

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Open Session at 1:00 p.m. Tuesday, March 22, 2016, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL: Sanford_____ Walker_____ Brazier_____ Bigley_____ Stewart_____**
4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
5. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.
6. **ANNIVERSARY ACKNOWLEDGEMENT**
 - A. Victor Veenstra (15 Years)
- *7. **APPROVAL OF MINUTES**
 - A. February 23, 2016 - Regular Board Meeting
8. **BOARD OF DIRECTORS' COMMENTS/REPORTS**

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

 - A. President's Report (Director Sanford)
 - B. Representative Report (Appointed Representative)
 1. SDCWA
 - a. Summary of Formal Board of Directors' Meeting February 25, 2016
 2. CSDA
 3. LAFCO
 - a. 2015-2016 Special Districts Mailed-Ballot Election Results
 - b. Election to the LAFCO's Special Districts Advisory Committee Notification
 4. San Luis Rey Watershed Council
 5. Santa Margarita Watershed Council
 - C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - D. Directors Comments

(*) - Asterisk indicates a report is attached.

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

- A. Budget and Finance Committee
 - 1. February 9, 2016 Minutes
- B. Communications Committee
 - 1. January 11, 2016 Minutes
 - 2. February 1, 2016 Minutes
- C. Engineering Committee
 - 1. January 6, 2016
 - 2. February 3, 2016

***10 CONSENT CALENDAR**

A. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-08 COMMENDING JACK GRIFFITHS FOR HIS SERVICE ON THE BOARD OF DIRECTORS

(Jack Griffiths served as the Division 2 director on Rainbow Municipal Water District's Board from January 2005 to January 2016. Resolution No. 16-08 commends Jack Griffiths for his dedicated service.)

(Staff Recommendation: The Board approve Resolution No. 16-08.)

B. DISCUSSION AND POSSIBLE ACTION REGARDING REQUEST TO DEFER PROPERTY OWNED BY MICHAEL AND VICTORIE DARNLEY FROM CHARGES FOR WATER AVAILABILITY AND IMPROVEMENT DISTRICT ASSESSMENTS

(On June 28, 2011 Rainbow MWD adopted Resolution 11-08 establishing a procedure for a property owner to request a deferral of water service standby assessments for Improvement District No. 1 (ID#1) and for a Board to authorize the deferral when certain requirements are met by the property owner.)

(Staff Recommendation: Approve the deferral of Assessor's Parcel Number 110-220-20-00 from water availability charges or improvement district assessments subject to the above listed requirements and direct General Manager to execute written agreement with the property owner. This option will reduce RMWD tax revenues by approximately \$453.32 per year based on the current assessment level of \$10.54 per acre.)

C. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 16-05 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTIONS 5.01 AND 8.03

(The accounts payable section of the Administrative Code is being updated as it was limited to only one method of payment. By broadening its payment choices Rainbow can utilize any which option that seems most appropriate for each particular obligation. The additional payment options can offer the following benefits to the District such as cost savings, efficiency, and secured remittance. The character of service language is being added to the Administrative Code as many water users have drastically changed their usage of the property. This will allow the customer an option once a year to change their character of service, as long as the proposed change meets what is prescribed in the Administrative Code character of service section, accordingly to how the property is being utilized.)

(Staff Recommendation: The Board adopt Ordinance No. 16-05 amending and updating the Administrative Code Sections 5.01 and 8.03.)

D. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 16-04 AMENDING AND UPDATING RMWD ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST CODE

(Due to language missing from the listed job descriptions within the Conflict of Interest Code, Section 1.02.020 of the RMWD Administrative Code need to be amended accordingly.)

(Staff Recommendation: The Board adopt Ordinance No. 16-04 amending and updating Administrative Code Section 1.02.020.)

(*) - Asterisk indicates a report is attached.

BOARD ACTION ITEMS

***11. DISCUSSION AND POSSIBLE ACTION ON ORDINANCE NO. 16-06 RELATED TO WATER METER DOWNSIZING AND LIMITED TERM FIXED FEE ABATEMENT PROGRAM**

(The District performed a Cost of Service study as required by State Law during the preparation of the revised water rates that were adopted in late 2015. As part of this process, the apportionment of fixed and variable costs was evaluated in accordance with industry standards and there were changes to the fixed fees for most of our customer classes. As part of this cost of service study, both the water rate consultant and our General Counsel recommended changes to the policy related to locked off meters.)

(Staff Recommendation: Approve Ordinance 16-06 as written.)

***12 DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM THE DISTRICT'S STANDARD SPECIFICATIONS AND ALLOW A CUSTOMER TO INSTALL TWO SERVICES USING THE SAME LATERAL**

(Effective January 1, 2016 the District enacted new rate charges for customer accounts. These rates were based on a Cost of Service study in compliance with State law and Proposition 218. Some customer accounts were greatly affected by this change. Mr. Mahr owns two vacant properties in the District. He would like to downsize his 2" meter to two 1" meters. The Engineering Committee has reviewed the situation and recommend the Board allow the downsize on the same lateral. This is a unique situation and that approval of this variance in no way should be construed as approval of a similar action in a different circumstance.)

(Engineering Committee and Staff Recommendation: Grant a variance from the District's Standard Specifications regarding the requirement of the having one meter on one lateral for Mr. Mahr.)

***13. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PREPARE THE WATER AND WASTEWATER ASSET COST AND CAPACITY FEE STUDY**

(The District, working with Atkins, is nearing completion on an update to its potable water and wastewater Master plans. Potential development within the District could add approximately 2,700 EDUs with additional proposed developments outside the District which could be annexed into the District increasing the number of EDUs to approximately 4,300. It is crucial we revisit and develop capacity fees described in this study to capture the appropriate amount of fees from the upcoming future development.)

(Staff Recommendation: Appropriate \$150,000 from the remaining funds of the Master Plans project into the asset cost and capacity fee study. Authorize staff to negotiate a contract to prepare the water and wastewater asset costs and capacity fee study not to exceed \$115,285 with Willdan Financial Services.)

***14. DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A SECOND AMENDMENT TO JOINT AGREEMENT TO IMPROVE SUBDIVISION, JOINT LIEN CONTRACT AND HOLDING AGREEMENT FOR SAN DIEGO TRACT NO. 5012-1**

(The Gilligan development consists of 13 lots south of Morro Reservoir on Catherine Road shown in the enclosed Figure. Improvements related to the District consist of approximately 3,825 feet of water main to serve the development. There are no sewer improvements as the development is on septic. This amendment releases Bank of America from the lien and holding agreement and assigns First American Trust to assume all obligations of Bank of America.)

(Staff Recommendation: Authorize the General Manager to execute Joint Agreement to Improve Subdivision, Joint Lien Contract and Holding Agreement for San Diego Tract No. 4750-1.)

***15. DISCUSSION AND POSSIBLE ACTION ACCEPTING THE AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2015**

(The District contracts with an independent Certified Public Accountant (CPA) to have its financial statement audited. For fiscal year ending June 30, 2015 the audit was conducted by the CPA firm of Hosaka, Rotherham & Company.)

(Staff Recommendation: The Board of Directors adopt the June 30, 2015 audit of the District by the CPA firm of Hosaka, Rotherham & Co.)

(*) - Asterisk indicates a report is attached.

***16. DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS, SEAT B**

(On February 19, 2016, RMWD received notification that the CSDA Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2017-2019 term. The deadline for receiving nominations is May 20, 2016.)

(Staff supports Board direction.)

***17. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR JANUARY/FEBRUARY 2016**

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Communications

1. Ratepayer Letters
2. Fallbrook Food Pantry
3. Rescission of Conservation Order

C. Construction & Maintenance Comments

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

D. Water Operations Comments

1. Water Operations Report
2. Electrical/Telemetry Report

E. Wastewater Comments

1. Wastewater Report

F. Operations Comments

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

G. Engineering Comments

1. Engineering Report

H. Customer Service Comments

1. Field Customer Service Report
2. Meters Report

I. Safety Comments

1. Safety Report

J. Human Resources Comments

1. Property/Liability and Workers' Compensation Longevity Distribution

K. Finance Manager Comments


1. Interim Financial Statement - January
2. Visa Breakdown
3. Directors' Expense-January
4. Check Register
5. Water Usage Report-January
6. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

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

(*) - Asterisk indicates a report is attached.

19. ADJOURNMENT - To Tuesday, April 26, 2016 at 1:00 p.m.

ATTEST TO POSTING:



Helene Brazier
Secretary of the Board

3-15-16 @ 9:00 A.M.
Date and Time of Posting
Outside Display Cases

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 23, 2016**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on February 23, 2016 was called to order by President Sanford at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Sanford presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Director Walker
Director Sanford
Director Brazier

Absent: None

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Legal Counsel Moser
Finance Manager Martinez
Acting Operations Manager Maccarrone
Engineering Manager Kirkpatrick
Human Resources Manager Bush
Superintendent Zuniga
Superintendent Walker
Administrative Analyst Gray

Fifteen members of the public were present for Open Session.

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

There were no changes to the agenda.

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

There were no comments.

*6. **APPROVAL OF MINUTES**
A. January 26, 2016 - Regular Board Meeting

Action:

(*) - Asterisk indicates a report is attached.

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Moved by Director Brazier to approve the minutes as written. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

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

7. BOARD OF DIRECTORS' COMMENTS/REPORTS

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

A. President's Report (Director Sanford)

There were no comments.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Formal Board of Directors' Meeting January 28, 2016

Mr. Kennedy talked about the Summary provided in the packet and how it was discussed at the meeting about laying the ground work for potential legal action against the State Board in regards to their regulations. He also mentioned RMWD will be allowed an 8% reduction to its conservation mandate taking it from 36% to 28% based on the desalination plant.

President Sanford asked if there was any discussion regarding the Gregory Canyon Landfill matter. Mr. Kennedy said not that he has seen lately; however, RMWD has taken a position to oppose the project.

2. CSDA

There was no report given.

3. LAFCO

Mr. Kennedy noted there was a challenge by FPUD to the nominations submitted to LAFCO by RMWD; however, the information provided to Mr. Ott was satisfactory in negating the challenge.

4. San Luis Rey Watershed Council

Director Walker reported on the February 22, 2016 meeting where the primary discussion was about the Council's priorities for 2016. He mentioned he brought up an issue with regard to alternative compliance with storm water regulations which provides for opportunities to use other funds associated with development to potentially get some projects on the ground that would help with storm water as well as protect the watershed. He stated there was also El Niño

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discussions. He reminded the agricultural seat remains open and will stay open until an applicant attends at least two meetings before being appointed.

5. Santa Margarita Watershed Council

There was no report given.

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

There were no reports given.

D. Directors Comments

There were no comments.

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

A. Budget and Finance Committee

1. January 12, 2016 Minutes

Mr. Stitle stated there was nothing to report.

B. Communications Committee

Mr. O'Leary reported there were two new members on the committee that are vibrant and enthusiastic about the committee activities. He mentioned how much the committee appreciated the addition of Mrs. Gray to RMWD's staff.

C. Engineering Committee

Mrs. Kirkpatrick reported there was discussion at the February meeting on a sewer lateral with a customer that should be resolved. She noted the committee was reviewing the Standards update as well as the first draft of the Master Plan. She stated the committee was also briefed on the asset management software. Discussion ensued regarding the progress on the Highway 76 project and the temporary relocation of the Park-N-Ride across from RMWD.

***9. CONSENT CALENDAR**

A. ADOPT RESOLUTION NO. 16-05 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1

Action:

Moved by Director Brazier to approve Resolution No. 16-05. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

AYES: Directors Brazier, Sanford, and Walker
NOES: None

(*) - Asterisk indicates a report is attached.

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ABSTAINED: None
ABSENT: None

BOARD ACTION ITEMS

***10. DISCUSSION AND POSSIBLE SELECTION OF DIVISION FOUR DIRECTOR AND APPROVAL OF RESOLUTION NO. 16-06, A RESOLUTION APPOINTING _____ AS DIRECTOR OF DIVISION FOUR OF THE RAINBOW MUNICIPAL WATER DISTRICT**

President Sanford asked each of the candidates take three minutes to introduce themselves to the Board, brief the Board on their background, and explain why they are interested to serve on the RMWD Board of Directors. He announced the Board will hold a Special Board meeting on March 10, 2016 at which the Board will be able to discuss the vacancy appointments even further and hopefully make selections for both vacancies. He also encouraged any of the candidates to contact any one of the current Board Members to ask any questions they may have.

Mr. Kennedy apologized for the mixed messaging in regards to this matter. He explained when this was initially planned, there was only one vacancy to be considered at the March 22, 2016 Board meeting; however, with the Division 2 seat opening unexpectedly it was realized there would not be a full quorum at the March meeting the District was advised the appointments have to be made beforehand.

Patricia "Pam" Moss introduced herself as a local real estate broker. She stated her background in water and water rights comes from her title experience with which she has quite a bit experience negotiating on water rights for the title company. She said it has always been an interest of hers. She added she had a company that was basically in the lawn and garden supply industry in which they ran approximately \$15M-\$20M per year with thirty employees. She noted she actively managed both the finance and marketing part of the business. She added she was currently a member of the RMWD Budget and Finance Committee. She clarified she prefers the name Pam. She explained she believes she has pretty good overview with working with the committee for the last six months as well as enjoyed working with everyone understanding some of the public issues, problems, and questions. She concluded by mentioning she felt it was important to give back to the community and serve the community in a way that is productive and accomplishing things. She said she feel the water board and water district is a very important aspect of the community that will become even more important as it moves forward.

Curtis Permito introduced himself as an attorney. He stated he spent 22 years in the Marine Corps. and has been an attorney for 16 years in environmental and land use. He said he was very familiar with discharge and ocean outfalls, desalination, landfills, etc. He noted his range of influence over the last eight years has been environmental, compliance, and land use issues involving Camp Pendleton, Okinawa, Japan, Hawaii, Twenty Nine Palms, Miramar, and other areas. He mentioned he was the lead attorney on a treatment plant for Camp Pendleton and counsel in various stages. He clarified it was not about being an attorney, but rather about issue spotting and being able to taking a holistic approach. He concluded by noting although he was still an active attorney, it was time for him to do something else that allows him to be available and serve his community in ways he has not before on a local scale instead of a global one.

(*) - Asterisk indicates a report is attached.

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Bill Stewart stated it has been a pleasure to live in this area for the past four years after driving through the area while commuting from north of Rainbow to San Diego for 5-6 years. He said after becoming enchanted with the beauty of the area due to the agriculture blending with the housing, they decided to buy here, settle down, and get ready to retire. He noted he has lived in Pala Mesa Villas since moving to the area at which time he joined the HOA's Board of Directors. He talked about his HOA replanting low water requirement plants. He mentioned how he helped pioneer low water requirement ornamental landscaping in 2001 when he managed an association in North San Diego where homes without lawns sell for approximately \$1.2M-\$7M. Mr. Stewart talked about how he used to manage 5-6 different communities in both northern and southern California which have interfaced at a very high level with both the local water and sewer agencies. He stated during this time he had to renegotiate recycled water contracts, build a recycle water system with a reservoir lake, pump stations, and drilling wells. He stated coming up on retirement on Friday, February 26th, and he saw the opportunity to bring some of his experience in operating communities interfacing with agencies to this position on the Board. He said he was very much excited about the possibility of serving this area. He concluded by noting he has been watching what is happened with the proposed development in the area and is aware of the enormous impact what is being proposed will have on the area; therefore, he believes Rainbow will need some experience along these lines as the impact of new development occurs.

John Hemphill stated his background was not directly related to water issues even though he has a great interest in such after obtaining his Master of Arts Degree in June 1971 when he realized very quickly that job experience counts more than education. He noted he worked 24 ½ years in U.S. postal service after which he resigned in 1999. He said since then he has worked as a dishwasher as well as held a second job working for Angwin Water Company. He stated he was interested in a position as a Board Member or, if not qualified there, as a water meter reader. He mentioned if he does not get either of those positions, he would be more interested in working in a museum such as the Vista Antique Gas & Steam Engine Museum. He stated if he is elected as a Board Member, he would like to see a much closer working relationship with that entity as well as Camp Pendleton so that the military could help us if needed in the event of a severe disaster. He noted he has a keen interest in geology, so he would want to work toward a greater level of preparedness for any natural disaster. He encouraged the Board to select the candidates that would be best qualified for the long term, not just short term.

There was no action taken.

***11. DISCUSSION AND POSSIBLE SELECTION OF DIVISION TWO DIRECTOR AND APPROVAL OF RESOLUTION NO. 16-07, A RESOLUTION APPOINTING _____ AS DIRECTOR OF DIVISION TWO OF THE RAINBOW MUNICIPAL WATER DISTRICT**

Frank Grady introduced himself stating he is interested in giving back to the community. He mentioned he recently located to the area from Carlsbad from the ocean to having almost 1.5 acres of land. He said although he was not an expert in water, he was a representative of what he thinks would be many people in Bonsall and the surrounding community as simply a resident that would like to contribute. He said he thought from his point of view he would bring some openness to whatever RMWD goes through. He noted he spent his life in advertising working for several advertising agencies in New York as well as having his own advertising agency in San Diego County. He stated his experience in communicating would be brought to the Board as well as the public. He mentioned he decided to write murder mysteries and how his debut novel will be published in May. He concluded by noting he loves what he does and wants to

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give back to the community. He added he has worked on green energy accounts with Southern California Edison.

Tim O'Leary stated he has been a newspaper reporter for nearly 35 years during which he became very familiar with budgets, land use, CEQA, politics, and water. He noted water has been a keen interest of his. He mentioned he currently works for the company that owns The Village News where he works for their weekly newspaper that covers Riverside County's city of Temecula. He stated he was one of the original members of the RMWD Communications Committee members which he left for one year when asked to be the editor of the newspaper in Riverside County. He said he has since rejoined the Communications Committee some time ago. Mr. O'Leary mentioned he served on the governing board of senior center, currently serves on the Board of the Fallbrook Historical Society, and is quite active in his church. He explained since he moved to this area, RMWD has really undergone a huge transition in being more professional, especially with the LAFCO matter the District just went through. He said he thinks RMWD has won a vote of confidence from the people; therefore, he sees a bright future for the District including the growth. He stated with his involvement with the District for many years he may be a good candidate to serve as the Board sees fit.

Richard Bigley introduced himself to the Board as a residence of Fallbrook for 30 years. He mentioned he was a retired electrical contractor based in Fallbrook. He noted the company had grown to 65 employees which made it quite busy. He stated he retired in 2006 and was now the Chief Electrical and Technology Inspector for San Diego Unified School District. Mr. Bigley said if he was selected he would bring to the Board the experience of running a company that size and dealing with the people. He pointed out he has the time available since Fallbrook Hospital has closed where he was once a Director.

Maureen Rhyne introduced herself noting she has experience in the plumbing business in as much as several relatives worked in the plumbing industry. She mentioned she got interested in RMWD over 30 years ago when she caught a man in her back yard surveying equipment because RMWD was going to put a sewer in between her deck and her pond. She stated she got elected to the Fallbrook Planning Group. She pointed out she also ran for this Board position a couple of years ago at which time she was not elected; therefore, she thought this may be a good chance to try again. She said she believes she knows RMWD inside and out, especially with her membership on the RMWD Engineering Committee from which she stepped down to allow for room for someone more qualified in the engineering field to serve. She concluded by stating she would like the job of Director and feels she is qualified, has a great deal of common sense, and experience from starting businesses of her own where she had to work at regularly that had fluctuating hours.

Skip Fletcher introduced himself as a resident of Bonsall with a small avocado grove who uses RMWD water exclusively. He mentioned his background is in education for which he has received a Bachelor's, Master's Degree, and Phd in mechanical engineering. He noted he has been teaching at several different universities and is registered in four states and a couple of foreign countries. He stated his experience is in pipelines, reservoirs, etc. He said the issues of concern to him and why he would be interested in serving on the Board is that as looking down the road, the State has a reservoir and water distribution system that was designed for population of 20 million less than reside in California now. He explained we do not have the resources from the delta if we end up with another major storm causing some of the levies wash out resulting in a salt water infusion. He said he thinks strategic planning in the water area all affect the RMWD water rates whether the District deals with the Metropolitan Water District or any others. He stated the result is that the District has to do some thinking about what goes into the issue, including Jerry Brown wanting to put in two tunnels from the

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Sacramento area down to pumping stations that brings water to Southern California. He noted the snow pack is important, but right now it is not doing quite as well as hoped and El Nino (or El Nada) is not providing the water we were hoping it would provide. He reiterated some strategic planning as well as some looking at where water resources are including the types of projects such as desalination all make a difference to the way we work. He mentioned he also had worked for NASA for about 15 years in North California and how he has been a resident of California for more than 20 years with more five years in Bonsall. He concluded by stating he would like to contribute to give back to the community.

Ray Hackbarth introduced himself noting his reason for interest in the Board had to do with the Flynt, Michigan fiasco when we became quite aware of the vital importance of water to all of living organisms, but how a very relatively small mistake can poison a city. He mentioned during the three years he has lived in the district on a 3.5 acre parcel with orange trees, he has get abreast of the progress the District has made and how he thinks RMWD has done a wonderful job. He stated he believes it is to be applauded in many, many respects especially with the most recent LAFCO situation which resulted in a defeat that was a wonderful success. He commended the staff and Board in this regard. He said he thinks there is all types of forward thinking like the desalination plant and other minor things such as getting pipes on the right side of I-15/Highway 76 expansion project to avoid future unnecessary future expenses. He said this District is a winner and he would like to join, fill a vacancy, and represent his constituents in Division 2. He said he think he can hit the ground running. He pointed out he has a background as a public works and private works construction attorney as well as real estate attorney in both litigation and transactional; however, he asked the Board to look at him as more than an attorney in that he has been a successful real estate developer of large apartment complexes. He stated he sees this experience as the primary area in where he can best relate to the position on the Board, although certainly the legal background is critical as well. He mentioned he had taken the time to review the last 36 months of documents that were provided to each of the customers and get current on what is going on as well as read the 414-Page Administrative Code which he has a working knowledge of it. He reiterated he feels he would be able to hit the ground running. He added as a liberal arts major, he also has a background in things like chemistry and physics which come into play a little bit here, but he thinks the primary thing is that of project management. He said he knows how to budget, schedule, estimate, and bring jobs in on schedule and on budget.

President Sanford reminded the candidates the Board will consider all the applications they have received and will meet again on March 10, 2016 at which the Board will select the best candidates to fill the Division 2 and Division 2 seats. He invited the candidates to attend that meeting. The Board thanked the candidates for attending the meeting today and introducing themselves to the Board.

There was no action taken.

***12. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-02, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING BOB LUCY FOR HIS OUTSTANDING SERVICE AS A DIRECTOR AND BOARD VICE PRESIDENT**

President Sanford mentioned Bob Lucy was the representative on the Board for Division 4 and had served on the Board for a number of years. He stated Mr. Lucy was very active and offered a great deal to the Board; however, his business with Del Rey Avocado has just

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exploded causing his time to become extremely tight not allowing him to be of service to the District which resulted in his resignation. He said the Board was sorry to lose Mr. Lucy.

Action:

Moved by Director Brazier to approve Resolution No. 16-02. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

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

***13. APPROVAL OF RESOLUTION NO. 16-04 ESTABLISHING CHECK SIGNING AUTHORITY**

Mr. Kennedy explained this was a housekeeping item to update the list of check signers.

Action:

Moved by Director Walker to accept Resolution No. 16-04. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

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

***14. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 16-03 AMENDING AND UPDATING RMWD ADMINISTRATIVE CODE SECTIONS 8.04, 8.12, AND 8.14**

Mr. Kennedy explained although some sections were updated at the last Board meeting, these sections took a little more work due to Legal Counsel making RMWD aware of certain case law that requires different notifications for non-owner occupants.

Legal Counsel pointed out the changes also covers seniors and people who are under special care to give them the opportunity to designate a third party to get notices. Mr. Kennedy noted this allows RMWD to share information of people which otherwise is protected private information.

It was confirmed Legal Counsel has reviewed all the proposed changes.

Action:

Moved by Director Walker to adopt Ordinance No. 16-03. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

AYES:	Directors Brazier, Sanford, and Walker
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(*) - Asterisk indicates a report is attached.

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NOES: None
ABSTAINED: None
ABSENT: None

***15. DISCUSSION REGARDING STRATEGIC PLAN OBJECTIVES OVERVIEW**

President Sanford stated this was the first known Strategic Plan developed for RMWD and how it will give the Board and the District some very solid guidelines in which to operate and how business can be conducted going forward.

Mr. Kennedy noted part of the plan would be for staff to bring the Board some specific measurable tasks that will be undertaken. He stated it was projected to review specific Strategic Plan Goals and Objectives from now until June 2017 which are included in the handout provided. He noted there will be a progress report provided to the Board quarterly.

Mr. Kennedy elaborated on the Board's commitment to achieve the District of Distinction Accreditation.

Director Walker said the Strategic Plan has been talked about on numerous occasions including the goals and objectives. He stated he likes what was presented and his is very positive about the direction the District wants to go. It was noted this will be a continually changing document as items listed changed.

Action:

Moved by Director Walker to support the Strategic Plan Goals and Objectives as submitted subject to certain changes. Seconded by Director Brazier.

After consideration, the motion CARRIED by the following vote:

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

***16. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS FOR JANUARY 2016**

- A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
- B. Communications**
 - 1. Ratepayer Letters
- C. Construction & Maintenance Comments**
 - 1. Construction and Maintenance Report
 - 2. Valve Maintenance Report
 - 3. Garage/Shop Repair
- D. Water Operations Comments**
 - 1. Water Operations Report
 - 2. Electrical/Telemetry Report
- E. Wastewater Comments**
 - 1. Wastewater Report
- F. Operations Comments**

(*) - Asterisk indicates a report is attached.

7A-9

DRAFT

DRAFT

DRAFT

1. Water Quality Report
2. Cross Connection Control Program Report
- G. Engineering Comments**
 1. Engineering Report
- H. Customer Service Comments**
 1. Field Customer Service Report
 2. Meters Report
- I. Safety Comments**
 1. Safety Report
- J. Finance Manager Comments**
 1. Visa Breakdown
 2. Check Register
 3. Office Petty Cash
 4. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Action:

Moved by Director Brazier to receive and file information and financial information for January 2016. Seconded by Director Walker.

After consideration, the motion CARRIED by the following vote:

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

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

It was requested the draft Master Plan be on the next agenda for Board discussion. It was also noted there would be Administrative Code Change in order to deal with waiving fixed costs for locked off meters as well as reimbursement for capacity fees.

18. ADJOURNMENT - To Thursday, March 10, 2016 at 9:00 a.m.

The meeting was adjourned with a motion made by Director Brazier to a Special meeting on March 10, 2016 at 9:00 p.m.

The meeting was adjourned at 2:23 p.m.

Dennis Sanford, Board President

Dawn M. Washburn, Board Secretary



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING FEBRUARY 25, 2016

1 Grant of Easement across San Diego County Water Authority fee owned property.

The Board authorized the General Manager to grant a permanent easement across San Diego County Water Authority fee owned property, at the appraised fair market value.

2 Public works and professional services contract selection process and dollar value limits for Consent items.

The Board approved to continue the current practice of placing public works and professional services contract valued less than \$1 million on the Consent Calendar with no formal presentation to the Board and directed staff to include the following information in all related Board letters:

- 1) Original contract award amount,
- 2) Cumulative contract award amount,
- 3) Dates during which the contract is in effect,
- 4) Statement of whether the contract amount was originally budgeted, and, if not, staff's proposal for funding the contract,
- 5) Explanation when the contract is sole sourced,
- 6) When applicable, a description of the bidding process and how the proposed vendor placed in relation to others for low bid, and
- 7) SCOOP metrics.

Additionally, Committee and Board Officers may, for any reason, direct staff to remove an item qualifying for the Consent Calendar during pre-briefs.

3 Adopt positions on various state bills.

The Board adopted a position of Support if Amended on AB 1749 (Mathis), relating to CEQA exemptions for recycled water pipeline projects and adopted a position of Oppose Unless Amended on SB 814 (Hill), relating to mandatory monetary penalties for excessive water use.

4 Federal legislative priorities for 2016.

The Board adopted federal legislative priorities for 2016.

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

The Board noted and filed the monthly Treasurer's report.

6 Amendment to Agreement for Special Services with Liebert Cassidy Whitmore to increase the contract limit by \$50,000 to a total of \$270,000.

The Board authorized the General Counsel to execute an amendment to the agreement for special services with Liebert Cassidy Whitmore to increase the contract limit by \$50,000 to \$270,000.



- 7 Approve the selection of firms to renew the Water Authority's pre-qualified underwriting pool, the selection of a new liquidity facility to support the commercial paper program and the recommended comprehensive debt management strategy.

The Board approved the recommended pre-qualified underwriter pool; approved the selection of Bank of America as the liquidity provider and adopted Resolution 2016-02 authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith; and approved the recommended comprehensive debt management strategy.

- 8 Approval of contract for General Counsel.

The Board approved the contract for General Counsel.



Chairman

March 4, 2016

Bill Horn
County Board of
Supervisors

Vice Chairman

Sam Abed
Mayor
City of Escondido

Members

Dianne Jacob
County Board of
Supervisors

Andrew Vanderlaan
Public Member

Lorie Zapf
Councilmember
City of San Diego

Lorraine Wood
Councilmember
City of Carlsbad

Jo MacKenzie
Vista Irrigation District

Vacant
Special District

Alternate Members

Greg Cox
County Board of
Supervisors

Chris Cate
Councilmember
City of San Diego

Racquel Vasquez
Councilmember
City of Lemon Grove

Ed Sprague
Olivenhain Municipal
Water District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Legal Counsel

Michael G. Colantuono

TO: Independent Special Districts in San Diego County
FROM: Executive Officer
SUBJECT: 2015-16 Special Districts Mailed-Ballot Election Results

This is an update and notification regarding the Local Agency Formation Commission's (LAFCO's) 2015-16 Mailed-Ballot Election. The deadline for receipt of the ballots to elect one regular special district LAFCO member; one alternate special district LAFCO member; eight Special Districts Advisory Committee members; and the extension of two regular special district member terms on the Commission was February 26, 2016. Sixty-one independent special districts were eligible to vote. The Selection Committee Rules stipulate that a majority of the districts shall constitute a quorum for the conduct of committee business; therefore, a minimum of 31 ballots were needed in order to certify that a legal election was conducted. According to the Rules, a candidate for LAFCO's Regular or Alternate member position must receive at least a majority of the votes cast to be elected; election to the Special Districts Advisory Committee requires a plurality vote.

A sufficient number of ballots were returned for the regular and alternate special district LAFCO member positions; Special Districts Advisory Committee positions; and the ballot question regarding the term extension for the two regular LAFCO member positions. However, three ballots had to be disregarded because a valid signature was not affixed. State Law requires that votes may be cast only by the presiding officer, or an alternate of the governing (legislative) body of each district. Since three special district ballots were signed by the general managers or chief executive officers of districts, these ballots were deemed invalid and disregarded. The results of the mailed-ballot election are as follows:

Regular Member Position

There were two candidates for the regular special district member position on LAFCO: Edmund Sprague (Olivenhain Municipal Water District) and George McManigle (Mission Resource Conservation District). There were no write-in candidates. Edmund Sprague was the recommended candidate

Independent Special Districts

March 4, 2016

Page Two

from the Special Districts Nominating Committee and is currently LAFCO's alternate special district member. Mr. Sprague received 31 out of 33 votes cast and was accordingly elected as the regular district member. His term will expire in May 2019. Below is a summary of the votes cast for each candidate:

- Ed Sprague (31 votes)
- George McManigle (2 votes)

Alternate Special District Member Position

Four candidates were nominated for the alternate special district member position: Mark Robak (Otay Water District); Dennis Sanford (Rainbow Municipal Water District); Joel Scalzitti (Helix Water District); and Judy Hanson (Leucadia Wastewater District). There were no write-in candidates. Ms. Hanson was the recommended candidate from the Special Districts Nominating Committee and is currently the Vice Chair of the Special Districts Advisory Committee. Ms. Hanson was the highest vote getter with 15 votes; however, due to the number of other nominations, she did not receive a majority of the votes cast. Therefore, a run-off election will be held between Ms. Hanson and the second highest vote getter. Dennis Sanford received the second highest number of votes cast (9 votes). A run-off mailed-ballot election will be held in about two weeks from the date of this notification. Below is a summary of the votes cast for each candidate:

- Judy Hanson (15 votes)
- Dennis Sanford (9 votes)
- Mark Robak (5 votes)
- Joel Scalzitti (4 votes)

Term Extensions

The mailed-ballot election also contained term extension questions for two regular district commission member positions. The questions were included in the ballot to achieve better term staggering on the Commission. Based on the election results, the regular member position currently occupied by Jo MacKenzie was extended from 2016 to 2020 (27 votes in favor and 4 votes against). The regular member commission position that will be occupied by regular member-elect Edmund Sprague was extended from 2017 to 2019 (26 votes in favor and 3 votes against).

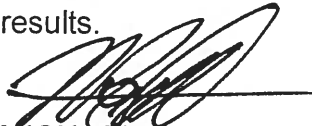
863a-2

Independent Special Districts
March 4, 2016
Page Three

Advisory Committee

With respect to the Advisory Committee, four incumbent members were reelected: John Pastore (Rancho Santa Fe Community Services District), Gary Croucher (Otay Water District), Thomas Pocklington (Bonita-Sunnyside Fire Protection District), and Kimberly A. Thorner (Olivenhain Municipal Water District). Four new members were elected: Jack Bebee (Fallbrook Public Utility District), Robert L. Thomas (Pomerado Cemetery District), Tom Kennedy (Rainbow Municipal Water District), and Erin Lump (Rincon del Diablo Municipal Water District). Terms for the four re-elected incumbent members and four new members will expire in 2019. One district (Rancho Santa Fe Community Services District) cast a vote for nine positions on the committee instead of eight; therefore, this particular ballot (Rancho Santa Fe CSD) was deemed invalid and disregarded.

Attached to this notification is a summary of the Special Districts Mailed-Ballot Election results.



MICHAEL D. OTT
Executive Officer

MDO:trl

Attachments:

- (1) Special Districts Mailed-Ballot Election Results
- (2) Special Districts Mailed-Ballot Election Districts Returned Ballots

8634-3

2015-16 SPECIAL DISTRICTS MAILED-BALLOT ELECTION RESULTS

Number of Votes

LAFCO Regular Special District Member *

(The candidate receiving the highest number of votes won the election)

Edmund Sprague (Olivenhain Municipal Water District)	31
George E. McManigle (Mission Resource Conservation District)	2

**Term expiring May, 2019.*

LAFCO Alternate Special District Member *

(The two candidates receiving the highest number of votes will be in a run-off election)

Judy Hanson (Leucadia Wastewater District)	15
Dennis A. Sanford (Rainbow Municipal Water District)	9
Mark Robak (Otay Water District)	5
Joel A. Scalzitti (Helix Water District)	4

**Term expiring May, 2019.*

Special Districts Advisory Committee Member*

(The eight candidates receiving the highest votes won the election)

Thomas Pocklington (Bonita-Sunnyside Fire Protection District)	29
Kimberly A. Thorner (Olivenhain Municipal Water District)	27
Gray Croucher (Otay Water District)	27
Erin Lump (Rincon del Diablo Municipal Water District)	26
Tom Kennedy (Rainbow Municipal Water District)	25
Jack Bebee (Fallbrook Public Utility District)	24
Robert L. Thomas (Pomerado Cemetery District)	23
John Pastore (Rancho Santa Fe Community Services District)	22
Robert Roberson (Lakeside Fire Protection District)	14

**Term expiring October, 2019.*

Time Extension for LAFCO Special District Member

Term extension for one regular LAFCO Special District member position from 2016 to 2017 (Yes: 27 / No: 4)

Term extension for one regular LAFCO Special District member position from 2017 to 2019 (Yes: 26 / No: 3)

8254-4

2015 SPECIAL DISTRICTS MAILED-BALLOT ELECTION DISTRICTS THAT RETURNED BALLOTS

Alpine Fire Protection District

Bonita-Sunnyside Fire Protection District

Borrego Springs Fire Protection District

Borrego Water District¹

Deer Springs Fire Protection District

Fairbanks Ranch Community Services District

Fallbrook Public Utility District

Grossmont Health Care District

Helix Water District

Jacumba Community Services District

Lake Cuyamaca Rec and Park District¹

Lakeside Fire Protection District

Lakeside Water District

Leucadia Wastewater District

Mission Resource Conservation District

Mootamai Municipal Water District

North County Cemetery District

North County Fire Protection District

Olivenhain Municipal Water District

Otay Water District

Padre Dam Municipal Water District

Palomar Health Care District¹

Pomerado Cemetery District

Rainbow Municipal Water District

Rancho Santa Fe Community Services District²

Rincon del Diablo Municipal Water District

San Miguel Consolidated Fire Protection District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Valley Center Fire Protection District

Valley Center Municipal Water District

Valley Center Parks & Recreation District

Vista Irrigation District

Whispering Palms Community Services District

Yuima Municipal Water District

1 Borrego Water District, Lake Cuyamaca Rec & Park District and Palomar Health Care District ballots were eliminated because the signature was not valid; it is required that a presiding or duly-appointed board member or alternate sign the ballot.

2 Rancho Santa Fe Community Services District ballot was eliminated for the Special Districts Advisory Committee because the district voted for nine nominees when eight was required.

808a-5

Chairman

Bill Horn
County Board of
Supervisors

March 8, 2016

Vice Chairman

Sam Abed
Mayor
City of Escondido

Tom Kennedy
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028-9372

Members

Dianne Jacob
County Board of
Supervisors

TOM
Dear Mr. Kennedy:

Andrew Vanderlaan
Public Member

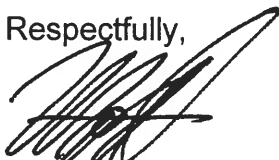
Lorie Zapf
Councilmember
City of San Diego

Lorraine Wood
Councilmember
City of Carlsbad

Jo MacKenzie
Vista Irrigation District

Vacant
Special District

Respectfully,



Alternate Members

Greg Cox
County Board of
Supervisors

MICHAEL D. OTT
Executive Officer

Chris Cate
Councilmember
City of San Diego

MDO:eb

Racquel Vasquez
Councilmember
City of Lemon Grove

Ed Sprague
Olivenhain Municipal
Water District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Legal Counsel

Michael G. Colantuono

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 9, 2016**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on February 9, 2016 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:01 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle
Member Ross
Member Clyde
Alternate Moss

Absent: Member Carlstrom
Member Hensley

Also Present: General Manager Kennedy
Finance Manager Martinez
Assistant Rubio

There was one public member present.

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

Mr. Rodriguez asked about the Fallbrook Golf Course and how it affects the water. Mr. Kennedy said he would look into whether they are a large user or mostly use groundwater.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

There were no comments.

6. **DISCUSSION AND POSSIBLE ACTION TO APPOINT 2016 COMMITTEE OFFICERS**

Mr. Kennedy mentioned the Board has two vacant seats due to Member Lucy's and Member Griffiths' recent resignations. He explained the process for filling the remainder of the terms for these two seats and how the Board will consider any interested candidates at their February 23, 2016 Board meeting and hopefully make at least one of the necessary appointments.

Discussion ensued regarding keeping the current committee officers.

Action:

Moved by Member Clyde to have Harry Stittle be Chairperson and Randy Ross be Vice Chairperson. Seconded by Alternate Member Moss.

After consideration, the motion CARRIED by the following vote:

AYES: Member Stittle, Member Clyde, Member Ross and Alternate Member Moss
NOES: None
ABSTAINED: None
ABSENT: Member Carlstrom and Member Hensley

***7. APPROVAL OF MINUTES**

A. January 12, 2016

Action:

Moved by Member Clyde to approve the minutes as written. Seconded by Member Moss.

After consideration, the motion CARRIED by the following roll call vote:

AYES: Member Stittle, Member Clyde, Member Ross and Alternate Member Moss
NOES: None
ABSTAINED: None
ABSENT: Member Carlstrom and Member Hensley

8. UPDATES

A. Strategic Plan

Mr. Kennedy noted within the Strategic Plan there are strategic focus areas which have now been converted into specific items, who they are assigned to, when they are expected to be completed, and the measurement for success on the handout provided. He solicited input from the committee as to whether there were any changes or specific goals they would like included as it relates to the District's budget and financials. Discussion followed.

B. CIP with Update from Developers as to Dates

Mr. Kennedy referred to the documents provided showing the Engineering Manager's current projections on when RMWD expects to be setting the majority of the meters listed. He mentioned how some of the development has been delayed which could change these projections. Discussion ensued.

C. Accela (Springbrook)

Mrs. Martinez reported the next step would be to schedule training on the human resources module in early March. She noted the purchasing, purchase orders, and inventory data has been provided to Springbrook so that they could upload it and be tested by RMWD staff. She stated she would now like to go full force on utility billing provision sooner than later due to issues occurring in Datastream causing concern that the software may be lacking. Discussion followed.

9. MONTHLY WATER SALES REPORT WITH PROJECTIONS FOR REMAINDER OF YEAR

Mr. Stitle would like to have the Sewer report included next month.

10. MONTHLY FINANCIAL REPORT

Mr. Kennedy suggested some modifications to the Springbrook report.

Mrs. Martinez offered to configure a summary report to go along with the detailed report.

Mr. Stitle asked if the numbers could be rounded.

11. REVIEW OF GROUNDWATER ISSUE

Mr. Kennedy noted the report from West Yost on groundwater was completed last month. He said agencies would like to officially separate this groundwater basin into its different components. He talked about the various steps involved in this process. Discussion ensued.

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

It was noted the sewer sales report, a discussion regarding billing and reestablishment of service including how to handle delinquent accounts should be on the next agenda.

13. ADJOURNMENT

The meeting adjourned by a motion made by Member Clyde and seconded by Member Stitle.

The meeting adjourned at 2:40 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

**MINUTES OF THE COMMUNICATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 11, 2016**

1. **CALL TO ORDER** – The Communications Committee Meeting of the Rainbow Municipal Water District on January 11, 2016 was called to order by Chairperson Daily at 3:31 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Daily, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Mike Daily
Member O’Leary
Member Brazier
Member Kurnik
Member Kirby

Absent: Member Romani

Also Present: General Manager Kennedy
Executive Assistant Washburn
Administrative Analyst Gray

No members of the public were present.

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

There were no comments.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

Mr. Daily distributed copies of some planning guide this committee worked on in 2012. He offered to email this over to the committee members in Word format.

*6. **APPROVAL OF MINUTES**

A. December 7, 2015

Action:

Moved by Member Brazier to approve the minutes as submitted. Seconded by Member Kirby.

931-1

After consideration, the motion CARRIED by the following vote:

AYES: Member Daily, Member Brazier, Member Kurnik, Member O'Leary, and Member Kirby
NOES: None
ABSTAINED: None
ABSENT: Member Romani

7. DRAFT COMMUNICATIONS PLAN

Mrs. Gray provided handouts as a starting point for drafting the communications plan.

