed project management of various projects, cathodic protection and corrosion control design, condition assessments, failure analyses, soil corrosivity studies, and construction support services.

EDUCATION

Bachelor of Science – Civil Engineering

California Polytechnic University, Pomona, CA

REGISTRATIONS

Engineer-In-Training – CA No. 141302

NACE Cathodic Protection Technician (CP-2), #69918

NASSCO PACP/LACP & MACP, #U-0718-0703002371

INDUSTRY TENURE

11 years

Water and Wastewater Condition Assessment and Rehabilitation

Willamette Water Supply Program | Corrosion Control GAP Analysis

Beaverton, OR

Project Engineer: HDR scope of work consists in evaluating the Willamette Water Supply Program (WWSP) current design guidelines, standard drawings, and technical specifications related to corrosion control.

Mrs. Sprague is conducting a review of the WWSP pipeline design guide for proper corrosion control guidelines, as well as a review of their corrosion protection standard details, and technical specifications. Mrs. Sprague has provided recommendations to improve WWSP’s corrosion control standards, such as including additional corrosion control measures, update technical specifications, standardize corrosion control drawings, and the addition of new details to ensure proper corrosion control. (2018-On-going)

Eastern Municipal Water District | Reach II Feasibility Study

Perris, CA

Project Manager: HDR scope of work consisted of a feasibility study to evaluate the current condition of the existing cathodic protection (CP) system, verify the electrical continuity of the pipeline and provide recommendations for the rehabilitation of the CP system.

Mrs. Sprague performed project management tasks such as task management, review of budget and schedule, and coordination of all cathodic survey related efforts with the client. Ms. Sprague coordinated all field work activities, reviews, safety plans, and all other logistical details. Based on the recommendations of the feasibility study Mrs. Sprague performed a design for the rehabilitation of the CP system. (2017)

Calleguas Municipal Water District | Anode Wells Cathodic Protection Design

Thousand Oaks, CA

Project Manager/Project Engineer: HDR scope of work consisted of the rehabilitation design of three (3) impressed current cathodic protection (ICCP) systems.

Mrs. Sprague completed plans and specifications for the rehabilitation of the proposed systems. Mrs. Sprague also performed project management tasks such as review of budget and schedule, status updates to the client, attended project meetings, and all internal coordination with electrical, traffic control, and permitting. (2016-2017)

San Jose Water Co. | Montevina Water Treatment Plant Improvements

Santa Clara, CA

Task Manager/Project Engineer: HDR provided corrosion engineering services for the improvements of a water treatment plant.

Mrs. Sprague reviewed plan and profile drawings improvements which include, civil, structural, mechanical, and plumbing for proper corrosion control design. Ms. Sprague completed a galvanic anode cathodic protection (GACP) design for all yard piping and pump station. Ms. Sprague provided detail drawings and technical specifications. This project was part of a design build effort. Ms. Sprague managed the corrosion control task and provided construction support services such as responding to RFI's and material submittal reviews. (2015)

Yorba Linda Outpost Development, LLC. | Track No. 16488 Water and Sewer Improvements

Yorba Linda, CA

Project Manager/Project Engineer: HDR provided corrosion engineering services for the water and wastewater improvements of a residential development.

Mrs. Sprague reviewed drawings for water and sewer improvement for proper corrosion control. Mrs. Sprague assisted the client with recommendations for pipe material selection conforming to Yorba Linda Water District requirements. Mrs. Sprague completed a GACP design for the water and wastewater pipelines, and provided detail drawings and technical specifications. Ms. Sprague performed project management tasks such as review of budget and schedule, status updates to the client, and attended project meetings. (2013-2014)



James Keegan

Laboratory Services Manager

Mr. Keegan is the Laboratory Services Manager and Interim Engineering Section Manager for HDR Engineering, Inc. Mr. Keegan manages all operations of HDR'S soil laboratory. In this capacity, he has overseen or performed chemical testing of more than 50,000 soil and concrete samples.

EDUCATION

Bachelor of Science -
Computer Science and
Engineering
University of La Verne, La
Verne, CA

Medical Doctor – Instituto
Tecnologico de Santo
Domingo, Santa Domingo, D.R.

REGISTRATIONS

PROFESSIONAL MEMBERSHIPS

INDUSTRY TENURE

15 years

RELEVANT EXPERIENCE

- Manages production as well as QAQC aspects of HDR's geochemical laboratory.
- Specifies or performs soil tests, analyzes data, and makes recommendation for corrosion control measures to protect underground structures.
- Performs field survey, analyses, and prepares reports for corrosion studies of pumping plans, filtration plants, reservoirs, cathodically protected, and unprotected pipelines.
- Co-authored professional papers on qualitative/quantitative sulfide testing in soils and electrochemical noise corrosion monitoring techniques.
- Performs corrosion monitoring studies using linear polarization resistance and electrochemical noise techniques.



Mersedeh Akhoondan

EIT Corrosion

Dr. Mersedeh Akhoondan is a Corrosion EIT with HDR Engineering. She has over 9 years of experience in the evaluation of corrosion performance of pipelines and novel concrete reinforcing alloys. She also developed rational methods for predicting corrosion rates of metals in soil and water as well as computational durability modeling of concrete structures. She has designed and managed corrosion testing programs, performed failure analysis on concrete, asbestos pipes and done extensive metallographic evaluations of specimens and field coupons.

EDUCATION

Doctor of Philosophy, Civil & Environmental Engineer (Specialization: Infrastructure Corrosion Engineer), University of South Florida, 2012

Master of Civil Engineering, Civil Engineering (Structural Engineering), University of South Florida, 2007

Bachelor of Civil Engineering, Civil Engineering, University of South Florida, 2007

REGISTRATIONS

Engineer in Training, United States National Registration, No. 1100016063 Issued: 02/14/2012, Expires: None Listed

OSHA 30 Hour Construction Safety, Florida, United States Issued: 09/13/2013, Expires: None Listed

NACE Operator Qualified – OQ Units 1-40

PROFESSIONAL MEMBERSHIPS

National Association of Corrosion Engineers (NACE), 2006-2016

American Society of Civil Engineers (ASCE) 2005-2016

INDUSTRY TENURE

9 years

Condition Assessment Projects

SANDAG/CALTRANS | ESCONDIDO LAND OUTFALL CONDITION ASSESSMENT & STRUCTURAL SLAB DESIGN, Encinitas, CA (2016-2017)

HDR provided corrosion engineering services to Caltrans District 11 for the condition assessment of the City of Escondido's 36-inch sewer outfall and in-place structural protection of the pipeline during the Interstate 5 (I-5) widening construction project. The City's 36-inch-diameter reinforced concrete steel cylinder effluent sewer land outfall extends approximately 17.85 miles from the City of Encinitas to the City of Escondido, California. At Manchester Road (within proximity to San Elijo Lagoon), the City's line crosses the Caltrans I-5 project. HDR conducted condition assessment pipeline based on a corrosion engineering and cathodic protection perspective. The testing involved, cathodic protection surveys, close interval and over-the-line potential surveys, selection of excavation sites and direct assessment. Once the condition of the pipe was assessed, HDR design an on-grade cast in place slab to provide structural protection of the pipeline during Caltrans's construction activities.

Role: Project Manager and Technical Lead for Condition Assessment Project

MWD | Lake Mathews Forebay Concrete Tower Condition Assessment, Riverside, California, (2016)

HDR conducted a comprehensive condition assessment of a 70-years old concrete tower exposed to salty water for Metropolitan Water District of Southern California (MWD) in February 2016. The assessment included visual inspections and photo documentations of concrete deterioration, aural testing of concrete surface, locate and delineation of reinforcing steel, electrical continuity verification of rebar, half-cell rebar to concrete potential mapping, in-situ pH testing, in-situ corrosion rate testing using the state of the art electrochemical testing instruments, core collection for laboratory testing, chloride profiling and chemical analysis of cores, and compressive strength testing to determine the extent of corrosion. HDR developed specifications for concrete restoration and rehabilitation using innovative chloride removal techniques and cathodic protection. Dr. Akhoondan performed field testing, data analyses, interpretation of concrete laboratory results, prepared condition assessment report and provided alternatives for rehabilitation of the concrete tower.

Role: Technical Lead Engineer

HDR TENURE

4 years

OFFICE LOCATION

San Diego, CA

PUBLICATIONS**Articles**

Akhoondan M., Bell G.,
"Fasteners Corrosion",
Structural Insight Magazine,
March, 2016

Akhoondan M., "Corrosion
Mechanism of Aluminized Steel
in Limestone Backfill", Corrosion
Journal, Vol. 69, No. 12, 2013

Akhoondan M., Sagues A.,
"Corrosion of Spiral Rib
Aluminized Pipe", Final Report
on Project No. BDK 84 977-11
to Florida Department of
Transportation (FDOT), 8/2012

Akhoondan M., "Comparative
Cathodic Behavior of ~9% Cr
and Plain Steel Reinforcement
in Concrete", Corrosion the
Journal of Science and
Engineering, Vol. 68, No. 4,
4/2012

Akhoondan M., Sagues A.,
Caseres L., Poor N.,
"Development of a Rational
Method for Predicting Corrosion
of Metals in Soils and Waters",
Final Report on Project No.
BD497 to Florida Department of
Transportation (FDOT), 4/2009

Bell GEC, Akhoondan., Pool S.,
Smith A., Water Research
Foundation- | Project 4618,
Retrofit and Management of
Metallic Pipe with Cathodic
Protection: Guidance Document
on Technical Feasibility and
Economic Value (2016)

Co-author; Water Research
Foundation | Project 4451, Utility
Risk Management
Methodologies for Buried Assets
with Improved Triple Bottom
Line Understanding of Pipe
Failures (2016)

San Francisco Public Utilities Commission | As-Needed Corrosion Control Services

The program required the inspection and condition assessment of 195+ linear miles of potable and non-potable water pipelines providing water to multiple Northern California Counties. The work included extensive field testing coupled with data analysis for the individual transmission pipelines. A GIS compatible database for integration with clients existing geographical monitoring program was developed. The final deliverable was a Technical Memorandum encompassing the condition assessment findings and provided recommendations to address all identified system shortcomings. Dr. Akhoondan provided technical support on analyzing the field data and preparing technical memorandums.

Role: Corrosion EIT**Tualatin Valley Water District | Willamette Water Supply Program, Beaverton, Oregon**

This project involved developing design guidelines for the Willamette Water Supply Transmission Pipeline Project to ensure that the standards that govern the design, modification, or addition to the transmission system is followed and maintained through the life of the system. Dr. Akhoondan assisted in preparing the design guidelines for lining and coating of steel transmission pipes, soil corrosivity analysis and cathodic protection design requirements.

Role: Corrosion EIT**Long Beach Water Department | S-12 Sewer Lift Station Rehabilitation Project, Long Beach, CA**

This project involved the condition assessment of the S-12 wet well for the **Belmont Shore Sewage Lift Station** at Long Beach, California. HDR performed field work and laboratory investigations to determine the condition of wet well concrete structure, discharge piping and the existing liner. Recommendations were made for rehabilitation of concrete and a new protective liner. Dr. Akhoondan, performed the site inspection, analyzed the data and prepared the condition assessment report.

Role: Technical Lead for condition assessment of wet well structure**Delta Diablo | Tower Pump Station Rehabilitation, Antioch, CA**

HDR performed a condition assessment of the Tower Pump (TPS) Station wet well and the discharge piping at Delta Diablo's wastewater treatment plant located at Antioch. Dr. Akhoondan analyzed the data and prepared the condition assessment report for the concrete structure and discharge piping. She also assisted in preparing the preliminary design plans for **cathodic protection** of the TPS and the rehabilitation of the wet well.

Role: Corrosion EIT

Cathodic Protection

San Diego County Water Authority | North County Distribution Pipeline Conceptual CP Design (2014)**San Diego, CA**

The scope of work was to perform the necessary field investigations to prepare a conceptual design for a cathodic protection (CP) system for NCDP Flow Control Facility and Oceanside 6 / Vista 11 / Rainbow 12 Flow Control Facility. Dr. Akhoondan conducted field testing, data analysis and prepared of the basis of design report for

AWARDS

Certification of Appreciation for Outstanding Contribution as Technical Reviewer for Corrosion 2014 Symposia

installation of the new cathodic protection (CP) systems, as well as evaluating the existing CP systems.

Role: Field Engineer

Otay Water District | Professional Corrosion Engineering Services 2014-2015, San Diego County, CA

HDR served as the prime consultant responsible for engineering consulting services, construction, and coordination for professional cathodic protection services for the District. As part of the Scope of Work, HDR was responsible for repairing cathodic protection systems and corrosion damage assessments, soil corrosivity testing, design and construction document review, coatings consulting and inspection, and annual pipeline and reservoir surveys and engineering assessments. Dr. Akhoondan provided technical support on analyzing the field data and preparing technical memorandums for various pipe segments (including 36-inch diameter La Presa pipelines) and multiple reservoirs (including Ralph C Chapman Water Tank). She also conducted the field survey of a 14-inch reclaimed water line and assisted in updating and preparing the pipeline cathodic protection survey.

Role: Corrosion EIT

Water Research Foundation Projects

WRF 4480, Development of an Effective Asbestos Cement Distribution Pipe Management Strategy for Utilities, Denver, CO.

The objective of this research project is to develop an effective strategy for management of utility asbestos cement (AC) pipe assets, which included condition assessment and remaining life prediction, water quality optimization, rehabilitation and replacement, renewal prioritization modeling, and cost analysis. Performed analysis of more than 100 samples of pipe and 20 years of break data for 1,100 miles of East Bay Municipal Utility District (EBMUD) AC pipes. Dr. Akhoondan served as a Technical Expert

Role: Technical Expert Reviewer

Water Research Foundation | Project 4618, Retrofit and Management of Metallic Pipe with Cathodic Protection: Guidance Document on Technical Feasibility and Economic Value (2016)

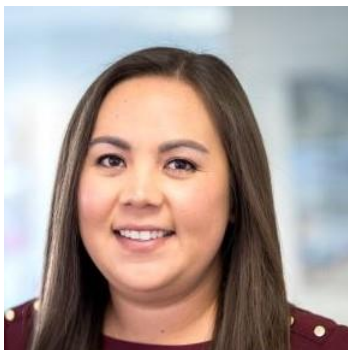
This project investigated technical and economic considerations to retrofit buried metallic pipelines with cathodic protection. The project produced a utility focused design criteria manual, standard specifications, drawings, and financial template/methodology that provided a consistent financial benefit measurement of the value of the anode retrofit program.

Role: Technical Researcher

Water Research Foundation | Project 4451, Utility Risk Management Methodologies for Buried Assets with Improved Triple Bottom Line Understanding of Pipe Failures (2016)

The research team consists of Stratus Consulting, HDR and various water utilities. The objective of this project is to assist water utilities in making a compelling and accurate business case for effective asset management and related investments in infrastructure and operating protocols, embodying condition assessment, Triple Bottom Line (TBL) assessment of asset failure consequences, and optimization of risk mitigation options. Dr. Akhoondan worked with Stratus team members to develop algorithms related to various costs associated with pipe failures and repairs, in addition to collecting failure data from various water utilities.

Role: Corrosion Engineer/ Researcher



Erika Maiforth, EIT

Corrosion EIT / Field Services Supervisor

Erika is a Corrosion EIT and Field Services Supervisor with HDR Engineering, Inc. She has been with HDR since 2007. She has experience in soil analysis, soil corrosivity studies, corrosion condition assessments of wastewater facilities and potable water tanks, external corrosion direct assessments, cathodic protection (CP) system design for tanks, construction support services, and field surveys for existing cathodic protection systems on pipelines and reservoirs.

EDUCATION

Bachelor of Science –
Chemical Engineering
California State Polytechnic
University, Pomona, CA

REGISTRATIONS

Engineer-In-Training (EIT),
State of California #153360

NACE Cathodic Protection
Technician (CP-2), #63436

Confined Space Certified

OSHA 30-Hours

PROFESSIONAL MEMBERSHIPS

NACE International #673147

INDUSTRY TENURE

11 years

Water and Wastewater Condition Assessment and Rehabilitation

Sacramento Municipal Utilities District (SMUD) | Gerle Creek Campground Tank Condition Assessment (2017)

Pollock Pines, CA

Lead field engineer: Conducted a corrosion condition assessment of Gerle Creek Campground's concrete potable water tank. The assessment included a confined space entry inspection of the metallic and concrete structures in the tank. The structural assessment included: exterior and interior visual inspections, and phenolphthalein testing to determine the pH of the concrete. The condition assessment reports included photo documentation of notable features observed during the assessment, and recommendations for concrete rehabilitation.

Irvine Ranch Water District (IRWD) | Turtle Ridge Drive Corrosion Investigation (2016)

Irvine, CA

Lead field engineer: The investigation consisted of a soil corrosivity study utilizing electromagnetic testing, Wenner 4-pin testing, soil testing, close-interval potential survey (CIPS), and stray current testing to determine probable causes for corrosion failure of a 10-inch DIP. The failure investigation report included the results of all in-situ and laboratory testing in graphical or tabulated form as appropriate, probable causes of corrosion failure, and recommendations for future corrosion control and monitoring.

King County | North Creek Force Main Condition Assessment and Rehabilitation (2016)

Redmond, WA

Erika was a field engineer on the condition assessment of the three external corrosion direct assessments performed on King County's 30-inch diameter epoxy coated and cement mortar coated steel paralleling pipelines. The direct assessment included a visual inspection of the pipe exterior, sounding of the pipe mortar to look for delaminated concrete coating, Isopleth testing, Ultrasonic Thickness Testing at all exposed steel, and the collection of soil, concrete, and ground water samples. The condition assessment report included: tabulated test results, photo

documentation of notable features observed during the assessment, and recommendations for cathodic protection to prevent future failures.

Tahoe City Public Utilities District | Dry Well Corrosion Condition Assessment (2016)

Tahoe City, CA

Erika was the lead field engineer on the condition assessment and cathodic protection survey of 21 steel sewer dry wells at various locations within Tahoe City. The structural assessment included interior visual inspections, dry film thickness measurements of the coating, ultrasonic thickness measurements of the steel structure, and rectifier survey on the cathodic protection system. The condition assessment report documenting all findings and recommendations for corrosion control.

Metropolitan Water District (MWD) | Lake Mathews Forebay Condition Assessment (2016)

Riverside, CA

Erika was the lead field engineer on the condition assessment of the concrete structure and rebar reinforcement at MWD's Lake Mathews Forebay. The structural assessment included exterior and interior visual inspections, concrete sounding, and pH testing. The rebar reinforcement assessment included potential mapping to determine areas of internal corroding rebar and electrical continuity testing. Concrete cores were also collected and analyzed by HDR's laboratory to determine the degree of concrete degradation. The condition assessment report included: tabulated test results, photo documentation of notable features observed during the assessment, and recommendations based on conditions found to be in need of repair, remediation, or corrosion monitoring.

Inland Empire Utilities Agency (IEUA) | Regional Plant 2 Corrosion Condition Assessment (2015)

Chino, CA

Erika conducted a condition assessment at IEUA's RP-2 facility. The assessment included a confined space entry inspection of the Arrow-Lock liner and concrete structures in digester No. 2. The structural assessment included exterior and interior visual inspections. The coating assessment included liner sounding to detect voids and delamination in the liner. Two liner samples were cut to visually inspect the condition of the concrete shell. The condition assessment reports included: tabulated test results, photo documentation of notable features observed during the assessment, and recommendations based on conditions found to be in need of repair, remediation, or corrosion monitoring.

Delta Diablo Sanitation District | Wet Well Condition Assessment (2015)

Antioch, CA

Erika performed a condition assessment at DDSD facility. The assessment included a confined space entry inspection to assess the metallic and concrete structure of the wet well. The structural assessment included: exterior and interior visual inspections, exterior Ultrasonic Thickness Measurements (UTM) of the piping systems, and phenolphthalein testing to determine the pH of the concrete. Concrete cores were also collected and analyzed by HDR's laboratory to determine the degree of concrete

degradation. The coating assessment included Dry-Film Thickness (DFT) Measurements. The condition assessment reports included: tabulated test results, photo documentation of notable features observed during the assessment, and recommendations based on conditions found to be in need of repair, remediation, or corrosion monitoring.

Inland Empire Utilities Agency (IEUA) | Regional Plant 4 Corrosion Condition Assessment (2014-2015)

Rancho Cucamonga, CA

Erika conducted a condition assessment at IEUA's RP-4 facility. The assessment included a confined space entry inspection of the metallic and concrete structures in the Primary Clarifiers, Aeration Basins, and Headworks areas. The structural assessment included: exterior and interior visual inspections, exterior Ultrasonic Thickness Measurements (UTM) of the piping systems in each area, and phenolphthalein testing to determine the pH of the concrete. The coating assessment included Dry-Film Thickness (DFT) Measurements. The condition assessment reports included: tabulated test results, photo documentation of notable features observed during the assessment, and recommendations based on conditions found to be in need of repair, remediation, or corrosion monitoring.

City of Henderson | Tank R-24A (2014)

Henderson, NV

Erika performed a condition assessment of a potable water steel tank reservoir R-24A. The structural assessment included: exterior inspections, ultrasonic testing of the exterior shell and roof using Ultrasonic Thickness Measurements (UTM); interior and exterior visual weld inspections, Magnetic Flux Leakage (MFL) testing of the bottom of the tank; Phased Array Imaging for specific locations identified during MFL and UTM testing to measure material thickness and identify flaws; Pit Depth Measurement of the steel substrate; and structural condition assessment. The coating assessment included Dry-Film Thickness (DFT) Measurements.



431 West Baseline Road
Claremont, CA 91711
909.626.0967

hdrinc.com

We practice increased use of sustainable
materials and reduction of material use.

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BOARD OF DIRECTORS

January 22, 2019

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A CHANGE ORDER FOR REDESIGN SERVICES FOR THE RAINBOW HEIGHTS PUMP STATION REHABILITATION PROJECT

BACKGROUND

The Rainbow Heights Pump Station is the largest of the District's seven pump stations. It pumps water from the North Zone to the four-million-gallon Rainbow Heights Tank which supplies water at a hydraulic grade line of 1,967 feet. The Rainbow Heights Zone extends north to the Magee Pump Station, which serves the Magee Zone, and is separated from the Gomez Zone to the east and south by closed valves. The Rainbow Heights Zone is the sole supply to the Magee Zone and serves as an emergency supply for the Gomez, Vallecitos, and North Zones. Demands in the Rainbow Heights Zone are approximately 0.54 MGD and are a mix of domestic and agriculture use.

The Rainbow Heights Pump Station Rehabilitation Project originally included replacement of the two larger natural gas motors due to Air Pollution Control Board permitting, age, and maintenance costs. Other improvements included minor upgrades to the mechanical, electrical, and communications systems.

The Board approved a project design in December 2016 through Change Order No. 1 and then in May 2018 with Change Order No. 5, which included removal of the existing concrete building, replacing it with a new metal building to house the four pumps/motors and electrical equipment/control centers, as well as site security lighting and conduit for a future security system. This also included the re-design of the structure to be relocated off of the existing Metropolitan Water District easement, as the existing pumps, canopy and fencing were encroaching on MWD's easement and we were notified that this encroachment could not continue.

The total design contract amount to date is \$252,966. The current Engineer's construction cost estimate is \$1,650,000.

DESCRIPTION

In May 2018, Change Order No. 5 was executed in the amount of \$70,827. This change order was to redesign the new Rainbow Heights Pump Station to relocate the facility away from the existing Metropolitan Water District easement.

Since that time the Engineering staff has researched other avenues in which to reduce costs on the upcoming pump station. Part of this effort included the design and construction of a pre-manufactured pump station. It was concluded that the use of this facility/building type would result in a construction cost-savings of approximately \$200,000.

In addition to the cost-savings of the construction of this unit, it would also produce a higher quality product, which would include higher quality welds, better pipeline coatings which should result in less maintenance. These features will reduce long-term operation and maintenance costs. The unit would arrive assembled and set onto a new concrete slab. In this situation, as the pre-manufactured unit is being manufactured to the specifications of the District, the awarding Contractor would be able to begin construction on all the underground and above ground infrastructure to be in place ready for when the unit arrives on site for connection.

This method of construction will also reduce time spent on project construction on site, as the unit will arrive skid mounted, unloaded and set onto place.

Having a smaller footprint than a conventional building, this will produce tighter working site conditions for maintenance staff, however, the pumps will still have sufficient working space.

In order to accomplish this redesign, there will be an added design fee of \$103,952 for the redesign of this station. This fee will include the redesigning to revise the site work, piping, grading, paving, mechanical and electrician components, in addition to the SDG&E service meter pedestal and transformer for this pump station. Additionally, unused funds in the amount of (\$63,706) from Change Order No. 5 will be applied to this change order, which will result in a total change order amount of \$40,246 and an extension of three to four months of redesign.

The Engineering Services Committee reviewed this proposal and presentation at their December 5, 2018 meeting and recommended approval of the proposed scope change and change order amount.

POLICY/STRATEGIC PLAN KEY FOCUS AREA


Strategic Focus Area 2: Asset Management. Rehabilitation of existing District facilities is essential to maintaining reliable water supplies to customers. Planning for and implementing replacement of aging infrastructure and mechanical systems is part of the District's Capital Improvement Program.

BOARD OPTIONS/FISCAL IMPACTS

- 1) Approve the revised project scope and Change Order # 6 to provide redesign services for the Rainbow Heights Pump Station Rehabilitation Project with additional scope fees not to exceed \$40,246.
- 2) Proceed with original design, cost and schedule.

STAFF RECOMMENDATION

Staff recommends Option 1.


Steve Strapac, PE, PLS
District Engineer

January 22, 2019



CONTRACT CHANGE ORDER 06

Date: January 22, 2019

Project No. 600-600001
Contract No. 16-12

Infrastructure Engineering Corporation
14271 Danielson Street
Poway, CA 92064

Project Title: Rainbow Heights Pump Station Natural Gas Motor Replacements

This Change Order provides for: Additional fees necessary due to the redesign of the pump station to include a pre-manufactured unit. Professional Service Agreement, Contract Number 16-12, dated September 12, 2016, and extended by Change Orders #01, #02, #03, # 04, #05 and #06.

Total Cost: \$40,246 (Per attached IEC Proposal October 3, 2018)

Schedule: Professional Services Agreement expiration date extended to December 31, 2019.

CONTRACT SUMMARY			
Original Contract Amount	Previous Change Orders	This Change Order	Total Contract Amount
\$107,493	CO# 01: \$61,296		\$168,789
	CO# 02: \$0		\$168,789
	CO# 03: \$7,245		\$176,034
	CO# 04: \$6,105		\$182,139
	CO# 05: \$70,827		\$252,966
		CO# 06: \$40,246*	\$293,212

*Includes unused CO #05 balance (\$63,706)

Recommended by: _____
District Engineer

Date: _____

Approved by: _____
General Manager

Date: _____

Approved by: _____
Consultant

Date: _____

Notice to Proceed: Signature acknowledgment above authorizes Infrastructure Engineering Corporation to continue work as prescribed in this Change Order.

DRAFT

October 3, 2018

Mr. Steve Strapac, PE
District Engineer
Rainbow Municipal Water District
3707 Old Hwy 395
Fallbrook, CA 92028

RE: Proposal for Redesign of the Rainbow Heights Pump Station, Project No. 600-600001, Based on a Change of Project Approach with Inclusion of a Pre-Engineered Pump Station

Dear Mr. Strapac:


Infrastructure Engineering Corporation (IEC) is pleased to provide design services for the referenced project.

SCOPE OF SERVICES

We propose to provide a new set of bid documents as initiated at the kickoff meeting held on August 2, 2018, associated with Change Order Number 05 (\$70,827) that planned to implement changes to the current completed design due to portions of the existing pump station being within MWD's easement. During the kickoff meeting discussions related to the age and condition of the pumps resulted in additional questions and enquiries, resulting in additional investigative effort by both parties and construction estimates. Further discussions since the kickoff meeting have resulted in the proposed scope of services as included in Attachment A.

FEE

The estimated fee and level of effort for the proposed services is summarized in the table in Attachment B. Fees for services performed would be billed on a time and materials basis toward the not-to-exceed limit in accordance with the rates indicated. The difference between what remains in Change Order Number 5, about \$68,000, and the proposed fee to complete the work as described in the scope of services which is \$103,952, is \$35,952.



We appreciate the opportunity to provide this proposal and assist the District with this project. Please contact me at (760) 214-2300 should you have any questions or need further information regarding this project.

Sincerely,

Richard H. Kennedy, PE
Senior Project Manager

Cc: Robert Weber, PE



ATTACHMENT "A"
SCOPE OF SERVICES
RAINBOW HEIGHTS PUMP STATION REHABILITATION

Scope of Services

The new scope of work includes utilizing a pre-engineered pumps station on the existing Rainbow Height pump station site as well as demolition of the building and appurtenances associated with the abandoned old 8th Street Pump Station that is across the street from the existing Rainbow Height Pump Station.

Placing a pre-engineered pump station on the existing site of the Rainbow Heights Pump Station in lieu of a conventional pump station configuration will require modification or additions to the existing drawings including site work, yard piping, grading and paving, mechanical connections, electrical emergency generator, SDG&E service meter pedestal and transformer. The design of the pre-engineered pump station will be accomplished by EFI or similar firm, with IEC assistance and input from the District. The proposed pre-engineered pump station configuration includes three constant speed vertical turbine pumps within pump cans, all suction and discharge valves, electrical panels, lighting and outlet wiring, air conditioning and drains, and space for District supplied PLC and telemetry within and pre-engineered building. The completely assembled pump station will be delivered skid mounted unloaded and set in place onto a support slab, as specifically designed by the pre-engineered pump station manufacturer, by the awarded construction Contractor. The project will also include demolition of the existing Rainbow Heights Pump Station and the abandoned 8th Street pump.

IEC will provide the following services to modify the existing design of the Rehabilitation Rainbow Heights Pump Station per the tasks below:

Task 1 Project Management

The Consultant's project manager shall prepare and submit during the last week of each calendar month as prescribed in the Professional Services Agreement a written report to address the progress of work on each task and to identify any areas of concern regarding project design execution and design delivery schedule. (Duration of the redesign is assumed to be 4 months.) Anticipate 3 design review meetings with District staff attended by IEC project manager.

Task 2 TM Explaining BODR Revision

Prepare a one to three-page technical memorandum (TM) explaining the basic changes that have occurred since the original Basis of Design (BODR) Report. The TM shall be designed to be included within the original BODR binder for future reference. Neither edits to the original BODR text or replacement of the drawings within the BODR will be performed. After the District reviews the draft TM, the agreed upon changes will made and final TM submitted.

Task 3 Revise Bid Documents

Revise, remove, and add drawings to the existing bid drawings as listed below:

- G-1 Revise Title Sheet.
- G-2 Revise General Notes.
- G-3 Revise Notes and Abbreviations.
- D-1 Revise Existing Site Demolition Plan.
- D-2 Add New Site Plan Demolition Plan.
- D-3 rename MD-3 and modify photos creating D-3, Demo Details
- C-1 Revise the existing Site Layout and Grading Plan.
- C-2 Revise Yard Piping Plan.
- C-3 Add Piping Profile
- CD-1 Civil Details Sheet.
- M-1 Replace the existing Proposed Pump Station Plan.
- M-2 Replace the existing Proposed Pump Station Sections and Details Sheet.
- M-3 Add Flow Diagram (with the elimination of the P&ID's).
- M-4 Remove the Proposed Pump Station Building Elevations 2 Sheet.
- MD-1 Replace the Mechanical Details Sheet MD-1 and remove MD-2, and MD-3.
- S Shts Remove S-1 thru S-5. The pre-engineered pump station manufacturer will perform the concrete slab design.
- E-1 Modify the Standard Electrical Symbols & Abbreviations sheet as necessary.
- E-2 Replace the existing Electrical Site Plan.
- E-3 Revise the existing Single Line Diagram.
- E-4 Modify Schedules and remove existing Elevation Sheet with Electrical Details.
- E-5 Replace the existing Pump Station Power and Signal Plan with the Existing Site Demolition Plan.
- E Shts Delete E-6 thru E-9, and E-11 thru E-13.
- E-6 Site Electrical Demolition Plan.
- E-7 Modify the existing E-10 Electrical Details sheet.
- I Shts Instrumentation sheets will be produced by the pre-engineered pump station manufacturer as part of the construction shop drawing review. Delete I-1 thru 5.

Revise the existing specifications listed below:

Front End

- 01010 Summary of Work
- 01039 Coordination and Meetings
- 01115 Construction Sequence and Coordination (MOFO)
- 01150 Measurement Payment
- 11212 Pre-engineered Pump Station
- Division 16/17 Specifications

The drawings and specs will be submitted at 50% and 100% complete. After the District's review, agreed upon changes will be made final bid documents prepared.

It is assumed the District will provide pipeline, connection points, and utility mark outs prior to the initial target setting survey. A second survey excursion will add approximately \$1,200 to the effort.

Task 4 Coordination with EFI (Pre-Engineered Pump Station Fabricator)

Coordination with EFI would include the following:

- IEC to present pump station orientation plan to EFI. Review and comment and review and coordinate with the District.
- IEC to review sections prepared by EFI, comment, review returned sections, and review and coordinated comments with the District.
- IEC to present hydraulic information obtained from the District to EFI. Review pump selection by EFI, review and comment, and coordinate with the District.
- IEC to present hydraulic information obtained from the District to EFI. Review pump selection by EFI, review and comment, and coordinate with the District.

Task 5 SDG&E coordination

Coordinate the modified electrical design with SDG&E.

Task 6 Cost Opinion

Prepare an updated Opinion of Probable Construction Cost as part of the BODR TM, and at the 100% submittal. A Final Engineer's Estimate, corresponding to the completed design, shall be submitted with the final bid documents.

