




5. SEATING OF ALTERNATES
6. ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
7. PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)
- \*8. APPROVAL OF MINUTES
  - A. May 10, 2022
9. GENERAL MANAGER COMMENTS
10. FINANCE MANAGER COMMENTS
11. COMMITTEE MEMBER COMMENTS
- \*12. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 22-14 APPROVING FISCAL YEAR 2022-2023 OPERATING & CAPITAL IMPROVEMENT BUDGET
- \*13. STATEMENT OF AUDITING STANDARDS (SAS) 114 PLANNING LETTER
- \*14. DISCUSSION AND POSSIBLE ACTION FOR A VARIANCE REQUEST FROM CUSTOMER (AVALOS) FOR THE DIFFERENCE IN ACCOUNT CLASS RATES FROM JUNE 2021 TO APRIL 2022 (Division 1)
15. REVIEW OF THE MONTHLY BOARD FINANCE PACKET
16. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED BUDGET AND FINANCE COMMITTEE MEETING
17. ADJOURNMENT

**ATTEST TO POSTING:**

  
\_\_\_\_\_  
Pam Moss  
Secretary of the Board

6-9-22 @ 12:45 p.m.  
\_\_\_\_\_  
Date and Time of Posting  
Outside Display Cases

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING  
OF THE RAINBOW MUNICIPAL WATER DISTRICT  
MAY 10, 2022**

**1. CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on May 10, 2022 by Chairperson Nelson in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:01 p.m. *(All meetings are being held with in-person attendance following County and State COVID guidelines as well as virtually.)* Chairperson Nelson presiding.

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL:**

**Present:** Member Nelson, Member Hensley, Member Stewart *(arrived at 1:06 p.m.)*, Alternate Williams *(via video conference)*.

**Also Present:** General Manager Kennedy, Executive Assistant Washburn, Finance Manager Largent, Senior Accountant Rubio, Information Systems Specialist Espino.

**Absent:** Member Johnson

**Also Present Via Teleconference or Video Conference:**

Human Resources Manager Harp, Grant Specialist Kim.

One member of the public was present in person, via teleconference or video teleconference.

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

Mr. Nelson read aloud the instructions for those attending the meeting via teleconference or video conference.

**5. SEATING OF ALTERNATES**

Mr. Williams was seated as an alternate.

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

There were no amendments to the agenda.

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

There were no comments.

**\*8. APPROVAL OF MINUTES**  
**A. April 12, 2022**

**Motion:**

**To accept the minutes as written.**

**Action: Approve, Moved by Member Hensley, Seconded by Alternate Williams.**

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

**Ayes: Member Hensley, Member Nelson, Alternate Williams.**

**Absent: Member Johnson**

**9. GENERAL MANAGER COMMENTS**

Mr. Kennedy reported the ACWA/JPIA Board of Directors voted to approve RMWD rejoining the organization for property and liability insurance. He mentioned approximately fifteen years ago, ACWA/JPIA had voted to have RMWD removed due to claims, board instability, and management issues; thus, it was nice to have them to welcome RMWD back. He pointed out although ACWA/JPIA has provided RMWD with a price quote that would save RMWD approximately \$250,000, Ms. Harp is currently working with a contracted insurance broker to receive quotes from other insurance markets. He stated staff will provide the Board with an update as more details develop.

**Member Stewart joined the meeting at 1:06 p.m.**

Mr. Stewart stated while attending the 2022 ACWA Spring Conference there was a great deal of talk about ACWA/JPIA being extremely pleased to learn how much progress RMWD has made after their team visited and inspected the District. He noted ACWA/JPIA also mentioned their team also found RMWD to be one of the better managed districts they had visited recently.

Mr. Nelson inquired about the broader insurance opportunities the broker attained by RMWD was researching. Ms. Harp explained RMWD has a broker shopping the wider marketplace as an alternative to see if the broader insurance marketplace has competitive rates compared to joining a pool like ACWA/JPIA. She noted one of the features of joining the JPIA is that they bill retrospectively and how they provide RMWD with an estimate of what they think the premium would be for the previous year which would most likely save RMWD \$200,000. She pointed out RMWD has not received quotes for cyber liability and employee dishonesty lines because those are quoted separately. She stated RMWD will not know an exact premium amount because they do bill retrospectively, but they do provide a general idea of what the amount will be. She concluded with noting staff hoped to have multiple options to present to the Board for consideration.

Mr. Kennedy mentioned staff was in the process of wrapping up the details related to the Water Services Upgrade Project (WSUP) program and will report back to the committee. Discussions ensued.

Mr. Kennedy announced there are tickets available for the Bonsall Rotary Wine, Brews, and Blues Festival should anyone be interested in attending.

**10. FINANCE MANAGER COMMENTS**

Ms. Largent apologized for the light agenda packet due to competing priorities and schedule conflicts. She stated before the next committee meeting, the members will receive a copy of the budget assumption presentation with the packet. She also reported Grant Specialist Kim has found an opportunity through the WaterSmart Drought Resiliency Grant for RMWD to receive approximately \$650,000 which is one-half the budget for the Weese Interconnect Pump Station that is part of the Wholesale Water Efficiency Projects. She clarified Ms. Kim will be applying for the grant, researching leads, and working with the engineering department.

Mr. Williams pointed out how impressive as to how Ms. Kim is able to pull things together from her past experience and picking up very quickly.

Mr. Nelson asked if the grant pool was very competitive with many applicants. Mr. Kennedy stated these grants are generally competitive, but there is a great deal of money available with not many disqualifications.

**11. COMMITTEE MEMBER COMMENTS**

Mr. Stewart noted the ACWA Conference was interesting and how RMWD was a bit of the center of attention mostly for good. He stated he talked to a number of managers and board members from San Diego who support and understand the detachment efforts. He concluded with pointing out how important it was to have an opportunity to spend more quality time and getting to know Ms. Largent and the fellow board members better while attending the event. Mr. Hensley appreciated Mr. Stewart's comments.

**12. BUDGET PREVIEW**

Ms. Largent shared a presentation as she reviewed the information it contained related to revenue-water demand assumptions noting reductions may need to be made based on restrictions coming from the State. She mentioned the staffing analysis changes, fuel increases, and reestablishment of training and travel have been added as well as noted the rate increases approved in August 2021 enable a stepped approach to get to minimum reserve levels by FY2026.

Mr. Nelson inquired as to the numbers presented in the Water Sales Comparison and whether these were gross revenues. Ms. Largent added these were only RMWD rates, not SDCWA's pass-through charges.

Discussion ensued regarding the estimated rate increases based on two different supplier scenarios.

Ms. Largent reviewed the operating capital items noting five trucks and one A/C recycler machines will be replaced. She mentioned she has worked with Operations to do a vehicle replacement plan to smooth out the rate of vehicle replacement taking into considering changes in State regulations related to vehicle requirements.

Mr. Kennedy asked why the Moosa Line and Valves were made a part of operating capital item as opposed to CIP. Ms. Largent agreed this should be moved to the CIP. Discussion followed.

***DRAFT***

***DRAFT***

***DRAFT***

Ms. Largent reviewed the Net Operating Income report noting the numbers were very preliminary. She explained some of the increases presented in the General Operating Net report. Mr. Nelson inquired about the increase to risk management and whether the savings in liability insurance costs had been included. Ms. Largent reiterated the numbers being presented are very preliminary and how an updated version reflecting those savings will be presented to the members prior to the next committee meeting.

Ms. Largent noted the Water Operating Net report will be updated significantly once the remaining information is gathered. Mr. Nelson asked for clarification on some of the numbers presented.

Ms. Largent reviewed the Wastewater Operating Net figures. Discussion ensued.

Ms. Largent noted there were no significant changes to the Capital Budget Assumptions as well as reviewed the information contained in the Operating and Debt Service Fund Balances, Water Capital Fund 60 Projected Balance, Wholesale Water Efficiency Fund 62 Capital Project Budget, Wastewater Fund 52 & 53 Projected Fund Balance reports, respectively.

Mr. Nelson asked if there was a reason for making a transfer from Operations Reserves. Ms. Largent stated a transfer is required due to the Administrative Code policy as well as industry standards best practices is to keep one year average of the CIP plan in the capital fund balance as a minimum, but ideally it is two years. Discussions followed.

Ms. Largent stressed the transfer from operating reserves was 100% contingent on the rate increases discussed. She also pointed out although the Wastewater Capital Fund will go very low in Years 1 and 2, it will not go negative due to having pooled cash; however, with the commitment of the LS1 project it was necessary to push out some wastewater capital projects.

Mr. Hensley asked whether RMWD has considered providing for compensation rate increases with everything circulating right now with people asking for such. Ms. Largent explained per the MOU's the compensation ranges will adjust for CPI, but the actual CPI per position is capped. Mr. Kennedy added to make sure all RMWD job positions are competitive in the marketplace, the ranges will increase, but Cost of Living Adjustments have already been determined.

It was noted Ms. Largent will provide this presentation and Ms. Harp an in-depth staff analysis presentation at the next Board meeting.

Mr. Nelson inquired as to whether staff would like to hold a joint Board and committee meeting on June 28<sup>th</sup>. Ms. Largent stated since this information has been brought to this committee on several occasions, she would prefer having the committee's full input at the June committee meeting and full support of what will be brought to the Board for consideration in June. Discussion ensued.

### **13. REVIEW OF THE MONTHLY BOARD FINANCE PACKET**

Ms. Rubio reported not much to update for this month noting RMWD was still at 93% water purchases compared to last year. She stated she still shows RMWD as predicted to end the year at 14,800 acre feet.

Ms. Largent pointed out the revenues and expenses charts have been included in the packet per Director Hamilton's request.

Mr. Nelson asked if this information provided in Attachment A was valid through March 2022. Ms. Rubio confirmed this was correct.

***DRAFT***

***DRAFT***

***DRAFT***

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

It was noted a budget review including a CIP overview presentation needs to be on the next committee agenda.

**15. ADJOURNMENT**

***The meeting was adjourned by Chairperson Nelson.***

The meeting adjourned at 2:07 p.m.