Discussion ensued regarding what topics should be included in the monthly newsletters as follows:

- February 2016: SDCWA shutdown notice, a separate Notice of Board Vacancy for Division 4, a feature on tanks including a picture of the tank interior, and start spotlighting staff members.
- March 2016: Rainbow history, drought/snow pack update, and announcement Bonsall history will be included in the April newsletter.
- April 2016: Bonsall history, groundwater efforts, and new board member introduction (Member O'Leary).
- May 2016: Development update (permits, approval of plans, etc.), engineering staff spotlight, and possibly rate notices.
- June 2016: Budget report, board vacancies, and finance department spotlight.
- July 2016: Large customer profiles (Euro-American Grower), pumping/pump stations pictures and featured crews.
- August 2016: Drought update, indirect potable reuse (regulatory process), WRF update, wastewater staff spotlight.
- September 2016: Meet the conservation staff, asset management system, strategic plan elements (call out box).
- October 2016: Storm water quality, and rain barrels/rebates.
- November 2016: Anniversary of desal plant, winter water use, and fat oils and grease feature.

Mr. Kennedy stated staff will takes these notes and have something typewritten for the committee to review at the next meeting.

Mr. Daily suggested committee members be assigned to work on the spotlight staff pieces and see if the committee members are willing to work on these or if other committee members may need to pick up extra segments.

Mr. Kennedy noted he would like to incorporate the graphics from the strategic plan into the newsletter and other types of documents at the District to create a correlation as well as give RMWD material a fresh look.

Discussion ensued regarding the student film project currently being circulated with an anticipated deadline for March 1st for the videos and April 1st for the school age calendars.

Mr. Kennedy noted the newsletter topics will be on a rotating basis rather than by calendar year.

Mr. O'Leary suggested there be a spotlight article on the executive team due to all the recent changes in this level of personnel.

Discussion returned to Item #8.

8. GENERAL MANAGER UPDATES

Mr. Kennedy announced Midge Thomas retired from the District on January 8, 2015 and that Juan Atilano has resigned from RMWD to pursue opportunities elsewhere.

Mr. Kennedy mentioned the Strategic Plan will be brought to the Board in January for consideration and possible approval. He also reiterated the Board vacancy for Division 4 will be filled by appointment by the Board on March 22, 2016 and that the appointee will have to run as part of the November 2016 elections for the remainder of the two-year term for this Division.

Mr. Kennedy noted election of officers will be on the respective committee agendas for February.

Discussion returned to Item #7.

Mrs. Kirby inquired about the amount of calls RMWD received after the newsletter went out regarding restructuring allocations. Discussion ensued.

9. UPCOMING NEWSLETTER TOPICS

This item was discussed under Item #7.

10. REVIEW AND ANALYSIS OF RMWD RELATED MEDIA STORIES

Mr. Daily mentioned there was a media item in a recent edition of the Village News regarding forecasts for both RMWD and FPUD for 2016.

11. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED COMMUNICATIONS COMMITTEE MEETING

It was noted communications plan review, strategic plan, and elections of committee officers should be on the February agenda.

12. ADJOURNMENT

Action:

Moved by Member Brazier to adjourn the meeting to February 1, 2016. Seconded by Member Kurnik.

After consideration, the motion CARRIED by the following vote:

AYES: Member Daily, Member Brazier, Member Kurnik, Member O'Leary, and Member Kirby

NOES: None

ABSTAINED: None

ABSENT: Member Romani

The meeting adjourned at 4:53 p.m.

Mike Daily, Committee Chairperson

Dawn M. Washburn, Board Secretary

931-4

**MINUTES OF THE COMMUNICATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 1, 2016**

1. **CALL TO ORDER** – The Communications Committee Meeting of the Rainbow Municipal Water District on February 1, 2016 was called to order by Vice Chairperson O’Leary at 3:36 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice Chairperson O’Leary, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member O’Leary
Member Brazier
Member Kurnik
Member Kirby

Absent: Member Daily
Member Romani

Also Present: General Manager Kennedy
Administrative Analyst Gray

No members of the public were present.

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

There were no comments.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

There were no comments.

6. **DISCUSSION AND POSSIBLE ACTION TO APPOINT 2016 COMMITTEE OFFICERS**

Action:

Moved by Member Brazier to keep current officers. Seconded by Member O’Leary.

After consideration, the motion CARRIED by the following vote:

AYES: Member Brazier, Member Kurnik, Member O’Leary, and Member Kirby
NOES: None
ABSTAINED: None
ABSENT: Member Daily and Member Romani

***7. APPROVAL OF MINUTES**
A. January 11, 2016

Action:

Moved by Member O'Leary to approve the minutes as submitted. Seconded by Member Brazier.

After consideration, the motion CARRIED by the following vote:

AYES: Member Brazier, Member Kirby, Member O'Leary, and Member Kurnik
NOES: None
ABSTAINED: None
ABSENT: Member Daily and Member Romani

8. REVIEW OF COMMUNICATIONS COMMITTEE PLAN

Mr. Kennedy suggested maybe something could be written up on the old Bonsall Schoolhouse as part of the spotlighting of education, teachers, and awareness portion of the March newsletter.

Mr. O'Leary talked about possibly having something on the history of Rainbow as provided by Bill Hitt. He also offered to put something together showing what waterlines go where and the annual SDCWA shutdown. Discussion ensued.

9. REVIEW AND UPDATE ON STRATEGIC PLAN

Mr. Kennedy reported the Board approved the Strategic Plan at their January 26, 2016 meeting. He noted staff was now in the process of developing all the specific implementations including breakdown the focus points and coming up with sub-goals with time measurements.

Mr. Kennedy solicited the committee for feedback on Strategic Focus Area 5 where it talks about expanding options for bill pay and timely account information. Ideas included:

- Update RMWD's bill format (May 1st have draft bill).
- Actively encourage participation in 4th grade poster contest (actively judge, present awards to "winners", create truck magnets).
- One news release per month.
- Get a booth at Avocado Festival and one other regional event.
- Enhance newsletter design and content.
- Create videos on FAQ's for website (list of things to know about on-site water and improved FAQ section).
- Set up speaker's bureau and notify groups.
- Set up quarterly tours and waiver forms.
- Set up annual joint meetings for each committee (1 per every 4 months).

Discussion continued.

10. UPCOMING NEWSLETTER TOPICS

It was decided this reoccurring item would be changed to "Communications Plan" on future agendas.

11. REVIEW AND ANALYSIS OF RMWD RELATED MEDIA STORIES

Discussion ensued regarding a recent story on water quality matters that were unrelated to RMWD.

12. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED COMMUNICATIONS COMMITTEE MEETING

Mr. Kennedy stated he would bring something on changes to the look of RMWD's bills as well as the Administrative Code section related to the Committees.

13. ADJOURNMENT

Action:

Moved by Member Kurnik to adjourn. Seconded by Member Kirby.

After consideration, the motion CARRIED by the following vote:

AYES: Member Brazier, Member Kirby, Member O'Leary, and Member Kurnik
NOES: None
ABSTAINED: None
ABSENT: Member Daily and Member Romani

Tim O'Leary, Committee Vice Chairperson

Dawn M. Washburn, Board Secretary

902-3

**MINUTES OF THE ENGINEERING COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 6, 2016**

1. **CALL TO ORDER** – The Engineering Committee Meeting of the Rainbow Municipal Water District on January 6, 2016 was called to order by Chairperson Prince at 3:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Prince, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Prince
Member Brazier
Member Stitle
Member Ratican
Member Kirby
Member Murray
Alternate Kirkpatrick
Alternate Robertson

Absent: Member Taufer

Also Present: General Manager Kennedy
Assistant Rubio

There were seven members of the public present.

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

There were no public comments.

COMMITTEE ACTION ITEMS

- *5. **APPROVAL OF MINUTES**
- A. November 4, 2015
 - B. December 2, 2015

Action:

***Moved by Member Brazier to approve the minutes of November 4, 2015 as written.
Seconded by Member Stitle.***

921-1

After consideration, the motion CARRIED by the following vote:

AYES: Member Prince, Member Brazier, Member Stitle, Member Ratican, Member Lee and Alternate Member Robertson.
NOES: None
ABSTAINED: None
ABSENT: Member Taufer

Action:

Moved by Member Brazier to approve the minutes of December 2, 2015 as written. Seconded by Member Stitle.

After consideration, the motion CARRIED by the following vote:

AYES: Member Prince, Member Brazier, Member Stitle, Member Ratican, Member Lee and Alternate Member Robertson.
NOES: None
ABSTAINED: None
ABSENT: Member Taufer

Member Murray arrived at 3:03 p.m.

6. MASTER PLAN UPDATE

Mr. Elliott the consultant from Atkins provided a presentation regarding the progress of the District's Draft Master Plan. He said with the increase in planned development over the next 20 years the Master Plan would be addressing the needs of infrastructure for both water and wastewater to accommodate this growth. He mentioned the Master Plan's preliminary feasibility report explores the opportunity of a recycle water plant to provide a local supply of water.

Mr. Elliott pointed out the goals of the Master Plan were to map out integrated water delivery, supply, wastewater conveyance, treatment/recycle water options and to develop a capital improvement plan for the next 20 plus years that best meets the needs of the District as well as the ratepayers. He noted the importance of this Master Plan was that it would provide the defensibility to move forward with an update to the water and wastewater capacity fees. He continued the discussion with a summary of the recent updates.

Mr. Kennedy said the goal was to have the Master Plan completed and Board approved by February 2016 and then proceed with updating the District capacity fees.

7. STANDARDS UPDATE

Mrs. Kirkpatrick provided a copy of the District's Draft Standards and Specifications Manual with updates since the last revision dated December 2011. She explained every Water District uses their own Standards Manual, which are unique for their District. She said the Standards Manual was used as a guideline for designers and contractors containing the Districts requirements on how to design and install facilities. She asked the committee members to review the draft standards manual and return next month with any comments for discussion. She noted the goal was to update the Standards Manual prior to the start of the new development.

8. ASSET MANAGEMENT SOFTWARE

Mr. Kennedy said the District currently does not have an asset management system. He mentioned the District needed to start the process of implementing an asset management system preferable during the Springbrook system installation. He outlined what an asset management system consisted of and its functions as follows:

1. A complete database of all District assets:
 - a. Assets included: pipes, valves, services, pumps, lift stations, etc.
 - b. Virtual assets: labor training, meetings, administrative functions, etc.
2. Method for tracking asset condition
3. Method of ensuring appropriate maintenance
4. Method for planning future maintenance and replacement
5. Method for tracking performance of maintenance of personnel

Mr. Kennedy proceeded with a detailed presentation on how the asset management system data would be collected, maintained and the types of systems available.

Action:

Moved by Alternate Member Robertson to recommend to the Board for consideration to approve the purchase of an asset management system. Seconded by Member Stitle.

After consideration, the motion CARRIED by the following vote:

- AYES:** Member Prince, Member Brazier, Member Stitle, Member Murray, Member Ratican, Member Lee and Member Robertson
- NOES:** None
- ABSTAINED:** None
- ABSENT:** Member Taufer

Alternate Robertson left at 4:40 p.m.

9. CAPACITY FEE REVISION UPDATE

Mr. Kennedy said it was important for the District capacity fees to be updated prior to the development rush. He explained the buy-in component of the capacity fees takes the total number of EDUs and total system valuation and then divides them up. He pointed out after reviewing how some of the systems were valued, he believes the District's systems were undervalued significantly. He mentioned consulting out a capacity fee study would provide a justifiable capacity fee. Discussion ensued.

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

The following agenda items were suggested for the next scheduled Engineering Committee Meeting:

- Committee Officers Renewal
- Draft Master Plan Report
- Draft Standards and Specifications Manual
- Asset Management Software Update

11. ADJOURNMENT

The meeting adjourned at 4:49 p.m.

Timothy Prince, Committee Chairperson

Dawn M. Washburn, Board Secretary

9C1-4

**MINUTES OF THE ENGINEERING COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 3, 2016**

1. **CALL TO ORDER** – The Engineering Committee Meeting of the Rainbow Municipal Water District on February 3, 2016 was called to order by Chairperson Prince at 3:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Prince, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Prince
Member Stitle
Member Ratican
Member Taufer
Member Murray
Alternate Robertson
Alternate Kirkpatrick

Absent: Member Brazier
Member Kirby

Also Present: General Manager Kennedy
Director Walker
Assistant Rubio

Public members present were Mr. Alexander and Mr. Marmett.

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

There were no public comments.

COMMITTEE ACTION ITEMS

5. **DISCUSSION AND POSSIBLE ACTION TO APPOINT 2016 COMMITTEE OFFICERS**

Ms. Kirkpatrick stated Mrs. Brazier informed her that if someone else was interested in the Vice Chairperson position, she would not oppose it.

Mr. Prince and Mr. Robertson recommended postponing this agenda item to next month's committee meeting when Ms. Brazier could be present.

Mr. Kennedy said during the strategic planning the committees as well as the Board wanted to increase communications between them. He mentioned the communications committee suggested having quarterly joint meetings with the Board and the committees to go over specific roles and expectations of each committee. Discussion ensued.

***6. APPROVAL OF MINUTES**

A. January 6, 2016

Action:

Moved by Member Stitle to approve the minutes as written. Seconded by Member Murray.

After consideration, the motion CARRIED by the following vote:

AYES: Member Prince, Member Stitle, Member Ratican, Member Murray, Alternate Member Robertson and Alternate Member Kirkpatrick.

NOES: None

ABSTAINED: Member Taufer

ABSENT: Member Kirby

7. REQUEST TO SHARE SINGLE SEWER LATERAL FOR TWO LOTS

Mrs. Kirkpatrick introduced Mr. Alexander a District customer to discuss his request to share a single sewer lateral with two abutting parcels on Gird Road. She provided copies of the correspondence between Mr. Alexander and the District. She also provided a copy of the District's Administrative Policy citing two parcels cannot share a lateral.

Mrs. Kirkpatrick reminded the committee members that they serve as an advisory committee to the Board all concerns and recommendations would be submitted to the Board for a decision.

Mr. Alexander provided an explanation of his request by referencing a letter he received from the District dated December 30, 2002, allowing him to use the same sewer lateral for two parcels. He continued the District responded to his recent inquiry regarding honoring this letter by stating that current policy would not allow connecting two parcels on one lateral. Mr. Kennedy pointed out District staff do not have legal authority to supersede the Administrative Code. He explained Mr. Alexander's request to go from a compliance situation to a non-compliance could not be approved by staff. He said there was a process for Mr. Alexander's request, which was to go through the Engineering Committee first and then to the Board for consideration. Discussion ensued.

Mr. Alexander said he believed there was a lateral stub extending out to the other parcel, which was about 8 feet deep. Mr. Kennedy asked Mr. Alexander to provide a drawing identifying the property lines with the existing sewer laterals.

Mr. Robertson addressed a point of order to the Chairperson stating the issue/question was whether the sewer lateral was or was not on the property. He told the committee members he did not think they could go forward with a vote without knowing the facts and substantiated by District staff. Discussion ensued.

Mr. Prince asked Mr. Alexander when the lot was split was an easement established for the sewer lateral going into the second lot. Mr. Alexander responded he did not know. Discussion ensued.

Action:

Moved by Member Murray that the Engineering Committee support Mr. Alexander's request to have the letter (dated 12/30/02) validated by the Board and the privileges thereby granted.

Motion amended by Mr. Stitle.

Action:

Moved by Member Stitle to amend the motion to recommend approval of Mr. Alexander's request with the condition that the existence or non-existence of the lateral wye on the corner property exists and there has to be a two year period, if it does not exist approval would not be recommended. Seconded by Robertson.

Mr. Kennedy recommended to amend the motion that the Board require a provision for an easement fee to be provided for the second lot. Discussion ensued.

Mr. Robertson called the question on the motion as amended.

Mr. Alexander disagreed with the requirement to provide proof of the stub stating it was not a requirement in the original letter. Discussion ensued.

Mr. Robertson called the question on the vote as amended.

After consideration, the motion CARRIED to approve the amended motion by the following vote:

AYES: Member Prince, Member Stitle, Member Murray, and Alternate Member Robertson.
NOES: Member Ratican and Member Taufer
ABSTAINED: Alternate Member Kirkpatrick
ABSENT: Member Kirby

Mr. Alexander said he was concerned of the time he would have to spend digging to locate the stub and not receiving the Board's approval. Mr. Kennedy replied if Mr. Alexander could prove the stub or the cleanout was already installed there would be no issue. Discussion ensued.

Mr. Robertson called the question on the vote as amended.

Discussion returned to the original motion.

Seconded by Member Robertson.

After consideration, the motion CARRIED to approve the original motion as amended by the following vote:

AYES: Member Stitle, Member Murray, and Alternate Member Robertson.
NOES: Member Ratican and Member Taufer
ABSTAINED: Member Prince and Alternate Member Kirkpatrick
ABSENT: Member Kirby

8. MASTER PLAN UPDATE

Mr. Kennedy said the draft Master Plan was received incomplete the appendices were missing. He went over a few of the comments provided on his four page comments letter submitted to the consultant. Mrs. Kirkpatrick said most of her comments included CIP projects that were not referenced. Mr. Kennedy said a copy of the Draft Master Plan was being provided for the committee members to review and provide comments as soon as possible. Discussion ensued.

9. STANDARDS UPDATE

Mr. Stitle questioned the single family dwelling units' average daily demand of 500 gal/unit as being too low, if it included irrigation. Mrs. Kirkpatrick would verify the average daily demand.

Mrs. Kirkpatrick asked for any additional comments. Mr. Ratican went over a list of his recommendations and comments.

Mr. Kennedy explained the Standards Manual provides standard specifications for construction and design to be used by developers and consulting design engineers for projects within the District.

Alternate Member Robertson left at 5:08 p.m.

Mrs. Kirkpatrick addressed additional comments and informed the committee members that the comments would be incorporated in the Draft Standards Manual. She said it would be available for final review at next month's committee meeting. She noted there would be some items in the Master Plan that would affect the Draft Standards Manual.

10. ASSET MANAGEMENT UPDATE

Mr. Kennedy said the Board approved the asset management project. He pointed out the licenses have been setup and staff was currently working through the configuration. He mentioned the GIS was the main asset depository of data records. He said when all the data has been uploaded then staff training/reporting would begin. Discussion ensued.

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

The following agenda items were suggested for the next scheduled Engineering Committee Meeting:

- Appoint 2016 Committee Officers
- Joint Meeting - Communications with the Board
- Master Plan Update
- SLR Ground Water Report
- Final Draft Standards and Specification Manual

12. ADJOURNMENT

The meeting adjourned at 5:27 p.m.

Timothy Prince, Committee Chairperson

Dawn M. Washburn, Board Secretary

902-5



BOARD ACTION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 16-08, A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING JACK GRIFFITHS FOR HIS SERVICE AS A DIRECTOR

DESCRIPTION

Jack Griffiths served as the Division 2 director on Rainbow Municipal Water District's Board from January 2005 to January 2016. Resolution No. 16-08 commends Jack Griffiths for his dedicated service.

POLICY

N/A

BOARD OPTIONS/FISCAL IMPACTS

The Board may approve or reject Resolution No. 16-08. There is no fiscal impact.

STAFF RECOMMENDATION

Staff recommends the Board approve Resolution No. 16-08.



Tom Kennedy
General Manager

March 22, 2016

10A-1

RESOLUTION NO. 16-08

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RAINBOW MUNICIPAL WATER DISTRICT
COMMENDING JACK GRIFFITHS**

WHEREAS, the Board of Directors of Rainbow Municipal Water District wishes to recognize Jack Griffiths for his service as a Director of the District; and

WHEREAS, Jack Griffiths' service to the District is appreciated by the Board, staff and employees of Rainbow Municipal Water District.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED That the Board of Directors hereby commends Jack Griffiths and thanks him for his efforts on behalf of the District.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 22nd day of March, 2016 by the following vote, to wit:

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Tory Walker, Board Vice President

ATTEST:

Dawn Washburn, Board Secretary

10A-2



BOARD ACTION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING REQUEST TO DEFER PROPERTY OWNED BY MICHAEL AND VICTORIE DARNLEY FROM CHARGES FOR WATER AVAILABILITY AND IMPROVEMENT DISTRICT ASSESSMENTS

BACKGROUND

On June 28, 2011 Rainbow MWD adopted Resolution 11-08 establishing a procedure for a property owner to request a deferral of water service standby assessments for Improvement District No. 1 (ID #1) and for a Board to authorize the deferral when certain requirements are met by the property owner. The Board of Directors may authorize the deferral of such assessments for specific parcels of real property for an owner who satisfies the following requirements:

- Submits a written request to the District and is the record owner
- Provide facts reasonably demonstrating that water service will not be established for the property
- Has received no benefits or water service and has reasonably demonstrated no intention to secure water service.
- Provides documentary evidence that the property owner has requested and received an exemption for any standby charges imposed directly by Metropolitan Water District of Southern California by separate agreement.

Water availability charges are a per acre charge allowed under Water Code Section 71630. The District currently imposes a \$10.54 per acre charge on every parcel within the District.

If approved, a written agreement between the property owner and Rainbow MWD is recorded and runs with the land. If the current or future owner should ever request connection to the Rainbow MWD water supply, charges for all the deferred years would be payable to Rainbow MWD.

DESCRIPTION

Michael and Victorie Darnley own Assessor's Parcel Number 110-220-20-00 within the boundaries of the District consisting of 43.01 acres shown in the attached Figure. The nearest RMWD water line is located over 500 feet from the west and over 1,500 feet away from the east, with steep slopes surrounding the parcel, making it difficult to extend the waterline to the parcel for service. The Darnley's have stated that the property will not derive a benefit now or in the future from the water system. They request that the parcel be deferred from payment of water availability charges and improvement district assessments. The owner has requested and received deferral from Metropolitan Water District availability fees dependent on execution of their agreement as required.

This deferral request is site specific on APN 110-220-20-00. Staff is recommending action be taken related only to this request at this time.

100-1

POLICY

District Resolution 11-08 authorizes governing board deferral of ID#1 assessments.

BOARD OPTIONS/FISCAL IMPACTS

Option 1 – Approve deferral of Assessor’s Parcel Number 110-220-20-00 from water availability charges or improvement district assessments subject to the above listed requirements and direct General Manager to execute written agreement with the property owner. This option will reduce RMWD tax revenues by approximately \$453.32 per year based on the current assessment level of \$10.54 per acre.
Option 2 – Deny request for deferral.

STAFF RECOMMENDATION

Staff recommends Option 1.


Sherry Kirkpatrick
Engineering Manager

March 22, 2016



Source: Esri, DigitalGlobe, GeoEye, Earthstar, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



Figure 1: Darnley Deferral Request
100-3



BOARD ACTION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 16-05 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTIONS 5.01 AND 8.03

DESCRIPTION

The accounts payable section of the Administrative code is being updated as it was limited to only one method of payment. The current allowable form of disbursement is by issuing a physical check. There are several different options a company can use to pay its obligations. By broadening its payment choices Rainbow can utilize any which option that seems most appropriate for each particular obligation. The additional payment options can offer the following benefits to the District such as cost savings, efficiency, and secured remittance.

The character of service change language is being added to the Administrative Code as many water users have drastically changed their usage of the property. This will allow the customer an option once a year to change their character of service, so as long as the proposed change meets what is being prescribed in the Administrative Code character of service section, accordingly to how the property is being utilized. The customer service department has recently seen an increased in customers' inquiring about the possibility of changing their character of service class, as their most recent bill included the new rate structure. Rainbow staff is proactively trying to address the customers' concerns in the fairest, lawful approach we are allowed.

POLICY

Section 5.01 – Banking
Section 8.03 – Area Served

BOARD OPTIONS/FISCAL IMPACTS

The Board may approve, deny or modify the recommendations, or provide additional direction to staff.

STAFF RECOMMENDATION

Staff recommends the Board adopt Ordinance No. 16-05 amending and updating Administrative Code Sections 5.01 and 8.03.



Vanessa Martinez, Finance Manager

March 22, 2016

100-1

Ordinance No. 16-05

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending the Administrative Code Sections 5.01 and 8.03**

WHEREAS, the Rainbow Municipal Water District has, from time to time, adopted various rules and regulations for the operation of the District; and

WHEREAS, certain of those rules and regulations require updating to reflect best practices, as well as changes in applicable laws; and

WHEREAS, the Board of Directors has determined that changes in the rules or regulations of the District shall occur solely by amendment to the Administrative Code;

NOW, THEREFORE,

BE IT ORDAINED by the Board of Directors of Rainbow Municipal Water District as follows:

1. The following rules and regulations of the District, collected and attached are hereby adopted and shall be incorporated into the Administrative Code, consisting of:

5.01	Banking
8.03	Area Served

2. The General Manager is hereby directed to update the Administrative Code to reflect the approval of these rules and regulations, and to assign or reassign the numbering of the Administrative Code as necessary to codify these rules and regulations as amended.

3. This ordinance shall take effect immediately upon its adoption on this 22nd day of March, 2016.

AYES:
NOES:
ABSTAIN:
ABSENT:

Tory Walker, Board Vice President

ATTEST:

Dawn Washburn, Board Secretary

Chapter 5.01
BANKING

Sections:

- 5.01.010 Check Signers
- 5.01.020 Accounts Payable - Signers
- 5.01.030 Payroll - Signers

Section 5.01.020
Accounts Payable Signers

Accounts payable checks under \$50,000 shall be signed by members of the management staff, and checks over \$50,000 be signed by one member of management staff and one Board member. Payments made be made by using physical checks, facsimile, digital signature, electronic funds transfer (EFT) or any other method that is secure, efficient, and beneficial to the District's needs. Internal controls shall be established by the Budget and Finance Committee to assure proper authorization of all payments.

**Chapter 5.01
BANKING**

Sections:

- 5.01.010 Check Signers**
- 5.01.020 Accounts Payable Signers**
- 5.01.030 Payroll - Signers**

Section 5.01.020
Accounts Payable Signers

Accounts payable checks under \$50,000 shall be signed by members of the management staff, and checks over \$50,000 be signed by one member of management staff and one Board member. Payments made be made by using physical checks, facsimile, digital signature, electronic funds transfer (EFT) or any other method that is secure, efficient, and beneficial to the District's needs. Internal controls shall be established by the Budget and Finance Committee to assure proper authorization of all payments.

**Chapter 8.03
AREA SERVED**

Sections

8.03.010	Service Area
8.03.020	General
8.03.030	Character of Service
<u>8.03.040</u>	<u>Character of Service Change</u>
8.03.030.1	Single Family Residential
8.03.030.2	Multi-Family Residential
8.03.030.3	Commercial
8.03.030.4	Institutional
8.03.030.5	Construction
8.03.030.6	Agricultural with Residence
8.03.030.7	Agricultural Without Residence
8.03.030.8	TSAWR (Transitional Special Agricultural Water Rate) Domestic
8.03.030.9	TSAWR (Transitional Special Agricultural Water Rate) Commercial

**Section 8.03.010
Service Area**

The Rules and Regulations pertain to water service to land or improvements (or both) lying within the boundaries of the District unless otherwise stated. The District's primary obligation is to provide water service to persons within its boundaries subject to the availability of facilities, capacity and supply to provide such services.

**Section 8.03.020
General**

8.03.020.1 The District will furnish water service throughout its corporate area under the general conditions outlined in these rules and regulations. To be eligible to receive service, the parcel to be served must abut a District easement or road right-of-way in which a District water main is installed, except where a remote meter has been approved per District Administrative Code.

8.03.020.2 The District will endeavor to supply water in sufficient quantities and at adequate pressures to meet the needs and requirements of all Applicants and Customers. This service will be furnished under the District's rate schedules according to the class, character or type of service offered by the District. The classifications are as follows:

1. Regular
2. Construction/Temporary
3. Fire Service

**Section 8.03.030
Character of Service**

Water users will be billed at the rates established by the Board of Directors for the following types of service:

1. Single Family Residential
2. Multi-Family Residential
3. Commercial
4. Institutional
5. Construction
6. Agricultural with Residence
7. Agricultural without Residence
8. TSAWR Domestic
9. TSAWR Commercial

8.03.030.1 Single Family Residential

Service under this character is applicable to single-family dwellings and duplexes. A duplex is a house of single structure consisting of two separate family dwellings.

8.03.030.2 Multi-Family Residential

Service under this character is applicable to multi-family dwellings of three or more units.

8.03.030.3 Commercial

Service under this character is applicable to commercial enterprises including, but not limited to, retail stores, markets, hotels, clinics, storage warehouses, churches, nursing homes, businesses and professional offices.

8.03.030.4 Institutional

Service under this character is applicable to institutional establishments dedicated to public service including, but not limited to, school, university, hospital, prison, or government Facility. Applicable to publicly owned establishments.

8.03.030.5 Construction

Service under this character is applicable to temporary water service that is facilitated through a fire hydrant, blow-off, or other appurtenance selected at the sole discretion of the District for construction purposes; such as construction of a dwelling, or grading of land or other purpose where water is not needed permanently. Relocation is performed by District staff only.

8.03.030.6 Agricultural with Residence

Service under this character is applicable to residences with associated water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code. Applicant must also have a domestic structure on the property. Water usage will be billed on a tiered rate.

8.03.030.7 Agricultural without Residence

Service under this character will have no residential use. Applicable to water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code.

8.03.030.8 TSAWR (Transitional Special Agricultural Water Rate) Domestic

Service under this character is applicable to residences with associated water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code. Water usage will be billed on a tiered rate. The San Diego County Water Authority (SDCWA) Transitional Special Agricultural Water Rate Program (TSAWR) provides discounted wholesale supply pricing for qualified retail agricultural customers (TSAWR customers) within its service area. The supply pricing differential results from the TSAWR customers not paying the additional costs associated with the SDCWA developed supplemental supplies, including but not limited to the Imperial Irrigation District Transfer Supply, the All American and Coachella Canal Lining Supply, the Carlsbad Seawater Desalination Supply, and the SDCWA Storage Charge. In

exchange for a reduced wholesale cost of water, TSAWR customers receive a lower level of retail supply and must be prepared to reduce consumption when, by the amount, and for the period of time as determined necessary by the SDCWA. In electing to participate in the TSAWR, the District is subject to the TSAWR implementation policies adopted by the SDCWA. The Customer must file a *Certification and Acknowledgement Form* with the District. Copies of said requirements are available in the District Office. It is the obligation of the Customer to apply for and demonstrate eligibility of Customer's use for participation in the special program prior to receiving this discounted class of service. Customer must affirmatively accept the condition that service may be interrupted during water supply shortages before others classes of service are interrupted.

8.03.030.9 TSAWR (Transitional Special Agricultural Water Rate) Commercial

Service under this character is applicable to water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code. The San Diego County Water Authority (SDCWA) Transitional Special Agricultural Water Rate Program (TSAWR) provides discounted wholesale supply pricing for qualified retail agricultural customers (TSAWR customers) within its service area. The supply pricing differential results from the TSAWR customers not paying the additional costs associated with the SDCWA developed supplemental supplies, including but not limited to the Imperial Irrigation District Transfer Supply, the All American and Coachella Canal Lining Supply, the Carlsbad Seawater Desalination Supply, and the SDCWA Storage Charge. In exchange for a reduced wholesale cost of water, TSAWR customers receive a lower level of retail supply and must be prepared to reduce consumption when, by the amount, and for the period of time as determined necessary by the SDCWA. In electing to participate in the TSAWR, the District is subject to the TSAWR implementation policies adopted by the SDCWA. The Customer must file a *Certification and Acknowledgement Form* with the District. Copies of said requirements are available in the District Office. It is the obligation of the Customer to apply for and demonstrate eligibility of Customer's use for participation in the special program prior to receiving this discounted class of service. Customer must affirmatively accept the condition that service may be interrupted during water supply shortages before others classes of service are interrupted.

8.03.040

Character of Service Change

Water users are billed by their designation of Character of Service. Election to change Character of Service by the customer can be requested once a calendar year. The customer must demonstrate that the property meets the definition prescribed in Administrative Code Section 8.03.030 Character of Service for proposed change. Character of Service proposed changes are subject to the approval of the General Manager and/or Finance Manager.

**Chapter 8.03
AREA SERVED**

Sections

8.03.010	Service Area
8.03.020	General
8.03.030	Character of Service
8.03.040	Character of Service Change
8.03.030.1	Single Family Residential
8.03.030.2	Multi-Family Residential
8.03.030.3	Commercial
8.03.030.4	Institutional
8.03.030.5	Construction
8.03.030.6	Agricultural with Residence
8.03.030.7	Agricultural Without Residence
8.03.030.8	TSAWR (Transitional Special Agricultural Water Rate) Domestic
8.03.030.9	TSAWR (Transitional Special Agricultural Water Rate) Commercial

**Section 8.03.010
Service Area**

The Rules and Regulations pertain to water service to land or improvements (or both) lying within the boundaries of the District unless otherwise stated. The District's primary obligation is to provide water service to persons within its boundaries subject to the availability of facilities, capacity and supply to provide such services.

**Section 8.03.020
General**

8.03.020.1 The District will furnish water service throughout its corporate area under the general conditions outlined in these rules and regulations. To be eligible to receive service, the parcel to be served must abut a District easement or road right-of-way in which a District water main is installed, except where a remote meter has been approved per District Administrative Code.

8.03.020.2 The District will endeavor to supply water in sufficient quantities and at adequate pressures to meet the needs and requirements of all Applicants and Customers. This service will be furnished under the District's rate schedules according to the class, character or type of service offered by the District. The classifications are as follows:

1. Regular
2. Construction/Temporary
3. Fire Service

**Section 8.03.030
Character of Service**

Water users will be billed at the rates established by the Board of Directors for the following types of service:

1. Single Family Residential
2. Multi-Family Residential
3. Commercial
4. Institutional
5. Construction
6. Agricultural with Residence
7. Agricultural without Residence
8. TSAWR Domestic
9. TSAWR Commercial

8.03.030.1 Single Family Residential

Service under this character is applicable to single-family dwellings and duplexes. A duplex is a house of single structure consisting of two separate family dwellings.

8.03.030.2 Multi-Family Residential

Service under this character is applicable to multi-family dwellings of three or more units.

8.03.030.3 Commercial

Service under this character is applicable to commercial enterprises including, but not limited to, retail stores, markets, hotels, clinics, storage warehouses, churches, nursing homes, businesses and professional offices.

8.03.030.4 Institutional

Service under this character is applicable to institutional establishments dedicated to public service including, but not limited to, school, university, hospital, prison, or government Facility. Applicable to publicly owned establishments.

8.03.030.5 Construction

Service under this character is applicable to temporary water service that is facilitated through a fire hydrant, blow-off, or other appurtenance selected at the sole discretion of the District for construction purposes; such as construction of a dwelling, or grading of land or other purpose where water is not needed permanently. Relocation is performed by District staff only.

8.03.030.6 Agricultural with Residence

Service under this character is applicable to residences with associated water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code. Applicant must also have a domestic structure on the property. Water usage will be billed on a tiered rate.

8.03.030.7 Agricultural without Residence

Service under this character will have no residential use. Applicable to water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code.

8.03.030.8 TSAWR (Transitional Special Agricultural Water Rate) Domestic

Service under this character is applicable to residences with associated water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code. Water usage will be billed on a tiered rate. The San Diego County Water Authority (SDCWA) Transitional Special Agricultural Water Rate Program (TSAWR) provides discounted wholesale supply pricing for qualified retail agricultural customers (TSAWR customers) within its service area. The supply pricing differential results from the TSAWR customers not paying the additional costs associated with the SDCWA developed supplemental supplies, including but not limited to the Imperial Irrigation District Transfer Supply, the All American and Coachella Canal Lining Supply, the Carlsbad Seawater Desalination Supply, and the SDCWA Storage Charge. In exchange for a reduced wholesale cost of water, TSAWR customers receive a lower level of

retail supply and must be prepared to reduce consumption when, by the amount, and for the period of time as determined necessary by the SDCWA. In electing to participate in the TSAWR, the District is subject to the TSAWR implementation policies adopted by the SDCWA. The Customer must file a *Certification and Acknowledgement Form* with the District. Copies of said requirements are available in the District Office. It is the obligation of the Customer to apply for and demonstrate eligibility of Customer's use for participation in the special program prior to receiving this discounted class of service. Customer must affirmatively accept the condition that service may be interrupted during water supply shortages before others classes of service are interrupted.

8.03.030.9 TSAWR (Transitional Special Agricultural Water Rate) Commercial

Service under this character is applicable to water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code. The San Diego County Water Authority (SDCWA) Transitional Special Agricultural Water Rate Program (TSAWR) provides discounted wholesale supply pricing for qualified retail agricultural customers (TSAWR customers) within its service area. The supply pricing differential results from the TSAWR customers not paying the additional costs associated with the SDCWA developed supplemental supplies, including but not limited to the Imperial Irrigation District Transfer Supply, the All American and Coachella Canal Lining Supply, the Carlsbad Seawater Desalination Supply, and the SDCWA Storage Charge. In exchange for a reduced wholesale cost of water, TSAWR customers receive a lower level of retail supply and must be prepared to reduce consumption when, by the amount, and for the period of time as determined necessary by the SDCWA. In electing to participate in the TSAWR, the District is subject to the TSAWR implementation policies adopted by the SDCWA. The Customer must file a *Certification and Acknowledgement Form* with the District. Copies of said requirements are available in the District Office. It is the obligation of the Customer to apply for and demonstrate eligibility of Customer's use for participation in the special program prior to receiving this discounted class of service. Customer must affirmatively accept the condition that service may be interrupted during water supply shortages before others classes of service are interrupted.

8.03.040

Character of Service Change

Water users are billed by their designation of Character of Service. Election to change Character of Service by the customer can be requested once a calendar year. The customer must demonstrate that the property meets the definition prescribed in Administrative Code Section 8.03.030 Character of Service for proposed change. Character of Service proposed changes are subject to the approval of the General Manager and/or Finance Manager.

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 16-04 AMENDING AND UPDATING RMWD ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST CODE

DESCRIPTION

Due to language missing from the listed job descriptions within the Conflict of Interest Code, Section 1.02.020 of the RMWD Administrative Code needs to be amended accordingly.

Attached you will find a redlined copy of Section 1.02.020 showing the proposed changes as well as a copy without the redline changes to show what the policy will look like if approved by the Board.

POLICY

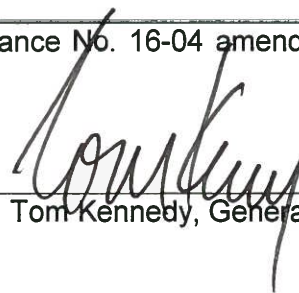
Section 1.02.020 - Conflict of Interest

BOARD OPTIONS/FISCAL IMPACTS

The Board may approve, deny or modify the recommendations, or provide additional direction to staff.

STAFF RECOMMENDATION

Staff recommends the Board adopt Ordinance No. 16-04 amending and updating Administrative Code Section 1.02.020.



Tom Kennedy, General Manager

March 22, 2016

Ordinance No. 16-04

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending the Administrative Code Section 1.02.020 –
Conflict of Interest Code**

WHEREAS, the Rainbow Municipal Water District has, from time to time, adopted various rules and regulations for the operation of the District; and

WHEREAS, certain of those rules and regulations require updating to reflect best practices, as well as changes in applicable laws; and

WHEREAS, the Board of Directors has determined that changes in the rules or regulations of the District shall occur solely by amendment to the Administrative Code;

NOW, THEREFORE,

BE IT ORDAINED by the Board of Directors of Rainbow Municipal Water District as follows:

1. The following rules and regulations of the District, collected and attached are hereby adopted and shall be incorporated into the Administrative Code, consisting of:

1.02.020 Conflict of Interest Code

2. The General Manager is hereby directed to update the Administrative Code to reflect the approval of these rules and regulations, and to assign or reassign the numbering of the Administrative Code as necessary to codify these rules and regulations as amended.

3. This ordinance shall take effect immediately upon its adoption on this 22nd day of March, 2016.

**AYES:
NOES:
ABSTAIN:
ABSENT:**

Tory Walker, Board Vice President

ATTEST:

Dawn Washburn, Board Secretary

Section 1.02.020
Conflict of Interest

1.02.020.01 The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. Section 18730) that contains the terms of a standard conflict of interest code and may be incorporated by reference in any agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

1.02.020.02 Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating positions, and establishing disclosure requirements, shall constitute the conflict of interest code of the Rainbow Municipal Water District.

1.02.020.03 Individuals holding designated and non-designated positions shall file their Statements of Economic Interest with Rainbow Municipal Water District, which will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.) Upon receipt of the statements for the Board Members and General Manager, the Board Secretary shall make and retain copies and forward the originals of these statements to the County Board of Supervisors. Statements for all other designated employees shall be retained by Rainbow Municipal Water District.

Any public officials who manage public investments shall be considered non-designated positions under Government Code section 87200 and shall make the disclosures required by law. Originals of all Statements of Economic Interest filed by non-designated positions will be maintained at the District office.

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Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

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Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
Engineering Manager	All
Operations Manager	All
Human Resources Manager	All
Construction/Maintenance Superintendent	All
Water Operations Superintendent	All
Wastewater Superintendent	All
Associate Engineer	All
Purchasing/Warehouse Technician I/II	All
Safety Administrator I/II	All
Engineering Inspector I/II	All

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Water Quality Technician I/II	All
Information Technology Administrator	All
¹ Consultants	2

Part II – Non-Designated Positions

Finance Manager	Pursuant to Applicable Laws
Standing District Committee Members	2
Auditor	2

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a “designated employee,” is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager’s determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

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Part II - Disclosure Categories

Category 1.

A designated employee or person in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee or person.

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Appendix B
Statement of Duties of Employees of
and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors therefore is designated.

General Manager

General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District, and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she therefore is not designated.

Engineering Manager

The Engineering Manager provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations Manager

An employee of Rainbow Municipal Water District, the Operations Manager oversees the operation and maintenance of the water and wastewater lines and structures; risk management; and employee safety. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

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Human Resources Manager

The Human Resources Manager plans, directs and oversees the following programs and activities: human resources; labor relations; workers' compensation, property and liability insurance and is therefore designated.

Construction/Maintenance Superintendent

The Construction/Maintenance Superintendent has managerial responsibilities to direct and oversee the Construction and Valve Maintenance and Fleet Divisions. This position coordinates and manages the installation, maintenance and repair of water mains, service lines, fire hydrants, valves, pressure regulating stations, pumps, motors and other related appurtenances used in the District water distribution, treatment and storage facilities and fleet maintenance and repair and is therefore designated.

Water Operations Superintendent

The Water Operations Superintendent has managerial responsibilities to direct and oversee the Water Operations Division, the electrical program and the Supervisory Control and Data Acquisition (SCADA) and telemetry systems. This position will coordinate and manage the installation, maintenance, repair and operation of District water distribution, treatment, pumping and storage facilities and electrical, electronic and telemetry repair and maintenance and is therefore designated.

Wastewater Superintendent

The Wastewater Superintendent has managerial responsibility to direct and oversee the Wastewater Division. This position coordinates and manages the repair, maintenance and operation of the wastewater pumping and collection system as well as may assist with installation, maintenance and repair of water distribution facilities and is therefore designated.

Associate Engineer

The Associate Engineer performs a variety of routine and semi-routine professional level civil engineering work in the research, design and construction of water and sewer capital improvement and construction projects as well as reviews development plans and is therefore designated.