**Attachement B
FEE ESTIMATE**



**Rainbow Municipal Water District
Redsign of the Rainbow Heights Pump Station With EFI Pump Station**

Task/ Subtask	Task/Subtask Description	Principal	Sr. Project Manager	Project Engineer/ Designer	Engineer II/ CAD II Designer	Word Processor/ Admin Support	Subtask Labor-Hours	Subtask Labor Cost	Direct Cost	Morales Pham & Associates	Total Cost
		\$245.00	\$230.00	\$165.00	\$140.00	\$98.00					
TASK 1	Project Management							\$7,224	\$100		\$7,324
	Progress Reporting and Invoicing		8			4	12	\$2,232	\$0	\$0	\$2,232
	Three Meetings @ RMWD		20			4	24	\$4,992	\$100	\$0	\$5,092
TASK 2	TM Explaining PDR Revision							\$2,764		\$1,050	\$3,814
	General and Mechanical		4	8		2	14	\$2,436	\$0	\$0	\$2,436
	Electrical		1			1	2	\$328		\$1,050	\$1,378
TASK 3	Design							\$56,789	\$0	\$18,205	\$74,994
	<i>Revise Existing Drawings</i>										
	G-1 Title Sheet			2	4		6	\$890	\$0	\$0	\$890
	G-2 General Notes			1	2		3	\$445	\$0	\$0	\$445
	G-3 Notes Abbreviations and Symbols			2	2		4	\$610	\$0	\$0	\$610
	D-1 Existing Site Demolition Plan			2	4		6	\$890	\$0	\$0	\$890
	D-2 Abandoned 8th Street PPS Demolition Plan		1	8	20		29	\$4,350	\$0	\$0	\$4,350
	D-3 Demolition Details		1	4	4		9	\$1,450	\$0	\$0	\$1,450
	C-1 Proposed Site Layout and Grading Plan		2	20	26		48	\$7,400	\$0	\$0	\$7,400
	C-2 Yard Piping Plans and Profiles		2	12	24		38	\$5,800	\$0	\$0	\$5,800
	C-3 Yard Piping Plans and Profiles		2	12	24		38	\$5,800	\$0	\$0	\$5,800
	CD-1 Civil Details		2	8	16		26	\$4,020	\$0	\$0	\$4,020
	M-1 Proposed Pump Station Building Plan		6	12	28		46	\$7,280	\$0	\$0	\$7,280
	M-2 Proposed Pump Station Sections and Details		2	8	24		34	\$5,140	\$0	\$0	\$5,140
	M-3 Flow Diagram		2	6	24		32	\$4,810	\$0	\$0	\$4,810
	MD-1 Mechanical Details		1	2	4		7	\$1,120	\$0	\$0	\$1,120
	E-1 Standard Electrical Symbols & Abbreviations				0.2		0.2	\$28	\$0	\$105	\$133
	E-2 Electrical Site Plan		1	3	0.2		4.2	\$753	\$0	\$4,200	\$4,953
	E-3 Single Line Diagram		1	1	0.2		2.2	\$423	\$0	\$1,260	\$1,683
	E-4 Electrical Details and Schedules		1	1	0.2		2.2	\$423	\$0	\$1,680	\$2,103
	E-5 Electrical Demolition Plan, Existing Site		1	1	0.2		2.2	\$423	\$0	\$4,830	\$5,253
	E-6 Electrical Demolition Plan, Abandon 8th St PS		1	1	0.2		2.2	\$423	\$0	\$4,830	\$5,253
	E-7 Electrical Details		1	1	0.2		2.2	\$423	\$0	\$1,000	\$1,423
	<i>Revise Existing Specifications</i>										
	Front End, Division 1, and Mechanical			20		6	26	\$3,888		\$300	\$4,188
TASK 4	EFI Coordination During Design							\$9,300	\$0	\$4,830	\$14,130
	EFI Coordination During Design		20	20	10		50	\$9,300	\$0	\$4,830	\$14,130
TASK 5	SDG&E coordination							\$230		\$840	\$1,070
	Coordination		1				1	\$230	\$0	\$840	\$1,070
TASK 6	Construction Cost Opinion							\$1,780		\$840	\$2,620
	Compile Construction Costs		2	8			10	\$1,780	\$0	\$840	\$2,620
			83.00	163.00	217.40	17.00	480.40	\$78,087			
		\$0	\$19,090	\$26,895	\$30,436	\$1,666		\$78,087	\$100	\$25,765	\$103,952

TOTAL NOT-TO-EXCEED FEE (without authorization): \$103,952

#REF! #REF! \$25,765.00
\$78,087

NOTES:

1. Subconsult Fees include a 5% markup.

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 19-01 APPROVING ADDITION OF ADMINISTRATIVE CODE POLICY CHAPTER 8.30 - LEAK POLICY

BACKGROUND

In reviewing the current RMWD Administrative Code for policies and procedures directly related to customer leaks, it was found such policy does not exist.

DESCRIPTION

A draft policy related to leaks has been prepared for the Board to consider incorporating into the Administrative Code. This policy has been designed to assist customers when they are faced with an abnormally high bill due to a customer leak. The policy will require a form to be completed by the customer within 30 days of the bill date. An adjustment will only be applied to the water consumption rate charge and the variable pumping charge; all other service rates will not be eligible for an adjustment.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Chapter 8.30 – Leak Policy

Strategic Focus Area Five: Customer Service

BOARD OPTIONS/FISCAL IMPACTS

- Option 1: Approve attached Ordinance No. 19-01.
- Option 2: Approve attached Ordinance No. 19-01 with Board recommended revisions.
- Option 3: Provide staff with direction.

To prevent significant fiscal impacts the policy is limited to one adjustment per customer every five years and has a maximum adjustment of \$750 per customer.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.


Tracy Largent
Finance Manager

January 22, 2019

Ordinance No. 19-01

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Adding Administrative Code
Chapter 8.30 – Leak Policy**

WHEREAS, the Rainbow Municipal Water District has, from time to time, adopted various rules and regulations for the operation of the District; and

WHEREAS, certain of those rules and regulations require updating to reflect best practices, as well as changes in applicable laws; and

WHEREAS, the Board of Directors has determined that changes in the rules or regulations of the District shall occur solely by amendment to the Administrative Code;

NOW, THEREFORE,

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

1. The following rules and regulations of the District, collected are hereby adopted and shall be incorporated into the Administrative Code, consisting of:

Chapter 8.30: Leak Policy

2. The General Manager is hereby directed to update the Administrative Code to reflect the approval of these rules and regulations, and to assign or reassign the numbering of the Administrative Code as necessary to codify these rules and regulations as amended.

3. This ordinance shall take effect immediately upon its adoption on this 22nd day of January 2019.

AYES:
NOES:
ABSTAIN:
ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

Chapter 8.30
LEAK POLICY

Sections

<u>8.30.010</u>	<u>Leak Policy</u>
<u>8.30.020</u>	<u>Criteria and Procedure</u>
<u>8.30.030</u>	<u>Temporary Policy Suspension</u>

Section 8.30
Leak Policy

A courtesy leak adjustment on water used is available to customers who experience above average water consumption due to leaks. The leak adjustments will be limited to 2 billing periods and will also be limited to one adjustment every 60 months. The 60-month period begins the first month of the billing period following the last billing period for which the loss of water adjustment was prepared.

8.30.010
Criteria and Procedure

- a) A leak appeal form must be properly completed by the customer and submitted with original repair receipts within 30 days of the statement date of an affected bill.
- b) The customer ~~has to~~ must have taken reasonable attempts to mitigate the leak.
- c) An adjustment will be considered if the water consumption for the billing period(s) appealed by the customer is at least 50% more than the property's monthly average corresponding seasonal water consumption, as evidenced by the historical water consumption available for the property.
 - i. If the previous historical consumption for the corresponding season is not present, then the consumption must be at least 50% more than the property's historical average consumption.
- d) The repair must be completed within 30 days of the statement date of an affected bill.
- e) The adjustment will only be applied to the water consumption rate charge and the variable pumping charge. Adjustments will not be applied to other fixed or variable charges such as; RMWD O&M charge, SDCWA Fixed Charge, backflow, fixed pumping or sewer charges.
- f) The value of the adjustment will be determined by applying the wholesale rate to all usage above 10 units.
- g) No adjustment shall exceed \$750. Should the value of the adjustment exceed \$750, the customer may submit additional information for consideration by the District's Communications and Customer Service Committee who will review this information and make a recommendation to the District's Board of Directors to consider a variance from this policy.

8.30.020
Temporary Policy Suspension

Should a customer be impacted by a large-scale disaster the Board has the right to temporarily suspend this policy.

**Chapter 8.30
LEAK POLICY**

Sections	
8.30.010	Leak Policy
8.30.020	Criteria and Procedure
8.30.030	Temporary Policy Suspension

Section 8.30 Leak Policy

A courtesy leak adjustment on water used is available to customers who experience above average water consumption due to leaks. The leak adjustments will be limited to 2 billing periods and will also be limited to one adjustment every 60 months. The 60-month period begins the first month of the billing period following the last billing period for which the loss of water adjustment was prepared.

8.30.010 Criteria and Procedure

- a) A leak appeal form must be properly completed by the customer and submitted with original repair receipts within 30 days of the statement date of an affected bill.
- b) The customer must have taken reasonable attempts to mitigate the leak.
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 - i. If the previous historical consumption for the corresponding season is not present, then the consumption must be at least 50% more than the property's historical average consumption.
- d) The repair must be completed within 30 days of the statement date of an affected bill.
- e) The adjustment will only be applied to the water consumption rate charge and the variable pumping charge. Adjustments will not be applied to other fixed or variable charges such as; RMWD O&M charge, SDCWA Fixed Charge, backflow, fixed pumping or sewer charges.
- f) The value of the adjustment will be determined by applying the wholesale rate to all usage above 10 units.
- g) No adjustment shall exceed \$750. Should the value of the adjustment exceed \$750, the customer may submit additional information for consideration by the District's Communications and Customer Service Committee who will review this information and make a recommendation to the District's Board of Directors to consider a variance from this policy.

8.30.020 Temporary Policy Suspension

Should a customer be impacted by a large-scale disaster the Board has the right to temporarily suspend this policy.

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

CONSIDER APPROVAL OF A MEMORANDUM OF UNDERSTANDING FOR PHASE I: DATA COLLECTION FOR DEVELOPMENT OF A GROUNDWATER SUSTAINABILITY PLAN FOR THE UPPER SAN LUIS REY GROUNDWATER BASIN

BACKGROUND

In 2014, the State of California adopted the Sustainable Groundwater Management Act (SGMA). This law mandates that all medium and high priority groundwater basins create Groundwater Sustainability Agencies (GSAs) that will in turn develop Groundwater Sustainability Plans (GSPs). Under Bulletin 118 from the California Department of Water Resources (DWR), the San Luis Rey Groundwater Basin (SLRGB) was classified as a medium priority basin and as such requires the formation of a GSA and the development of a GSP.

There is a wrinkle in State Law that made the implementation of SGMA in the SLRGB challenging. State law classifies groundwater into two categories – percolating groundwater and groundwater flowing in known and defined channels, also referred to as subterranean streams. SGMA specifically states that it applies only to percolating groundwater and water flowing in subterranean streams is not covered by the statute. The SLRGB has both types of groundwater, with the percolating groundwater being in the Pauma Valley area (east of the Pala Reservation) and the rest of the basin from the western edge of the Pauma Valley area to the ocean is all subterranean stream.

To deal with this issue, agencies in the area worked out a solution where a GSA would form in the Pauma Valley area and we would petition DWR to modify Bulletin 118 to split the basin into two parts. In this scenario, the upper basin would be subject to SGMA and the lower basin would not. Together with the County of San Diego, an MOU to form the GSA was adopted by all of the interested parties in the Pauma Valley area. The District did not participate because this was all outside of our District Boundary. A proposal for boundary modification was sent up to DWR and it was scheduled for consideration by their board but was pulled over objections from the Pala Tribe.

The Pala Tribal lands fall mainly in what the State considers to be a subterranean stream. However, tribal water rights are held under the auspices of Federal law, not State law, and there is no such definition for a subterranean stream in Federal law. The Pala tribe correctly pointed out that while they wanted to fully participate in the implementation of SGMA, the proposed boundary modification would make it impossible for them to fold their Federally protected water rights into the mix.

A great deal of discussion in a series of day long meetings ensued. Representatives from the tribes, DWR, the State Water Resources Control Board (SWRCB) and all the local agencies tried to find solutions within the statutory language of SGMA that could fix the problem. After many months of searching, none was found, so the group moved to the development of some language to amend SGMA to deal with this specific, unique problem.

After many more months, we successfully moved AB1944 through the State Legislature and it was signed by the Governor in late September 2018. AB1944 modified Bulleting 118 to separate the SLRGB into the Upper San Luis Rey Groundwater Basin (USLRGB) and the Lower San Luis Rey Groundwater Basin (LSLRGB). The dividing line between the two was moved west to Monserate Narrows, about 1.5 miles east of I-15. A special overlay area was defined between Monserate Narrows and the Pauma Valley where both percolating groundwater would exist for tribal use and subterranean streams for those groundwater users in the area who already had State diversion permits.

DESCRIPTION

Now that the USLRGB has been defined, there are small portions of the basin that are within our service area. Under SGMA we are expected to participate in the GSA. It is in our best interest to remain engaged in this process as our potential future source of groundwater will be impacted by decisions made by the GSA.

The MOU under consideration here does not formally establish the GSA. This item is a framework by which all of the parties will agree to fund the data collection necessary to develop the GSP. The data collection process will be followed by the development of the GSP and the outcome of that will help define how the governance of the ultimate GSA will be handled. There is quite a bit of uncertainty as to exactly what that will look like at this time, but all parties are motivated to find a way forward.

It should be noted here that this MOU was developed over many months in collaboration with many parties. It is by no means ideal in the minds of staff and legal counsel at RMWD, and probably is not ideal for any of the other parties either. Complex negotiations sometimes create unwieldy documents like this, but after significant consideration there are no aspects of this MOU that both staff and District legal counsel feel we cannot live with. Is it perfect? No. Is it way better than the alternative of working out SGMA in Federal court? Absolutely.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources - active participation in the USLRGB is a key part of securing local groundwater supplies for the future.

BOARD OPTIONS/FISCAL IMPACTS

The total cost in this MOU to the District is capped at \$12,500, although there is an ongoing cost in terms of staff time attending meetings and some legal costs related to contract review and water law questions.

The Board has several options:

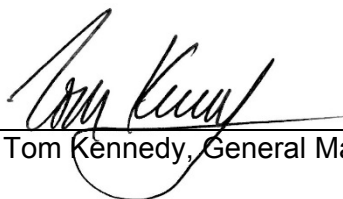
1. Approve the MOU as presented
2. Request modifications to the MOU. As noted above, this could prove to be a challenge.
3. Provide other direction to Staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



Tom Kennedy, General Manager

1/22/19

**MEMORANDUM OF UNDERSTANDING FOR PHASE I: DATA COLLECTION FOR
DEVELOPMENT OF A GROUNDWATER SUSTAINABILITY PLAN
FOR THE UPPER SAN LUIS REY GROUNDWATER SUBBASIN**

1) Parties

- a) Local Entities Primary Agencies:
 - i) Pauma Valley Community Services District
 - ii) Yuima Municipal Water District
- b) Local Entities Secondary Agencies
 - i) Upper San Luis Rey Resource Conservation District
 - ii) Pauma Municipal Water District
 - iii) Valley Center Municipal Water District
 - iv) Rainbow Municipal Water District
- c) Tribal Entity
 - i) San Luis Rey Indian Water Authority

2) Purpose

In order to bridge the gap between the Prior MOU and a new Memorandum of Understanding to be entered into by and among the Parties in light of the passage of AB 1944, the Parties desire to:

- a) Set parameters for the selection, direction and compensation of a Consultant to complete Study Tasks 1 and 2, which tasks are necessary to develop a single Groundwater Sustainability Plan for the USLR Subbasin in compliance with SGMA and its implementing regulations and in anticipation of preparing a Groundwater Sustainability Plan and entering into further governance agreements.
- b) Establish a Technical Team and an Executive Team to provide for effective use of available Grant Funding, enable technical transparency, and provide technical and program management oversight of the work of the Consultant(s).
- c) Maximize use of the Grant Funds to pay Consultant Costs.
- d) This MOU is solely for the above-described purposes. The Parties may negotiate and enter into separate agreement(s) related to governance of a groundwater sustainability agency and other issues beyond the scope of this MOU.

3) Definitions

- a) “Consultant” means the consultant(s) selected and retained by Yuima with the consent of the Technical Team and the Executive Team on behalf of the Parties to perform the Study contemplated herein.
- b) “Consultant Costs” means all fees, costs and/or other charges paid to Consultant for preparation of Study Tasks 1 and 2.
- c) “Consensus” as used in this MOU shall mean the approval of eighty percent (80%) of the members of the Executive Team, the Technical Team, and/or the Work Group, as the case may be, on any given decision.
- d) “County” refers to the County of San Diego.
- e) “DWR” refers to the California Department of Water Resources.

- f) “Executive Team” refers to the group described in Section 4 herein.
- g) “Executive Representative” has the meaning set forth in Section 4(b)(i) herein.
- h) “Governing Body” means the decision making body of each Party.
- i) “Groundwater Sustainability Plan” or “Plan” is the basin groundwater sustainability plan for the SLR Basin that the Parties to this MOU are seeking to develop pursuant to SGMA.
- j) “GSA” means Groundwater Sustainability Agency under SGMA.
- k) “Grant Funds” or “Grant Funding” refers to the grant awards from (i) the State of California Department of Water Resources through San Diego County Water Authority IRWM Disadvantaged Community Involvement Grant Program to Yuima for Project No. 4-80057 in the amount of \$753,200 and (ii) the State of California Department of Water Resources Sustainable Groundwater Program to Yuima for Project No. 3 San Luis Rey Groundwater Sustainability Plan in the amount of \$500,000, for a total of \$1,253,200 and any other grants as may be obtained regarding the development of the Plan.
- l) “Local Entity Primary Agencies” refers to each of Pauma Valley Community Services District and Yuima Municipal Water District.
- m) “Local Entity Secondary Agencies” refers to the Upper San Luis Rey Resource Conservation District, Mootamai Municipal Water District, Pauma Municipal Water District, Valley Center Municipal Water District and the Rainbow Municipal Water District.
- n) “Local Entity Costs” means those costs to be paid by the Local Entity Parties in accordance with the Local Entity Allocations, this Agreement and all applicable Grant Fund agreements.
- o) “Local Entity Parties” means collectively the Local Entity Primary Agencies and the Local Entity Secondary Agencies.
- p) “Local Entity Allocations” refers to the amount of funds to be paid by each of the Local Entity Parties to cover the Local Share of the costs to complete Study Tasks 1 and 2 and administrative costs related thereto, as follows:
 - i) Pauma Valley Community Services District: \$100,000.00
 - ii) Upper San Luis Rey Resource Conservation District \$ 12,500.00
 - iii) Pauma Municipal Water District \$ 12,500.00
 - iv) Yuima Municipal Water District \$100,000.00
 - v) Valley Center Municipal Water District \$ 12,500.00
 - vi) Rainbow Municipal Water District \$ 12,500.00
 - vii) County has agreed to provide \$150,000.00 towards the Local Share for the preparation of the Plan, to be memorialized through a separate instrument.
 - viii) Notwithstanding any other provision of this MOU, the funds allocation for the Local Entities Secondary Agencies shall be a one-time charge as provided for hereinabove during the term of this MOU, which amounts are anticipated to be sufficient to fund Study Tasks 1 and 2 as well as development of the Plan; the Local Entities Secondary

Agencies shall not be obligated to make any other payments arising from or related to this MOU, except as provided in a written amendment to this MOU signed by all the Parties.

- q) “Local Share” means the difference between (i) the total cost of Study Tasks 1 and 2 (including administrative costs related thereto), and (ii) the Grant Funds received for the conduct of Study Tasks 1 and 2 as well as development of the Plan.
- r) “Memorandum of Understanding” or “MOU” refers to this agreement.
- s) “Party” refers to each of the Pauma Valley Community Services District, Upper San Luis Rey Resource Conservation District, Yuima Municipal Water District, Valley Center Municipal Water District, Rainbow Municipal Water District, Mootamai Municipal Water District, and/or San Luis Rey Indian Water Authority (collectively “Parties”).
- t) “Pauma MWD” refers to the Pauma Municipal Water District.
- u) “Pauma Valley CSD” refers to the Pauma Valley Community Services District.
- v) “Prior MOU” means that certain Memorandum of Understanding entered into by Pauma Valley Community Services District, Yuima Municipal Water District, County of San Diego and Upper San Luis Rey Resource Conservation District dated, June 27, 2017. In the event of a conflict between the terms of this MOU and the Prior MOU, the terms of this MOU shall govern.
- w) “Rainbow MWD” refers to the Rainbow Municipal Water District.
- x) “SGMA” refers to the Sustainable Groundwater Management Act, Water Code Section 10720 *et seq.*, and any amendments thereto.
- y) “SLRIWA” refers to the San Luis Rey Indian Water Authority.
- z) “State” means the State of California.
- aa) “Study” means the study of the USLR Subbasin to be prepared by the Consultant in accordance with the Scope of Work attached hereto as Exhibit A and incorporated herein by this reference, funded by the Parties in accordance herewith, together with any and all ancillary actions arising out of or relating to the defense thereof. The Study is to be undertaken by way of individual tasks/Task Orders, in the discretion of the Executive Team and Technical Team.
- bb) “Study Tasks 1 and 2” means Task 1, Existing Data Compilation and Task 2, Existing Data Assessment, described in the Study attached as Exhibit A hereto.
- cc) “SWRCB” refers to the State Water Resources Control Board.
- dd) “Task Orders” shall be the individual tasks to be undertaken by the Consultant under its contract(s) with Yuima.
- ee) “Technical Team” means the group comprised of one technical representative from each Local Agency Primary Entity, one Technical Representative (defined below) and two technical representatives from the San Luis Rey Indian Water Authority, for a total of five (5) members.
- i) Selection of Local Entities Secondary Agencies’ Representative. The Local Entities

- Secondary Agencies shall elect from among their members one representative with expertise in groundwater management, water resources management or similar field(s) to represent the interests of the Local Entities Secondary Agencies on the Technical Team (“Technical Representative”).
- ii) The Technical Representative shall serve at the pleasure of the Local Entities Secondary Agencies and shall promptly report the activities and actions of the Technical Team to the designee of each of the Local Entities Secondary Agencies.
 - ff) “Technical Representative” shall have the meaning set forth in Section 3(ff)(i) herein.
 - gg) “Tribe Party Costs” means those costs to be paid by the San Luis Rey Indian Water Authority pursuant to this MOU.
 - hh) “USLR Subbasin” means the Upper San Luis Rey Valley Groundwater Subbasin identified as that portion of Basin 9-007 in Bulletin 118 (2016) east of the dividing line located at the east line of Range 3 West, San Bernardino Meridian.
 - ii) “USLRRCD” refers to the Upper San Luis Rey Resource Conservation District.
 - jj) “VCMWD” refers to Valley Center Municipal Water District.
 - kk) “Work Group” refers to that group of individuals comprised of the staff members, attorneys and/or consultants as each Party may select from time to time to represent it with regard to this MOU.
 - ll) “Yuima” refers to the Yuima Municipal Water District.
- 4) The Executive Team will work on Consultant selection and overall direction of the Consultant’s efforts. In so doing, the Executive Team shall act on behalf of and in the best interest of all Parties.
- a) The Executive Team shall be responsible for providing Yuima with professional advice related to monitoring of performance of all Task Orders awarded to the Contractor.
 - b) The Executive Team shall consist of the following: SLRIWA (4 members, at least two of whom shall be a board member, attorney, or staff member) Yuima (2 members, at least one of whom shall be a board member, attorney, or staff member), Pauma Valley CSD (2 members, at least one of whom shall be a board member, attorney, or staff member), and two (2) Executive Representatives. As and to the extent each Executive Team member deems necessary, such member’s legal counsel may also attend Executive Team meetings either in person or by teleconference. The Executive Team members shall have authority to act on behalf of the entit(ies) they represent. The Executive Team members should be knowledgeable about SGMA and/or groundwater management in the USLR Subbasin. The members of the Executive Team shall determine among themselves a chair of the Executive Team.
- i) Selection of Local Entities Secondary Agencies’ Representative. The Local Entities Secondary Agencies shall elect from among their members a total of two representatives to represent the interests of the Local Entities Secondary Agencies on the Executive Team (“Executive Representatives”).
 - ii) The Executive Representatives shall serve at the pleasure of the Local Entities Secondary Agencies and shall promptly report the activities and actions of the Executive Team to the designee of each of the Local Entities Secondary Agencies.

- iii) Each Executive Team member shall serve at the pleasure of the appointing Party (or, in the case of the Executive Representatives, the pleasure of the Local Entities Secondary Agencies), and may be removed from the Executive Team by them.
 - c) Each Executive Team member's compensation for service on the Executive Team, if any, will be the responsibility of the appointing Party (or, in the case of the Executive Representatives, the Party by whom each Executive Representative is employed).
 - d) The Executive Team will meet periodically as needed to carry out the activities described herein.
 - e) Each member of the Executive Team shall be responsible for keeping his/her respective management and governing board (or, in the case of the Executive Representatives, the designees of each of the Local Entities Secondary Agencies) informed of the progress on Study Tasks 1 and 2 and for obtaining any necessary approvals from management(s)/governing board(s) in its participation in the Study process.
 - f) The Executive Team shall make recommendations and decisions by Consensus regarding selection and direction of the Consultant, and other matters as may come before the Executive Team for action or recommendation.
- 5) Selection of Consultant
- a) With the Consensus of the Technical Team as to the technical parameters set forth in the Request for Qualifications, Yuima shall issue a Request for Qualifications for the preparation of the Study.
 - i) Yuima shall distribute the Request for Qualifications to not less than 5 consulting companies recommended by the Technical Team and advertise the same in the Daily Business Journal, caleprocure.ca.gov and Brown and Caldwell's Waternews.
 - b) Upon receipt of responses to the Request for Qualifications, Yuima shall distribute all responses to the Executive Team and the Technical Team.
 - c) The Technical Team shall evaluate the responses and rank them in accordance with the criteria and procedures set forth in the attached Exhibit B.
 - d) The Executive Team and Technical Team shall, based on the criteria set forth in Exhibit B, reach Consensus as to the selection of the Consultant.
 - e) Yuima shall negotiate a contract with the Consultant to complete all tasks necessary to complete the Study. The contract shall include a provision requiring the Consultant to indemnify the Parties to the maximum extent permitted by law.
 - f) After negotiating with the Consultant, Yuima shall return the draft contract to the Executive Team for discussion and to seek to obtain full agreement or Consensus regarding the contract terms. Upon Consensus approval of the Consultant Contract terms, Yuima shall execute the contract.
- 6) Direction of Consultant
- a) Yuima will consult with the Executive Team regarding direction and Task Orders to be given to the Consultant.

- b) At its sole discretion, the Executive Team may request input, information and/or consultation from the Technical Team on any matter that comes before the Executive Team.
 - c) All direction to Consultant shall be provided directly from Yuima to Consultant in accordance with the direction of the Executive Team to Yuima.
 - d) All changes to the scope of Study Tasks 1 and 2 or addition of new tasks shall be approved by Consensus of the Work Group.
 - e) Changes to the cost of Study Tasks 1 and 2 in excess of ten percent (10%) over the contract amount shall be approved by Consensus of the Executive Team.
- 7) Compensation of Consultant
- a) The Parties estimate that the costs to complete Study Tasks 1 and 2 will not exceed \$600,000.
 - b) Grant Funds total \$1,289,900.
 - c) Local Share of Study Tasks 1 and 2 totals approximately \$300,000 and shall be paid by the Parties as follows:
 - i) 50% of the Local Share (approximately \$150,000) shall constitute Local Entity Costs and shall be paid by the Local Entity Parties in accordance with the Local Entity Allocations.
 - ii) 50% of the Local Share (approximately \$150,000) shall constitute Tribe Party Costs and shall be paid by SLRIWA.
 - d) To the extent Study Tasks 1 and 2 costs exceed the \$600,000 estimate and grant reimbursements have not been timely received to cover the cash flow needs, then such costs will be allocated 50% as Tribe Party Costs and 50% as Local Entity Costs paid from funds remaining in the Trust Account (defined below) in accordance with the Local Entity Allocations. Provided, however, that Yuima shall, with the concurrence of the Executive Team, apply for other available, SGMA-applicable grant funding and utilize any further grant funds received to offset the Tribe Party Costs and Local Entity Costs. The Executive Team and Yuima may also consider the use of a 'bridge' loan to cover any cash flow shortages due to the length of time it may take to receive Grant Funds.
 - e) At the time Yuima issues the Request for Qualifications, Yuima shall establish a trust account ("Trust Account") into which each Party shall deposit its respective portion of the Local Share pursuant to paragraph 7(c), above (the "Party Deposits"). After each Party has made its respective Party Deposit, Yuima shall issue a Notice to Proceed to the selected Consultant.
 - f) Yuima shall make periodic payments to the Consultant from the Party Deposits and promptly process requests for reimbursement from the Grant Funds so long as such payments are within the financial parameters approved by the Executive Team.
 - g) If, at any time, the total balance of Party Deposits falls below \$50,000, the Primary Entities shall make such additional deposits as may be determined by the Executive Team to be necessary, which amounts shall be allocated 50% as Tribe Party Costs and 50% as Local Entity Costs paid by the Local Entities Primary Agencies in accordance with the

Local Entity Allocations. Additional deposits due pursuant to the preceding sentence shall be paid by each of the Local Entities Primary Agencies and SLRIWA within thirty (30) days of written notice of Executive Team determination.

- h) On the six-month anniversary of the first Party Deposit into the Trust Account and on each six-month anniversary thereafter, the Executive Team shall examine the balance of funds on deposit in the Trust Account to determine if a refund to the Parties of excess funds is necessary or appropriate. If and to the extent the Executive Team shall determine a refund is appropriate, all refunds shall be allocated to the Parties on the same percentages as the Parties' respective actual deposits.
- i) Yuima shall be reimbursed for its actual costs to administer the Consultant Contract and Grant agreements as well as any out of pocket expenses reasonably incurred, as approved by the Executive Team, not to exceed 10% of the Grant Funds plus Local Share. Yuima shall be reimbursed from funds in the Trust Account.

8) Data Collection and Transmission

- a) The Parties acknowledge that to complete Study Tasks 1 and 2, Consultant will require data from the Parties, as well as their respective landowners and water users, and the Parties commit to use their best efforts to obtain such data.
- b) Each Party shall provide all existing data requested by the Consultant in its possession or control directly to the Consultant, marked "Confidential pursuant to Government Code Section 6254(e)."
- c) The Parties shall take all reasonably practicable steps to protect the confidentiality of all data provided to the Consultant and shall work with the Consultant to ensure protection, to the maximum extent permitted by law, of all data controlled and utilized by the consultant.
 - i) In the event any third party files suit seeking to discover all or any portion of the data provided to the Consultant, the costs to defend such lawsuit(s) shall constitute a project cost to be paid (i) first from Grant Funds as and to the extent permitted by the applicable grant agreements; and (ii) second by the Parties allocated 50% as Tribe Party Costs and 50% as Local Entity Costs paid in accordance with the Local Entity Allocations.

9) Grant Funds

- a) Yuima shall work with DWR and all grant agencies that have committed funds for the preparation of the Plan to ensure that all Grant Funds are available for payment of all Consultant Costs.

10) Insurance. The Local Entities and the SLRIWA shall be responsible for obtaining and maintaining such insurance in such amounts relative to the GSA activities and the actions contemplated herein, to the extent each Party deems appropriate. The Parties intend to ensure that the GSA will obtain liability coverage from the Association of California Water Agencies Joint Powers Insurance Authority upon its formation.

11) Meetings.

- a) A representative of Yuima shall coordinate meetings and proceedings of the (i) Work

Group, (ii) Executive Team, and (iii) Technical Team. Yuima shall invite such representative(s) of the County as its Planning Director may designate from time to time to attend all such meetings.

12) Each Party will be responsible to pay any expert(s)/consultant(s)/legal counsel it may elect to hire to assist it with regard to preparation of Study Tasks 1 and 2.

13) This MOU, including all recitals and exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous understandings negotiations, representations, promises, and agreements, oral or written, by or between the Parties, which respect to the subject matter of this MOU. This MOU may be amended, modified, or supplemented only by a writing signed by the Parties.

14) Effective Date: This MOU shall be effective as of the ___th day of January, 2018.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be executed by their duly authorized representatives.

Pauma Valley Community Services District

Upper San Luis Rey Resource Conservation District

By: _____
Its: _____

By: _____
Its: _____

Yuima Municipal Water District

Pauma Municipal Water District

By: _____
Its: _____

By: _____
Its: _____

Valley Center Municipal Water District

Rainbow Municipal Water District

By: _____
Its: _____

By: _____
Its: _____

San Luis Rey Indian Water Authority

By: _____
Its: _____

EXHIBIT A

SCOPE OF WORK FOR DATA COLLECTION

The Data Development phase of Groundwater Sustainability Plan (GSP) preparation for the Upper San Luis Rey Valley Groundwater Subbasin (Basin) will require completion of the following tasks.

Task 1 Existing Data Compilation

Consultant shall collect data from all available sources to aid in development of the GSP. Data could include, but is not limited to, local and regional reports, plans, studies, models, existing well information, basin condition information, pumping records, groundwater elevation data, surface and groundwater quality data, stream gauging data, precipitation records, water rights summary, water demand (including historic use), groundwater contamination, prior water budgets, subsidence records, and other information pertinent to GSP development. This task also includes coordinating with the tribes located in the Pala and Pauma Subbasins and incorporating tribal data, as available.

Deliverable:

- *Consultant shall provide a digital library of data, catalogued with a reference summary and table of contents. Data will be provided in excel file format, and also GIS file format.*
- The Consultant shall also provide an explanation of how data gaps will be filled, including regarding well production information that may be lacking for particular areas of the Basin. The consultant should be prepared to make recommendations to the GSA as to particular areas of the Basin / particular wells where focused efforts may be needed to collect well production information to fill data gaps to ensure the modeling effort and other aspects of the GSP can be fully completed.

Task 2 Existing Data Assessment

Consultant shall review collected data and ensure that it corresponds to the data requirements in the California Water Code (CWC) Sections 10727 through 10728.6 and the Emergency Regulations, Consultant will identify any data gaps necessary to address GSP requirements and make recommendations to the SLR Team on how best to fill those gaps.

Deliverable:

- *Consultant shall provide a Technical Memorandum: Existing Data Assessment (data gaps and recommendations).*

Task 3 Develop Monitoring Program

Consultant shall develop a plan for a monitoring network in the Pauma and Pala Subbasins, which shall include water level monitoring and water quality sampling throughout the GSP implementation phase. The monitoring program must be sufficient to meet SGMA requirements and ensure that the network will provide sufficient temporal frequency and spatial density to evaluate the effectiveness of GSP implementation.

Deliverable:

- *Consultant shall provide Technical Memorandum: Monitoring Program.*

Task 4 Water Level Monitoring

Consultant shall conduct quarterly water level monitoring of up to 40 wells in the groundwater monitoring network in the Pauma and Pala Subbasins. A minimum of four rounds of monitoring to be provided per contract year.

Deliverable:

- *Consultant shall provide Water Level Data (Excel data and graph) for each well monitored.*

Task 5 Water Quality Data Sampling and Analysis

Consultant shall conduct semi-annual groundwater sampling of wells located in the Pauma and Pala Subbasins. Approximately 20 wells are anticipated to be sampled each round. These wells will be selected by the SLR Team upon recommendation by the Consultant. Consultant shall obtain samples from existing operable wells. Consultant shall provide a Sampling and Analysis Plan (SAP) that will detail sampling protocol, analytical methods, and quality assurance/quality control requirements. Consultant shall measure field parameters, including dissolved oxygen, specific conductance, pH, and water temperature prior to sampling. Consultant shall obtain water samples using appropriate sampling methodology and submit samples to a California-certified laboratory for analysis. Each sample shall be analyzed for nitrate, total dissolved solids (TDS), arsenic, gross alpha and uranium. Consultant will utilize water level and quality data to determine water level trends and groundwater quality trends for constituents of concern in the basin. A minimum of two rounds of sampling to be provided per contract year.

Deliverables:

- *Consultant shall provide a single Sampling and Analysis Plan (SAP) for all wells sampled.*
- *Consultant shall conduct sampling and provide Laboratory Results (Excel and pdf) for each well identified in the SAP.*

Task 6 Locate Existing Wells

Consultant shall conduct field investigations to identify wells, well locations and well owners for wells not identified in Task 1, above.

Deliverables:

- *Consultant shall provide well information (Excel and GIS)*

Task 7

All such other tasks as may be necessary to develop the Groundwater Sustainability Plan and form the GSA.

EXHIBIT B

RFQ Selection Criteria

CONSULTANT SELECTION PROCESS

The Technical Team will evaluate and rank each proposal based on the evaluation criteria outlined below. After ranking the proposals, the Technical Team will hold interviews with the top ranked firms.

Once the top firm/team has been determined, the Technical Team will recommend to the Executive Team to enter into a contract with the top firm. Once the top firm/team has been determined, Yuima staff will start contract negotiations with the firm/team. If contract negotiations are not successful, the second ranked firm/team may be asked to negotiate a contract, and so on. After the contract is negotiated, will seek Consensus to execute the contract.

EVALUATION CRITERIA

The proposals will be scored on a 100-point total basis using a value based evaluation criteria including:

- Quality and completeness of the qualifications submittal. (20%)
- Understanding of project requirements, and key project issues and challenges. (20%)
- Proposed approach for completing the project on schedule, efficiently, effectively and suitable for approval by DWR. (40%)
- Project team qualifications, experience with similar projects and potential for conflict of interest with any of the local agencies or tribes. (20%)

The Technical Team may amend by majority vote the relative weight given to each criteria.