---

**Flint Nelson, Committee Chairperson**

---

**Dawn M. Washburn, Board Secretary**





---

**BOARD OF DIRECTORS**

June 28, 2022

---

**SUBJECT**

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

**BACKGROUND**

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

**DESCRIPTION**

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

**Attachments:**

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

**POLICY/STRATEGIC PLAN KEY FOCUS AREA**

Strategic Focus Area Four: Fiscal Responsibility

**ENVIRONMENTAL**

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

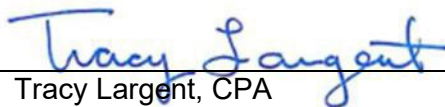
**BOARD OPTIONS/FISCAL IMPACTS**

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

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

**STAFF RECOMMENDATION**

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

  
Tracy Largent, CPA  
Finance Manager

June 28, 2022



**RESOLUTION NO. 22-14**

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

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

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

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

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

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

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

6. This Resolution will be effective immediately upon adoption.

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

---

Hayden Hamilton, Board President

---

Dawn M. Washburn, Board Secretary

# STAFFING ANALYSIS

## 2022 Update and Projections

Presented by Karleen Harp

Human Resources Manager

May 24, 2022 Regular Board Meeting

# Staffing Analysis Overview



## Past

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



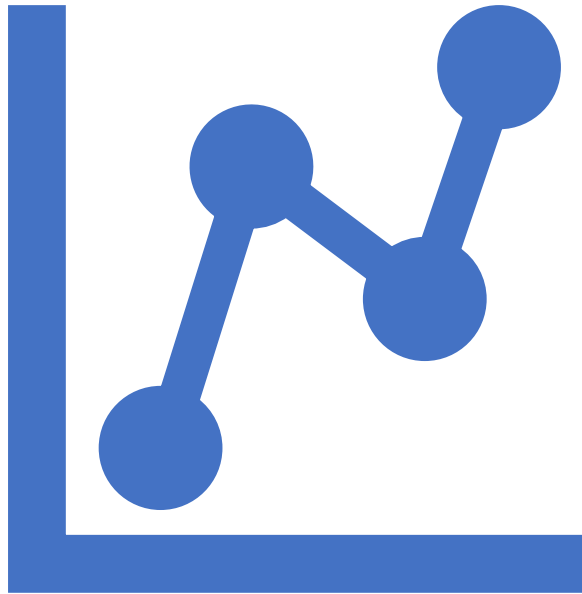
## Present

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



## Future

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



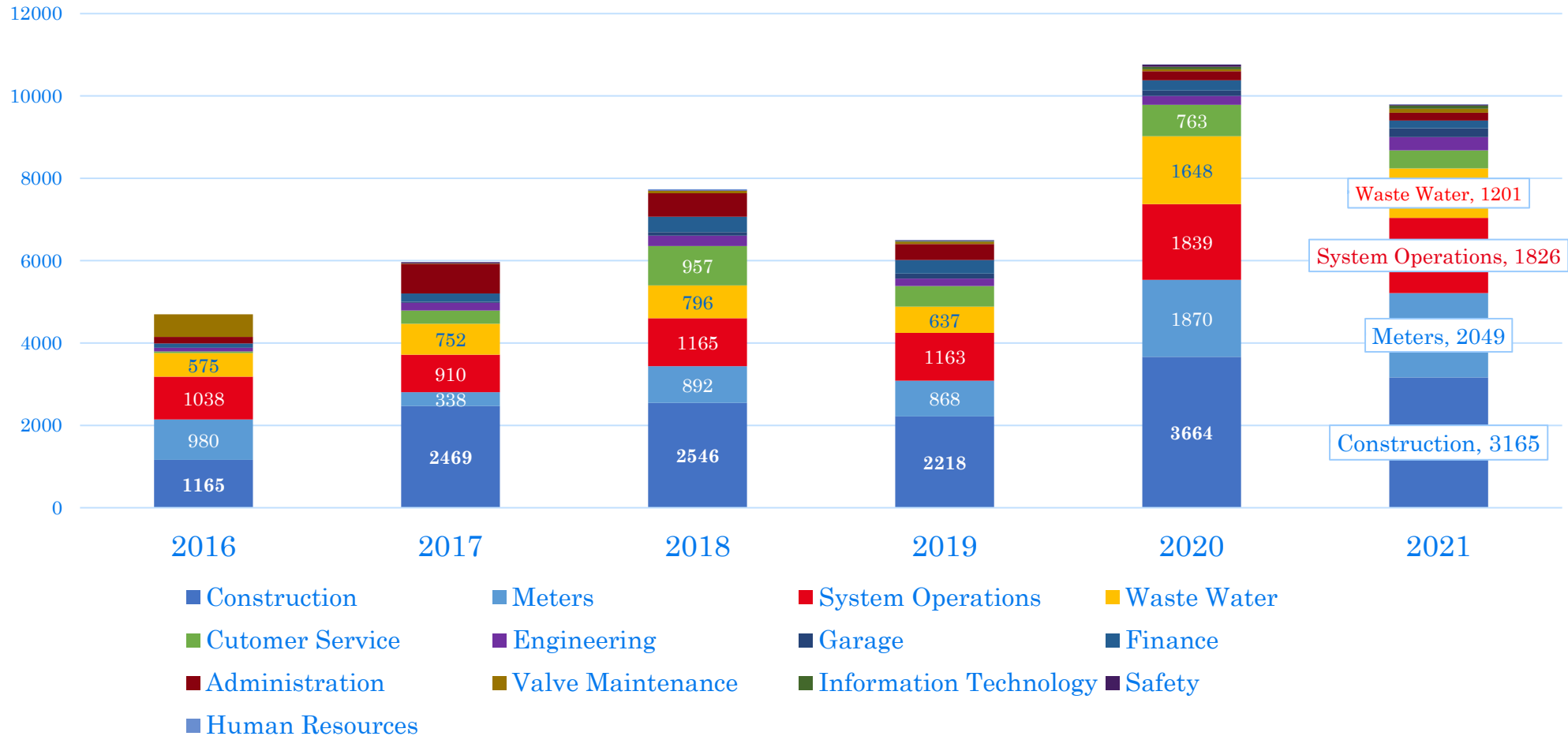
# Past

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

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



Total Overtime by Department

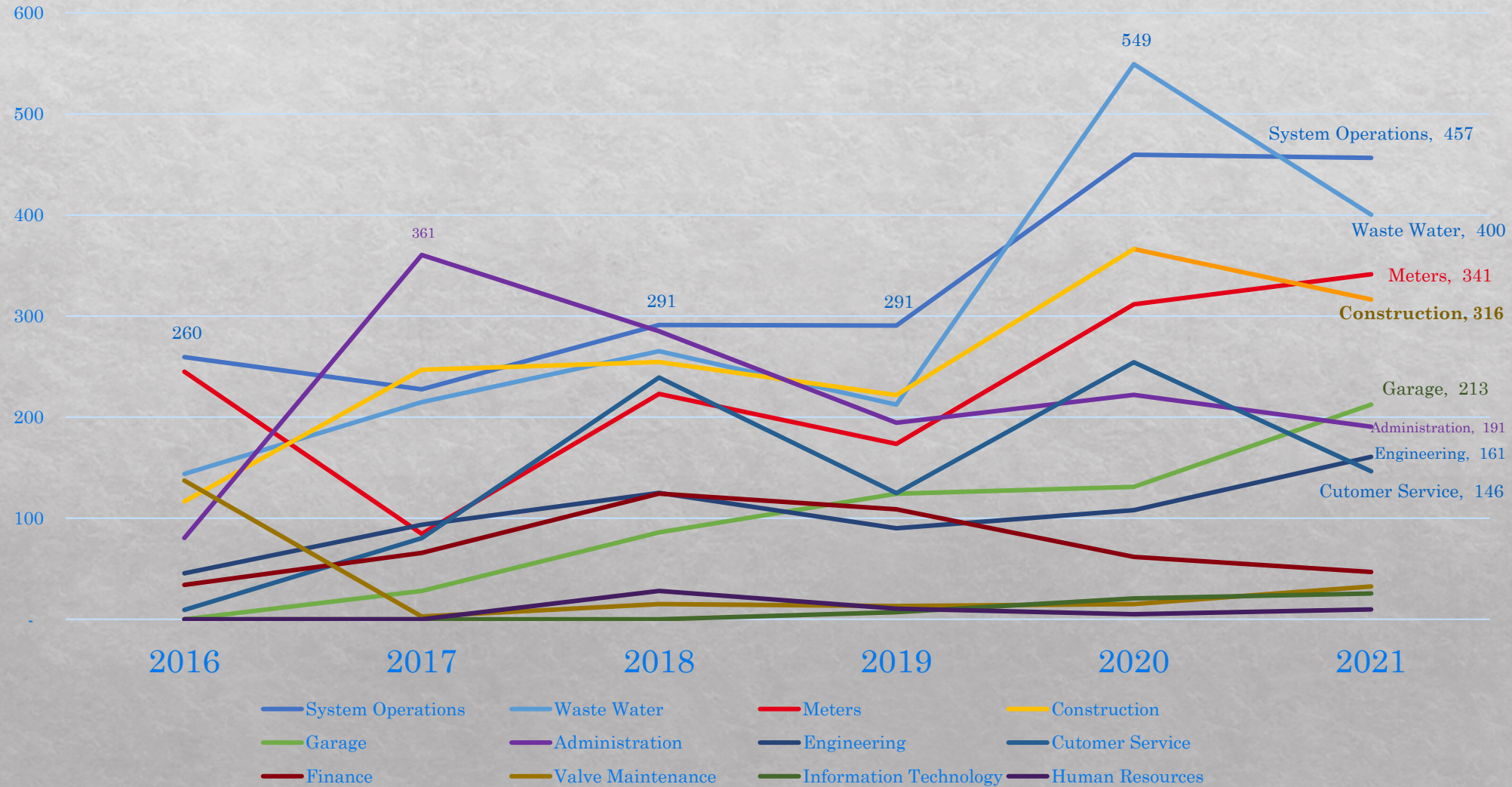




# Average Overtime per Employee by Department

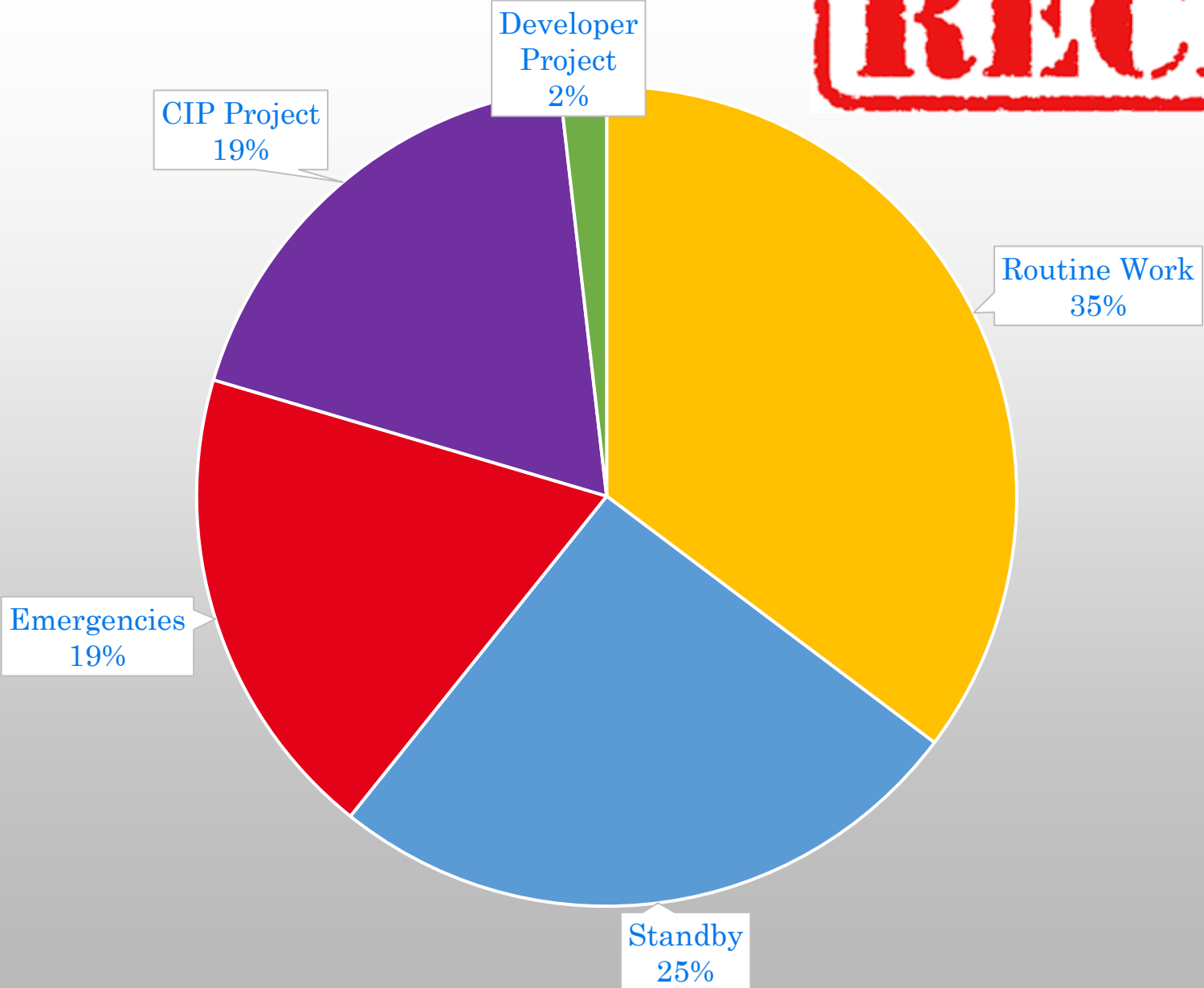


Average OT per Hourly Employee

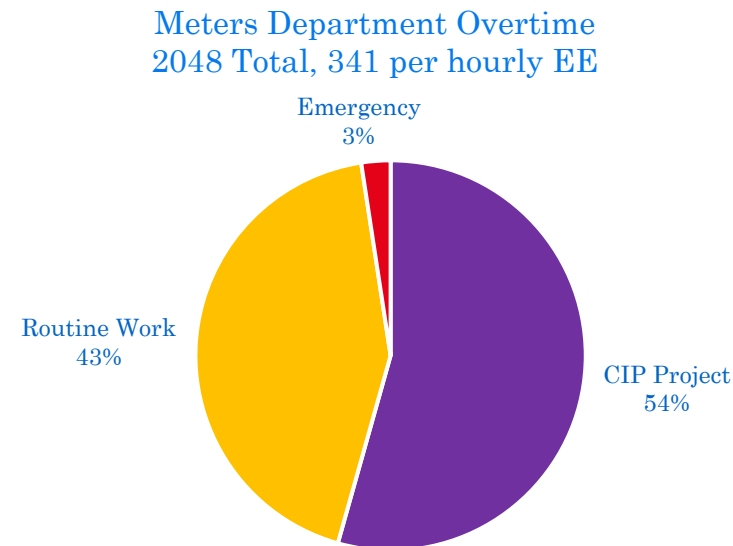
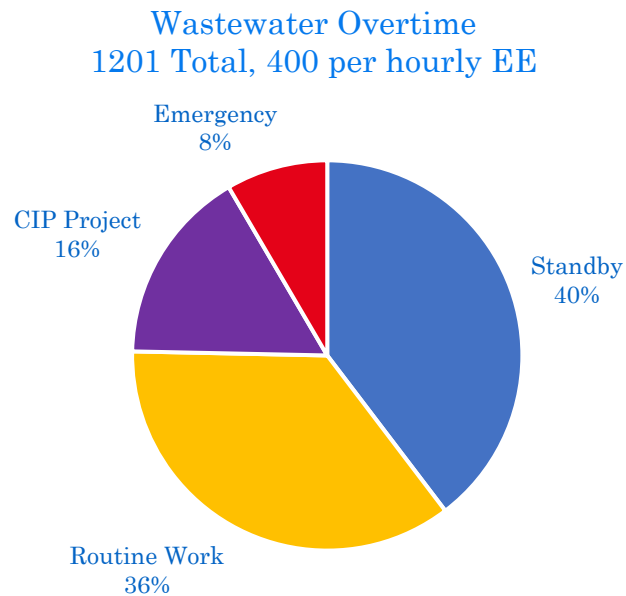
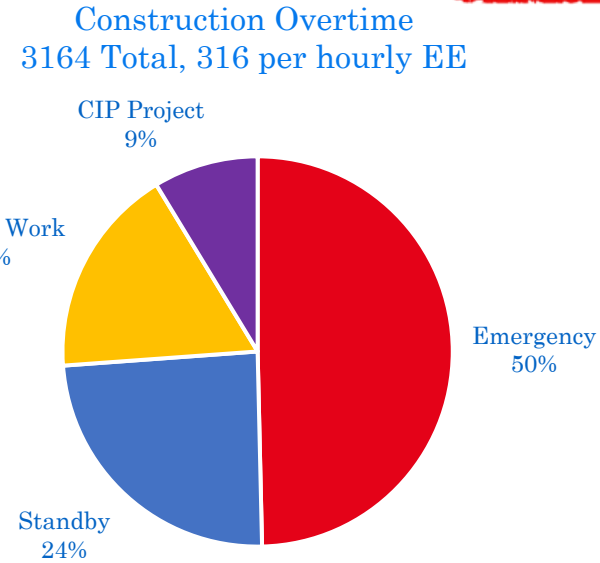
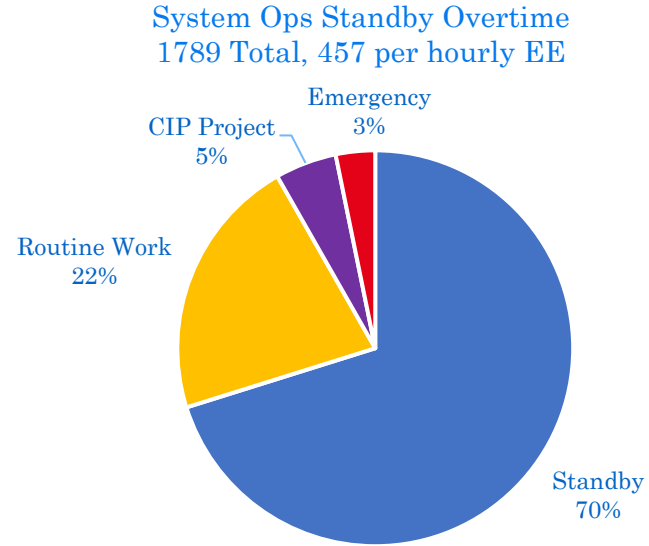