Purchasing/Warehouse Technician I/II

The Purchasing/Warehouse Technician I/II has responsibility for all functions associated with the warehouse including purchasing, receiving and inventory control and administration of the office cleaning contract as well as maintaining inventory of parts and supplies and is therefore designated.

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Safety Administrator I/II

The Safety Administrator I/II has responsibility for the planning and administration of the District programs and services related to safety, security, emergency preparedness and environmental compliance functions and is therefore designated.

Engineering Inspector I/II

Under supervision of the District Engineer, the Engineering Inspector I/II performs highly specialized and complex public works construction inspection work. This position acts as the District's representative on the construction site for the expressed intent of enforcement of District construction standards and regulations and is therefore designated.

Water Quality Technician I/II

The Water Quality Technician I/II performs a wide variety of professional, analytical and technical water quality functions involved in the District's water treatment and distribution system; interprets water quality test results and prepares reports; performs tasks related to quality assurance; ensure compliance with permit requirements, ordinances and federal and state regulations regarding potable water and is therefore designated.

Information Technology Administrator

The Information Technology Administrator position monitors, maintains, troubleshoots, and diagnoses hardware, software, database and network problems and identifies courses of action. This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations. Therefore, standing district committee members shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

Standing District Committee Members

A member or alternate committee member of a Rainbow Municipal Water District standing committee serves at the pleasure of the Board. These committees are advisory to the Board with regard to matters within their respective areas of responsibility. A committee has jurisdiction to consider and make a recommendation to other committees and to the Board regarding any item of business within the responsibility of the committee. Committee recommendations shall be communicated to the Board. A committee may consider other matters referred to it by the Board. Therefore, standing district committee

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Section 1.02.020
Conflict of Interest

1.02.020.01 The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. Section 18730) that contains the terms of a standard conflict of interest code and may be incorporated by reference in any agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

1.02.020.02 Therefore, the terms of 2 California Code of **Regulations Section 18730** and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating positions, and establishing disclosure requirements, shall constitute the conflict of interest code of the Rainbow Municipal Water District.

1.02.020.03 Individuals holding designated and non-designated positions shall file their Statements of Economic Interest with Rainbow Municipal Water District, which will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.) Upon receipt of the statements for the Board Members and General Manager, the Board Secretary shall make and retain copies and forward the originals of these statements to the County Board of Supervisors. Statements for all other designated employees shall be retained by Rainbow Municipal Water District.

Any public officials who manage public investments shall be considered non-designated positions under Government Code section 87200 and shall make the disclosures required by law. Originals of all Statements of Economic Interest filed by non-designated positions will be maintained at the District office.

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Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

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Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

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Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
Engineering Manager	All
Operations Manager	All
Human Resources Manager	All
Construction/Maintenance Superintendent	All
Water Operations Superintendent	All
Wastewater Superintendent	All
Associate Engineer	All
Purchasing/Warehouse Technician I/II	All
Safety Administrator I/II	All
Engineering Inspector I/II	All

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Water Quality Technician I/II	All
Information Technology Administrator	All
¹ Consultants	2

Part II – Non-Designated Positions

Finance Manager	Pursuant to Applicable Laws
Standing District Committee Members	2
Auditor	2

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a “designated employee,” is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager’s determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

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Part II - Disclosure Categories

Category 1.

A designated employee or person in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee or person.

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Appendix B
Statement of Duties of Employees of
and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors therefore is designated.

General Manager

General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District, and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she therefore is not designated.

Engineering Manager

The Engineering Manager provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations Manager

An employee of Rainbow Municipal Water District, the Operations Manager oversees the operation and maintenance of the water and wastewater lines and structures; risk management; and employee safety. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

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Human Resources Manager

The Human Resources Manager plans, directs and oversees the following programs and activities: human resources; labor relations; workers' compensation, property and liability insurance and is therefore designated.

Construction/Maintenance Superintendent

The Construction/Maintenance Superintendent has managerial responsibilities to direct and oversee the Construction and Valve Maintenance and Fleet Divisions. This position coordinates and manages the installation, maintenance and repair of water mains, service lines, fire hydrants, valves, pressure regulating stations, pumps, motors and other related appurtenances used in the District water distribution, treatment and storage facilities and fleet maintenance and repair and is therefore designated.

Water Operations Superintendent

The Water Operations Superintendent has managerial responsibilities to direct and oversee the Water Operations Division, the electrical program and the Supervisory Control and Data Acquisition (SCADA) and telemetry systems. This position will coordinate and manage the installation, maintenance, repair and operation of District water distribution, treatment, pumping and storage facilities and electrical, electronic and telemetry repair and maintenance and is therefore designated.

Wastewater Superintendent

The Wastewater Superintendent has managerial responsibility to direct and oversee the Wastewater Division. This position coordinates and manages the repair, maintenance and operation of the wastewater pumping and collection system as well as may assist with installation, maintenance and repair of water distribution facilities and is therefore designated.

Associate Engineer

The Associate Engineer performs a variety of routine and semi-routine professional level civil engineering work in the research, design and construction of water and sewer capital improvement and construction projects as well as reviews development plans and is therefore designated.

Purchasing/Warehouse Technician I/II

The Purchasing/Warehouse Technician I/II has responsibility for all functions associated with the warehouse including purchasing, receiving and inventory control and administration of the office cleaning contract as well as maintaining inventory of parts and supplies and is therefore designated.

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Safety Administrator I/II

The Safety Administrator I/II has responsibility for the planning and administration of the District programs and services related to safety, security, emergency preparedness and environmental compliance functions and is therefore designated.

Engineering Inspector I/II

Under supervision of the District Engineer, the Engineering Inspector I/II performs highly specialized and complex public works construction inspection work. This position acts as the District's representative on the construction site for the expressed intent of enforcement of District construction standards and regulations and is therefore designated.

Water Quality Technician I/II

The Water Quality Technician I/II performs a wide variety of professional, analytical and technical water quality functions involved in the District's water treatment and distribution system; interprets water quality test results and prepares reports; performs tasks related to quality assurance; ensure compliance with permit requirements, ordinances and federal and state regulations regarding potable water and is therefore designated.

Information Technology Administrator

The Information Technology Administrator position monitors, maintains, troubleshoots, and diagnoses hardware, software, database and network problems and identifies courses of action. This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations. Therefore, standing district committee members shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

Standing District Committee Members

A member or alternate committee member of a Rainbow Municipal Water District standing committee serves at the pleasure of the Board. These committees are advisory to the Board with regard to matters within their respective areas of responsibility. A committee has jurisdiction to consider and make a recommendation to other committees and to the Board regarding any item of business within the responsibility of the committee. Committee recommendations shall be communicated to the Board. A committee may consider other matters referred to it by the Board. Therefore, standing district committee members shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

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BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE NO. 16-06 RELATED TO WATER METER DOWNSIZING AND LIMITED TERM FIXED FEE ABATEMENT PROGRAM

DESCRIPTION

Background

The District performed a Cost of Service study as required by State Law during the preparation of the revised water rates that were adopted in late 2015. As part of this process, the apportionment of fixed and variable costs was evaluated in accordance with industry standards and there were changes to the fixed fees for most of our customer classes. In particular, since the agricultural uses were shown to have a large impact on our system, some of the fixed costs were increased for this customer class. As you may recall, the variable rates were also changed with agricultural accounts having generally lower variable rates than other classes. The net impact of this rate change was minimized for customers with average consumption patterns. Those with low consumption patterns relative to their meter size and customer class had a higher net bill increase percentage. For example, the average fixed fee for all 2" meter customers is around 22% of the total bill.

As part of this cost of service study, both the water rate consultant and our General Counsel recommended changes to the policy related to locked off meters. In the past, if a customer wanted to avoid monthly service charges for a meter that was not in use, they could request that the meter be locked off and receive a discounted monthly service fee. This discount was 50% off the RMWD component for fixed fees, and after a 12 month period the SDCWA fixed costs were also taken off the bill. In addition, the fixed costs for pumping service were eliminated where applicable.

In May of 2015, a court decision related to the City of San Juan Capistrano strengthened and more clearly defined the requirements for cost apportionment when developing water rates. In addition, in the 2009 Paland decision, the Appellate Courts provided clear guidance on how to deal with fixed costs for services where the decision not to use water is made by the customer. In the Paland case, the court reviewed the legality of fixed costs when applied to a customer who was locked off for non-payment and decided that if the act that results in the service being locked, or unavailable for use, is made by the customer, either through non-payment or request, the fixed monthly fees are still applicable and must be charged. If service is unavailable due to the action of the water district it would be another question, but the court was clear in its decision, writing:

"Because the decision to discontinue water service is a voluntary act by the property owner that cannot be anticipated by the District, parcels affected by a fee that specifically applied to parcels with inactive connections could not be fully identified in advance and the fee would not be covered by Proposition 218 at all."

This essentially means that the agency cannot determine in advance what an appropriate locked off service fee would be and thereby cannot provide proper notice of such fees under Prop 218. There are other agencies in our region that still provide locked off, or standby service charges, but it is unclear how those rate structures comply with the case law provided by the Paland case.

In accordance with the requirements of Prop 218 and the Paland case, the Board adopted a revised rate structure that ended the practice of providing a discount to inactive connections.

Impact of Rate Change

Approximately 450 accounts have meters that are voluntarily locked off at the customer's request. Many of these are larger meters that serve properties that were once agricultural but are now simply vacant land. The fixed monthly fees for these properties has increased significantly. For example, a 2" agricultural (Non-TSAWR) customer's fee went from around \$70 to just over \$400 per month. As indicated earlier, the increase in fixed fees was mitigated for the vast majority of our customers by changes in the variable rates that lessened the bill impact.

Most customers with locked off meters desire to retain water service to the property for the purpose of the eventual sale of the property for development or perhaps the reinstatement of agricultural use. In reaction to the change in fixed fees, customers in this situation have asked how to reduce the costs and the primary option is to reduce the size of the meter. The fixed fees for a 1" meter are around \$100 per month, so this has been a popular option.

In order to downsize a meter, the customer must complete a Memorandum of Understanding in which they agree that by downsizing the meter they are also giving up the extra capacity between the larger and smaller meter. If at some point in the future they would like to increase the meter size back to the larger meter they must pay the difference in Capacity Fees that are in place at the time of the increase.

Customer Requests for Relief

The new rate structure was notified in advance through direct mailings to customers and a series of public meetings. However, a significant number of those who received notice did not realize the impact of the change on locked off meters. To that end, several have asked that the District waive the new fee while the customers work through the meter downsizing process.

Please note here that when the first batch of customers requesting meter downsizing started the process, they were given an incorrect fee for the process of over \$1300. After being contacted by several customers about this fee, the staff performed an internal review of fees approved by the Board as well as our actual costs to perform a downsizing. This review indicated that the downsizing process was akin to a meter replacement in terms of cost and effort and since meter replacements are covered under the customer's monthly fixed service fee, the meter downsizing was determined to be part of the monthly fixed fee as well. Any downsizing fees that were paid in error will be refunded to the appropriate customers.

The purpose of this agenda item is to consider the establishment of a limited term fixed meter fee abatement program. This program will allow customers who would like to downsize their meters to be credited for the difference between the new fixed fee for the larger meter and the new fixed fee for the smaller meters. The program as proposed would have a limited term, in that customers would need to apply for meter downsizing on or before June 1, 2016 to qualify. Rebates would be retroactive to February 2016. Any meter downsizing is contingent upon Engineering Department review of the account for approval. Late fees for unpaid fixed fee differentials would be held in abeyance while the meter downsizing process is underway.

This Ordinance also directs staff to notify potentially affected customers directly so that they can take advantage of this limited term program.

POLICY

Ordinance 16-06

BOARD OPTIONS/FISCAL IMPACTS

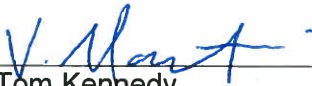
While there is certain amount of revenue loss from the downsizing of meters, the impact is considered to be minimal in the overall revenue outlook.

Board Options:

1. Approve Ordinance 16-06 as written
2. Revised Ordinance 16-06 and approve as amended
3. Provide staff other direction

STAFF RECOMMENDATION

Staff recommends Option 1.

For 
Tom Kennedy
General Manager

03/22/2016

Ordinance No. 16-06

Ordinance of the Board of Directors of the Rainbow Municipal Water District Establishing a Limited Term Fixed Meter Fee Abatement Program

WHEREAS, the Rainbow Municipal Water District (the "District") has, from time to time, changed the fixed and variable rates for water service; and

WHEREAS, during 2015 the District conducted a public hearing process in accordance with Proposition 218 in which all customers and property owners were notified of an impending change in rates and fees; and

WHEREAS, on December 15, 2015, the Board of Directors lawfully adopted new fixed and variable water rates and fees; and

WHEREAS, the new rate structure became effective with the first billing period after January 1, 2016; and

WHEREAS, the new rate structure significantly increases the fixed fee component on large water meters in order to cover costs resulting from the impact of large water users on the District's utility system;

WHEREAS, due to conservation, increasing water rates, changes in use and other factors, some customers within the District have water meters on their property which are larger than necessary to meet the water needs of those customers and which do not accurately correspond those customers' actual impact on the District's utility system;

WHEREAS, even though customers were notified as required by law, some were unable to discern the level of impact of the revised rate structure prior to receiving their first bill under the new rate structure and now would like to downsize their meters;

WHEREAS, in order to fairly address the significant increase in fixed fees on large water meters provided by its new water rates, the District desires to establish a Limited Term Fixed Meter Fee Abatement Program (the "Program") whereby customers may downsize to a meter size more appropriate for their water use subject to the District's approval, and if approved to downsize under the Program, receive a credit for the difference between the fixed fees for the larger and smaller meter; and

WHEREAS, customers who qualify for meter downsizing and fee abatement under the Program will still be responsible for paying their pro rata obligation for the maintenance and operation of the District's utility system at the rate corresponding to the size of the meter ultimately installed on their property.

NOW, THEREFORE,

BE IT ORDAINED by the Board of Directors of Rainbow Municipal Water District as follows:

1. Customers who wish to downsize their water meters and qualify for fixed meter fee abatement pursuant to the Program may do so under the following conditions:

- a. The water account is in good standing. If the water account is not in good standing all delinquent fees must be paid prior to June 1, 2016.
 - b. The customer must complete and timely submit to the District a Memorandum of Understanding as shown in Exhibit A attached hereto, in which the customer will agree to the following:
 - i. Downsize the meter from the current size to a smaller size as requested by the customer in the Memorandum of Understanding subject to approval of the District under the terms set forth herein.
 - ii. To bring customer's account current by paying all unpaid fees assigned to the account in the event the District determines that downsizing is not appropriate.
 - iii. In the event a meter is downsized pursuant to the Program, customer or a successor customer using the same meter desiring to increase the size of the meter, must pay in full the differential between the capacity fees for the smaller meter and the larger meter based on the capacity fees in place at the time of upsizing.
 - c. Memorandum of Understanding requesting downsizing under the Program must be received by the District's Engineering Department on or before May 13, 2016.
 - d. To qualify for downsizing the specific usage patterns of the customer's water meter must be appropriate for the smaller meter requested. Customers with high water use may not be approved for meter downsizing. The determination of whether a customer's use is appropriate for downsizing shall be made by the District's General Manager and Engineering Manager and is within their sole discretion.
2. Customers who are approved for meter downsizing on or before June 1, 2016 are eligible to have the difference between the fixed fees for the larger meter and the fixed fees for the downsized meter credited to their account.
- a. This credit will be applied starting on the January 2016 bill up to and including the bill period when the downsizing is approved. This credit will be applied only to those fixed fees that went into effect on January 1, 2016, as reflected on the customer's February 2016 bill, up to and including the bill period when the downsizing is approved. This credit will not apply towards fixed fees incurred prior to January 1, 2016 or to any other fees or costs for which the customer is responsible.
 - b. District staff will track the difference in fees while the Memorandum of Understanding approval process is undertaken by the Engineering Department and allow customers who are in this process to pay the lower fixed fee until the determination is made.

- i. The difference in unpaid fees will be calculated and held in abeyance for each account. This deferral of fees does not absolve the customer from a duty to pay the fees – it is only to hold the fees until a determination is made.
 - ii. Should the determination of the District indicate that no downsizing is appropriate, the customer must bring the account current and pay all of the unpaid fees that were assigned to the account.
 - iii. No late fees shall be applied to the unpaid fees that are held in abeyance during the approval process.
 - iv. Customers who have paid the higher fixed fees between January 2016 and June 2016 and have a meter downsizing approved will receive a credit to their bill for the difference between the higher and lower fixed fees on or before their July 2016 bill.
3. This limited term Program is intended to fairly address significant changes in fixed fees in the new water rates and does not apply to any other circumstance other than those prescribed above.
4. The General Manager is hereby directed to duly notify all potentially affected customers by mail of the availability of this program within three weeks of the approval of this Ordinance, have information posted on the District's website within 48 hours, and include information in the monthly newsletter.
5. This ordinance shall take effect immediately upon its adoption on this 22nd day of March, 2016.

AYES:
NOES:
ABSTAIN:
ABSENT:

Tory Walker, Board Vice President

ATTEST:

Dawn Washburn, Board Secretary



MEMORANDUM OF UNDERSTANDING
METER DOWNSIZE REQUEST

Name: _____ Date: _____
(Print)

Service Address: _____

Phone No.: _____
Account No.: _____ APN No.: _____

Downsize Meter: From: _____ To: _____

Indicate the reason for downsizing the existing water meter:

The District will review the water usage history to determine if a smaller meter is capable of meeting the water usage demands. Please note areas with high or low pressures will be required to sign a Notice of High or Low Pressure Condition.

I understand that if in the future a larger water meter is required due to higher water usage, I will be required to pay all current capacity fees associated with the purchase of the larger sized meter. Further, I understand that in the event the District determines that downsizing is not appropriate, I am responsible for bringing the account current by paying all unpaid fees assigned to the account and hereby agree to make any such payments.

Signature: _____

Print Name

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM THE DISTRICT'S STANDARD SPECIFICATIONS AND ALLOW A CUSTOMER TO INSTALL TWO SERVICES USING THE SAME LATERAL

BACKGROUND

Effective January 1, 2016 the District enacted new rate charges for customer accounts. These rates were based on a Cost of Service study in compliance with State law and Proposition 218. In addition, court decision in 2009 determined that irrespective of whether a meter is locked or unlocked, the District must charge the same fixed charges. Some customer accounts were greatly affected by this change. The fixed charges cover the District's and SDCWA's operations and maintenance of the water systems to have water available to our customers.

DESCRIPTION

Mr. Mahr owns two vacant properties in the District. One of these properties (APN 121-121-19) has a 2 inch meter shown in Figure 1 attached. In or around 2008, this meter was locked off at the request of Mr. Mahr. Now that the new water rates do not provide a discount there was a sharp increase in the monthly fixed fees for this large meter.

Mr. Mahr would like to downsize his 2 inch meter to two 1 inch meters. He also owns a vacant lot (APN 121-112-12) adjacent to the lot with the locked 2 inch meter. He is requesting the Board grant a variance from the District's Standard Specifications requirement of having only one meter per lateral. He would like to avoid the cost of the installation of a second lateral. Typically a customer would hire a contractor to install a new meter service and costs range from \$5,000 to \$8,000.

The Engineering Committee has reviewed the situation and recommend the Board allow the downsize of the 2 inch meter to two 1 inch meters on the same lateral. The decision of the Committee was based on certain unique facts pertaining to this request. First, a 2 inch meter has 4 times the capacity of a 1 inch and the risk of one user using so much water it affects the other customer on the same lateral is small and can be mitigated in the future. In addition, as Figure 1 shows, there are already several meters and other appurtenances at the end of this water main and adding another tap onto the end of this line could present a challenge in the field.

Should the variance be approved, Mr. Mahr would be required to abide by the Administrative Code requirements for remote meters including providing appropriate easements for the customer water line serving the remote property.

Note that this is a unique situation and that approval of this variance in no way should be construed as approval of a similar action in a different circumstance.

POLICY

Rainbow Standards Manual, Design Manual Page 6, N: Only one meter shall be connected to a single service lateral.

BOARD OPTIONS/FISCAL IMPACTS

Option 1 – Grant a variance from the District’s Standard Specifications regarding the requirement of the having one meter on one lateral for Mr. Mahr
Option 2 – Deny request for the variance

STAFF RECOMMENDATION

Both the Engineering Committee and staff recommend Option 1.



Sherry Kirkpatrick
Engineering Manager

March 22, 2016

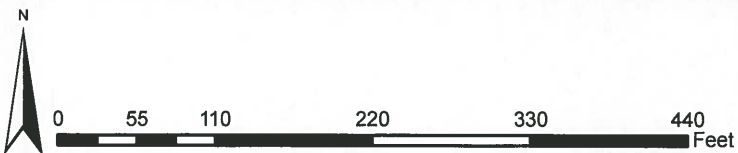


Figure 1: Mahr Downsize Request
12-3

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PREPARE THE WATER AND WASTEWATER ASSET COST AND CAPACITY FEE STUDY

BACKGROUND

The District, working with Atkins, is nearing completion on an update to its potable water and wastewater Master plans. Potential development within the District could add approximately 2,700 EDUs with additional proposed developments outside the District which could be annexed into the District increasing the number of EDUs to approximately 4,300. As part of the Master plans, the report identifies capital improvement projects with cost estimates for new water and wastewater facilities. There is also a potential for additional water sources from a Water Reclamation plant and groundwater supply project. The capacity fees shall consider a new supply component.

The asset cost of the study will review the book value of facilities in the District water and wastewater asset database. The asset valuation process will update the asset valuation of existing facilities and add facilities that may not be included in the asset model. This portion of the project is essential information required to produce accurate capacity fees. The goal of the study is to first update the asset database and then develop capacity fees that are effective in cost recovery, are equitable to current and future customers, are straightforward to administer and are legally justifiable.

It is crucial we revisit and develop capacity fees described in this study to capture the appropriate amount of fees from the upcoming future development. It should be noted here that the outcome of the study may result in lower capacity fees than are currently in place. This is not an effort to raise capacity fees, but to set them at the correct level given the current conditions and the requirements to accommodate growth,

DESCRIPTION

The District conducted a search and issued a Request for Proposal with the help of a special consultant Don MacFarlane of DLM Engineering to highly qualified engineering and financial firms with expertise in the appraisal and valuation of water and wastewater facilities and the calculation of water and wastewater capacity fees. Two firms responded with proposals; Willdan Financial Services and Bartle Wells Associates. Staff reviewed the proposals and recommend awarding the contract to Willdan Financial Services. The proposal is enclosed for your reference.

BOARD OPTIONS/FISCAL IMPACTS

The Master Plans project was budgeted \$600,000 and the contract amount was \$268,879. \$50,000 of the remaining funds were appropriated to the water reclamation plant and recycled water distribution system pre-deign report. The remaining funds from the projects can be appropriated to cover the project and staff costs.

1. Appropriate \$150,000 from the remaining funds of the Master Plans project into the asset cost and capacity fee study. Authorize staff to negotiate a contract to prepare the water and wastewater asset cost and capacity fee study not to exceed \$115,285 with Willdan Financial Services.
2. Direct staff to recommend other options.

STAFF RECOMMENDATION

Staff recommends Option 1.



Sherry Kirkpatrick
Engineering Manager

March 22, 2016



RAINBOW MUNICIPAL WATER DISTRICT

Proposal for

Water and Wastewater Asset Cost and Capacity Fee Study



13-3



March 1, 2016

Ms. Delia Rubio
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

Re: Proposal to Prepare a Water and Wastewater Asset Cost and Capacity Fee Study

Dear Ms. Rubio:

Willdan Financial Services, hereinafter referred to as "Willdan", is pleased to submit this proposal to complete a Water and Wastewater Asset Cost and Capacity Fee Study.

Completing a comprehensive financial plan and update of capacity fees for the utility, and completing the work necessary to determine the valuation of the water and wastewater system assets, are important steps in the overall path toward financial stability for the District. It is important that these studies be conducted thoroughly and cost-effectively.

Leveraging our local knowledge, and our extensive utility rate and financial consulting experience, we will work with you throughout the engagement to identify and prioritize system and financial objectives, and desired rate attributes, and use this information to design updated capacity fees and undertake a system valuation that effectively meet these goals.

The team that Willdan is proposing for this engagement is truly unique. We are one of the only firms in the country that can combine extensive experience in technical utility rate and financial consulting, water and wastewater policy and strategic guidance, and with Hartman Consultants, the utility system valuation skills, specific qualifications, and certifications that are necessary to address the District's requested scope of services. With our office in Temecula, and previous work in the District, we are able bring significant local insight.

The project will include development of a state-of-the-art dynamic financial model capable of testing and evaluating a wide range of financial scenarios and fee design options. When utilized by Willdan's experienced professionals, this one of a kind model will serve as a powerful decision-making tool and provide solutions and recommendations to meet the strategic vision of the District.

The system valuation analysis will result in a USPAP compliant appraisal that takes into account *all* aspects of the utility system. Many utility systems do not thoroughly account for contributed system assets and services in their financial records and statements. However, these items do have value. The system market valuation proposed by Willdan will include a thorough on-site inspection of the water and wastewater system to document all system assets, taking into account contributions in aid of construction, assemblage value for a complete working system, and intangible value related to going concern, etc.

The technical analysis is only one element of the capacity fee study and asset valuation process. To gain political and community acceptance, it is equally important to effectively communicate results and implications of the proposed fees to District staff and key stakeholders and ultimately to the customers of the system. Willdan's interactive approach and concise reports and presentation material result in stakeholders having a thorough understanding of the project and the rationale behind the development of any fee changes.

Willdan is nationally recognized for its expertise in developing and implementing utility system financial planning, rate and impact fee studies, and has extensive recent experience in California implementing Proposition 218 compliant rate structures. Willdan Team Members are actively involved in preparing the **American Water Works Association (AWWA) Manual M1** – "Principles of Water Rates, Fees and Charges." Team members have also contributed to the fifth edition of the **AWWA Manual M29** – "Fundamentals of Water Utility Capital Financing." Our staff has assisted municipal clients around the country in the development of utility rates, fees, and charges that enhance the financial integrity of the water utility, while meeting broader strategic goals. **We recently completed highly successful comprehensive studies for the Cities of Covina, La Palma, Soledad, and Crescent City, as well as the Nevada Irrigation District, with experience that relates closely to the goals and objectives of the District's proposed study. We are also currently working with the Cities of Dinuba, Tulare, Blythe, Norwalk, and Banning, and the Mission Springs Water District in Desert Hot Springs, on similar projects.**

I, Chris Fisher, will serve as Willdan's Project Manager and Principal-in-Charge for this venture; my contact information is CFisher@Willdan.com, and direct line 951-587-3528. Furthermore, I am an officer and authorized to bind the firm. We are excited about this opportunity to use our skills and expertise to assist the Rainbow Municipal Water District.

Sincerely,
WILLDAN FINANCIAL SERVICES

Chris Fisher
Vice President – Group Manager

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Executive Summary

We believe this clarity of the scope prior to commencement of the project is the basis for good communication with the District. We will provide the District with frequent updates on the status of completion of individual tasks, and on all questions and resolutions that arise throughout the project. We will offer our immediate availability to the District for questions and new project developments.

Statement of Understanding

Rainbow Municipal Water District (District) is a publicly owned retail water and sewer agency serving approximately 80 square miles in North San Diego County. The District serves the unincorporated communities of Rainbow and Bonsall, as well as portions of Pala, the City of Vista, and Fallbrook. The District provides water to approximately 7,800 meter accounts and currently receives all its water through San Diego County Water Authority (SDCWA) and the Metropolitan Water District of Southern California (MWD). The District is also responsible for providing sewer service to over 3,800 equivalent dwelling units (EDUs) in a portion of the District. Potential development within the District could add approximately 2,716 EDUs that will need water and sewer service. If the Meadowwood (850 EDUs) and the Warner Ranch (780 EDUs) developments are annexed into the District, this number could grow to approximately 4,346 EDUs. The current sewer customers generate an average dry weather flow of 0.7 million gallons per day (MGD). The District's collection system conveys flow to the west for treatment and disposal at the City of Oceanside's (City) San Luis Rey Water Reclamation Facility (SLRWRF).

The District has been working with one of its consultants to prepare an update to its potable water and wastewater master plans. As a part of this process, the District has concluded that a wastewater (water) reclamation facility (WRF) to produce recycled water for agricultural and nursery irrigation is potentially feasible. The capacity fees shall consider a new supply

component. Additionally, the District has reviewed its current fixed asset database and believes that these costs may not fully represent the value and replacement cost of all the District's water and wastewater system assets.

With this preceding context, the District's goals and objectives for this study include:

- **Effective Cost Recovery** – The proposed capacity fees should be effective in recovering the District's costs of providing capacity to new development.
- **Equity** – Capacity fees should equitably share the District's costs of providing capacity to new development.
- **Straightforward to Administer** – Capacity fees should be administratively straightforward, based on a methodology that is easily explained, and accepted by developers.
- **Legally Justifiable** – Capacity fees must be developed in accordance with current California statutes and court decisions.

With this preceding context, and the District's stated objectives in mind, we will develop a comprehensive financial plan and model, recommendations for updated capacity fees, and a system valuation for the water utility. The following specific objectives will be addressed by our proposed scope of services:

- **Collaboration with and presentation of results to:** Staff, Board of Directors, the community and stakeholders in a manner that maximizes understanding, acceptance and transparency. Our goal is to begin the communication process as the financial plan and capacity fees are developed, so that stakeholders understand the process used to arrive at the eventual recommendations, as well as the recommendations themselves;
- **A plan and rate recommendations that will allow the District to adequately meet projected revenue requirements, ensuring long term financial stability of the utility and ability to fund capital projects;** in compliance with industry best practices, legal parameters, debt service rate covenants, and District policies;
- **Evaluate scenarios for funding of capital infrastructure and water quality improvement projects;**
- **Account for the balance between conservation objectives and the corresponding impacts on financial stability;**
- **Ensure recommended rates are fair, equitable and defensible, easy to understand and administer, and that they comply with legal and regulatory requirements.**

Identification of Prime Consultant

Prime Consultant

The full legal name of the firm listed is Willdan Financial Services, Inc. (Willdan), a California corporation, and is one of four operating divisions within Willdan Group, Inc. ("WGI"). Willdan is a wholly owned subsidiary of WGI, with its division headquarters located at the address provided below:

Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, CA 92590
Tel#: (951) 587-3500

WGI provides technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has been a consistent industry leader in providing all aspects of municipal and infrastructure engineering, public works contracting, public financing, planning, building and safety, construction management, homeland security, and energy efficiency and sustainability services. Today, WGI has hundreds of employees operating from offices located throughout California, as well as in Arizona, Colorado, District of Columbia, Florida, Illinois, Nevada, New Jersey, New York, Ohio, Texas and Washington.



Established on June 24, 1988, Willdan is one of the largest public sector financial consulting firms in the United States. Since that time, we have helped over 800 public agencies successfully address a broad range of financial challenges, such as financing the costs of growth and generating revenues to fund desired services. Willdan assists local public agencies by providing the following services:

- Real estate economic analysis;
- Economic development plans and strategies;
- Tax increment finance district formation and amendment;
- Housing development and implementation strategies;
- Financial consulting;
- Real estate acquisition;
- Classification/compensation surveys and analysis;
- Development impact fee establishment and analysis;
- Utility rate and cost of service studies;
- Feasibility studies;
- Debt issuance support;
- Long-term financial plans and cash flow modeling;
- Cost allocation studies; and
- Utility acquisition, valuation, and divestiture services.

Authorized Representative

Primary Contact
Mr. Chris Fisher, Vice President – Group Manager
27368 Via Industria, Ste 200, Temecula, CA 92590
Email: CFisher@Willdan.com Tel#: (951) 587-3528

Our staff of 68 full-time professionals supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise. The following table describes the Willdan staff and their assigned job title.

Title	Count
President & CEO	1
Vice President – Group Manager	3
Vice President	2
Principal Consultant	11
Project Manager	15
Analyst	25
Analyst Assistant	4
Administration	7

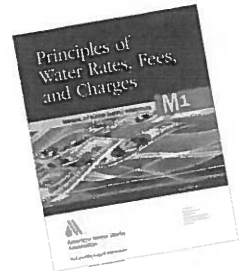
Sub-Consultant

Hartman Consultants, LLC

Hartman Consultants, LLC is a limited liability corporation that was formed on November 1, 2013. Mr. Gerald C. Hartman, PE, BCEE, ASA serves as the registered agent and managing member. Mr. Hartman has performed over 250 rate, charge and fee studies, and is a recognized expert witness in utility rate and regulatory matters, having testified before several State Regulatory Commissions on numerous occasions throughout his career. He is the author and/or co-author of 30 papers in the water, sewer and solid waste areas and the co-author of two books. His extensive experience in the field of utility acquisitions provides a very unique perspective on many issues facing utilities today. Mr. Hartman has been involved in over 400 valuation and/or acquisition projects. He has served as the lead negotiator on approximately 100 of these projects. In addition, Mr. Hartman has worked on 33 water system condemnation projections, including 3 within the last year. All four (4) of Hartman Consultants, LLC's employees provide utility valuation services.

Utility Rate Experience

Willdan's professional staff has provided professional consulting services, including financial planning; rate and cost-of-service studies; alternative and feasibility analyses; and operational and management studies for water, reclaimed water, wastewater, solid waste, and stormwater utility clients across the United States. Additionally, Willdan staff are involved with the development of the rate-setting methodologies set forth in the American Water Works Association (AWWA) M-1 manual "Principles of Water Rates, Fees and Charges," and the AWWA M-29 manual, "Water Utility Capital Financing." Willdan is nationally recognized for its expertise with its staff frequently being called upon to speak or instruct on utility financial matters, as subject matter experts, including the AWWA Utility Management conference. ***In fact, two of our senior consultants are members of the AWWA Utility Rate and Charges Committee, which oversees the development of the M-1 and other manuals published by the AWWA.***

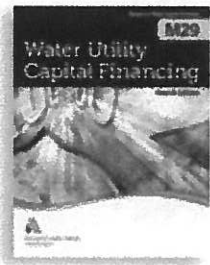


Willdan staff is experienced in a broad range of utility planning services; and therefore understand the importance of an approach that integrates elements of utility planning, engineering, and finance. Willdan Team members possess considerable experience in utility rate and cost-of-service studies, and have performed these services for hundreds of utilities throughout the country. Our team includes staff with public sector experience spanning 30 years, and staff on the forefront of utility rate-making and rate-modeling. In addition, team members have held positions as finance directors, deputy District managers, and auditors, and therefore understand the financial, operational, and political realities faced by governmental staff and management; we craft solutions, which are sensitive to this.

Our expertise spans across the following utility financial planning services:

- Retail and Wholesale Rate Studies;
- Revenue Sufficiency Analyses;
- Utility Management and Policy Assistance;
- Connection Fee / System Development Charge Studies;
- Miscellaneous Fee and Charge Studies;
- Bond Feasibility Reports;
- Renewal and Replacement Sufficiency Analyses;
- Comprehensive Alternatives Analyses;
- Interactive Rate Model Development with Dashboards Showing Key Performance Indicators;
- Capital Project Funding Studies;
- CIP Financial Scenario Planning;
- Rate Ordinance Drafting;
- Billing System Validation/Rate Testing;
- Valuation/Divestiture Studies; and
- Life Cycle Costs Analyses

Willdan will work with the District to identify, and prioritize operational and fiscal objectives, and match these to specific rate attributes; and use this information throughout the engagement to develop a comprehensive financial plan and design utility rates that effectively meet these goals. The culmination of our analyses will be rate policies that guide the rate setting process, and a financial management plan that develops projected system operating results for the utility for the forecasted period. Willdan will employ its proven interactive approach, coupled with advanced financial modeling techniques to design rates and a financial plan that meet established goals and performance criteria. These modeling techniques serve as a powerful decision-making tool and provide the District with genuine business solutions and recommendations as to the strategic direction of its utility.



During rate and financial planning projects we employ tools and techniques, which focus on consensus building among stakeholders to ensure the team understands the future financial implications of current management decisions. Our extensive project expertise is bolstered by our unique interactive financial planning process and model.

Approach and Scope of Services

Project Approach

Based on the District's RFP, it is Willdan's understanding that the District is in need of professional consulting services associated with a water and wastewater capacity fee study and asset valuation services. In General, the District needs to determine whether the capacity fee rate structure is adequate to offset the additional costs that new developments place on the water and sewer systems. Therefore, an analysis of the current fee structure with recommendations for future capacity fees is required. The project objectives will be to prepare a complete analysis of the District's existing fees associated with the recovery of capital costs for the major water and wastewater facilities.

It is further understood that any new capacity fee recommendations will be based on industry accepted standards and consistent with methodologies defined by nationally recognized utility research organizations. Please be assured that Willdan has the resources and available manpower to begin the project as described herein immediately upon receiving a Notice to Proceed by the District. Based on Willdan's understanding of the project requirements, the scope of work proposed for this project is as follows.

Work Plan

The following proposed work plan is intended to capture the goals and objectives described above, and included in the District's solicitation. While the tasks listed may vary somewhat from those listed in the District's solicitation, Willdan is confident our proposed work plan will effectively meet project objectives. A final scope and schedule will be determined following further discussions with staff.

Willdan's work plan will culminate in the successful development of Capacity Rates, associated fees and charges, including potential pass through charges; and a ten-year cost-of-service based financial plan and the education of staff and key stakeholders; and a System Market Valuation.

Within this subsection are the general tasks necessary to facilitate the District's engagement. The following activities are based on Willdan's current understanding of the services requested by the District and are subject to revision based on further discussions with the District.

Task 100 Project Management

Mr. Fisher, in collaboration Mr. McGarvey and the Project Team, will provide District staff with updates to summarize our progress against the project timeline, and update the status of upcoming deliverables. We will also document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis. It will be important to the overall success of the project to ensure that work progresses according to the timeline that is agreed to during the project kick-off meeting. We will also schedule and conduct conference calls necessary to review project progress, and address changes in objectives or direction of the project.

All of these steps guarantee that as the project moves forward success will be achieved by continually aligning our approach and work with District objectives, adjusting where necessary.

Through the process of providing regular updates and conducting status conference calls, potential issues will be highlighted, discussed and resolved. Any deviations from the project timeline will be identified and plans will be developed for course corrections. If necessary, changes in approach or strategy will be discussed with District staff, to meet the District's needs. In doing this, we will ensure the project stays on track and evolves, based upon current thinking and outside dynamics.

Task 200 Data and Information Collection and Review

Subtask 200.1 Data Collection

As a means of initiating the project activities, the District will be provided with an initial list of basic data needed to conduct the study. The data request will include items such as financial and operating data, engineering reports, budgets, audits, capital improvement programs, fixed asset records, official bond statements, debt service schedules, master plans, various ordinances, codes and policy statements. Among the specific items to be collected and reviewed are:

- District's current capacity fees and the documentation for them;
- District's Asset Database;
- Water and Wastewater Master Plans;
- Water Reclamation Pre-Design Report;
- San Luis Rey Ground Water Study; and
- GIS and District property information.

Subtask 200.2 Data Evaluation and Validation

Upon allowing time for the District to gather data in accordance with the initial data request, Willdan will conduct a kick-off meeting with key District representatives to receive available data collected by staff, discuss additional data requirements, and to ensure that the project objectives are clearly defined and understood by all parties. Data will be reviewed for completeness and validity.

Based on our experience, it is most effective to obtain and review information prior to the first meeting. Typically, questions regarding data can be resolved via telephone or e-mail. This approach respects your staff's time and ensures that we are completely prepared for a productive first meeting.

Activities

- Prepare and transmit data and information request;
- Follow-up by phone and/or e-mail to resolve questions; and
- Document the nature, form and quality of the data and information received.

Deliverables

- Technical memorandum documenting the data and information received, with comments regarding quality and a list of outstanding issues and questions.

Task 300 Develop Alternative Capacity Fee Methodologies

Based in established objectives of the District, Willdan will develop and present multiple alternative methodologies for calculating water and wastewater capacity fees and make recommendation for optimum methodology. The following outlines the tasks related to the development of alternative water and wastewater capacity fees.

Subtask 300.1 Review Existing Fee Methodology and Resolve Policy Issues

Under AB 1600 (Government Code 66000 through 66024), capacity fees must be developed based on an established incremental impact that new developments have on available capacity. Willdan will identify and resolve policy issues that may be raised by the study, and determine appropriate facility and fee categories as they relate to current programs.

Subtask 300.2 Identify Existing Development and Future Growth

To establish an incremental impact that new development has on available capacity, the costs of existing and proposed facilities must be segregated by their benefits to new or existing users. This cost to benefit nexus is the fundamental principle of AB 1600. For each capital project, Willdan will work with the District to identify a base year for estimating existing levels of development, and for calculating facility standards based on existing facility inventories. We will consult with District staff to identify new development projects and growth projections to a defined planning horizon (10 to 30 years). We will review all available and relevant documentation to ensure comprehensive and consistent projections.

Subtask 300.3 Identify Facility Standards

Facility standards provide a critical link in documenting the nexus between growth, the facilities required to accommodate it, and a defensible fee. Facility standards are used to demonstrate a reasonable relationship between new development and the need for new facilities.

We will rely primarily on our review of the District's capital improvement plans, along with input from District staff, to identify the facility standards used to plan for new facilities. Typical utility standards for facility planning include average, monthly and peak demand factors, plus treatment and pumping requirements.

Subtask 300.4 Determine Facilities Needs and Costs

Identify the type, amount and cost of facilities required to accommodate growth and correct deficiencies, if any. A critical component of this task will be distinguishing between the following:

- Facilities needed to serve growth (that can be funded by impact fees); and
- Facilities needed to correct existing deficiencies for the existing service population (that cannot be funded by fees).

Based on discussions with District staff and others as necessary, Willdan will develop a sound and defensible allocation of planned capital facilities costs between the existing service population and growth. Depending on the engineering and cost data available, we will determine the metrics to appropriately allocate the capital facilities costs based on engineering-level estimates for each unit cost based on discussions with District staff and through our team experience acquired through prior projects.

Subtask 300.5 Fee Calculation Analysis

Based on the cost analysis previously discussed, Willdan will design and calculate capacity fees that will best reflect future demand and use. Willdan will prepare draft report tables for staff to review that document each step of the fee analysis, including a schedule of maximum justified.

Task 400 Perform Asset Valuation Study

Our project process will follow the series of systematic sequential tasks detailed to prepare a Uniform Standards for Professional Appraisal Practice (USPAP) compliant appraisal report with an opinion of value of the Rainbow Municipal Water District System. Three valuation methods will be used in this report including: 1) the cost approach, 2) the income approach, and 3) the comparable sale or market approach. The Appraisal Report will be presented to the Town with the appropriate certifications for governmental use and within the guidelines of the assignment.

Subtask 400.1 Cost Approach

There are three types of cost approach methodology: (1) the original cost (that is trended upwards); (2) the reproduction cost; and (3) the replacement cost. The reproduction cost, replacement cost and original cost are less depreciation. This approach will potentially be given the

most weight due to the quality and quantity of information and the unique nature of the assets. The subtasks associated with this evaluation are further detailed below.