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

CONSIDER SETTING THE DATE AND TIME FOR A PUBLIC HEARING TO CONSIDER ADOPTING INCREASES IN THE RATES FOR RAINBOW MUNICIPAL WATER DISTRICT SERVICE FEES EFFECTIVE APRIL 1, 2019

BACKGROUND

In February 2018, the Board of Directors adopted a one year rate increase based on a cost of service study performed by Raftelis Financial Consultants. A notification and protest process was conducted in accordance with Proposition 218. The adopted rate increase was for one year only, so a new notice and protest process must be conducted for this year's rate increase.

DESCRIPTION

This action item is only to set the date and time for the public hearing and authorize staff to release the appropriate public notifications for both the hearing and information on how to protest the rate increase. A copy of the draft notice of public hearing is attached.

Staff recommends that the public hearing be set for the regular Board meeting on March 26, 2019 at 1:00 PM.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility – a modest water rate increase is required to fund both increasing O&M costs as well as to fund capital replacement reserves.

Strategic Focus Area Six: Communication – the Proposition 218 process allows our ratepayers to provide input on the rate increase through a directly mailed notice.

BOARD OPTIONS/FISCAL IMPACTS

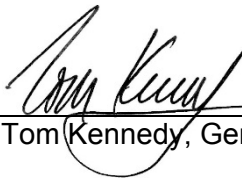
There are no fiscal impacts with the setting of the date and time for the hearing, but the failure to move forward with the rate increase will result in challenges in meeting our pipeline replacement needs.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends setting the date and time for the hearing to be March 26, 2019 at 1:00 PM



Tom Kennedy, General Manager

January 22, 2019



«OWNNAME»
«Street_Address»
«City»,«State»«ZIP»

NOTICE OF PUBLIC HEARING CONCERNING PROPOSED WATER RATE INCREASES

MARCH 26, 2019 AT 1:00 pm

NOTICE IS HEREBY GIVEN THAT the Board of Directors of Rainbow Municipal Water District (the “District”) will conduct a public hearing on March 26, 2019, at 1:00 p.m. in the Boardroom of the District Headquarters at 3707 Old Highway 395, Fallbrook, CA 92028, to consider adopting increases in the rates for its water effective April 1, 2019 and an ordinance that would authorize the District to pass through increased costs in Purchased Wholesale Water, increases in the cost of energy necessary to move water, future increase needs to the District’s Cost of Operations and Maintenance and Capital Facilities, and any reduction in the allocation of ad valorem property tax revenues by the State of California (“Ad Valorem Pass Through”) pursuant to Proposition 1A.

REASONS FOR THE PROPOSED RATE INCREASES

The District’s Mission Statement is to provide our customers reliable, high quality water and water reclamation services in a fiscally sustainable manner. While the District continually strives for cost reductions and efficient utilization of the assets it holds, it also needs to keep pace with inflation and other increases in costs, including, among others, the cost to purchase water and to comply with regulations. The District purchases its water from the San Diego County Water Authority (“SDCWA”). SDCWA in turn purchases a substantial portion of its water supplies from the Metropolitan Water District of Southern California (“MWD”). MWD imports water from two sources: the Colorado River via the Colorado River Aqueduct and Northern California via the California Aqueduct. Every January, SDCWA increases the cost of wholesale water that it delivers to the District. In addition to increases in the costs of wholesale water, the District anticipates that there will be future increases in the costs of operating and maintaining the water system. Revenues collected from rates and charges are used to cover the cost of purchased water from SDCWA and costs to operate and maintain the water system and to provide ongoing repairs, replacements, and upgrades to the water system.

HOW THE WATER RATES ARE CALCULATED

The District’s rate structure for monthly water service fees is comprised of four components: (1) a SDCWA Fixed Charge (“SDCWA Fixed”), which is a fixed monthly charge established by SDCWA on the basis of the meter size of the parcel of property receiving water service; (2) a Rainbow Municipal Water District Operations and Maintenance Charge (“RMWD O&M Charge”), which also is a fixed monthly charge established on the basis of the meter size of the parcel of property receiving water service; (3) a pumping charge that consists of both a fixed monthly charge and variable charges based on the pump zone of the property; and (4) a Commodity Charge, which is determined on the basis of the amount of water served to a parcel of property in units of water (one unit of water is equivalent to approximately 748 gallons of water).

The SDCWA Fixed Charge is imposed by SDCWA on the District for the purpose of recovering certain SDCWA infrastructure costs. The IAC is a fixed charge that is established on the basis of the size of the customer’s meter and is imposed on the District by SDCWA and passed through to our customers.

The RMWD O&MC is calculated on the basis of recovering certain fixed costs of the District to operate, maintain, and deliver water to its customers. These costs include, among others, meter reading, billings and collections, customer service, water facilities repairs and maintenance, meter reading, and certain other costs imposed on the District by SDCWA.

The Commodity Charge is a variable charge and generally consists of tiers which impose different rates per unit of water as the level of consumption increases. The rates for the variable Commodity Charge are based on the number of units of water delivered to a property and the water customer classification. These rates are calculated on the basis of the cost of providing water and infrastructure, purchasing water from SDCWA, and managing the District’s water resources.

The rates for all four components of the District’s water service fees are structured in such a way as to proportionately allocate the costs of providing water to each customer class and to manage the District’s water resources.

The current and proposed rate increases are described in the tables below. If approved, the proposed rate increases will be effective on and after April 1, 2019. In addition to the water service charges described to the right, the District also imposes a fixed monthly fire meter service fee on certain properties as a condition of extending or initiating water service by (1) the installation of a private fire suppression system, and (2) upon the request of the consumer or property owner for the delivery of water to the property for the purpose of fire service protection.

Proposed Water Fixed Rates

RMWD + SDCWA	Current	Proposed April 2019	Difference (\$)	Difference (%)
SFR, MFR, COM, INST				
5/8"	\$61.46	\$65.56	\$4.10	6.7%
3/4"	\$61.46	\$65.56	\$4.10	6.7%
1"	\$99.37	\$105.59	\$6.22	6.3%
1-1/2"	\$194.12	\$205.62	\$11.50	5.9%
2"	\$307.82	\$325.67	\$17.85	5.8%
3"	\$667.85	\$705.81	\$37.96	5.7%
4"	\$1,198.46	\$1,266.04	\$67.58	5.6%
6"	\$2,468.09	\$2,606.55	\$138.46	5.6%
AG				
5/8"	\$85.37	\$94.25	\$8.88	10.4%
3/4"	\$85.37	\$94.25	\$8.88	10.4%
1"	\$139.18	\$153.36	\$14.18	10.2%
1-1/2"	\$273.77	\$301.20	\$27.43	10.0%
2"	\$435.27	\$478.61	\$43.34	10.0%
3"	\$946.65	\$1,040.37	\$93.72	9.9%
4"	\$1,700.30	\$1,868.25	\$167.95	9.9%
6"	\$3,503.62	\$3,849.18	\$345.56	9.9%
TSAWR				
5/8"	\$68.01	\$77.36	\$9.35	13.7%
3/4"	\$68.01	\$77.36	\$9.35	13.7%
1"	\$110.25	\$125.21	\$14.96	13.6%
1-1/2"	\$215.89	\$244.89	\$29.00	13.4%
2"	\$342.67	\$388.52	\$45.85	13.4%
3"	\$744.10	\$843.30	\$99.20	13.3%
4"	\$1,335.70	\$1,513.53	\$177.83	13.3%
6"	\$2,751.27	\$3,117.21	\$365.94	13.3%

Proposed Water Variable Rates

RMWD + SDCWA	Current Variable	Proposed April 2019	Difference (\$)	Difference (%)
Single Family Residential				
Tier 1	\$3.64	\$3.73	\$0.10	2.6%
Tier 2	\$3.86	\$3.99	\$0.14	3.5%
Tier 3	\$4.27	\$4.48	\$0.22	5.0%
Multi-Family Residential				
	\$3.76	\$3.87	\$0.12	3.1%
Commercial				
	\$3.89	\$4.03	\$0.15	3.7%
Institutional				
	\$3.98	\$4.14	\$0.17	4.2%
Agriculture w/o Residence				
	\$3.56	\$3.63	\$0.08	2.1%
Agriculture w/ Residence				
Tier 1	\$3.64	\$3.73	\$0.10	2.6%
Tier 2	\$3.86	\$3.99	\$0.14	3.5%
Tier 3	\$3.56	\$3.63	\$0.08	2.1%
TSAWR - Domestic				
Tier 1	\$3.70	\$3.94	\$0.24	6.6%
Tier 2	\$3.92	\$4.21	\$0.29	7.5%
Tier 3	\$3.04	\$3.15	\$0.11	3.7%
TSAWR Commercial				
Construction	\$4.87	\$5.20	\$0.34	6.9%

Any property owner or any tenant directly responsible for the payment of water and or wastewater service fees may submit a written protest to the proposed water and wastewater rate increases and Pass Through Increases, provided, however, only one protest will be counted per identified parcel. To be used in determining whether there is a majority protest as set forth below, each protest must: (1) be in writing; (2) state whether the protest is submitted in opposition to the water rate increases, and/or Pass Through Increases; (3) provide the location of the identified parcel (by assessor's parcel number or service address); and (4) include the name and signature of the person submitting the written protest. Written protests may be submitted by mail to: Rainbow Municipal Water District at 3707 Old Highway 395, Fallbrook, CA 92028. Written protests may also be submitted in person at the District's office, or at the public hearing (see date, time and location above). All written protests must be received prior to the conclusion of the public input portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a formal written protest. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, that the enclosed letter is for the Public Hearing on the Proposed Rate Increases and Pass Through Increases.

The Board of Directors will consider all written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as the written protests to be used in determining whether there is a majority protest. At the conclusion of the public hearing, the Board of Directors will determine whether to adopt the proposed water rate increases and Pass Through Increases described in this notice. If, after the close of the public hearing, written protests against the proposed rate increases and Pass Through Increases as outlined above are not presented by a majority of the owners of record and tenants directly responsible for the payment of water service fees for the identified parcels upon which the increases are proposed to be imposed, the Board of Directors will be authorized to impose the rate increases and Pass Through Increases.

If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact Rainbow Municipal Water District at 760-728-1178.

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE CONTRACT FOR MANAGED PRINT SERVICES WITH KYOCERA DOCUMENT SOLUTIONS WEST LLC IN THE AMOUNT OF \$2,288.81 PER MONTH FOR 63 MONTHS

BACKGROUND

As with any enterprise, the District has a need for basic capabilities in the area of copying and printing documents. These functions are handled through a fleet of printers and copiers that have been procured over the years. For printing, the District currently has 14 different models of printers of varying ages and capacities. Included in this fleet are three large heavy-duty printers that are leased through a contract with a Xerox based vendor, Image Source. In 2018, the District's average cost (including base fees and costs for printed pages above a certain threshold) on the three large heavy-duty printers was \$2333.98 per month. For the remaining printers the cost for toner and parts totaled \$5,249.58 for calendar year 2018.

There are a number of issues related to a non-standardized fleet of printing and copying devices:

- The District must procure and manage several different types of printer toner cartridges and spare parts
- Troubleshooting and repair of printers requires proficiency in many different types of hardware and software configurations
- Print quality can vary greatly between printers with some of the older ink jet printers having high costs and low print quality

Over the last several months, District staff has engaged our current vendor, Image Source, as well as other vendors in the industry to identify alternatives. The goal was to both save on costs but also, and just as importantly, to streamline our ability to effectively maintain the entire fleet of printers.

To meet this objective there are two basic options available to the District:

A. PURCHASE PRINTERS

The District purchases the same desktop printer for all employees, thus reducing the problem of having to maintain different printers and storing supplies for multiple printers. The issue of maintaining those printers will remain in place. Printers have fairly short life cycles so they are not a long term asset and require frequent replacement.

B. CONTRACT FOR MANAGED PRINT SERVICES

The District leases printers from a company that provides "Managed Print Services". Managed Print Services is a third-party company hired to maintain, provide supplies and replacement parts, as well service all leased printers. They will also install same printer

models throughout the District. The District already uses this service for the large, complex copiers that we have at the District since those are not practical to maintain with our staff. In this scenario, all devices would be under a Managed Print Services contract.

DESCRIPTION

After soliciting for quotes from vendors, staff recommends that a Managed Print Services contract for the entire fleet would be a more cost-effective solution than continuing to lease and purchase various printers and copiers that are self-maintained.

After reviewing proposals from both Image Source and Kyocera, staff recommends entering into a management print services contract with Kyocera. In this contract, all of our current fleet of printers and copiers will be replaced with new Kyocera printers that will be owned by Kyocera and leased to the District. Kyocera will be required to maintain the printers to meet a minimum uptime guaranteed not to fall below 95%. In addition, the contract with Kyocera includes a cost per page component with a higher cap on prints per month that will help avoid any print volume overage charges. The savings on toner, purchasing new printers and repairs totals \$5,791.62 on average per year not including staff time utilized to maintain the current equipment.

	Per Month	Yearly
3 Heavy Duty Xerox (Average)	\$ 2,333.98	\$ 28,007.76
Remaining Printers Cost for Toner and Parts		\$ 5,249.58
Current Total Yearly Cost		\$ 33,257.34

Kyocera Price for All District Printers	\$ 2,288.81	\$ 27,465.72
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Difference	\$ 5,791.62
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Kyocera’s standard contract language did not contain any firm uptime guarantees – the standard contract requires us to make our lease payments even if we have significant issues with the equipment. Staff has negotiated an amendment to the contract with language to protect the District’s ratepayers from this unlikely event. If at any time the leased equipment has an up time less of than 95%, Kyocera will pay for the lease of that equipment until the problem is resolved.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

Administrative Code Section 5.02.210 - Purchasing and Change Order Approval Requirements – Appendix

BOARD OPTIONS/FISCAL IMPACTS

To receive the most benefit and cost savings, staff proposes the District contract with Kyocera for \$2,288.81 per month for 63 months totaling \$144,195.03. Note that our current lease agreement for just the three large format copiers is greater than the lease for large copiers and all of the printers.

Our current contract with Image Source requires us to pay off approximately \$5000 in remaining lease payments for the large copiers under the current lease agreement. The cost for this lease buyout is included in Kyocera’s contract and they will reimburse us for the cost of the lease buyout.

Funds for printing costs are included in the FY2019 Budget and will be included in the budgets for subsequent fiscal years covered under this contract.

The Board has several options:

- 1) The Board approve leasing the printers from Kyocera and contract for Managed Print Services
- 2) The Board could direct staff to continue purchasing printers for use throughout the District per Option A above and retain the lease agreement on the existing copiers
- 3) Provide staff with direction.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Board approve Option 1, leasing printers from Kyocera and contract for Managed Print Services.



Tom Kennedy
General Manager

1/22/19

COPY RENTAL AGREEMENT

Please fax completed Agreement to 1-866-329-8795
 Questions or need assistance? Call 1-866-550-8795

This Agreement has been written in "Plain English". When we use the words You and Your in this Agreement, we mean the Customer described below. When we use the words We , Us , and Our , We mean TIAA Commercial Finance, Inc. Our address is 10 Waterview Boulevard, Parsippany, New Jersey 07054.			
CUSTOMER INFORMATION	Customer Name Rainbow Municipal Water District	Agreement Number	
	Billing Street Address/City/County/State/Zip 3707 Old Highway 395/Fallbrook/Ca/92028	Customer Phone Number (760)728-1178	
	Equipment Location (if different from above) Same	Tax ID Number	
SUPPLIER INFORMATION	Supplier Name ("Supplier") Kyocera Document Solutions West LLC	Supplier Phone Number	
	Street Address/City/State/Zip 4181 Ruffin Rd, Suite 101/San Diego/Ca/92123		
EQUIPMENT DESCRIPTION	Make / Model / Accessories	Serial Number	Starting Meter
	(3) Kyocera Taskalfa 4052ci		
	(1) Kyocera Taskalfa 3252ci/(1)Kyocera Ecosys M6635cidn		
	(13) Kyocera Ecosys P6235cdn/(1)Kyocera Ecosys M3655idn		
INITIAL RENTAL TERM		RENTAL PAYMENT	
Term in Months	63 (months)	\$ 2,288.81 (plus applicable taxes)	Rental Payment Period is Monthly Unless Otherwise Indicated
Meter Frequency:	<input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual		
Copy Allowance: B/W copy: 8,000 Color copy: 15,000 B/W print: pooled Color print: pooled	Overage Copy Charge: B/W copy: .009 Color copy: .05 B/W print: .009 Color print: .05		
TERMS AND CONDITIONS BY SIGNING THIS AGREEMENT YOU ACKNOWLEDGE THAT YOU: (i) HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS ON THE FRONT AND SECOND PAGE OF THIS AGREEMENT, (ii) AGREE THAT THIS RENTAL IS A NET RENTAL THAT YOU CANNOT TERMINATE OR CANCEL, YOU HAVE AN UNCONDITIONAL OBLIGATION TO MAKE ALL PAYMENTS DUE UNDER THIS AGREEMENT, AND YOU CANNOT WITHHOLD, SETOFF OR REDUCE SUCH PAYMENTS FOR ANY REASON, (iii) WILL USE THE EQUIPMENT ONLY FOR BUSINESS PURPOSES, (iv) WARRANT THAT THE PERSON SIGNING THIS AGREEMENT FOR YOU HAS THE AUTHORITY TO DO SO, (v) CONFIRM THAT YOU DECIDED TO ENTER INTO THIS AGREEMENT RATHER THAN PURCHASE THE EQUIPMENT FOR THE TOTAL CASH PRICE, (vi) AGREE THAT THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY AND YOU CONSENT TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN NEW JERSEY. YOU AND WE EXPRESSLY WAIVE ANY RIGHTS TO A TRIAL BY JURY, AND (vii) IF THIS AGREEMENT IS REPLACING AN EXISTING AGREEMENT, THE NEW PAYMENT MAY INCLUDE THE BALANCE OF THAT AGREEMENT AND RESULT IN A GREATER AGGREGATE COST TO YOU. For security purposes and to help the government fight terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each individual or commercial entity that enters into a customer relationship with the financial institution. For this reason, We may request the following identifying information: name, address, date of birth. We may also ask other questions or request other documents meant to verify Your individual or commercial identity.			
TIAA COMMERCIAL FINANCE, INC.		Customer	
X		X	
Authorized Signature		Authorized Signature	
Print Name and Title	Date	Print Name and Title	Date
PERSONAL GUARANTY THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words You and Your in this Personal Guaranty only, we mean the Personal Guarantor(s) indicated below. When we use the words We , Us and Our in this Personal Guaranty, We mean TIAA Commercial Finance, Inc. and Our successors and assigns. In consideration of Our entering into the Copy Rental Agreement identified above (" Agreement "), You unconditionally and irrevocably guarantee to Us, Our successors and assigns the prompt payment and performance of all obligations of the Customer identified above under the Agreement. You agree that this is a guaranty of payment and not of collection, and that We may proceed directly against You without first proceeding against the Customer or against the equipment covered by the Agreement. You waive all defenses and notices, including those of protest, presentment and demand. You agree that We may renew, extend or otherwise modify the terms of the Agreement and You will be bound by such changes. If the Customer defaults under the Agreement, You will immediately perform all obligations of the Customer under the Agreement, including, but not limited to, paying all amounts due under the Agreement. You will pay to Us all expenses (including attorneys' fees) incurred by Us in enforcing Our rights and pursuing Our remedies against You or the Customer. This is a continuing guaranty which will not be discharged or affected by Your death and will bind Your heirs and personal representatives. You waive any rights to seek repayment from the Customer in the event You must pay Us. If more than one personal guarantor has signed this Personal Guaranty, each of You agrees that Your liability is joint and several. You authorize Us or any of Our assignees to obtain credit bureau reports regarding Your personal credit, and make other credit inquiries that We determine are necessary. THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY. YOU CONSENT TO THE JURISDICTION OF ANY LOCAL, STATE, OR FEDERAL COURT LOCATED WITHIN NEW JERSEY. YOU EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY.			
X		X	
Personal Guarantor (no title)		Personal Guarantor (no title)	
Print Name	Date	Print Name	Date
Home Street Address/City/State/Zip		Home Street Address/City/State/Zip	
Social Security Number	Phone Number	Social Security Number	Phone Number
ACCEPTANCE OF DELIVERY You certify that all the Equipment listed above has been furnished to You, and that delivery and installation has been fully completed and satisfactory. Further, all terms and conditions of this Agreement have been reviewed and agreed to by You. Upon Your signing below, Your promises herein will be irrevocable and unconditional. You understand and agree that We have purchased the Equipment from the above Supplier, whom You may contact for Your warranty rights, which We transfer to You for the term of this Agreement. Your approval as indicated below of Our purchase of the Equipment from the Supplier, its delivery and Your acceptance is a condition precedent to the effectiveness of this Agreement.			
DATED:	CUSTOMER:	SIGNATURE:	TITLE:

1. AGREEMENT; DELIVERY AND ACCEPTANCE. You agree to rent the equipment and any other property described on the front of this Agreement (collectively "**Equipment**") on the terms and conditions shown on the front and second page of this rental agreement ("**Agreement**"). If You have entered into any purchase or supply contract ("**Supply Contract**") with any Supplier, You assign to Us Your rights under such Supply Contract, but none of Your obligations (other than the obligation to pay for the Equipment if it is accepted by You as stated below and You timely deliver to Us such documents and assurances as We request.) You will arrange for the delivery of the Equipment to You. When You receive the Equipment, You agree to inspect it to determine if it is in good working order. The Equipment will be deemed irrevocably accepted by You upon the earlier of: (a) the delivery to Us of a signed Delivery and Acceptance Certificate (if requested by Us); or (b) 10 days after delivery of the Equipment to You if previously You have not given written notice to Us of Your non-acceptance. The Initial Rental Term shall commence on a date designated by Us after receipt of all required documentation and acceptance by Us (the "**Commencement Date**"). The first Rental Payment is due on or before the Commencement Date, as invoiced by Us, and the remaining Rental Payments will be due on the same day of each subsequent month at an address specified by Us in writing. The Rental Payment is subject to increase if the Commencement Date occurs 30 days or more after the date We approved Your application for credit and the yield on the US Interest rate swaps that most closely matches the term of the Agreement increases during such time. The Swamps Rate can be found at <https://www.theice.com/marketdata/reports/180>. You authorize Us to adjust the Rental Payment up or down by not more than 15% if the total amount We have paid in connection with the purchase, delivery and installation of the Equipment, including any trade-up and buyout amounts (collectively, the "**Total Cash Price**") differs from the estimated Total Cash Price originally assumed for documentation purposes. If any Rental Payment or other amount payable to Us is not paid within 3 days of its due date, You will owe Us a late charge not to exceed the greater of 10% of each late payment or \$20.00 (or such lesser rate or amount as is the maximum allowable under applicable law).

2. NO WARRANTIES. We are renting the Equipment to You "AS-IS". YOU ACKNOWLEDGE THAT WE DO NOT MANUFACTURE THE EQUIPMENT, YOU DO NOT REPRESENT THE MANUFACTURER OR THE SUPPLIER, AND YOU HAVE SELECTED THE EQUIPMENT AND SUPPLIER BASED UPON YOUR OWN JUDGMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. YOU AGREE THAT REGARDLESS OF CAUSE, WE ARE NOT RESPONSIBLE FOR AND YOU WILL NOT MAKE ANY CLAIM AGAINST US FOR ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL, OR INDIRECT. YOU AGREE THAT NEITHER SUPPLIER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF SUPPLIER IS OUR AGENT OR HAS ANY AUTHORITY TO SPEAK FOR US OR TO BIND US IN ANY WAY.

3. EQUIPMENT LOCATION; USE AND REPAIR; RETURN; RESTOCKING FEE. You will keep and use the Equipment only at the Equipment Location shown on the front of this Agreement. You may not move the Equipment without Our prior written consent. At Your expense, You will keep the Equipment eligible for any manufacturer's certification, in compliance with all applicable laws and in good condition, except for ordinary wear and tear. You will not make any alterations, additions or replacements to the Equipment without Our prior written consent. All alterations, additions and replacements will become part of the Equipment and Our property at no expense to Us. We may inspect the Equipment at any reasonable time. Within 10 days of the expiration or earlier termination of this Agreement You will deliver the Equipment to Us in good condition and repair, except for ordinary wear and tear, to any place that We designate and upon Our request, You will provide Us with a certification from the manufacturer or its authorized representative as to the Equipment's condition. To the extent that any portion of the Equipment consists of software or other licensed products, You will return all tangible items of software and destroy all intangible items of software, certify in writing to Us that You have complied with the above requirements, have not retained such software and will not use the software after termination. It is solely Your duty to remove all sensitive or confidential data stored within the Equipment prior to returning it. You will pay all expenses of uninstalling, crating and shipping and You will insure the Equipment for its full replacement value during shipping, and We may charge You a restocking fee equal to two (2) Rental Payments. You agree that You will not take the Equipment out of service and have a third party pay or provide funds to pay the amounts due hereunder.

4. TAXES AND FEES. You will pay all excise taxes, sales and use taxes, personal property taxes, and all other taxes and charges which may be imposed during the term of this Agreement, arising from the use, acquisition, ownership or renting of the Equipment, whether due before or after termination of this Agreement. You will reimburse Us for Our administrative costs and fees associated with the preparation, filing, payment, and other costs of administering taxes associated with the Equipment. Where required by law, We will file the personal property tax returns with respect to the Equipment, and You shall pay Us in advance, and when We require, the taxes that We anticipate will be due during the year. You further agree to pay Us a fee for documenting this Agreement. If applicable, You agree to pay a supply delivery charge if billed, on a per machine basis, plus applicable taxes.

5. LOSS OR DAMAGE. As between You and Us, You are responsible for any loss, theft or destruction of, or damage to, the Equipment (collectively "**Loss**") from any cause at all, whether or not insured, until it is delivered to Us at the end of this Agreement. You are required to make all Rental Payments even if there is a Loss. You must notify Us in writing immediately of any Loss. Then, at Our option, You will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Us the amounts specified in Section 9(b) below.

6. INSURANCE. You will provide and maintain at Your expense (a) property insurance against the loss, theft or destruction of, or damage to, the Equipment for its full replacement value, naming Us as loss payee, and (b) public liability and third party property insurance, naming Us as an additional insured. You will give Us certificates or other evidence of such insurance when requested. Such insurance will be in a form, amount and with companies acceptable to Us, and will provide that We will be given 30 days advance notice of any cancellation or material change of such insurance. We reserve the right to reject Your insurance carrier. IF YOU DO NOT GIVE US EVIDENCE OF INSURANCE ACCEPTABLE TO US, WE HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO OBTAIN INSURANCE COVERING OUR INTERESTS FOR THE TERM OF THIS AGREEMENT, INCLUDING ANY RENEWAL OR EXTENSIONS. WE MAY ADD THE COSTS OF ACQUIRING AND MAINTAINING SUCH INSURANCE, AND OUR FEES FOR OUR SERVICES IN PLACING AND MAINTAINING SUCH INSURANCE (COLLECTIVELY, "**INSURANCE CHARGE**"), ON WHICH WE MAY EARN A PROFIT, TO THE AMOUNTS DUE FROM YOU UNDER THIS AGREEMENT. Such insurance may duplicate coverage provided under Your existing policy. You will pay the Insurance Charge in equal installments allocated to the remaining Rental Payments. Nothing in this Agreement will create an insurance relationship of any type between Us and any other person. You acknowledge that We are not required to secure or maintain

any rental insurance, and We will not be liable to You if We terminate any insurance coverage that We arrange.

7. TITLE; RECORDING. We are the owner of and will hold title to the Equipment throughout the term of this Agreement. You will keep the Equipment free of all liens and encumbrances. To protect Our rights in the Equipment, in the event this Agreement is determined to be a security agreement, You grant Us a first priority security interest in the Equipment (including any replacements, substitutions, additions, attachments and proceeds.) You will deliver to Us such signed documents as We may request to protect Our interest in the Equipment.

8. DEFAULT. Each of the following is a "**Default**" under this Agreement: (a) You fail to pay any Rental Payment or any other payment within 10 days of its due date; (b) You do not perform any of Your obligations under this Agreement or in any other agreement with Us or any of Our affiliates and this failure continues for 10 days; (c) You become insolvent, You dissolve or are dissolved, or You assign Your assets for the benefit of Your creditors, or enter any bankruptcy proceeding; (d) any guarantor of this Agreement dies, does not perform its obligations under the guaranty, or becomes subject to one of the events in clause (b) or (c) above; or (e) any change in Your management operation, ownership, or control.

9. REMEDIES. If a Default occurs, We may do one or more of the following: (a) We may cancel or terminate this Agreement or any or all other agreements that We have entered into with You; (b) We may require You to immediately pay Us, as compensation for loss of Our bargain and not as a penalty, a sum equal to (i) the present value of all unpaid Rental Payments for the remainder of the term plus the Equipment's anticipated residual value discounted, if applicable, plus (ii) all other amounts due or that become due under this Agreement; (c) We may require You to deliver the Equipment to Us as set forth in Section 3 and terminate use of any software component of the Equipment; (d) We or Our agent may peacefully repossess the Equipment without court order and You will not make any claims against Us for damages or trespass or any other reason; and (e) We may exercise any other right or remedy available at law or in equity. You agree to pay all of Our costs and reasonable attorneys' fees associated with enforcing Our rights and pursuing Our remedies against You. If We take possession of the Equipment, We may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after We have deducted all costs related to the repossession sale or disposition of the Equipment) to the amounts that You owe Us. You will remain responsible for any amounts that are due after We have applied such net proceeds.

10. ASSIGNMENT. YOU MAY NOT ASSIGN, SELL, TRANSFER OR SUBRENT THE EQUIPMENT OR YOUR INTEREST IN THIS AGREEMENT. We may, without notifying You, sell, assign, or transfer this Agreement and Our rights to the Equipment. You agree that the new owner will have the same rights and benefits that We have now under this Agreement but not Our obligations. The rights of the new owner will not be subject to any claim, defense or set-off that You may have against Us.

11. AUTOMATIC RENEWAL. You must give Us at least 90 days written notice before the end of the Initial Rental Term that You will return the Equipment to Us. If You do not give Us such written notice or if You do not deliver the Equipment in accordance with the terms and conditions of this Agreement, this Agreement will automatically renew on a monthly basis until You deliver the Equipment to Us. During such renewal(s) the Rental Payment will remain the same. We may cancel an automatic renewal term by sending You written notice 10 days prior to such renewal term. With respect to items of Equipment consisting of software, Your right to continue use of such software will be subject to the applicable license agreement.

12. INDEMNIFICATION. You are responsible for any losses, damages, claims, and actions, including reasonable attorneys' fees caused by or related to (a) the selection, installation, ownership, use, rental, or possession of the Equipment or (b) any data You store within the Equipment.

13. TRANSITION BILLING. In order to facilitate an orderly transition, including Equipment installation and training and to establish a uniform billing cycle, the "**Effective Date**" of the Initial Rental Term will be the date after the installation, as shown on the first invoice. You agree to pay a prorated amount for the period between the installation Commencement Date and the Effective Date. This payment for the transition period will be based on the Rental Payment prorated on a 30-day calendar month and will be added to Your first invoice.

14. MAINTENANCE AND SUPPLIES. The charges established by this Agreement include payment for the use of the designated equipment, accessories and maintenance (during normal business hours). Paper must be separately purchased by the customer. Toner not included in this Agreement will be billed separately. If necessary, the service and supply portion of this Agreement may be assigned.

15. OVERAGES AND SERVICES FEE ADJUSTMENTS. You agree to comply with any billing procedures designated by Us, including notifying Us of the meter reading at the end of each month. The Supplier or its designee (the "**Service Provider**") may provide services during the term of this Agreement and charge You a services fee. At the end of the first year of the term of this Agreement, and on each anniversary thereof, We may increase such services fee by a maximum 15% of the Rental Payment in effect during the preceding year. You may not carry over any credits in any month in which You make fewer copies than the Minimum Copies per month and You will pay Us the Overage Copy Charge for any copies made that exceed the Copy Allowance indicated on the first page of this Agreement.

16. SECURITY DEPOSIT. If You have paid to Us a Security Deposit, We may apply all or part of the Security Deposit against Your obligations. If You decide to purchase the Equipment under Section 11 above, You can tell Us to use the remaining amount of the Security Deposit towards Your purchase. If the remaining amount of the Security Deposit (a) doesn't cover Your purchase price, You will immediately pay Us the difference or (b) exceeds Your purchase price, We will pay You the difference. The Security Deposit will not earn interest and may be commingled with other funds.

17. MISCELLANEOUS; FAX SIGNATURES. This is the entire agreement between the parties and supersedes all prior agreements, whether oral or written, concerning the subject matter hereof. Any change in any of the terms and conditions of this Agreement must be in writing and signed by Us. You agree, however, that We are authorized, without notice to You, to supply missing information or correct obvious errors in this Agreement. All of Our rights and indemnities will survive the termination of this Agreement. It is the express intent of the parties not to violate any applicable usury laws or to exceed the maximum amount of interest permitted to be charged or collected by applicable law, and any such excess payment will be applied to Rental Payments in inverse order of maturity, and any remaining excess will be refunded to You. If You do not perform any of Your obligations under this Agreement, We have the right, but not the obligation, to take any action or pay any amounts that We believe are necessary to protect Our interests. You agree to reimburse Us immediately upon Our demand for any such amounts that We pay. If more than one customer has signed this Agreement, each of You agree that Your liability is joint and several. Any signature, execution and delivery of any document or instrument may be satisfied in Our discretion and to the extent permitted by the Uniform Commercial Code ("**UCC**") by authentication of such document or instrument as a record within the meaning of Article 9 of the UCC. A fax or electronic version of Your signature on this Agreement when received by Us shall be binding upon You as if originally signed. However, this Agreement shall be binding on Us when countersigned by Us.

AMENDMENT TO COPY RENTAL AGREEMENT

Please fax completed and signed to 1-866-329-8795
Questions or need assistance? Call 1-866-550-8795



RE: COPY RENTAL AGREEMENT NUMBER: 41803405 BY AND BETWEEN

CUSTOMER: RAINBOW MUNICIPAL WATER DISTRICT

OWNER: TIAA COMMERCIAL FINANCE, INC.

The above referenced Copy Rental Agreement (the "Agreement") is hereby amended as follows:

Section 14. MAINTENANCE AND SUPPLIES:

The following language in this section, "Toner not included in this Agreement will be billed separately," is hereby deleted in its entirety.

All other terms and conditions in the Agreement shall remain in full force and effect.

TIAA COMMERCIAL FINANCE, INC.

OWNER

X

Authorized Signature

Print Name and Title

Date

RAINBOW MUNICIPAL WATER DISTRICT

CUSTOMER

X

Authorized Signature

Print Name and Title

Date



Hardware Performance Guarantee

Overview:

Kyocera Corporation and Kyocera Document Solutions West, Inc. (hereafter, "KDSW") hereby jointly and severally assure Rainbow Municipal Water District (hereafter, "Customer") consistent availability of properly operating office equipment (1) sold by KDSW to (lease co or customer), leased by Lessor, US Bank, to Customer pursuant to the terms of that certain Cost-Per-Copy Lease Agreement dated as of even date herewith, and (3) that will be maintained and covered pursuant to that certain maintenance agreement entered into by and between Customer and KDSW as of even date herewith. This assurance constitutes a material inducement for Customer to enter into Lease Agreement and the Maintenance Agreement and consists of fleet uptime as well as uptime guarantees for individual units.