**RECAP**

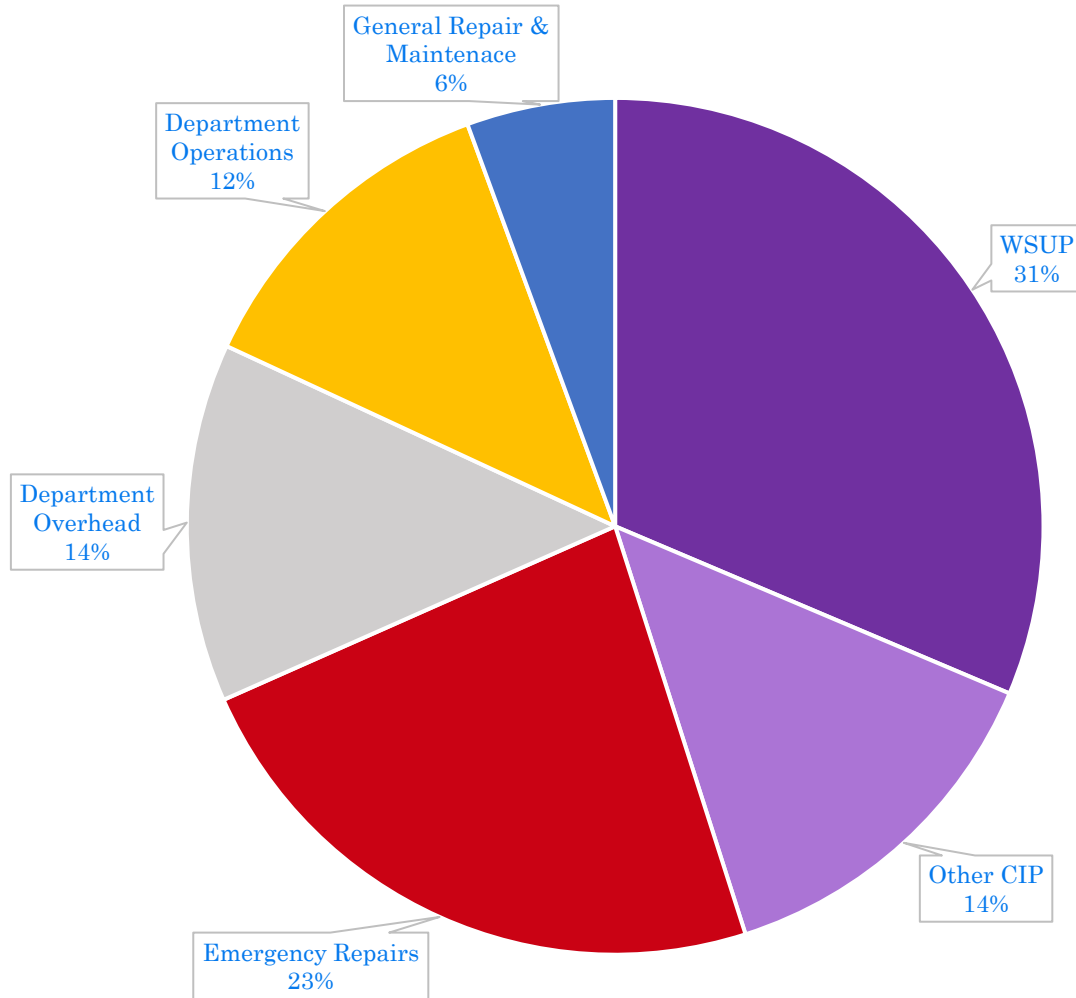
# Primary Sources of Overtime District-Wide in 2021



# Primary Overtime Drivers for Top 4 Departments



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



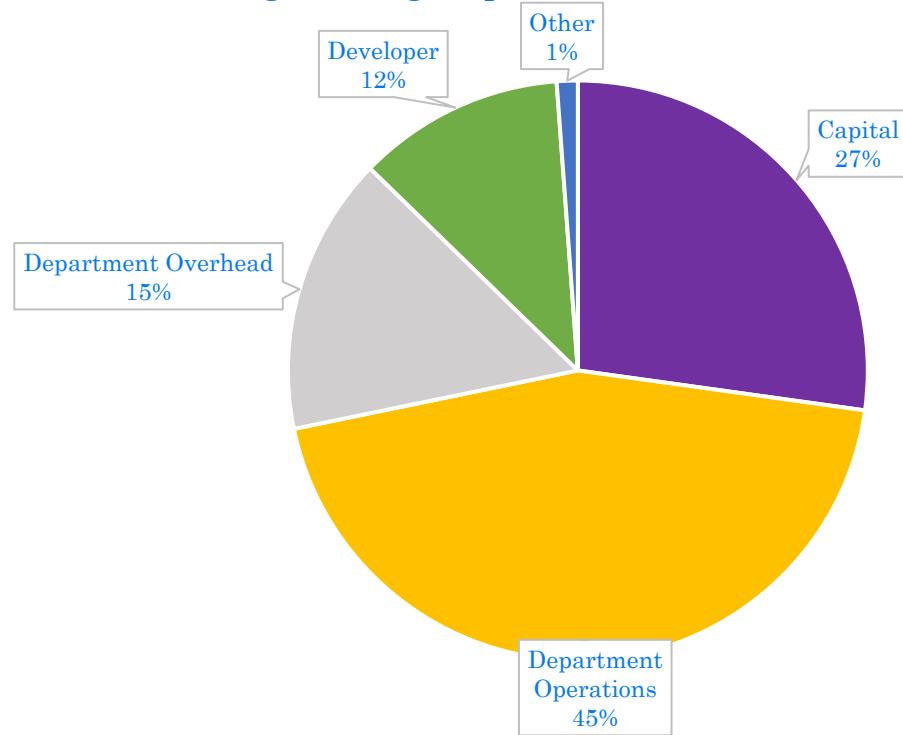
## Construction Time

Total booked =  
26,666 hours =  
13 FTE

Construction  
staff only = 10  
FTE

Borrowed staff  
time = 4,709  
hours = 2 FTE

## Engineering Department Labor Allocation

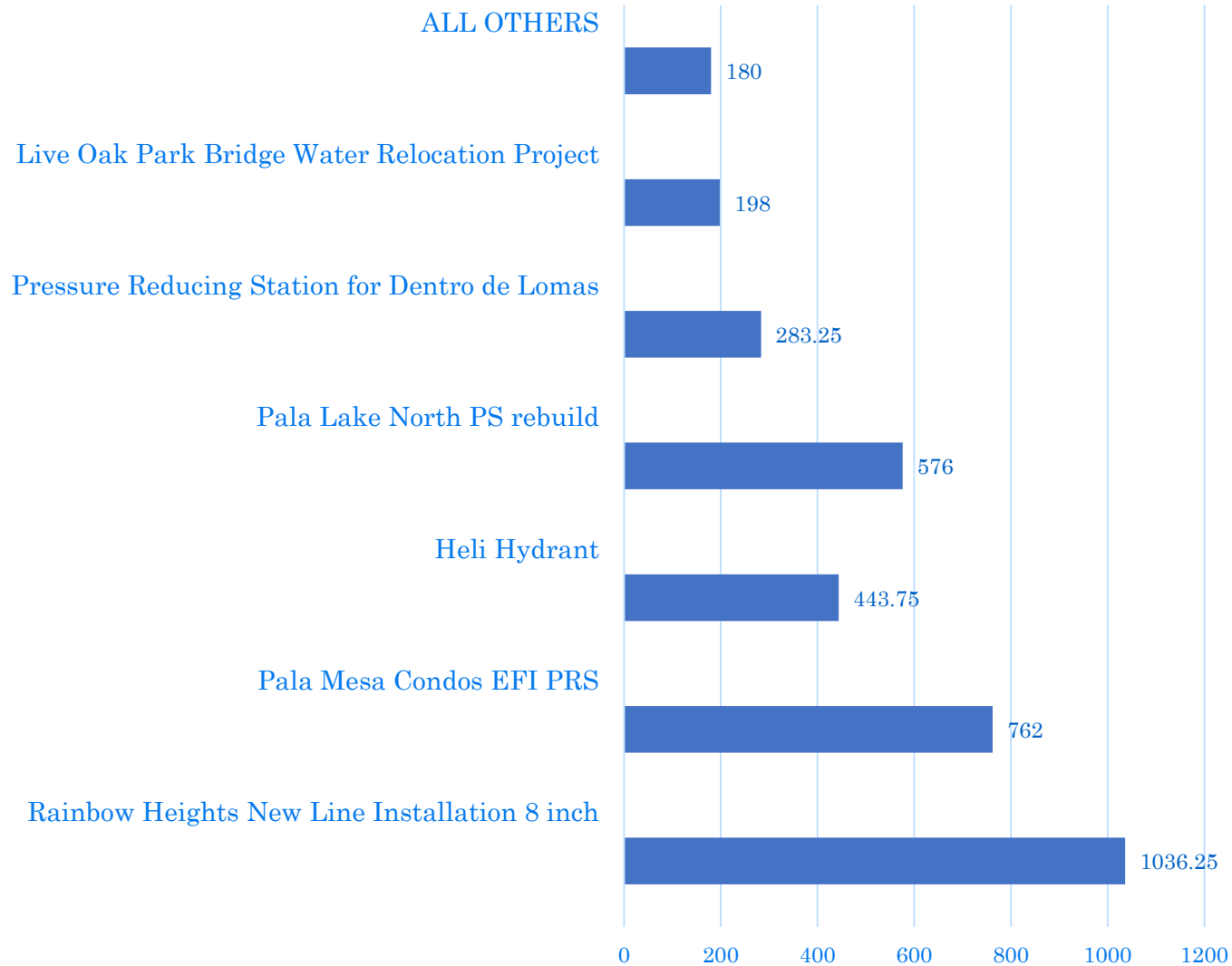


# Engineering Department Time

Total labor allocated = 12,867 hours

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

## CIP Hours from Construction



# CIP Time (other than WSUP)

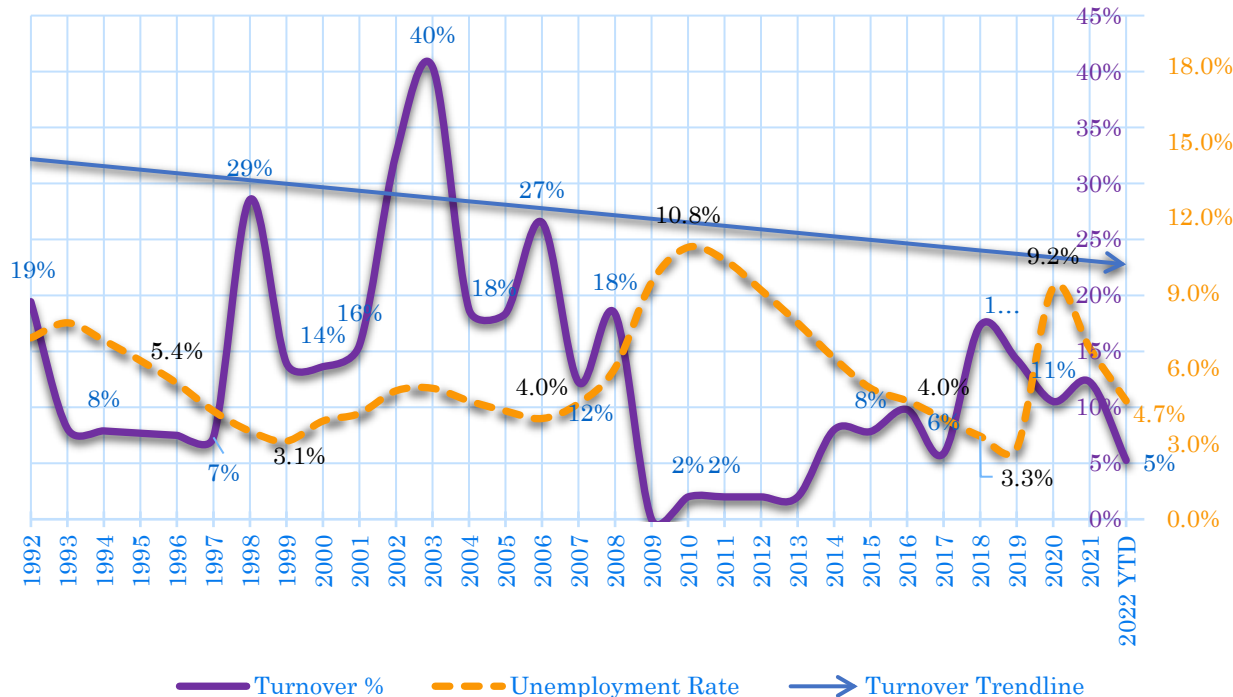
.74 labor  
hours per  
linear ft of  
pipe

670 hours per  
pressure  
station

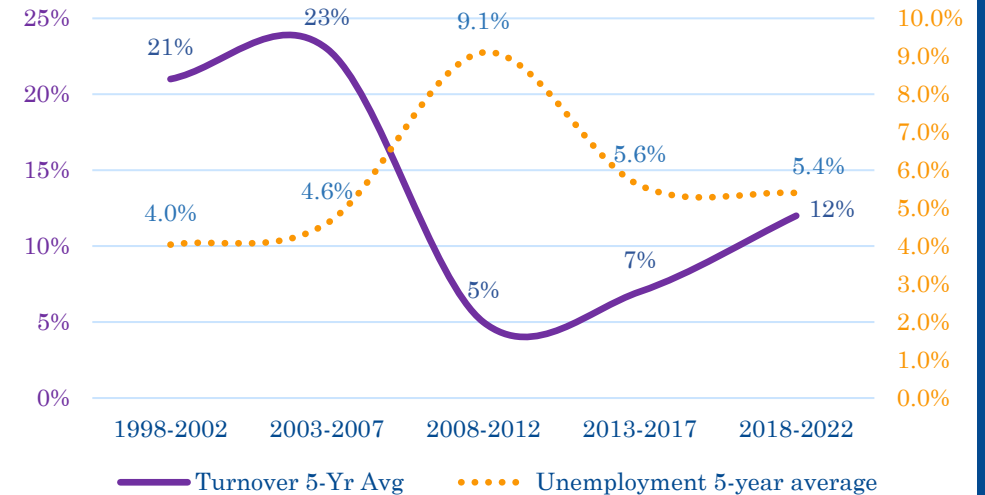
# Historical Turnover and Unemployment Rates

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

Historical Turnover (all reasons)  
with Unemployment Rate



Historical Turnover  
(5-year rates, all reasons)