Field Condition Assessment

The field assessment will consist of a physical review by a member of the Project Team of the water and wastewater system. This will include a review of system maps and drive-by and visual inspection of system assets and appurtenances. As part of the field condition assessment, document the District's water and wastewater system assets.

System Valuation Process

As previously discussed, the valuation process typically includes a number of valuation methodologies to establish a range of values for the system facilities to be acquired. State laws and case precedent may establish the methodologies required to be used in determining the purchase price of a utility system. We will meet with the District and its legal counsel to review all applicable statutes and case precedent. In this study, replacement cost in like, kind, and quality, would most likely be the type of cost approach to be considered. The valuation method will be adjusted based on the results of the field condition assessment.

Develop Estimate of Water and Wastewater System Facilities

The inspection will be compared to asset and condition inventory. The dates of installation or the date of the latest full renewal and replacement to attain the effective age of the asset will be conducted. The Project Team will use industry service lives and will assess the physical depreciation, functional/economic depreciation and external depreciation of the System Assets. Willdan will utilize the asset listing prepared during the field assessment to document on a line item basis, the value for the water and wastewater system assets, with total and net book value as of the date of the valuation.

Subtask 400.2 Income Approach

The income approach values the utility based on the present value of the available cash flows anticipated to be generated in the future. The theory behind this particular approach is based on the concept of converting the anticipated financial benefits of ownership in the future to an estimate of the present value in today's environment. Depending upon the circumstances surrounding each acquisition, the income stream may be based on the net operating revenues derived from existing and future growth as well as the value of capital contributions received from new growth in the future.

Data Review

The income approach utilizes a significant amount of data that typically is prepared and provided by the District. In preparation of this approach, the Project Team will review various financial and system data including:

- Audited Annual Financial Reports for the System for 2010 through 2015;
- Proposed budgets for 2015 and 2016;
- YTD financial results by account for 2015 and expected 2016 results;
- Rate case proceedings; and
- The current adopted system rates and charges schedule.

Analysis and Projections

Utilizing the historical information as a basis, the Project Team will develop a Test Year with adjustments as appropriate. This Test Year will then be escalated annually for items including customer growth, general inflation, projected labor costs, etc. to develop a pro forma analysis for a 20 to 30-year period. In order to develop a final value for the income approach, a discount factor will be developed that considers the risk free rate, future risks associated with currency values, industry risk evaluating the overall stability of the water utility industry, and the specific rate which evaluates the utility's risk based on geographical location.

Subtask 400.3 Market Approach

The Comparable Sales Approach to utility valuation assumes that knowledgeable buyers and sellers of water, wastewater and reclaimed utilities generally know the "Market" for such Utilities. The purpose of this market approach is to examine the history of water, wastewater and reclaimed utility acquisitions, and to analyze the conditions under which the utilities were acquired in an effort to arrive at an implied purchase price for the subject Utility. Extensive research has been conducted in order to gather a database of information regarding utility acquisitions. In order to compare the different transactions, various financial, technical, legal, and customer service information was analyzed and adjusted. Furthermore, discussions with the negotiators, buyers, and sellers are useful and informative to the analyses.

There are many factors which are involved in the determination of an acquisition price of a utility. These factors create both similarities and differences between the transactions, which in essence, result in the formation of a well-mixed market of utility sales. The comparable sales approach considers such factors and makes adjustments as necessary in order to arrive at an implied value for the subject Utility.

Identify Comparable Sales Transactions

There are many market factors involved in the determination of an acquisition price of a water utility. These factors can define similarities between transactions, which, in essence, can result in the formation of a well-mixed market of water utility sales for comparison. The Comparable Sales Approach will consider sales transaction of similar systems. Key components to be used in identifying transaction to use include:

- Transmission lines;
- Distribution lines;
- Customers; and
- Revenues.

Comparable Sales Selection and Analysis

Each of these identified transactions needs to be reviewed and narrowed down to the sales transactions that appear the most similar to and consistent with the transaction and characteristics of the System. In order to accomplish this task, the Project Team will identify selection criteria that may include the following:

- Type of System;
- Arms-Length;
- Timeframe of Sale; and
- Number of Customers.

There are several market factors that can influence the purchase price and may require adjustments to make the transaction comparable with the other transactions as well as the subject transaction for the District. These factors include, but are not limited to the following:

1. Agreements: Purchase water, franchise agreements and customer/large user agreements.
2. System Characteristics: Percent depreciated, system condition, system configuration, immediate CIP needs as well as any separation/reintegration costs.
3. Size: Current system size and future growth potential.
4. Customer Mix: Customer load percentages and Equivalent Residential Connections based on both revenues and gallons per day.

A description of the selected comparable sales will be prepared, with adjustments as appropriate and presented in a USPAP compliant analysis.

Task 500**Determine Draft Capacity Fees for Water and Wastewater**

Using the analyses developed in Task 300 and the asset values identified in Task 400, Willdan will determine draft water and wastewater capacity fees and document the reasons for changes from the Districts current capacity fees. To ensure that the recommended draft capacity fees conform with established goals and objectives, Willdan will meet with the appropriate staff and management of the District as well as its Engineering Committee. Based on input from these key stakeholders, Willdan will prepare its final recommended capacity fees.

Task 600**Meeting with Engineering Committee and BIA**

Willdan believes in proactive stakeholder outreach, feedback, and understanding during the entire process, not only at the time the results are proposed. Throughout the course of the study, in addition to the project kick-off, Willdan will conduct discussions with key District staff, and the District Board of Directors to walk-through the analyses, discuss the preliminary findings, and to discuss the draft results and study findings. We anticipate up to five (5) meetings with the District during the course of this project. Additionally, we have increasingly been utilizing effective internet communication tools to better facilitate discussion and feedback thereby avoiding unnecessary costs to the project.

Task 700**Prepare Draft and Final Study Reports and Board Presentation**

Willdan will document the results of the study in a report consistent with the tasks identified throughout this work plan. The documentation will include an executive summary, methodology, background assumptions, findings, recommendations and conclusions. We will provide District staff with a digital copy of the preliminary draft report for review and comment, and based on the comments received; prepare a final printed and digital copy of the report.

Willdan will also participate in a presentation of the combined findings and reports to the District Board of Directors in a public workshop format. The final presentation will include easy-to-follow graphics and color handouts of the study assumptions, methodologies, findings and conclusions, and will include a discussion period for questions and answers.

Project Schedule

Willdan prides itself on being responsive to customer needs. We have developed a general timeline that will begin in April 2016; a specific schedule of events and milestones will be developed in concert with District staff. Depending upon a number of factors, a rate and asset analysis effort of this complexity generally requires 18 to 22 weeks to complete.

These factors include:

- 1) The amount of time required to collect necessary data;
- 2) Ability to schedule meetings in a timely manner with District management and staff; and
- 3) Manner by which policy direction is received for the study from the District's management.

Based on these factors and our current understanding of the solicitation, Willdan has developed the following preliminary project schedule:

Project Schedule		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Scope of Services	Project Month	April	May	June	July	August	September
Task 100: Project Management							
Task 200: Data and Information Collection and Review		①					
Task 300: Develop Alternative Capacity Fee Methodologies			②				
Task 400: System Market Analysis				③			
Task 500: Determine Draft Capacity Fees for Water and Wastewater				④			
Task 600: Meeting with Engineering Committee and BIA				⑤		⑤	
Task 700: Prepare Draft and Final Study Reports and Board Presentation					⑥	⑦	⑧

Milestones/Deliverables Legend:

- ① Kick-Off and Project Initiation
- ② Alternative Capacity Fees Analysis and Proposed Methodology
- ③ Site Inspection, Condition Assessment, Valuation Approaches
- ④ Capacity Fee Development and Calculation
- ⑤ Engineering Committee/BIA Meeting
- ⑥ Draft Reports/Asset Listing
- ⑦ Final Reports/Asset Listing
- ⑧ Presentation at Board of Directors Meeting

Project Manager and Team Qualifications

Project Team

Mr. Chris Fisher will serve as the Willdan **Project Manager** for the Capacity Rate Study, as well as the Project Team **Principal-in-Charge**. With more than 16 years of experience at Willdan, Mr. Fisher has managed an array of financial consulting projects for public agencies in California, Arizona, and Florida, coordinating the activities of resources within Willdan, as well as those from other firms working jointly on projects. He is one of the firm's leading experts for special district financing related to public infrastructure, maintenance, and services, including public safety. Mr. Fisher is a Vice President and the Financial Consulting Services Group Manager at Willdan Financial Services.

Mr. Jeff McGarvey will provide **Quality Control/Quality Assurance** for the District's project. With over 23 years' experience in developing financial analyses utility systems, will be assisting in the financial analysis and adjustments required as part of the income approach. Mr. McGarvey is a Managing Principal in Willdan's Financial Consulting Services group; and has provided professional consulting services to municipal water, wastewater, solid waste, electric, and natural gas utilities throughout the country. He possesses a broad range of municipal utility systems' experience: including special expertise in complex alternatives analyses, utility rate analyses, utility valuations and acquisitions, regionalization and consolidation studies, debt issuance support, such as the preparation of financial feasibility analyses associated with revenue bond issuance, capital financing analyses, strategic planning, rate and regulatory assistance, and instituting financial mechanisms to provide the sufficient recovery of operating and capital costs.

Ms. Tara Hollis, CPA, MBA, who has worked on more than 150 utility system appraisals and numerous utility sales transaction assignments, will serve as **Technical Advisor and Principal Consultant**, and will be performing the financial analysis associated with the income approach and intangible asset value. Ms. Hollis specializes in rate and cost of service studies, feasibility and financial reports, and debt structuring analysis for the issuance of utility indebtedness for major capital improvement programs. She possesses an extensive range of experience in financial analysis including budget analyses, customer and usage analyses, development of revenue requirements, cost of service allocations, and sensitivity analyses related to the implementation of conservation efforts. Included in these broad areas of financial analyses are detailed analyses pertaining to the sufficient recovery of revenue such as utility rates and rate design alternatives, the determination of specialized user fees and charges, service availability and impact fees, and various miscellaneous service charges.

Mr. Kevin Burnett will serve as the **Lead Project Consultant** for the District's engagement. He will work closely with the project team to develop the analyses under the District's scope of services. Mr. Burnett is a senior project manager with 15 years of utility analysis experience throughout the Western United States.

Mr. Tony Thrasher will serve as **financial analyst**, collecting, interpreting and analyzing the data necessary for the study, and working with the team to develop and tailor the financial model to the District's specific needs and objectives, and incorporate the District's data. During his tenure he has served dozens of jurisdictions throughout California, Florida, and Colorado.

Mr. Gerald Hartman, PE, BCEE, ASA, owner of Hartman Consultants, LLC, is the **Senior Utility Appraiser** for this assignment. He and select members of the proposed Project Team recently worked on assignments for clients including City of Vero Beach (FL), Hillsborough County (FL), Tupelo Water & Light (MS), and Heritage Hills (NY). Mr. Hartman is one of only 19 Accredited Senior Appraisers with the Machinery and Technical Specialty-Public Utilities from the American Society of Appraisers nationwide. Mr. Hartman, also a seasoned Professional Engineer with licenses in over 20 states, has over 40 years of utility appraisal and valuation experience. He has also performed over 250 rate, charge and fee studies, and is a recognized expert witness in utility rate and regulatory matters, having testified before several State Regulatory Commissions on numerous occasions throughout his career. He is the author and/or co-author of 30 papers in the water, sewer and solid waste areas and the co-author of two books. His extensive experience in the field of utility acquisitions provides a very unique perspective on many issues facing utilities today. In many cases, Mr. Hartman and other members of the Consulting Team assist not only in the acquisition itself, but in the transition and start-up activities which occur subsequent to the acquisitions as well. For example, an in-depth understanding of such issues as establishing budgets, setting up various policies, and utility procedures and standards, as well as rates and charges is required for these types of projects.

Staff Continuity

Vice President and Group Manager Chris Fisher has been assigned to serve as the District's representative; and has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous utility rate studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups. ***It is important to note that Mr. Fisher has been with Willdan for more than 16 years, ensuring the Rainbow Municipal Water District of continuity and dedication in staffing during the completion of this project.***

We do not anticipate staffing changes during the course of the project, however, should the situation arise, any change in team members will be discussed and approved in concert with the District prior to the change being made.

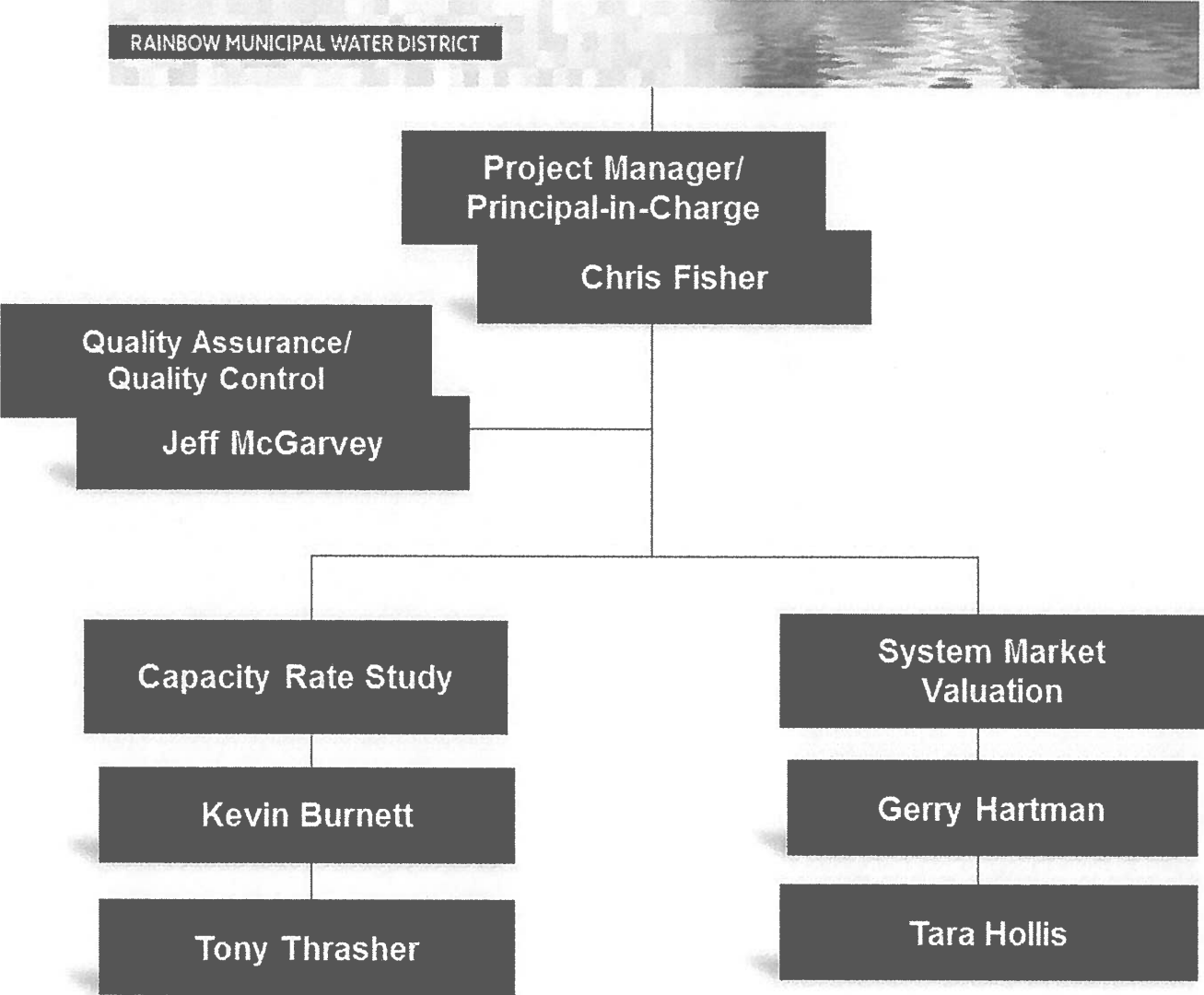
Collaborated Projects

For purposes of brevity the following table provides a brief list of recent projects, in which the proposed team members have collaborated, or are currently collaborating.

Collaborated Projects	
City of Abbeville, SC Water, Sewer, and Electric Revenue Sufficiency	City of Lee's Summit, MO Review of Rate Study LBVSD
City of Albany, CA Sewer Rate Study	City of Manassas, VA Utility Rate Study
City of Banning, CA Water, Wastewater and Reclaimed Water Rate Study	McKinleyville Community Services District, CA Sewer Rate Analysis
City of Blythe, CA Water and Wastewater Rate Study	Mission Springs Water District, CA Water and Sewer Rate and Fee Study
City of Brentwood, TN Utility Financial Planning Services	City of Mooresville, NC Water & Sewer Rate Study
Centre County, PA Alternative Analyses Centre County Recycling & Refuse Authority	City of Muskogee, OK Utility Rate Studies
City of Clinton, SC Water, Sewer, and Electric Revenue Sufficiency	Nevada Irrigation District, CA Water Rate and Cost and Service Study
City of Coachella, CA Proposition 218 Sewer Mailing	City of Newberry, SC Rate Study Update/Bond Report
City of Crescent City, CA 2015 Sewer Rate Study	City of Norwalk, CA Water Rate Study
City of Covina, CA Tiered Water Rate Study	Hillsborough County, FL Water and Wastewater System (2 Systems) Utility Valuation Services
County of DeKalb, GA Water and Wastewater Revenue Sufficiency and Rate Study	Heritage Hills NY Utility Valuation and Utility Sale Assistance
City of DeLand, FL Stormwater Rate Study	Phelan Piñon Hills Community Services District, CA Water Rate & Connection Fee Study
City of Dinuba, CA Rate Study CAP Update	San Diego County, CA Stormwater Mitigation
City of Fillmore, CA Water and Sewer Rate Study	City of Sumter, SC Bond Feasibility Analysis
City of Flagstaff, AZ Utility Rate Analysis	City of Sumter, SC SPW Rate Update - 2015
City of Gastonia, NC Bond Feasibility Report	City of Vero Beach, FL Water, Wastewater, and Reclaimed Water Utility System Valuation Services
Greenwood Metropolitan District, SC Capacity Fee Update - 2015	New River Light and Power, NC Utility Valuation Services
City of La Palma, CA Water and Sewer Rate Study	Widefield Water and Sanitation District, CO Rate & Tap Fee Study
City of Lake Worth, FL Financial Analysis	City of Winnsboro, SC Water & Wastewater Capacity Fee Study

Organizational Chart

The organization chart provided below, outlines the reporting relationship of the team members proposed for the District's engagement.



Firm's Capacity

Willdan has the staff availability and resources to sustain the Rainbow Municipal Water District's project immediately upon selection. Management has built into our firm's workload forecast, staff availability for new assignments

Willdan maintains extensive resources, and with continuous internal training within the firm, and recent addition of qualified analysts, we are able to delegate and manage workload. When necessary, additional qualified and experienced analysts can be added to the project, with prior approval from the District.

Current Workload

Willdan's Financial Consulting Services group is composed of a team of senior-level professional consultants with experience and expertise specific to utility rate and financial matters. While each member of the project team currently has work in progress with other clients, the workload is at a manageable level with sufficient capacity to meet the needs of the District with regard to the schedule and budget for this engagement.

The current workload and will not detract from providing timely, high quality services consistent with both industry standards and those required by the District.

Project Management

To ensure that the project stays on schedule and is properly focused on District objectives, Mr. Fisher, in collaboration Mr. McGarvey and the Project Team, will provide District staff with updates to summarize our progress against the project timeline, and update the status of upcoming deliverables. We will also document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis. It will be important to the overall success of the project to ensure that work progresses according to the timeline that is agreed to during the project kick-off meeting. We will also schedule and conduct conference calls necessary to review project progress, and address changes in objectives or direction of the project.

All of these steps guarantee that as the project moves forward success will be achieved by continually aligning our approach and work with District objectives, adjusting where necessary.

At Willdan, we utilize a project management process that ensures projects are completed on time, within budget and most importantly yield results that match our clients' expectations. Our complete project management process has four primary principles common to successful projects:

1. **Define** the project to be completed. Mr. Fisher will identify the project scope, set objectives, list potential constraints, document assumptions, choose a course of action and develop an effective communication plan.
2. **Plan** the project schedule. Mr. Fisher, in collaboration with the project team and District staff, will create an agreed upon timeline to meet the District's estimated project timeline. He will assign workload functions to appropriately qualified staff to ensure milestones are met, on time. Furthermore, the project team will meet bi-weekly to assess the status of the project and Mr. Fisher will direct existing and upcoming project tasks. These meetings ensure that staffing resources are well-matched to provide the highest quality of work product, high responsiveness to the District, and to keep the project on schedule. These meetings also provide a forum for applying the team's collective expertise to solving difficult analytical issues that arise in complex projects.
3. **Manage** the execution of the project. Mr. Fisher has been selected to fulfill the role of project manager due to his strong project management skills. He will be responsible for controlling the work in progress, providing feedback to project team members and District staff, and will be accountable to the District for meeting the schedule, budget and technical requirements of the project. Most importantly, Mr. Fisher will ensure constant collaboration and communication between District staff and the project team through frequent progress memorandums, conference calls and in-person meetings.
4. **Review** all work product and deliverables through a structured quality assurance process involving up to three levels of review at the peer level, project manager level, and if necessary executive officer level. We have designed a formal and structured quality assurance system that will be utilized throughout the course of the project.
5. **Communication** with the client regarding work status and progress. Mr. Fisher will ensure that the District receives regular updates of status, and will schedule regular conference calls to touch base. He will also inform the District of any roadblocks encountered, or whether the amount of work associated with an element of the project is more than was projected, or outside of the agreed upon scope of services. From this point, he will work with the District to address and resolve these types of issues.

We have utilized these guiding principles for all of our firm's projects. The District can be assured that through the utilization of these principles, Mr. Fisher will ensure the project deliverables for the District's engagement will be of the highest quality and will be delivered on time and within the agreed upon budget.

Through the process of providing regular updates and conducting status conference calls, potential issues will be highlighted, discussed and resolved. Any deviations from the project timeline will be identified and plans will be developed for course corrections. If necessary, changes in approach or strategy will be discussed with District staff, to meet the District's needs. In doing this, we will ensure the project stays on track and evolves, based upon current thinking and outside dynamics.

Project Location

The project will be managed out of Willdan's division headquarters located at 27368 Via Industria, Suite 200, Temecula, CA with support provided from other office locations. Hartman Consultants, LLC is headquartered in Windermere, Florida.

District Staff Responsibilities

Willdan recommends that the District assign a key individual as project manager. As our analysis is developed, the District's appointed project manager will: Coordinate responses to informational requests; Coordinate review of work products; and Identify appropriate staff members for participation in meetings and facilitate in scheduling.

We will ask for responses to initial information, follow-up requests, and comments on reports within five business days or otherwise agreed upon timetable. If there are delays, the project manager will follow up with the parties involved to establish an estimated date for the delivery of information and/or feedback. To ensure continued progression, the project manager will reconvene with the rest of the Project Team to identify tasks that can be started while waiting for requested data.

Resumes

Resumes for our project team appear on the following pages.

Chris Fisher

Project Manager / Principal-in-Charge

Education
Bachelor of
Science, Finance;
San Francisco State
University

Areas of Expertise
Multi-disciplinary Team
Management

Special District Formations

Cost of Service Studies

Proposition 218

Utility Rate Studies

Affiliations
California Society of
Municipal Finance Officers

*Municipal Management
Association of
Northern California*

*California Municipal
Treasurers Association*

16 Years' Experience

Mr. Fisher has been selected to serve as Project Manager and Principal-in-Charge of the District's venture, due to his extensive experience managing multi-disciplinary teams. He also possesses extensive knowledge regarding Proposition 218 compliance.

Mr. Fisher is the Vice President and Financial Consulting Services Group Manager at Willdan Financial Services. With more than 16 years' experience at Willdan, he has managed an array of financial consulting projects for public agencies throughout California, Arizona, and Florida; coordinating the activities of resources within Willdan, as well as those from other firms working on these projects.

Selected Relevant Experience

Nevada Irrigation District, CA – Water Rate and Cost of Services Studies: Willdan finalized a water rate and cost of services study for the Nevada Irrigation District. Mr. Fisher was the project manager for this engagement; the project has been completed, and Prop 218 notices mailed. This engagement included review of existing charges, particularly treated and raw water, to ensure the defensibility of the District's tiered rates, as well as recovery of the true costs of providing utility services to its customer base. Particular sensitivity surrounded the question of equity between agricultural and residential customers since the agricultural interests in the area are well known and established. Stakeholder outreach meetings were held to explain the process and results to key interested parties. Willdan developed a comprehensive revenue requirements analysis, with extensive due diligence paid to establishing and verifying expenses and fund balances, and developing, reviewing and analyzing various CIP financing strategies. Willdan staff attended numerous meetings with the Board of Directors to demonstrate the functions of our financial model, including the review of possible revenue and rate scenarios, and attended the final Public Hearing in January 2014.

San Diego County Sanitation Department, CA – Sewer Rate and Standby Charge Study: Mr. Fisher served as the Project Manager for the San Diego County Sanitation Department, Harmony Grove engagement, providing the overall management and project direction. Mr. Fisher, in concert with County staff and the Willdan Team, completed the project under the scrutiny of the recent San Juan Capistrano ruling. This project involved the development of sewer rates for an area of new development in northern San Diego County. A rigorous revenue sufficiency analysis and financial plan was completed, and rates developed in compliance with Proposition 218. The project also included cost of service analysis, and the development of financial models that demonstrated the ability of the sewer rates and sewer standby charges for this specific plan area to provide adequate revenue for sewer plant operations and maintenance. The model was constructed to provide projections of revenue from both the assessment and the sewer rates, at various stages of development.

Elk Grove Water District, CA – Water Rate Services: Mr. Fisher oversaw the preparation of a comprehensive financial plan and water rate study for the District. This engagement included the development of a comprehensive financial model, updated water rates, and connection fees, as well as an analysis of multi-family accounts, a comparison of current and proposed rates, including rates of comparable jurisdictions, comparative rate and cost analysis. Mr. Fisher provided technical assistance throughout this project and participated in stakeholder meetings.

City of Crescent City, CA – Water and Wastewater Rate and Capacity Fee Analysis: Willdan completed a water and wastewater rate and capacity fee analysis for the City of Crescent City in 2010, and in 2013 completed an updated and expanded financial plan, again for water and wastewater, which Mr. Fisher managed. The utility rates and fees calculated by Willdan will provide sufficient revenue to cover the repayment of a State Revolving Fund loan secured by the City to finance the costs of construction, ensure adequate funding for repair and periodic maintenance of the new and existing facilities, and for ongoing operations and routine maintenance. Mr. Fisher oversaw the development of the analysis of the water and wastewater financial models, and met with staff and City Council to present results and develop approaches, in response to staff and stakeholder feedback.

McKinleyville Community Services District, CA – Water and Wastewater Capacity Fee Study: Mr. Fisher served as principal-in-charge of this project. The prior connection fees had not been updated for a number of years and were relatively low in comparison to similar agencies. In addition, there were several new local development projects in the planning stages requiring the District to provide utility services; placing even greater demand upon existing facilities and possibly requiring expansion of existing facilities, or construction of new ones. Willdan worked with staff to compile a list of proposed capital improvements and their estimated cost, and conducted an analysis of existing and proposed development within the District boundaries. Finally, the team analyzed existing demand on the current utility systems and calculated remaining capacity in order to develop fair and equitable capacity fees.

C. Fisher
Resume Continued

City of Soledad, CA – Water Rate Study: Mr. Fisher was the project manager for this engagement with the City of Soledad, to complete a comprehensive financial plan and rate study for their water utility. The City's water rates and connection fees had not been updated since 1996. Several times in the past ten years, proposed water rates were put off due to economic and political uncertainty. The water utility was losing money with existing rates and would have continued to do so if not addressed; they also needed to invest significantly in capital repair and replacement projects, as well as system upgrades. Mr. Fisher worked with City staff through the process of gathering and verifying data, developing a comprehensive revenue sufficiency analysis, including an on-site meeting to review the budget in detail. He also oversaw the development of the rate and financial model, including the basic revenue requirements, cost causation and basic rate scenarios. Once complete, Mr. Fisher finalized the rate recommendations with City staff prior to presentation to the City Council.

City of Covina, CA – Tiered Water Rate Study: Mr. Fisher served in the role of principal-in-charge of the City's tiered water rate study. His responsibilities included the scheduling of key meetings and deliverables, review of progress throughout the development of the project, and quality control. The City's existing rate structure, which was updated in 2007 by Willdan, demonstrated that current utility rate revenues were not sufficient to fund the current operating and maintenance costs and necessary capital improvements. The updated rate analysis incorporated additional customer classes with unique discharge characteristics, which distributed the full cost of the utility services to the City's customer base in proportion to the service demands they place on the utility systems.

City of Delano, CA – Water, Sanitary Sewer, Solid Waste and Street Cleaning Utility Rate Study: Mr. Fisher led this multi-faceted study. Recently developed financial studies did not match current economic realities, and as such the utilities were not generating sufficient cash flows. Given the volatile economy, the City hired Willdan to lead the development of a comprehensive utility financial plan and appropriate water, wastewater and solid waste rates to meet the determined level of required revenue. Willdan modeled and analyzed numerous financial and rate scenarios through the course of the project.

Jeff McGarvey

Education

*Bachelor of Science
Finance, University of
Central Florida*

*Areas of Expertise
Alternatives Analyses*

Strategic Planning

Rate Studies

Cost-of-Service Studies

Impact Fees

Debt Issuance Support

Revenue Bonds

Feasibility Analyses

Capital Funding

Acquisitions

Valuation Analyses

Affiliations

*American Water Works
Association*

*The Water Environment
Federation*

*The Utility Management
Conference*

The WaterReuse Foundation

23 Years' Experience

Quality Control/Quality Assurance

Mr. McGarvey is a managing principal and a Vice President in Willdan's Financial Consulting Services group and, for more than 23 years, has provided professional consulting services to municipal water, wastewater, solid waste, electric, and natural gas utilities throughout the country. He possesses a broad range of municipal utility systems' experience, including special expertise in complex alternatives analyses; utility rate analyses; utility valuations and acquisitions; regionalization and consolidation studies; debt issuance support, such as the preparation of financial feasibility analyses associated with revenue bond issuance; capital financing analyses; strategic planning; rate and regulatory assistance; and instituting financial mechanisms to provide the sufficient recovery of operating and capital costs.

Acquisitions and Valuation Analyses

Mr. McGarvey has been involved in numerous acquisitions and valuation analyses for utility systems located throughout the southeastern region. The acquisition projects generally involve financial due diligence, valuations, negotiations and financing activities associated with such transactions. Mr. McGarvey has performed valuation analyses utilizing various generally accepted methodologies including cost approach (value of the cash flows generated by the system), original cost less depreciation (book value), comparable sales (actual transactions for other systems), replacement cost new less depreciation and reproduction cost new less depreciation (value of system assets).

Revenue Bonds, Feasibility Analyses and Capital Funding

Mr. McGarvey has been involved in the preparation of capital financing plans and feasibility studies associated with the issuance of several hundred million dollars in municipal revenue bonds and bond anticipation notes (BANs). The funding proceeds have been utilized for such purposes as utility acquisitions, expansion of facilities and various other capital improvement needs. In addition, Mr. McGarvey has developed capital funding strategies utilizing various combinations of bonds, bank loans, government assistance loans (i.e. State Revolving Funds) and grants. In addition, in his capacity as financial feasibility consultant, Mr. McGarvey has made numerous presentations on behalf of clients to various bond insurers and rating agencies (Moody's, Standard & Poor's, and Fitch).

In providing debt issuance support and in the preparation of strategic financing plans it is necessary for Mr. McGarvey to review relevant bond documents in order to effectively apply those covenants which establish the legally binding agreement between the issuer and the bond holder. As is typical, the nature of these covenants can be either positive (requiring certain action from the issuer) or negative (limiting the actions of the issuer) and is central to effective financial planning.

Below is a representative listing of Mr. McGarvey's relevant bond feasibility experience:

- **City of Leesburg, FL** – Financial Feasibility Analysis, Series 2013 Electric System Revenue Bonds
- **City of Jerseyville, IL** – Financial Feasibility Analysis, Series 2012 General Obligation Bonds
- **Bay County, FL** – Financial Feasibility Analysis, Series 2011 Utility System Revenue Bonds
- **Little Blue Valley Sewer District, MO** – Financial Feasibility Analysis and Parity Certificate, Series 2010 Sewer System Revenue Bonds
- **Peace River Manasota Regional Water Supply Authority, FL** – Consulting Engineers' Report, Series 2010 Utility System Revenue Bonds
- **City of Norfolk, VA** – Consulting Engineers' Report, Series 2008 Water Revenue Bonds
- **City of Leesburg, FL** – Consulting Engineers' Report, Series 2007 Utility System Revenue Bonds
- **City of Leesburg, FL** – Consulting Engineers' Report, Series 2007 Electric System Revenue Bonds
- **City of Leesburg, FL** – Consulting Engineers' Report, Series 2004 Utility System Revenue Bonds
- **City of Leesburg, FL** – Consulting Engineers' Report, Series 2004 Electric System Revenue Bonds
- **Orange Water and Sewer Authority, Carrboro, NC** – Financial Feasibility Consultant, Series 2004 Water and Sewer Revenue Bonds
- **City of Winston Salem, NC** – Financial Feasibility Analysis, Series 2002 Water and Sewer Revenue Bonds
- **City of Raleigh, NC** – Financial Feasibility Analysis, Series 2001 Water and Sewer Revenue Bonds
- **City of Greensboro, NC** – Financial Feasibility Analysis, Series 2001 Combined Enterprise System Revenue Bonds

J. McGarvey
Resume Continued

Rate and Cost of Service Studies

Mr. McGarvey has extensive experience in utility rates and cost of service studies for water, wastewater, solid waste, electric and natural gas systems located throughout the country. Such experience generally relates to performing budget analyses, customer and usage analyses, development of revenue requirements, cost of service allocations and sensitivity analyses related to the implementation of rate structures designed to promote desired usage characteristics.

Business and Strategic Planning

Mr. McGarvey has experience in developing complex financial and economic evaluation models for water, wastewater, solid waste, electric and natural gas systems located throughout the country. Such experience generally relates to the development of business and strategic plans as well as performing structured alternatives analyses and sensitivity analyses related to the evaluation and implementation of system modifications such as service and operational changes as well as planning for customer growth and capital expenditures.

Professional Conference Presentations

- "Positioning MDWASD as a Leader in Capital Planning," 2011; McGarvey, Jeff; Miami-Dade Water and Sewer Department Senior Management Workshop.
- "Renewal and Replacement Costs: How Much is Enough?" 2011; McGarvey, Jeff, Morris, PE, Kevin and Yates, Edward; Florida Water Resources Conference.
- "Renewal and Replacement Costs: How Much is Enough?" 2011; McGarvey, Jeff; South Carolina Environmental Conference.
- "Renewal and Replacement Costs: How Much is Enough?" 2011; McGarvey, Jeff, Condran, Michael; AWWA/WEF Utility Management Conference.
- "Rate Design Goals and Objectives: Positioning for Success," 2009; McGarvey, Jeff; Water Authority of Volusia County Technical Advisory Committee.
- "Membrane Bioreactor Life-Cycle Cost Assessment Simulation: Digital Game-Based Learning," 2009; McGarvey, Jeff; WEFTEC® Workshop.
- "Wall Street's Perception of North Carolina Water and Sewer Utilities: Positioning for Success," 2008; McGarvey, Jeff; North Carolina AWWA-WEA Annual Conference.
- "Financial and Economic Impacts of EPA/DEQ Initiatives to Reduce Sewage Overflows," 2008; McGarvey, Jeff; Virginia Water Environment Federation Water Jam Conference.

Tara Hollis, CPA, MBA

Technical Advisor/Principal Consultant

Education

Master of Business Administration, University of Central Florida

Bachelor of Science, Business Administration, University of Central Florida

Registrations / Certifications

C.P.A. Florida No. AC-0031100

Areas of Expertise

Management Consulting

Business & Financial Analysis

Dynamic Computer Modeling

Utility Rate and Cost Studies

Feasibility and Financial Analysis and Reporting

Debt Structuring Analyses

Expert Witness Testimony and Litigation Support

Equity Recapture Strategies

Utility Optimization Services

Utility Regulatory Services

Valuation, Acquisition, and Divestiture Services

Affiliations

American Water Works Association

National Association of Certified Valuers and Analysts, Member

Florida Government Finance Officers Association, Member

16 Years' Experience

Ms. Hollis specializes in rate and cost of service studies, feasibility and financial reports, and debt structuring analysis for the issuance of utility indebtedness for major capital improvement programs. She has an extensive range of experience in financial analysis including budget analyses, customer and usage analyses, development of revenue requirements, cost of service allocations, and sensitivity analyses related to the implementation of conservation efforts. Included in these broad areas of financial analyses are detailed analyses pertaining to the sufficient recovery of revenue such as utility rates and rate design alternatives, the determination of specialized user fees and charges, service availability and impact fees, and various miscellaneous service charges.

Ms. Hollis has been a principal investigator in electric system comparable sales. She was the CPA analyst serving the bondholders on the \$0.5 billion Okeelanta L.P. and Osceola L.P. damages case. Ms. Hollis has extensive experience related to reviewing and analyzing compliance with bond covenant requirements and contractual obligations. She has assisted in the development of numerous bond documents including engineering reports and official statements for the issuance of municipal debt instruments. Ms. Hollis creates computerized dynamic spreadsheet models for use in valuing and analyzing future sales, profitability, and financial performance ratios of utility systems and to determine fund needs for capital expansion programs.

Professional Experience

- Development of extensive and dynamic computer models for water, wastewater and reclaimed water rate studies, feasibility studies, forecasts, and valuations including the City of Fort Myers Beach, the City of North Miami Beach, Bay County, the City of Sanibel, the City of Clermont, the City of Palm Bay, the City of Apopka, the City of Orlando, the City of Port St. Lucie, the Village of Bald Head Island, and Bay Laurel Center Community Development District.
- Development of retail and bulk rates; impact fees; capital funding plans; and user rates and charges including the preparation of water, wastewater, reclaimed water, and stormwater user rate studies for public utilities. Recent clients include the City of Fort Myers Beach, the City of North Miami Beach, the City of Fort Meade, the City of Lauderhill, the City of Orange City, the City of Sanibel, the City of Apopka, the City of Fort Walton Beach, the City of North Lauderdale, the City of Port St. Lucie, the City of Orlando, the City of Palm Bay, the City of Naples, the City of Miami Springs, the City of Port Richey, the City of Mulberry, the City of DeLand, the City of Lake Wales, Bay County, Marion County, St. Johns County, Tindall Hammock Irrigation and Soil Conservation District, and Bay Laurel Center Community Development District.
- Development and analysis of the adequacy of wholesale rates and rate components for revenue and litigation purposes. Recent clients include Bay County, Bucks County Water and Sewer Authority and the City of Port St. Lucie.
- Coordinate outstanding USDA Rural Development and SRF Loans to receive permissions for a \$10 million issuance of new debt for Polk City, Florida.
- Prepared DEP required facilities plan and business plan in support of SRF loan/grant awards for over \$13 million in SRF Project Funding.
- Prepared Request for Inclusion, Loan Documents, Ordinances/Resolutions, and Monthly Pay Applications, Davis-Bacon Wage requirement audits, etc. for clients including the City of North Miami Beach and the City of Mulberry in conjunction with funding awards of over \$30 million in grants and low interest loans from the State of Florida SRF Program.
- Completed grant administration paperwork for the City of Eustis relative to over \$3.8 million in funding for its Stormwater Program.
- Water conservation rate analysis, structuring, and enactment. Clients have included the City of Fort Myers Beach, the City of North Miami Beach, the City of Lauderhill, the City of Apopka, the City of Orange City, the City of Fort Walton Beach, the City of Fellsmere, the City of North Bay Village, City of Lake Wales, the City of DeLand, Bay County, Marion County, St. Johns County, and Bay Laurel Center Community Development District.
- Development of drought surcharge policy for the City of North Miami Beach.
- Miscellaneous service charges for a variety of customer request services including customer deposits, water meter installation charges, water and wastewater taps, turn-on charges, and the initiation of service charges. Clients have included the City of Lauderhill, the City of Orange City, the City of North Bay Village, the City of Fort Walton Beach, Bay Laurel Center Community Development District, and Tindall Hammock Irrigation and Soil Conservation District.
- Implement funding strategies and bridge financing alternatives for Wastewater Improvements Program. Act as FDEP

T. Hollis
Resume Continued

liaison; work with City on multiple comparisons and utility rate financial explorations. Assist in rate adjustments. Administer funding support during construction under all FDEP requirements for City of Mulberry, Florida.

- Development of presentation workshops and accompanying briefing documents for utility rate study and cost of service clients to foster client and audience understanding of the analysis conducted. Recent clients include the Cities of DeLand, Orange City, Sanibel, and Marion County.
- Assistance and documentation for revenue and other special forms of tax-exempt bond financing including detailed projections and reports to support the issuance of long-term indebtedness. Clients include the City of Clermont (\$17,935,000), the City of Palm Bay (\$39,796,958), the City of Port St. Lucie (\$367,890,913), the City of Apopka (\$25,415,000), the City of North Miami Beach (\$121,445,000), the City of Fernandina Beach (\$62,795,000), City of Polk City (\$10,315,000), St. Johns County (\$27,601,380), Bay Laurel Center Community Development District (\$33,000,000), DeKalb County, Georgia (\$381,500,000), and Marion County (\$40,195,000).
- Preparation of Bond Resolutions, Official Statement, Certificates of Compliance, Additional Bonds Test certificates, and other related documents in support of long-term indebtedness. Recent clients include the City of Palm Bay, the City of Port St. Lucie, the City of Apopka, and Bay Laurel Center Community Development District.
- Assistance with litigation, negotiations, and expert witness services and related testimony including Kings Point Utilities, Okeelanta LP, Osceola LP, Bucks County Water and Sewer Authority, Coweta County Water and Sewerage Authority, Walton County Water and Sewer Authority, Forest Utilities, Inc., and the Cities of Casselberry, Port St. Lucie, Tega Cay, Apopka and Winter Park.
- Preparation of damages reports relating to contract breaches. Development of anticipated operating revenues, expenses, and output related to two cogeneration facilities in South Florida.
- Preparation of damages report related to product failures. The report included the development of prior leaks (patching), historic repairs/replacements, and future repairs/replacements. Included analysis and projections of contractor costs, direct and indirect labor, materials, equipment costs, roadway patching, excess water loss, etc. Final report included both historic and future damages calculations.
- Conducting valuation studies using various techniques including the income approach and comparable sales approach for water, wastewater, and electric utility systems, and developing detailed financial forecasts and cash flow models to be used in damages calculations. Recent Clients include the City of Casselberry (electric), the City of Winter Park (electric), the City of Sunrise (water and sewer), the City of Fruitland Park (electric), the City of Cocoa Beach (electric), the City of Vero Beach (electric, water and sewer), the Town of Indian River Shores (water and sewer), the Village of Royal Palm Beach (water and sewer), City of Marianna (electric), City of South Daytona (electric), Flagler County (water and sewer), Burkim Enterprises, Inc. (water and sewer), Town & Country Utilities Company (water), Lake Wales Utility Company (water and sewer), Bay Laurel Center Community Development District (water, sewer, and reclaimed), Tindall Hammock Irrigation and Soil Conservation District (water and sewer), Coweta County Water and Sewerage Authority (water), Heritage Hills Development Corp. (water and sewer), Liberty Water (water and sewer), Rolling Oaks (water and sewer), Beverly Hills Waste Management Co. (solid waste), Walnut Island Sanitary District (water and sewer), Citrus County (electric), City of Dover, Delaware (electric), City of Tega Cay (water and sewer) and Water Management Services, Inc. (water and sewer), and others.
- Preparation of Fire Hydrant Charge Study for the City of Fellsmere that was successfully used in litigation against Indian River County.
- Preparation of Utility Annual Reports and review of compliance issues as required by the Bonds Resolutions. Clients include the City of Cape Coral, the City of Tamarac, and Clay County Utility Authority.
- Preparation of Request for Inclusion (RFI), State Revolving Fund Loan documents, federal and state grant applications, and Rural Development documents for various utility projects in Bay County, Marion County, Flagler County, City of North Miami Beach, City of Mulberry, City of Eustis, and City of Lake Wales.
- Preparation of initial operating budgets, rates and service area certification including testimony before the Florida Public Service Commission for investor-owned utilities including B & C Water Resources, LLC; D & E Water Resources, LLC; Farnton Water Resources LLC; St. Johns Service Company; Orangetree Utilities, Inc.; Heron's Glen Utilities; Grove Land Utilities LLC; Skyland Utilities LLC; Bluefield Utilities LLC; and North Beach Utilities, Inc.
- Preparation of a financial statement analysis and development of appropriate rate base for an investor-owned utility in Louisiana in preparation for the sale of utility assets to one of the nation's largest private water/wastewater companies. Provided subject matter expertise to mid-west investment banking firm brokering the acquisition.