- INDIVIDUAL UNIT UPTIME – BACKED BY A UNIT REPLACEMENT ALLOWANCE
- FLEET UPTIME – BACKED BY A CREDIT EQUAL TO ONE (1) MONTHS MINIMUM C-P-C PAYMENT FOR FAULTY DEVICE(S)

The following paragraphs define the parameters, responsibilities and recourse of both parties with regards to this guarantee.

Individual Unit Uptime shall be calculated using the following formula and parameters.

9 business hours per day x 22 business days per month = 198 available hours (100% uptime)

Qualified downtime hours (defined below) are deducted from 198 and the sum is divided by total available hours to determine Individual Unit Uptime.

NO PIECE OF EQUIPMENT COVERED BY THIS AGREEMENT WILL EXPERIENCE LESS THAN 95% UPTIME FOR ANY QUARTER.

In the event that the equipment availability is less that guaranteed, KDSW WILL PROVIDE CUSTOMER WITH AN ACCOUNT CREDIT IN THE AMOUNT EQUAL TO ONE (1) MONTH'S MINIMUM C-P-C PAYMENT



COVERING BOTH THE LEASE PORTION AND THE SERVICE PORTION (FOR THE FAULTY UNIT) OF THE US BANK LEASE FOR THAT INDIVIDUAL UNIT PER INCIDENT.

Fleet Uptime shall be calculated using the following formula and parameters.

9 business hours per day x 22 business days per month x total number of units.

Example: $9 \times 22 = 198$ hours x 100 total units = 19,800 hours (100% uptime)

Qualified downtime hours (defined below) are deducted from 19,800 and the sum is divided by aggregate available hours to determine Fleet Uptime.

CUSTOMER IS GUARANTEED THAT THE AGGREGATE UPTIME OF THE EQUIPMENT COVERED BY THIS CONTRACT WILL REMAIN AT 95% OR HIGHER. SHOULD KDSW FAIL TO PROVIDE LESS THAN 95% FLEET UPTIME FOR ANY QUARTER, KDSW WILL PROVIDE CUSTOMER WITH AN ACCOUNT CREDIT IN THE AMOUNT EQUAL TO ONE (1) MONTH'S MINIMUM C-P-C PAYMENT COVERING BOTH THE LEASE PORTION AND THE SERVICE PORTION OF THE TIAA BANK LEASE PER INCIDENT.

For example, if you are down for more than 5% (or <95% uptime) during a quarter KDSW will reimburse you a full months payment for the unit(s) at fault. Even if the vast majority of your equipment fleet is fully operational but 1-2 units cause fleet uptime to dip below 95%, KDSW will still provide a credit equal to the full months payment (including the maintenance and lease portions) for the faulty unit(s).

Recognized business hours are Monday through Friday from 8:00am until 5:00pm excluding published KDSW holidays. An annual list of KDSW holidays will be provided upon customer request.

Service Call numbers will be provided (upon request) to Customer by KDSW dispatch at the time the call is placed. The (5) digit Service Call number links the date and time the call was placed.

Qualified Downtime calculations begin at the time KDSW receives the initial emergency service call (from authorized Customer representative) and continues until the service call is completed by a KDSW technician and the unit is properly operational or 5 hours whichever comes first. Customer requests for specific times or days, favorite technicians or customer site circumstances beyond the control of KDSW and which result in a delay in KDSW's ability to make the Equipment operational shall not be factored as downtime.

Emergency Service Calls are defined as symptoms that render the equipment inoperable for Customer's ordinary business use. This includes inoperable document processors and finishers, illegible image quality, paper jams that cannot be cleared and error codes prohibiting use of the machine.

The time period during which the Equipment is not properly operational due to: (1) the location of KDSW representatives on-site at Customer's facility making scheduled Preventive maintenance (PM) calls, (2) operator errors, or (3) damages to cosmetic covers or other parts that result from Customer's abuse and do not result from ordinary wear and tear, will not be counted in the computation of Qualified Downtime hours.

Quarterly Uptime Report

KDSW shall submit for Customer's review and approval a quarterly uptime summary for all equipment installed under the terms of this contract. Uptime reports will be prepared by KDSW using calendar quarters and submitted to Customer no later than (2) weeks after the end of any quarter. This quarterly summary shall include for each unit

- The model, serial number and unit location
- Last meter and date of reading
- The unit's quarterly volume
- The total cumulative annual volume to date
- The number of service calls placed for that unit and the response time and downtime associated with each call
- The unit's average uptime percentage for the given quarter

If the Uptime Report indicates that the Fleet Uptime Guarantee is not satisfied KDSW will issue the credit contemporaneously with the Uptime Report. If the Uptime Report indicates that the individual Unit Uptime Guarantee is not satisfied, KDSW will replace such piece of Equipment within Ten (10) days following the end of the applicable quarter.



Enacting the Guarantee

Customer shall promptly report any differences between Customer's records and the information set forth in the Uptime Report. In the event that Customer suspects that a provision of the guarantee has not been met following receipt of the Uptime Report or at any other time during an applicable reporting period, Customer is to provide KDSW with a written notification via certified mail containing the following information:

1. Model, serial number and unit(s) location in question
2. Name of primary key-operator of equipment
3. Time period(s) in question
4. Primary concerns, problems
5. Specific name and phone number of Customer contact

Notification should be addressed to: Kyocera Document Solutions West, CA Branch

14101 Alton Parkway

Irvine, CA 92618

Attention: Vice President of Technical Operations

An authorized KDSW representative will research the matter and contact Customer with intended action plan within 48 hours of KDSW receipt of notification. Potential action plans may include, but are not limited to:

- Repair of the equipment at customer location
- Remove equipment from Customer site to allow necessary procedures and repair. In this case, KDSW agrees to provide customer with a comparable loaner machine in the interim. Successfully repaired equipment will be returned to Customer upon completion and loaner will be removed.
- Arrange for manufacturer's technical representative inspection and assistance.
- Permanently replace the unit with a comparable, similarly equipped model.

KDSW agrees to provide Customer with a written description of intended action(s) within 5 business days of KDSW receipt of Customer notification. During KDSW's efforts to research and, or resolve Customers concern, inoperable equipment will continue to accrue downtime. In this context, the term



inoperable means that the equipment will not fully perform its intended function. Partial functionality (for instance a color copier that can only print black and white or a machine with a collating stapler that

can't staple) will be considered inoperable. Equipment removed for repair and replaced with a loaner machine will not accrue downtime following installation of loaner unless loaner incurs downtime.

Fleet Guarantee

In the event that the Fleet Performance Uptime is in question, Customer agrees to provide written notification via certified mail to the address listed above. Upon KDSW's receipt of notification, KDSW agrees to provide Customer with a written reply within 48 hours. KDSW further agrees to furnish Customer with either a Proof of Performance to dispute Customer claim or a written Credit Statement in the amount equal to one month C-P-C minimum payment per Quarter for each faulty device(s) during which Fleet performance has been established below 95%.

Guarantee Regarding Interface with Customer's Operating Systems

Kyocera Document Solutions proposed printer and MFP solutions will work in PC, MAC, Citrix, Linux, Unix, AS400, and SAP current network operating system confidential environments to assure that the required applications running within Customer facility will print to KDSW specifications based on our past experience. In the event a proprietary software program does not run as expected upon initial installation, Kyocera will deploy our Systems Engineers at no cost to Customer to engage in additional onsite departmental troubleshooting, working with Customer and its staff to project completion. In the event KDSW cannot make a current application operational following reasonable efforts involving our Systems Engineers, we will provide service and supply at no cost to Customer for such Equipment. KDSW represents and warrants that it has the ability and authorization to develop any such programs (including, the emulation of an HP printer if necessary or advisable under the application or network environment).

Rainbow Municipal Water District, Title

Signature

Date

Kyocera Document Solutions West, Title

Signature

Date

Description	Amount
HP 85A, Black Original Toner Cartridge (CE285A) Item # 231939	\$ 99.52
HP LaserJet Pro MFP M281fdw	\$ 376.05
INKTONER 8 pack 88XL #88 Ink Cartridge Combo Set C9396A For HP O	\$ 22.00
008R13061 XEROX WASTE TONER CARTRIDGE	\$ 121.96
HP LASERJET 410 BLACK TONER (ITEM #193031)	\$ 319.16
HP 202A (CF500A) Black Laserjet Toner Cartridge Item 927071	\$ 70.03
HP 202A (CF503A) Magenta Laserjet Toner Cartridge Item 569597	\$ 86.19
131A Toner Black 2 Pack by Hobbyunion Replacement for CF210A Ton	\$ 31.61
Magenta toner for Engineering printer	\$ 91.27
2-Pack LINKYO Compatible Toner Cartridges Replacement for HP 78A	\$ 21.50
HP 410A Yellow Original LaserJet Toner Cartridge, CF412A	\$ 99.12
Brother TN-310Y Yellow Toner Cartridge	\$ 124.84
HP LASERJET 410 STANDARD-YIELD YELLOW TONER (ITEM #675732)	\$ 208.43
INK TONER - YELLOW	\$ 91.27
INK TONER - MAGENTA	\$ 91.26
HP 202A (CF501A) CYAN LASERJET TONER CARTRIDGE	\$ 172.38
HP 202A (CF501A) Cyan Laserjet Cartridge Item 987956	\$ 86.19
XEROX WC7855 WASTE CONTAINER	\$ 298.00
BROTHER BU300CL BELT UNIT	\$ 113.47
Black toner for Engineering printer	\$ 71.88
HP 202A (CF502A) Yellow Laserjet Toner Cartridge Item 952036	\$ 86.18
HP 410 BLACK TONER CARTRIDGE	\$ 151.69
NK TONER - CYAN	\$ 91.26
Xerox 008R12941 Staple Cartridges	\$ 161.62
Brother TN-310BK Black Toner Cartridge	\$ 185.35
HP 202A (CF503A) MAGENTA LASERJET TONER CARTRIDGE	\$ 172.38
Brother TN-310M Magenta Toner Cartridge	\$ 124.84
Xerox 008R13061 Waste Toner Bottle	\$ 140.32
HP 202A (CF502A) YELLOW LASERJET TONER CARTRIDGE	\$ 172.38
HP LASERJET 410A STANDARD YIELD CYAN TONER (ITEM #934547)	\$ 208.43
Cyan toner for Engineering printer	\$ 91.26
Brother TN-310C Cyan Toner Cartridge	\$ 187.26
(2) INK CARTRIDGES	\$ 531.19
GPC Image Compatible Toner Cartridge Replacement for Brother TN3	\$ 117.98
HP 202A (CF500A) BLACK ORIGINAL LASERJET TONER CARTRIDGE	\$ 140.05
Yellow toner for Engineering printer	\$ 91.26
Total	\$ 5,249.58

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

DISCUSSION AND ACTION TO APPROVE VACATION OF A SECTION OF A 20-FOOT EASEMENT TO RAINBOW MUNICIPAL WATER DISTRICT PER RECORDER'S FILE NO. 155877. JULY 31, 1959, 7803-129 O.R.

BACKGROUND

During planning for the replacement of the pressure reducing station located at 6959 Via Mariposa Norte, Bonsall, California, several encroachments were discovered in the District easement, preventing the maintenance and replacement of the pressure reducing station. The property is owned by the Walz family and the encroachments consist of concrete-walled dumpster enclosure, fence, landscaping and irrigation and several trees. The District had a licensed land surveyor conduct a survey of the boundaries. Research for the survey uncovered a second District easement adjacent to the primary, water infrastructure containing easement. This second easement, at the location of the Walz property appears to be vacant and unused. The Walz family has requested vacation of this section of unused easement on their property so that they can relocate their dumpster to that location. The second easement does not provide benefit to the district and is not needed for future expansion of the District's facilities.

Under Section 6.10.020 of the District Administrative Code; Except when authorized by Section 6.10.13, when the District's interest in property is a fee, leasehold or other possessory interest, no person shall use or occupy such property except as specifically authorized by a duly executed deed (including an easement deed), lease, license, contract or other written instrument approved by the Board of Directors. Furthermore, the Section states that, "...all deeds, leases, licenses, contracts or other written instruments shall be approved by the Board of Directors". For this reason, the vacation of an existing easement would also require Board of Director approval.

The vacation of the section of the referenced easement located on the Walz property was presented to the Engineering and Operations Committee at its December 5, 2018 meeting and was recommended for approval by the Board of Directors.

DESCRIPTION

The vacation of a section of the District easement located on the Walz property will require the execution of a quitclaim document and Exhibit showing the section of easement to be quitclaimed back to the property owner.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. This policy is intended to establish regulations, policies and procedures to protect and preserve the District's property, property interests necessary for the construction and maintenance of its pipelines, associated appurtenances and facilities.

BOARD OPTIONS/FISCAL IMPACTS

1. Approve vacation of a section of a 20-foot easement to Rainbow Municipal Water District.
2. Approve vacation of a section of a 20-foot easement to Rainbow Municipal Water District with revisions.
3. Deny vacation of a 20-foot easement to Rainbow Municipal Water District.
4. Provide staff with direction.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



Steven E. Strapac
District Engineer

January 22, 2019

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

DISCUSSION REGARDING PROCESS FOR SCHEDULING SPECIAL BOARD MEETINGS

DESCRIPTION

President Brazier has requested an item to discuss the process for scheduling future Special Board meetings.

The RMWD Administrative Code Section 3.01.020 – Special, Adjourned and Emergency Meetings states the following:

“Special, adjourned and emergency meetings of the Board of Directors may be called as provided by law.”



Tom Kennedy, General Manager

January 22, 2019

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2019	MEETING	LOCATION	ATTENDEES	POST
February	14	SDCWA Special Board Meeting	SDCWA	GM	N/A
February	21	CSDA – San Diego Chapter	(Location to be Announced) 6:00 p.m.	Mack	N/A
February	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
February	*	Santa Margarita River Watershed Watermaster Steering Committee	Rancho California Water District	Hamilton	N/A

* To Be Announced

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING					
DATE	2019	MEETING	LOCATION	ATTENDEES	POST
February	4	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
February	6	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	1/31
February	7	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	1/31
February	12	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	1/31
February	15	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
February	19	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
February	19	Council of Water Utilities	Hotel Karlan 14455 Penasquitos Drive San Diego 7:15 a.m. Poway	All Directors, General Manager	N/A
February	26	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	2/12
February	27	San Luis Rey Watershed Council	Pala Administration Building 1:00 p.m.	Appointed Director	N/A
February	27	North County Water Group	Rincon Del Diablo, Escondido 7:30 a.m.	All Directors on a Rotating Schedule, General Manager	N/A
February	28	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A

BOARD OF DIRECTORS

 January 22, 2018

SUBJECT

 Operations Report for November and December 2018

DESCRIPTION

 Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

The Construction crews repaired Sixteen (16) leaks, twelve (12) water mains and four (4) service leaks. The crew performed eleven (11) planned/emergency shutdowns. They installed and/or repaired five (5) appurtenances, three (3) hydrants, one (1) air vac and one (1) blow-off. The crew repaired a 6" plug valve and installed a new 8" plug valve and two new high pressure 6" gate valves. In addition, the crews maintained District easements as well as completed work at the District Yard. They also installed a 20" flowmeter at Hutton Tank. Some of the C&M staff also assisted the Meter and Wastewater crews.

WATER OPERATIONS & VALVE MAINTENANCE DEPARTMENT:
Water Operations:

- Responded to six (6) water quality complaints.
- Collected UCMR4 samples for November.
- Vallecitos Tank rehab completed and is back in service.

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Appurtenances
Exercised	90	128	N/A
Inoperable	7	14	0
Repaired	1	0	0
Replaced	0	0	0
Installed	0	0	0

METERS DEPARTMENT:

Water Service Upgrade Project: The District is reviewing the schedule of values submitted by the contractor (ABM). Meters and meter boxes have been received on-site. ABM is developing a schedule for the installation of 300 pilot meters to begin by late February or early March 2019.

WASTEWATER DEPARTMENT:

Monthly, Semi Annual and Annual Reports:

California Integrated Water Quality System (CIWQS): Confirmation #2533153 Reported "No Spill Report" for November and December 2018.

California Integrated Water Quality System (CIWQS): Collection System Annual Questionnaire update 2019.

SANITARY OVERFLOWS:

Private Sewer Spills:

Comfort Inn Motel – November 28, 2018: Private overflow called in by County of San Diego Watershed Program. CIWQS: Confirmation #854024.

Bonsall Village Shopping Center: December 4, 2018 (Category1) private overflow volume 2,244 gallons recovered/reported. CIWQS Confirmation #854010.

PROJECTS:

12/06/2018: Ordered 200 rain pans for collection sewer system manhole insert 24" x 23 3/4".
\$ 5,600.00; Purchase Order # 000030939.

12/27/2018: Installed (34) 24" rain pans at Vista Valley Golf Course.

12/31/2018: Installed (6) 24" rain pans at Pala Mesa Golf Course.

12/5/2018: Installed/replaced 7 Manholes 24" rain pans at Cal-a-Vie.

CIP – Projects

December 17, 2018: Seven (7) manholes rehabilitation at Cal-a-Vie-Spa; Contractor Ayala Engineering
\$ 18,200.00 Purchase Order #000030921.

December 21, 2018: Two (2) manholes requiring repairs over 5 years. Location: Pala Mesa Golf Course
No cost – Contractor repaired under warranty.

Assistance to other Agencies:

12/1/2019: Assisted City of Vista Public Works - Oral interview for Utility III personnel.

TECHNICAL SERVICES DEPARTMENT:

Fleet/Garage:

Repairs, maintenance, priority inspections and/or training for the month of November 2018:

- Vehicle maintenance (5)
- Vehicles with emergency repairs (6)
- Small equipment repairs (1)
- Small equipment prep, new ready for service (0)
- New vehicles or equipment prep (2)
- Off-road equipment/ trailer repairs & maintenance (2)
- Off-road & trailer emergency repairs (2)
- Large vehicle maintenance/ repairs (4)
- Diesel particulate (DPF) troubleshoot, maintenance or repairs (1)
- Dealer safety recalls or customer service warranties (4)
- BIT inspections (0)
- Decommission of vehicles or equipment and prep for GOV Deals Auction (0)
- GAS BOY Fuel System installation, maintenance, fuel report; troubleshoot (1)
- Schedule crane inspections (3)
- Emergency equipment monthly inspections & test (0)
- Target Safety (1)
- Class "C" Dump Truck training (0)
- GPS troubleshoot repairs or installation maintenance (3)
- Install, repair or remove equipment on vehicles (3)
- Waste hazard area cleaning; prep installation of equipment, fluid evacuation etc. (2)
- Schedule yearly PSIP (Periodic Smoke Inspection) & DPF (Diesel Particulate Filter Cleanings and Testing) (0)
- Training for Emissions CCDET (0)
- Fleet vehicle emissions yearly testing cycle includes reporting & documentation & filing (0)
- Climbing Harness Safety Training & Inspection (1)
- Professional Development training (0)
- Pump Station or Wastewater lift station generator troubleshoot or maintenance (2)
- Assist Technical Services electrical (0)
- Shop repairs/equipment maintenance (2): Recalibrate wheel balancer and repair leak on Coats tire machine / Torque Shop lift boats monthly PM inspection of cables & hoses

Repairs, maintenance, priority inspections and/or training for the month of December 2018:

- Vehicle maintenance (4)
- Vehicles with emergency repairs (6)
- Small equipment repairs (0)
- Small equipment prep, new ready for service (5)
- New vehicles or equipment prep (2)
- Off-road equipment/ trailer repairs & maintenance (2)
- Off-road & trailer emergency repairs (3)
- Large vehicle maintenance/ repairs (3)
- Diesel particulate (DPF) troubleshoot, maintenance or repairs (1)
- Dealer safety recalls or customer service warranties (0)
- BIT inspections (0)

- Decommission of vehicles or equipment and prep for GOV Deals Auction (1)
- GAS BOY Fuel System installation, maintenance, fuel report; troubleshoot (3)
- Schedule crane inspections (0)
- Emergency equipment monthly inspections & test (7)
- Target Safety (0)
- Class "C" Dump Truck training (0)
- GPS troubleshoot repairs or installation maintenance (3)
- Install, repair or remove equipment on vehicles (1)
- Waste hazard area cleaning; prep installation of equipment, fluid evacuation etc. (1)
- Schedule yearly PSIP (Periodic Smoke Inspection) & DPF (Diesel Particulate Filter Cleanings and Testing) (0)
- Training for Emissions CCDET (0)
- Fleet vehicle emissions yearly testing cycle includes reporting & documentation & filing (5)
- Climbing Harness Safety Training & Inspection (0)
- Professional Development training (0)
- Pump Station or Wastewater lift station generator troubleshoot or maintenance (1)
- Assist Technical Services electrical (0)
- Shop repairs/equipment maintenance (2)

Electrical/SCADA:

- Met with contractors for removal, replacement and programming of faulty display at Horse Creek Lift Station - Complete
- Assisted mechanic with picking up new vehicles & drop-off/pick-up vehicles for repair by dealer - Complete
- Coordinated with vender on operation of new pressure transmitter calibration equipment - Complete
- Troubleshooting Murphy Panel on Pump No. 4 at Rainbow Heights Pump Station – Complete; Pump 4 is off-line.
- Coordinated with San Diego County Water Authority to install new 120 vac, 20 circuit for SCADA equipment upgrade at Connection 11 - Complete
- Installed mounting hardware for new enclosure for SCADA upgrade at Lookout Mountain Tank - Project ongoing
- Installed new replacement radio for mobile communications at the Cement Tank repeater site.
- Assisted Operations with troubleshooting and setting pressure relief valve at Horse Creek pressure station - Complete
- Met with SCADA technician from Fallbrook Public Utilities District for coordinating SCADA communications for the relocation of aqueduct Connection 7 - Ongoing
- Plan Check and meeting with Oceanside regarding proposed Weese Plant Pump Station - Ongoing
- Install conduit and wiring for SCADA communications to the newly installed Hutton flow meter: conduit and wiring are installed / Flow meter startup will be scheduled with SCADA integrator
- Plan check for School House Lift Station, and Thoroughbred Equalization Basin - Ongoing
- Meg test motors at Lift Stations - Complete
- Motor control maintenance at Lift Station #1 - Complete
- Training on fire extinguishers & gas monitors / "Introduction to Excel" class - Complete
- Replace SCADA equipment damaged by December lightning storm at Rainbow Heights Tank and Sumac Radio Repeater site - Complete
- Replace faulty level transmitter at Hutton Tank - Complete
- Meet with California Commercial Security (CCS) for the installation of new remote locking door hardware for the main entrance to Building 1 / Installed new 120 vac receptacle and equipment

mounting board for lock control enclosure / CCS has been scheduled to install the necessary hardware and wiring

- Building maintenance: Computer and phone cabling, bulbs and ballasts; address plumbing problems; removed wiring for stove top and removed fan and wiring in Building 1 Break Room; picked up materials to address roof leaks in Building 2.

EMPLOYEE RECOGNITION – OPERATIONS & MAINTENANCE DIVISION

New Certifications

- * Chris Hand received his CWEA Collection System Maintenance Grade III certification.



Robert Gutierrez
Operations Manager

1/22/18

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

Engineering Report for November / December 2018

DESCRIPTION

CAPITAL PROJECTS:

Condition Assessment of Water Facilities: The Consultant is currently working on a prioritized list of potential pressure reduction projects. A change order was approved on November 30, 2018 to develop and evaluate scenarios for alternative water supply.

Corrosion Protection: The selected Consultant shall complete a study identifying the highest priority pipelines for implementation of cathodic protection projects. Staff recommendation to be presented at the January 22, 2019 Board Meeting.

Gird to Monserate Hill: Pursuing alternative design with lower construction cost.

Land Surveying Services - Record of Survey: The Board approved award to KDM Meridian at the December 4, 2018 meeting. KDM has set aerial targets.

Pipeline Relocations - Misc: The Consultant (Omnis) has set aerial targets, which will be flown in the coming weeks. Title reports have been requested and preliminary design documents to be issued in February 2019.

Pressure Management: Contractor installed two pressure reducing stations on Vista Valley Drive. This will allow the reduction of pressure for roughly 150 customers. Staff is continuing to evaluate the transition of 60 homes from the Hutton to the Morro Pressure zone along Dentro De Lomas.

Rainbow Height's Pump Station Replacement: A change order will be presented at the January 22, 2019 Board Meeting for approval to proceed with the design of the premanufactured pump station.

Tank Fall Prevention: The Contractor (SUEZ) is having engineered drawings prepared and made available for District review by the end of January 2019.

Thoroughbred Equalization Basin and Schoolhouse Lift Station: CEQA public review is in progress. A constructability review is being performed of the 90% design documents.

Water Service Upgrade Project: The District is reviewing the schedule of values submitted by the Contractor (ABM). Meters and meter boxes have been received on-site. The Contractor is developing a schedule for the installation of 300 pilot meters to begin by late February early March 2019.

Weese Filtration Plant Interconnect: The Consultant is working on the final design.

DEVELOPER PROJECTS:

Golf Green Estates (Development Solutions): 94 SFR / 102.46 EDUs - Planned across from Bonsall Elementary School on Old River Road. Staff working with the developer on easement issues. Onsite punch list will be compiled after all the homes have been built. Water meters purchased to date - 43.

Horse Creek Ridge (HCR), (D.R. Horton): 627 WMs (Reduced by 124 WMs) / 754 EDUs - Off of Highway 76 and Horse Ranch Creek Road. Backbone facilities were accepted by the Board. Water meters purchased to date - 337.

Horse Creek Ridge Unit 6R5 Promontory (Richmond American Homes): 124 WMs / 124 EDUs - Off of Highway 76 and Horse Ranch Creek Road. D.R. Horton, master developer of HCR sold Unit 6-R5, 124 lots, Promontory Subdivision to Richmond American Homes. Currently the sewer EDUs are covered under an agreement with D.R. Horton. Water meters purchased to date - 30.

Malabar Ranch (Davidson Communities): 31 SFR / 29 EDUs - Off of Via Monserate/La Canada. There are 17 out of 31 homes built. Developer needs to complete the waterline relocation and punch list items.

Malek 350' Water Main Extension on Entrada Al Sol: Final plans were submitted. Construction is delayed awaiting contract documents.

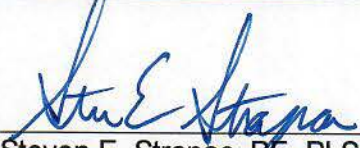
Pala Mesa Highlands (Beazer Homes): 124 SFR / 124 EDUs - On Old Highway 395. Models have been constructed. 99% of the water mains have been tested. Sewer issues need to be resolved prior to installation of residential meters. Water meters purchased to date - 29.

Topa Topa Place (Frulla Inc.): Staff reviewing easement on the plans.

Wiestling 376' Water Main Extension on West Lilac Road: Staff conducted 2nd plan check. A 20' easement will be required along the westerly boundary of the property. Staff waiting on submittal of red line plan corrections, and draft easement documents.

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	2	Water Meters Purchased	19
Sewer Availability Letters	2	Sewer EDUs Purchased	0
Water Commitment Letters	0	Developer Shutdowns	1
Sewer Commitment Letters	0	Jobs Closed: Palomar College / Nesity Burger	2


Steven E. Strapac, PE, PLS
District Engineer

1/22/19



BOARD INFORMATION

BOARD OF DIRECTORS

January 22, 2019

SUBJECT

HUMAN RESOURCES REPORT FOR DECEMBER/JANUARY 2018

DESCRIPTION

Personnel changes, human resources activities, and safety report for December 2018/January 2019

RECRUITMENT:

Senior Engineering Inspector: This position received 508 page views and 14 applications when posted in November. To attract additional applicants, a new posting with an updated ad copy went live on January 9th, with a closing date of January 31st.

Cross Connection Control and Backflow Technician: An internal applicant, Chris Hoelscher, was selected for this position and started on December 10th. Chris was previously a Utility Worker in the Meters Department.

Human Resources Assistant (part-time): Claudia Ramirez started on January 10, 2019. Since the position was budgeted for the full year, and half the fiscal year has passed, an additional temporary Human Resources Assistant was hired to complete projects related to recruitment marketing, public affairs, and community outreach.

Utility Worker I/II – Meters: There are two open positions created by recent promotions. This job was posted for internal applicants from December 12 to January 3, and three applications were received. Interviews were scheduled for January 16, 2019.

We currently have 1,653 active email subscriptions for notifications of job openings in Neogov Insight.

LEAVES OF ABSENCE:

- One employee in Valve Maintenance is currently on family medical to care for a family member.
- One additional employee in the Meters Department is planning a month-long leave in January or February for the birth of a child.

EMPLOYEE EVENTS:

The District's annual Breakfast Burrito Bar was held on December 20th. This is an annual tradition when Managers and Supervisors make breakfast for employees.

The annual **Employee Awards Banquet** is planned for January 12th. The theme is Red Carpet Awards and employees are encouraged to dress for the red carpet or as their favorite celebrity or character. Employees voted for the awards when they RSVP'd for the event.

Award categories and nominees this year will include:

Best Lead in a Comedy Series (most cheerful):

Clem Taylor – Utility Worker II – Meter Services
Jerry Kraft – System Operator III
John Maccarrone – Construction Superintendent
Michael Powers – Associate Engineer
Ramon Zuniga – Wastewater Superintendent
Scott Simpson – Utility Worker II – Valve Maintenance

Best Supporting Cast (most helpful department):

Construction Department, Meter Services, System Operations, Valve Maintenance, and Wastewater

Best New Artist (new hire):

Ahmed Khattab – Senior IT and Applications Analyst
Charmaine Esnard – Environmental Health and Safety Administrator
Chris Daugherty – Purchasing and Inventory Control Specialist
Michael Gonzalez – Utility Worker - Construction

Best Performance in a Leading Role (best leadership):

Bryan Rose – Crew Leader, Valve Maintenance
Ed Bradley – Technical Services Team Lead
Justin Chandler – Meter Services Supervisor
Robert Gutierrez – Operations Manager
Steve Strapac – District Engineer

Best Producer (most productive employee):

Ahmed Khattab – Senior IT and Applications Analyst
Bryan Rose – Crew Leader, Valve Maintenance
Delia Rubio – Engineering Technician II
Karleen Harp – Human Resources Manager
Laura Martinez – Accounting Specialist I

People's Choice Award (employee who most consistently demonstrates the District's values):

Ahmed Khattab – Senior IT and Applications Analyst
Carlos Ramos – Utility Worker I – Construction
Chris Hoelscher – Cross Connection Control and Backflow Technician
Ed Bradley – Technical Services Team Lead
Jerry Kraft – System Operator III
Michael Powers – Associate Engineer

WORKFORCE DEVELOPMENT:

Continuing Computer Skills and Business Acumen Training

The District has contracted with Learnsoft for a series of training days to learn various Microsoft applications and business skills. A Series on Excel was completed in November and December, and classes on Effective Communication, Excel Macros and Pivot Tables and an introduction to Outlook will be offered in January and February.

Sexual Harassment Prevention Training

California law requires all employers to train all supervisory employees on sexual harassment prevention, District policies, and reporting procedures at least every two years, and within six months of employment or promotion to a supervisory role. A new law in 2019 includes the requirement to train all employees, regardless of supervisory status. The District's 2019 training has been scheduled for February 18, 2019.

Leadership Team Development Training

Since the District has a number of new Managers and Supervisors, we will have a facilitated leadership workshop with the 10 leadership team members scheduled for February 25, 2019. The workshop will cover communication style, social interactions, motivational factors, problem solving acumen, individual competency strengths, and each person will develop an individual six-month leadership development plan. The workshop will be followed up with 30-minute private consultations with the consultant for each person.

NEOGOV:

Perform Module

The DREAM Team continues testing the system, and has been working through several software issues and finding workarounds. The new ADP product implemented for payroll also includes similar features, so the Human Resources Manager will evaluate whether that is a better long-term solution.

LILAC FIRE UPDATE:

FMAG: Final supporting documentation has been submitted to FEMA, through the California Office of Emergency Services (CalOES) for the Fire Management Assistance Grant (FMAG) in the amount of \$39,311.21. The timing of the payment is unknown.

SAFETY:

Incidents

There were no lost time or modified duty due to a work-related incident.

Safety Training

Target Solutions online training: 106 completions for December 2018

Future planning to increase safety awareness throughout the district to include:

- Asbestos Safety scheduled date TBD.
- OSHA 511 - Course in Occupational Safety and Health Standards for the General Industry for Safety Officer scheduled for January 22-25 in San Diego.
- Emergency Response Training: Intermediate ICS for Expanding Incidents NIMS ICS 300 & ICS FORMS for management team and other EOC roles January 7-9.

Tailgate/ Office Safety Trainings

- Fire Extinguisher Safety and Use.
- Jackhammer Lift Assist Safety and Use.