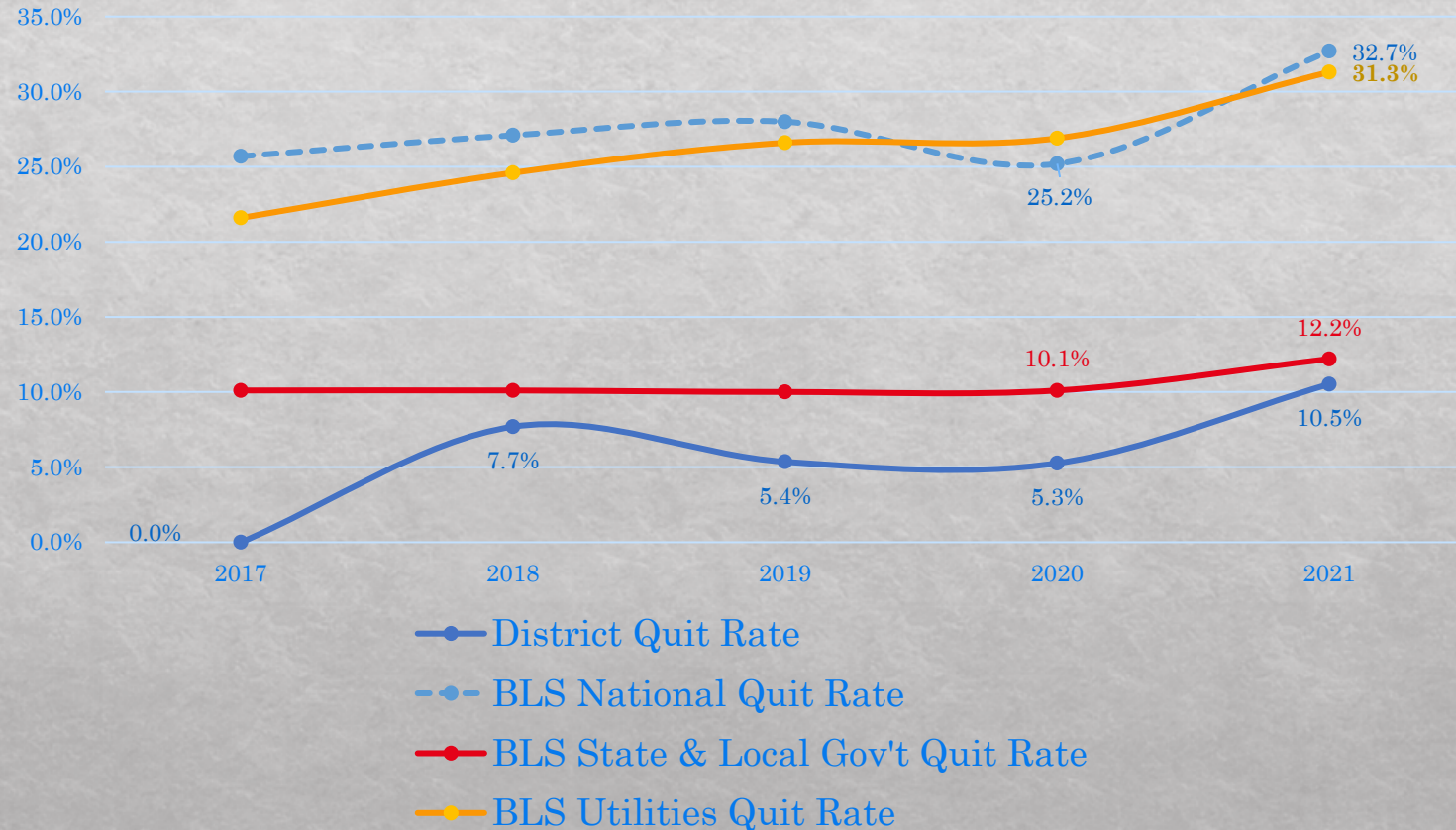
Unemployment rate data source: Bureau of Labor Statistics

# Quit Rates

## DISTRICT DATA

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

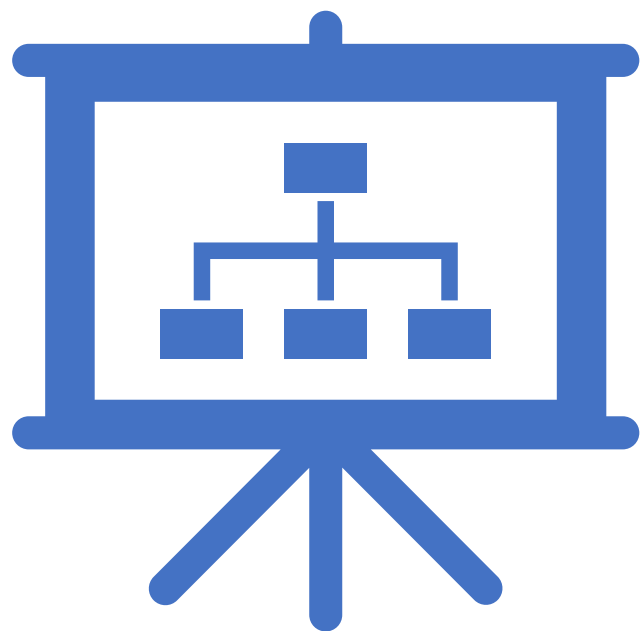
District Quit Rate Compared to National Averages



Source:

[https://www.bls.gov/news.release/archives/jolts\\_03092022.htm](https://www.bls.gov/news.release/archives/jolts_03092022.htm)