Kevin Burnett

Lead Project Consultant

Education

Master of Arts, Economics,
State University of New
York, Buffalo

Bachelor of Arts, University
of Waterloo, Ontario

Areas of Expertise

Financial Planning

Cost of Service Studies

Rate Design

Impact Fees

Bond Feasibility

Affiliations

American Water Works
Association

15 Years' Experience

Mr. Burnett is a senior project manager with 15 years of utility analysis experience. Mr. Burnett possesses extensive experience with utility rate and cost of service studies for retail and wholesale use. His project experience includes water, wastewater, reuse, and stormwater rate studies using state-of-the-art utility financial planning tools. He has developed both short and long-term financial plans for utilities of all sizes – including regional water authorities and regional wastewater providers with individual wholesale service contracts.

Selected Relevant Experience

City of Bullhead City, AZ – Sewer Cost of Service Rate and Connection Fee Study: Mr. Burnett served as the project manager for the City's comprehensive study to update sewer rates and connection fees. The study examined the possibility of assessing differential rates based on customer classifications and looked at miscellaneous fees (returned checks, ACH payments) to evaluate whether or not the City was recouping their costs for providing various services. The connection fee review and update was premised upon the idea that new development should be responsible for paying for the cost of infrastructure to serve their new developments and not burden existing customers with growth related costs. Mr. Burnett worked with City staff to identify connection fees that were legally defensible and met the needs and goals of the City.

City and County of Denver, CO – Sanitary Sewer and Storm Drainage Rate, Connection Fee and Bond Feasibility Study: Mr. Burnett served as project manager and lead analyst for a six-year financial analysis of the City's Wastewater Enterprise Fund. The study included projection of rate increases to maintain the financial viability of the Enterprise Fund. Mr. Burnett worked closely with City staff and the City's financial advisor to conduct a bond feasibility analysis in support of a \$50 million revenue bond debt issuance to refund a prior debt issue and provide new money for future capital needs. The City's sanitary sewer connection fees were reviewed and updated to reflect the City's cost of providing new infrastructure to serve new connectors.

City of Littleton, CO – Sewer Rate and Tap Fee Study: Served as lead analyst on a study to update the City's financial plan, sewer rates and tap fees. The City provides sewer service to customers that reside inside and outside of the City's boundaries. Collection and treatment services were provided to customers inside the City limits, while outside customers received treatment services only. The analysis necessitated an allocation of cost to both customer groups (inside and outside) based on the type of service received. Tap fees were developed for each customer classification based on the capital needs to serve each customer group.

Town of Erie, CO – Water and Sewer Cost of Service Rate and Tap Fee Study: Currently serving as project manager and lead analyst on a water and sewer cost of service rate and tap fee study. The Town adopts five-year financial and rate design plans premised on the equitable allocation of costs between residential, commercial and irrigation customer classes. The Town is exploring options for cost recovery of reclaimed water services. Tap fees are being examined to recover the cost of rapid growth to ensure that existing customers do not experience undue rate increases to subsidize future customers.

City of Brighton, CO – Water, Wastewater and Storm Drainage Comprehensive Fee and Rate Study: As project manager, he identified and prioritized financial objectives and desired rate goals. Mr. Burnett led a team that reviewed existing rates and made recommendations that sought to effectively meet the defined goals. A comprehensive multi-year capital financial analysis was developed, culminating in a rate and financial management plan projecting operating results for each utility system.

City of Durango, CO – Rate Study for Water and Wastewater Services: Served as project manager to provide long-term financial plan, cost of service based rates and an update to the City's plant investment fees. The City was required to complete an estimated \$50 million in improvements to the City's lone wastewater treatment plant in order to comply with CDPHE requirements. In addition to developing a balanced financial plan, incorporating rate increases and anticipated debt to fully fund requirements, rates were designed to provide equity amongst customer classes and minimize customer impact. Water rates developed for the City sought to meet cost of service as well as strike a balance between encouraging conservation while maintaining adequate revenue stability. Sewer rates were developed to meet class cost of service and provide revenue stability for the utility.

Tony Thrasher

Financial Analyst

Education

*Bachelors of Science in
Economics (Primary
Focus was
Econometrics);
California Polytechnic
University of Pomona*

Areas of Expertise

Utility Rate Studies

*OMB A-87-compliant
Cost Allocation Plans*

*Fiscal Analyses for
User Fees and Rates*

*Proposition 218 Utility
Rate Compliance*

9 Years' Experience

Mr. Thrasher has been selected to serve in the role of financial analyst due to his utility rate analysis experience. Mr. Thrasher is an analyst within Willdan's Financial Consulting Services group. His responsibilities include supporting project managers and conducting fiscal analyses for numerous types of public finance studies.

Prior to joining Willdan, Mr. Thrasher was as a financial analyst working in bond, equity, and mortgage-backed security markets for Wells Fargo Bank, Bank of New York Mellon, and Deutsche Bank. His experience includes portfolio accounting, differential analysis, and forecasting.

Selected Relevant Experience

City of Lompoc, CA – Water and Wastewater Rate Study Update: Willdan was contracted to provide a comprehensive review, and financial plan update for the City's water and wastewater rates. The project approach includes a thorough review of the CIP, each utility's operating budget, and other important policy and financial documents. The City is seeking to fund an increasing CIP and increasing operations and maintenance expenses; and the financial plan must ensure appropriate revenues are generated in light of the adoption of Senate Bill No. 7 (20 x 2020), coupled with decreasing consumption levels. Costs associated with water production and delivery were analyzed, and an appropriate fixed charge component of the rate structure developed. The study also included the feasibility of creating an agriculture rate.

Phelan Piñon Hills Community Services District (CSD), CA – Water Rate and Fee Study: Willdan developed a comprehensive revenue requirement analysis and financial plan to provide targeted rate and fee structure recommendations that would be based on the CSD's objectives and aggressive timeline. As the CSD was undertaking a study of this type for the first time since becoming an independent local agency, Willdan's primary project objective was to develop a robust and custom-designed financial rate model that would clearly reveal results of the CSD's various particular scenarios.

Willdan collected and analyzed data related to water operations, planned capital improvement projects, existing debt obligations, the acquisition of water rights, and ongoing maintenance and repair operations. Willdan collaborated with staff to prepare and tailor a comprehensive pro forma financial analysis that focused on primary rate and financial objectives. Our analysis resulted in rate structures that provided adequate revenue to fund operations; and create a secure and reliable funding source for future capital improvements, while fully ensuring that rates are equitable and predictable, and reflect the true cost-of-service.

City of Pinole, CA – Wastewater Rate Analysis: The City retained Willdan to prepare a wastewater rate analysis that included a new wastewater rate schedule meeting current and near-term projected system revenue requirements. Mr. Thrasher provided analytical support for this engagement, gathered and verified necessary data, and assisted in the development of the model and the completion of the report.

City of Soledad, CA – Water Rate Study: Mr. Thrasher served in the role of lead financial analyst for the City's engagement. The City's water rates and connection fees had not been updated since 1996. The water utility was losing money with existing rates, and they needed to invest significantly in capital repair and replacement projects, as well as system upgrades. Mr. Thrasher worked with City staff through the process of gathering and verifying data, including an on-site meeting to go through the budget in detail. He developed the model, including the basic revenue requirements, cost causation, and basic scenarios. Mr. Thrasher worked with the City to develop scenarios for presentation to the City Council

Gerald C. Hartman, PE, BCEE, ASA

Education Principal/Senior Utility Appraiser

Master of Science,
Duke University

Bachelor of Science,
Duke University

Registrations / Certifications

American Society of
Appraisers Accredited Senior
Appraiser No. 7542

Alabama No. 19422

Arizona No. 28939

Colorado No. 31200

Florida No. 27703

Georgia No. 17597

Illinois No. 062-053100

Indiana No. 10100292

Kentucky No. 22463

Louisiana No. 30816

Maine No. 10395

Maryland No. 12410

Mississippi No. 12717

Nebraska No. E-12868

Nevada No. 20259 New

New Mexico No. 15990

New York No. 088623-1

North Carolina No. 15264

Ohio No. 70152

Pennsylvania No. 38216

South Carolina No. 15389

Tennessee No. 105550

Texas No. 106678

Virginia No. 131184

NCEES National P.E. No.
20481

Mr. Hartman is an experienced utility engineer and appraiser specializing in utilities and systems. He is a qualified expert witness in the area of utility system valuation and financing, facility siting, certification/service area/franchises; and formation/creation, management and acquisition projects. Mr. Hartman is accepted in various Federal Courts, Circuit Courts, Division of Administrative Hearings, Public Service Commissions, arbitration, and quasi-judicial hearings conducted by cities and counties, as a technical expert witness in the areas of utility systems (water, wastewater, stormwater, solid waste, gas and electric), certification/service area/franchises, facility planning, utility conveyance, transmission and distribution, utility resources, utility treatment, engineering, permitting and regulations, utility system design and construction, and utility systems valuation (water, wastewater, stormwater, solid waste, gas, and electric systems), costing and damages.

Selected Relevant Experience

Financial Reports - Mr. Hartman has been involved in over 300 capital charge, impact fee and installation charge studies involving water, wastewater and fire service for various entities. He also has participated in over 150 user rate adjustment reports. Mr. Hartman assisted in the development of bond issues, short-term bank loan systems, general obligation bonds, numerous grant/loan programs, numerous capacity sale programs, and 20 privatization programs. He has been involved in over \$3 billion in utility bond and commercial loan financings for water and wastewater utility, and over \$4 billion in utility grants, matching funding, cost-sharing; SRF loans and Federal Loans (R.D., etc.), assessments and CIAC programs.

Utility Appraisals, Valuations and Evaluations - Mr. Hartman has been involved in some 400 utility negotiations, valuations and evaluations, and has been a qualified expert witness by the courts with regard to utility, arbitrations and condemnation cases. He has participated in the valuation of numerous utility systems.

Utility Management Consulting - Mr. Hartman has been involved in utility transfers from public, not-for-profit, district, investor-owned, and other entities to cities, counties, not-for-profit corporations, districts, and private investors. He has been involved in staffing, budget preparation, asset classification, form and standards preparation, utility policies and procedures manuals/training, customer development programs, standard customer agreements, capacity sales, interlocal agreements with respect to service area, capacity, service, emergency interconnects, back-up or other interconnects, rates, charges, service conditions, ownership, bonding and other matters.

Utility Finance, Rates, Fees, and Charges - Mr. Hartman has been involved in hundreds of capital charge, impact fee, and installation charge studies involving water, wastewater, stormwater, solid waste, gas and electric service for various entities and at the rate regulatory commissions. He also has participated in hundreds of user rate adjustment reports.

Expert Testimony - Mr. Hartman has been accepted in various Circuit Courts, Florida Division of Administrative Hearings, Florida Public Service Commission, arbitration, and quasi-judicial hearings conducted by cities and counties, as a technical expert witness in the areas of electric systems, solid waste systems, stormwater systems, gas systems, wastewater systems and/or biosolids facilities, water supply, facility planning, water resources, water treatment, water quality engineering, water system design and construction, wastewater collection, wastewater transmission, wastewater treatment, effluent/reclaimed water use, sludge processing and disposal, costing, damages, rates/charges, service and service areas, and utility systems valuation and utility systems valuation. He has given oral testimony on some 200 occasions over the past 38 years. He has assisted in the resolution of a similar number of matters without formal testimony.

In compliance with the RFP requirements of a two-page resumes, an abbreviated version of Mr. Hartman's experience is provided below:

Year	Project	Year	Project
2014	Cauley Creek WRF	2010	Liberty Water – Tall Timbers Wastewater System, TX (Condemnation)
2014	Pebble Creek Utilities (Ongoing)	2010	Heritage Hills Water and Sewer System, NY
2014	Eastlake Utilities, Inc. (Ongoing)	2010	Waterside Villages of Currituck Waste Water Treatment Plant, NC
2014	Seminole Improvement District	2010	Tindall Hammock Irrigation and Soil Conservation District Water/Wastewater System
2014	Black Bear Utilities, Inc.	2010	KW Resort Utilities (Taxation)
2014	North Maine Utilities (Fairness Opinion/OCLD)	2010	Great Wolf Resort Utilities, PA

	Year	Project	Year	Project
G. Hartman Resume Continued	2014	Mooreville (ARM)	2010	Town of Indian River Shores Water and Sewer System Assets
Skills	2013	Tega Cay Water and Wastewater	2010	City of Vero Beach Water and Sewer System Assets, Town of Indian River Shores (Partial)
Management Consulting	2013	Harrison, Ohio Water	2010	City of Griffin Water System Assets, GA
Utility System Valuation	2013	Water Management Services	2010	Golden Beach Water Assets
Expert Witness Services	2013	North Lee Rural Water Association, Tupelo, MS (Partial)	2010	Thunder Enterprises, Inc. Water System Assets, AL (Condemnation)
Rates, Fees, and Charges	2013	NPUC (Cost/Comp) Wastewater	2010	River Forrest, S.C.
Funding and Financing	2013	Progress Energy Florida (Citrus County)	2010	Stonecreek, S.C.
Utility Certifications, Franchises, Service Areas	2013	Village of Oakwood Water/Wastewater System	2010	Fearington Utilities
Economic Evaluations	2013	Richmond Generation Station	2009	On Top of the World Communities Water, Wastewater, and Reuse System – Marion County, Florida (Bay Laurel Center Community Development District)
Creditworthiness Analysis	2013	Peru Generation Station	2009	Aquarina Water and Wastewater
Environmental Engineering	2013	Dover, Delaware Electric System	2009	Cocoa Beach (electric)
Water/Wastewater Systems Engineering	2013	C-51 Reservoir	2009	Parkland Utilities
Stormwater Systems	2013	C-25 Reservoir	2009	GISTRO
Water Resource Services	2013	Eglin Air Force Base	2009	Fruitland Park (electric)
Relevant Training/Courses	2013	Fellsmere TTP Electric (Ongoing)	2009	Town of Golden Beach Water and Wastewater System
Numerous AWRA, AWWA, ASCE, WEF, AASE, ASA, NSPE, PE Seminars, Courses, Ethics, Continuing Education (multiple states)	2012	Duke Energy (Citrus County) TPP Electric 1/1/13	2008	Park Water Company
USPAP Exams 2003,04,09/10	2012	Beverly Hills Waste Management	2008	Crooked Lake Sewerage Company
ASA ME201, ME202, ME203, ME204 Mach. & Technical Specialties, BV201 Public Utilities, PP201.	2012	Town of Belleair	2008	Vanguard Wastewater System
40 Years' Experience	2012	Orchid Springs Utilities	2008	Traxler Enterprises
	2012	Tymber Creek Utilities – Stock Transfer	2008	Louisiana Land and Water Company
	2012	Peoples of Balstop – (Condemnation) (ongoing)	2008	Sandy Creek Water and Wastewater
	2012	Senoia Water System	2008	Bayside Water and Wastewater
	2011	Pine Island Utility System	2008	Fern Crest Utilities, Inc.
	2011	Town of Franklinton Water/Wastewater System	2008	Turnpike Utilities, LLC – W/S North Carolina
	2011	Kill Devil Hills Wastewater Treatment Plant	2008	Nags Head, Moneray Shores, Currituck Sewer, Corollo #1 & #2
	2011	Chesapeake Electric Utility – Marianna, Florida	2008	Service Management Systems, Inc.
	2011	City of South Daytona Electric Utility	2008	Slash Creek Utility System
	2011	On Top of the World Communities Water, Wastewater, and Reuse System – Marion County, Florida (Bay Laurel Center Community Development District)	2008	Kill Devil Hills Utility Company
	2011	City of Vero Beach Electric Utility	2008	Orchid Springs Utilities
	2011	City of Vero Beach Water, Wastewater, and Reuse System	2008	City of North Miami Beach – Utilities
	2010	Rolling Oaks Water and Wastewater System, Beverly Hills Waste Management System (SW)	2007	Pine Island Water System

Experience and Past Performance

Client References

Willdan Team members have been extensively involved in the municipal utility industry and have represented clients on a variety of activities, including: retail rate studies; revenue bond financial feasibility reports; capital financing analyses; impact (capacity) fee studies; regionalization studies; mergers and acquisitions; economic feasibility studies; assessment programs; and strategic planning studies. The following client references provide detailed project descriptions on three similar representative projects.

City of Crescent City, CA | Water and Wastewater Rate and Capacity Fee Analysis

Willdan completed a water and wastewater rate and capacity fee analysis for the City of Crescent City in 2010. In 2013 we were engaged to complete an updated and expanded financial plan, again for water and wastewater. Due to age conditions and state environmental requirements, the City's sewer plant was subject to extensive repair and upgrade. The utility rates and fees calculated by Willdan will provide sufficient revenue to cover the repayment of a State Revolving Fund loan secured by the City to finance the costs of construction, ensure adequate funding for repair and periodic maintenance of the new and existing facilities, and for ongoing operations and routine maintenance. We are also assisting the City in evaluating the feasibility of implementing various reserve policies.

Willdan has recently completed a Sewer Rate Study for the City.

Client Contact: Eric Wier, Assistant City Manager
377 J Street, Crescent City, CA 95531
Tel #: (707) 464-9506 | Email: ewier@crescentcity.org

Most Recent Initial Project Schedule: Three Months **Time to Completion:** Three Months
Most Recent Initial Contract Amount: \$18,700
Most Recent Contract Amount: \$18,700

City of Vero Beach, FL | Water, Wastewater, and Reclaimed Water System Valuation

Project team members prepared a valuation report for the City of Vero Beach to determine the approximate value of the City's water, wastewater, and reclaimed water systems. The valuation included a value for the entire system as well as a value for two fractional components: mainland unincorporated areas and within the City limits on both the mainland and beach areas. At the time of the valuation, the City was providing service to approximately 22,992 water Equivalent Residential Connections (ERCs) and 16,231 wastewater ERCs. The valuation services included acquiring historic background information and documentation, performing field inspections, and asset verifications. Three (3) methodologies were used in the final report which included the (1) Cost Approach (2) Income Approach, and (3) Comparable Sales Approach.

The report provided a description of the water, wastewater, and reclaimed water facilities based on field investigations, operation and maintenance manuals, overall utility maps, permits, previous engineering data, and operating personnel. The report included a replacement cost less depreciation analysis, which depreciated system components based on average component service lives. As part of this analysis, the asset records of the utility were used to prepare an inventory listing for any potential sale of the system. This listing included all of the assets to be transferred in the event of a sale of the system as well as quantity, replacement cost new and accumulated depreciation based on age and the condition assessment performed.

A pro forma analysis was performed to determine the future earning potential of the utility based on revenues and expenses. The comparable sales analysis included a selection of comparable utility sales from the company comparable sales database of similar systems within the region. These selections were based on an equivalent residential connection (ERC) to establish an implied purchase price for the utility systems.

Additionally, the report included an analysis of the economic and financial impacts to the City and the General Fund as a result of the potential sale of the systems.

Client Contact: Mr. Robert J. Bolton, PE, Water and Sewer Administration
PO Box 1389, Vero Beach, FL 32961
Tel #: (772) 978-5220 | Email: RBolton@covb.org

Initial Project Schedule: Five Months **Time to Completion:** Five Months
Initial Contract Amount: \$94,200
Final Budget: \$94,200

Village of Glenview, IL | North Maine Utilities Valuation Services

In 2014, Hartman Consultants, LLC with the support of other Consulting Team members worked with the Village of Glenview to provide valuation services including: RFP assistance including review of submittals and ranking report and presentation to closed Village Council negotiations meetings; contracts draft for water supply and water allocations; interlocal agreements; agreements to perfect the system; financial analysis and feasibility analysis; community impacts analysis; accounting reworking and asset verification; CIP formulation and integration; rate negotiations; Illinois Commerce Commission coordination; appraisal reviews of three appraisal reports; Fairness Opinion Report; debt defeasance assistance; appraiser letters on the components of value, delineation of the comparable sales to be considered, cost approach aspects and income approach aspects; and public hearings and presentations. This was a \$32 million transaction (\$22 million payment and \$10 million required CIP).

Client Contact:

Ms. Amy L. Ahner; Director, Administrative Services Department

1225 Waukegan Road, Glenview, IL 60025

Tel #: (847) 904-4331 | Email: aahner@glenview.il.us

Initial Project Schedule:

Thirteen Months

Time to Completion:

Thirteen Months

Initial Contract Amount:

\$77,219 (hourly, time and material budget)

Final Budget:

\$77,219 (hourly, time and material budget)

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING EXECUTION OF A SECOND AMENDMENT TO JOINT AGREEMENT TO IMPROVE SUBDIVISION, JOINT LIEN CONTRACT AND HOLDING AGREEMENT FOR SAN DIEGO TRACT NO. 5012-1

BACKGROUND

The Gilligan development consists of 13 lots south of Morro Reservoir on Catherine Road shown in the enclosed Figure. Improvements related to the District consist of approximately 3,825 feet of water main to serve the development. There are no sewer improvements as the development is on septic. The development was initially processed through the County and the District in 1998 and has an approved map. This amendment releases Bank of America from the lien and holding agreement and assigns First American Trust to assume all obligations of Bank of America. This agreement has been sent to legal Counsel and has been approved.

DESCRIPTION

Below is a description of each agreement and its role:

Second Amendment to Joint Agreement:

- Amend the Joint Agreement to include the First American Trust and assume all obligations of Bank of America to First American Trust.

Joint Lien Contract

- Extend postponement of construction

Holding Agreement and Holding Agreement on the property

- Holding agreement restricts any sale of the lots until obligations are met under the Joint Lien Contract.

The Joint Lien will be replaced once the property owner decides to start construction with securities acceptable to both the District and the County. The Joint Lien and Holding agreement are in effect until September 24, 2017.

BOARD OPTIONS/FISCAL IMPACTS

There are no fiscal impacts. The development is responsible for all costs.

The Board options are:

1. Authorize the General Manager to execute Joint Agreement to Improve Subdivision, Joint Lien Contract and Holding Agreement for San Diego Tract No. 4750-1
2. Provide other direction to Staff.

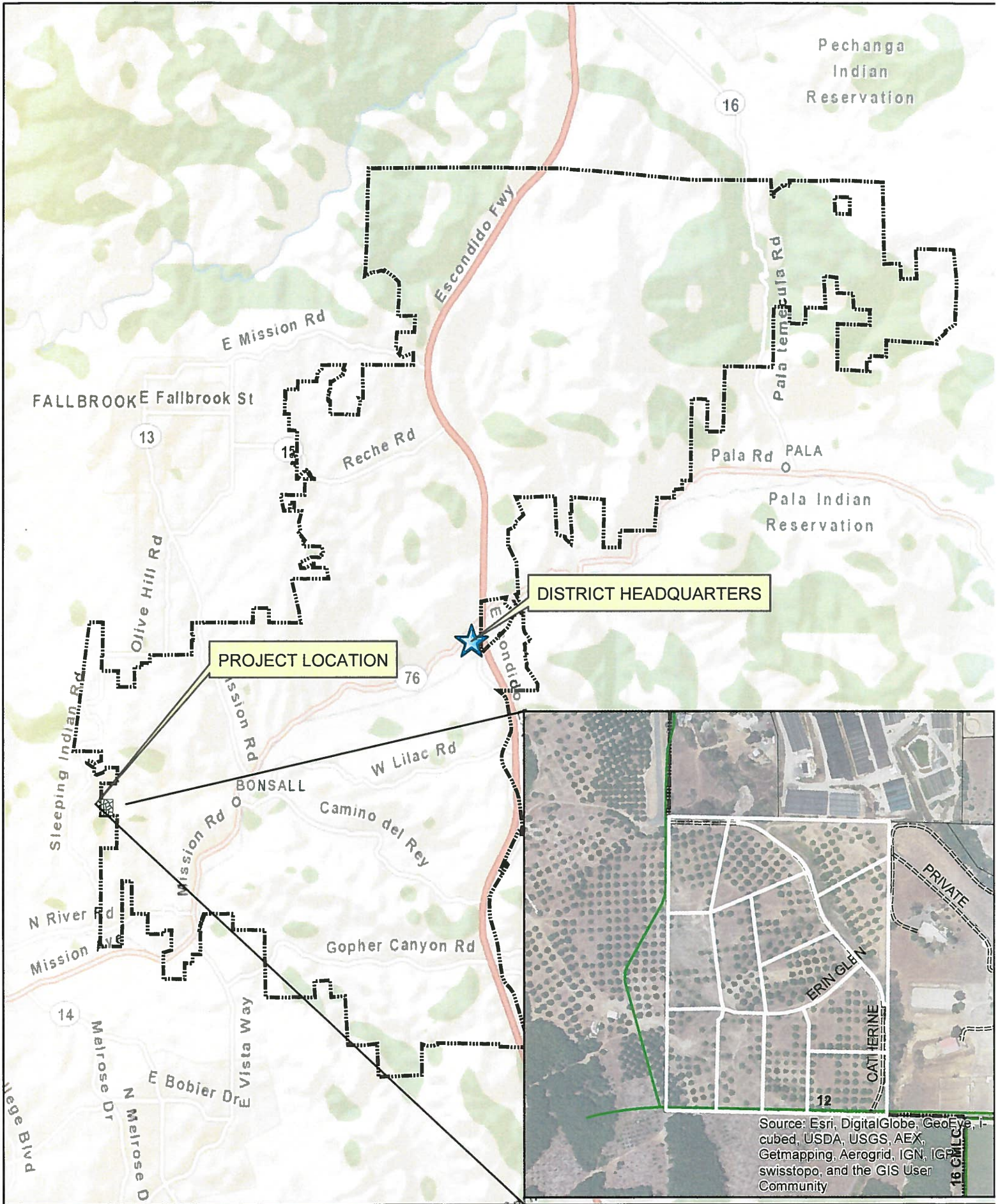
STAFF RECOMMENDATION

Staff recommends Option 1.



Sherry Kirkpatrick
Engineering Manager

March 22, 2016



Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



GILLIGAN GROVES TM 5012-1

14-3

**SECOND AMENDMENT TO JOINT AGREEMENT TO IMPROVE MAJOR
SUBDIVISION, COUNTY OF SAN DIEGO TRACT NO. 5012-1, JOINT LIEN CONTRACT
AND HOLDING AGREEMENT NO. 00-4625
(Including Extension of Time and Substitution of Holder)**

This Second Amendment to Joint Agreement to Improve Major Subdivision, County of San Diego Tract No 5012-1, Joint Lien Contract and Holding Agreement No. 00-4625 is entered into this ___ day of _____, 20___, between the County of San Diego, a political subdivision of the State of California ("County"), Rainbow Municipal Water District ("District"), Bank of America, N.A. (Current Holder), successor by merger to LaSalle Bank, N.A., First American Trust, FSB (New Holder), G-Three LLC, a California Limited Liability Company and Jane B. Gilligan, Trustee of the John A. Gilligan Family Trust, dated September 3, 1974 collectively known as ("Owners"), with respect to the following:

RECITALS

A. On September 23, 1998 (6), the Board of Supervisors of the County approved a 13 lot subdivision commonly identified as San Diego Tract No. 5012-1, Final Map 13645, and more particularly described as Lots 1 through 13, inclusive, Map No. 13645, in the County of San Diego, State of California, filed in the Office of the County Recorder of said County, September 25, 1998, (hereinafter the "Subdivision"). At the time the final map was approved, J. Phillip Gilligan, Co-Trustee of the John A. Gilligan Family Trust executed September 3, 1974 (Gilligan), Donald M. Hoffman, Trustee of the Jet Trust (Hoffman), collectively known as ("Original Owners") entered into an agreement dated September 23, 1998 with the District and County entitled, "Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5012-1" ("Joint Improvement Agreement"), to guarantee the construction of public and private improvements in compliance with the Subdivision Map Act (Govt. Code § 66410, et seq.). County, District, Original Owners and Security Trust Company ("Security Trust"), entered into an agreement entitled, "Joint Lien Contract," recorded on September 24, 1998 ("Joint Lien Contract") to secure the obligations stated in the Joint Improvement Agreement. Title to the subdivision was transferred to Security Trust as holder pursuant to Holding Agreement No. 00-4625 recorded on September 24, 1998 ("Holding Agreement") to implement the Joint Lien Contract.

B. At the request of the Original Owners, the Board of Supervisors of the County on February 25, 2004 (23), approved an "Amendment to Joint Agreement to Improve Subdivision, Joint Lien Contract and Joint Holding Agreement" ("First Amendment") recorded March 15, 2004, whereby the time to complete improvements required by the Joint Improvement Agreement was extended and G-Three LLC, a California Limited Liability Company, substituted Hoffman and assumed all obligations stated in and relating to the Joint Improvement Agreement, Joint Lien Contract and Holding Agreement.

C. First American Trust, FSB (Successor to Bank of America, N.A. successor by merger to La Salle Bank, N.A. which was the successor to The Chicago Trust Company of California, which was the successor to Security Trust Company) desires to fully assume all obligations of Bank of America, N.A. as the holder stated in and relating to the Joint Lien Contract and the Holding Agreement.

D. County is amenable to allowing First American Trust, FSB to fully assume all obligations of Bank of America, N.A. as holder stated in and relating to the Joint Lien Contract and Holding Agreement.

AGREEMENT

WHEREFORE, it is agreed by and between County, District, First American Trust, FSB, Bank of America, N.A. and Owners as follows:

1. First American Trust, FSB fully and unconditionally assumes all obligations as holder in place of Bank of America, N.A. stated in and relating to the Joint Lien Contract and the Holding Agreement. Bank of America, N.A. is hereby released of all obligations stated in and relating to the Joint Lien Contract and the Holding Agreement.

2. Section II of the Joint Lien Contract and Section 4 of the Holding Agreement are amended to allow for the transfer of title between the Owners and any former or future holder under the Holding Agreement for the sole purpose of allowing for the substitution of holders. Consent to the substitution of holders shall be approved in writing by the County's Director, Department of Public Works, or his designee. Substitution of First American Trust, FSB in place of Bank of America, N.A. is hereby approved. Owner shall cause a deed or deeds reflecting transfer of title to the subdivision to First American Trust, FSB as holder to be recorded.

3. The County Subdivision Ordinance, San Diego County Code of Regulatory Ordinances § 81.101 et seq., ("Subdivision Ordinance") was amended and restated by Ordinance No. 10037, effective March 26, 2010. The Joint Improvement Agreement, Joint Lien Contract and Holding Agreement are amended and shall be interpreted in a manner consistent with the Subdivision Ordinance, as amended. By way of example, references to Subdivision Ordinance Sections 81.406.1 and 81.712 in Section F. of the Recitals to the Joint Lien Contract shall mean and refer respectively to Sections 81.409 and 81.711, references to Subdivision Ordinance Section 81.214 in Section D. of the Recitals, Sections I.A.(2) and III. of the Joint Lien Contract shall mean and refer to Section 81.205, and references to Subdivision Ordinance Section 81.406 in Section IV.B. of the Joint Lien Contract shall mean and refer to Section 81.409.

4. Without limiting the ability to grant extensions of the performance completion date or require immediate completion of improvements, Section I of the Joint Improvement Agreement

and Section I.H. of the Joint Lien Contract are amended to require substitution of security and the construction of subdivision improvements by September 24, 2017.

5. Owners shall make all deposits required by the County and District.

6. Except as hereinabove amended, the Joint Improvement Agreement, Joint Lien Contract and Holding Agreement and all provisions, terms and conditions thereof shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed as of the date first written above.

G-THREE LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, OWNER

By: *Theresa M Gilligan-Krol*
Name Theresa Gilligan-Krol Title Managing Member G-Three LLC

JANE B. GILLIGAN, Trustee of the JOHN A. GILLIGAN FAMILY TRUST, dated September 3, 1974, OWNER

By: *Jane B. Gilligan, TR*
Jane B. Gilligan, Trustee

COUNTY OF SAN DIEGO

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Clerk of the Board of Supervisors

By: _____
Name: Title:

11-17-2015.
See Attached For Official Notary Wording

BANK OF AMERICA, N.A., (CURRENT HOLDER) Successor by merger to LASALLE BANK, N.A.

By: James Z Sr Vice President
Name Title

By: [Signature] VP
Name Title

FIRST AMERICAN TRUST, FSB (NEW HOLDER)

By: [Signature] Vice Pres.
Name Title

By: [Signature] TRUST OFFICER
Name Title

Note: All signatures must be notarized.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of ORANGE)

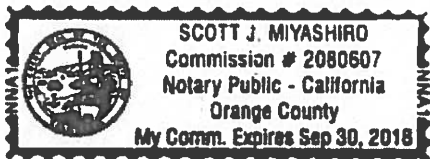
On OCTOBER 13, 2015 before me, SCOTT J. MIYASHIRO NOTARY PUBLIC,
Date Here Insert Name and Title of the Officer

personally appeared E.A. MARKWORTH AND ROBERT BLACKWELL
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer -- Title(s): _____

Partner -- Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer -- Title(s): _____

Partner -- Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)
On 10/16/2015 before me, Amy J. McKenna, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Thomas Fink and Sheri Metrovich
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Amy J. McKenna
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT
(CALIFORNIA CIVIL CODE § 1189)**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF San Diego)

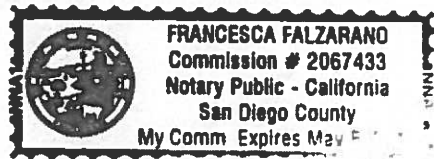
On November 17, 2015 before me, Francesca Falzarano (notary public)
(Date) (Here Insert Name and Title of the Officer)

personally appeared Jane B Gilligan and Theresa Gilligan-Kra
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Public



ADDITIONAL OPTIONAL INFORMATION

Description of Attached Document

Title or Type of Document: Second Amendment to Loan Agreement Document Date: NOV 17, 2015
to improve major Subdivision, county of San Diego Tract No. 5012-1,
Number of Pages: 4 Joint Lien Contract and holding agreement. No. 004625 Signer(s) Other Than Named Above:

Additional Information: _____
11-17-2015

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Tom Fink, Sr. Vice President
U.S. Trust, Bank of America PWM
450 B. Street, 20th Floor
San Diego, CA 92101

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**CONFIRMATION OF RELEASE OF DUTIES AND OBLIGATIONS
UNDER JOINT LIEN CONTRACT AND HOLDING AGREEMENT**

Each of the County of San Diego, a political subdivision of the State of California (the "County"), Rainbow Municipal Water District (the "District"), G-Three LLC, a California Limited Liability Company ("G-Three") and Jane B. Gilligan, as the sole successor Trustee of the John A. Gilligan Family Trust dated September 3, 1974 (the "Gilligan Trust"), hereby releases each of (i) Bank of America, N.A. (the "Bank"), in its corporate capacity, and (ii) the Bank in its capacity as "Holder" under that certain Holding Agreement No. 00 4625 entered into on September 23, 1998 (collectively, the "Released Parties"), from any and all duties, liabilities, claims and obligations of or under the following contracts, agreements or instruments:

1. The Joint Lien Contract entered into on September 23, 1998 by and between County, District, Donald M. Hoffman as Trustee of the Jet Trust (i.e., G-Three's predecessor-in-interest) and the Gilligan Trust (by J. Phillip Gilliam, as the then acting Trustee), and recorded on September 24, 1998 as Document No. 1998-0610549 in the Official Records of San Diego County, California, and as thereafter amended from time to time (the "Joint Lien Contract"); and

2. The Holding Agreement No. 00 4625 dated and entered on September 23, 1998, by and between Donald M. Hoffman as Trustee of the Jet Trust (i.e., G-Three's predecessor-in-interest), the Gilligan Trust (by J. Phillip Gilliam, as the then acting Trustee) and Security Trust Company, as recorded on September 24, 1998 as Document No. 1998-0610550 in the Official Records of San Diego County, California, and as thereafter amended from time to time (the "Holding Agreement").

The Bank is the successor-in-interest to Security Trust Company through a series of bank mergers and/or acquisitions. Specifically, (i) Chicago Trust Company of California was the

successor-in-interest to Security Trust Company, (ii) LaSalle Bank N.A. was the successor-in-interest to Chicago Trust Company of California, and (iii) Bank of America, N.A. is the successor-in-interest to LaSalle Bank N.A.

The County and the District further confirm their authorization and approval for the Bank as "Holder" under the Holding Agreement to transfer and convey title of the real property identified in Exhibit "A" attached hereto and incorporated herein (i.e., the real property that was the subject of the Holding Agreement and the Joint Lien Contract) to "G-Three LLC, a California Limited Liability Company" and "Jane B. Gilligan, successor Trustee of the John A. Gilligan Family Trust dated September 3, 1974," as undivided fee owners, and such transfer has been and is authorized and approved by the County and the District.

Dated: _____

The County of San Diego, a political
Subdivision of the State of California:

[signature]

By: _____
[Insert Name]

(On behalf of its Board of Supervisors)

Its: _____
[Insert Title/Capacity]

Dated: _____

Rainbow Municipal Water District:

[signature]

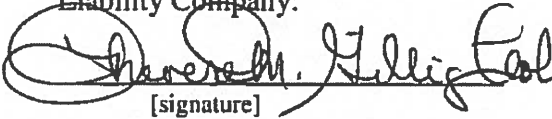
By: _____
[Insert Name]

Its: _____
[Insert Title/Capacity]

[signatures continued next page]

Dated: 01-29-16

G-Three LLC, a California Limited Liability Company:


[signature]

By: Theresa M. Gilligan-Krol
[Insert Name]

Its: Managing member G-Three LLC
[Insert Title/Capacity]

Dated: Jan. 29, 2016

Jane B. Gilligan
Jane B. Gilligan, as the sole successor Trustee of the John A. Gilligan Family Trust dated September 3, 1974

[A NOTARY ACKNOWLEDGEMENT FOR EACH SIGNATORY IS TO FOLLOW]

Acknowledgment (G-Three LLC Representative)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF San Diego) ss:

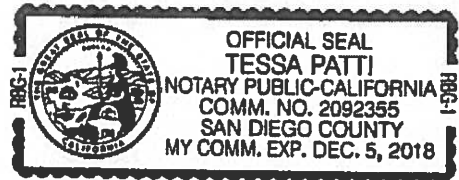
On Jan 29, **2016** before me, Tessa Patti, Notary Public
Notary Public (insert name and title of the officer),

personally appeared Theresa M. Gilligan Krol, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Tessa Patti



[Seal]

Acknowledgment (Trustee of the Gilligan Trust)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
) ss:
COUNTY OF San Diego)

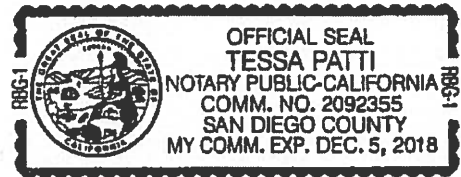
On Jan 29, 2016 before me, Tessa Patti, Notary Public
Notary Public (insert name and title of the officer),

personally appeared Jane F. Gilligan, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Tessa Patti



[Seal]

Acknowledgment (District Representative)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN DIEGO)

On _____, 2015 before me, _____
Notary Public (insert name and title of the officer),

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

EXHIBIT "A" – LEGAL DESCRIPTION

059626\7299484v2

EXHIBIT "A"

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 10 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 24; THENCE NORTH $00^{\circ} 36' 22''$ EAST, 1,311.40 FEET; THENCE SOUTH $88^{\circ} 50' 57''$ EAST, 987.08 FEET; THENCE SOUTH $00^{\circ} 29' 58''$ WEST, 1,314.49 FEET; THENCE NORTH $88^{\circ} 40' 17''$ WEST, 989.55 FEET TO THE **POINT OF BEGINNING**.



BOARD ACTION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Discussion and Possible Action Accepting the Audit Report for Fiscal Year Ending June 30, 2015

DESCRIPTION

The District contracts with an independent Certified Public Accountant (CPA) to have its financial statement audited. For fiscal year ending June 30, 2015 the audit was conducted by the CPA firm of Hosaka, Rotherham & Company.

POLICY

No Specific policy, however this represents Generally Accepted Accounting Principles (GAAP) of prudent fiscal activities.

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

BOARD OPTIONS/FISCAL IMPACTS

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

STAFF RECOMMENDATION

Staff recommends the Board of Directors accept the June 30, 2015 audit of the District by the CPA firm of Hosaka, Rotherham & Co.



Vanessa Martinez
Finance Manager

March 22, 2016



hrccpa.com

Hosaka, Rotherham & Company
Certified Public Accountants

James A. Rotherham, CPA
CEO & Managing Partner

.....
Roy T. Hosaka, CPA
Retired

James C. Nagel, CPA
Retired

RAINBOW MUNICIPAL WATER DISTRICT

**ANNUAL FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2015

15-2

RAINBOW MUNICIPAL WATER DISTRICT

INTRODUCTORY SECTION

JUNE 30, 2015

15-3

**RAINBOW MUNICIPAL WATER DISTRICT
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JUNE 30, 2015**

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RAINBOW MUNICIPAL WATER DISTRICT

FINANCIAL SECTION

JUNE 30, 2015

15-5



Hosaka, Rotherham & Company
Certified Public Accountants

hrccpa.com

James A. Rotherham, CPA
CEO & Managing Partner

Roy T. Hosaka, CPA
Retired

James C. Nagel, CPA
Retired

INDEPENDENT AUDITORS' REPORT

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

Report on the Financial Statements

We have audited the accompanying financial statements of Rainbow Municipal Water District, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Rainbow Municipal Water District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Auditing Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rainbow Municipal Water District, as of June 30, 2015, and the changes in financial position and cash flows thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT

Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, and the schedules of proportionate share of the net position liability and plan contributions on pages 33 and 34, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rainbow Municipal Water District's basic financial statements. The introductory and supplementary information sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015, on our consideration of the Rainbow Municipal Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rainbow Municipal Water District's internal control over financial reporting and compliance.