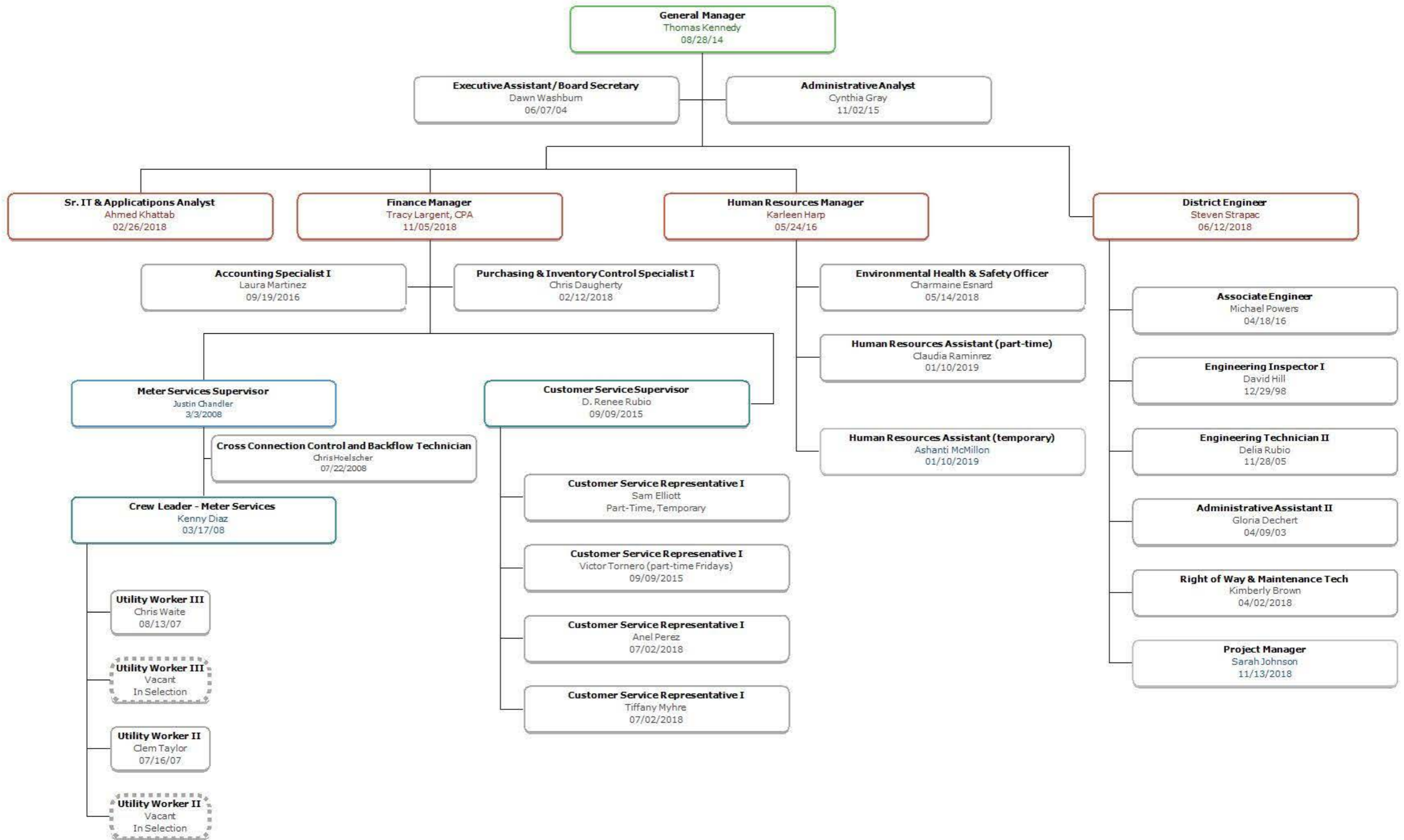
Karleen Harp, COSM
Human Resources Manager

01/22/2019

**RAINBOW MUNICIPAL WATER DISTRICT
ORGANIZATIONAL CHART
PAGE 1 OF 2**

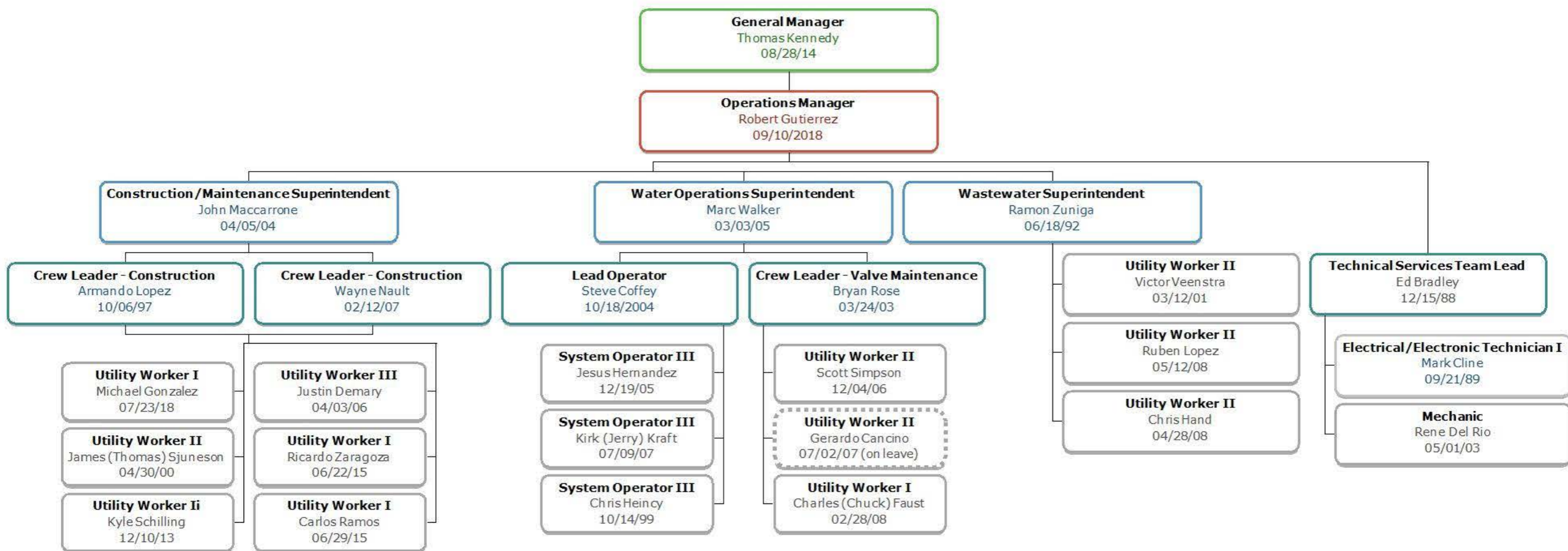
Creation Date 8/21/2014

Last Modified 1/10/2019



Creation Date 8/21/2014

Last Modified 1/10/2019



Interim Financials
Period: October 2018



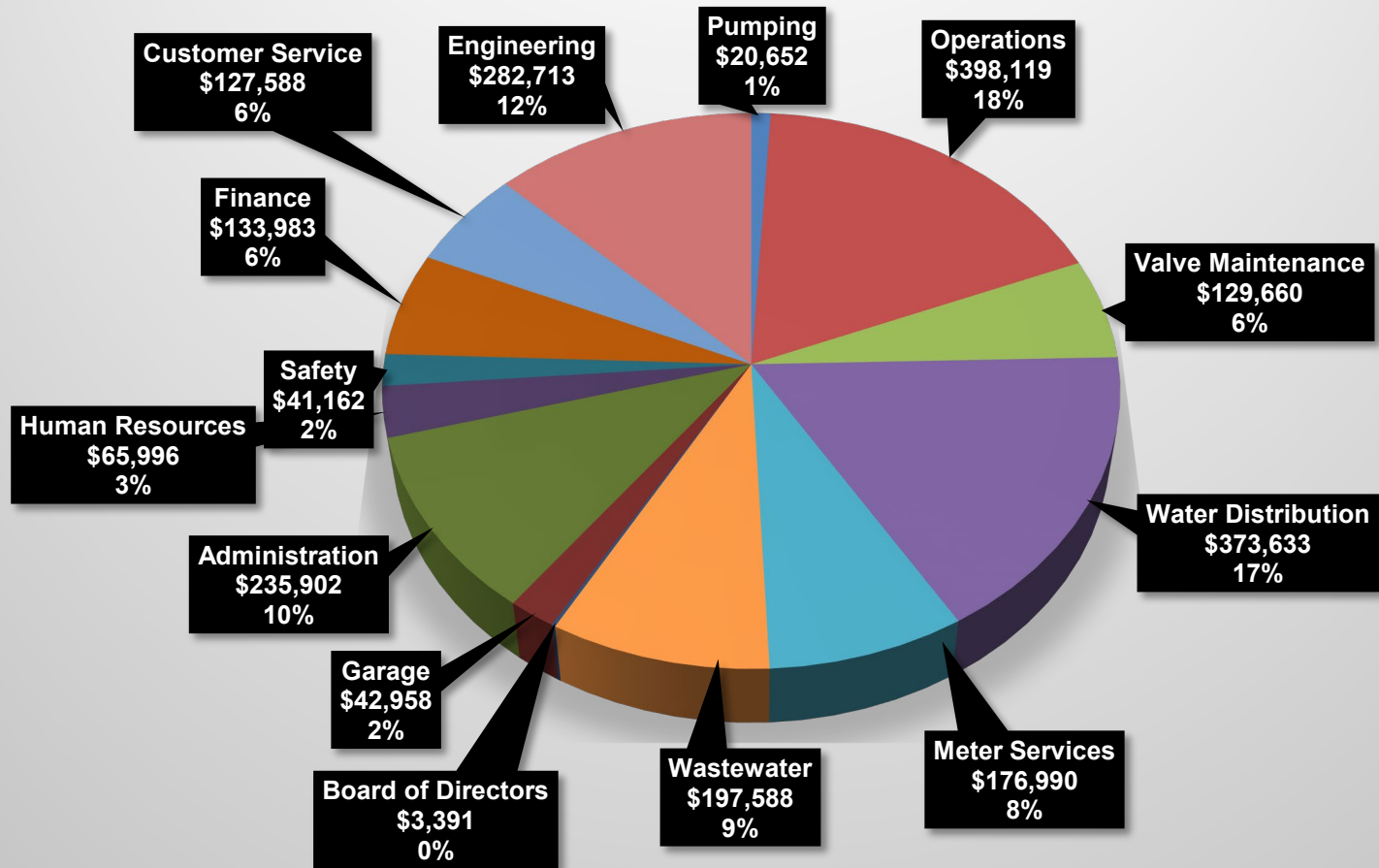
		Budget Amount	Period Amount	YTD Amount	YTD Variance	% Available
Fund 01: Water						
Operating Revenues:						
	Water Revenues	\$39,465,553	\$3,372,063	\$16,536,610	\$22,928,943	58%
	Other Revenues	\$486,000	\$21,327	\$29,563	\$456,437	94%
Total Revenues:		\$39,951,553	\$3,393,390	\$16,566,172	\$23,385,381	59%
Operating Expenses:						
	Cost of Water Sold	\$26,223,844	\$2,314,195	\$11,701,534	\$14,522,310	55%
	Labor	\$0	\$7,481	\$17,854	(\$17,854)	0%
	Overhead Transfer to General	\$5,111,289	\$0	\$0	\$5,111,289	100%
	Debt Service	\$1,120,142	\$0	\$0	\$1,120,142	100%
Department Expenses						
	Pumping					
	31 Labor	\$72,985	\$2,368	\$20,652	\$52,333	72%
	Expenses	\$592,000	\$53,322	\$169,210	\$422,790	71%
	Operations					
	32 Labor	\$1,139,429	\$97,367	\$398,119	\$741,310	65%
	Expenses	\$960,300	\$21,830	\$189,661	\$770,639	80%
	Valve Maintenance					
	33 Labor	\$517,515	\$32,712	\$129,660	\$387,855	75%
	Expenses	\$69,000	\$2,996	\$42,179	\$26,821	39%
	Capital	\$50,000	\$3,780	\$11,455	\$38,545	77%
	Water Distribution					
	34 Labor	\$1,582,452	\$85,993	\$373,633	\$1,208,819	76%
	Expenses	\$565,500	\$64,354	\$172,875	\$392,625	69%
	Capital	\$75,000	\$0	\$70,627	\$4,373	6%
	Meter Services					
	35 Labor	\$738,166	\$39,249	\$176,990	\$561,176	76%
	Expenses	\$509,000	\$4,094	\$27,387	\$481,613	95%
	Capital	\$200,000	\$20,160	\$80,866	\$119,134	60%
Total Operating Expenses:		\$39,526,622	\$2,749,901	\$13,582,701	\$25,943,921	66%
Water Fund Totals:		\$424,931	\$643,489	\$2,983,471	\$2,558,540	
Fund 02: Wastewater						
Operating Revenues:						
	Wastewater Revenues	\$3,065,959	\$238,899	\$951,175	\$2,114,784	69%
	Other Revenues	\$45,000	\$2,998	\$4,050	\$40,950	91%
Total Revenues:		\$3,110,959	\$241,898	\$955,225	\$2,155,734	69%
Operating Expenses:						
	Overhead Transfer to General	\$1,198,944	\$0	\$0	\$1,198,944	100%
Department Expenses						
	Wastewater					
	61 Labor	\$592,326	\$44,613	\$197,588	\$394,738	67%
	Expenses	\$1,414,800	\$27,794	\$67,775	\$1,347,025	95%
	Capital	\$185,000	\$0	\$0	\$185,000	100%
Total Operating Expenses:		\$3,391,070	\$72,407	\$265,363	\$3,125,707	92%
Wastewater Fund Totals:		(\$280,111)	\$169,490	\$689,862	\$969,973	

Interim Financials
Period: October 2018

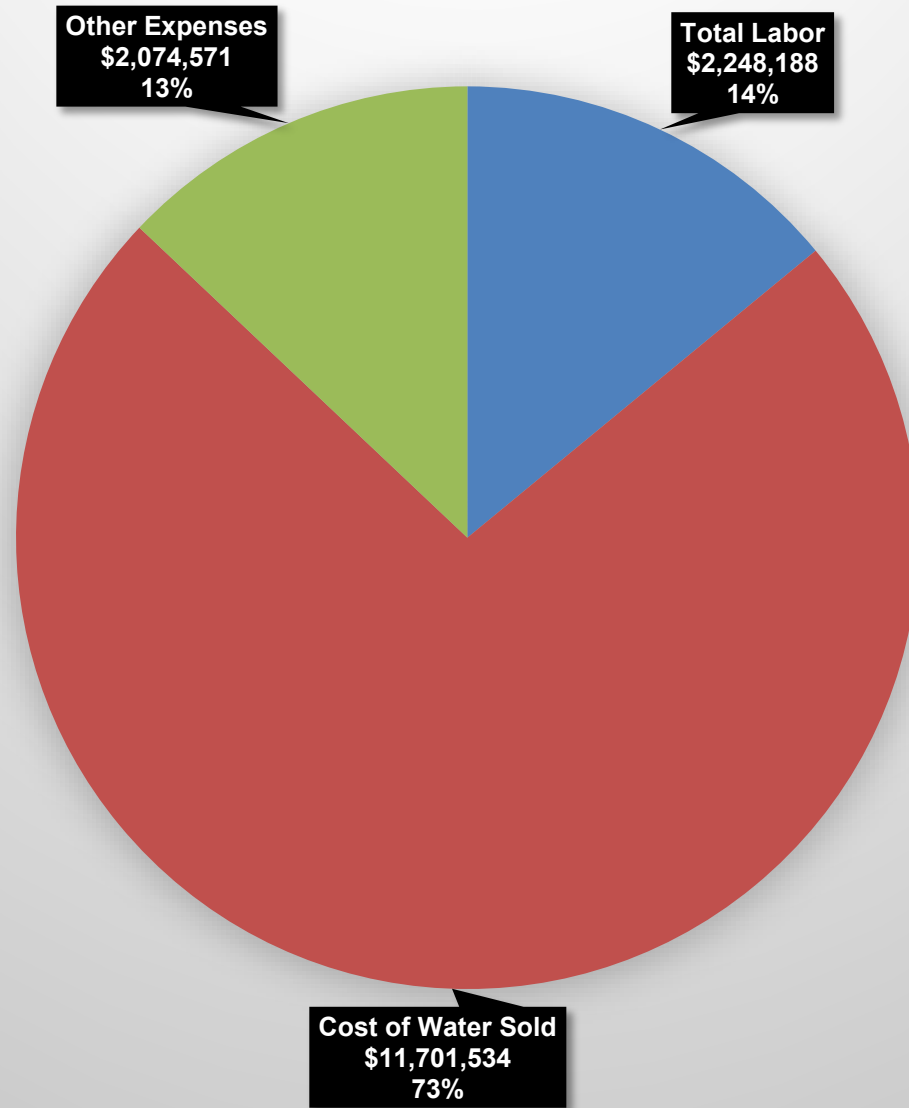


		Budget Amount	Period Amount	YTD Amount	YTD Variance	% Available
Fund 03: General						
Operating Revenues:						
	Overhead Transfers	\$6,310,233	\$0	\$0	\$6,310,233	100%
	Other Revenues	\$500,000	\$197,705	\$341,042	\$158,958	32%
	Total Revenues:	\$6,810,233	\$197,705	\$341,042	\$6,469,191	95%
Operating Expenses:						
	Other Expenses	\$419,911	\$70,031	\$140,716	\$279,195	66%
Department Expenses						
	Board of Directors					
	20 Labor	\$19,672	\$0	\$3,391	\$16,281	83%
	Expenses	\$19,790	\$5,248	\$7,973	\$11,817	60%
	Garage					
	36 Labor	\$135,455	\$9,852	\$42,958	\$92,497	68%
	Expenses	\$262,500	\$18,586	\$58,081	\$204,419	78%
	Capital	\$235,500	\$77,423	\$121,131	\$114,369	49%
	Administration					
	41 Labor	\$808,234	\$59,770	\$235,902	\$572,332	71%
	Expenses	\$1,933,522	\$114,083	\$592,665	\$1,340,857	69%
	Capital	\$35,000	\$0	\$0	\$35,000	100%
	Human Resources					
	42 Labor	\$224,849	\$16,115	\$65,996	\$158,853	71%
	Expenses	\$148,850	\$4,244	\$15,643	\$133,207	89%
	Safety					
	43 Labor	\$151,941	\$11,388	\$41,162	\$110,779	73%
	Expenses	\$78,700	\$8,638	\$21,672	\$57,028	72%
	Finance					
	51 Labor	\$513,887	\$37,533	\$133,983	\$379,904	74%
	Expenses	\$136,500	\$17,101	\$44,802	\$91,698	67%
	Customer Service					
	52 Labor	\$275,338	\$32,570	\$127,588	\$147,750	54%
	Expenses	\$278,000	\$28,404	\$96,327	\$181,673	65%
	Engineering					
	91 Labor	\$682,434	\$70,310	\$282,713	\$399,722	59%
	Expenses	\$450,150	\$14,756	\$143,527	\$306,623	68%
	Total Operating Expenses:	\$6,810,233	\$596,050	\$2,176,229	\$4,634,004	68%
	General Fund Totals:	\$0	(\$398,345)	(\$1,835,188)	(\$1,835,188)	
	Net Income	\$144,820	\$414,634	\$1,838,145	\$1,693,325	

YTD Labor Costs (October 2018)



YTD Expense Allocation (October 2018)



Interim Financials
Period: November 2018



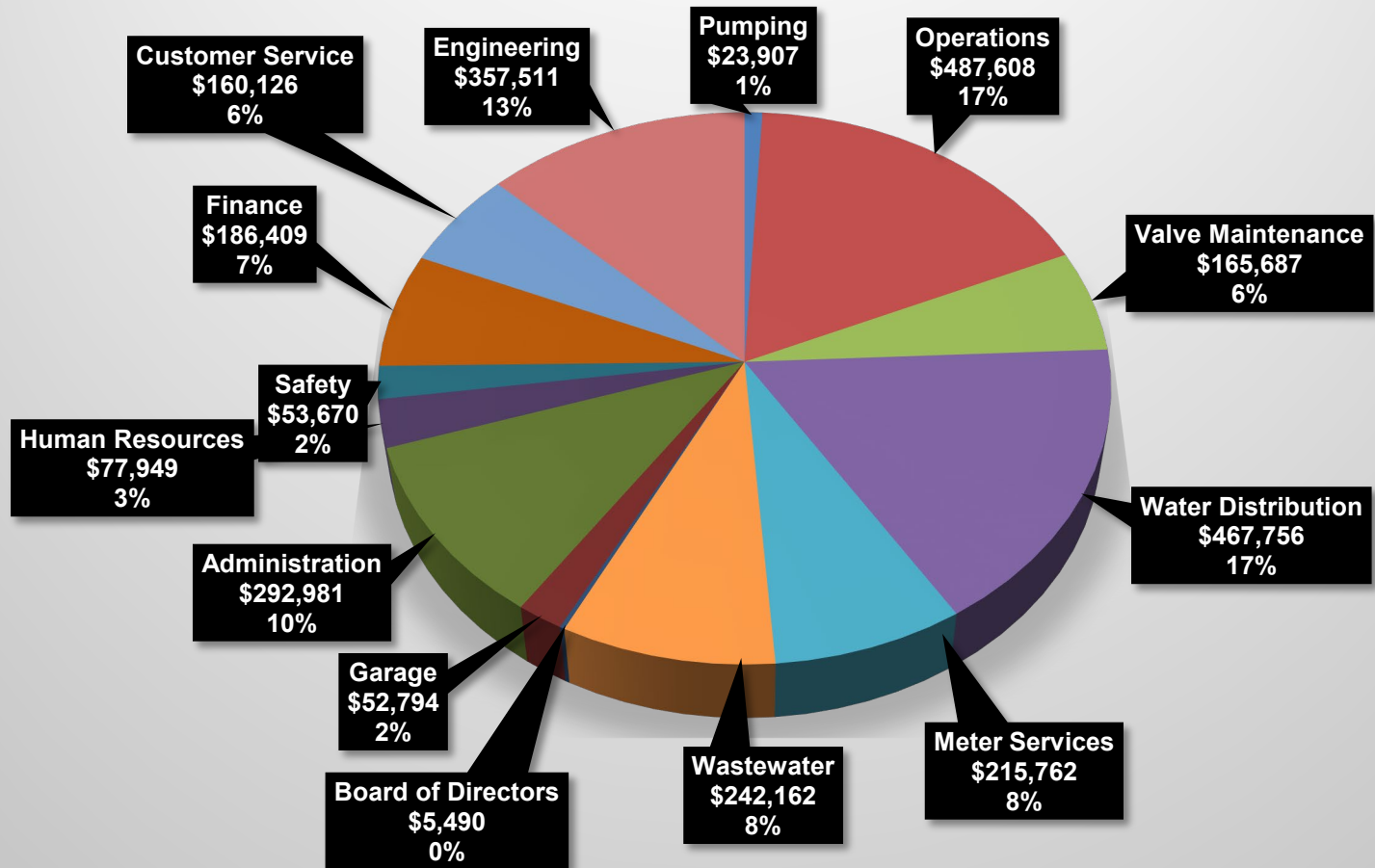
		Budget Amount	Period Amount	YTD Amount	YTD Variance	% Available
Fund 01: Water						
Operating Revenues:						
	Water Revenues	\$39,465,553	\$3,217,543	\$19,760,997	\$19,704,556	50%
	Other Revenues	\$486,000	\$210	\$29,773	\$456,227	94%
Total Revenues:		\$39,951,553	\$3,217,753	\$19,790,770	\$20,160,783	50%
Operating Expenses:						
	Cost of Water Sold	\$26,223,844	\$2,036,092	\$13,737,626	\$12,486,218	48%
	Labor	\$0	\$3,814	\$21,667	(\$21,667)	0%
	Overhead Transfer to General	\$5,111,289	\$2,129,704	\$2,129,704	\$2,981,585	58%
	Debt Service	\$1,120,142	\$0	\$0	\$1,120,142	100%
Department Expenses						
	Pumping					
	31 Labor	\$72,985	\$3,255	\$23,907	\$49,078	67%
	Expenses	\$592,000	\$43,767	\$212,976	\$379,024	64%
	Operations					
	32 Labor	\$1,139,429	\$89,490	\$487,608	\$651,821	57%
	Expenses	\$960,300	\$163,255	\$352,916	\$607,384	63%
	Valve Maintenance					
	33 Labor	\$517,515	\$36,027	\$165,687	\$351,828	68%
	Expenses	\$69,000	\$7,224	\$49,403	\$19,597	28%
	Capital	\$50,000	\$5,725	\$17,180	\$32,820	66%
	Water Distribution					
	34 Labor	\$1,582,452	\$94,123	\$467,756	\$1,114,696	70%
	Expenses	\$565,500	\$16,608	\$189,518	\$375,982	66%
	Capital	\$75,000	\$0	\$70,627	\$4,373	6%
	Meter Services					
	35 Labor	\$738,166	\$38,771	\$215,762	\$522,404	71%
	Expenses	\$509,000	\$44,163	\$71,550	\$437,450	86%
	Capital	\$200,000	\$8,375	\$89,241	\$110,759	55%
Total Operating Expenses:		\$39,526,622	\$4,720,391	\$18,303,128	\$21,223,494	54%
Water Fund Totals:		\$424,931	(\$1,502,638)	\$1,487,642	\$1,062,711	
Fund 02: Wastewater						
Operating Revenues:						
	Wastewater Revenues	\$3,065,959	\$231,008	\$1,180,796	\$1,885,163	61%
	Other Revenues	\$45,000	\$0	\$4,050	\$40,950	91%
Total Revenues:		\$3,110,959	\$231,008	\$1,184,846	\$1,926,113	62%
Operating Expenses:						
	Overhead Transfer to General	\$1,198,944	\$499,560	\$499,560	\$699,384	58%
Department Expenses						
	Wastewater					
	61 Labor	\$592,326	\$44,574	\$242,162	\$350,164	59%
	Expenses	\$1,414,800	\$14,992	\$82,767	\$1,332,033	94%
	Capital	\$185,000	\$0	\$0	\$185,000	100%
Total Operating Expenses:		\$3,391,070	\$559,126	\$824,489	\$2,566,581	76%
Wastewater Fund Totals:		(\$280,111)	(\$328,118)	\$360,356	\$640,467	

Interim Financials
Period: November 2018

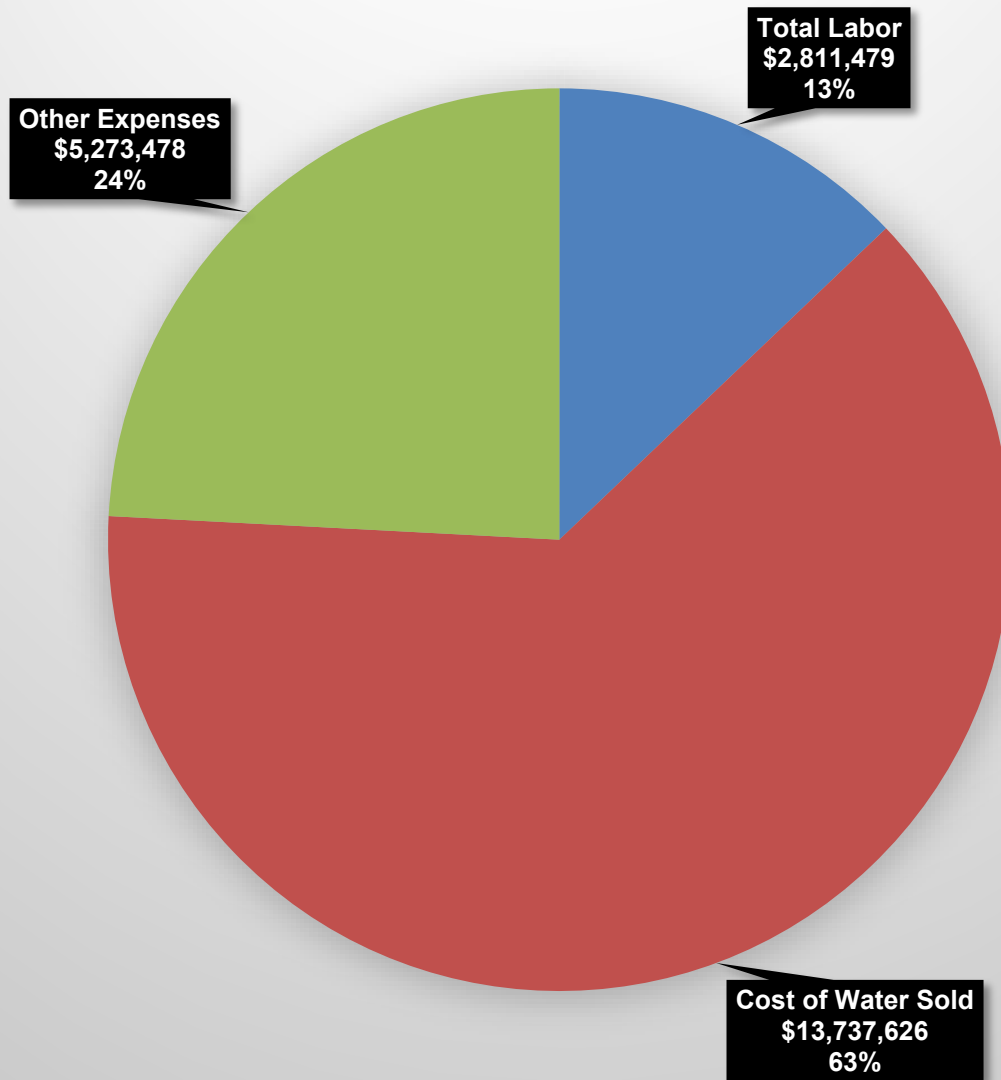


		Budget Amount	Period Amount	YTD Amount	YTD Variance	% Available
Fund 03: General						
Operating Revenues:						
	Overhead Transfers	\$6,310,233	\$2,629,264	\$2,629,264	\$3,680,969	58%
	Other Revenues	\$500,000	\$32,581	\$373,445	\$126,555	25%
	Total Revenues:	\$6,810,233	\$2,661,845	\$3,002,708	\$3,807,525	56%
Operating Expenses:						
	Other Expenses	\$419,911	\$34,993	\$175,709	\$244,202	58%
Department Expenses						
	Board of Directors					
	20 Labor	\$19,672	\$2,099	\$5,490	\$14,182	72%
	Expenses	\$19,790	\$1,176	\$9,149	\$10,641	54%
	Garage					
	36 Labor	\$135,455	\$9,836	\$52,794	\$82,661	61%
	Expenses	\$262,500	\$17,584	\$75,665	\$186,835	71%
	Capital	\$235,500	\$49,661	\$170,792	\$64,708	27%
	Administration					
	41 Labor	\$808,234	\$57,079	\$292,981	\$515,253	64%
	Expenses	\$1,933,522	\$59,168	\$651,833	\$1,281,689	66%
	Capital	\$35,000	\$0	\$0	\$35,000	100%
	Human Resources					
	42 Labor	\$224,849	\$11,954	\$77,949	\$146,900	65%
	Expenses	\$148,850	\$3,654	\$19,297	\$129,553	87%
	Safety					
	43 Labor	\$151,941	\$12,509	\$53,670	\$98,271	65%
	Expenses	\$78,700	\$5,639	\$27,311	\$51,389	65%
	Finance					
	51 Labor	\$513,887	\$52,426	\$186,409	\$327,478	64%
	Expenses	\$136,500	\$11,761	\$56,563	\$79,937	59%
	Customer Service					
	52 Labor	\$275,338	\$32,538	\$160,126	\$115,212	42%
	Expenses	\$278,000	\$30,316	\$126,643	\$151,357	54%
	Engineering					
	91 Labor	\$682,434	\$74,799	\$357,511	\$324,923	48%
	Expenses	\$450,150	\$136,950	\$195,075	\$255,075	57%
	Total Operating Expenses:	\$6,810,233	\$604,139	\$2,694,967	\$4,115,266	60%
	General Fund Totals:	\$0	\$2,057,706	\$307,742	\$307,742	
	Net Income	\$144,820	\$226,949	\$2,155,740	\$2,010,920	

YTD Labor Costs (November 2018)



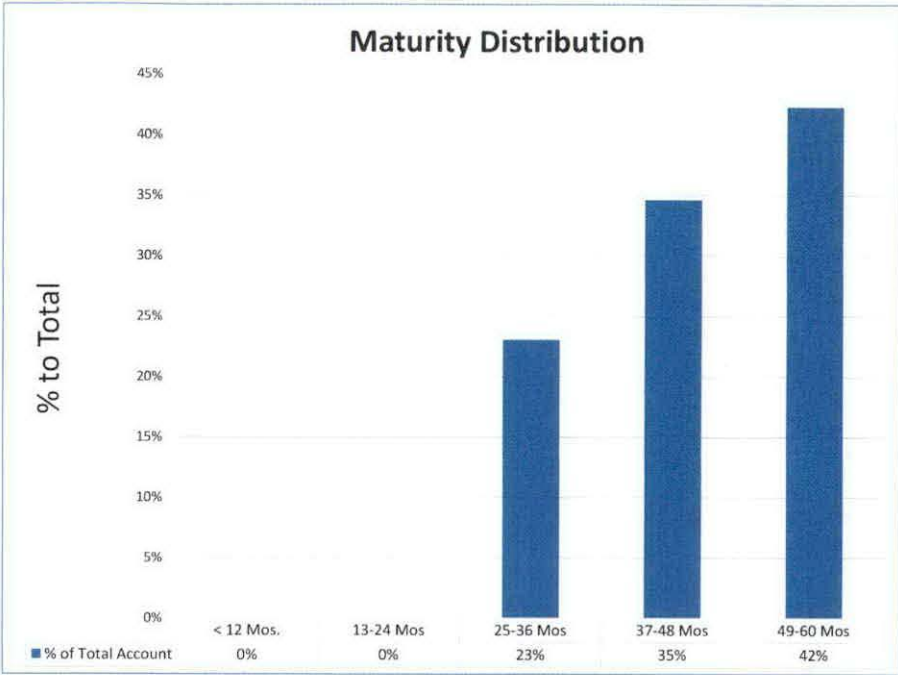
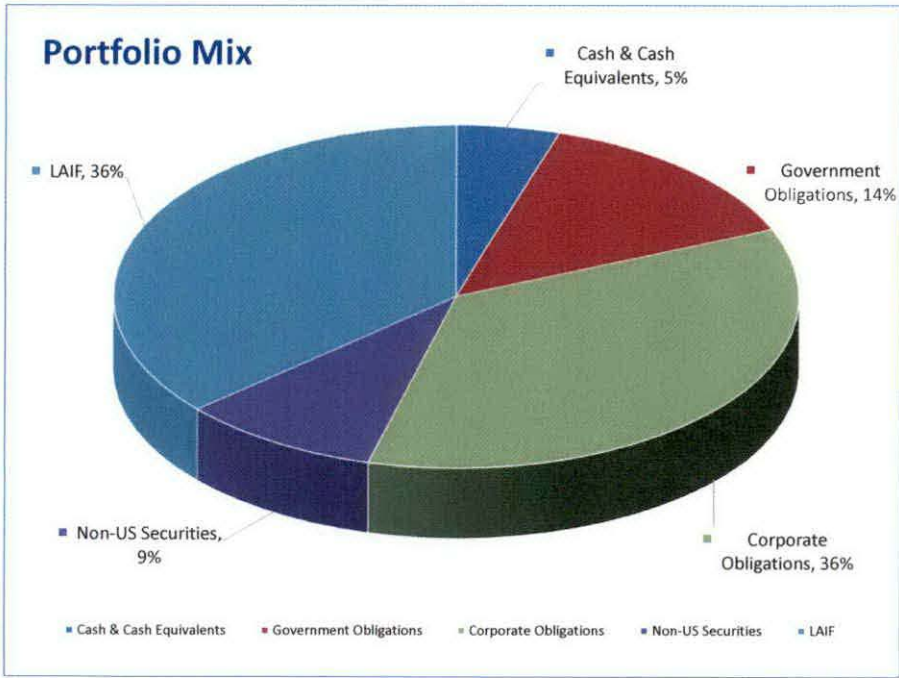
YTD Expense Allocation (November 2018)



RAINBOW MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
PORTFOLIO SUMMARY
10/31/2018



TYPE	ISSUER	CUSIP	Bond Rating	Date of Maturity	Cost Basis	Market Value	Interest Rate	Yield to Maturity	Next Interest Payment Date	Semi-Annual Interest	Days to Maturity	Fund
Money Market Funds	JP MORGAN MONEY MARKET	48125C068S	N/A		\$ 219,044	\$ 219,044						
Total Cash & Cash Equivalents					\$ 219,044	\$ 219,044						
Non-Callable	FEDERAL HOME LN MTG CORP	3134G3QR4	Aaa	03/05/20	\$ 498,168	\$ 494,390	2.000%	2.200%	09/05/18	\$ 4,982	491	13 13108
Non-Callable	FEDERAL HOME LOAN BANKS CONS BD	3130AECJ7	Aaa	05/28/20	\$ 987,906	\$ 981,582	2.625%	2.453%	11/28/18	\$ 12,966	575	53 13108
Non-Callable	FEDERAL HOME LOAN BANK BONDS	3130AD4X7	Aaa	12/11/20	\$ 494,905	\$ 490,265	2.000%	2.400%	06/11/18	\$ 4,949	772	60 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135GOT45	Aaa	04/05/22	\$ 1,002,910	\$ 963,450	1.875%	1.810%	04/05/18	\$ 9,402	1252	60 13108
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,938	\$ 192,044	1.900%	1.800%	01/19/18	\$ 1,909	1357	53 13108
1X Callable	FEDERAL HOME LN MTG CORP	3134GBS94	Aaa	10/26/22	\$ 651,918	\$ 627,705	2.100%	1.800%	04/26/18	\$ 6,845	1456	53 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135GOT94	Aaa	01/19/23	\$ 515,226	\$ 506,448	2.375%	2.410%	07/19/18	\$ 6,118	1541	13 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135GOT94	Aaa	01/19/23	\$ 480,034	\$ 471,855	2.375%	2.600%	07/19/18	\$ 5,700	1541	53 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135GOT94	Aaa	01/19/23	\$ 465,211	\$ 457,285	2.375%	2.600%	07/19/18	\$ 5,524	1541	13 13108
Non-Callable	FEDERAL HOME LOAN BANKS	3130ADRG9	Aaa	03/10/23	\$ 501,990	\$ 493,660	2.750%	2.660%	09/10/18	\$ 6,902	1591	53 13108
Total Government Obligations					\$ 5,799,203	\$ 5,678,684						
Make Whole	ORACLE CORP	68389XBKO	A1	09/15/21	\$ 1,011,470	\$ 960,320	1.910%	1.900%	03/15/18	\$ 9,660	1050	13 13108
FDIC Ins. CD	WELLS FARGO	95000U2B8	A2	07/22/22	\$ 989,232	\$ 940,447	2.625%	2.410%	01/22/18	\$ 12,984	1360	13 13108
FDIC Ins. CD	UNITED BANKERS BK BLOOMINGTON	909557HQ6	N/A	09/16/20	\$ 230,000	\$ 229,386	2.600%	2.600%	09/28/18	\$ 2,990	686	53 13108
FDIC Ins. CD	BARCLAYS BK DEL	06740KJK4	Aaa	09/16/20	\$ 245,000	\$ 241,712	2.210%	2.200%	03/16/18	\$ 2,707	686	60 13108
FDIC Ins. CD	AMERICAN EXPRESS CENTRN	02587DB64	Aaa	09/23/20	\$ 250,000	\$ 246,015	2.310%	2.300%	03/23/18	\$ 2,888	693	53 13108
FDIC Ins. CD	ALLY BK MIDVAL UTAH	02007GFD0	N/A	09/28/20	\$ 245,000	\$ 244,079	2.800%	3.274%	09/26/18	\$ 3,430	698	13 13108
FDIC Ins. CD	DISCOVER BANK	254672F29	N/A	08/10/21	\$ 248,000	\$ 237,143	1.500%	1.500%	02/10/18	\$ 1,860	1014	53 13108
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 98,000	\$ 93,787	1.550%	1.550%	02/17/18	\$ 760	1021	53 13108
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 150,000	\$ 143,552	1.550%	1.550%	02/17/18	\$ 1,163	1021	13 13108
FDIC Ins. CD	MB FINL BK NA CHIC IL	55266CZJ8	N/A	11/18/21	\$ 247,000	\$ 244,518	2.850%	2.850%	11/18/18	\$ 3,520	1114	60 13108
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3	N/A	06/14/22	\$ 245,000	\$ 237,165	2.350%	2.350%	12/14/18	\$ 2,879	1322	53 13108
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RKL4	N/A	11/22/22	\$ 250,000	\$ 240,883	2.400%	2.400%	05/22/18	\$ 3,000	1483	53 13108
FDIC Ins. CD	MORGAN STANLEY	61747MF63	N/A	01/11/23	\$ 246,000	\$ 238,913	2.650%	2.650%	07/11/18	\$ 3,260	1533	53 13108
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7	N/A	03/29/23	\$ 240,000	\$ 234,864	2.900%	2.900%	09/29/18	\$ 3,480	1610	53 13108
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 235,260	2.950%	2.950%	10/11/18	\$ 3,540	1623	60 13108
Total Corporate Obligations					\$ 4,934,702	\$ 4,768,042						
Non-Callable	HSBC HLDGS PLC	404280AY5	Aaa	05/25/21	\$ 947,473	\$ 934,354	2.950%	3.050%	11/25/18	\$ 13,975	937	53 13108
Non-Callable	AUSTRALIA & NEW ZEALA BKG	05253JAM3	Aaa	06/01/21	\$ 517,228	\$ 484,550	2.300%	1.550%	12/01/18	\$ 5,948	944	53 13108
Non-Callable	NATIONAL AUSTRALIA BK NY	63254AAR9	Aaa	07/12/21	\$ 508,870	\$ 478,150	1.875%	1.880%	01/12/18	\$ 4,771	985	53 13108
Non-Callable	BANK OF MONTREAL	06367TJX90	Aaa	08/27/21	\$ 1,011,840	\$ 958,560	1.900%	1.900%	02/27/18	\$ 9,612	1031	60 13108
Total Non-US Securities					\$ 2,985,411	\$ 2,855,614						
Subtotal Long Term Pooled Investment	Local Agency Investment Fund (LAIF)				\$ 13,938,359	\$ 13,521,383						
					\$ 7,648,918	\$ 7,690,478	1.172%					
Portfolio Totals					\$ 21,587,277	\$ 21,211,861						



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 in effect is in compliance with the current Investment Policy.