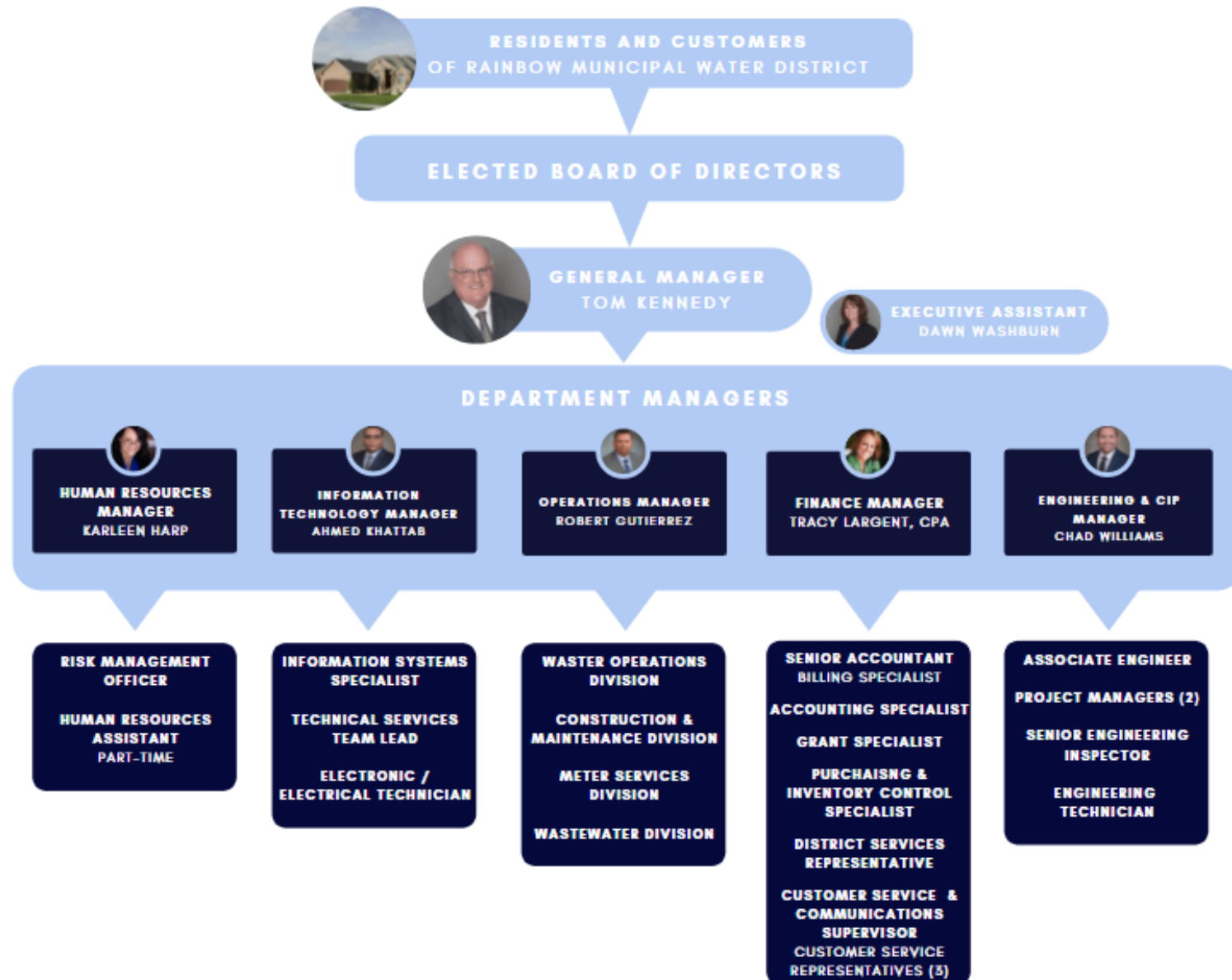




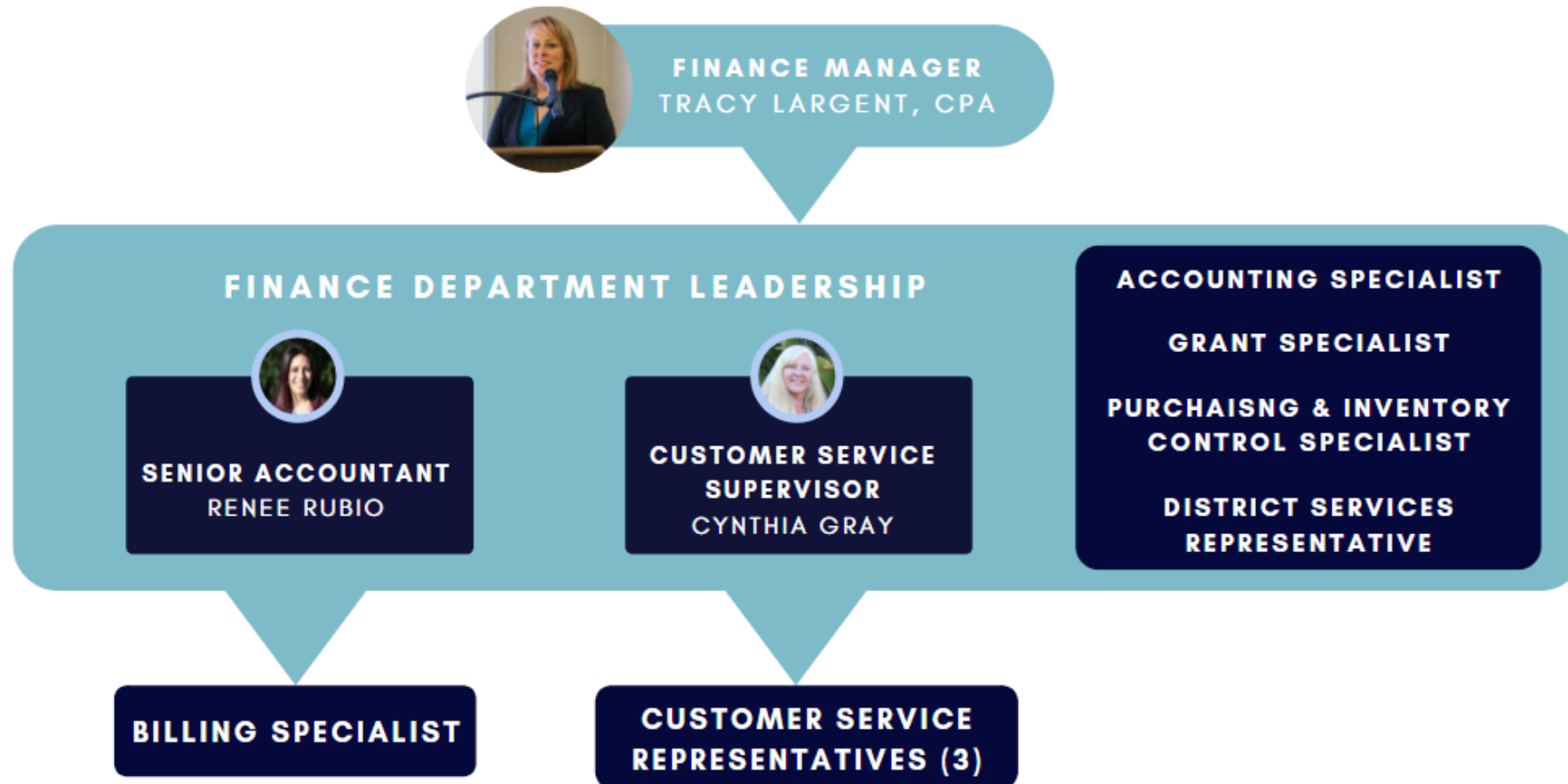
# Present

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

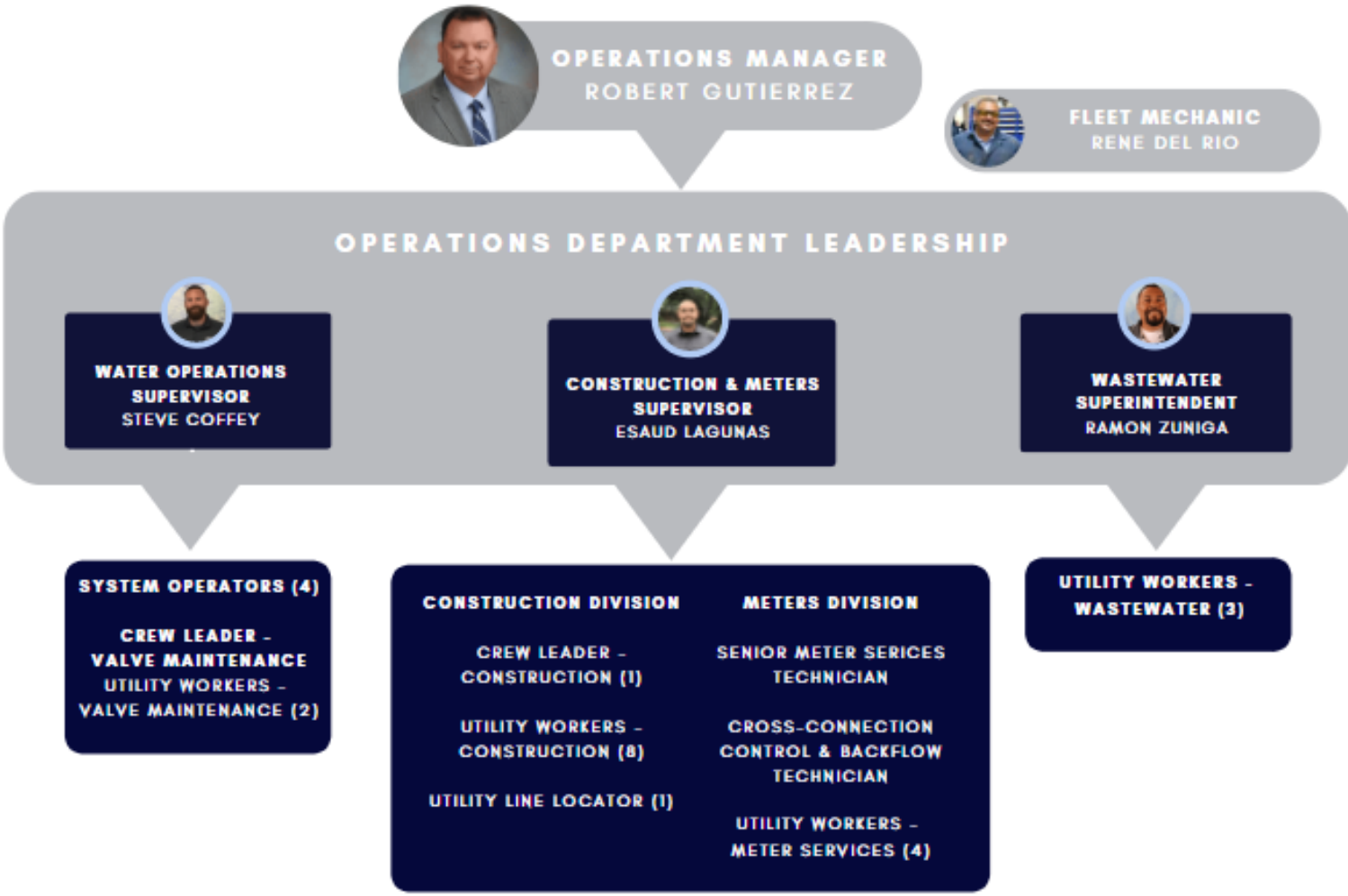
# 2022 Organizational Chart



# 2022 Organization Chart: Finance Group

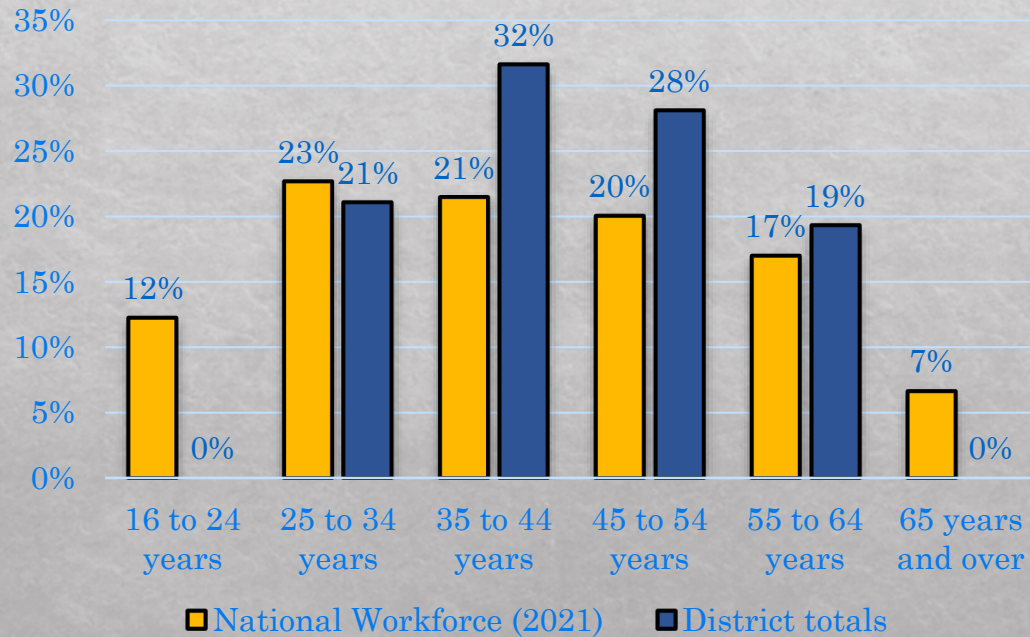


# 2022 Organization Chart: Operations Group

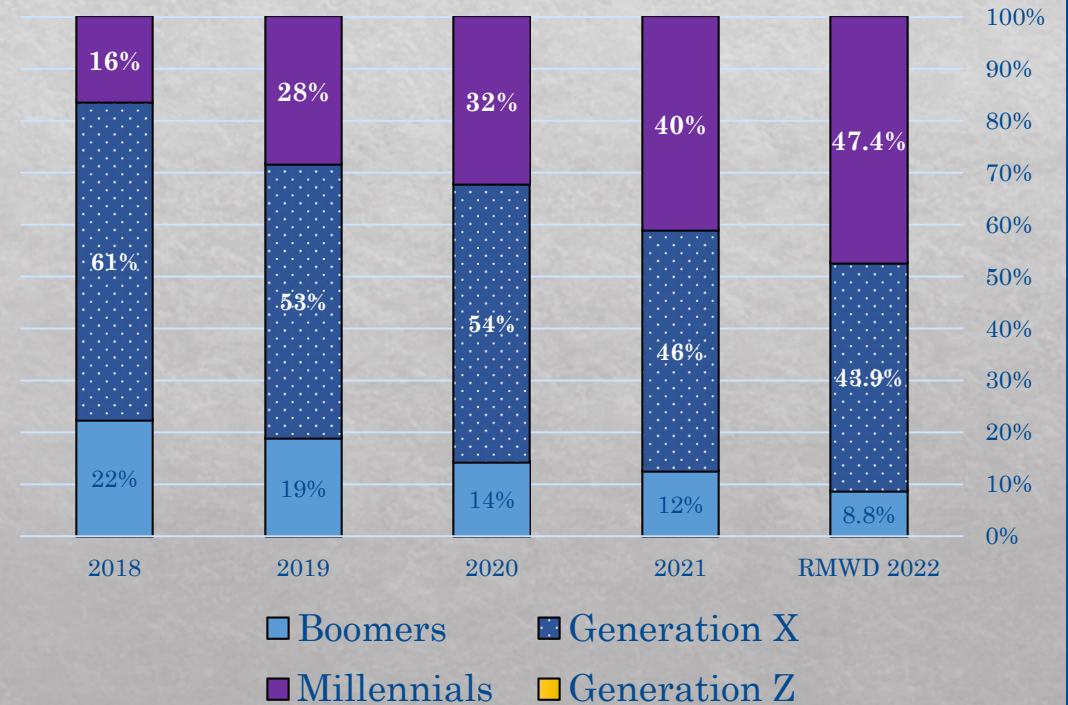


# 2022 Generational Mix of Workforce

## Workforce Generations (matched to BLS data ranges)



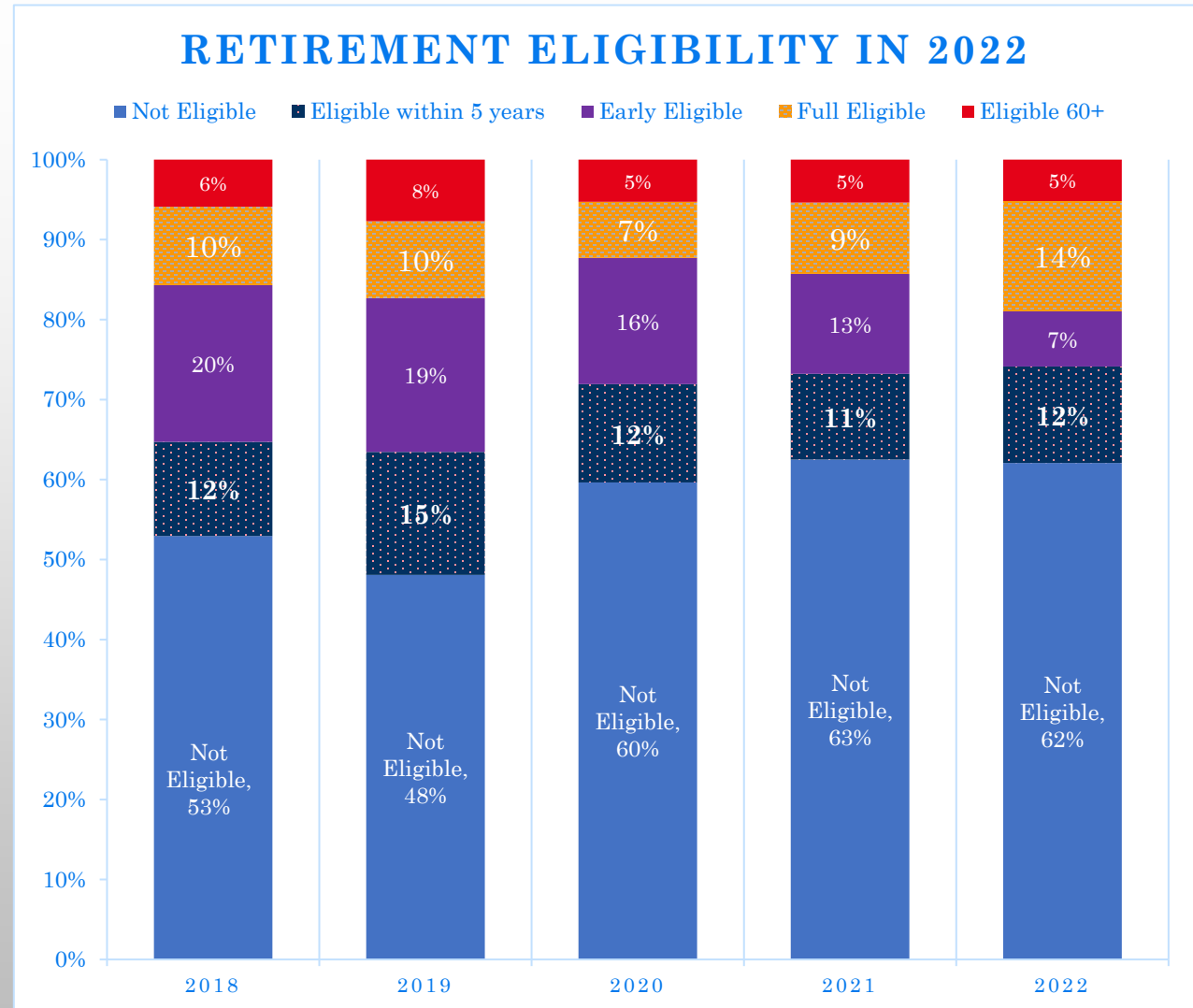
## Generational Demographics



# Retirement Eligibility

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

**RECAP**



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

**RECAP**

# Staffing Continuity Plan: Critical Position Inventory

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

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



# Future

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

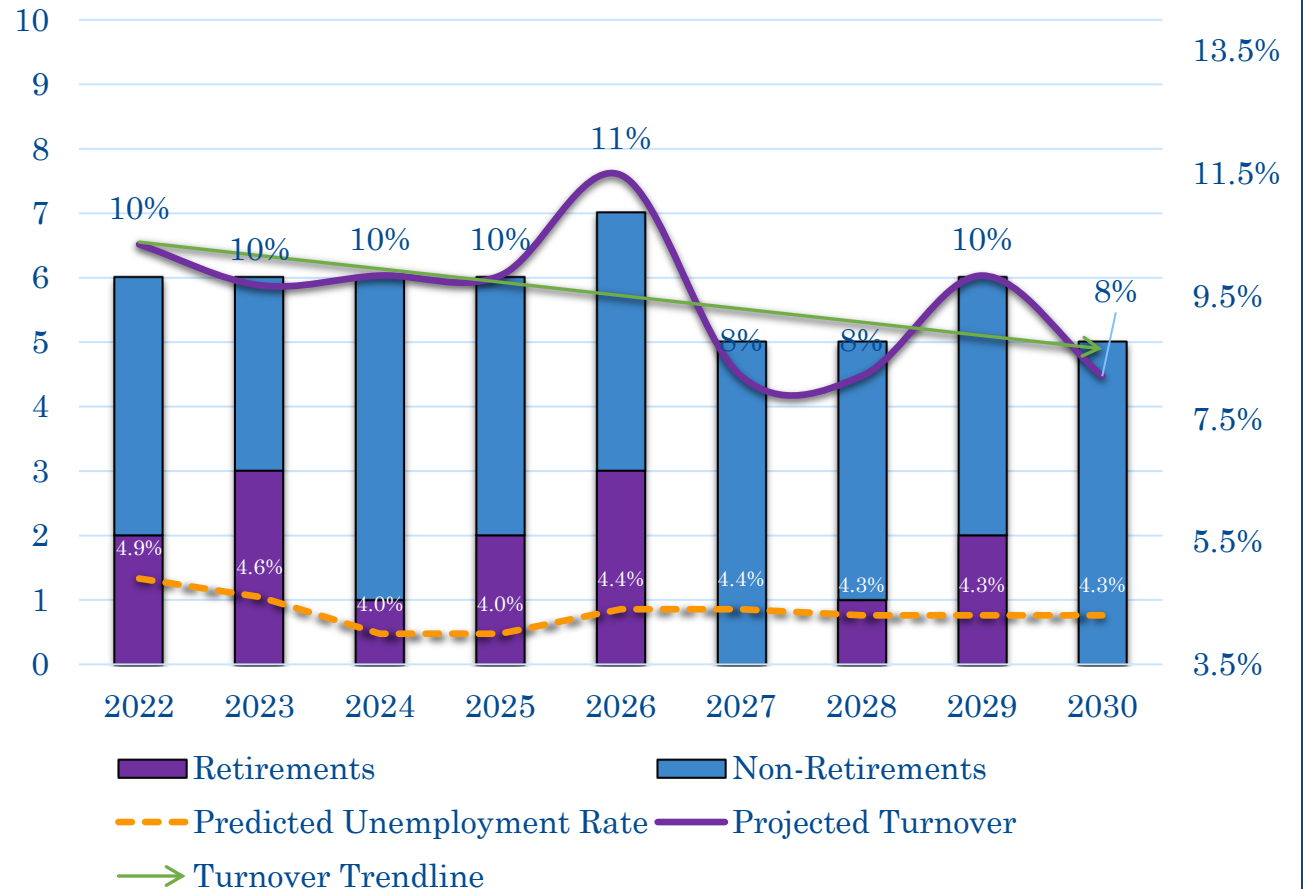


**UPDATE**

# Anticipated Turnover Drivers

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

## Projected Turnover with Unemployment Rate 2022-2030



Sources: <https://www.cbo.gov/publication/57014>

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

# Drivers of Staffing Needs

**RECAP**

**UPDATE**



## High priority positions for knowledge transfer

Engineering Technician  
Technical Services  
(electrician)