Hosaka, Rotherham & Company

San Diego, California
November 2, 2015

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

As management of the Rainbow Municipal Water District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of two main parts (1) Management's Discussion and Analysis and, (2) Basic Financial Statements.

Governmental Accounting Standards Board (GASB) issued Statement No. 34 (GASB Statement No. 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and subsequently amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. GASB No. 34 established financial reporting standards for state and local governments, including cities, villages and special purpose governments.

FINANCIAL HIGHLIGHTS

- The District's ending total net position was \$86,772,146.
- The change in net position for the fiscal year was a decrease of \$1,107,477.
- The District had operating expenses in excess of operating revenues in the amount of \$1,087,681 in the current year compared to of expenses in excess of operating revenues of \$963,514 in the previous year.
- This year the District had \$2,620,250 worth of net additions to capital assets compared to \$998,949 last year.
- The District's budget for this year showed excess revenue over expenditures (before transfers) of \$349,501 compared to the actual amount of expenditures in excess of revenues of \$1,401,669.
- Effective June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB Statement No. 68 requires that the District record the Net Pension Liability of its defined benefit pension plan as of the measurement date. The implementation of GASB No. 68 resulted in a prior period adjustment to the beginning net position of \$4,168,449, and a net pension liability at June 30, 2015 of \$3,482,335. Additional information is provided in the footnotes and Required Supplementary Information.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's audit report is comprised of four components: 1) financial statements and notes, 2) supplementary information, 3) reports on compliance and internal control, and 4) findings and recommendations.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Basic financial statements. The basic financial statements include District financial statements and fund statements.

The District, as a whole, is reported in the District statements and uses accounting methods similar to those used by companies in the private sector.

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

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

The *Statement of Cash Flows* provides information regarding the District's cash receipts and cash disbursements during the fiscal year.

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

The *Supplementary Information* gives an overview of the operations of the District and the governing body and outlines assessed property valuation.

Reports on Compliance and Internal Control encompass the independent auditor's reports showing compliance with *Government Auditing Standards* and provides additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *Findings and Questioned Costs* section notes material weaknesses in the system and recommendations.

DISTRICT'S FINANCIAL ANALYSIS

The District's net position decreased from the prior fiscal year by 5.7%. Revenue for this fiscal year decreased 6.3% over the prior year. The Transitional Special Agricultural Water Rate (TSAWR) has been extended by San Diego County Water Authority through December 31, 2020.

The District sold approximately 19,014 acre feet of water during 2014-2015 compared with 21,045 acre feet in the fiscal year prior. Approximately 77% of water sales was for agricultural customers.

Operating expenses decrease 2% from the prior year due to water decrease in sales volume. Operating expenses other than water increased 1% due to legal services and administration cost.

New development paid \$294,192 for water capacity fees.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

DISTRICT'S FINANCIAL ANALYSIS (CONTINUED)

Statement of Net Position

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

Net position may serve over time, as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$86,772,146 as of June 30, 2015.

Total assets decreased 5.7% from the prior fiscal year mostly due to the implementation of GASB Statement No. 68.

Noncurrent assets increased due to the increase in investments.

Total liabilities increased as a result of the addition of two new long-term notes and recognizing the District's pension liability.

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

Table 1
Condensed Statement of Net Position

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% of Change</u>
ASSETS				
Current assets	\$ 23,122,422	\$ 23,270,265	\$ (147,843)	-0.6%
Noncurrent assets	12,806,172	9,900,879	2,905,293	29.3%
Capital assets, net	84,652,584	85,350,581	(697,997)	-0.8%
TOTAL ASSETS	<u>120,581,178</u>	<u>118,521,725</u>	<u>2,059,453</u>	1.7%
DEFERRED OUTFLOWS OF RESOURCES	<u>625,634</u>	<u>-</u>	<u>625,634</u>	100.0%
LIABILITIES				
Current liabilities	4,883,766	7,478,124	(2,594,358)	-34.7%
Noncurrent liabilities	21,460,464	13,015,044	8,445,420	64.9%
TOTAL LIABILITIES	<u>26,344,230</u>	<u>20,493,168</u>	<u>5,851,062</u>	28.6%
DEFERRED INFLOW OF RESOURCES	<u>8,090,436</u>	<u>5,980,485</u>	<u>2,109,951</u>	35.3%
NET POSITION				
Net investment in capital assets	84,652,584	85,350,581	(697,997)	-0.8%
Unrestricted	2,119,562	6,697,491	(4,577,929)	-68.4%
TOTAL NET POSITION	<u>\$ 86,772,146</u>	<u>\$ 92,048,072</u>	<u>\$ (5,275,926)</u>	-5.7%

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

DISTRICT'S FINANCIAL ANALYSIS (CONTINUED)

Statement of Revenues, Expenses and Changes in Net Position

- The District's total operating revenues for the fiscal year ended June 30, 2015, excluding inter-fund transfers, decreased by \$2,547,690 to \$38,079,779. This was due primarily to the decreased wholesale cost of water purchases and water sales to customers.
- The District's total operating expenses decreased by \$2,396,523 to \$39,167,460 due to the decreased wholesale cost of water purchases and decreased sales.
- The excess of operating expenses over operating revenues was \$1,087,681.

The following table presents a summary of the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2015:

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

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% of Change</u>
OPERATING REVENUES				
Direct	\$ 36,714,562	\$ 39,051,174	\$ (2,336,612)	-6.0%
Indirect	1,365,217	1,576,295	(211,078)	-13.4%
TOTAL OPERATING REVENUES	<u>38,079,779</u>	<u>40,627,469</u>	<u>(2,547,690)</u>	<u>-6.3%</u>
OPERATING EXPENSES	(39,167,460)	(41,563,983)	2,396,523	-5.8%
NON-OPERATING REVENUES	89,981	-	89,981	100.0%
NON-OPERATING EXPENSES	<u>(403,969)</u>	<u>(108,543)</u>	<u>(295,426)</u>	<u>272.2%</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,401,669)	(1,045,057)	(356,612)	34.1%
CAPITAL CONTRIBUTIONS	<u>294,192</u>	<u>-</u>	<u>294,192</u>	<u>100.0%</u>
CHANGE IN NET POSITION	(1,107,477)	(1,045,057)	(62,420)	6.0%
TOTAL NET POSITION, BEGINNING	92,048,072	93,093,129	(1,045,057)	-1.1%
PRIOR PERIOD ADJUSTMENT	<u>(4,168,449)</u>	<u>-</u>	<u>(4,168,449)</u>	<u>100.0%</u>
TOTAL NET POSITION, ENDING	<u>\$ 86,772,146</u>	<u>\$ 92,048,072</u>	<u>\$ (5,275,926)</u>	<u>-5.7%</u>

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

DISTRICT'S FINANCIAL ANALYSIS (CONTINUED)

General fund budgetary highlights

The General fund had the following excess of expenditures over appropriations (instances where actual amounts significantly exceeded budgeted amounts) in individual categories.

**Table 3
Excess Expenditures of Appropriations**

Governing Board	\$	2,936
Depreciation	\$	926,639
Interest expense	\$	246,566

The District's total operating expenses, other than purchased water, was approximately 1.0% less than the budget.

The District has reduced its annual operating budget each of the last four years. Several expense categories including wages and benefits have been reduced in efforts to meet the challenge of decreasing water sales. The District has been successful with staff reductions through the process of not replacing staff members when they leave or retire.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

**Table 4
Changes in Capital Assets**

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% of Change</u>
Land	\$ 1,977,490	\$ 1,977,490	\$ -	0.0%
Construction in progress	4,959,625	2,999,904	1,959,721	65.3%
Buildings and improvements	969,773	969,773	-	0.0%
Reservoir, pipelines, and tanks	137,049,736	136,751,210	298,526	0.2%
Meters	302,678	302,678	-	0.0%
Equipment	3,293,442	3,101,023	192,419	6.2%
Investment in sewer rights	7,416,124	7,246,540	169,584	2.3%
Less: accumulated depreciation	(71,316,284)	(67,998,036)	(3,318,248)	4.9%
Total capital assets, net	<u>\$ 84,652,584</u>	<u>\$ 85,350,582</u>	<u>\$ (697,998)</u>	-0.8%

Long-term debt

The District applied for and received two loans from the State of California, Department of Public Health under the California Safe Drinking Water State Revolving Fund, in the amounts of \$10,246,413 and \$7,731,716 for the Morro reservoir project and the Pala Mesa Tank project, respectively, for a term of twenty years with interest at 2.0933%, per annum. The proceeds were received in full during the year ended June 30, 2015, and are reflected in the statement of net position accordingly.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District recorded a loss from operations of \$1,087,681 which includes \$3,318,247 of depreciation expense. Net income from all sources resulted in a loss of \$1,107,477. For the fiscal year 2016, the District's water sales will be heavily impacted by the State Water Resources Control Board's mandatory conservation programs. The District has a mandatory residential conservation target of 36%. Even though agricultural accounts are not subject to these mandatory restrictions, the TSAWR class of customers has a mandatory 15% reduction in allocation. In the first quarter of fiscal year 2016, TSAWR deliveries were tracking down more than 25%, leading to a significant reduction in water sales. Residential consumption has been cut by more than the 36% standard established by the State Water Resources Control Board (SWRCB).

The District is proposing changes to its water rate structure to become effective January 1, 2016. These changes increase the recovery of fixed costs from 24% of total expenses to 29%. This will help reduce the impact of decreasing volumetric sales since the percentage of fixed expenses is 46% of total expenses. The new rate structure will also include demand reduction rate categories that establish alterations in rates depending on the reduction of demand from the baseline. The baseline consumption was set at 18,000 acre feet per year for fiscal year 2016 and it is expected that due to the SWRCB regulations, and an expected wet winter, there is a good chance that these rate changes will be put into effect in fiscal year 2016. The water rate changes being contemplated for January 1, 2016 include a 5 year Proposition 218 notice that will allow the District to increase rates to manage increased wholesale water costs, energy costs, and inflation in operating costs.

The District is now in the planning stages for the development of two significant local water supply projects. The first is a water reclamation plant and a recycled water distribution system which will recover wastewater that is currently sent to the City of Oceanside and treat it for use in non-potable applications, primarily agricultural. Preliminary studies have shown that this project can be cost effective and additional planning level studies are underway during fiscal year 2016. The second project is a brackish groundwater treatment facility that will recover return flows from imported water from the Bonsall groundwater basin for use by District customers. There are significant legal hurdles to overcome before this project can be realized, but once those are completed there may be as much as 4,000 acre feet per year available at a cost that will be competitive with imported water.

CONTACTING THE DISTRICT

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

Rainbow Municipal Water District

**RAINBOW MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

ASSETS

Current assets:

Cash and cash equivalents	\$	15,228,322
Restricted cash and cash equivalents:		
Insurance reserve		40,104
Construction and plant replacement funds		1,181,758
Bond reserve funds		1,082,143
Accounts receivable		4,520,291
Inventory		1,004,040
Prepaid expenses		65,764
Total current assets		23,122,422

Noncurrent assets:

Investments		12,806,172
Capital assets:		
Land		1,977,490
Construction in progress		4,959,625
Buildings and improvements		969,773
Reservoir, pipelines, and tanks		137,049,737
Meters		302,678
Equipment		3,293,442
Investment in sewer rights		7,416,123
Less: accumulated depreciation		(71,316,284)
Total noncurrent assets		97,458,756
TOTAL ASSETS		120,581,178

DEFERRED OUTFLOWS OF RESOURCES

Pension related costs		625,634
		625,634

LIABILITIES

Current liabilities:

Accounts payable		4,145,567
Accrued expenses		738,199
Total current liabilities		4,883,766

Noncurrent liabilities:

Pension liability		3,482,335
Note payable, net of current portion		17,978,129
Total noncurrent liabilities		21,460,464
TOTAL LIABILITIES		26,344,230

DEFERRED INFLOWS OF RESOURCES

Fees collected for future expenditures		6,920,210
Pension related costs		1,170,226
TOTAL DEFERRED INFLOWS OF RESOURCES		8,090,436

NET POSITION

Net investment in capital assets		84,652,584
Unrestricted		2,119,562
TOTAL NET POSITION		\$ 86,772,146

The notes to the financial statements are an integral part of these statements.

**RAINBOW MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

OPERATING REVENUES

Direct operating revenues:	
Water sales	\$ 34,037,432
Waste water revenue	2,677,130
Total direct operating revenues	36,714,562
Indirect operating revenues:	
Property tax revenue	850,802
Other	514,415
Total indirect operating revenues	1,365,217
Total operating revenues	38,079,779

OPERATING EXPENSES

Water purchases	24,532,468
Water pumping	3,816,915
Transmission and distribution	1,037,420
Meter services	804,140
Sewer services	1,708,779
Administrative and general	3,924,311
Engineering	24,364
Customer service	816
Depreciation	3,318,247
Total operating expenses	39,167,460
Loss from operations	(1,087,681)

NON-OPERATING REVENUES (EXPENSES)

Interest income	89,981
Interest expense	(403,969)
Total non-operating revenues (expenses)	(313,988)

LOSS BEFORE CONTRIBUTIONS

(1,401,669)

CAPITAL CONTRIBUTIONS

294,192

CHANGE IN NET POSITION

(1,107,477)

NET POSITION, BEGINNING

92,048,072

PRIOR PERIOD ADJUSTMENT

(4,168,449)

NET POSITION, ENDING

\$ 86,772,146

The notes to the financial statements are an integral part of these statements.

**RAINBOW MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 39,522,657
Receipts from county	845,429
Receipts from others	384,117
Payments to suppliers and vendors	(33,564,605)
Payments to employees	(3,852,786)
Net cash provided by operating activities	<u>3,334,812</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Acquisition and construction of capital assets	<u>(2,620,250)</u>
Net cash used in investing activities	(2,620,250)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Increase in investments	(2,905,293)
Proceeds from loans	3,842,943
Interest received	(22,289)
Interest paid	(216,317)
Net cash provided by financing activities	<u>699,044</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,413,606
CASH AND CASH EQUIVALENTS, BEGINNING	<u>16,118,721</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 17,532,327</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (1,087,681)
Adjustments to reconcile net loss from operations to net cash provided by operating activities:	
Depreciation	3,318,247
(Increase) decrease in operating assets:	
Water and sewer	1,620,878
Property taxes	(5,373)
Other receivables	(130,298)
Inventory	107,210
Prepaid expenses	(14,465)
Increase (decrease) in operating liabilities:	
Accounts payable	(1,732,448)
Accrued expenses	259,177
Deferred revenue	939,725
Pension liability	60,785
Other current liabilities	(945)
Net cash provided by operating activities	<u>\$ 3,334,812</u>

The notes to the financial statements are an integral part of these statements.

**RAINBOW MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

RECONCILIATION TO BALANCE SHEET

Cash and cash equivalents	\$ 15,228,322
Restricted: cash and cash equivalents	2,304,005
Net reconciliation to balance sheet	<u>\$ 17,532,327</u>

SUPPLEMENTAL DISCLOSURES

Schedule of non-cash investing and financing activities	
Contributions of water system assets by customers and developers	<u>\$ 294,192</u>
Cash payments for interest	<u>\$ 216,317</u>

The notes to the financial statements are an integral part of these statements.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

A. Summary of significant accounting policies

Rainbow Municipal Water District (District) accounts for its financial transactions in accordance with the policies and procedures of the Irrigation District Law, now Division 11 of the California State Water Code. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criterion for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, subsequently amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* (GASB Statement No. 61), include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- it would be misleading or cause the financial statements to be incomplete to exclude another organization

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statement.

2. Basis of accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flow took place.

Operating revenues and expenses are generated and incurred through the water sales activities to the District's customers. Administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

3. Financial reporting

The District's basic financial statements are presented in conformance with the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34), and subsequently amended by GASB Statement No. 61. This statement established revised financial reporting

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

A. Summary of significant accounting policies (continued)

3. Financial reporting (continued)

requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reporting.

GASB Statement No. 34, and subsequent GASB pronouncements, provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses, and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB Statement No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

Under GASB Statement No. 34, and subsequent GASB pronouncements, enterprise funds, such as the District, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The District has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

4. Implementation of GASB Pronouncements

Effective June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB Statement No. 68), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* (GASB Statement No. 71). GASB Statement No. 68 requires that the District record the Net Pension Liability of its defined benefit pension plan as of the measurement date. The implementation of GASB Statement No. 68 resulted in a prior period adjustment to the beginning net position of \$4,168,449 and a net pension liability at June 30, 2015 of \$3,482,335. GASB Statement No. 71 relates to amounts that are deferred and amortized at the time GASB Statement No. 68 is first implemented. The implementation of GASB Statement No. 71 resulted in the deferred outflows of \$5,740 and deferred inflows of \$1,170,226 at June 30, 2015. Additional information is provided in the footnotes and Required Supplementary Information.

5. Assets, liabilities, and equity

a. Deposits and investments

For purposes of the statement of cash flows, cash and cash equivalents consist of short-term highly liquid investments with maturities of ninety days or less from the date of purchase. These include cash on hand, cash held in the restricted assets accounts, and the Local Agency Investment Fund.

The District's investment policy and state statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit with national and state-licensed or chartered banks or federal or state savings and loan associations, money market and mutual funds whose portfolios consist of one or more of the foregoing investments, and the Local Agency Investment Fund.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

A. Summary of significant accounting policies (continued)

5. Assets, liabilities, and equity (continued)

a. Deposits and investments (continued)

State statutes require all deposits be insured or collateralized. Depositories holding public funds on deposit are required to maintain collateral in the form of a pool of securities with the agent of the depository having a market value of at least 10 to 50 percent in excess of the total amount of all public funds on deposit.

b. Restricted assets

Restricted assets consist of monies specified for construction and replacement, and monies restricted for the payment of bond principal and interest.

c. Stores inventories and prepaid expenditures

Inventories are recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

d. Capital assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	10-50
Water systems	10-50
Improvements of sites	7-25
Equipment	5-10

RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

A. Summary of significant accounting policies (continued)

5. Assets, liabilities, and equity (continued)

e. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for deferral of outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has one item that qualifies for reporting in this category.

The pension plan related costs are made up of two components: net difference between projected and actual earnings on pension plan investments in the amount of \$5,740, which is amortized on a straight-line basis over five years; and the employer contributions paid during the year ended June 30, 2015 in the amount of \$619,894, which are deferred under GASB Statement No. 68.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category.

The fees collected for future expenditures is cash for federal and state projects and programs recognized as revenue to the extent that qualified expenditures have been incurred. Deferred inflows of resources are recorded to the extent cash received on specific projects and programs exceed qualified expenditures. At June 30, 2015, the balance of fees collected for future expenditures is \$6,920,210, as detailed in footnote G.

The pension plan related costs is the adjustment due to differences in proportions in the amount of \$1,170,226, which is amortized over the straight-line basis over the average expected remaining service lives of all members that are provided with benefits.

f. Compensated absences

Accumulated unpaid employee vacation benefits and sick leave are recognized as accrued payroll liabilities in the Statement of Net Position. As of June 30, 2015, the District had \$451,472 of accrued vacation and sick leave.

g. Interfund activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

A. Summary of significant accounting policies (continued)

5. Assets, liabilities, and equity (continued)

h. Pensions

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

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. As of June 30, 2015, the following timeframes are used:

Valuation Date (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

i. Capital contributions

Capital contributions represent cash and capital asset additions to the District by property owners, granting agencies and real estate developers desiring services that require capital expenditures or capacity commitments.

6. Property taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes for the District.

7. Use of estimates

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

8. Reclassifications

Certain reclassifications have been made to the prior year information to conform to the current year presentation.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

B. Compliance and accountability

1. Finance-related legal and contractual provisions

In accordance with GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit fund balance or fund net position of individual funds

The following are funds having deficit fund balances or fund net positions at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Cash and cash equivalents

The summary of cash and cash equivalents is as follows at June 30, 2015:

	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Cash on hand	Not applicable	\$ 1,200
Deposits with financial institutions	Not applicable	7,958,315
Pooled funds	Not applicable	9,572,812
Total cash and cash equivalents		\$ 17,532,327

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The District maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The District has not experienced any losses in such accounts. At June 30, 2015 the District had \$7,532,030 in excess of FDIC insured limits.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized costs of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The summary which presents the amount of the District's deposits which are fully insured or collateralized with securities held by the District or its agent in the District's name (Category One), those deposits which are collateralized with securities held by the pledging financial institution's trust department, or agent in the District's name (Category Two), and those deposits which are not collateralized or are collateralized with securities held by the pledging financial institution, or its trust department, or agent, but not in the District's name (Category Three).

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

C. Cash and cash equivalents (continued)

The category of deposits at June 30, 2015 is as follows:

	<u>Category One</u>	<u>Category Two</u>	<u>Category Three</u>	<u>Total Bank Balance</u>	<u>Carrying Amount</u>
Deposits with financial institutions	\$ 7,947,333	\$ 103,753	\$ -	\$ 8,051,086	\$ 7,958,315

D. Investments

Investments as of June 30, 2015, consist of the following:

<u>Investment Type</u>	<u>Market Value</u>	<u>Cost</u>
Fixed income securities	\$ 12,806,172	\$ 12,982,322

The investments are classified as Level 1 in the fair value hierarchy because of the District's ability to obtain quoted prices and redeem its interest on a daily basis.

Investment activity in the General Fund for the year ended June 30, 2015, consisted of the following:

Unrealized loss on investments	\$ (176,151)
Interest and dividends	169,875
Total change in value	<u>\$ (6,276)</u>

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by limiting investments to fixed income securities. The District held no investments with high sensitivity to interest rate fluctuations at June 30, 2015.

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of June 30, 2015 for each investment type based on Standard and Poor's (S&P) index:

<u>Investment Type</u>	<u>Reported Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>
U.S. Agency Securities	\$ 8,951,669	N/A	\$ 8,951,669
Long-Term Corp Securities	3,854,503	BBB+	-
Total	<u>\$ 12,806,172</u>		<u>\$ 8,951,669</u>

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

D. Investments (continued)

Disclosures relating to credit risk (continued)

Investment Type	Rating as of Year End		
	AA+	A+	FDIC Insured
U.S. Agency Securities	\$ -	\$ -	\$ -
Long-Term Corp Securities	489,825	1,634,908	1,729,770
Total	<u>\$ 489,825</u>	<u>\$ 1,634,908</u>	<u>\$ 1,729,770</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, in which in investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of total District investments. The District's concentration of credit risk at June 30, 2015, is represented by the following issuers:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association (FNMA)	U.S. agency securities	\$ 3,400,814
Federal Home Loan Mortgage Corp (FHLMC)	U.S. agency securities	\$ 5,302,455
HSBC USA, Inc.	Long-Term Corp Securities	\$ 648,343

Custodial credit risk

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

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

D. Investments (continued)

Custodial credit risk (continued)

As of June 30, 2015, the District's investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Investment Type	Reported Amount
U.S. Agency Securities	\$ 8,951,669
Long-Term Corp Securities	3,854,503
Total	\$ 12,806,172

Investment Accounting Policy

The District is required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earnings investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	90%	10%
U.S. Agency Securities	5 years	90%	10%
Medium Term Notes			
Short-Term Corp Securities	1-3 years	90%	5%
Long-Term Corp Securities	1-10 years	75%	5%
Cash and Cash Equivalents	1 year	100%	None

E. Accounts receivable

Accounts receivable as of June 30, 2015, consists of the following:

Water and sewer	\$ 4,194,943
Property tax	7,239
Interest receivables	33,846
Other receivables	284,263
Total accounts receivables	\$ 4,520,291

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

F. Capital assets

A schedule of changes in capital assets and accumulated depreciation for the fiscal year ended June 30, 2015, is shown as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 1,977,490	\$ -	\$ -	\$ 1,977,490
Construction in progress	2,999,905	2,403,785	(444,065)	4,959,625
Total capital assets, not being depreciated	<u>4,977,395</u>	<u>2,403,785</u>	<u>(444,065)</u>	<u>6,937,115</u>
Capital assets, being depreciated:				
Buildings and improvements	969,773	-	-	969,773
Reservoir, pipelines, and tanks	136,751,209	298,527	-	137,049,736
Meters	302,678	-	-	302,678
Equipment	3,101,023	192,419	-	3,293,442
Investment in sewer rights	7,246,540	169,584	-	7,416,124
Total capital assets, being depreciated	<u>148,371,223</u>	<u>660,530</u>	<u>-</u>	<u>149,031,753</u>
Less accumulated depreciation for:				
Buildings and improvements	(805,355)	(28,256)	-	(833,611)
Reservoir, pipelines, and tanks	(63,533,488)	(3,047,962)	-	(66,581,450)
Meters	(302,679)	-	-	(302,679)
Equipment	(2,622,641)	(125,733)	-	(2,748,374)
Investment in sewer rights	(733,874)	(116,296)	-	(850,170)
Total accumulated depreciation	<u>(67,998,037)</u>	<u>(3,318,247)</u>	<u>-</u>	<u>(71,316,284)</u>
Total capital assets, being depreciated, net	<u>80,373,186</u>	<u>(2,657,717)</u>	<u>-</u>	<u>77,715,469</u>
Government activities capital assets, net	<u>\$ 85,350,581</u>	<u>\$ (253,932)</u>	<u>\$ (444,065)</u>	<u>\$ 84,652,584</u>

G. Deferred Inflows of Resources

Deferred inflows of resources represents fees collected for expansion, replacement, and capacity fees that have not yet been expended. At June 30, 2015, deferred inflows of resources consisted of the following:

Fees collected for future expenditures:	
Sewer replacement	\$ 1,641,784
Sewer expansion	4,750,412
Capacity fees	500,654
Construction meter deposits	16,425
Sewer Connection Fees	3,843
Developer deposits	<u>7,092</u>
Total fees collected for future expenditures	6,920,210
Pension related costs	1,170,226
Total deferred inflows of resources	<u>\$ 8,090,436</u>

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

H. Long-term obligations

1. Long-term obligation activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the fiscal year ended June 30, 2015, are as follows:

	Balance June 30, 2014	Additions	Retirements	Balance at June 30, 2015
Loan Payable SRF Morro	\$ 10,200,172	\$ 46,241	\$ -	\$ 10,246,413
Loan Payable SRF Beck	3,935,014	3,796,702	-	7,731,716
Total long-term debt	<u>\$ 14,135,186</u>	<u>\$ 3,842,943</u>	<u>\$ -</u>	<u>\$ 17,978,129</u>

2. Capitalization grant for drinking water fund loan

On October 31, 2012, two agreements were entered into between the State of California, Department of Public Health (State) and District, which constituted funding in the form of loans and grants in the amounts of \$10,246,413 and \$7,731,716 for the SRF Morro and SRF Beck projects, respectively, for a term of twenty years with interest at 2.0933%, per annum. Accrued interest at June 30, 2015 was \$106,950 and \$80,702 for the SRF Morro and SRF Beck projects, respectively.

The loans were made by the State to the District under the provision of the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270). The purpose of the funding is to assist in financing construction of projects which will enable the District to meet safe drinking water standards established pursuant to Part 12, Chapter 4 (commencing with Section 116270), of Division 104 of the Health and Safety Code and California Code of Regulations Title 22, or to address other health concerns, herein referred to as the "Projects" whose costs are approved by the State.

The District is solely responsible for the design, construction, operation, and maintenance of the Projects; and for all persons or entities engaged in such work, including but not limited to subcontractors, supplies, and providers of services.

Required payments of principal and interest on the loans at June 30, 2015, including current maturities are as follows:

Year Ending	Principal	Interest	Total
2016	\$ -	\$ 377,367	\$ 377,367
2017	732,792	372,002	1,104,794
2018	747,691	357,103	1,104,794
2019	763,423	341,371	1,104,794
2020	779,488	325,306	1,104,794
2021-2025	4,150,489	1,373,481	5,523,970
2026-2030	4,605,938	918,032	5,523,970
2031-2035	5,111,376	412,594	5,523,970
2036	1,086,932	17,089	1,104,021
	<u>\$ 17,978,129</u>	<u>\$ 4,494,345</u>	<u>\$ 22,472,474</u>

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

I. Operating leases

The District has entered into operating leases for office equipment with lease terms in excess of one year. These agreements contain no purchase options. The agreements are non-cancelable leases. Future minimum lease payments are as follows:

Year Ending June 30,	Lease Payments
2016	\$ 18,311
2017	3,081
Total future minimum lease payments	\$ 21,392

The District will receive no sublease rental revenues nor pay any contingent rentals associated with these leases. Rent expense for the fiscal year ended June 30, 2015, was \$35,419.

J. Joint ventures (joint powers agreements)

The District participates in the following jointly governed organization under a joint power agreement (JPA):

1. Special District Risk Management Authority (SDRMA)

The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA was established as an agency under the provisions of the California Government Code, Title I, Division 7, Chapter 5, Article 1, Section 6500, et seq. The purpose of the JPA is to provide self-insurance programs such as insurance premiums for general liability, employment practices, and property insurance.

2. North County Joint Powers Authority (NCJPA)

The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA was established as an agency under the provisions of the California Government Code, Title I, Division 7, Chapter 5, Article 1, Section 6500, et seq. The purpose of the JPA is to provide for the administration of the Member Agencies by managing the combined resources of the Member Agencies, including staffing and physical plant/infrastructure, to obtain cost-effective means of providing service to the ratepayers.

K. Employee retirement plan

1. Plan description, benefits provided and employees covered

The District contributes to the Miscellaneous Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2013 actuarial valuation report.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

K. Employee retirement plan (continued)

1. Plan description, benefits provided and employees covered (continued)

This report is a publically available valuation report that can be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814 and www.calpers.ca.gov under Forms and Publications.

2. Contribution description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the active employee contribution rate is 7.942% of annual pay, and the average employer's contribution rate is 14.660% of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

3. Actuarial methods and assumptions used to determine total pension liability

For the measurement period ending June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. Both the June 30, 2013 total pension liability and the June 30, 2014 total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

K. Employee retirement plan (continued)

4. Discount rate

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference. CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018.

Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statements No. 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed the District's methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

K. Employee retirement plan (continued)

5. Discount rate

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

6. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

	<u>Discount Rate -1.00% 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>Discount Rate +1.00% 8.50%</u>
Plan's Net Pension Liability	<u>\$ 6,204,445</u>	<u>\$ 3,482,335</u>	<u>\$ 1,223,243</u>

7. Pension plan fiduciary net position

The plan fiduciary net position disclosed in the District's GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the District's funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

At June 30, 2015, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

K. Employee retirement plan (continued)

7. Pension plan fiduciary net position (continued)

The District contributions to CalPERS for the fiscal years ending June 30, 2015, 2014 and 2013, were \$571,078, \$572,326, and \$541,966, respectively, and equal 100% of the required contributions for each year.

L. Deferred compensation plan

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

All assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries. The District does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or perform the investment function. Therefore, the fair market value of the plans assets at June 30, 2015, in the amount of \$2,634,489, is not included in the District's financial statements.

M. Other post-employment benefits

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

1. Plan description

Exempt employees of the District retiring after the later of age 50 and 5 consecutive years of District service are eligible to receive a monthly District contribution towards the purchase of health insurance. Non-exempt employees of the District are eligible after the later of age 50 and 20 consecutive years of District service.

The District makes the following contributions:

Total Monthly Payments	Exempt Employees	Non-Exempt Employees
\$ 2,252	5	-

The District contribution ends after ten (10) years of benefit payments have been made, even if retiree or spouse are still under age 65 at the time.

2. Funding policy

The District does not establish a trust account for this plan. The District funds the plan on a pay-as-you-go basis.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

M. Other post-employment benefits (continued)

3. Annual OPEB cost

The District's OPEB cost is presented as follows:

	<u>As of June 30, 2012</u>
Present value of future benefits	
Active employees	\$ 414,343
Retired employees	71,986
Total present value of future benefits	<u>\$ 486,329</u>
Accrued liability	
Active employees	\$ 210,061
Retired employees	71,986
Total accrued liability	<u>282,047</u>
Total unfunded accrued liability	<u>\$ 282,047</u>
Annual required contributions	
Service cost at year ended	\$ 22,134
Thirty (30) year amortization of unfunded accrued liability	18,347
Total annual required contributions	<u>\$ 40,481</u>

The District provided 2012-2013 annual OPEB Cost analysis which is the most recent available information.

4. Funded status of the plan

Actuarial accrued liability and unfunded actuarial accrued liability are \$282,047 at June 30, 2012. There are no plan assets because the District funds on a pay-as-you-go basis.

5. Actuarial assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. In order to perform the valuation, the actuary must make certain assumptions regarding such items as rate of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates.

**RAINBOW MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

N. Commitments and contingencies

Tank maintenance commitments

On December 10, 2003, the District entered into a ten (10) year contract with Utility Service Co., Inc. to maintain twelve water tanks at an annual cost of \$615,585. The contract can be cancelled annually if intent to cancel is received within ninety (90) days prior to the anniversary date. Any outstanding balance for completed work would be due and payable within thirty (30) days of cancellation.

Capacity rights for sewage treatment

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

O. Prior period adjustment

An adjustment to the District's net position at June 30, 2015 in the amount of \$4,168,449 was due to the implementation of GASB Statement No. 68.

P. Subsequent event

The District's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through November 2, 2015, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

**RAINBOW MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SECTION
JUNE 30, 2015**

**RAINBOW MUNICIPAL WATER DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS
JUNE 30, 2015**

	<u>June 30, 2015</u>
Proportion of the net pension liability	5.59600%
Proportionate share of the net pension liability	\$ 3,482,335
Covered - employee payroll	\$ 3,873,094
Proportionate Share of the net pension liability as percentage of covered-employee payroll	89.91%
Plan's fiduciary net position	\$ 17,036,689
Plan fiduciary net position as a percentage of the total pension liability	83.03%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**RAINBOW MUNICIPAL WATER DISTRICT
SCHEDULE OF PLAN CONTRIBUTIONS
LAST 10 YEARS
JUNE 30, 2015**

	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 589,674
Contributions in relation to the actuarially determined contributions	(589,674)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 3,873,094
Contributions as a percentage of covered employee payroll	15.22%

Notes to Schedule:

Valuation date: June 30, 2014

- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

RAINBOW MUNICIPAL WATER DISTRICT
SUPPLEMENTARY INFORMATION SECTION

JUNE 30, 2015

**RAINBOW MUNICIPAL WATER DISTRICT
ORGANIZATION
JUNE 30, 2015**

The Board of Directors for the fiscal year ended June 30, 2015, was comprised of the following members:

<u>Name</u>	<u>Office</u>	<u>Term</u>	<u>Term expires</u>
Dennis Sanford	President	4 years	January 2017
Robert Lucy	Vice President	4 years	December 2018
Helene Brazier	Secretary	4 years	January 2017
Jack Griffiths	Director	4 years	January 2017
Tory Walker	Director	4 years	December 2018

<u>Administration</u>	
<u>Name</u>	<u>Position</u>
Tom Kennedy	General Manager
Margaret Thomas	Finance Manager

**RAINBOW MUNICIPAL WATER DISTRICT
ASSESSED VALUATION
JUNE 30, 2015**

The assessed valuation of the Rainbow Municipal Water District at June 30, 2015, is as follows:

Assessed valuation	
Secured property	\$ 3,795,928,967
Unsecured property	<u>21,442,359</u>
Total assessed valuation	<u>\$ 3,817,371,326</u>

RAINBOW MUNICIPAL WATER DISTRICT
OTHER INDEPENDENT AUDITORS' REPORT SECTION
JUNE 30, 2015



Hosaka, Rotherham & Company
Certified Public Accountants

hrccpa.com

James A. Rotherham, CPA
CEO & Managing Partner

Roy T. Hosaka, CPA
Retired

James C. Nagel, CPA
Retired

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

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rainbow Municipal Water District, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Page 2

Compliance and Other Matters

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

Purpose of this Report

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

Hosaka, Rotherham & Company

San Diego, California
November 2, 2015

**RAINBOW MUNICIPAL WATER DISTRICT
FINDINGS AND RECOMMENDATIONS SECTION**

JUNE 30, 2015

**RAINBOW MUNICIPAL WATER DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

A. Summary of auditors' results

1. Financial statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal awards

Internal control over major programs:

One or more material weaknesses identified? Yes N/A No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes N/A None Reported

Type of auditors' report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? Yes N/A No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

The District did not have over \$500,000 in Federal Expenditures.

Dollar threshold used to distinguish between type A and type B programs: N/A

Auditee qualified as low-risk auditee? Yes N/A No

B. Financial statement findings

None

C. Federal award findings and questioned costs

None

**RAINBOW MUNICIPAL WATER DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
JUNE 30, 2015**

<u>Findings/Recommendations</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
None	N/A	N/A



BOARD ACTION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS, SEAT B

DESCRIPTION

On February 19, 2016, RMWD received notification that the CSDA Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2017-2019 term.

A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is May 20, 2016.

POLICY

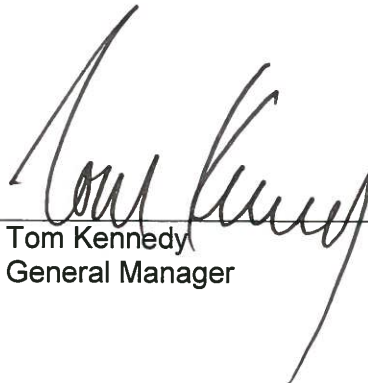
N/A

BOARD OPTIONS/FISCAL IMPACTS

There are no fiscal impacts

STAFF RECOMMENDATION

Staff supports Board direction.



Tom Kennedy
General Manager

March 22, 2016



**California Special
Districts Association**
Districts Stronger Together

DATE: February 19, 2016
TO: CSDA Voting Member Presidents and General Managers
FROM: CSDA Elections and Bylaws Committee
**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT B**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2017 - 2019 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular member located within the geographic network that they seek to represent. (See attached Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend CSDA's two annual events: Special Districts Legislative Days (held in the spring) and the CSDA Annual Conference (held in the fall).
- **Complete all four modules of CSDA's Special District Leadership Academy within 2 years.**
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

Nomination Procedures: Any Regular Member is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is May 20, 2016.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 3rd. The ballots must be received by CSDA no later than 5:00 p.m. August 5, 2016. The successful candidates will be notified no later than August 8th. All selected Board Members will be introduced at the Annual Conference in San Diego, CA in October.

Expiring Terms

(See enclosed map for regional breakdown)

Northern Network	Seat B Greg Orsini, McKinleyville Community Services District*
Sierra Network	Seat B Ginger Root, Country Club Sanitary District*
Bay Area Network	Seat B Sherry Sterrett, Pleasant Hill Recreation & Park District
Central Network	Seat B Tim Ruiz, East Niles Community Services District*
Coastal Network	Seat B N/A
Southern Network	Seat B Bill Nelson, Orange County Cemetery District*
	Seat B Kathy Tiegs, Cucamonga Valley Water District

(* = Incumbent is running for re-election)

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or charlottel@csga.net.



**California Special
Districts Association**
Districts Stronger Together

2016 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form and a Board resolution/minute action supporting the candidate and Candidate Information Sheet by fax or mail to:

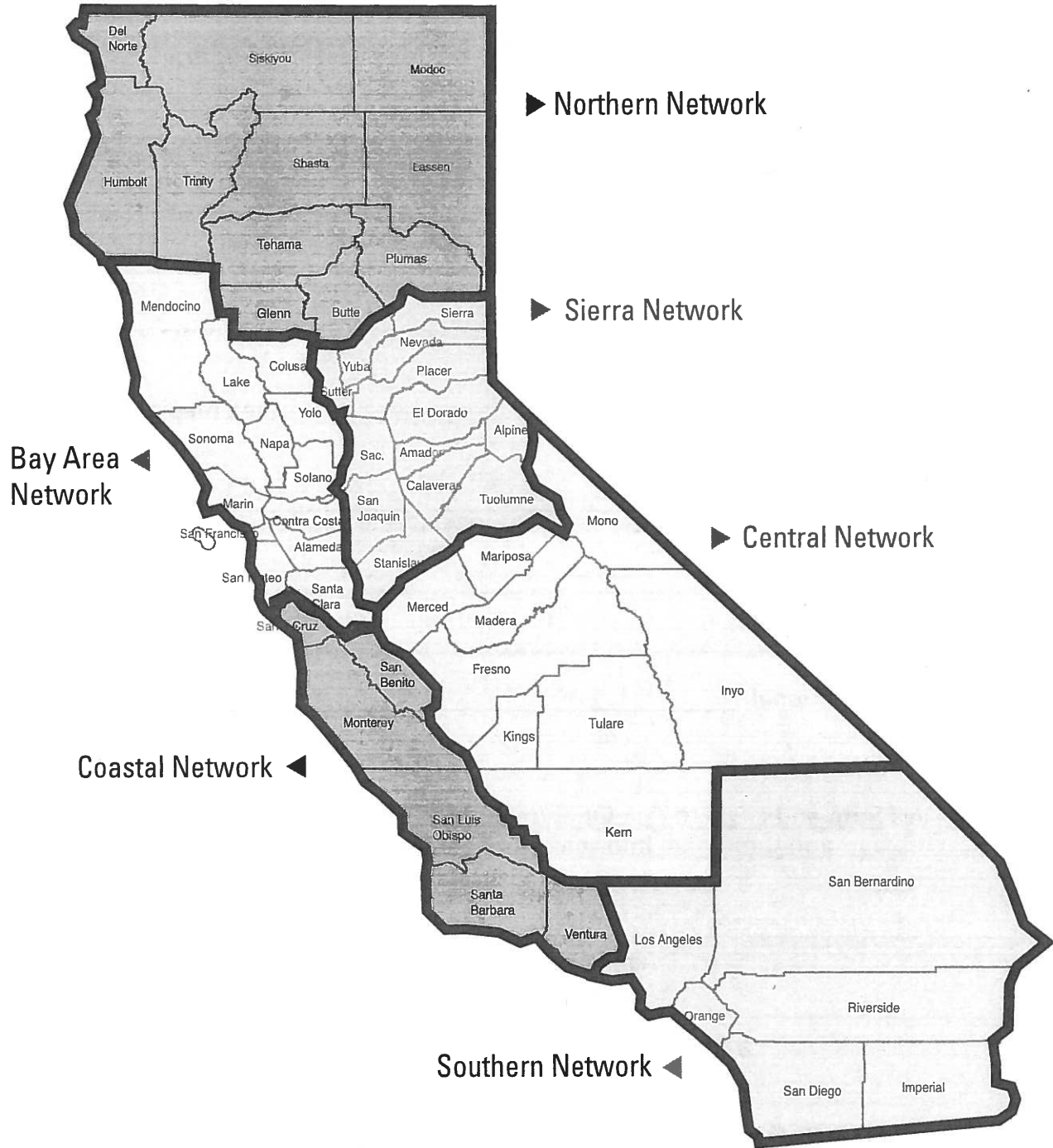
CSDA
Attn: Charlotte Lowe
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 20, 2016



California Special Districts Association

DISTRICT NETWORKS





**California Special
Districts Association**

Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE						
DATE	2016	MEETING	LOCATION	ATTENDEES	POST	
April	14	SDCWA Special Board Meeting	SDCWA	GM	N/A	
April	*	CSDA – San Diego Chapter	(Location to be Announced) 6:00 p.m.	GM	N/A	
April	*	LAFCO Special Meeting	County Admin Center, Room 358 – 9:30am	Sanford (As Advised by GM)	N/A	
April	*	Santa Margarita Watershed Council	Rancho California Water District	Sanford	N/A	

* To Be Announced

17A1-1

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING						
DATE	2016	MEETING	LOCATION	ATTENDEES	POST	
April	6	Engineering Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	3/30	
April	4	LAFCO	County Admin. Center Room 358 9:00 am	Sanford (As Advised by GM)	N/A	
April	4	Communications Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	3/30	
April	12	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	3/30	
April	19	SDCWA GM's Meeting	SDCWA, San Diego 9:30 a.m.	General Manager	N/A	
April	19	Council of Water Utilities	Stoneridge Country Club 7:15 a.m. Poway	All Directors, General Manager	4/14	
April	15	LAFCO Advisory Committee	LAFCO, 9335 Harzard Way, 9:30 a.m.	General Manager	N/A	
April	15	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A	
April	26	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	4/19	
April	27	North County Water Group	Rincon Del Diablo, Escondido 7:30 a.m.	All Directors on a Rotating Schedule, General Manager	N/A	
April	28	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A	
April	25	San Luis Rey Watershed Council	Fallbrook Public Utility District 1:00 p.m.	Walker	N/A	

17A1-2

Dear Mr. Kennedy
Thank you very much for your
Prompt and Courteous response
to our claim. It is so nice
not to have to go to battle
with a company, to get
satisfaction. Everyone
we have dealt with at
Rainbow water has been
more than helpful, and
gone out of their way
to get things done. We
congratulate you on your
management of a fine group
of employees. Thank you for
helping us. Sincerely
Bob Coleman



February 17, 2016

Bob Coleman

Subject: Claim for water damage at

Dear Bob:

The District has received your claim for damage to your property due to a water main break. The date of the incident was January 16, 2016 and your claim was submitted in a timely fashion on January 27, 2016. This claim is being processed as a claim under Government Code Section 910.