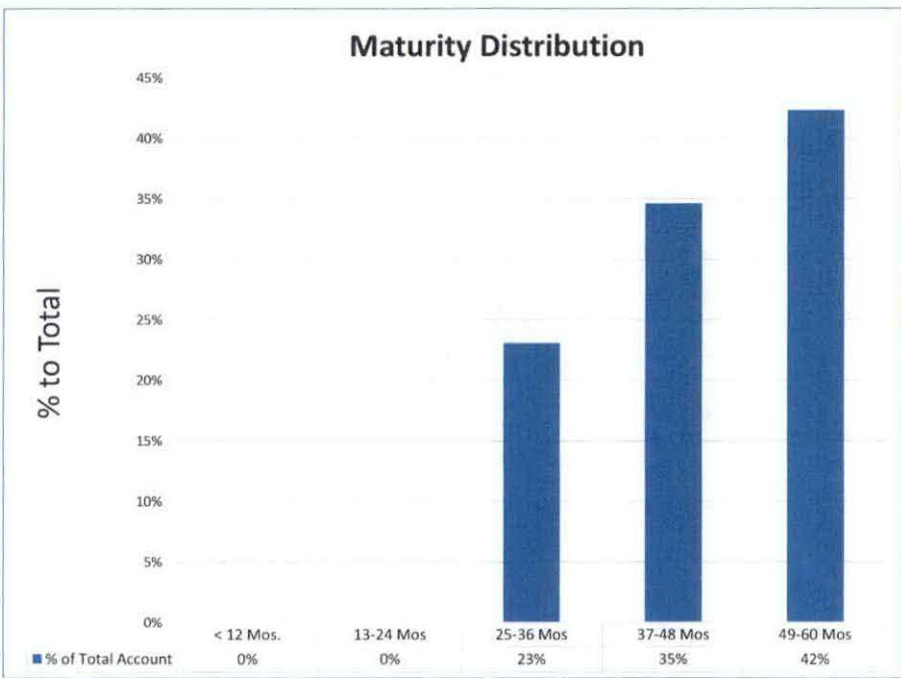
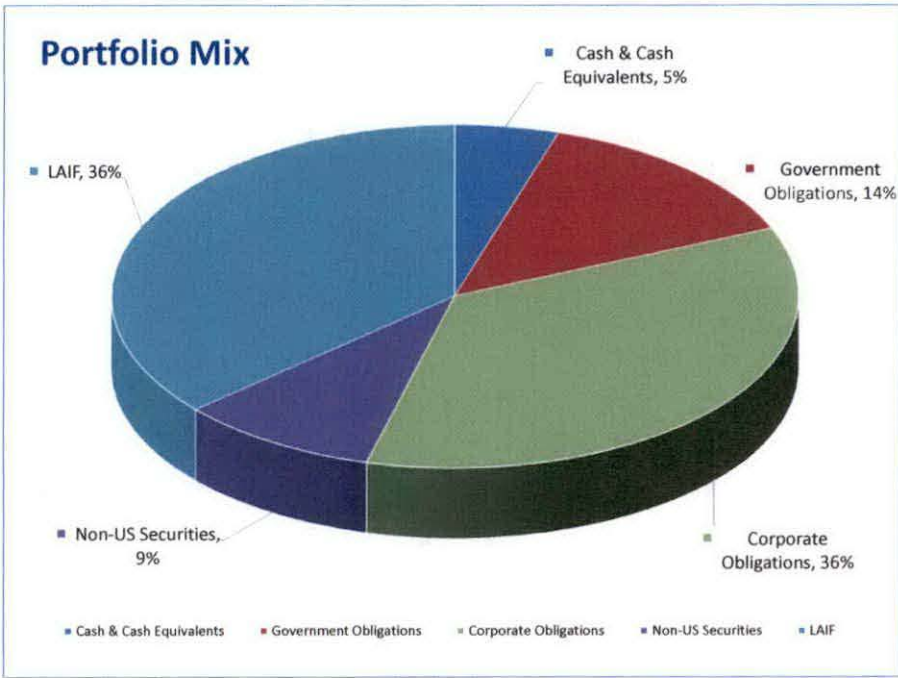
Tracy Largent
 Tracy Largent, Treasurer

12/4/2018

RAINBOW MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
PORTFOLIO SUMMARY
11/30/2018



TYPE	ISSUER	CUSIP	Bond Rating	Date of Maturity	Cost Basis	Market Value	Interest Rate	Yield to Maturity	Next Interest Payment Date	Semi-Annual Interest	Days to Maturity	Fund
Money Market Funds	JP MORGAN MONEY MARKET	48125C068S	N/A		\$ 250,750	\$ 250,750						
Total Cash & Cash Equivalents					\$ 250,750	\$ 250,750						
Non-Callable	FEDERAL HOME LN MTG CORP	3134G3QR4	Aaa	03/05/20	\$ 498,168	\$ 494,930	2.000%	2.200%	09/05/18	\$ 4,982	461	13 13108
Non-Callable	FEDERAL HOME LOAN BANKS CONS BD	3130AECJ7	Aaa	05/28/20	\$ 987,906	\$ 982,557	2.625%	2.453%	11/28/18	\$ 12,966	545	53 13108
Non-Callable	FEDERAL HOME LOAN BANK BONDS	3130AD4X7	Aaa	12/11/20	\$ 494,905	\$ 491,350	2.000%	2.400%	06/11/18	\$ 4,949	742	60 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135GOT45	Aaa	04/05/22	\$ 1,002,910	\$ 967,460	1.875%	1.810%	04/05/18	\$ 9,402	1222	60 13108
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,938	\$ 192,860	1.900%	1.800%	01/19/18	\$ 1,909	1327	53 13108
1X Callable	FEDERAL HOME LN MTG CORP	3134GBS94	Aaa	10/26/22	\$ 651,918	\$ 629,356	2.100%	1.800%	04/26/18	\$ 6,845	1426	53 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 515,226	\$ 509,399	2.375%	2.410%	07/19/18	\$ 6,118	1511	13 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 480,034	\$ 474,604	2.375%	2.600%	07/19/18	\$ 5,700	1511	53 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 465,211	\$ 459,949	2.375%	2.600%	07/19/18	\$ 5,524	1511	13 13108
Non-Callable	FEDERAL HOME LOAN BANKS	3130ADRG9	Aaa	03/10/23	\$ 501,990	\$ 494,970	2.750%	2.660%	09/10/18	\$ 6,902	1561	53 13108
Total Government Obligations					\$ 5,799,203	\$ 5,697,434						
Make Whole	ORACLE CORP	68389XBKO	A1	09/15/21	\$ 1,011,470	\$ 961,340	1.910%	1.900%	03/15/18	\$ 9,660	1020	13 13108
FDIC Ins. CD	WELLS FARGO	95000U2B8	A2	07/22/22	\$ 989,232	\$ 939,595	2.625%	2.410%	01/22/18	\$ 12,984	1330	13 13108
FDIC Ins. CD	UNITED BANKERS BK BLOOMINGTON	909557HQ6	N/A	09/16/20	\$ 230,000	\$ 229,170	2.600%	2.600%	09/28/18	\$ 2,990	656	53 13108
FDIC Ins. CD	BARCLAYS BK DEL	06740KJK4	Aaa	09/16/20	\$ 245,000	\$ 241,639	2.210%	2.200%	03/16/18	\$ 2,707	656	60 13108
FDIC Ins. CD	AMERICAN EXPRESS CENTRN	02587DB64	Aaa	09/23/20	\$ 250,000	\$ 246,020	2.310%	2.300%	03/23/18	\$ 2,888	663	53 13108
FDIC Ins. CD	ALLY BK MIDVAL UTAH	02007GFD0	N/A	09/28/20	\$ 245,000	\$ 243,907	2.800%	3.274%	09/26/18	\$ 3,430	668	13 13108
FDIC Ins. CD	DISCOVER BANK	254672F29	N/A	08/10/21	\$ 248,000	\$ 237,076	1.500%	1.500%	02/10/18	\$ 1,860	984	53 13108
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 98,000	\$ 93,756	1.550%	1.550%	02/17/18	\$ 760	991	53 13108
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 150,000	\$ 143,504	1.550%	1.550%	02/17/18	\$ 1,163	991	13 13108
FDIC Ins. CD	MB FINL BK NA CHIC IL	55266CZJ8	N/A	11/18/21	\$ 247,000	\$ 244,160	2.850%	2.850%	11/18/18	\$ 3,520	1084	60 13108
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3	N/A	06/14/22	\$ 245,000	\$ 236,783	2.350%	2.350%	12/14/18	\$ 2,879	1292	53 13108
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RKL4	N/A	11/22/22	\$ 250,000	\$ 240,350	2.400%	2.400%	05/22/18	\$ 3,000	1453	53 13108
FDIC Ins. CD	MORGAN STANLEY	61747MF63	N/A	01/11/23	\$ 246,000	\$ 238,369	2.650%	2.650%	07/11/18	\$ 3,260	1503	53 13108
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7	N/A	03/29/23	\$ 240,000	\$ 234,341	2.900%	2.900%	09/29/18	\$ 3,480	1580	53 13108
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 234,737	2.950%	2.950%	10/11/18	\$ 3,540	1593	60 13108
Total Corporate Obligations					\$ 4,934,702	\$ 4,764,744						
Non-Callable	HSBC HLDGS PLC	404280AY5	Aaa	05/25/21	\$ 947,473	\$ 927,808	2.950%	3.050%	11/25/18	\$ 13,975	907	53 13108
Non-Callable	AUSTRALIA & NEW ZEALA BKG	05253JAM3	Aaa	06/01/21	\$ 517,228	\$ 485,260	2.300%	1.550%	12/01/18	\$ 5,948	914	53 13108
Non-Callable	NATIONAL AUSTRALIA BK NY	63254AAR9	Aaa	07/12/21	\$ 508,870	\$ 478,500	1.875%	1.880%	01/12/18	\$ 4,771	955	53 13108
Non-Callable	BANK OF MONTREAL	06367TJX90	Aaa	08/27/21	\$ 1,011,840	\$ 959,680	1.900%	1.900%	02/27/18	\$ 9,612	1001	60 13108
Total Non-US Securities					\$ 2,985,411	\$ 2,851,248						
Subtotal Long Term Pooled Investment					\$ 13,970,066	\$ 13,564,177						
Local Agency Investment Fund (LAIF)					\$ 7,690,478	\$ 7,690,478	1.172%					
Portfolio Totals					\$ 21,660,544	\$ 21,254,654						



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
 Tracy Largent, Treasurer

1/8/2019

Accounts Payable

November American Express



Check Number	Check Date		Amount
245 - ABCANA INDUSTRIES			
121801	12/10/2018		
Inv	1035568		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/01/2018	HYPOCHLORITE SOLUTION 12.5% 8 PG		884.90
Inv 1035568 Total			884.90
			<hr/>
121801 Total:			884.90
			<hr/>
245 - ABCANA INDUSTRIES Total:			
			884.90
315 - ACWA/JPIA			
121802	12/10/2018		
Inv	INV-21334		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/29/2018	2018 FALL CONFERENCE FEE - GASCA		699.00
Inv INV-21334 Total			699.00
Inv	INV-22287		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/08/2018	REFUND - 2018 FALL CONF - STEWART		-624.00
	REFUND - 2018 FALL CONF - BRAZIER		-624.00
Inv INV-22287 Total			-1,248.00
Inv	INV-22367		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/13/2018	2018 FALL CONFERENCE CLE REG-HAMILTON		230.00
Inv INV-22367 Total			230.00
			<hr/>
121802 Total:			305.00
			<hr/>
315 - ACWA/JPIA Total:			
			305.00
280 - AMAZON.COM			
121803	12/10/2018		
Inv	0058229-9553013		
<u>Line Item Date</u>	<u>Line Item Description</u>		

Check Number	Check Date	Amount
11/08/2018	CHENPHON HP COMPATIBLE TONER CARTRIDGES	179.98
Inv 0058229-9553013	Total	179.98
Inv	1022314-7321044	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/15/2018	Streamlight 61200 3AA HAZ-LO Headlamp, Yellow - 120 Lumens	344.72
Inv 1022314-7321044	Total	344.72
Inv	2842116-5958664	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/21/2018	Visual Studio Professional 2017 - PC Download	182.99
Inv 2842116-5958664	Total	182.99
Inv	3585781-9414629	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/21/2018	Dell AC Power Adapter 65 Watt Dell PN: G6J41, 0G6J41, MGJN9,	84.06
Inv 3585781-9414629	Total	84.06
Inv	4911892-0305867	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/21/2018	Microsoft Wireless Comfort Desktop 5050 (PP4-00001)	145.29
Inv 4911892-0305867	Total	145.29
Inv	5320010-8201053	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/07/2018	VIZ-PRO Magnetic Dry Erase Board, 48 X 24 Inches, Silver Alumin	49.90
Inv 5320010-8201053	Total	49.90
Inv	5406332-4329020	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/21/2018	Lasko 754200 Ceramic Portable Space Heater with Adjustable Ther	30.41
Inv 5406332-4329020	Total	30.41
Inv	5541230-9841067	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/07/2018	BUSSMANN AGC-1/8-1/8 Amp Fast Acting Glass Tube Fuse 250V	42.04
Inv 5541230-9841067	Total	42.04
Inv	7337920-7689833	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/15/2018	PRIME MEMBERSHIP FEE	128.22
Inv 7337920-7689833	Total	128.22

Check Number	Check Date	Amount
Inv	7937544-0044214	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/07/2018	Energizer 2032 Battery CR2032 Lithium 3v (1 Pack of 5)	5.09
11/09/2018	Genuine Joe GJO21100 MultifocSLD Towels, 9.5" x 9.10", pack of	134.70
Inv 7937544-0044214 Total		139.79
Inv	9025698-3181002	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/29/2018	RESCUE TAPE	23.82
Inv 9025698-3181002 Total		23.82
121803 Total:		1,351.22
280 - AMAZON.COM Total:		1,351.22
603550 - APPLING, MICHAEL TODD		
121804	12/10/2018	
Inv	3292	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/07/2018	ALUMINUM WARNING SIGNS	2,477.17
Inv 3292 Total		2,477.17
121804 Total:		2,477.17
603550 - APPLING, MICHAEL TODD Total:		2,477.17
603565 - ATLISSIAN PTY LTD		
121805	12/10/2018	
Inv	AT-65865619	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/14/2018	JIRA SOFTWARE 10 USERS - (MONTHLY PAYMENTS) RENEV	10.00
Inv AT-65865619 Total		10.00
121805 Total:		10.00
603565 - ATLISSIAN PTY LTD Total:		10.00
4970 - BRADY SAND & MATERIAL, INC.		
121806	12/10/2018	
Inv	201810-11	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/15/2018	3/4 CR & CLASS II FT BILL 73826 & 73827	1,988.34
Inv 201810-11 Total		1,988.34

Check Number	Check Date	Amount
Inv	201810-15	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/16/2018	COLD MIX FT BILL 76148	2,446.39
Inv 201810-15 Total		2,446.39
Inv	201810-16	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/17/2018	CLASS II FT BILL 76147	1,332.94
Inv 201810-16 Total		1,332.94
Inv	201811-2	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/02/2018	CLASS II FT BILL 73831	1,173.59
Inv 201811-2 Total		1,173.59
121806 Total:		6,941.26
4970 - BRADY SAND & MATERIAL, INC. Total:		6,941.26
603218 - BROWN & CALDWELL, BC WATER		
121807	12/10/2018	
Inv	168616	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/09/2018	RECRUITMENT SERVICES DUES	200.00
Inv 168616 Total		200.00
Inv	253770	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/09/2018	RECRUITMENT SERVICES DUES	200.00
Inv 253770 Total		200.00
121807 Total:		400.00
603218 - BROWN & CALDWELL, BC WATER Total:		400.00
2885 - CORELOGIC INFORMATION		
121808	12/10/2018	
Inv	81922817	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/31/2018	REALQUEST.COM SALE DOC	40.00
Inv 81922817 Total		40.00

Check Number	Check Date	Amount
Inv 81922923		
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/31/2018	REALQUEST.COM GEOGRAPHIC PACKAGE	192.50
Inv 81922923 Total		192.50
121808 Total :		232.50
2885 - CORELOGIC INFORMATION Total:		232.50
2027 - CULLIGAN OF ESCONDIDO		
121809	12/10/2018	
Inv 103118		
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/31/2018	WATER SOFTNER SERVICE PERIOD 11/01-11/30	72.07
Inv 103118 Total		72.07
121809 Total :		72.07
2027 - CULLIGAN OF ESCONDIDO Total:		72.07
603504 - EREPLACEMENTPARTS.COM		
121810	12/10/2018	
Inv 11080092		
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/30/2018	3 X V-BELT, AX26	54.81
Inv 11080092 Total		54.81
121810 Total :		54.81
603504 - EREPLACEMENTPARTS.COM Total:		54.81
603256 - GOVERNMENT FINANCE OFFICERS ASSOCIATION		
121811	12/10/2018	
Inv 2905139		
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/16/2018	ANNUAL CONFERENCE - T LARGENT	855.00
Inv 2905139 Total		855.00
Inv 2905139-01		
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/16/2018	ANNUAL CONFERENCE - T LARGENT	-435.00
Inv 2905139-01 Total		-435.00

Check Number	Check Date	Amount
Inv 560953		
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/16/2018	GFOA MEMBERSHIP - R RUBIO	160.00
Inv 560953 Total		160.00
Inv 561455		
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/26/2018	ANNUAL CONFERENCE - R RUBIO	420.00
Inv 561455 Total		420.00
121811 Total:		1,000.00
603256 - GOVERNMENT FINANCE OFFICERS ASSOCIATION Total:		1,000.00
3325 - GRAINGER, W.W. INC.		
121812	12/10/2018	
Inv 9941856859		
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/22/2018	SWIVEL F.HOSE THREAD 71937	14.33
10/22/2018	3" PAINT BRUSH	40.03
10/22/2018	3/4 F.HOSE X 3/4 M PIPE 71935	14.32
10/22/2018	HOSE TO PIPE ADAPT DBL MALE	14.32
10/22/2018	DURACELL D BATTERIES	55.83
Inv 9941856859 Total		138.83
121812 Total:		138.83
3325 - GRAINGER, W.W. INC. Total:		138.83
603566 - INTLASSOC OF PLUMBING & MECHANICAL OFFICIALS		
121813	12/10/2018	
Inv 0000000399		
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/09/2018	JOB POSTING - BACKFLOW TECH	537.00
Inv 0000000399 Total		537.00
121813 Total:		537.00
603566 - INTLASSOC OF PLUMBING & MECHANICAL OFFICIALS Total:		537.00
603355 - KASEYA US SALES LLC		
121814	12/10/2018	

Check Number	Check Date		Amount
Inv	INV0002263549		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/30/2018	ONLINE SERVICES		2,805.00
Inv	INV0002263549 Total		2,805.00
121814 Total:			2,805.00
603355 - KASEYA US SALES LLC Total:			2,805.00
603421 - MICROSOFT CORPORATION			
121815	12/10/2018		
Inv	E01006VUJT		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/03/2018	ONLINE SERVICES 10/10/17 - 11/2/18		240.00
Inv	E01006VUJT Total		240.00
Inv	E01006VX8X		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/03/2018	ONLINE SERVICES 4/3/18 - 11/2/18		360.00
Inv	E01006VX8X Total		360.00
Inv	E03006Z855		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/17/2018	USAGE CHARGES 9/25/18-10/24/18		152.75
Inv	E03006Z855 Total		152.75
121815 Total:			752.75
603421 - MICROSOFT CORPORATION Total:			752.75
603404 - NATUREBOX			
121816	12/10/2018		
Inv	3512		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/19/2018	EMPLOYEE SNACKS NATUREBOX UNLIMITED		300.00
Inv	3512 Total		300.00
121816 Total:			300.00
603404 - NATUREBOX Total:			300.00
5286 - NOSSAMAN, LLP			

Check Number	Check Date		Amount
121817	12/10/2018		
Inv	487149		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/09/2018	GENERAL COUNSEL SERVICES THROUGH 9/30/18		1,065.00
10/09/2018	GENERAL COUNSEL SERVICES THROUGH 9/30/18		11,360.00
Inv 487149 Total			12,425.00
Inv	487151		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/09/2018	GENERAL COUNSEL SERVICES THROUGH 9/30/18		8,345.63
10/09/2018	GENERAL COUNSEL SERVICES THROUGH 9/30/18		910.00
10/09/2018	GENERAL COUNSEL SERVICES THROUGH 9/30/18		422.50
10/09/2018	GENERAL COUNSEL SERVICES THROUGH 9/30/18		1,657.50
10/09/2018	GENERAL COUNSEL SERVICES THROUGH 9/30/18		552.50
Inv 487151 Total			11,888.13
121817 Total:			24,313.13
5286 - NOSSAMAN, LLP Total:			24,313.13
5425 - OFFICE DEPOT			
121818	12/10/2018		
Inv	215735920001		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/15/2018	Realspace® Hard Floor Chair Mat, Wide Lip, 45"W x 53"D, Transl		46.54
10/15/2018	Office Depot® Brand Standard Weight Sheet Protectors, 8 1/2" x 1		18.21
10/26/2018	Office Depot® Brand OD02M Standard Desktop Calculator		16.87
Inv 215735920001 Total			81.62
Inv	217210106001		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/12/2018	Office Depot® Brand ImagePrint® Multiuse Paper by Domtar, Lett		188.51
Inv 217210106001 Total			188.51
Inv	222585465001		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/26/2018	Office Depot® Brand Perforated Writing Pads, 8 1/2" x 11 3/4", L		12.50
10/26/2018	Staedtler® Engineer's Etched Scale Item # 448641		13.77
10/26/2018	Office Depot® Brand 20% Recycled Erasable Big Tab Dividers, 5-T		25.73
10/26/2018	Staedtler® Mars® College Combination Set With Ruler, Protractor,		9.90
Inv 222585465001 Total			61.90
Inv	222594152001		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/26/2018	MEMO PADS ITEM# 765-798		12.09
10/26/2018	3 Hole punch		42.98

Check Number	Check Date	Amount
Inv 222594152001	Total	55.07
121818 Total:		387.10
5425 - OFFICE DEPOT Total:		387.10
603143 - PROFLOWERS		
121819	12/10/2018	
Inv	110890400070	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/29/2018	SYMPATHY ARRANGEMENT - CRAMOS	70.69
Inv 110890400070	Total	70.69
121819 Total:		70.69
603143 - PROFLOWERS Total:		70.69
5976 - PRUDENTIAL OVERALL SUPPLY		
121820	12/10/2018	
Inv	130863487	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/30/2018	MONTHLY UNIFORMS	144.09
10/30/2018	MATS & MISC	7.66
Inv 130863487	Total	151.75
Inv	130863488	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/30/2018	MONTHLY UNIFORMS	94.82
Inv 130863488	Total	94.82
Inv	130864966	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/06/2018	MONTHLY UNIFORMS	150.94
11/06/2018	MATS & MISC	179.86
Inv 130864966	Total	330.80
Inv	130864967	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/06/2018	MONTHLY UNIFORMS	94.82
Inv 130864967	Total	94.82
121820 Total:		672.19

5976 - PRUDENTIAL OVERALL SUPPLY Total:	672.19
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603175 - RODRIGUEZ, MANDY

121821 12/10/2018

Inv MM011219

<u>Line Item Date</u>	<u>Line Item Description</u>	
10/15/2018	BRING YOUR KIDS TO WORK SUPPLIES	600.00

Inv MM011219 Total	600.00
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121821 Total:	600.00
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603175 - RODRIGUEZ, MANDY Total:	600.00
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603407 - STAPLES

121822 12/10/2018

Inv 9793186255

<u>Line Item Date</u>	<u>Line Item Description</u>	
11/08/2018	CALCULATOR FOR FM	53.04

Inv 9793186255 Total	53.04
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121822 Total:	53.04
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603407 - STAPLES Total:	53.04
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603406 - THE FRUIT GUYS

121823 12/10/2018

Inv 5307126

<u>Line Item Date</u>	<u>Line Item Description</u>	
10/30/2018	EMPLOYEE SNACKS-HARVEST SMALL	38.25

Inv 5307126 Total	38.25
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Inv 5309968

<u>Line Item Date</u>	<u>Line Item Description</u>	
11/06/2018	EMPLOYEE SNACKS-HARVEST SMALL	76.50

Inv 5309968 Total	76.50
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Inv 5312690

<u>Line Item Date</u>	<u>Line Item Description</u>	
11/13/2018	EMPLOYEE SNACKS-HARVEST SMALL	38.25

Inv 5312690 Total	38.25
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Check Number	Check Date		Amount
Inv	5315395		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/20/2018	EMPLOYEE SNACKS-HARVEST SMALL		76.50
Inv 5315395 Total			76.50
Inv	5317900		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/27/2018	EMPLOYEE SNACKS-HARVEST SMALL		38.25
Inv 5317900 Total			38.25
121823 Total:			267.75
603406 - THE FRUIT GUYS Total:			267.75
603449 - TRANSITTALENT.COM			
121824	12/10/2018		
Inv	111418		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/14/2018	JOB POSTING - SENIOR ENGINEERING INSPECTOR		175.00
Inv 111418 Total			175.00
121824 Total:			175.00
603449 - TRANSITTALENT.COM Total:			175.00
7770 - U.S. POSTAL SERVICE			
121825	12/10/2018		
Inv	2158085800		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/31/2018	48-HOUR NOTICE PREPAY BALANCE RECHARGE		300.00
Inv 2158085800 Total			300.00
Inv	2158091093		
<u>Line Item Date</u>	<u>Line Item Description</u>		
10/31/2018	48-HOUR NOTICE PREPAY BALANCE RECHARGE		100.00
Inv 2158091093 Total			100.00
Inv	2170330371		
<u>Line Item Date</u>	<u>Line Item Description</u>		
11/20/2018	48-HOUR NOTICE PREPAY BALANCE RECHARGE		300.00
Inv 2170330371 Total			300.00

Check Number	Check Date	Amount
Inv	2174032940	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/27/2018	48-HOUR NOTICE PREPAY BALANCE RECHARGE	300.00
Inv 2174032940 Total		300.00
121825 Total:		1,000.00
7770 - U.S. POSTAL SERVICE Total:		1,000.00
8155 - WESTERN WATER WORKS SUPPLY		
121826	12/10/2018	
Inv	505426-00	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/24/2018	1" 3000# STEEL COUPLING	39.65
10/24/2018	1"x1/4" BRASS BUSHING DOMESTIC	245.67
10/24/2018	1/2"x3/8" BRASS BUSHING DOMESTIC	83.51
10/24/2018	8" 150" FLG CLAVAL 90-01BY	5,915.48
10/24/2018	8" 150# FLG DUCTILE 90 ELL	458.85
Inv 505426-00 Total		6,743.16
Inv	511083-00	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/25/2018	6" 300 SOLID STEEL PLUG THR	380.35
10/25/2018	8"X12" GALVANIZED SLEEVE	101.50
10/25/2018	6" STEEL COUPLING 300# THR (NO COATINGS)	380.36
Inv 511083-00 Total		862.21
Inv	511229-00	
<u>Line Item Date</u>	<u>Line Item Description</u>	
10/25/2018	20" SO WELD FLANGE 150 RF	467.64
10/25/2018	STEEL COUPLING 20.00" O.D. .25" X 7.00" SLV	1,009.62
Inv 511229-00 Total		1,477.26
Inv	512473-00	
<u>Line Item Date</u>	<u>Line Item Description</u>	
11/07/2018	6" 150# SS BOLT KIT	407.30
11/07/2018	6" CMLC PIPE	2,327.40
11/07/2018	6" X 6' SPOOL FLANGE X PLAIN END	315.28
11/07/2018	6" 150# SLIP ON FLANGES	397.60
11/07/2018	6" 150# GASKET	19.39
Inv 512473-00 Total		3,466.97
121826 Total:		12,549.60
8155 - WESTERN WATER WORKS SUPPLY Total:		12,549.60

603437 - ZIPRECRUITER

121827 12/10/2018

Inv 4071417

<u>Line Item Date</u>	<u>Line Item Description</u>	
11/14/2018	JOB POSTING	249.00

Inv 4071417 Total	249.00
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121827 Total:	249.00
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603437 - ZIPRECRUITER Total:	249.00
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603451 - ZOHO CORP

121828 12/10/2018

Inv 64280477

<u>Line Item Date</u>	<u>Line Item Description</u>	
11/08/2018	MONTHLY SUBSCRIPTION	25.00

Inv 64280477 Total	25.00
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121828 Total:	25.00
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603451 - ZOHO CORP Total:	25.00
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Total:	58,001.01
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**Director's Expenses
FY 2018-2019**

Disbursement Date	Description	Miguel Gasca	Helene Brazier	Claude Hamilton	Michael Mack	William Stewart	Retiree
07/31/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00	\$ 150.00		\$ 25.00	
	TRAVEL EXPENSES						
	MILEAGE EXPENSE			\$ 23.98		\$ 56.68	
	REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ 150.00	\$ 150.00	\$ 173.98	\$ -	\$ 231.68	\$ -
08/31/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS		\$ 30.00		\$ 30.00	\$ 25.00	
	TRAVEL EXPENSES	\$ 300.00	\$ 300.00	\$ 300.00	\$ 450.00	\$ 450.00	
	MILEAGE EXPENSE				\$ 52.32	\$ 68.12	
	REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ 300.00	\$ 330.00	\$ 300.00	\$ 532.32	\$ 543.12	\$ -

**Director's Expenses
FY 2018-2019**

Disbursement Date	Description	Miguel Gasca	Helene Brazier	Claude Hamilton	Michael Mack	William Stewart	Retiree
09/30/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 600.00		\$ 600.00	\$ 600.00	\$ 600.00	
	TRAVEL EXPENSES	\$ 338.00		\$ 338.00	\$ 338.00	\$ 338.00	
	MILEAGE AND EXPENSES	\$ 714.61		\$ 340.22	\$ 81.76	\$ 289.62	
	REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ 2,102.61	\$ 150.00	\$ 1,728.22	\$ 1,469.76	\$ 1,677.62	\$ -
10/31/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 60.00					
	TRAVEL EXPENSES	\$ 45.00					
	MILEAGE AND EXPENSES	\$ 300.00	\$ 150.00	\$ 150.00	\$ 150.00		
	TRAVEL EXPENSES						
	MILEAGE AND EXPENSES	\$ 75.04		\$ 23.98			
	REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ 480.04	\$ 150.00	\$ 173.98	\$ 150.00	\$ -	\$ -

**Director's Expenses
FY 2018-2019**

Disbursement Date	Description	Miguel Gasca	Helene Brazier	Claude Hamilton	Michael Mack	William Stewart	Retiree
11/30/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS				\$ 699.00		
	Monthly Totals	\$ 300.00		\$ 300.00	\$ 450.00		
		\$ 62.13		\$ 58.86	\$ 124.27		
	Monthly Totals	\$ 362.13	\$ -	\$ 358.86	\$ 1,532.80	\$ -	\$ -
12/31/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ -
	Monthly Totals	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ -
	REPORT TOTAL (2018):	\$ 3,544.78	\$ 930.00	\$ 2,885.04	\$ 3,834.88	\$ 2,602.42	\$ -