## Water Wholesale Efficiency Project

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



## Overtime remains high and is impacting staff

Two consecutive years of higher than typical overtime



## Finance Manager spending more time on external affairs

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



## Part-time HR Assistant is at maximum capacity

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

## Staffing Solutions Recommended



**UPDATE**

### Addition of two Utility Workers in Construction

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

# Construction Needs Analysis

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

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

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

## Staffing Solutions Recommended



### Addition of Analyst position in Engineering

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

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

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

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

# Other Staffing Recommendations

**UPDATE**

TEMPORARY addition of Electrical/Electronics Technician for 1 year overlap

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

Change in Reporting Structure in Finance

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

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

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







Fiscal Year 2022-23

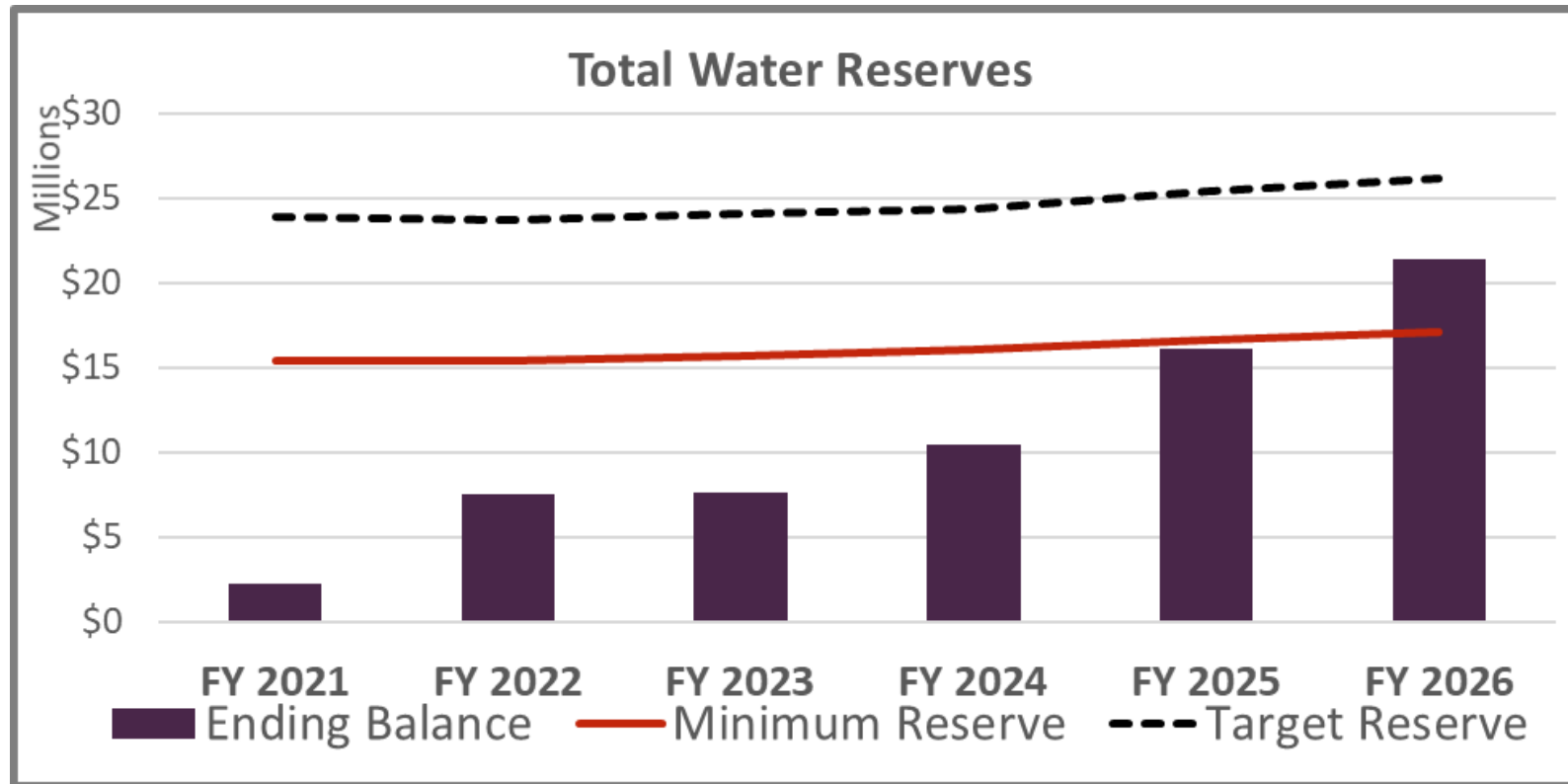
Rainbow MWD

Operating & Capital Improvement Plan (CIP) Budget

# Operating Budget Assumptions

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

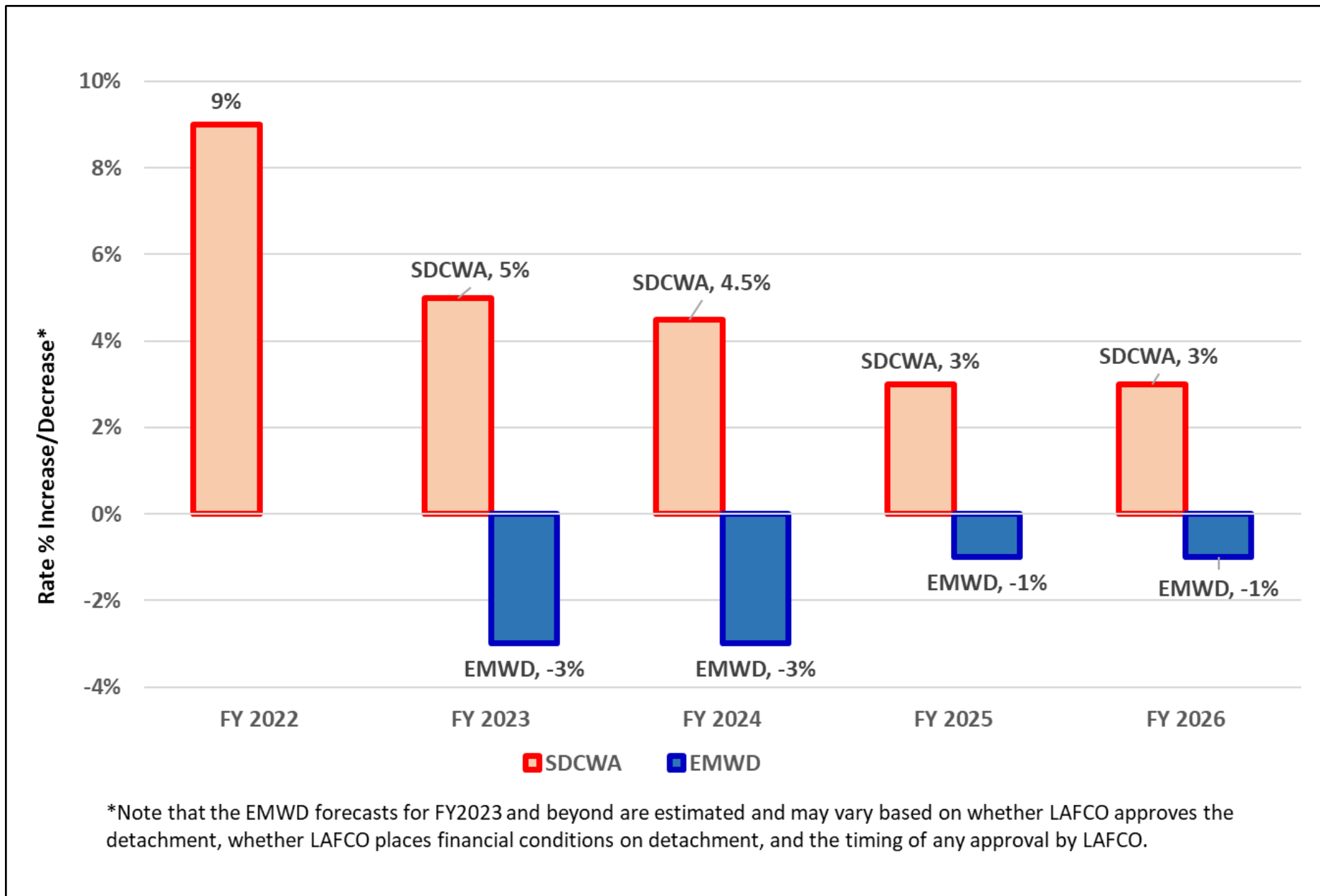
# Water Fund Reserve Level



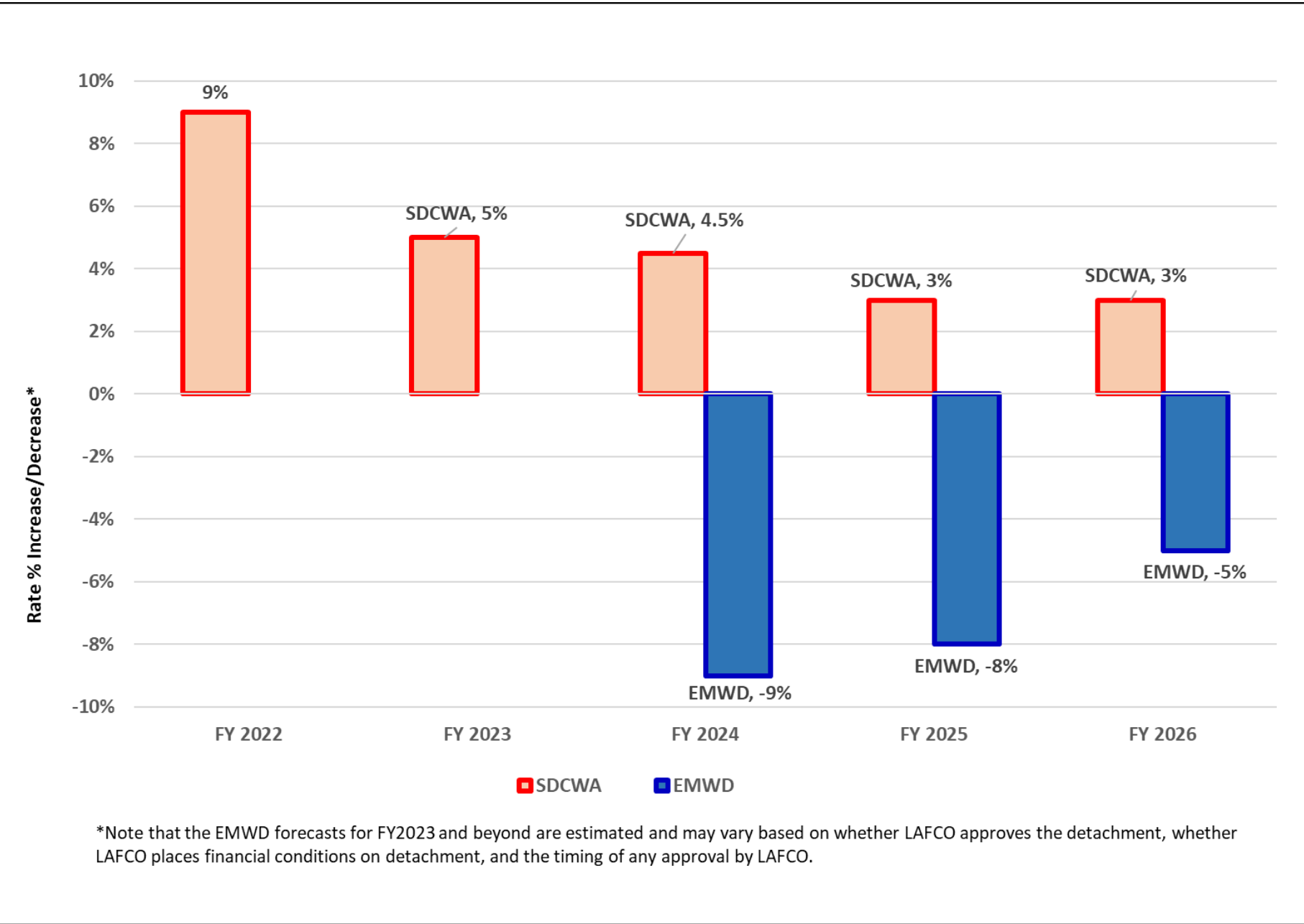
Remember - Rainbow rates had not been raised in almost 3 years!!!