The District did experience a water main break at the intersection of Yucca Way and Yucca Drive on that day and although we cannot always predict these type of occurrences the District's goal is to provide top quality service to our customers and is prepared to resolve this matter in the most effective means possible.

Please find attached two copies of a Settlement and Release Agreement that we will need you to sign and return to us. **Please return both copies.** Once we receive your signed copies we will execute the agreement and process a payment to you in the amount of \$1542.01, which is the sum of \$1489.56 plus a water consumption refund of \$75.45. It should take less than 30 days from the day we receive your signed copies to complete the process. You will receive a wet signed copy of the agreement for your records.

I apologize for any inconvenience that this circumstance may have caused you and look forward to resolving your claim in an expeditious manner.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT

Tom Kennedy
General Manager

ENCLOSURE: Settlement and Release Agreement

cc: Greg Moser, General Counsel



Fallbrook Food Pantry

1042 South Mission Road
(760)728-7608
Mon-Fri 9:30am-12:30pm
www.Fallbrookfoodpantry.org

February 19, 2016

Thank You!

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

Dear Friends,

On behalf of the Fallbrook Food Pantry Board of Directors I would like to thank you for your holding a holiday food drive to help our neighbors in need. We are very grateful for your donation of food items during this past holiday season.

All clients served by the food pantry have incomes falling below the Federal Income Guidelines. Our goal is to help supply these clients with nutritious food for two days. Your generous donation makes our goal easier to attain.

Thank you again for your generosity and serving hearts.

Sincerely,

Barbara L. McLean
President
Fallbrook Food Pantry

Fallbrook Food Pantry is a 501(c)3 organization. Our tax ID number is 33-0491216. For federal income tax purposes, we recommend that you keep this receipt for at least five years.

1792



EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

March 7, 2016

Sent via Electronic and U.S. Mail

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

SUBJECT: RESCISSION OF CONSERVATION ORDER

On August 31, 2015, the State Water Resources Control Board's Office of Enforcement issued a Conservation Order (Order) to the Rainbow Municipal Water District (District) pursuant to its authority outlined in section 866(a)(1) of the Emergency Regulation.

Our records indicate that the District has not only increased its conservation program and met the requirements of its Order, but it has also been exceeding its cumulative conservation standard of 36 percent by over 10 percent as of January 2016. For these reasons, the State Water Board is rescinding the Order.

We expect that you will continue to provide the monthly conservation data and other requirements of the Emergency Regulation and keep up your successful conservation program.

If you have questions, please contact Dr. Matthew Buffleben at (916) 341-5891, or by email at Matthew.Buffleben@waterboards.ca.gov.

Sincerely,



Christian M. Carrigan, Director
Office of Enforcement

cc: *(via email only)*

Dr. Matthew Buffleben, Chief
Special Investigations Unit
Matthew.Buffleben@waterboards.ca.gov

Mr. Greg Moser
General Counsel
Rainbow Municipal Water District
greg.moser@procopio.com

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov



BOARD INFORMATION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Construction & Maintenance Report

DESCRIPTION

Activities for Construction & Maintenance Division

Occurrences for February: **22**

Main Line	7
Air/Vac	2
Blow-Off	1
Wharfhead	0
Valve	4
Fire Hydrant	2
Meter Lateral	6
Damage Done by Individuals	0

Total for 2015-2016 fiscal YTD: **138**

Main Line	37
Air/Vac	20
Blow-Off	3
Wharfhead	6
Valve	18
Fire Hydrant	9
Meter Lateral	43
Damage Done by Individuals	2

A. The locations of failures are as follows:

Main Line Repairs

Job #	Date Reported	GPM	Status	Location	Cause
4262	1/16/16	300	Completed	Live Oak Park	Wear out 4" Tar Wrap
4264	1/21/16	1	Completed	Monserate Hill	Wear out 10" CMLC
4265	1/25/16	30	Completed	Aqueduct Road	Wear out 6" AC
4267	1/26/16	20	Completed	Tecalote Lane	Wear out 8" CMLC
4268	2/6/16	500	In progress	Fire Road	Wear out 12" CMLC
4269	2/10/16	1	Completed	Gopher Canyon Road	Joint 8" CMLC
4270	2/10/16	100	Completed	Via Monserate	Joint 6" CMLC

1701-1

Main Line Repairs (Cont'd.)

4271	2/10/16	1	Completed	River Village	Joint 8" CMLC
4272	2/12/16	100	Completed	Vista Valle Camino	Wear out 6" CMLC
4273	2/15/16	200	Completed	Via Encinos	Wear out 8" CMLC
4274	2/17/16	300	Completed	Los Alisos	Wear out 8" CMLC

Air Vac Repairs

Job #	Date Reported	GPM	Status	Location	Cause
26384	1/30/16	.5	Completed	Via Del Cielo	Workmanship 1" Copper
26385	2/23/16	3	Completed	Holly Hill	Wear out 1" Brass
26386	2/29/16	5	Completed	Via Vista	Wear out 1" Brass

Blow Off Repairs

Job #	Date Reported	GPM	Status	Location	Cause
27124	2/10/16	N/A	Completed	Gopher Canyon Road	Wear out 2" Brass

Wharfhead Repairs

Job #	Date Reported	GPM	Status	Location	Cause
28134	9/24/15	N/A	Completed	Via La Orilla	Update to standards 2" Brass
28135	9/24/15	N/A	Completed	Via La Orilla	Update to standards 2" Brass

Meter Lateral Repairs

Job #	Date Reported	GPM	Status	Location	Cause
3216	12/28/15	.25	Completed	Lake Circle Drive	Wear out 1" Copper
3221	1/30/16	3	Completed	Rancho Ladera	Wear out 1" Copper
3222	2/10/16	30	Completed	Forbell Place	Wear out 1" Copper
3223	2/22/16	5	Completed	Gopher Canyon	Wear out 1" Copper
3224	2/24/16	.5	Completed	Via Alicia	Wear out 1" Copper
3225	2/26/16	1	Completed	Mt. Olympus	Wear out 1" Copper

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Meter Lateral Repairs (Cont'd.)

Job #	Date Reported	GPM	Status	Location	Cause
3226	2/25/16	1	Completed as of 3/1/16	Chateau St. Jean	Wear out 1" Copper

Meter Lateral Replacements

Job #	Date Reported	GPM	Status	Location	Cause
2525	2/6/16	.1	In progress	Fire Road	Poly 2" Poly

Valve Repairs

Job #	Date Reported	GPM	Status	Location	Cause
5082	2/3/16	N/A	Completed	Via De La Reina	Maintenance 4" Plug
5083	2/8/16	N/A	Completed	Forbell Place	Maintenance 4" Plug
5084	2/25/16	N/A	In progress	Spa Haven	Off-Track 6" Plug

Valve Replacements

Job #	Date Reported	GPM	Status	Location	Cause
16132	2/18/16	N/A	Completed	Vista Valle Camino	Update to standards 6" Plug

Fire Hydrant Repairs

Job #	Date Reported	GPM	Status	Location	Cause
8599	2/5/16	N/A	In progress	Spa Haven	Update to standards 6" CMLC
8600	2/17/16	N/A	Completed	Lago Grande	Wear out 6" CMLC

Damage Done by Individual

Job #	Date Reported	GPM	Status	Location	Cause
8586	5/14/15	2,070	On hold	Reche Road	Hit by car 6" CMLC

1761-3

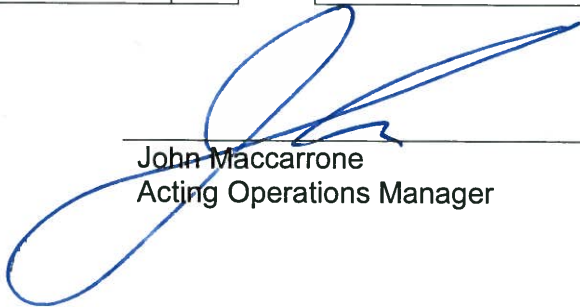
B. After-Hours Standby Calls

Total Standby calls for February: **56**

Checked for Leaks	15
Meter Leak Repairs	1
Turned Water Off (Locked Meter)	4
Turned Water On (Unlock Meter)	6
Complaints of No Water	3
High Pressure	6
Low Pressure	2
Alarms at RMWD	2
Wastewater Calls	0
Water Quality Calls	4
Backflow Calls	2
Customer Leak Calls	6
Emergency Locates	2
Miscellaneous Calls	3

Total Standby calls for fiscal year-to-date: **394**

Checked for Leaks	73
Meter Leak Repairs	31
Turned Water Off (Locked Meter)	14
Turned Water On (Unlock Meter)	49
Complaints of No Water	36
High Pressure	49
Low Pressure	9
Alarms at RMWD	12
Wastewater Calls	1
Water Quality Calls	13
Backflow Calls	23
Customer Leak Calls	42
Emergency Locates	3
Miscellaneous Calls	39



 John Maccarrone
 Acting Operations Manager

3/22/16

1761-4



BOARD INFORMATION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Valve Maintenance Report

DESCRIPTION

Activities for Valve Maintenance Division

A. Total valves operated in February: **242**

Total valves operated fiscal YTD: **2,601**

DISTRIBUTION VALVES

Gate	10" & smaller	31
Plug	10" & smaller	17
Butterfly	10" & smaller	1
Total Small:		49
Gate	12" & larger	8
Plug	12" & larger	12
Butterfly	12" & larger	4
Total Large:		24
Total Dist. Valves:		73

Gate	10" & smaller	424
Plug	10" & smaller	198
Butterfly	10" & smaller	2
Total Small:		624
Gate	12" & larger	82
Plug	12" & larger	79
Butterfly	12" & larger	22
Total Large:		183
Total FY Dist. Valves:		807

OTHER VALVES

Air Vacs – 1", 2", 4"	67
Blow Offs – 2"	23
Fire Hydrants – 6"	53
Wharfheads – 2"	26
Total Other Valves:	169

Air Vacs – 1", 2", 4"	646
Blow Offs – 2"	316
Hydrants & Hydrant Valves –	608
Wharfheads – 2"	224
Total FY Other Valves:	1,794

BROKEN VALVES

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

Total broken valves for fiscal YTD: **47**

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

2" and Under	Repaired	0
	Replaced	12
	Discovered	3
4" and Over	Repaired	3
	Replaced	6
	Discovered	23

1702-1

UNABLE TO LOCATE

C. Total UTL valves in February: **1**

Total UTL valves for fiscal YTD: **5**

Checked	0
Found / Operated	1
Removed from Map Book	0

Checked	0
Found / Operated	1
Removed from Map Book	4

D. Other maintenance:

February:

2015-2016 fiscal YTD:

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

Air Vacs Replaced	1"	10
	2"	3
	4"	0
Air Vacs	Serv. Stops Replaced	0
	Repaired	0
	Painted	20
Hydrants	Repaired	0
	Replaced	5
	Painted	7
Wharfheads	Repaired	2
	Painted	3
Pressure Station Valves	Adjusted	3
	Rebuilt	13
	Replaced	0
	Painted	0

E. Miscellaneous

February:

2015-2016 fiscal YTD:

Shutdowns	4
New Valves	0
Abandoned Valves	0
Underground Service Alert Locates	101

Shutdowns	38
New Valves	21
Abandoned Valves	0
Underground Service Alert Locates	699


 John Maccarrone
 Acting Operations Manager

3/22/16

1702-2

MAINTENANCE PLAN 2015-2016

2015								
Month	Planned Operation	Operated	Not Operable	PRV	Shut Downs	System Repair	Other Work, Yard	Map Book
Average	303.1	339.4	-----	-----	-----	-----	-----	-----
January	304	304	30	5	4	0	Yes	Yes
February	304	381	45	0	3	0	Yes	Yes
March	304	343	20	1	3	4	Yes	No
April	304	340	23	1	3	0	Yes	No
May	304	393	11	2	3	8	Yes	No
June	303	382	4	3	2	4	Yes	No
July	303	417	25	1	2	3	Yes	No
August	303	317	46	2	3	10	Yes	No
September	303	338	30	3	2	4	Yes	No
October	303	429	15	1	3	4	Yes	No
November	303	198	22	1	8	6	Yes	No
December	303	231	32	0	13	4	Yes	No
Totals 2015	3,641	4,073	303	20	49	47	-----	-----

2016								
Month	Planned Operation	Operated	Not Operable	PRV	Shut Downs	System Repair	Other Work, Yard	Map Book
January	303	413	35	1	3	10	Yes	Yes
February	303	242	16	3	4	9	Yes	Yes
March	303							
April	303							
May	303							
June	303							
July	303							
August	303							
September	303							
October	303							
November	303							
December	303							
Totals 2016	3,636	655	51	4	7	19	-----	-----

Total Valves in System: **7,277**

Valves Operated to Date: **4,728**

Valves Inoperable: **354**

1762-3

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Garage / Shop Report

DESCRIPTION

Activities for Garage/Shop Division – February 2016

A. Maintenance/Service: 25

2015-2016 Fiscal YTD: **287**

Vehicles	21
Small Equipment	2
Large Equipment	2

Vehicles	202
Small Equipment	28
Large Equipment	57

B. Emergencies: 12

2015-2016 Fiscal YTD: **41**

Vehicles	7
Equipment	5

Vehicles	19
Equipment	22


John Maccarrone
Acting Operations Manager

3/22/16



BOARD INFORMATION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Water Operations Report

DESCRIPTION

Activities for Water Operations Division

A. February:

2015-2016 Fiscal YTD:

Tanks/Reservoirs	Maint. / Weeds	2
	Inspected	13
	Painted (Contractor)	0
	Repairs (Contractor)	1
	Repairs (RMWD)	0
	Residuals	420
Reservoir Covers	Repaired	2
	Inspected	3
	Washed/Cleaned	0
Pump Stations	Maint. / Weeds	245
	Painted	0
	Repaired	2
Chlorine Stations	Maint. / Weeds	140
	Painted	0
	Repaired	2
Back-up Generators	Tested	20
	Maintenance	0
Connection Reads		40
Morro PRVs		105
Flow Changes	SDCWA	95
Patrol Calls		9

Tanks/Reservoirs	Maint. / Weeds	22
	Inspected	93
	Painted (Contractor)	7
	Repairs (Contractor)	5
	Repairs (RMWD)	4
	Residuals	2,933
Reservoir Covers	Repaired	2
	Inspected	24
	Washed/Cleaned	3
Pump Stations	Maint. / Weeds	1,719
	Painted	0
	Repaired	20
Chlorine Stations	Maint. / Weeds	980
	Painted	0
	Repaired	17
Back-up Generators	Tested	142
	Maintenance	4
Connection Reads		280
Morro PRVs		735
Flow Changes	SDCWA	650
Patrol Calls		105


 Marc Walker

Water Operations Superintendent

3/22/16


 John Maccarrone

Acting Operations Manager

3/22/16



BOARD INFORMATION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Electrical / Telemetry Report – February 2016

DESCRIPTION

Activities for Electrical & Telemetry

A. Electrical:

2015-2016 Fiscal YTD:

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

Maintenance	Reservoirs & Tanks	1
	Pump Stations	13
	Lift Stations	18
	CL2 Stations	2
	District Offices	16
Repairs	Reservoirs & Tanks	0
	Pump Stations	10
	Lift Stations	3
	CL2 Stations	3
	District Offices	3

B. Telemetry:

2015-2016 Fiscal YTD:

Maintenance	SDCWA Connection	0
	Tanks	0
	Pump Stations	0
	Lift Stations	7
	CL2 Stations	0
	District Offices	5
Repairs	SDCWA Connection	0
	Tanks	1
	Pump Stations	0
	Lift Stations	0
	CL2 Stations	0
	District Offices	0

Maintenance	SDCWA Connection	1
	Tanks	3
	Pump Stations	0
	Lift Stations	7
	CL2 Stations	0
	District Offices	34
Repairs	SDCWA Connection	0
	Tanks	4
	Pump Stations	0
	Lift Stations	3
	CL2 Stations	2
	District Offices	0

17D2-1

C. Special Projects:

DATE	LOCATION	DESCRIPTION
2/3/16	Rice Tank	Climbing Refresher Class
2/4, 2/8 - 2/9 & 2/16 - 2/18/16	Huntley Pump Station	Install new exterior LED lights & conduit
2/16 - 2/18/16	" " "	Pump Station SCADA
2/29 - 3/3/16	" " "	Repairs to Pump Station after theft of wire
2/24 - 2/25/16	Pump Station #1	Pump #5 CAT 3408 engine removed from service
1/25/16	Various areas	SCADA panel maintenance



Marc Walker 3/22/16
 Water Operations Superintendent



John Maccarrone 3/22/16
 Acting Operations Manager

1702-2

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Wastewater Report

DESCRIPTION

Activities for Wastewater Division

A. February 2016:

Lift Stations	Maintenance	60
	Pump/Dry Well Repairs	6
	Wet Well Repairs	1
	Elect. Controls	9
	Generator Maint.	1
	Load Test	1
	Samples	2
Cleaning & Maintenance	Line Cleaning	15,504 ft.
	CCTV Inspection	0
	Easement Cleaning	2
	Customer Calls	3
Wet Wells	General Cleaning	18
High Frequency	Cleaning Areas	5,064 ft.
Collection	Sewer Line Repairs	0
Manholes	Raised	0
	Inspections	97
	Repairs	2
	Clean Roots	3

2015-2016 fiscal YTD:

Lift Stations	Maintenance	324
	Dry Well Repairs	55
	Wet Well Repairs	6
	Elect. Controls	40
	Generator Maint.	4
	Load Test	5
	Samples	12
Cleaning & Maintenance	Line Cleaning	37,810 ft.
	CCTV Inspection	3,169 ft.
	Easement Cleaning	17
	Customer Calls	25
Wet Wells	General Cleaning	100
High Frequency	Cleaning Areas	19,565 ft.
Collection	Sewer Line Repairs	0
Manholes	Raised	33
	Inspections	303
	Repairs	25
	Clean Roots	7


B. After-Hours Stand-by Calls:

Total Standby calls for February:

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

Total Standby calls 2015-2016 fiscal YTD: **101**

Private Sewer Spills	1
RMWD Spills	0
Telemetry Alarms	23
Lift Station Alarms	11
High or Low Level Alarms	47
SmartCover Manhole Alarms	14
Customer Calls	12
Miscellaneous	0


Ramon Zuniga
Wastewater Superintendent

3/22/16


John Maccarrone
Acting Operations Manager

3/22/16

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Water Quality Report

DESCRIPTION

Activities for Water Quality Division – February 2016

A. Samples:

Inlet/Outlet - Beck	MPN / HPC General Physicals Fluoride	Beck is offline
Open Reservoir - Beck	MPN / HPC General Physicals Fluoride Nitrification Testing	Beck is offline
Dosing	Copper Sulfate Sodium Hypochlorite	0 0
Tanks / Covered Reservoirs	Nitrification Testing Fluoride Specials	24 0 1
Morro Reservoir Zone	Ammonia / Nitrification	0
Routines		22
THM / HAA5		0
Specials		3

2015-2016 Fiscal YTD:

Inlet/Outlet - Beck	MPN / HPC General Physicals Fluoride	Beck is offline
Open Reservoir - Beck	MPN / HPC General Physicals Fluoride Nitrification Testing	Beck is offline
Dosing	Copper Sulfate Sodium Hypochlorite	0 0
Tanks / Covered Reservoirs	Nitrification Testing Fluoride Specials	267 0 6
Morro Reservoir Zone	Ammonia / Nitrification	0
Routines		159
THM / HAA5		8
Specials		25

B. Water Quality:

Dead End Flushing		0
Calls	Customer RMWD	2 0

2015-2016 Fiscal YTD:

Dead End Flushing		0
Calls	Customer RMWD	17 0


 Joseph Ferreira
 Water Quality Technician
 3/22/16


 John Maccarrone
 Acting Operations Manager
 3/22/16

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Cross Connection Control Program – February 2016

DESCRIPTION

Activities for Cross Connection Control:

A. Currently, there are **4,949** backflow devices recorded in the system.

B. In February, the following was performed:


2015-2016 fiscal YTD:

Installation 1 st Notices sent	0
Installation 2 nd Notices sent	0
Installation 3 rd Notices sent	0
Customer complaints	0
Services locked due to noncompliance	0
New devices installed, inspected	3
Annual test notices sent	0
Annual devices tested	561
Device failures & repairs	19
Replaced devices	0
Correction inspections	0
Property inspections	0

Installation 1 st Notices sent	1
Installation 2 nd Notices sent	0
Installation 3 rd Notices sent	0
Customer complaints	0
Services locked due to noncompliance	0
New devices installed, inspected	13
Annual test notices sent	2,448
Annual devices tested	3,647
Device failures & repairs	175
Replaced devices	8
Correction inspections	0
Property inspections	0

C. Construction Meters - Backflow Tests: 0

D. Hangers for Blocked Access: 0



Joseph Perreira
Water Quality Technician
3/22/16



John Maccarrone
Acting Operations Manager
3/22/16

17F2



BOARD INFORMATION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Engineering Report for February 2016

DESCRIPTION

CAPITAL PROJECTS:

Afton Farms Water Line Ext. (201449): Contractor completed the installation of the 8" pipeline currently in service. Staff processing final contract requirements prior to issuing the notice of completion.

Gird to Monserate Hill (201045): Psomas is working on the preliminary design report. Staff is working on pipeline alignment with property owners and alternatives to rehabilitate the existing pipeline.

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

Highway 76 East Segment (201260): Contractor has installed 4,753 feet of 18" sewerline out of 10,300 feet. Two out of the four casings have been installed.

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

Water and Wastewater Asset Cost and Capacity Fee Study (201663): Staff is evaluating the two proposals that were received.

Water Reclamation Plant & Recycled Water Distribution System (201672): Staff met with Oceanside.

Wastewater Outfall Replacement (201266): Project on hold until further evaluation from the Master Plan and the WRP study.

OTHER PROJECTS:

Moosa Creek Mitigation Bank (201459): Staff working with Consultant on easement widening.

San Luis Rey Ground Water Sources (201446): Report finalized.

Valley Center Regional Infrastructure Coordination: Report finalized.

1761-1

Water and Wastewater Master Plans (201337W/201571WW): Draft report was submitted. Staff and engineering reviewing the report.

DEVELOPER PROJECTS:

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

Dai Dang Meditation Center (90098): Easement to be granted to RMWD before notice of completion is issued.

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

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

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

Nessy Burger (00000): Nessy Burger's is proposing to install a permanent building. Plan check one completed.

Olive Hill Estates (90066): 37 WMs / 59.2 EDUs – Contractor is working on completing above ground appurtenances. Staff is installing meters.

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

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	0	Water Meters Purchased	18
Sewer Availability Letters	0	Sewer EDUs Purchased	0
Water Commitment Letters	0	Scheduled/Emergency Shutdowns	1
Sewer Commitment Letters	0	Jobs Closed	0



Sherry Kirkpatrick
Engineering Manager

3/22/16



BOARD INFORMATION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Field Customer Service Report – February, 2016

DESCRIPTION

Activities for Customer Services Section:

A. Customer service calls responded to: **186**

2015-2016 fiscal YTD: **1,699**

Read for Transfer	52
Locked Service	22
Unlocked Service	20
Checked for High Pressure	8
Checked for Low Pressure	8
Reports of No Water	3
Delivered 48-Hour Notices	71
Waste - Drought	2

Read for Transfer	471
Locked Service	195
Unlocked Service	150
Checked for High Pressure	88
Checked for Low Pressure	43
Report of No Water	26
Delivered 48-Hour Notices	663
Waste - Drought	63



 Kenny Diaz 3/22/16
 Meter Services – Crew Leader



 Vanessa Martinez 3/22/16
 Finance Manager

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Meters Report – February, 2016

DESCRIPTION

Activities for Meter Services Section:

A. Meter Replacement:

2015-2016 fiscal YTD:

Stuck / Damage	
5/8"	0
3/4"	2
1"	5
1 1/2"	0
2"	2
3"	0
4"	0
6"	0

Itron Repairs	
5/8"	0
3/4"	0
1"	5
1 1/2"	0
2"	0
3"	0
4"	0
6"	0

New Itron Installations	
5/8"	0
3/4"	0
1"	0
1 1/2"	0
2"	0
3"	0
4"	0
6"	0

Stuck / Damage	
5/8"	0
3/4"	70
1"	95
1 1/2"	9
2"	16
3"	1
4"	0
6"	0

Itron Repairs	
5/8"	0
3/4"	19
1"	35
1 1/2"	4
2"	6
3"	0
4"	0
6"	0

New Itron Installations	
5/8"	0
3/4"	0
1"	0
1 1/2"	0
2"	0
3"	0
4"	0
6"	0

TOTAL: 9

5

0

200

69

0

B. Meter service calls responded to: 751

2015-2016 fiscal YTD: 3,861

Meter Leaks Reported	17
Checked Meter Reads	722
Replaced Meter Heads	3
Troubleshoot Meters	9

Meter Leaks Reported	220
Checked Meter Reads	3,314
Replaced Meter Heads	47
Troubleshoot Meters	280


Kenny Diaz
Meter Services – Crew Leader

3/22/16


Vanessa Martinez
Finance Manager

3/22/16



BOARD INFORMATION

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Safety Report – February 2016

DESCRIPTION

Safety and Regulatory Update

- A. Safety Training
 - Fall Protection-Climbing Class – 13 Employees

- B. Tailgate Safety Meetings
 - Arc Flash Safety
 - Slips and Trips Control Measures
 - Emergency Preparedness
 - Confined Space
 -

- C. Target Safety Online Training
 - Workplace Stress
 - Water Industry Hearing Conservation
 - Advanced Construction Safety (MOD 1)
 - Water Industry Backflow Prevention Overview

Jeff Stacy
Safety Administrator

3/22/16



John Maccarrone
Acting Operations Manager

3/22/16

BOARD OF DIRECTORS

March 22, 2016

SUBJECT

Property/Liability and Workers' Compensation Longevity Distribution

DESCRIPTION

The District has participated in SDRMA's Property/Liability program as well as their Workers' Compensation program for 10 years as of June 30, 2015. The District will receive a longevity distribution credit on our 2016/2017 renewal contribution invoice in the amount of \$1,693 for workers' compensation and \$8,765 for property/liability.

These credits are due to the District's continuous membership with the SDRMA.

POLICY

N/A

FISCAL IMPACTS

N/A



Rene Bush
Human Resources Manager

03/22/16



BOARD INFORMATION

March 22, 2016

SUBJECT

Interim Financial report for January, 2016: The information is compiled and presented on an unaudited basis. The budget amounts for Water Sales, Cost of Water Sold, and Property Tax Revenues are spread to the individual months based on historical monthly averages. All other budget categories are spread over twelve equal months. This report represents six months of the fiscal year so we can compare actuals versus budgeted figures.

DESCRIPTION

Explanation of significant variances within the Financial Statements:

Water Revenues the FYTD 2016 units sold is 20.0% less than the units of sale for the same period one year ago and 55% than the budgeted units.

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

Pumping expenses consist mostly of electricity and natural gas costs. Cost is somewhat in line to what was budgeted a little under by 6% for the year to date.

Water Operations includes all water quality testing and SCADA monitoring. Cost is over budget for the year to date. The quarter tank maintenance contract fee was the cause of being over the budget, an accounting adjustment is needed.

Valve Maintenance maintains and repairs the thousands of valves contained within the infrastructure. Cost is 3% over budget for the year to date.

Water Distribution consists of the water administration and construction/maintenance crews. Cost is below budget for the year to date by 4%.

Meter Services performs all meter reading and customer onsite response and repair. Cost is close to what has been budgeted for the year to date.

Garage Services performs maintenance and repair of the district fleet vehicles and pumps. Cost is under budget for the year to date due.

General & Administration/Human Resources is over the budget for the year to date, but that is due to recognition of paid insurances at beginning of year and not spread throughout year.

Legal Services include general counsel as well as litigation activities. Cost is over budget for the year to date by 10%.

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

17K1-1

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

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

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

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

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

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

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

POLICY

No specific policy referenced.

BOARD OPTIONS/FISCAL IMPACTS

N/A

STAFF RECOMMENDATION

None



Vanessa Martinez
Finance Manager

March 22, 2016

Interim Financial Statements

General Ledger

Budget Status

User: vmartinez
 Printed: 3/8/2016 - 11:00 AM
 Period: 1 to 7, 2016



Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 01	WATER FUND							
Dept 01-00								
R10	WATER REVENUE							
01-00-41110	Water Sales-Domestic	13,525,669	3,240,743	3,240,743	10,284,926	0	10,284,926	76
01-00-41115	Water Sales-Domestic-Unbilled	0	-119,181	-119,181	119,181	0	119,181	0
01-00-41120	Water Sales-Ag-Dom Non Cert	0	1,582,511	1,582,511	-1,582,511	0	-1,582,511	0
01-00-41125	Water Sales-Ad Noncert Unbilld	0	-95,442	-95,442	95,442	0	95,442	0
01-00-41160	Water Sales-Ag Non Discoun	0	1,675,715	1,675,715	-1,675,715	0	-1,675,715	0
01-00-41165	Water Sales-Ag Nondis Unbilled	0	-69,335	-69,335	69,335	0	69,335	0
01-00-41170	Water Sales-Construction	0	105,971	105,971	-105,971	0	-105,971	0
01-00-41175	Water Sales-Construction-Unbill	0	-5,947	-5,947	5,947	0	5,947	0
01-00-41180	Water Sales-Sawr Full Agric	0	2,565,389	2,565,389	-2,565,389	0	-2,565,389	0
01-00-41185	Water Sales-Sawr Ag Unbilled	0	-117,174	-117,174	117,174	0	117,174	0
01-00-41190	Water Sales-Sawr Ag/Dom	10,598,686	3,815,397	3,815,397	6,783,289	0	6,783,289	64
01-00-41195	Water Sales-Sawr Ag/D Unbilled	0	-178,359	-178,359	178,359	0	178,359	0
01-00-42120	Monthly O & M Charges	5,283,629	2,669,453	2,669,453	2,614,176	0	2,614,176	49
01-00-42121	Infrastructure Access Charge	4,508,351	2,596,942	2,596,942	1,911,409	0	1,911,409	42
01-00-42130	Readiness-To-Serve Rev Id#1	486,481	10,579	10,579	475,902	0	475,902	98
01-00-42140	Pumping Charges	426,052	219,432	219,432	206,620	0	206,620	48
01-00-43101	Operating Inc Turn On/Off Fees	2,500	4,700	4,700	-2,200	0	-2,200	0
01-00-43104	Operating Inc. R. P. Charges	218,976	131,920	131,920	87,057	0	87,057	40
01-00-43106	Operating Inc Water Letter Fee	500	1,550	1,550	-1,050	0	-1,050	0
01-00-43109	Operating Inc Inspections	30,000	8,800	8,800	21,200	0	21,200	71
01-00-43110	Operating Inc Plans And Specs	3,000	650	650	2,350	0	2,350	78
01-00-43111	Operating Inc Install Fees,Hyd	2,400	3,050	3,050	-650	0	-650	0
01-00-43114	Operating Inc-Miscellaneous	48,600	6,393	6,393	42,207	0	42,207	87
01-00-43116	New Meter Sales/Install Parts	8,500	13,845	13,845	-5,345	0	-5,345	0
01-00-43117	Notice Delivery Revenue	0	23,968	23,968	-23,968	0	-23,968	0
R10 Sub Totals:		35,143,344	18,091,571	18,091,571	17,051,773	0	17,051,773	49
R40	INTEREST EXPENSE							
01-00-49301	Property Tax Rev. - Ad Valorem	316,383	19,546	19,546	296,837	0	296,837	94
R40 Sub Totals:		316,383	19,546	19,546	296,837	0	296,837	94
R50	INTEREST INCOME							
01-00-49201	Interest Revenues-Water Fund	4,342	0	0	4,342	0	4,342	100
R50 Sub Totals:		4,342	0	0	4,342	0	4,342	100
R70	OTHER REVENUE							
01-00-49102	Non Oper Inc-Nsr Check Fees	0	1,110	1,110	-1,110	0	-1,110	0
01-00-49109	Non Oper Inc-Miscellaneous	60,360	17,902	17,902	42,458	0	42,458	70
R70 Sub Totals:		60,360	19,012	19,012	41,348	0	41,348	69

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General Ledger

Budget Status

User: vmartinez
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 Period: 1 to 7, 2016



Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E01	Revenue Sub Totals:	35,524,429	18,130,128	18,130,128	17,394,301	0	17,394,301	49
01-00-50001	Cost of Water Sold						7,060,497	39
01-00-50002	Water Purchases	17,962,087	10,901,590	10,901,590	0	0	0	0
01-00-50003	Ag Credit-Lawp	0	0	0	0	0	0	0
01-00-50005	Water In Storage	0	-188,345	-188,345	188,345	0	188,345	0
01-00-50006	Ready To Serve Charge	527,580	263,792	263,792	263,788	0	263,788	50
01-00-50008	Infrastructure Access Charge	435,546	217,218	217,218	218,328	0	218,328	50
01-00-50009	Ag Credit-Sawr	-1,605,655	-688,824	-688,824	-916,831	0	-916,831	0
01-00-50010	Seasonal Storage Credit	0	0	0	0	0	0	0
01-00-50011	Customer Service Charge	1,204,946	602,240	602,240	602,706	0	602,706	50
01-00-50012	Capacity Reservation Charge	622,440	293,565	293,565	328,875	0	328,875	53
01-00-52176	Emergency Storage Charge	2,148,368	921,300	921,300	1,227,068	0	1,227,068	57
	Overhead Transfer To Gen Fund	0	1,106,938	1,106,938	-1,106,938	0	-1,106,938	0
E01 Sub Totals:		21,295,311	13,429,473	13,429,473	7,865,838	0	7,865,838	37
E05	PAYROLL & EMPLOYEE EXPENSES							
01-00-56503	Medical Ins Acwa Health Ben	0	131,959	131,959	-131,959	0	-131,959	0
01-00-56504	Dental Insurance	0	18,327	18,327	-18,327	0	-18,327	0
01-00-56505	Vision Ins Acwa Serv Corp	0	1,745	1,745	-1,745	0	-1,745	0
01-00-56506	Life, S/T, L/T Disability Ins	0	17,836	17,836	-17,836	0	-17,836	0
01-00-56516	State Unemployment Ins, E.T.T.	0	677	677	-677	0	-677	0
01-00-56520	Deferred Comp-Employer Contrib	0	42,928	42,928	-42,928	0	-42,928	0
01-00-57100	Depreciation Expenses-Curr Yr	0	1,061,255	1,061,255	-1,061,255	0	-1,061,255	0
E05 Sub Totals:		0	1,274,726	1,274,726	-1,274,726	0	-1,274,726	0
	Expense Sub Totals:	21,295,311	14,704,199	14,704,199	6,591,112	0	6,591,112	31
Dept 01-20	BOARD							
E05	PAYROLL & EMPLOYEE EXPENSES							
01-20-56202	Board Member Expenses	-14,429,118	-3,425,929	-3,425,929	-10,803,190	0	-10,803,190	0
E05 Sub Totals:		0	1,350	1,350	-1,350	0	-1,350	0
E40	ADMINISTRATION & HR EXPENSES							
01-20-56501	FISCAR	0	84	84	-84	0	-84	0
01-20-56502	MEDIR	0	20	20	-20	0	-20	0
E40 Sub Totals:		0	103	103	-103	0	-103	0
Expense Sub Totals:		0	1,453	1,453	-1,453	0	-1,453	0

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General Ledger

Budget Status

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 Period: 1 to 7, 2016



Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Dept 01-31	Dept 20 Sub Totals:	0	1,453	1,453	-1,453	0	45,491	53
E05	PUMPNG							
	PAYROLL & EMPLOYEE EXPENSES							
01-31-56101	Regular Salaries	85,496	40,004	40,004	500	0	500	100
01-31-56103	Overtime Paid, Comptime Earn.	500	0	0	2,842	0	2,842	54
01-31-56501	Employer'S Share Fica Ssi	5,301	2,459	2,459	844	0	844	68
01-31-56502	Employer'S Share Fica Medicare	1,240	395	395	10,290	0	10,290	57
01-31-56503	Medical Ins Acwa Health Ben	18,110	7,820	7,820	664	0	664	69
01-31-56504	Dental Insurance	956	293	293	45	0	45	20
01-31-56505	Vision Ins Acwa	223	178	178	48	0	48	74
01-31-56506	Life, S/T, L/T Disability Ins	671	172	172	9,970	0	9,970	70
01-31-56507	Retirement-Calpers	14,278	4,307	4,307	1,458	0	1,458	45
01-31-56515	Worker'S Compensation Ins	3,244	1,786	1,786	83	0	83	41
01-31-56516	State Unemployment Ins, E.T.T.	200	117	117	2,371	0	2,371	91
01-31-56520	Deferred Comp-Employer Contrib	2,600	229	229	741	0	741	100
01-31-56524	Other Post Employment Benefits	741	0	0		0		
	E05 Sub Totals:	133,559	57,761	57,761	75,798	0	75,798	57
E10	PUMPNG OPERATION EXPENSES							
01-31-63100	Equipment Maintenance/Repair	61,500	27,898	27,898	900	0	900	60
01-31-63401	Building Maintenance	1,500	600	600	3,719	0	3,719	31
01-31-72000	Supplies & Services	12,000	8,281	8,281	5,900	0	5,900	79
01-31-72150	Regulatory/ Permits	7,500	1,600	1,600	1,000	0	1,000	100
01-31-73000	Small Tools And Equipment	1,000	0	0	238,944	0	238,944	45
01-31-78000	Utilities - Electricity	526,000	287,056	287,056		0		
	E10 Sub Totals:	609,500	325,436	325,436	284,064	0	284,064	47
	Expense Sub Totals:	743,059	383,196	383,196	359,863	0	359,863	48
Dept 01-32	Dept 31 Sub Totals:	743,059	383,196	383,196	359,863	0	359,863	48
E05	OPERATIONS							
	PAYROLL & EMPLOYEE EXPENSES							
01-32-56101	Regular Salaries	625,641	324,778	324,778	300,863	0	300,863	48
01-32-56103	Overtime Paid, Comptime Earn.	45,000	32,350	32,350	12,650	0	12,650	28
01-32-56501	Employer'S Share Fica Ssi	38,790	21,376	21,376	17,413	0	17,413	45
01-32-56502	Employer'S Share Fica Medicare	9,072	5,404	5,404	3,668	0	3,668	40
01-32-56503	Medical Ins Acwa Health Ben	109,421	74,865	74,865	34,557	0	34,557	32
01-32-56504	Dental Insurance	8,911	2,938	2,938	5,973	0	5,973	67
01-32-56505	Vision Ins Acwa	2,339	1,574	1,574	765	0	765	33
01-32-56506	Life, S/T, L/T Disability Ins	6,136	1,504	1,504	4,633	0	4,633	75
01-32-56507	Retirement-Calpers	104,482	36,047	36,047	68,435	0	68,435	65
01-32-56509	Employee Holidays	0	733	733	-733	0	-733	0
01-32-56512	Employee Training/Tuition Reim	2,000	418	418	1,582	0	1,582	79
01-32-56515	Worker'S Compensation Ins	20,493	17,216	17,216	3,277	0	3,277	16