Bank Reconciliation

October Check Register



Check No Vendor/Employee

Transaction Description

Date Amount

Fund: 01 WATER FUND

Department: 00

ACH	ACWA-JPIA	MONTHLY HEALTH AND VISION INSURANCE - OCT 2018	10/24/2018	71,265.44
ACH	EMPLOYMENT DEV DEPARTMENT	3RD QRT 2018 - SUI	10/19/2018	1,123.96
ACH	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - OCT 2018	10/24/2018	6,854.34
ACH	PUBLIC EMPLOYEES RETIREMENT	CALPERS REPLACEMENT FUND: ANNA CHRISTENSEN	10/08/2018	346.77
ACH	SAN DIEGO COUNTY WATER AUTH	WIRE TRANSFER FOR WATER PURCHASES - AUG 2018	10/10/2018	3,405,169.50
ACH	SAN DIEGO COUNTY WATER AUTH.	CAPACITY FEES FOR JUL-SEP 2018	10/19/2018	409,768.00
ACH	ANDREW ECHOLS	REIMBURSE RETIRED EMPLOYEE HEALTH INS - SEP 2018	10/24/2018	363.00
ACH	CHARLES C. SNEED	REIMBURSE RETIRED EMPLOYEE HEALTH IN - OCT 2018	10/24/2018	363.00
ACH	KEVIN MILLER	REIMBURSE RETIRED EMPLOYEE HEALTH INS - OCT 2018	10/09/2018	726.00
ACH	KEVIN MILLER	REIMBURSE RETIRED EMPLOYEE HEALTH INS - NOV 2018	10/24/2018	726.00
55188	FERGUSON WATERWORKS #1083	W510XLG LF 1 PRV 300#	10/09/2018	21,113.90
55189	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - SEP 2018	10/09/2018	3,684.50
55197	GIMEXTECH CO / CAL STAR REALTY MGMT	Refund Check	10/16/2018	1,356.72
55204	CORE & MAIN LP	200 PSI LIQ FILL GAUGE 63-1008AL-02L-200# 1/4" NPT	10/18/2018	342.43
55209	FERGUSON WATERWORKS #1083	2" METER FLANGE	10/18/2018	777.96
55223	SOUTHWEST VALVE & EQUIPMENT	1/4" X 16" HOSE W/BRS FLR ENDS	10/18/2018	1,404.20
55225	T S INDUSTRIAL SUPPLY	MARKEL 96653 YELLOW 1/8" METAL MARKER	10/18/2018	88.83
55243	CORE & MAIN LP	1/4 X 1/4" FILTER SCREEN CHOC2890G	10/24/2018	155.77
55258	FERGUSON WATERWORKS #1083	BROOKS LOCK KEY	10/24/2018	916.95
55271	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - NOV 2018	10/24/2018	3,684.50
55281	T S INDUSTRIAL SUPPLY	YELLOW SPRAY PAINT	10/24/2018	188.91
55292	WHITE CAP CONSTRUCTION SUPPLY	BASIC CONCRETE MIX 2500 PSI 60LB QUIKRETE	10/24/2018	242.01

Total for Department: 00 3,930,662.69

Department: 31 PUMPING

55277	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC SERVICE	10/24/2018	53,322.48
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Total for Department: 31 PUMPING 53,322.48

Department: 32 OPERATIONS

ACH	AIRGAS USA, LLC	CYLINDER RENTAL: NITROGEN	10/24/2018	21.12
ACH	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	10/24/2018	2,932.00
55193	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #7382 505 701 4	10/09/2018	120.35
55213	INTEGRA CHEMICAL	V325.50.140T 35lb bucket	10/18/2018	1,885.85
55263	HACH	Item # 9429300	10/24/2018	1,771.63
55277	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC SERVICE	10/24/2018	1,107.25
55281	T S INDUSTRIAL SUPPLY	SYN SC14DCI 14" X 1 DUCTILE IRON DIAMOND BLADE	10/24/2018	420.23

Total for Department: 32 OPERATIONS 8,258.43

Department: 33 VALVE MAINTENANCE

ACH	UNION BANK (VISA)	TOOLS	10/10/2018	50.42
55191	POLLARDWATER	Abbott Rubber Co Inc 2-1/2 in. x 10 ft. Industrial Fire Hose Ass	10/09/2018	531.95

Total for Department: 33 VALVE MAINTENANCE 582.37

Department: 34 WATER DISTRIBUTION

ACH	AIRGAS USA, LLC	REPLACE 4 EMPTY ACETYLENE AC4 TANK	10/18/2018	787.31
ACH	AIRGAS USA, LLC	ELECT STCK AND HLDR ELECT STUB	10/24/2018	483.13
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(2) 8X10 TRENCH PLATE RENTALS	10/09/2018	453.00
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(1) 8X12 TRENCH PLATE RENTAL	10/18/2018	612.00
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(1) 6X10 TRENCH PLATE RENTAL	10/24/2018	885.49
ACH	JOE'S PAVING CO, INC	Asphalt repair	10/09/2018	8,320.50
ACH	JOE'S PAVING CO, INC	Asphalt Repair	10/24/2018	11,294.82
ACH	SCW CONTRACTING CORPORATION	Main Repair	10/24/2018	20,704.80
ACH	TRAFFIC SAFETY SOLUTIONS, LLC	TRAFFIC CONTROL 10/16/18-RAINBOW HGHTS RD	10/24/2018	2,100.00
ACH	UNDERGROUND SERVICE ALERT	RAI88 NEW TICKET CHARGES	10/18/2018	155.20
ACH	UNION BANK (VISA)	AFTER HOURS MEAL FOR CREW	10/11/2018	35.56
55187	FENCEWORKS, INC.	1 MO. TEMP RENCE RENTAL THRU 9/1/18	10/09/2018	151.20
55194	TRENCH SHORING CO	TRENCH TOP 8X12 REGULAR RENTAL	10/09/2018	744.40
55208	FENCEWORKS, INC.	1 MO. TEMP FENCE RENTAL EXTENSION THRU 10/1/18	10/18/2018	151.20
55219	RICK POST WELDING & WET	CUT OFF OLD 1" SERVICE, REWELD DONUT & NEW 1"	10/18/2018	810.00
55246	COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	RWENCP-91621 & RWEXCP-71899, 137329	10/24/2018	401.00
55253	FALLBROOK IRRIGATION SUPPLIES	PIPE, COUP PVC, SLIP FIX COUP	10/24/2018	47.02
55257	FENCEWORKS, INC.	ONE MONTH TEMP FENCE RENTAL THRU 11/1/18-THOROUGHbred LN	10/24/2018	151.20
55274	PERRAULT CORPORATION	CLASS II BASE AND ENVIRONMENTAL FEE	10/24/2018	417.92
55288	TRENCH SHORING CO	TRENCH TOP 8X12 REGULAR RENTAL	10/24/2018	1,459.85
55296	BOARD OF EQUALIZATION	3RD QRT 2018 ROAD USE TAX	10/29/2018	284.60

Total for Department: 34 WATER DISTRIBUTION 50,450.20

Department: 35 METER SERVICES

55201	BAVCO	BGE226-2 Barton 226 2 test kit	10/18/2018	2,329.13
			Total for Department: 35 METER SERVICES	2,329.13
			Total for Fund:01 WATER FUND	4,045,605.30

Fund: 02 SEWER FUND

Department: 61 WASTEWATER

ACH	ATLAS PUMPING SERVICE	SPECIAL SERVICE - PUMPING	10/09/2018	1,550.00
ACH	ATLAS PUMPING SERVICE	MONTHLY BIN RENTAL	10/18/2018	210.00
ACH	MALLORY SAFETY AND SUPPLY, LLC	SRX2V - Sensor oxygen	10/18/2018	429.50
55186	DOWNSTREAM SERVICES INC.	8" sewer line repirs.	10/09/2018	7,174.00
55190	RUBEN LOPEZ	REIMB FOR CWEA COLLECTION SYSTEM MAINT. TECH GR-3 CERT	10/09/2018	195.00
55218	RHO MONSERATE C.C.H.A.	ELECTRIC CHARGE	10/18/2018	426.49
55221	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #9380 440 512 5	10/18/2018	9.06
55230	XYLEM INC	Impeller,N HT Code 488 High Chrome	10/18/2018	6,792.73
55248	CWEA	ANNUAL MEMBERSHIP RENEWAL FOR BRYAN ROSE-ID000280093I	10/24/2018	188.00
55252	ESCONDIDO METAL SUPPLY, INC.	SHEET SALE, SHEAR CHARGE, STEEL ANGLE AND CHOPSAW CUT CHARGE	10/24/2018	155.90
55254	FALLBROOK OIL CO	AW 32-5, (1) 387	10/24/2018	68.81
55261	GLOBAL POWER GROUP INC.	Lift Station # 6 3690 Sarah Ann Dr. Fallbrook	10/24/2018	2,275.00
55262	GOLDEN BELL PRODUCTS, INC.	Odor control products for customer complaints.	10/24/2018	533.36
55277	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC SERVICE	10/24/2018	5,223.28
55285	TITUS INDUSTRIAL GROUP	Manhole O Ring	10/24/2018	173.27
55291	WATER QUALITY SPECIALISTS	MONTHLY OPERATIONS AND MAINTENANC SERVICE - SEP 2018	10/24/2018	1,950.00
			Total for Department: 61 WASTEWATER	27,354.40
			Total for Fund:02 SEWER FUND	27,354.40

Fund: 03 GENERAL FUND

Department: 00

ACH	ACWA-JPIA	MONTHLY HEALTH AND VISION INSURANCE - OCT 2018	10/24/2018	2,418.25
ACH	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - OCT 2018	10/24/2018	202.96
ACH	PUBLIC EMPLOYEES RETIREMENT	ANNUAL UNFUNDED ACCRUED LIABILITY, PEPRA 26407	10/11/2018	35,038.27
ACH	PUBLIC EMPLOYEES RETIREMENT	ER CONTRIBUTIONS - UNFUNDED ACCRUED LIABILITY, PEPRA 26407	10/31/2018	34,992.58
			Total for Department: 00	72,652.06

Department: 36 GARAGE

ACH	BP BATTERY INC.	CONVENTIONAL LEAD ACID BATTERY	10/09/2018	45.55
ACH	CONTROLLED MOTION SOLUTIONS	QC NIPPLE, BRASS HOSE FITTING, COUPLER	10/18/2018	199.78

ACH	CUSTOM TRUCK BODY & EQUIPMENT, INC.	Custom Truck Body & Equipment See Attached Estimate Knapheide Cu	10/18/2018	49,856.34
ACH	FALLBROOK EQUIPMENT RENTAL	POST HOLE DIGGER, 2 MAN GAS AND AUGER, 8" POST HOLE DIGGER	10/24/2018	68.40
ACH	FLYERS ENERGY LLC	ORDER 1583221-18, CARB REG 10% ETH 451 UNITS, DSL 179 UNITS	10/18/2018	2,235.37
ACH	FLYERS ENERGY LLC	ORDER 1589226-18, CARB REG 10% ETH 430 UNITS/DSL 250 UNITS	10/24/2018	6,556.12
ACH	O'REILLY AUTO PARTS	OIL FILTER	10/18/2018	77.43
ACH	PARKHOUSE TIRE, INC.	P255/70R17 110S FST DEST A/T OWL	10/09/2018	25.90
ACH	QUALITY CHEVROLET	UNIT #19 CONTROL	10/18/2018	233.55
ACH	SAFETY-KLEEN	New Portable Oil Lube Tanks 120 Gallon Double Wall Construction	10/18/2018	18,524.91
ACH	SAFETY-KLEEN	MOTOR OIL ASSESSMENT FEE	10/24/2018	3,689.54
ACH	THE WELD SHOP, INC	Electrical Services Trailer # 121 Modifications to include as l	10/24/2018	1,993.00
ACH	UNION BANK (VISA)	GASKETS & FILTERS	10/10/2018	181.72
ACH	UNITED WEST INC.	CA. Tire Fee	10/24/2018	7,048.46
55185	RAMON FRANCISCO COTE	RMWD VEHICLE WASH	10/09/2018	363.00
55205	RAMON FRANCISCO COTE	RMWD VEHICLE WASH	10/18/2018	874.50
55207	FALLBROOK AUTO PARTS	WORK LIGHT	10/18/2018	669.89
55215	NUTRIEN AG SOLUTIONS, INC	5LB GATORLINE	10/18/2018	295.27
55235	AZUGA, INC.	Network vehicle tracking software will be replaced by Azuga flee	10/24/2018	1,327.49
55244	RAMON FRANCISCO COTE	RMWD VEHICLE WASH	10/24/2018	640.00
55264	HEAVY VEHICLE ELECTRONIC LICENSE PLATE	MONTHLY SERVICE - SEP	10/24/2018	27.65
55269	JAUREGUI & CULVER, INC.	TESTING AND MAINTENANCE ON #1 GAS PUMP	10/24/2018	109.50
55273	NETWORK FLEET, INC.	MONTHLY AIRTIME CHARGES FOR GPS TRACKING - OCT 2018	10/24/2018	780.00

Total for Department: 36 GARAGE 95,823.37

Department: 41 ADMINISTRATION/HR

ACH	CA SPECIAL DIST. ASSOCIATION	IS# 227-2019 MEMBERSHIP RENEWAL	10/24/2018	7,252.00
ACH	HEALTH EQUITY	MONTHLY ADMINISTRATION FEES - OCT 2018	10/24/2018	64.90
ACH	IMAGE SOURCE	LEASE AGREEMENT - CONTRACT AMOUNT	10/18/2018	283.79
ACH	NOBEL SYSTEMS	WATER AUDIT VALIDATION	10/16/2018	2,500.00
ACH	REM MECHANICAL, INC	PERFORMED PREVENTATIVE MAINTENANCE	10/24/2018	434.00
ACH	SOUTHWEST ANSWERING SERVICE, INC.	MONTHLY ANSWERING SERVICE	10/24/2018	680.15
ACH	SPECIAL DISTRICT RISK	ANNUAL WORKER'S COMP RECON FY18	10/09/2018	9,796.29
ACH	SPECIAL DISTRICT RISK	PROPERTY/LIABILITY PACKAGE PROGRAM 2018-19, ITEM 69, 125, & 29	10/24/2018	1,231.56
ACH	STREAMLINE	MONTHLY WEB MANAGEMENT FEE	10/24/2018	300.00
ACH	UNION BANK (VISA)	BOARD ROOM REFRESHMENTS	10/10/2018	22.52
ACH	UNION BANK (VISA)	BUILDING SUPPLIES	10/10/2018	296.28
ACH	UNION BANK (VISA)	GO TO MY PC LOGIN MONTHLY CHARGE	10/10/2018	136.99
ACH	UNION BANK (VISA)	TOTE FOR BOARD ROOM MICROPHONES	10/10/2018	21.72
ACH	WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	LANDSCAPE MAINTENANCE SERVICE	10/18/2018	507.15
ACH	XEROX CORP.	MONTHLY LEASE	10/24/2018	1,282.45
55182	AT&T	MONTHLY PHONE SERVICE	10/09/2018	595.93
55192	QUALITY GATE COMPANY	SERVICE CALL / REPLACE BATTERY - MAIN GATE	10/09/2018	396.95
55195	XEROX FINANCIAL SERVICES	MONTHLY LEASE	10/09/2018	565.83
55199	AT&T LONG DISTANCE	MONTHLY PHONE SERVICE	10/18/2018	16.18
55202	BONSALL PEST CONTROL	MONTHLY PEST CONTROL	10/18/2018	100.00
55211	HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC.	STAFFING: DCOLLUP (SR ACCOUNTANT)	10/18/2018	2,377.60

55212	INFOR (US), INC.	PROJECT MGR & CONSULTANT SR SERVICES	10/18/2018	2,905.00
55220	SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	RELEASE OF LIEN DOCS (2)	10/18/2018	24.00
55221	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #4065 592 756 6	10/18/2018	5,365.96
55222	CRAIG SHOBE	REPLACED CEILING TILES IN MAIN BUILDING	10/18/2018	180.00
55228	ULINE	S-7276 Toilet Seat Covers 20 packs/case	10/18/2018	225.33
55231	AMERIGAS - TEMECULA	PROPANE GAS: YARD TOP TANK	10/24/2018	128.22
55232	ASSOCIATION OF CALIFORNIA WATER AGENCIES	2019 ACWA ANNUAL AGENCY MEMBERSHIP DUES	10/24/2018	22,560.00
55233	AT&T	MONTHLY PHONE SERVICE	10/24/2018	166.06
55234	AT&T LONG DISTANCE	MONTHLY PHONE SERVICE	10/24/2018	16.34
55238	COLLIN CHAPPELLE	PHOTO & VIDEO PRODUCTION - ADVANCE	10/24/2018	1,166.67
55242	COPY 2 COPY	BUSINESS CARDS FOR CHARMAINE & RENEE R	10/24/2018	112.06
55247	COVERALL NORTH AMERICA, INC.	MONTHLY CLEANING SERVICES	10/24/2018	995.00
55251	DELL BUSINESS CREDIT	LATE FEE	10/24/2018	39.00
55255	FALLBROOK WASTE AND RECYCLING	MONTHLY REFUSE AND RECYCLE	10/24/2018	372.00
55256	FEDEX	DELIVERY SERVICE	10/24/2018	9.57
55265	HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC.	STAFFING: DCOLLUP (SR ACCOUNTANT)	10/24/2018	6,142.13
55266	INFOR (US), INC.	RWMD UB REQUIREMENTS & AD HOC SVC-PRJCT MGR & CONSULTING	10/24/2018	8,435.00
55267	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	10/24/2018	445.12
55270	LINDSAY KURITZ	SETTLEMENT FOR DAMAGES TO PERSONAL VEHICLE & LOST WAGES	10/24/2018	1,934.27
55272	MITEL LEASING, INC.	MONTHLY LEASE AGREEMENT	10/24/2018	1,657.11
55275	RBC SERVICES, LLC	REPAIR OUTSIDE PEDESTRIAN GATE AND BACK OFFICE DOOR. NOT CLOSING	10/24/2018	83.00
55278	CRAIG SHOBE	INSTALL FLOORING IN WAREHOUSE OFFICE	10/24/2018	480.00
55279	SHRED-IT USA LLC	MONTHLY SERVICE AGREEMENT	10/24/2018	216.11
55282	TEMECULA TROPHY CO.	CUSTOMER SERVICE SUPERVISOR NAME PLATE	10/24/2018	32.08
55283	CHERILYN THALLMAYER	SETTLEMENT FOR DAMAGES DUE TO SEWER MAIN BLOCKAGE	10/24/2018	425.00
55284	TIME WARNER CABLE	MONTHLY INTERNET CONNECTION - SEP	10/24/2018	1,250.00
55287	TOTAL COMPENSATION SYSTEMS, INC.	GASB 68 DISCOURSE REPORT - 2ND INSTALLMENT	10/24/2018	490.00
55289	ULINE	H-2513 SHELF BIN ORGANIZER	10/24/2018	444.02
55290	VILLAGE NEWS	NOTICE OF PUBLIC HEARING NO 95-1 PUBLISHING	10/24/2018	200.00
55294	XEROX FINANCIAL SERVICES	MONTHLY LEASE	10/24/2018	618.34
55295	ZION BANCORPORATION, NATIONAL ASSOCIATION	RMWD 2018 LEASE/PURCHASE ESCROW (WATER METERS)	10/24/2018	1,500.00
Total for Department: 41 ADMINISTRATION/HR				87,479.68

Department: 42 HUMAN RESOURCES

ACH	UNION BANK (VISA)	ANNIVERSARY BREAKFAST	10/10/2018	161.80
ACH	UNION BANK (VISA)	JOB POSTING - FINANCE MANAGER	10/10/2018	365.03
ACH	UNION BANK (VISA)	OPS MGR 2ND INTERVIEW LUNCH MEETING	10/10/2018	222.13
55217	PALOMAR HEALTH	SERVICES PERFORMED-POST EMPLOYMENT	10/18/2018	385.00
55239	CIVILITY PARTNERS	SURVEY FEE 50%	10/24/2018	2,250.00
Total for Department: 42 HUMAN RESOURCES				3,383.96

Department: 43 SAFETY

ACH	AIRGAS USA, LLC	Tillman™ X-Large Brown Top Grain Pigskin Cotton/Foam Lined Premi	10/09/2018	1,342.62
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ACH	AIRGAS USA, LLC	Protective Industrial Products X-Large MaxiFlex® Ultimate by ATG	10/18/2018	482.36
ACH	T.R.Y. ENTERPRISES, INC.	PATROL SERVICES 8-1-18 TO 8-31-18, DISTRICT YARD & HUNTLEY	10/18/2018	985.00
55183	BOOT BARN INC	SAFETY BOOTS: JPERREIRA AND CRAMOS	10/09/2018	378.97
55203	BOOT BARN INC	SAFETY BOOTS: ALOPEZ & KSCHILLING	10/18/2018	384.86
55216	PACIFIC SAFETY CENTER	CONFINED SPACE - REFRESHER, 9/19/18 (UP TO 15)	10/18/2018	895.00
55217	PALOMAR HEALTH	SERVICES PERFORMED-DOT	10/18/2018	65.00
55237	BOOT BARN INC	SAFETY BOOTS - JDEMARY	10/24/2018	331.81
55250	DANGRA INC.	9 EMPLOYEES SAFETY BOOT PURCHASES	10/24/2018	1,249.00
55256	FEDEX	DELIVERY SERVICE	10/24/2018	14.35

Total for Department: 43 SAFETY 6,128.97

Department: 51 FINANCE

55267	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	10/24/2018	1,943.19
55293	WHITE NELSON DIEHL EVANS LLP	PROFESSIONAL SERVICES RENDERED FOR THE PERIOD ENDING 9/30/18	10/24/2018	3,069.00

Total for Department: 51 FINANCE 5,012.19

Department: 52 CUSTOMER SERVICE

ACH	ACCELA, INC. #774375	WEB PAYMENTS TRANSACTION FEE	10/18/2018	2,127.00
ACH	MISSION RESOURCE CONSERVATION DISTRICT	(21) HOME WATER USE EVALUATIONS - SEP 2018	10/18/2018	982.00
ACH	TCN, INC	MONTHLY 48 HOUR NOTICE CALLS	10/18/2018	44.12
55267	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	10/24/2018	599.08
55276	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES FOR - SEP 2018	10/24/2018	681.50

Total for Department: 52 CUSTOMER SERVICE 4,433.70

Department: 91 ENGINEERING

ACH	UNION BANK (VISA)	TRACT MAPS FROM COUNTY	10/10/2018	32.00
ACH	WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	Weed Abatement Morro Reservoir	10/09/2018	8,376.00
55206	DAILY JOURNAL CORPORATION	LEGAL ADVERTISEMENT FOR CORROSION ENGINEERING SERVICES - RFP	10/18/2018	104.00
55214	MODULAR BUILDING CONCEPTS, INC	RENTAL AGREEMENT	10/18/2018	1,127.05
55249	DAILY JOURNAL CORPORATION	LEGAL ADVERTISEMENT FOR LAND SURVEYING SERVICES-RFP	10/24/2018	110.50
55256	FEDEX	DELIVERY SERVICE	10/24/2018	28.48
55263	HACH	SULFAMIC ACID, POTASSIUM IODIDE, SODIUM THIOSULFATE	10/24/2018	104.52

Total for Department: 91 ENGINEERING 9,882.55

Total for Fund:03 GENERAL FUND 284,796.48

Fund: 26 NEW WATER SOURCES FUND

Department: 00

ACH	DUDEK	BONSALL BASIN DESALTER STUDIES	10/24/2018	6,030.79
			Total for Department: 00	6,030.79
			Total for Fund:26 NEW WATER SOURCES FUND	6,030.79
Fund: 52 SEWER CAPITAL REPLACEMENT				
Department: 00				
ACH	KENNEDY/JENKS CONSULTANTS INC	LIFT STATION #1 REPLACEMENT DESIGN	10/24/2018	48,010.00
			Total for Department: 00	48,010.00
			Total for Fund:52 SEWER CAPITAL REPLACEMEN	48,010.00
Fund: 60 WTR CAP EXPANSION/REPLACEMENT				
Department: 00				
ACH	NOBEL SYSTEMS	Annual fee to host data from pressure sensors	10/16/2018	7,200.00
ACH	ZION BANCORPORATION, NATIONAL ASSOCIATION	Debt Service Reserve Refund Deposit	10/31/2018	615,000.86
55236	BALTIC NETWORKS USA	Ubiquiti Powerbeam PBE-5AC-300-ISO	10/24/2018	1,839.38
55240	CLARK LAND RESOURCES, INC.	AS-NEEDED GENERAL REAL PROPERTY SERVICE	10/24/2018	964.00
55259	FREEDOM AUTOMATION, INC.	Inductive software upgrade for ipads	10/24/2018	2,475.00
55268	INFRASTRUCTURE ENGINEERING	R.A. WEESE FILTRATION PLANT INTERCONNECT PROJECT	10/24/2018	11,927.75
55280	SPARLING INSTRUMENTS, LLC	Sparling Magnetic Flow Meter, Tigermag Series EP FM656, 24" - FI	10/24/2018	8,687.50
55286	TORY R. WALKER ENGINEERING, INC.	MOOSA CANYON HYDROLOGIC ANALYSIS	10/24/2018	805.00
			Total for Department: 00	648,899.49
			Total for Fund:60 WTR CAP EXPANSION/REPLAC	648,899.49
			Grand Total	5,060,696.46

Bank Reconciliation

November Check Register



Check No.	Vendor/Employee	Transaction Description	Date	Amount
Fund: 01 WATER FUND				
Department: 00				
ACH	ACWA-JPIA	MONTHLY HEALTH & VISION INSURANCE - DEC 2018	11/30/2018	78,459.10
ACH	HEALTH EQUITY	HSA Anthem/Kaiser - 2018 ER Contribution (RG)	11/15/2018	3,000.00
ACH	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - NOV 2018	11/15/2018	6,854.34
ACH	PUBLIC EMPLOYEES RETIREMENT	CALPERS REPLACEMENT FUND: ANNA CHRISTENSEN	11/14/2018	346.77
ACH	RENE BUSH	REIMBURSE RETIRED EMPLOYEE HEALTH INS - NOV 2018	11/08/2018	726.00
ACH	RENE BUSH	REIMBURSE RETIRED EMPLOYEE HEALTH INS - DEC 2018	11/30/2018	726.00
ACH	SAN DIEGO COUNTY WATER AUTH	WIRE TRANSFER FOR WATER PURCHASE - AUG 2018	11/13/2018	2,413,163.90
ACH	CHARLES C. SNEED	REIMBURSE RETIRED EMPLOYEE HEALTH INS - NOV 2018	11/15/2018	363.00
ACH	KEVIN MILLER	REIMBURSE RETIRED EMPLOYEE HEALTH INS - DEC 2018	11/30/2018	726.00
55301	CORE & MAIN LP	3/8 FLR X 3/8 MIP BRASS P/N-6730707E - TUBE CONN UNION	11/08/2018	2,560.49
55306	FERGUSON WATERWORKS #1083	1" BRASS CORP STOP Mx F E1931	11/08/2018	1,169.13
55318	RAMONA PAVING AND CONSTRUCTION CO.	Refund Check	11/08/2018	1,313.36
55327	T S INDUSTRIAL SUPPLY	YELLOW SPRAY PAINT	11/08/2018	314.85
55338	CORE & MAIN LP	600 PSI LIQD FILL GAUGE 1/4" 63-1008AL-02L-600#	11/15/2018	5,022.20
55346	FERGUSON WATERWORKS #1083	2" RUBBER DISC CLA-VAL CHOV5564K	11/15/2018	4,671.24
55367	SOUTHWEST VALVE & EQUIPMENT	3/8" X 8" HOSE W/BRS FLR ENDS	11/15/2018	2,042.08
55373	WHITE CAP CONSTRUCTION SUPPLY	50 LB PAIL SPEEDCRETE RED LINE	11/15/2018	1,707.40
55375	D.R. HORTON LOS ANGELES HOLDING COMPANY	Refund Check	11/20/2018	61.46
55376	D.R. HORTON LOS ANGELES HOLDING COMPANY	Refund Check	11/20/2018	23.71
55377	DAVID FLOURNOY	Refund Check	11/20/2018	131.05
55378	BEN & ZACH GUZMAN	Refund Check	11/20/2018	141.03
55379	PETERS PAVING & GRADING	Refund Check	11/20/2018	1,527.83
55380	FRANCES SARACE	Refund Check	11/20/2018	13.52
55381	BERT SEVER	Refund Check	11/20/2018	17.33
55387	JENIFFER BLANCHARD	Refund Check	11/30/2018	21,811.44
55390	CORE & MAIN LP	8" 250lb GATE VALVE W/2" NUT AVK# 65-200-5E02614034	11/30/2018	5,768.51
55395	FERGUSON WATERWORKS #1083	1"X24" BRASS NIPPLE	11/30/2018	747.14
55402	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - DEC 2018	11/30/2018	3,684.50
Total for Department: 00				2,557,093.38

Department: 31 PUMPING

ACH	UNION BANK (VISA)	CHEVON HYPERSYN OIL FOR ELECTRIC MOTORS	11/13/2018	853.66
55343	ESCONDIDO METAL SUPPLY, INC.	STL SQTUBE AND CHOP SAW CUT CHARGE	11/15/2018	34.05

55363	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS AND ELECTRIC #1065 087 935 1	11/15/2018	42,878.81
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Total for Department: 31 PUMPING 43,766.52

Department: 32 OPERATIONS

ACH	AIRGAS USA, LLC	CYLINDER RENTAL: NITROGEN	11/15/2018	21.71
ACH	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	11/15/2018	1,419.00
ACH	MISSION VALLEY SANITATION-SD	PORTA POTTY RENTAL FOR WEED ABATEMENT	11/15/2018	151.37
ACH	RICHARD C. MICHAUD	SDCWA Radio for unit # 4	11/08/2018	4,523.79
55303	DEPT OF FORESTRY & FIRE PROTEC	9.5 UNITS OF CREW WORK AND 6 UNITS OF EXTRA TOOLS	11/08/2018	5,221.42
55310	HOME DEPOT	"EMT RAIN TITE CONN 3/4"" STEEL PK5 AND LIQTITE CONN STEEL"	11/08/2018	119.72
55323	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #7382 505 701 4	11/08/2018	121.08
55335	ED BRADLEY	REIMB FOR CWEA GRADE 2 MECH TECH CERT RENEWAL FEE	11/15/2018	92.00
55338	CORE & MAIN LP	200-900 LIGHT TRIPOD 7000 LUMENS 8.5' TALL NOMAD 360	11/15/2018	1,820.42
55363	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS AND ELECTRIC #1065 087 935 1	11/15/2018	1,148.51
55394	FALLBROOK IRRIGATION SUPPLIES	PIPE PVC TEE PVC ELL PB FLANGE	11/30/2018	152.23
55396	HACH	9532000 Pocket pH tester	11/30/2018	1,805.93
55398	HOCH CONSULTING	AS-NEEDED CONSTRUCTION INSPECTION SERVICES	11/30/2018	4,000.00
55408	UTILITY SERVICE CO.	QUARTERLY TANK SERVICE - VALLECITOS	11/30/2018	137,130.71
55410	WATERLINE TECHNOLOGIES INC.	SODIUM HYPOCHLORITE, 410 GALLONS	11/30/2018	1,320.91

Total for Department: 32 OPERATIONS 159,048.80

Department: 34 WATER DISTRIBUTION

ACH	AIRGAS USA, LLC	CYLINDER RENTAL: ARGON, ACETYLENE, CARBON DIOXIDE	11/15/2018	66.95
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(2) 6X12 TRENCH PLATE RENTALS	11/08/2018	736.20
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(2) 8x10 TRENCH PLATE RENTALS	11/15/2018	2,243.80
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(1) 6x10 TRENCH PLATE RENTALS	11/30/2018	318.00
ACH	FALLBROOK EQUIPMENT RENTAL	TRAILER CONCRETE MIXING	11/08/2018	199.34
ACH	FALLBROOK EQUIPMENT RENTAL	CONCRETE 1/2 YARD 6 SACK PE	11/30/2018	161.62
ACH	UNDERGROUND SERVICE ALERT	RAI88 NEW TICKET CHARGES	11/15/2018	194.80
ACH	UNION BANK (VISA)	FOOD FOR CREW	11/13/2018	36.98
55328	TRENCH SHORING CO	TRENCH TOP 8X12 RENTAL	11/08/2018	369.60
55336	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - RECHE ROAD	11/15/2018	2,225.00
55358	PERRAULT CORPORATION	"3"" MINUS BASE AND ENVIRONMENTAL FEE"	11/15/2018	947.85
55369	KENNETH C. TERRY, JR.	TESTING AND CERTIFICATION FOR WELDING CERTS-3 EE'S	11/15/2018	1,200.00
55371	TRENCH SHORING CO	TRENCH TOP 8X12 RENTAL	11/15/2018	924.00
55407	TRENCH PLATE RENTAL CO.	8X12 TRENCH RENTAL	11/30/2018	1,875.00

Total for Department: 34 WATER DISTRIBUTION 11,499.14

Department: 35 METER SERVICES

55298	TEMECULA VALLEY BACKFLOW, INC.	SETTLEMENT AGREEMENT & MUTUAL RELEASE OF CLAIM, TERM CNTRCT16-21	11/05/2018	39,898.72
55347	FLUME TECH	FLUME HARDWARE	11/15/2018	673.27
55386	BAVCO	905111 FEBCO 825Y 3/4-1 1/4" RPR KIT	11/30/2018	2,606.80

Total for Department: 35 METER SERVICES 43,178.79

Fund: 02 SEWER FUND

Department: 00

55375	D.R. HORTON LOS ANGELES HOLDING COMPANY	Refund Check	11/20/2018	73.85
55376	D.R. HORTON LOS ANGELES HOLDING COMPANY	Refund Check	11/20/2018	18.81
55380	FRANCES SARACE	Refund Check	11/20/2018	9.79
55381	BERT SEVER	Refund Check	11/20/2018	5.98

Total for Department: 00 108.43

Department: 61 WASTEWATER

ACH	ATLAS PUMPING SERVICE	MONTHLY BIN RENTAL	11/08/2018	210.00
ACH	ATLAS PUMPING SERVICE	ROLLOFF	11/15/2018	2,190.00
ACH	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	11/08/2018	105.00
ACH	BP BATTERY INC.	GENIUS SMART CHARGER FOR L/S 2	11/15/2018	74.06
ACH	HAAKER EQUIPMENT CO.	24' Pole set fiberglass	11/08/2018	313.54
ACH	HAAKER EQUIPMENT CO.	12" T - Handle plug	11/15/2018	347.10
ACH	O'REILLY AUTO PARTS	ANTIFREEZE & BITS-3PC FOR L/S 2	11/15/2018	97.98
55310	HOME DEPOT	RAPID MORTAR	11/08/2018	172.08
55315	JOHN MACCARRONE	REIMB FOR CWEA MECHANICAL TECHNOLOGIST GRADE 2 RENEWAL CERT	11/08/2018	92.00
55319	RHO MONSERATE C.C.H.A.	ELECTRIC CHARGE	11/08/2018	318.85
55323	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #9380 440 512 5	11/08/2018	9.00
55363	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS AND ELECTRIC #1065 087 935 1	11/15/2018	5,066.81
55372	WATER QUALITY SPECIALISTS	MONTHLY OPERATIONS AND MAINTENANC SERVICE - OCT 2018	11/15/2018	1,950.00
55392	DOWNSTREAM SERVICES INC.	Post cctv inspection of sewer main and repair	11/30/2018	4,011.00
55393	FALLBROOK AUTO PARTS	EXH WEATHER CAP ADN RETURNED ITEM: EXH CAP	11/30/2018	42.24

Total for Department: 61 WASTEWATER 14,999.66

Total for Fund:02 SEWER FUND 15,108.09

Fund: 03 GENERAL FUND

Department: 00

ACH	ACWA-JPIA	MONTHLY HEALTH & VISION INSURANCE - DEC 2018	11/30/2018	2,418.25
ACH	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - NOV 2018	11/15/2018	202.96
ACH	PUBLIC EMPLOYEES RETIREMENT	ER CONTRIBUTION - UNFUNDED ACCRUED LIABILITY, CLASSIC 1770	11/14/2018	34,992.58

Total for Department: 00 37,613.79

Department: 36 GARAGE

ACH	ANELLE MANAGEMENT SERVICES	FUSE CAP VEHICLE REPAIR VIN-L90876	11/30/2018	817.04
ACH	BP BATTERY INC.	VISION AGM4D DEEP CYCLE / STARTING BATTERY 240 AH	11/30/2018	975.21
ACH	FLYERS ENERGY LLC	ORDER 1607487-18, CARB REG 10% ETH 395 UNITS/DSL 200 UNITS	11/08/2018	2,069.71
ACH	FLYERS ENERGY LLC	ORDER 1619222-18, CARB REG 10% ETH 215 UNITS/DSL 160 UNITS	11/15/2018	3,429.60