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

# Estimated Rate Increases Based on the Two Different Supplier Scenarios

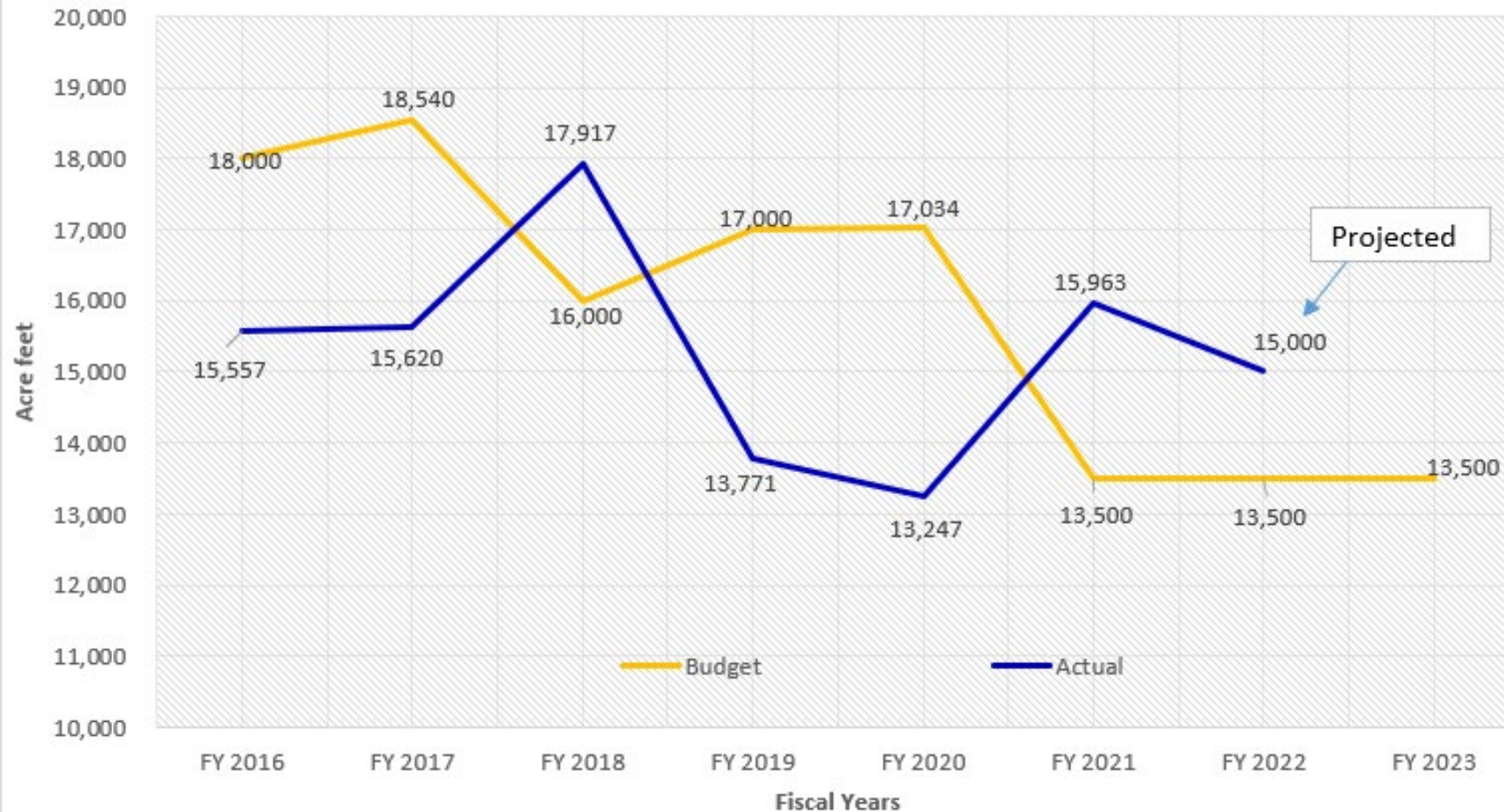


# Estimated Rate Increases Based on the Two Different Supplier Scenarios



# Revenue – Water Demand Assumptions

## Water Sales Comparison



### Revenues:

Water Demand Budget ~ 13,500 AF

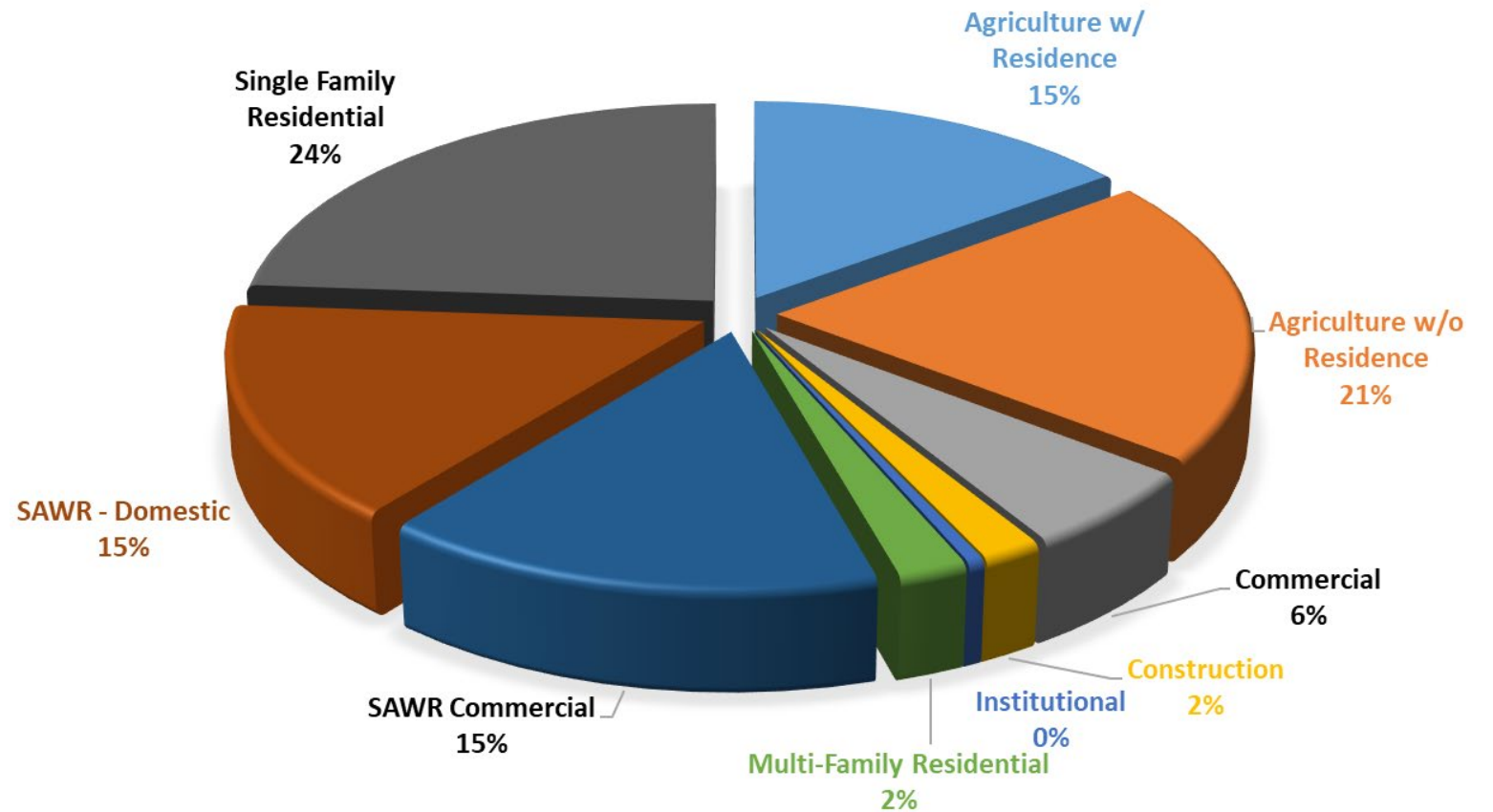
#### ➤ Variable Rate Revenue

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

#### ➤ Fixed Rate Revenue

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

# Variable Revenue by Rate Class



# Operating Budget Assumptions

## **Expenses:**

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



## Operating Capital Items in FY 2023 Budget

### Capital Asset Purchases - Construction

---

Skid Steer & Trailer	\$	125,000
----------------------	----	---------

### Capital Asset Purchases - Meters

---

Meters		63,000
--------	--	--------

### Capital Asset Purchases - Garage

---

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

### Capital Asset Purchases - Wastewater

---

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

<b>Total</b>	<b>\$</b>	<b>687,640</b>
--------------	-----------	----------------

## Operating Budget Summary by Fund

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

**General Operating**

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

## Water Operating

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

**Wastewater Operating**

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

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

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

**Operating & Debt Service Fund Balances**

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

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

# Capital Budget Assumptions

## Capital Funding - *Proposed 5-year Plan*

### **Funding**

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

# Capital Budget Assumptions

## Capital Outlay - *Proposed 5-year Plan*

### **Water Capital Projects**

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

### **Wholesale Water Efficiency Capital Projects**

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

### **Wastewater Capital Projects**

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



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

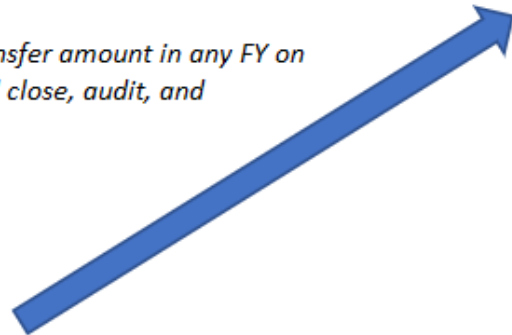
**Water Capital - Fund 60 Projected Balance**

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

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

**Target Balance**

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



**Water Capital Project Budgets:**

#	Project	Year-to-Date			Year 1	Year 2	Year 3	Year 4	Year 5
		Expended 4/30/2022	Adjusted Budget	Projected Spend	Planned Budget	Planned Budget	Planned Budget	Planned Budget	Planned Budget
		FY 21/22	FY 21/22	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
300007	Programatic EIR for Existing Easements**	\$ 142,452	\$ 202,765	\$ 202,765	\$ 75,000	\$ -	\$ -	\$ -	\$ -
300008	New District Headquarters	42,602	75,000	-	50,000	500,000	500,000	500,000	500,000
600001	Rainbow Heights PS (#1) Upgrades/Recon*	1,460,277	1,573,672	1,573,672					
600003	San Luis Rey Imported Return Flow Recovery	13,122	200,000	-	600,000	600,000			
600007	Pressure Reducing Stations	81,009	150,000	150,000	150,000	150,000	500,000	150,000	150,000
600009	Isolation Valve Installation Program	6,725	500,000	-	500,000				
600019	Water System Monitoring Program	165,184	184,375	-	185,000	25,000			
600026	Camino Del Rey Waterline Reloaction	142	25,000	25,000	25,000	25,000	25,000		
600030	Corrosion Prevention Program Development and Implementation****	335,008	638,000	638,000	600,000	600,000	600,000	600,000	
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor***	1,675,174	2,700,000	2,700,000	2,900,000				
600035	Morro Mixing	41,110	123,000	123,000					
600037	Live Oak Park Road Bridge Replacement	43,209	50,000	50,000	600,000				
600040	Vallecitos PS Relocation	124	-	-			500,000	1,400,000	200,000
600043	Eagles Perch Water Pipeline Improvements (PUP)		-	-			300,000	1,300,000	
600047	Communitty Power Resiliency Generator Grant (Generator at Sumac)	12,794	50,000	50,000		1,050,000			
600048	Northside Zone Supply Redundancy	-	-	-				150,000	
600050	Lookout Mountain Electrical Upgrade	-	-	-				1,000,000	1,000,000
600051	North Feeder and Rainbow Hills Water Line Replacements	-	-	-			150,000	1,850,000	
600058	Electrical Panel Switches	6,332	80,000	80,000		130,000			
600065	Rainbow Glen Water Main Replacement	9,322							
600067	Pala Mesa Fairways 383 A and C	-	-	-			250,000		
600068	Sarah Ann Drive Line 400 A	-	30,000	30,000	-			35,000	1,500,000
600069	Wilt Road (1331)	-	-	-				150,000	350,000
600070	Katie Lendre Drive Line (PUP)	-	-	-					250,000
600071	Del Rio Estates Line Ext 503	-	-	-					250,000
600072	East Heights Line 147L	-	-	-					150,000
600073	East Heights Line 147A	-	-	-					250,000
600074	Via Zara - PUP	-	-	-				125,000	250,000
600075	Roy Line Ext	-	-	-					250,000
600077	Rainbow Water Quality Improvement	20,959	150,000	-	920,000				
600080	Los Alisos South 243	-	-	-					150,000
600081	Heli-Hydrant on Tank	194,627	230,000	230,000					
	Moosa Line & Valves					200,000			
NA	Department Level Capital Expenses	-	386,400	386,400	767,640	500,000	500,000	500,000	500,000
<b>Total</b>		<b>\$ 4,251,320</b>	<b>\$ 7,348,212</b>	<b>\$ 6,238,837</b>	<b>\$ 7,372,640</b>	<b>\$ 3,780,000</b>	<b>\$ 3,325,000</b>	<b>\$ 7,760,000</b>	<b>\$ 5,750,000</b>

**Wholesale Water Efficiency Fund 62 Capital Project Budgets:**

Funded by Western Alliance Loan

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

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

**Wastewater - Fund 52 & 53 Projected Fund Balance**

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

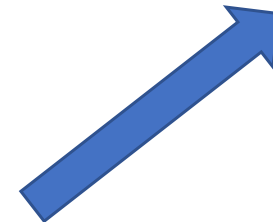
Target Balance

Minimum (1 year of 5-year average CIP)

\$ 4,338,642

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

\$ 8,677,284



**Wastewater Capital Project Budgets:**

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

## Recommendation:

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

# Supplemental Information...

**WATER REVENUE**

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



**PURCHASED WATER**

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

**PUMPING EXPENSE**

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

**OPERATIONS EXPENSE**

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

**VALVE MAINTENANCE EXPENSES**

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

**CONSTRUCTION EXPENSES**

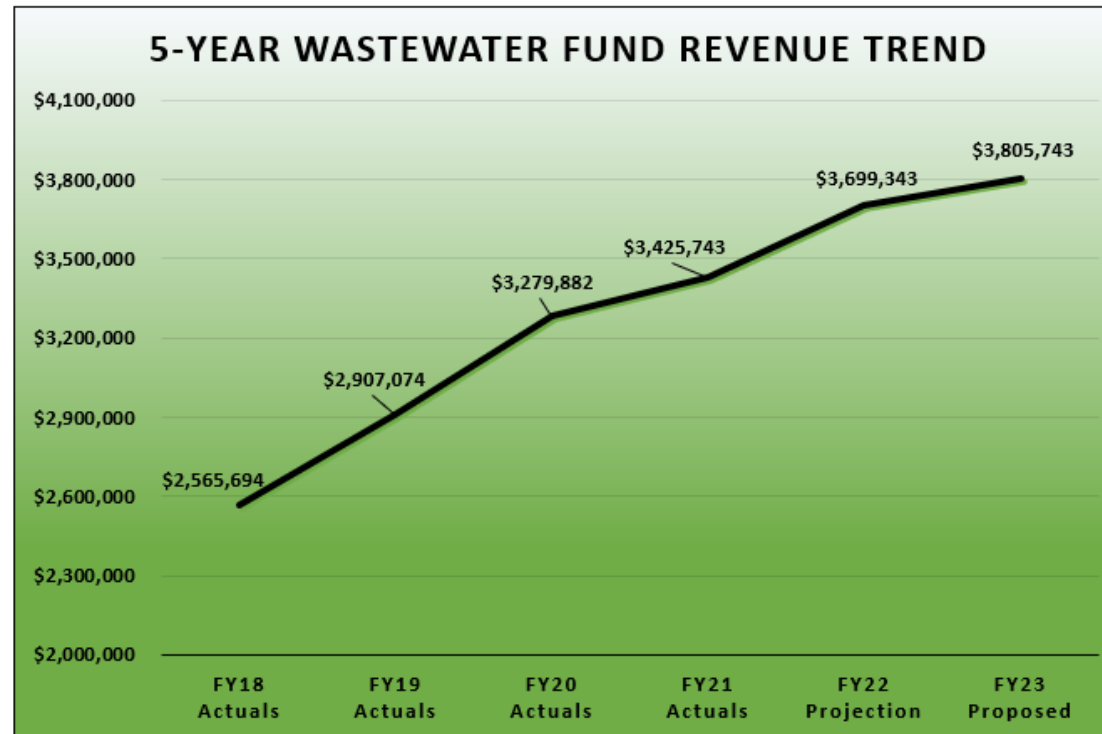
<b>GL Account</b>	<b>Description</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>	<b>% Change from FY 22 Budget</b>
01-34-56101	Regular Salaries	\$ 690,352	\$ 547,133	\$ 917,496	\$ 560,362	\$ 824,580	-10%
01-34-56103	Overtime & Comp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

**METERS EXPENSES**

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

**WASTEWATER REVENUES**

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



**WASTEWATER EXPENSES**

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



**GENERAL FUND REVENUES**

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

**BOARD OF DIRECTOR EXPENSES**

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

**GARAGE EXPENSES**

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

**ADMINISTRATION EXPENSES**

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

**Human Resources Expenses**

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

**RISK MANAGEMENT EXPENSES**

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

**IT EXPENSES**

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

**FINANCE EXPENSES**

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



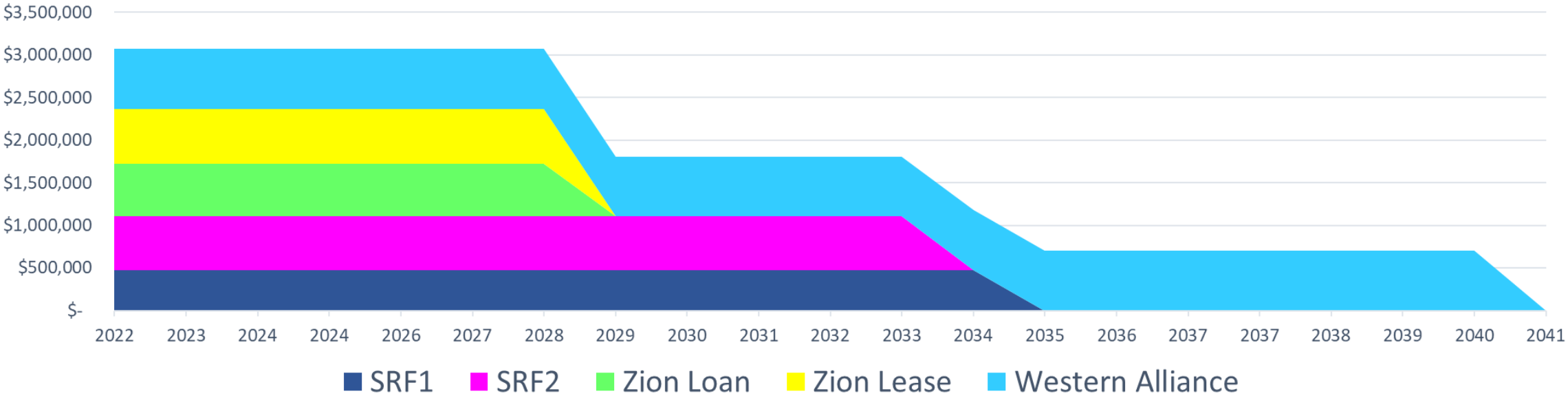
**CUSTOMER SERVICE EXPENSES**

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

**ENGINEERING EXPENSES**

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

# Outstanding Debt















---

**BOARD OF DIRECTORS**

June 28, 2022

---

**SUBJECT**

STATEMENT OF AUDITING STANDARDS (SAS) 114 PLANNING LETTER

---

**DESCRIPTION**

Annually, the District contracts for the preparation of an independent audit and compilation of the year-end financial statements with a Certified Public Accountant (CPA) firm. The attached letter describes planning stages of the audit for the year ended June 30, 2022.

The audit for year ended June 30, 2022 is scheduled to begin September 6, 2022 with a report issues by approximately November 12, 2022.

**ATTACHMENTS**

---

- SAS 114 Letter



---

Tracy Largent, CPA  
Finance Manager

June 28, 2022





June 4, 2022

Tracy Largent  
Rainbow Municipal Water District  
3707 Old Highway 395  
Fallbrook, CA 92028

Lance, Soll & Lunghard, LLP (“LSL CPAs”) is pleased to confirm our understanding of the services we are to provide for Rainbow Municipal Water District (the “District”) for the year ended June 30, 2022.

### **Audit Scope and Objectives**

We will audit the financial statements and disclosures of the District as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the District’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis
2. Required pension-related supplementary schedules
3. Required other post-employment benefits (OPEB) supplementary schedules

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:





- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.



Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

1. Improper revenue recognition due to fraud and management override of internal controls are, by professional standards, always considered to be significant risks of material misstatement.
2. The District's pension and OPEB liabilities are based on actuarial valuation reports with a high degree of estimation, which is considered to be a significant risk.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.



The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Other Services**

We will also assist in preparing the financial statements, and related notes of the District in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, and related notes and that you have reviewed and approved the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation



of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS, *Government Auditing Standards*, and the Uniform Guidance.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to commencement of final fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your



responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of LSL CPAs and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the District's regulatory, federal cognizant, or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of LSL CPAs personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.





The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the District's regulatory, federal cognizant, oversight, or pass-through agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mr. Ryan Domino, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit as previously agreed to by management. To ensure that Lance, Soll, and Lunghard LLP's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are outlined in our contract with you. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

#### GASB 87 Implementation

Additional procedures will be required to be performed with the implementation of GASB 87. While we do not anticipate adding additional fees to perform these required procedures, additional assistance that would be considered outside the scope of our audit and not routine in nature could require additional billings at our standard hourly rates indicated in our contract with you. Any anticipated additional billings will be discussed with you prior to the work being performed.

You agree that any claim arising out of this Agreement shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Lance, Soll, & Lunghard LLP.

*Government Auditing Standards* require audit organizations to provide a copy of their most recent external peer review report and any subsequent review reports during the period of the contract. Our 2019 peer review accompanies this letter. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

If any portion of this Agreement is deemed invalid or unenforceable, said findings shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Billing and Payment Terms -- We will bill you for our professional fees and out-of-pocket costs each month as work progresses. Payment is due within 30 days of the invoice date. If payment is not received by the due date, you will be assessed interest charges of 1.5% per month on the unpaid balance.

We reserve the right to suspend or terminate our work for non-payment of fees. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that



may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our services.

Our firm's practice MAY require payment of a retainer upon execution of this engagement letter. You agree that the retainer will be fully earned as our professional time to complete the engagement is incurred. The retainer will be applied to the final billing and any unused balance will be refunded at the end of the engagement.

Electronic Data Communication and Storage -- In the interest of facilitating our services to you, we may send data over the Internet, or store electronic data via computer software applications hosted remotely on the Internet or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications.

Third Party Service Providers or Subcontractors -- In the interest of enhancing our availability to meet your professional service needs while maintaining service quality and timeliness, we may use a third-party service provider to assist us. We require our third-party service providers have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. By accepting the terms and conditions of our engagement, you are providing your consent and allow us to disclose your confidential information to a third-party service provider, if such disclosure is necessary to deliver professional service or provide support services to our firm.

Independent Contractor -- When providing services to your company, we will be functioning as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint ventures, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Any obligations under this agreement are solely obligations of the firm, and no partner, principal, employee or agent of the firm shall be subjected to any personal liability whatsoever to you or any person or entity.

Firm Associations -- The firm is a member of PrimeGlobal, a global association of independent accounting firms. No PrimeGlobal member firm is an agent or partner of the association or of any other member firm. No PrimeGlobal member firm has the authority to enter into any legal obligations on behalf of the association or any other member firm. If the firm introduces you to another PrimeGlobal member firm, this firm specifically denies any liability for any work performed by that firm. You should make your own contractual arrangements with that firm for work that they perform. The fact that you may have been introduced to us by another PrimeGlobal member firm does not make that firm, its partners or its employees responsible for any of our acts or omissions.

The firm is not the agent or partner of PrimeGlobal or any other member firm and does not have the authority to enter into legal obligations on behalf of either the association or any other member firm thereof. You agree that this firm has the sole liability for any work performed under this engagement and you undertake not to make any claim or bring any proceedings against either PrimeGlobal or any other member of PrimeGlobal in relation to work covered by this engagement.



## ***Records Management –***

### Record Retention and Ownership

We will return all of your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without your written request and our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. A copy of our record retention policy is available upon request.

Our firm destroys workpaper files after a period of seven (7) years from the completion of the engagement as long as you remain a client with us. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

### Working Paper Access Requests by Regulators and Others

State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, or the sale of our accounting practice. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

### Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.



If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Disclaimer of Legal and Investment Advice -- Our services under this letter do not constitute legal or investment advice unless specifically agreed to in this Letter. We recommend that you retain legal counsel and investment advisors to provide such advice.

Brokerage or Investment Advisory Statements -- If you provide our firm with copies of brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in this engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend you receive and carefully review all statements upon receipt and direct any questions regarding account activity to your banker, broker or investment advisor.

Federally Authorized Practitioner – Client Privilege -- Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations.

This privilege is limited in several important respects. For example, this privilege does not apply to your records, state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings.

While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this federally authorized practitioner-client privilege.

Limitations on Oral and Email Communications -- We may discuss with you our views regarding the treatment of certain items or decisions you may face. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may or may not be appropriate to proceed with any decision solely on the basis of any oral or email communication. You accept all responsibility, except to the extent caused by the gross negligence or willful misconduct of LSL CPAs and Advisors, for any loss, cost or expense resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this in a separate engagement letter.

Management Responsibilities -- While we can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee any services that we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.



Conflicts of Interest -- If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product

Mediation -- If a dispute arises out of or relates to the letter including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by letter of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. Any mediator so designated must be acceptable to all parties. The mediation will be conducted in California.

The mediation will be treated as a settlement discussion and, therefore, will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the hiring party.

Limitation of Liability -- LSL CPAs and Advisors liability for all claims, damages, and costs arising from this engagement is limited to three (3) times the total amount of fees paid by you to us for services rendered under this letter.

Indemnification -- You agree to hold LSL CPAs and Advisors harmless from any and all claims which arise from knowing misrepresentations to us by your management, or the intentional withholding or concealment of information from us by your management. You also agree to indemnify us for any claims made against us by third parties, which arise from any of these actions by your management. The provisions of this paragraph shall apply regardless of the nature of the claim.

Designation of Venue and Jurisdiction -- In the event of a dispute, you and we agree that the courts of the state of California shall have jurisdiction, and we agree to submit all disputes to the Superior Court of Orange, California, which is the proper and most convenient venue for resolution. We also agree that the law of the state of California shall govern all such disputes.

Proprietary Information -- You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property we use are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, letters and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, "hard copy" format or other medium.

Statute of Limitations -- You agree that any claim arising out of this letter shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against us.

Termination and Withdrawal -- We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of this letter or as we determine professional standards require. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, or for any liability, including but not limited to, penalties or interest that may be assessed against your resulting from your failure to meet such deadlines.



If this letter is terminated before services are completed, you agree to compensate us for the services performed and expenses incurred through the effective date of termination.

Assignment -- All parties acknowledge and agree that the terms and conditions of this Letter shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

Severability -- If any portion of this Letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Letter.

Code of Professional Conduct -- To ensure that our independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering in any substantive employment discussions with any of our personnel. In accordance with Section 50 of the Board of Accountancy Regulations for the State of California, this shall provide notice that Lance, Soll & Lunghard CPAs, Certified Public Accountants, is licensed by the California Board of Accountancy.

## **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of Rainbow Municipal Water District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.



Rainbow Municipal Water District  
Page 13

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

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

LANCE, SOLL & LUNGHARD, LLP

ACCEPTED:

This letter correctly sets forth the understanding of the District:

Signature: Tracy Largent

Title: Finance Manager

Date: 06/07/2022





Report on the Firm's System of Quality Control

January 17, 2020

To the Partners  
Lance, Soll & Lunghard, LLP  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants.

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

**Peer Reviewer's Responsibility**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

**Required Selections and Considerations**

As a part of our review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2019 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Mark F Wille, APAC". The signature is written in a cursive style with a long horizontal flourish at the end.

Mark F Wille  
A Professional Accountancy Corporation



**SIGNATURE CERTIFICATE**




**REFERENCE NUMBER**

B1049A69-7AE5-4109-A85C-6FB25B5EFD30

TRANSACTION DETAILS	DOCUMENT DETAILS
<p><b>Reference Number</b> B1049A69-7AE5-4109-A85C-6FB25B5EFD30</p> <p><b>Transaction Type</b> Signature Request</p> <p><b>Sent At</b> 06/04/2022 14:21 EDT</p> <p><b>Executed At</b> 06/07/2022 08:55 EDT</p> <p><b>Identity Method</b> email</p> <p><b>Distribution Method</b> email</p> <p><b>Signed Checksum</b> 8f9cd4952329d1dec2e908266c9650aa342f5854f4b4d05f9250eeb55ec16189</p> <p><b>Signer Sequencing</b> Disabled</p> <p><b>Document Passcode</b> Disabled</p>	<p><b>Document Name</b> Rainbow Municipal Water District Government Eng Letter 2022 With New Sas 134</p> <p><b>Filename</b> rainbow_municipal_water_district_government_eng_letter_2022_with_new_sas_1:</p> <p><b>Pages</b> 15 pages</p> <p><b>Content Type</b> application/pdf</p> <p><b>File Size</b> 1.32 MB</p> <p><b>Original Checksum</b> 76210f40b158b07d6875ec3ac122be85b4c927e76a9f75e1aca19cf59a2c732d</p>

**SIGNERS**

SIGNER	E-SIGNATURE	EVENTS
<p><b>Name</b> Tracy Largent</p> <p><b>Email</b> tlargent@rainbowmwd.com</p> <p><b>Components</b> 3</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> 78cf24dcd95a678d7c8d7675d1e041c66752fd5de80e0127697d2d6261e86d36</p> <p><b>IP Address</b> 72.48.109.2</p> <p><b>Device</b> Chrome via Windows</p> <p><b>Typed Signature</b> </p> <p><b>Signature Reference ID</b> 633077F3</p>	<p><b>Viewed At</b> 06/07/2022 08:54 EDT</p> <p><b>Identity Authenticated At</b> 06/07/2022 08:55 EDT</p> <p><b>Signed At</b> 06/07/2022 08:55 EDT</p>

**AUDITS**

TIMESTAMP	AUDIT
06/04/2022 14:21 EDT	Karla Sanders (karla.sanders@lslcpas.com) created document 'rainbow_municipal_water_district_government_eng_letter_2022_with_new_sas_134_implementation.pdf' on Chrome via Windows from 104.220.32.70.
06/04/2022 14:21 EDT	Tracy Largent (tlargent@rainbowmwd.com) was emailed a link to sign.
06/07/2022 08:54 EDT	Tracy Largent (tlargent@rainbowmwd.com) viewed the document on Chrome via Windows from 72.48.109.2.
06/07/2022 08:55 EDT	Tracy Largent (tlargent@rainbowmwd.com) authenticated via email on Chrome via Windows from 72.48.109.2.
06/07/2022 08:55 EDT	Tracy Largent (tlargent@rainbowmwd.com) signed the document on Chrome via Windows from 72.48.109.2.



### BOARD OF DIRECTORS

June 28, 2022

---

### SUBJECT

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

### BACKGROUND

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

### DESCRIPTION

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

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

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

## **ATTACHMENTS**

---

Attachment A- Administrative Code Variance Application

## **POLICY/STRATEGIC PLAN KEY FOCUS AREA**

---

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

## **ENVIRONMENTAL**

---

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

## **BOARD OPTIONS/FISCAL IMPACTS**

---

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

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

## **STAFF RECOMMENDATION**

---

Staff recommends Option 2.



Tracy Largent, CPA  
Finance Manager

June 28, 2022



## ADMINISTRATIVE CODE VARIANCE APPLICATION

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

**Rainbow Municipal Water District (District) Provisions:**

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

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

---

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

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