ACH	HAWTHORNE MACHINERY COMPANY	CLIP, GROMMET, BOLT	11/30/2018	86.22
ACH	O'REILLY AUTO PARTS	WIPER BLADE	11/08/2018	204.90
ACH	PARKHOUSE TIRE, INC.	12.5/80X18 F FST S TRAC LOAD AND FLEET SERVICE-PRE SCHEDULED	11/08/2018	840.60
ACH	RICHARD C. MICHAUD	TK-8302HUK UHF Moible Radio	11/08/2018	578.55
ACH	SAFETY-KLEEN	5G BRAKE CLEANER 30G PARTS WASHER	11/08/2018	522.33
ACH	THE TRUCK LIGHTHOUSE	LED LIGHTHEAD	11/08/2018	892.82
55302	RAMON FRANCISCO COTE	RMWD VEHICLE WASH	11/08/2018	308.50
55305	FALLBROOK AUTO PARTS	DISC BRAKE PADS	11/08/2018	546.63
55310	HOME DEPOT	LOCKS FOR WASTE OIL/NEW OIL TANKS	11/08/2018	100.08
55312	JAUREGUI & CULVER, INC.	SERVICE ON PUMP #1 AND #3. RESET ALL DISPENSERS AND FUNCTIONS	11/08/2018	137.75
55320	ANTONIO R RODRIGUEZ	UNIT #31-SEAT REPAIR	11/08/2018	230.81
55322	SAN DIEGO FRICTION PRODUCTS, INC.	GOLIGHT LED WHITE W/ JOYSTICK	11/08/2018	671.07
55332	AZUGA, INC.	MONTHLY ADMINISTRATION FEE	11/15/2018	871.00
55339	RAMON FRANCISCO COTE	RMWD VEHICLE WASH	11/15/2018	741.00
55348	HEAVY VEHICLE ELECTRONIC LICENSE PLATE	MONTHLY SERVICE - OCT	11/15/2018	27.65
55353	MITCHELL I	PRO DEMAND TEAMWORK GOVT SE SUB	11/15/2018	2,752.09
55356	NETWORK FLEET, INC.	MONTHLY AIRTIME CHARGE FOR GPR TRACKING - NOV 2018	11/15/2018	780.00
55411	WAYNE GOSSETT FORD	2019 Ford F-450 Chassis Reg Cab 4X4 169" Wheel Base DRW 84"CA 16	11/30/2018	49,660.62

Total for Department: 36 GARAGE 67,244.18

Department: 41 ADMINISTRATION/HR

ACH	BP BATTERY INC.	BATTERY FOR DISTRICT GENERATOR	11/08/2018	648.59
ACH	IMAGE SOURCE	LEASE AGREEMENT - CONTRACT AMOUNT	11/08/2018	325.41
ACH	INFOR PUBLIC SECTOR, INC.	CASHIERING SUITE SUBSCRIPTION	11/08/2018	6,240.00
ACH	RAFTELIS FINANCIAL CONSULTANTS	FINANCIAL PLAN & WATER RATE ASSISTANCE	11/30/2018	1,553.75
ACH	SOUTHWEST ANSWERING SERVICE, INC.	MONTHLY ANSWERING SERVICE	11/15/2018	827.21
ACH	STREAMLINE	MONTHLY WEB MANAGEMENT FEE	11/30/2018	300.00
ACH	UNION BANK (VISA)	GM VEHICLE FUEL	11/13/2018	356.02
ACH	UNION BANK (VISA)	Kirkland Signature Casual Dining Paper Napkins, White, 1040 ct I	11/13/2018	360.42
ACH	UNION BANK (VISA)	KITCHEN SUPPLIES	11/13/2018	118.32
ACH	WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	LANDSCAPE MAINTENANCE SERVICE	11/08/2018	507.15
ACH	XEROX CORP.	MONTHLY LEASE	11/15/2018	1,263.93
ACH	COLLIN CHAPPELLE	PHOTO & VIDEO PRODUCTION	11/30/2018	1,166.67
ACH	DAWN WASHBURN	2018 BOARD SECRETARY TRAVEL EXPENSE REIMB	11/08/2018	83.46
55299	AT&T	MONTHLY PHONE SERVICE	11/08/2018	596.02
55310	HOME DEPOT	(2) 40AMP CART	11/08/2018	149.50
55311	HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC.	STAFFING: DCOLLUP (SR ACCOUNTANT)	11/08/2018	1,902.08
55313	JJ PAINTING INC	Office Painting - Warehouse	11/08/2018	1,400.00
55323	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #4065 592 756 6	11/08/2018	4,537.46
55324	CRAIG SHOBE	PAINT STAINS ON CEILING TILES & MOUNT EXT	11/08/2018	449.40
55329	WILLDAN FINANCIAL SERVICES	LOCAL IMPROVEMENT DISTRICT AMDIN FY19	11/08/2018	2,500.00
55334	BONSALL PEST CONTROL	MONTHLY PEST CONTROL	11/15/2018	100.00
55337	COPY 2 COPY	250 BUSINESS CARDS FOR TRACEY LARGENT	11/15/2018	112.06
55340	COVERALL NORTH AMERICA, INC.	MONTHLY CLEANING SERVICE	11/15/2018	995.00
55341	CSDA, SAN DIEGO CHAPTER	CSDA QRTL Y DINNER, TOM KENNEDY & DAWN WASHBURN 11/15/18	11/15/2018	60.00
55342	DNS SERVICES, INC	ANNUAL FEE	11/15/2018	65.00
55344	FALLBROOK WASTE AND RECYCLING	LOAD 40 YD	11/15/2018	1,621.78
55345	FEDEX	DELIVERY SERVICE - PO30800	11/15/2018	22.18
55349	HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC.	STAFFING: DCOLLUP (SR ACCOUNTANT)	11/15/2018	2,907.61

55351	KNOWBE4, INC.	KnowBe4 Security Awareness Training Subscription Gold 51-100 Use	11/15/2018	1,035.00
55354	MITEL LEASING, INC.	MONTHLY LEASE AGREEMENT	11/15/2018	1,657.11
55359	QUALITY GATE COMPANY	PARTS AND LABOR TO REPAIR GATE	11/15/2018	3,310.00
55360	ROTARY CLUB OF BONSALE	2018-19 ANNUAL DUES FINES POLIO PLUS	11/15/2018	1,200.00
55362	SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	RELEASE OF LIEN DOC (1)	11/15/2018	12.00
55364	CRAIG SHOBE	SERVICE CALL - BUILDING #2	11/15/2018	120.00
55365	SHRED-IT USA LLC	MONTHLY SERVICE AGREEMENT	11/15/2018	142.74
55370	TIME WARNER CABLE	MONTHLY INTERNET CONNECTION - OCT	11/15/2018	1,250.00
55383	AT&T	MONTHLY PHONE SERVICE	11/30/2018	166.09
55384	AT&T	MONTHLY PHONE SERVICE	11/30/2018	606.14
55385	AT&T LONG DISTANCE	MONTHLY PHONE SERVICE	11/30/2018	16.34
55391	CORODATA SHREDDING, INC.	(2) 64 GALLON BIN RENTAL FOR SHREDDING	11/30/2018	449.00
55399	INFOR (US), INC.	PROJECT MANAGER AND CONSULTANT SR SERVICES - UB	11/30/2018	4,737.50
55400	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	11/30/2018	933.86
55406	THE CARLSON COMPANY	Mission 40x48CR Liner 12mic 250cs Nat 44gl	11/30/2018	248.88
55409	VERIZON WIRELESS	MONTHLY CELLULAR SERVICE	11/30/2018	11,192.69
55413	XEROX FINANCIAL SERVICES	MONTHLY LEASE	11/30/2018	565.83

Total for Department: 41 ADMINISTRATION/HR 58,812.20

Department: 42 HUMAN RESOURCES

ACH	UNION BANK (VISA)	EXCELLENCE COIN LUNCH WITH GM	11/13/2018	145.99
ACH	UNION BANK (VISA)	SHRED DAY - EE LUNCHES	11/13/2018	73.80
55317	NATIONAL BENEFIT SERVICES, LLC	COBRA ADMINISTRATION FEE FOR THE MONTH OF OCTOBER	11/08/2018	50.00
55326	SYMBOL ARTS	TEAMWORK COIN	11/08/2018	1,235.00
55331	ASPIRE FINANCIAL SERVICES, LLC	MONTHLY ADMINISTRATION FEE	11/15/2018	300.00
55350	IPMA-HR	AGENCY MEMBERSHIP DUES, 9/1/18 - 8/31/19	11/15/2018	397.00
55357	PALOMAR HEALTH	SERVICES PERFORMED - POST EMPLOYMENT	11/15/2018	365.00
55368	TEMECULA TROPHY CO.	NAME PLATES-FINANCE MGR & PROJECT MGR	11/15/2018	64.70
55405	TEMECULA TROPHY CO.	OPS MANAGER NAME PLATE	11/30/2018	22.84

Total for Department: 42 HUMAN RESOURCES 2,654.33

Department: 43 SAFETY

ACH	AIRGAS USA, LLC	3MT™ DBI-SALA® Suspension Trauma Safety Strap (1 Pair Per Package)	11/08/2018	1,015.25
ACH	AIRGAS USA, LLC	RWMD LOGO VEST TWO-TONE MESH LARGE POLYESTER HI-VIZ YELLOW 2" RE	11/15/2018	1,456.64
ACH	AIRGAS USA, LLC	Tillman™ Large 14" Pearl Gray Top Grain Elkskin Cotton Foam	11/30/2018	817.25
ACH	T.R.Y. ENTERPRISES, INC.	PATROL SERVICES 9-1-18 TO 9-30-18 FOR DISTRICT YARD & HUNTLEY PU	11/15/2018	985.00
ACH	TNG SECURITY INC.	SECURITY SERVICE MAINTENANCE	11/15/2018	368.04
55308	GIL FRANCO, TIRE HAULER	TIRE RECYCLE & DISPOSAL, (7 TRUCK TIRES, 11 PASSENGER TIRES)	11/08/2018	160.00
55357	PALOMAR HEALTH	SERVICES PERFORMED - FLU VACCINE	11/15/2018	500.00
55388	BOOT BARN INC	SAFETY BOOTS-RLOPEZ & CHOELSCHER	11/30/2018	336.41

Total for Department: 43 SAFETY 5,638.59

Department: 51 FINANCE

55361	RENEE RUBIO	TUITION REIMBURSEMENT	11/15/2018	2,405.00
55400	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	11/30/2018	4,061.47
55412	WHITE NELSON DIEHL EVANS LLP	PROFESSIONAL SERVICES RENDERED FOR THE PERIOD ENDING 10/31/18	11/30/2018	7,700.00
Total for Department: 51 FINANCE				14,166.47

Department: 52 CUSTOMER SERVICE

ACH	ACCELA, INC. #774375	WEB PAYMENTS TRANSACTION FEE	11/15/2018	2,759.00
ACH	MISSION RESOURCE CONSERVATION DISTRICT	HOME WATER EVALUATIONS - OCT 2018	11/15/2018	566.00
ACH	TCN, INC	MONTHLY 48 HOUR CALLS	11/08/2018	44.69
55400	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	11/30/2018	1,254.45
55404	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES FOR - OCT 2018	11/30/2018	689.00
Total for Department: 52 CUSTOMER SERVICE				5,313.14

Department: 91 ENGINEERING

ACH	DUDEK	BONSALL BASIN DESALTER STUDIES	11/30/2018	4,992.48
ACH	KENNEDY/JENKS CONSULTANTS INC	LIFT STATION 1 REPLACEMENT DESIGN	11/30/2018	79,186.32
ACH	NOBEL SYSTEMS	COST CODE UPDATES FOR EASEMENTS, EASEMENT DATA CONVERSION AND AS	11/08/2018	4,150.00
55304	DEPT. OF THE INTERIOR-BLM	BLM TAX ID #84-0437540 RIGHT-AWAY RENTAL SD CNTY 1/1/18-12/31/19	11/08/2018	466.13
55314	LAND SURVEYING CONSULTANTS, INC.	PREPARE BASE MAPS, TOPOGRAPHIC SURVEYS VIA VERA & VISTA VALLEY	11/08/2018	3,720.00
55321	DELIA RUBIO	REIMB FOR RECORDING FEES, REF-#2018486991	11/08/2018	60.00
55345	FEDEX	DELIVERY SERVICE - WATER METER LEASE	11/15/2018	228.82
55352	LAND SURVEYING CONSULTANTS, INC.	Provide staking for Water Easement at Vista Valley PRS.	11/15/2018	2,400.00
55355	MODULAR BUILDING CONCEPTS, INC	RENTAL AGREEMENT	11/15/2018	1,127.05
55389	CLARK LAND RESOURCES, INC.	AS-NEEDED GENERAL REAL PROPERTY SERVICES	11/30/2018	5,203.12
55397	HDR ENGINEERING, INC.	CONDITION ASSESSMENT OF WATER FACILITIES	11/30/2018	612.42
55398	HOCH CONSULTING	AS-NEEDED CONSTRUCTION INSPECTION SERVICES	11/30/2018	27,776.25
55401	INFRASTRUCTURE ENGINEERING	PUMP STATION #1 NATURAL GAS MOTOR REPLACEMENT DESIGN	11/30/2018	7,018.00
Total for Department: 91 ENGINEERING				136,940.59
Total for Fund:03 GENERAL FUND				328,383.29

Fund: 60 WTR CAP EXPANSION/REPLACEMENT

Department: 00

55333	BALTIC NETWORKS USA	MikroTik RouterBoard 450Gx2	11/15/2018	1,084.10
55366	SOLARWINDS, INC.	Solarwinds maintenance contract \$ 630.00	11/15/2018	630.00
			Total for Department: 00	1,714.10
			Total for Fund:60 WTR CAP EXPANSION/REPLAC	1,714.10
			Grand Total	3,159,792.11

Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2018-2019

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	34,636	47,313	45,335	28,095									357
403	AG	129,354	148,627	153,218	110,320									1,243
231	CM	51,490	67,258	66,119	36,287									508
30	CN	3,982	4,388	4,078	2,521									34
24	IS	4,964	3,824	3,852	3,447									37
88	MF	11,653	12,856	13,798	11,513									114
326	SC	165,088	203,887	203,899	134,052									1,623
1034	SD	228,710	263,815	273,401	189,659									2,194
5122	SF	168,864	192,438	208,014	146,935									1,644
7849	Total	798,741	944,406	971,714	662,829	-	-	-	-	-	-	-	-	7,754

FISCAL YEAR 2017-2018

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	33,310	29,712	36,164	31,255									299
403	AG	144,066	131,474	145,280	120,785									1,243
231	CM	33,715	42,488	33,812	26,189									313
30	CN	2,447	3,983	8,073	10,623									58
24	IS	2,320	2,440	2,793	2,488									23
88	MF	11,472	10,002	13,072	10,304									103
326	SC	179,822	156,120	202,103	148,336									1,576
1034	SD	244,799	223,157	271,457	222,398									2,208
5122	SF	174,946	165,760	194,809	155,004									1,585
7849	Total	826,897	765,136	907,563	727,382	-	-	-	-	-	-	-	-	7,408

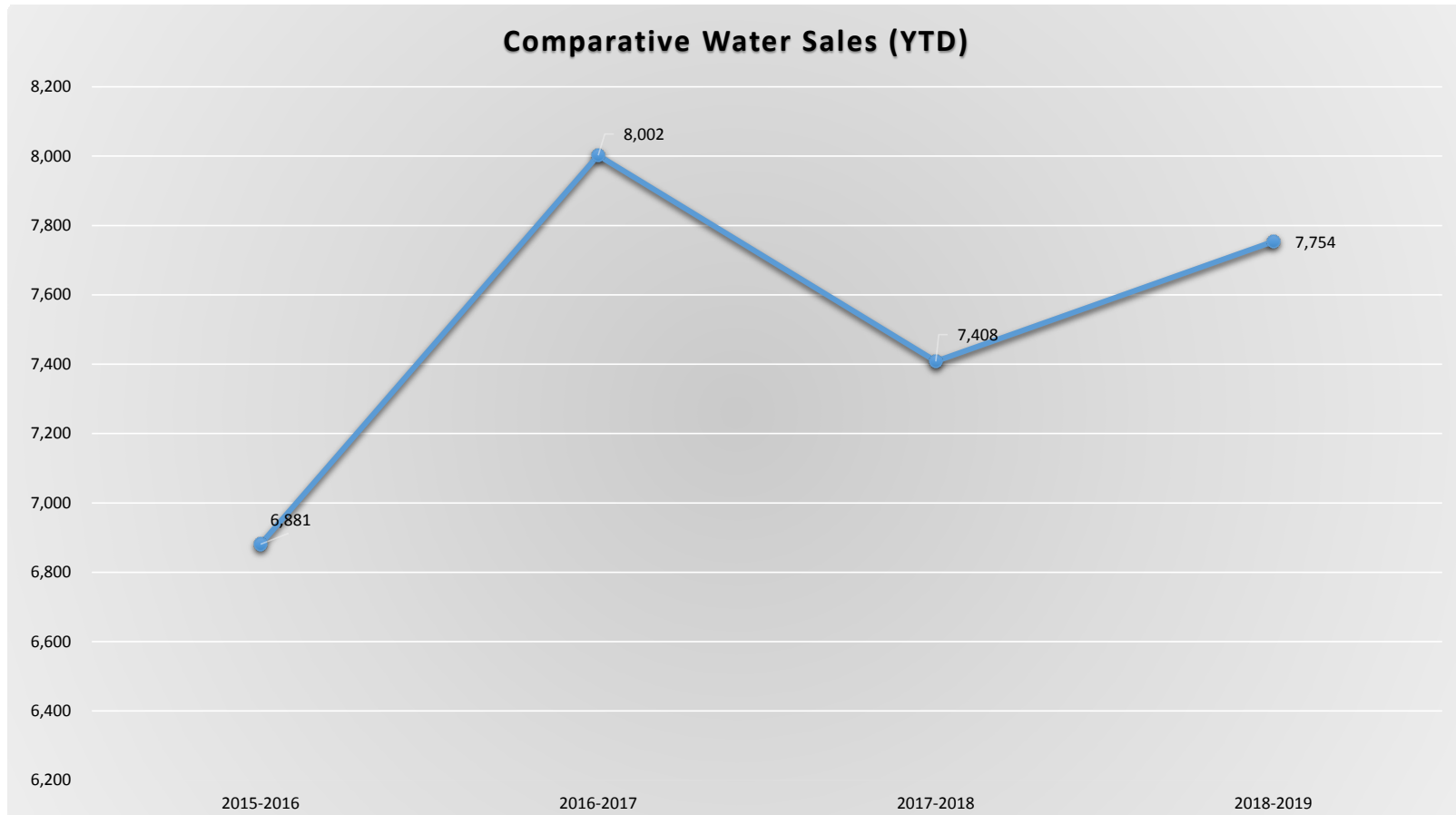
FISCAL YEAR 2016-2017

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	36,216	34134	39119	28217									316
403	AG	156,957	152359	172040	132882									1,410
231	CM	47,830	45043	43040	26707									373
30	CN	4,900	4950	7309	11456									66
24	IS	3,806	3701	3980	3061									33
88	MF	11,307	11657	13746	10597									109
326	SC	183,744	166212	206354	150910									1,624
1034	SD	279,246	253718	298226	222243									2,418
5122	SF	187,516	175736	202555	154361									1,653
7849	Total	911,522	847,510	986,369	740,434	-	-	-	-	-	-	-	-	8,002

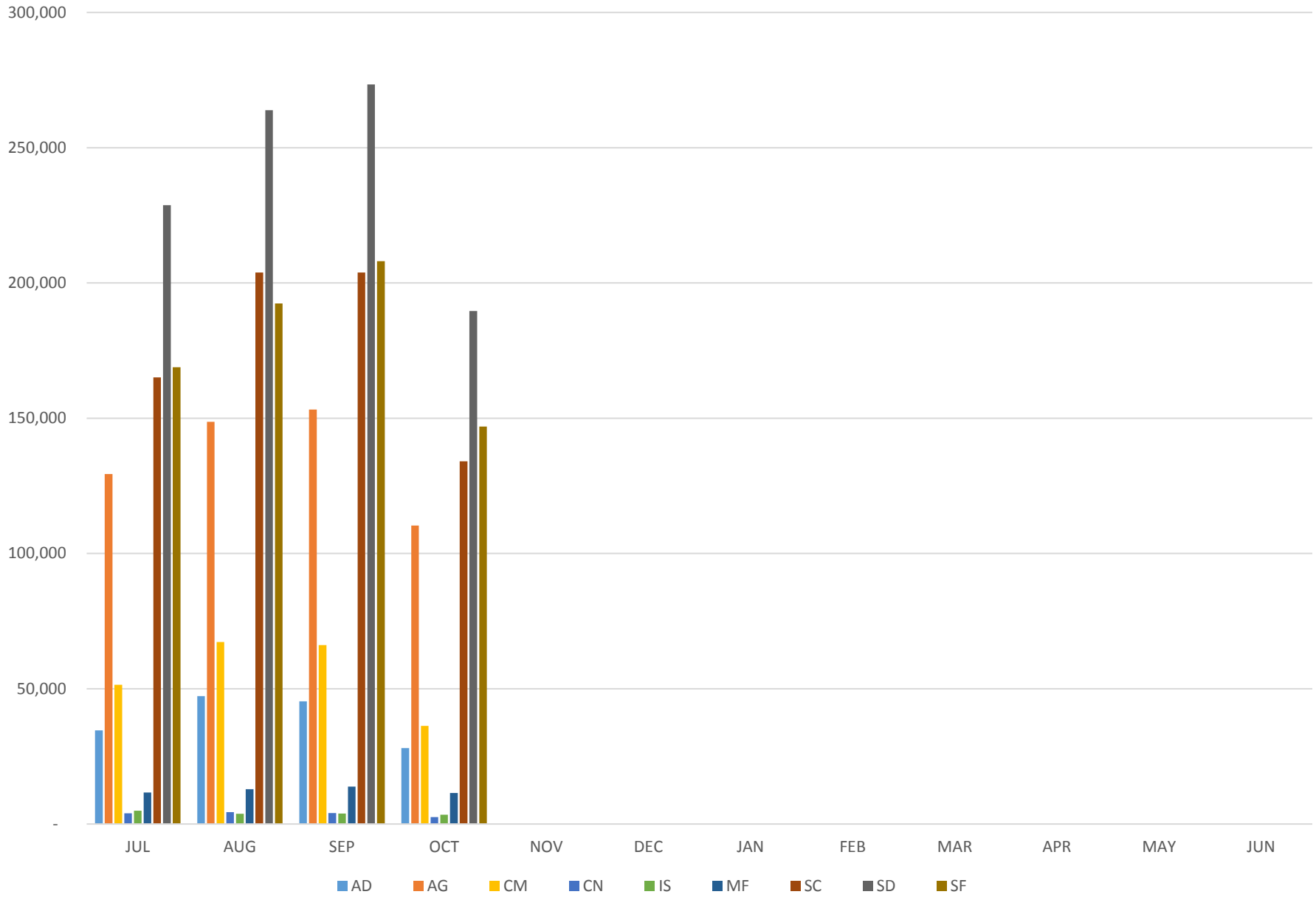
FISCAL YEAR 2015-2016

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
601	AD	29,891	26212	33050	25166									262
404	AG	143,174	124130	153414	124219									1,251
6	C	4,342	0	0	0									10
221	CM	28,620	33259	34668	28374									287
37	CN	6,680	7040	5931	3994									54
24	IS	2,773	2779	2486	3073									26
88	MF	11,351	10279	10887	9952									97
326	SC	162,756	144892	188145	132002									1,441
1038	SD	245,736	213120	257965	197426									2,099
5092	SF	148,573	143404	162621	135030									1,354
7837	Total	783,896	705,115	849,167	659,236	-	-	-	-	-	-	-	-	6,881

Comparative Water Sales YTD from Prior Years



USAGE BY CUSTOMER CLASS FY 18-19



Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2018-2019

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	34,636	47,313	45,335	28,095	29,248								424
403	AG	129,354	148,627	153,218	110,320	92,460								1,455
231	CM	51,490	67,258	66,119	36,287	24,310								564
30	CN	3,982	4,388	4,078	2,521	3,115								42
24	IS	4,964	3,824	3,852	3,447	2,161								42
88	MF	11,653	12,856	13,798	11,513	11,816								141
326	SC	165,088	203,887	203,899	134,052	132,762								1,928
1034	SD	228,710	263,815	273,401	189,659	170,318								2,585
5122	SF	168,864	192,438	208,014	146,935	144,613								1,976
7849	Total	798,741	944,406	971,714	662,829	610,803	-	-	-	-	-	-	-	9,156

FISCAL YEAR 2017-2018

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	33,310	29,712	36,164	31,255	32,514								374
403	AG	144,066	131,474	145,280	120,785	126,036								1,533
231	CM	33,715	42,488	33,812	26,189	24,168								368
30	CN	2,447	3,983	8,073	10,623	18,605								100
24	IS	2,320	2,440	2,793	2,488	2,335								28
88	MF	11,472	10,002	13,072	10,304	11,489								129
326	SC	179,822	156,120	202,103	148,336	176,307								1,980
1034	SD	244,799	223,157	271,457	222,398	243,725								2,768
5122	SF	174,946	165,760	194,809	155,004	162,664								1,959
7849	Total	826,897	765,136	907,563	727,382	797,843	-	-	-	-	-	-	-	9,240

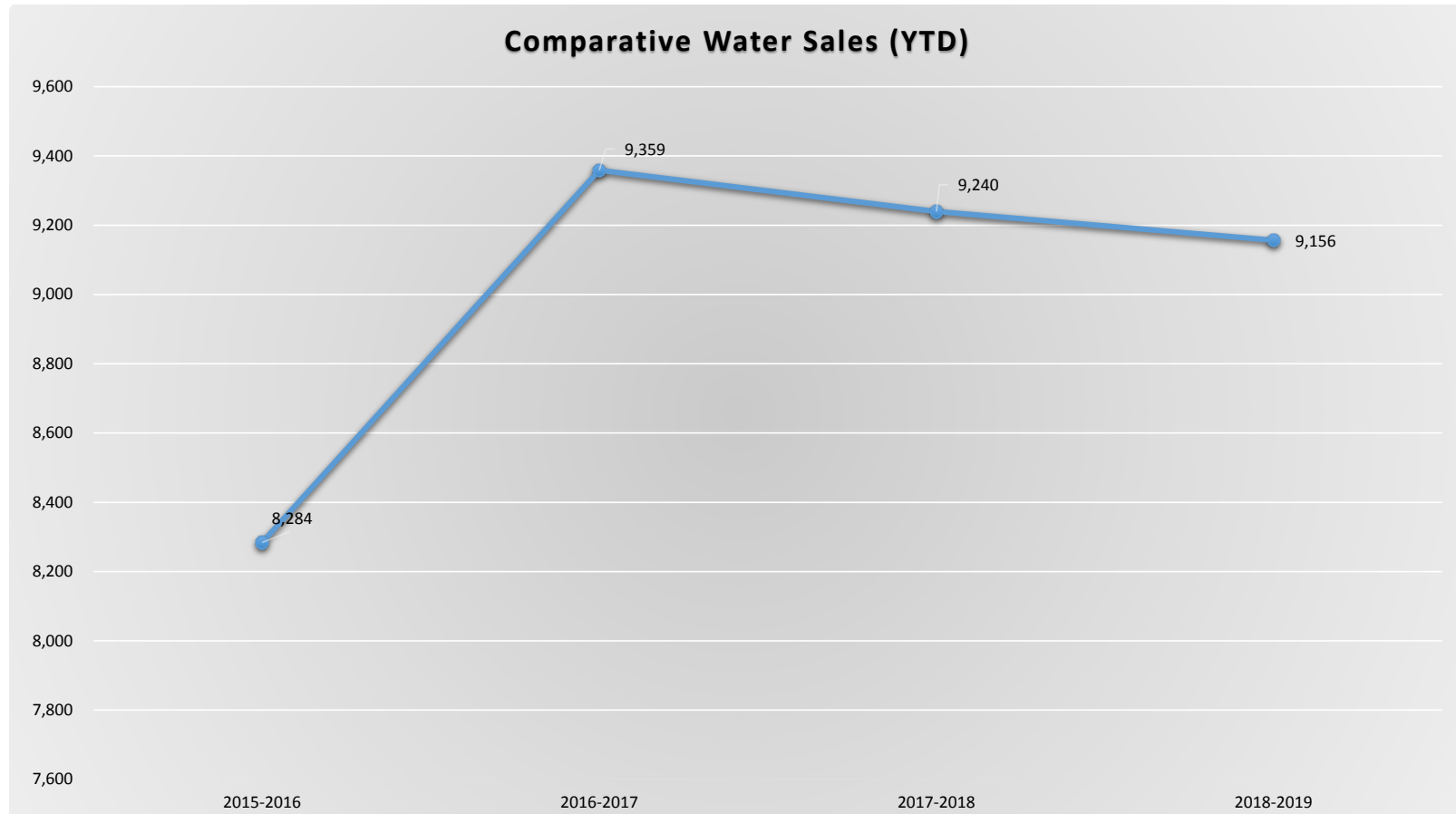
FISCAL YEAR 2016-2017

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	36,216	34134	39119	28217	22903								369
403	AG	156,957	152359	172040	132882	104544								1,650
231	CM	47,830	45043	43040	26707	20970								421
30	CN	4,900	4950	7309	11456	7427								83
24	IS	3,806	3701	3980	3061	2446								39
88	MF	11,307	11657	13746	10597	8876								129
326	SC	183,744	166212	206354	150910	121456								1,902
1034	SD	279,246	253718	298226	222243	181674								2,835
5122	SF	187,516	175736	202555	154361	120520								1,930
7849	Total	911,522	847,510	986,369	740,434	590,816	-	-	-	-	-	-	-	9,359

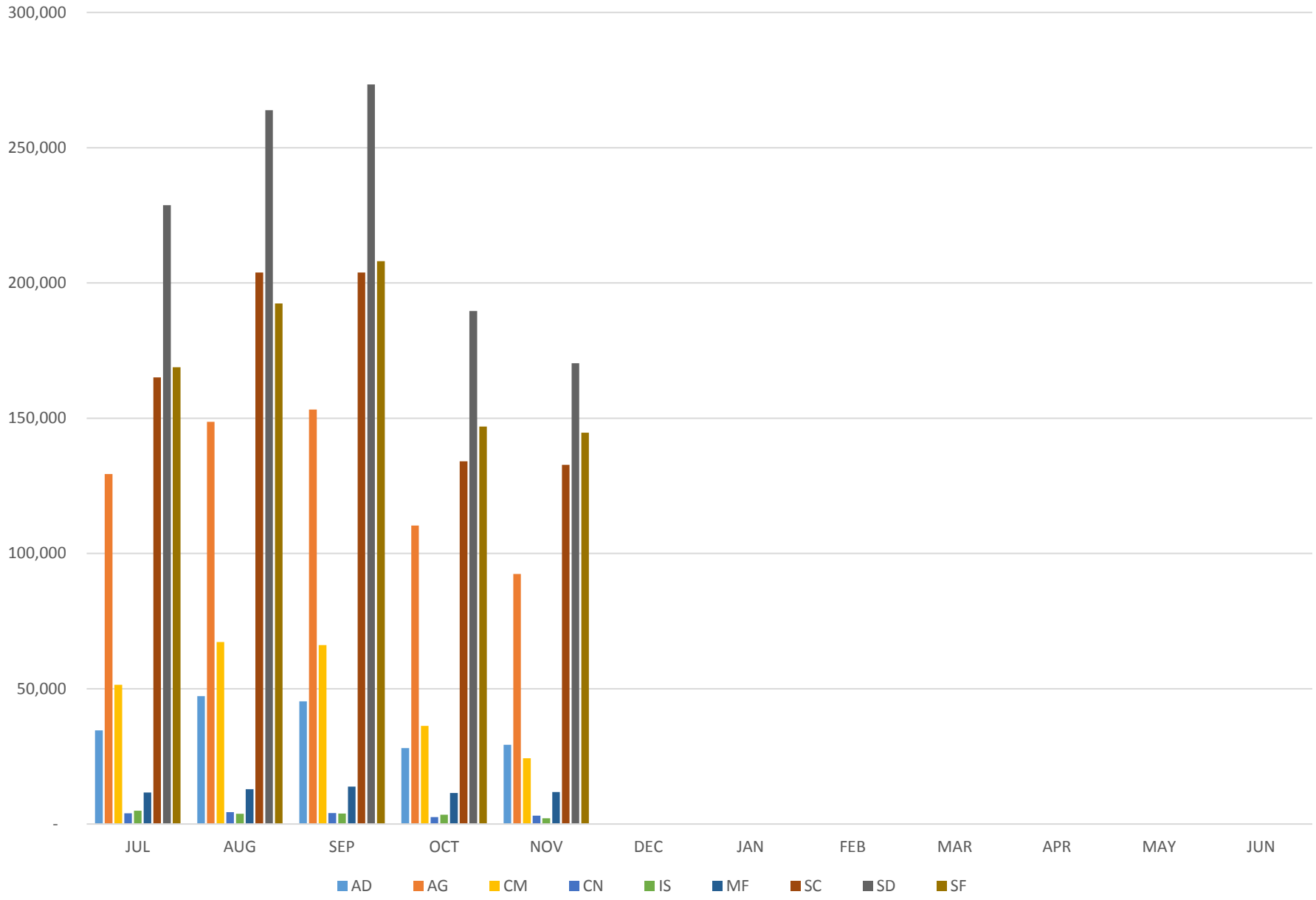
FISCAL YEAR 2015-2016

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
601	AD	29,891	26212	33050	25166	24907								320
404	AG	143,174	124130	153414	124219	109795								1,503
6	C	4,342	0	0	0	0								10
221	CM	28,620	33259	34668	28374	14569								320
37	CN	6,680	7040	5931	3994	5788								68
24	IS	2,773	2779	2486	3073	3299								33
88	MF	11,351	10279	10887	9952	9664								120
326	SC	162,756	144892	188145	132002	133998								1,749
1038	SD	245,736	213120	257965	197426	188412								2,531
5092	SF	148,573	143404	162621	135030	120706								1,631
7837	Total	783,896	705,115	849,167	659,236	611,138	-	-	-	-	-	-	-	8,284

Comparative Water Sales YTD from Prior Years



USAGE BY CUSTOMER CLASS FY 18-19





**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
NOVEMBER / DECEMBER 2018**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333.33
Less 5% Contractual Allowance	416.67
EDUs Set Aside by Board for Emergencies	60.00
EDUs Connected	4,631.52 *
EDUs Unconnected/Committed	365.93
Total EDUs Available for Purchase:	2,859.22

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES PAID
Golf Green Estates (Dev. Solutions) - 102.46	51.16	\$ 1,053,042
Horse Creek Ridge (DR Horton/RAH) - 754	96.70	\$ -
Passarelle (HRC Commercial) - 96.57	96.57	\$ -
Polo Club (Vista Valley Dev.) - 165 Lots	59.85	\$ 1,022,775 **
Pala Mesa Highlands (Beazer Homes) - 159.3	47.25	\$ 671,686 ***
Others (5 or less)	14.40	\$ 221,107
TOTAL UNCONNECTED:	365.93	\$ 2,968,610

*There is a delay between connections and new account activations.

**Deferred total payment until building permits are issued.

***PMH paid funds to cover the initial 50%(79.65 EDUs/\$1,125,127) of sewer installment.