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
01-32-56516	State Unemployment Ins, E.T.T.	1,411	1,281	1,281	130	0	130	9
01-32-56517	Employee Paid Time Off Exp	0	10,494	10,494	-10,494	0	-10,494	0
01-32-56518	Duty Pay	10,400	7,290	7,290	3,110	0	3,110	30
01-32-56520	Deferred Comp-Employer Contrib	16,900	2,342	2,342	14,558	0	14,558	86
01-32-56524	Other Post Employment Benefits	5,424	0	0	5,424	0	5,424	100
E05 Sub Totals:		1,006,420	540,611	540,611	465,809	0	465,809	46
E15	WATER OPERATION EXPENSES							
01-32-60000	Electronics	39,900	1,153	1,153	38,747	0	38,747	97
01-32-63100	Equipment Maintenance/Repairs	20,500	13,439	13,439	7,061	0	7,061	34
01-32-63102	Equipment Maintenance Contract	52,800	12,749	12,749	40,051	0	40,051	76
01-32-63401	Building Maintenance	1,000	36	36	964	0	964	96
01-32-72000	Supplies And Services	310,000	70,996	70,996	239,004	0	239,004	77
01-32-72010	Tank Maintenance	661,600	329,827	329,827	331,773	0	331,773	50
01-32-72150	Regulatory Permits	36,000	6,907	6,907	29,093	0	29,093	81
01-32-72700	Printing & Reproductions	5,000	0	0	5,000	0	5,000	100
01-32-73000	Small Tools And Equipment	1,000	233	233	767	0	767	77
01-32-75300	Travel/Conf/Training	1,500	532	532	968	0	968	65
01-32-78000	Utilities	11,900	8,909	8,909	2,991	0	2,991	25
E15 Sub Totals:		1,141,200	444,781	444,781	696,419	0	696,419	61
Expense Sub Totals:		2,147,620	985,392	985,392	1,162,228	0	1,162,228	54
Dept 32 Sub Totals:		2,147,620	985,392	985,392	1,162,228	0	1,162,228	54
E05	VALVE MAINTENANCE							
01-33-56101	PAYROLL & EMPLOYEE EXPENSES	300,525	180,818	180,818	119,707	0	119,707	40
01-33-56103	Regular Salaries	4,500	4,230	4,230	270	0	270	6
01-33-56501	Overtime Paid, Compline Earn.	18,633	11,420	11,420	7,213	0	7,213	39
01-33-56502	Employer'S Share Fica Ssi	4,358	2,866	2,866	1,491	0	1,491	34
01-33-56503	Employer'S Share Fica Medicare	70,703	41,639	41,639	29,064	0	29,064	41
01-33-56504	Medical Ins Acwa Health Ben	4,526	1,589	1,589	2,938	0	2,938	65
01-33-56505	Dental Insurance	891	871	871	20	0	20	2
01-33-56506	Vision Ins Acwa	3,160	807	807	2,353	0	2,353	74
01-33-56507	Life, S/T,LT Disability Ins	50,188	19,957	19,957	30,230	0	30,230	60
01-33-56509	Retirement-Calpers	0	705	705	-705	0	-705	0
01-33-56512	Employee Holidays	1,200	80	80	1,120	0	1,120	93
01-33-56515	Employee Training/Tuition Reim	11,402	7,886	7,886	3,516	0	3,516	31
01-33-56516	Worker'S Compensation Ins	1,008	699	699	309	0	309	31
01-33-56517	State Unemployment Ins, E.T.T.	0	5,420	5,420	-5,420	0	-5,420	0
01-33-56520	Employee Paid Time Off Exp	10,400	1,375	1,375	9,025	0	9,025	87
01-33-56524	Deferred Comp-Employer Contrib	2,606	0	0	2,606	0	2,606	100
E05 Sub Totals:		484,099	280,362	280,362	203,737	0	203,737	42

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E20	VALVE MAINTENANCE EXPENSES							
01-33-72000	Supplies And Services-Sewer	61,500	42,295	42,295	19,205	0	19,205	31
01-33-73000	Small Tools And Equipment	1,000	163	163	837	0	837	84
01-33-75300	Travel/Conferences/Training	1,000	0	0	1,000	0	1,000	100
01-33-82000	Shop And Field Equipment	50,000	45,710	45,710	4,290	0	4,290	9
E20 Sub Totals:		113,500	88,168	88,168	25,332	0	25,332	22
E25	WATER DISTRIBUTION EXPENSES							
01-33-56514	Employee Training	0	0	0	0	0	0	0
E25 Sub Totals:		0	0	0	0	0	0	0
Expense Sub Totals:		597,599	368,530	368,530	229,070	0	229,070	38
Dept 33 Sub Totals:		597,599	368,530	368,530	229,070	0	229,070	38
E05	WATER DISTRIBUTION PAYROLL & EMPLOYEE EXPENSES							
01-34-56101	Regular Salaries	894,169	544,644	544,644	349,524	0	349,524	39
01-34-56103	Overtime Paid, Compime Earn.	80,000	32,131	32,131	47,869	0	47,869	60
01-34-56501	Employer'S Share Fica Ssi	55,438	32,133	32,133	23,306	0	23,306	42
01-34-56502	Employer'S Share Fica Medicare	12,965	8,281	8,281	4,684	0	4,684	36
01-34-56503	Medical Ins Acwa Health Ben	173,015	96,083	96,083	76,932	0	76,932	44
01-34-56504	Dental Insurance	11,027	3,185	3,185	7,842	0	7,842	71
01-34-56505	Vision Ins Acwa	2,339	2,052	2,052	287	0	287	12
01-34-56506	Life, S/T,L/T Disability Ins	7,700	1,717	1,717	5,983	0	5,983	78
01-34-56507	Retirement-Calpers	149,326	44,688	44,688	104,638	0	104,638	70
01-34-56509	Employee Holidays	0	1,180	1,180	-1,180	0	-1,180	0
01-34-56512	Employee Training/Tuition Reim	5,000	501	501	4,499	0	4,499	90
01-34-56515	Worker'S Compensation Ins	34,863	20,427	20,427	14,436	0	14,436	41
01-34-56516	State Unemployment Ins, E.T.T.	2,646	1,865	1,865	781	0	781	30
01-34-56517	Employee Paid Time Off Exp	0	16,223	16,223	-16,223	0	-16,223	0
01-34-56518	Duty Pay	10,400	7,285	7,285	3,116	0	3,116	30
01-34-56520	Deferred Comp-Employer Contrib	24,700	2,408	2,408	22,292	0	22,292	90
01-34-56524	Other Post Employment Benefits	7,753	0	0	7,753	0	7,753	100
E05 Sub Totals:		1,471,342	814,802	814,802	656,540	0	656,540	45
E25	WATER DISTRIBUTION EXPENSES							
01-34-72000	Supplies And Services	358,184	169,135	169,135	189,049	0	189,049	53
01-34-73000	Small Tools And Equipment	1,500	0	0	1,500	0	1,500	100
01-34-75300	Sewage Treat.-Oceanside Plant	1,500	275	275	1,225	0	1,225	82
E25 Sub Totals:		361,184	169,410	169,410	191,774	0	191,774	53
Expense Sub Totals:		1,832,526	984,212	984,212	848,315	0	848,315	46

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E05	Dept 34 Sub Totals:	1,832,526	984,212	984,212	848,315	0		
	METER SERVICES							
	PAYROLL & EMPLOYEE EXPENSES							
	Regular Salaries	436,907	270,889	270,889	166,018	0	166,018	38
	Overtime Paid, Compltime Earn,	3,000	10,828	10,828	-7,828	0	-7,828	0
	Employer'S Share Fica Ssi	27,088	16,325	16,325	10,763	0	10,763	40
	Employer'S Share Fica Medicare	6,335	4,156	4,156	2,179	0	2,179	34
	Medical Ins Acwa Health Ben	80,818	48,128	48,128	32,690	0	32,690	40
	Dental Insurance	5,308	1,691	1,691	3,617	0	3,617	68
	Vision Ins Acwa Serv Corp	1,058	1,375	1,375	-317	0	-317	0
	Life, S/T, L/T Disability Ins	3,692	893	893	2,799	0	2,799	76
	Retirement - Calpers	72,964	27,795	27,795	45,169	0	45,169	62
	Employee Holidays	0	762	762	-762	0	-762	0
	Employee Vacation	0	4,018	4,018	-4,018	0	-4,018	0
	Employee Training/Tuition Reim	2,000	769	769	1,231	0	1,231	62
	Worker'S Compensation Ins	19,070	10,314	10,314	8,756	0	8,756	46
	State Unemployment Ins, E.T.T.	1,486	1,172	1,172	314	0	314	21
	Employee Paid Time Off Exp	0	8,923	8,923	-8,923	0	-8,923	0
	Deferred Comp-Employer Contri	14,950	1,318	1,318	13,632	0	13,632	91
	E05 Sub Totals:	674,676	409,357	409,357	265,320	0	265,320	39
E30	METER SERVICES EXPENSES							
	OTHER POST EMPLOYMENT BENEF							
	District Paid Insurance Claims	3,788	0	0	3,788	0	3,788	100
	Jpa Supplies & Services	230,050	102,468	102,468	127,582	0	127,582	55
	Small Tools And Equipment	88,000	61,802	61,802	26,198	0	26,198	30
	Replacement Reserve-Oceanside	800	0	0	800	0	800	100
	Shop And Field Equipment	500	0	0	500	0	500	100
	E30 Sub Totals:	130,000	67,934	67,934	62,066	0	62,066	48
	E30 Sub Totals:	453,138	232,205	232,205	220,934	0	220,934	49
	Expense Sub Totals:	1,127,815	641,561	641,561	486,253	0	486,253	43
E25	Dept 35 Sub Totals:	1,127,815	641,561	641,561	486,253	0		
	GARAGE							
	WATER DISTRIBUTION EXPENSES							
	Supplies And Services	0	-84	-84	84	0	84	0
	E25 Sub Totals:	0	-84	-84	84	0	84	0
	Expense Sub Totals:	0	-84	-84	84	0	84	0
E15	Dept 36 Sub Totals:	0	-84	-84	84	0		
	ADMINISTRATION/HR							
	WATER OPERATION EXPENSES							

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
01-41-72000	Supplies And Services	0	0	0	0	0	0	0
E25	E15 Sub Totals:	0	0	0	0	0	0	0
01-41-63401	WATER DISTRIBUTION EXPENSES							
	Building Main/Furnishing	0	468	468	-468	0	-468	0
	E25 Sub Totals:	0	468	468	-468	0	-468	0
	Expense Sub Totals:	0	468	468	-468	0	-468	0
	Dept 41 Sub Totals:	0	468	468	-468	0		
	Dept 43 Sub Totals:	0	0	0	0	0		
E30	ENGINEERING							
	METER SERVICES EXPENSES							
	Shop And Field Equipment	0	13	13	-13	0	-13	0
	E30 Sub Totals:	0	13	13	-13	0	-13	0
	Expense Sub Totals:	0	13	13	-13	0	-13	0
	Dept 91 Sub Totals:	0	13	13	-13	0		
	Fund Revenue Sub Totals:	35,524,429	18,130,128	18,130,128	17,394,301	0	17,394,301	49
	Fund Expense Sub Totals:	27,743,930	18,068,941	18,068,941	9,674,989	0	9,674,989	35
	Fund 01 Sub Totals:	-7,780,500	-61,188	-61,188	-7,719,312	0		

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 02	SEWER FUND							
Dept 02-00								
R10	WATER REVENUE							
02-00-41210	Sewer Charges-Developing Accts	352,438	79,397	79,397	273,041	0	273,041	77
02-00-43101	Sewer-Oakcrest Service Charges	7,699	9,129	9,129	-1,430	0	-1,430	0
02-00-43106	Operating Inc-Sewer Letter Fee	0	800	800	-800	0	-800	0
R10 Sub Totals:		360,137	89,326	89,326	270,811	0	270,811	75
R30	WASTEWATER REVENUE							
02-00-41110	Sewer Charges-Established Acct	2,441,448	1,413,977	1,413,977	1,027,471	0	1,027,471	42
02-00-49109	NON OPERATING REVENUE	0	0	0	0	0	0	0
R30 Sub Totals:		2,441,448	1,413,977	1,413,977	1,027,471	0	1,027,471	42
R40	INTEREST EXPENSE							
02-00-49301	Property Tax Rev - Ad Valorem	41,263	2,725	2,725	38,538	0	38,538	93
R40 Sub Totals:		41,263	2,725	2,725	38,538	0	38,538	93
R50	INTEREST INCOME							
02-00-49201	Interest Revenues-Sewer Fund	84,675	-404	-404	85,079	0	85,079	100
R50 Sub Totals:		84,675	-404	-404	85,079	0	85,079	100
R80	CURRENT YEAR NET REV/EXP							
02-00-39200	Current Year Net Rev/Exp	0	0	0	0	0	0	0
R80 Sub Totals:		0	0	0	0	0	0	0
E05	Revenue Sub Totals:	2,927,523	1,505,625	1,505,625	1,421,898	0	1,421,898	49
02-00-56517	PAYROLL & EMPLOYEE EXPENSES							
	Employee Paid Time Off Exp	0	0	0	0	0	0	0
E05 Sub Totals:		0	0	0	0	0	0	0
E60	WASTEWATER EXPENSES							
02-00-52176	OVERHEAD TRANSFER TO GEN FUN	0	172,759	172,759	-172,759	0	-172,759	0
02-00-57100	DEPRECIATION EXPENSES-CURR Y1	0	214,805	214,805	-214,805	0	-214,805	0
E60 Sub Totals:		0	387,564	387,564	-387,564	0	-387,564	0
Expense Sub Totals:		0	387,564	387,564	-387,564	0	-387,564	0
Dept 00 Sub Totals:		-2,927,523	-1,118,061	-1,118,061	-1,809,462	0	-1,809,462	0
Dept 02-61	WASTEWATER							
E05	PAYROLL & EMPLOYEE EXPENSES	401,514	219,745	219,745	181,770	0	181,770	45
02-61-56101	Regular Salaries							
02-61-56103	Overtime Paid, Comp Time Earn.	60,000	14,231	14,231	45,769	0	45,769	76

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
02-61-56501	Employer'S Share Fica Ssi	24,894	14,228	14,228	10,666	0	10,666	43
02-61-56502	Employer'S Share Fica Medicare	5,822	3,574	3,574	2,248	0	2,248	39
02-61-56503	Medical Ins Acwa Health Ben	90,993	55,365	55,365	35,628	0	35,628	39
02-61-56504	Dental Insurance	8,230	1,745	1,745	6,485	0	6,485	79
02-61-56505	Vision Ins Acwa	1,114	1,175	1,175	-61	0	-61	0
02-61-56506	Life, S/T,L/T Disability Ins	4,686	849	849	3,838	0	3,838	82
02-61-56507	Retirement-Calpers	67,053	23,572	23,572	43,481	0	43,481	65
02-61-56512	Employee Holidays	0	906	906	-906	0	-906	0
02-61-56512	Employee Training/Tuition Reim	3,000	890	890	2,110	0	2,110	70
02-61-56515	Worker'S Compensation Ins	18,711	10,183	10,183	8,528	0	8,528	46
02-61-56516	State Unemployment Ins, E. T. T.	1,260	1,013	1,013	247	0	247	20
02-61-56517	Employee Paid Time Off Exp	0	7,149	7,149	-7,149	0	-7,149	0
02-61-56518	Duty Pay	10,400	7,500	7,500	2,900	0	2,900	28
02-61-56520	Deferred Comp-Employer Contrib	13,000	1,393	1,393	11,607	0	11,607	89
02-61-56524	Other Post Employment Benefits	3,481	0	0	3,481	0	3,481	100
E05 Sub Totals:		714,159	363,519	363,519	350,640	0	350,640	49
E60	WASTEWATER EXPENSES							
02-61-660000	Equipment	47,800	21,062	21,062	26,738	0	26,738	56
02-61-63100	Equipment Maintenance-Sewer	19,000	3,539	3,539	15,461	0	15,461	81
02-61-63401	Building Maintenance	500	0	0	500	0	500	100
02-61-70300	Legal Services	0	10,716	10,716	-10,716	0	-10,716	0
02-61-72000	Supplies And Services-Sewer	74,000	47,004	47,004	26,996	0	26,996	36
02-61-72150	Regulatory Permits	4,600	3,195	3,195	1,405	0	1,405	31
02-61-72200	Books And Resources	300	0	0	300	0	300	100
02-61-72400	Dues And Subscriptions	800	538	538	262	0	262	33
02-61-72600	Sewer Line Cleaning	33,000	2,420	2,420	30,580	0	30,580	93
02-61-73000	Small Tools And Equipment	2,000	968	968	1,032	0	1,032	52
02-61-75300	Travel/Conferences/Training	2,000	500	500	1,500	0	1,500	75
02-61-77000	Seawage Treat.-Oceanside Plant	970,000	414,230	414,230	555,770	0	555,770	57
02-61-77100	Replacement Reserve-Oceanside	331,100	0	0	331,100	0	331,100	100
02-61-78000	Utilities	50,000	36,319	36,319	13,681	0	13,681	27
02-61-78300	Hazardous Waster Material Disp	12,000	3,450	3,450	8,550	0	8,550	71
02-61-78700	Utilities-Propane	2,000	1,986	1,986	14	0	14	1
02-61-82000	Shop And Field Equipment	20,000	21,096	21,096	-1,096	0	-1,096	0
02-61-83000	Vehicles	0	0	0	0	0	0	0
E60 Sub Totals:		1,569,100	567,022	567,022	1,002,078	0	1,002,078	64
Expense Sub Totals:		2,283,259	930,541	930,541	1,352,718	0	1,352,718	59
Dept 61 Sub Totals:		2,283,259	930,541	930,541	1,352,718	0	1,352,718	59
Fund Revenue Sub Totals:		2,927,523	1,505,625	1,505,625	1,421,898	0	1,421,898	49

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	Fund Expense Sub Totals:	2,283,259	1,318,105	1,318,105	965,154	0	965,154	42
	Fund 02 Sub Totals:	-644,264	-187,520	-187,520	-456,744	0		

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 03	GENERAL FUND							
Dept 03-00	WATER REVENUE							
R10	Operating Inc Penalty/Int Chgs	185,000	138,141	138,141	46,859	0	46,859	25
03-00-43102	Operating Inc Plan Check Rev.	5,000	2,425	2,425	2,575	0	2,575	52
03-00-43108								
R10 Sub Totals:		190,000	140,566	140,566	49,434	0	49,434	26
R30	INTEREST INCOME							
03-00-49201	Interest Revenues	0	1,437	1,437	-1,437	0	-1,437	0
R50 Sub Totals:		0	1,437	1,437	-1,437	0	-1,437	0
R70	OTHER REVENUE							
03-00-42200	Overhead Trs From Water, Sewer	0	1,279,697	1,279,697	-1,279,697	0	-1,279,697	0
03-00-49108	Non Oper Inc-Rents And Leases	65,000	89,009	89,009	-24,009	0	-24,009	0
03-00-49109	Miscellaneous Revenue	8,500	46,253	46,253	-37,753	0	-37,753	0
03-00-49114	MISC Revenue - Eng. Services	0	800	800	-800	0	-800	0
R70 Sub Totals:		73,500	1,415,759	1,415,759	-1,342,259	0	-1,342,259	0
R80	CURRENT YEAR NET REV/EXP							
03-00-39200	Current Year Net Rev/Exp	0	0	0	0	0	0	0
R80 Sub Totals:		0	0	0	0	0	0	0
E05	Revenue Sub Totals:	263,500	1,557,762	1,557,762	-1,294,262	0	-1,294,262	0
	PAYROLL & EMPLOYEE EXPENSES							
	Expense Sub Totals:	0	0	0	0	0	0	0
Dept 03-20	Dept 00 Sub Totals:	-263,500	-1,557,762	-1,557,762	1,294,262	0	1,294,262	68
E05	BOARD							
03-20-56202	PAYROLL & EMPLOYEE EXPENSES							
03-20-72000	Board Member Expenses	13,500	6,000	6,000	7,500	0	7,500	56
03-20-73300	Supplies And Services	300	0	0	300	0	300	100
	Travel/Conferences/Training	7,495	766	766	6,729	0	6,729	90
E05 Sub Totals:		21,295	6,766	6,766	14,529	0	14,529	68
E40	ADMINISTRATION & HR EXPENSES							
03-20-56501	FICAR	0	279	279	-279	0	-279	0
03-20-56502	MEDIR	0	65	65	-65	0	-65	0
03-20-56515	Worker's Compensation Ins.	80	0	0	80	0	80	100
E40 Sub Totals:		80	344	344	-265	0	-265	0
Expense Sub Totals:		21,375	7,110	7,110	14,264	0	14,264	67

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Dept 03-22	GRIFITHS-BOARD MEMBER							
E75	BOARD OF DIRECTORS							
03-22-75300	Travel/Conf/Training	0	39	39	-39	0	-39	0
	E75 Sub Totals:	0	39	39	-39	0	-39	0
	Expense Sub Totals:	0	39	39	-39	0	-39	0
	Dept 22 Sub Totals:	0	39	39	-39	0		
Dept 03-29	WALKER-BOARD MEMBER							
E75	BOARD OF DIRECTORS							
03-29-56202	Director's Compensation	0	0	0	0	0	0	0
03-29-75300	Travel/Conf/Training	0	25	25	-25	0	-25	0
	E75 Sub Totals:	0	25	25	-25	0	-25	0
	Expense Sub Totals:	0	25	25	-25	0	-25	0
	Dept 29 Sub Totals:	0	25	25	-25	0		
Dept 03-36	GARAGE							
E05	PAYROLL & EMPLOYEE EXPENSES							
03-36-56101	Regular Salaries	87,632	43,854	43,854	43,778	0	43,778	50
03-36-56103	Overtime Paid, Comp Time Earn.	1,000	0	0	1,000	0	1,000	100
03-36-56501	Employer'S Share Fica Sst	5,433	2,416	2,416	3,017	0	3,017	56
03-36-56502	Employer'S Share Fica Medicare	1,271	615	615	655	0	655	52
03-36-56503	Medical Ins Acwa Health Ben	18,553	10,829	10,829	7,724	0	7,724	42
03-36-56504	Dental Insurance	1,618	317	317	1,301	0	1,301	80
03-36-56505	Vision Ins Acwa	214	232	232	-17	0	-17	0
03-36-56506	Life, S/T,L/T Disability Ins	1,334	158	158	1,175	0	1,175	88
03-36-56507	Retirement-Calpers	14,635	4,737	4,737	9,898	0	9,898	68
03-36-56512	Employee Training/Tuition Reim	500	0	0	500	0	500	100
03-36-56515	Worker'S Compensation Ins	1,907	2,047	2,047	-140	0	-140	0
03-36-56516	State Unemployment Ins, E.T.T.	243	183	183	60	0	60	25
03-36-56520	Deferred Comp-Employer Contrib	2,501	238	238	2,263	0	2,263	90
03-36-56524	Other Post Employment Benefits	760	0	0	760	0	760	100
	E05 Sub Totals:	137,599	65,625	65,625	71,974	0	71,974	52
E35	GARAGE EXPENSES							
03-36-56517	EMPLOYEE PAID TIME OFF EXP	0	1,632	1,632	-1,632	0	-1,632	0
03-36-63000	Equipment	2,000	965	965	1,035	0	1,035	52
03-36-63100	Equipment Maintenance	20,000	46,578	46,578	-26,578	0	-26,578	0

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
03-36-63421	Fuel And Oil	144,375	42,687	42,687	101,688	0	101,688	70
03-36-63422	Repair, Supplies, Auto	70,000	25,510	25,510	44,490	0	44,490	64
03-36-72000	Supplies And Services	5,500	3,458	3,458	2,042	0	2,042	37
03-36-72150	Regulatory Permits	2,700	1,541	1,541	1,159	0	1,159	43
03-36-73000	Small Tools And Equipment	1,000	756	756	244	0	244	24
03-36-75300	Travel/Conferences/Training	1,000	0	0	1,000	0	1,000	100
03-36-83000	Vehicles	215,000	117,766	117,766	97,234	0	97,234	45
E35 Sub Totals:		461,575	240,893	240,893	220,682	0	220,682	48
Expense Sub Totals:		599,174	306,518	306,518	292,656	0	292,656	49
Dept 03-41	Dept 36 Sub Totals:	599,174	306,518	306,518	292,656	0	292,656	49
E05	ADMINISTRATION/HR							
03-41-56101	PAYROLL & EMPLOYEE EXPENSES	739,628	351,821	351,821	387,807	0	387,807	52
03-41-56103	Regular Salaries	3,100	2,295	2,295	805	0	805	26
03-41-56501	Overtime Paid, Comp Time Earn.	45,857	11,815	11,815	34,042	0	34,042	74
03-41-56502	Employer'S Share Fica Fica Ssi	10,725	4,868	4,868	5,856	0	5,856	55
03-41-56503	Medical Ins Acwa Health Ben	94,146	41,457	41,457	52,689	0	52,689	56
03-41-56504	Dental Insurance	13,657	1,822	1,822	11,836	0	11,836	87
03-41-56505	Vision Ins Acwa	1,808	861	861	947	0	947	52
03-41-56506	Life, S/T, L/T Disability Ins	11,257	1,078	1,078	10,179	0	10,179	90
03-41-56507	Retirement-Calpers	123,518	29,051	29,051	94,467	0	94,467	76
03-41-56509	Employee Holidays	0	135	135	-135	0	-135	42
03-41-56511	Employee Uniform Allowance	16,000	9,224	9,224	6,776	0	6,776	100
03-41-56512	Employee Training/Tuition Reim	950	0	0	950	0	950	100
03-41-56515	Worker'S Compensation Ins	16,093	13,293	13,293	2,799	0	2,799	17
03-41-56516	State Unemployment Ins, E.T.T.	2,047	1,278	1,278	769	0	769	38
03-41-56520	Deferred Comp-Employer Contrib	21,109	1,260	1,260	19,849	0	19,849	94
03-41-56524	Other Post Employment Benefits	6,413	0	0	6,413	0	6,413	100
E05 Sub Totals:		1,106,307	470,259	470,259	636,048	0	636,048	57
E40	ADMINISTRATION & HR EXPENSES							
03-41-56102	TEMPORARY EXTRA HELP	0	19,270	19,270	-19,270	0	-19,270	0
03-41-56513	Employee Relations	8,475	5,213	5,213	3,262	0	3,262	38
03-41-56517	EMPLOYEE PAID TIME OFF EXP	0	5,539	5,539	-5,539	0	-5,539	0
03-41-60100	Computers	275,160	107,565	107,565	167,595	0	167,595	61
03-41-63100	Equipment Maintenance	0	56	56	-56	0	-56	0
03-41-63102	Equipment Maintenance Contract	2,500	0	0	2,500	0	2,500	100
03-41-63200	Equipment Rental	35,800	21,102	21,102	14,698	0	14,698	41
03-41-63400	Kitchen Supplies	3,000	2,250	2,250	750	0	750	25
03-41-63401	Building Maintenance	78,680	86,739	86,739	-8,059	0	-8,059	0
03-41-65000	Property/Liability Insurance	186,000	252,172	252,172	-66,172	0	-66,172	0
03-41-65100	District Paid Insurance Claims	20,000	5,260	5,260	14,740	0	14,740	74
03-41-70000	Professional Services	160,000	175,142	175,142	-15,142	0	-15,142	0

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03-41-70300	Legal Services	200,000	137,577	137,577	62,423	0	62,423	31
03-41-72000	Supplies And Services	27,030	18,932	18,932	8,118	0	8,118	30
03-41-72200	Books And Resources	250	0	0	250	0	250	100
03-41-72400	Dues And Subscriptions	54,255	50,566	50,566	3,689	0	3,689	7
03-41-72702	Public Notices/Advertising	1,000	0	0	1,000	0	1,000	100
03-41-72900	Stationary & Office Supplies	15,000	17,884	17,884	-2,884	0	-2,884	0
03-41-73000	Small Tools & Equipment	0	0	0	0	0	0	0
03-41-74000	Communications & Phone Bills	7,500	5,891	5,891	1,609	0	1,609	21
03-41-74100	Phone Bill	27,476	24,021	24,021	3,455	0	3,455	13
03-41-75300	Travel/Conferences/Training	23,150	13,973	13,973	9,177	0	9,177	40
03-41-78000	Utilities-Electricity	38,280	27,170	27,170	11,110	0	11,110	29
03-41-78700	Utilities-Propane	3,715	0	0	3,715	0	3,715	100
03-41-78900	Trash Pick-Up	5,640	3,116	3,116	2,524	0	2,524	45
E40 Sub Totals:		1,172,931	979,438	979,438	193,493	0	193,493	16
Expense Sub Totals:		2,279,238	1,449,698	1,449,698	829,541	0	829,541	36
Dept 41 Sub Totals:		2,279,238	1,449,698	1,449,698	829,541	0	829,541	36
E05	SAFETY							
03-43-56101	PAYROLL & EMPLOYEE EXPENSES	71,927	36,862	36,862	35,065	0	35,065	49
03-43-56103	Regular Salaries	300	812	812	-512	0	-512	0
03-43-56501	Overtime Paid, Comp Time Earn.	4,459	2,945	2,945	1,514	0	1,514	34
03-43-56502	Employer'S Share Fica Ssi	1,043	745	745	298	0	298	29
03-43-56503	Employer'S Share Fica Medicare	8,450	8,891	8,891	-441	0	-441	0
03-43-56504	Medical Ins Acwa Health Ben	1,328	527	527	801	0	801	60
03-43-56505	Dental Insurance	176	263	263	-87	0	-87	0
03-43-56506	Vision Ins Acwa	1,095	175	175	919	0	919	84
03-43-56507	Life, S/T, L/T Disability Ins	12,012	5,902	5,902	6,110	0	6,110	51
03-43-56512	Retirement-Calpers	350	135	135	215	0	215	61
03-43-56515	Employee Training/Tuition Reim	1,565	1,786	1,786	-221	0	-221	0
03-43-56516	Worker'S Compensation Ins	199	150	150	49	0	49	25
03-43-56520	State Unemployment Ins, E.T.T.	2,053	516	516	1,537	0	1,537	75
03-43-56524	Deferred Comp-Employer Contrib	624	0	0	624	0	624	100
03-43-56524	Other Post Employment Benefits							
E05 Sub Totals:		105,580	59,708	59,708	45,872	0	45,872	43
E45	SAFETY COMPLIANCE EXPENSES							
03-43-56510	EMPLOYEE VACATION	0	4,546	4,546	-4,546	0	-4,546	0
03-43-56513	EMPLOYEE RELATIONS	0	196	196	-196	0	-196	0
03-43-56517	EMPLOYEE PAID TIME OFF EXP	0	5,904	5,904	-5,904	0	-5,904	0
03-43-63100	Equipment Maintenance	8,000	0	0	8,000	0	8,000	100
03-43-63102	Equipment Maintenance Contract	14,700	7,062	7,062	7,638	0	7,638	52
03-43-72000	Supplies And Services	27,500	3,643	3,643	23,857	0	23,857	87
03-43-72200	Books And Resources	200	0	0	200	0	200	100
03-43-72400	Dues And Subscriptions	800	255	255	545	0	545	68

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
03-43-72500	Safety/Supplies	37,500	10,448	10,448	27,052	0	27,052	72
03-43-73000	Small Tools And Equipment	300	0	0	300	0	300	100
03-43-73300	Travel/Conferences/Training	3,000	483	483	2,517	0	2,517	84
	E45 Sub Totals:	92,000	32,538	32,538	59,462	0	59,462	65
	Expense Sub Totals:	197,580	92,246	92,246	105,334	0	105,334	53
Dept 43 Sub Totals:		197,580	92,246	92,246	105,334	0	105,334	53
E05	FINANCE							
	PAYROLL & EMPLOYEE EXPENSES							
03-51-56101	Regular Salaries	365,416	209,564	209,564	155,853	0	155,853	43
03-51-56103	Overtime Paid, Comp Time Earn.	200	2,459	2,459	-2,259	0	-2,259	0
03-51-56501	Employer'S Share Fica Sst	22,656	12,961	12,961	9,695	0	9,695	43
03-51-56502	Employer'S Share Fica Medicare	5,299	3,251	3,251	2,048	0	2,048	39
03-51-56503	Medical Ins Acwa Health Ben	32,890	25,172	25,172	7,719	0	7,719	23
03-51-56504	Dental Insurance	3,287	1,335	1,335	1,952	0	1,952	59
03-51-56505	Vision Ins Acwa	891	749	749	141	0	141	16
03-51-56506	Life, S/T,L/T Disability Ins	2,073	676	676	1,396	0	1,396	67
03-51-56507	Retirement-Calpers	61,025	19,273	19,273	41,752	0	41,752	68
03-51-56509	Employee Holidays	0	759	759	-759	0	-759	0
03-51-56512	Employee Training/Tuition Reim	2,400	0	0	2,400	0	2,400	100
03-51-56515	Worker'S Compensation Ins	13,986	7,264	7,264	6,723	0	6,723	48
03-51-56516	State Unemployment Ins, E.T.T.	1,008	1,045	1,045	-37	0	-37	0
03-51-56520	Deferred Comp-Employer Contrib	10,400	1,107	1,107	9,293	0	9,293	89
03-51-56524	Other Post Employment Benefits	3,168	0	0	3,168	0	3,168	100
	E05 Sub Totals:	524,698	285,614	285,614	239,085	0	239,085	46
E50	FINANCE EXPENSES							
	EMPLOYEE PAID TIME OFF EXP							
03-51-56517	Postage	0	2,653	2,653	-2,653	0	-2,653	0
03-51-69000	Annual Audit Services	43,500	23,942	23,942	19,558	0	19,558	45
03-51-70100	Bank Service Charges	14,420	18,270	18,270	-3,850	0	-3,850	0
03-51-70400	Supplies And Services	50,000	22,604	22,604	27,396	0	27,396	55
03-51-72000	Books And Resources	100	5,321	5,321	-5,221	0	-5,221	0
03-51-72200	DUES AND SUBSCRIPTIONS	0	0	0	0	0	0	0
03-51-72400	Printing And Reproductions	0	1,019	1,019	781	0	781	43
03-51-72700	Travel/Conferences/Training	1,800	1,425	1,425	1,075	0	1,075	43
03-51-75300		2,500						
	E50 Sub Totals:	112,320	75,234	75,234	37,086	0	37,086	33
	Expense Sub Totals:	637,018	360,848	360,848	276,171	0	276,171	43
Dept 51 Sub Totals:		637,018	360,848	360,848	276,171	0	276,171	43
Dept 03-52	CUSTOMER SERVICE							

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E05	PAYROLL & EMPLOYEE EXPENSES							
03-52-56101	Regular Salaries	194,114	67,728	67,728	126,386	0	126,386	65
03-52-56103	Overtime Paid, Comp Time Earn.	3,500	3,044	3,044	456	0	456	13
03-52-56501	Employee'S Share Fica Ssi	12,035	4,883	4,883	7,152	0	7,152	59
03-52-56502	Employee'S Share Fica Medicare	2,815	1,117	1,117	1,697	0	1,697	60
03-52-56503	Medical Ins Acwa Health Ben	34,101	15,578	15,578	18,523	0	18,523	54
03-52-56504	Dental Insurance	3,584	530	530	3,055	0	3,055	85
03-52-56505	Vision Ins Acwa	475	275	275	200	0	200	42
03-52-56506	Life, S/T,L/T Disability Ins	2,954	165	165	2,789	0	2,789	94
03-52-56507	Retirement-Calpers	32,417	7,346	7,346	25,071	0	25,071	77
03-52-56509	Employee Holidays	0	208	208	-208	0	-208	0
03-52-56512	Employee Training/Tuition Reim	1,000	0	0	1,000	0	1,000	100
03-52-56515	Worker'S Compensation Ins	4,224	2,047	2,047	2,177	0	2,177	52
03-52-56516	State Unemployment Ins, E.T.T.	537	794	794	-256	0	-256	0
03-52-56520	Deferred Comp-Employer Contrib	5,540	498	498	5,042	0	5,042	91
03-52-56524	Other Post Employment Benefits	1,683	0	0	1,683	0	1,683	100
E05 Sub Totals:		298,979	104,213	104,213	194,766	0	194,766	65
E55	CUSTOMER SERVICE EXPENSES							
03-52-56517	EMPLOYEE PAID TIME OFF EXP	0	2,327	2,327	-2,327	0	-2,327	0
03-52-63100	Equipment Maintenance	300	0	0	300	0	300	100
03-52-69110	Bad Debt Exp/Billing Adjust'S	12,000	3,924	3,924	8,076	0	8,076	67
03-52-70000	Professional Services	0	0	0	0	0	0	0
03-52-72000	Supplies And Services	110,500	73,359	73,359	37,141	0	37,141	34
03-52-72700	Printing And Reproductions	2,200	1,979	1,979	221	0	221	10
03-52-75300	Travel/Conferences/Training	1,000	0	0	1,000	0	1,000	100
E55 Sub Totals:		126,000	81,589	81,589	44,411	0	44,411	35
Expense Sub Totals:		424,979	185,802	185,802	239,177	0	239,177	56
Dept 52 Sub Totals:		424,979	185,802	185,802	239,177	0	239,177	56
E05	ENGINEERING							
03-91-56101	PAYROLL & EMPLOYEE EXPENSES							
03-91-56103	Regular Salaries	465,968	160,386	160,386	305,581	0	305,581	66
03-91-56501	Overtime Paid, Comp Time Earn.	4,000	1,071	1,071	2,929	0	2,929	73
03-91-56502	Employee'S Share Fica Ssi	28,890	10,692	10,692	18,198	0	18,198	63
03-91-56503	Employee'S Share Fica Medicare	6,757	2,714	2,714	4,043	0	4,043	60
03-91-56504	Medical Ins Acwa Health Ben	84,591	36,023	36,023	48,568	0	48,568	57
03-91-56505	Dental Insurance	8,604	1,443	1,443	7,162	0	7,162	83
03-91-56506	Vision Ins Acwa	1,139	798	798	341	0	341	30
03-91-56507	Life, S/T,L/T Disability Ins	7,092	599	599	6,492	0	6,492	92
03-91-56509	Retirement-Calpers	77,817	20,277	20,277	57,539	0	57,539	74
03-91-56512	Employee Holidays	0	287	287	-287	0	-287	0
03-91-56515	Employee Training/Tuition Reim	1,200	0	0	1,200	0	1,200	100
03-91-56515	Worker'S Compensation Ins	10,139	6,080	6,080	4,059	0	4,059	40

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Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
03-91-56516	State Unemployment Ins, E.T.T.	1,290	742	742	548	0	548	42
03-91-56520	Deferred Comp-Employer Contrib	13,299	1,325	1,325	11,973	0	11,973	90
03-91-56524	Other Post Employment Benefits	4,040	0	0	4,040	0	4,040	100
E05 Sub Totals:		714,824	242,438	242,438	472,386	0	472,386	66
E65	ENGINEERING EXPENSES							
03-91-56517	EMPLOYEE PAID TIME OFF EXP	0	5,228	5,228	-5,228	0	-5,228	0
03-91-63000	Equipment	5,000	0	0	5,000	0	5,000	100
03-91-63102	Equipment Maintenance Contract	62,310	50,000	50,000	12,310	0	12,310	20
03-91-63401	BUILDING MAINTENANCE	0	0	0	0	0	0	0
03-91-70000	Professional Services	200,000	128,980	128,980	71,020	0	71,020	36
03-91-72000	Supplies And Services	21,134	97,482	97,482	-76,348	0	-76,348	0
03-91-72200	Books And Resources	500	0	0	500	0	500	100
03-91-72400	Dues And Subscriptions	765	50	50	715	0	715	93
03-91-72700	Printing And Reproductions	0	32	32	-32	0	-32	0
03-91-75300	Travel/Conferences/Training	5,000	195	195	4,805	0	4,805	96
E65 Sub Totals:		294,709	281,968	281,968	12,741	0	12,741	4
Expense Sub Totals:		1,009,533	524,407	524,407	485,126	0	485,126	48
Dept 91 Sub Totals:		1,009,533	524,407	524,407	485,126	0	485,126	48
Fund Revenue Sub Totals:		263,500	1,557,762	1,557,762	-1,294,262	0	-1,294,262	0
Fund Expense Sub Totals:		5,168,898	2,926,692	2,926,692	2,242,206	0	2,242,206	43
Fund 03 Sub Totals:		4,905,398	1,368,930	1,368,930	3,536,467	0	3,536,467	43
Revenue Totals:		38,715,453	21,193,515	21,193,515	17,521,938	0	17,521,938	45
Expense Totals:		35,196,086	22,313,737	22,313,737	12,882,349	0	12,882,349	37
Report Totals:		-3,519,366	1,120,223	1,120,223	-4,639,589	0	-4,639,589	0

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General Ledger

Budget Status

User: vmartinez
Printed: 3/8/2016 - 11:00 AM
Period: 1 to 7, 2016



Account Number Description Budget Amount Period Amount YTD Amount YTD Var Encumbered Amount Available % Available

GL-Budget Status (3/8/2016 - 11:00 AM)

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FIRST BANKCARD VISA BREAKDOWN
JANUARY, 2016

NEW ACCOUNT

DATE OF CHARGE	AMOUNT	PURPOSE
12/22/2015	\$ 200.00	BROWN AND CALDWELL - RECRUITMENT ADVERTISMENT
1/11/2016	\$ 200.00	BROWN AND CALDWELL - RECRUITMENT ADVERTISMENT
1/12/2016	\$ 15.36	EMPLOYEE RELATIONS - ENVELOPES

CHECK # 51638

AMOUNT \$ 415.36

17K2-1

FIRST BANKCARD VISA BREAKDOWN

JANUARY, 2016

NEW ACCOUNT

DATE OF CHARGE	AMOUNT	PURPOSE
12/24/2015	\$ 40.28	76 GAS - FUEL
1/7/2016	\$ 187.96	AMAZON - LIGHTING KIT AND BACKGROUND STAND
1/7/2016	\$ 7.70	AMAZON - MUSLIN CLAMPS

CHECK # 51637

AMOUNT \$ 235.94

17K2-2

FIRST BANKCARD VISA BREAKDOWN
JANUARY, 2016

NEW ACCOUNT

DATE OF CHARGE	AMOUNT	PURPOSE
12/16/2015	\$ 395.58	ULTRASONIC CLEANER WITH BASKET

CHECK # 51639

AMOUNT \$ 395.58

17K2-3

AMERICAN EXPRESS BREAKDOWN

JANUARY, 2016

OLD ACCOUNT

DATE OF CHARGE	AMOUNT	VENDOR & PURPOSE
1/6/2016	\$ 1,688.43	ABCANA INDUSTRIES - HYPOCHLORITE
1/6/2016	\$ 2,190.00	ATLAS PUMPING - ROLL OFF SERVICE
1/7/2016	\$ 5,096.86	BRADY SAND - CLASS II BASE, COLD MIX, 3/4" ROCK
1/13/2016	\$ 609.87	CDW GOVERNMENT, INC. - HP LASERJET PRINTER
1/6/2016	\$ 192.50	CORELOGIC - REALQUEST MAP SEARCH, MORTGAGE DATA AND PROPERTY DETAIL DATA - JANUARY
1/6/2016	\$ 50.00	CORELOGIC - REALQUEST MAP SEARCH, MORTGAGE DATA AND PROPERTY DETAIL DATA - JANUARY
1/8/2016	\$ 75.00	CULLIGAN - WATER SOFTNER
1/8/2016	\$ 457.05	W.W. GRAINGER - WHEEL BRUSH KNOT, GRIND WHEEL
1/8/2016	\$ 90.11	W.W. GRAINGER - LS 6 MOTORS - START & RUN CAPACITORS
1/13/2016	\$ 1,291.93	OFFICE DEPOT - TONER, RECEIVED STAMP, MEMO BOOK, PETTY CASH SLIPS, BINDER CLIPS, HIGHLIGHTERS
1/13/2016	\$ (369.35)	OFFICE DEPOT - CREDIT DUE
1/14/2016	\$ 1,188.13	PACIFIC PIPELINE - POWER SEAL CLAMPS
1/15/2016	\$ 955.51	PALA MESA RESORT - EMPLOYEE RECOGNIZATION BANQUET
1/16/2016	\$ 130.56	PRUDENTIAL OVERALL - MONTHLY UNIFORMS
1/16/2016	\$ 92.48	PRUDENTIAL OVERALL - MONTHLY UNIFORMS
1/16/2016	\$ 128.28	PRUDENTIAL OVERALL - MATS & MISC
1/20/2016	\$ 58.26	STAPLES - EMPLOYEE RELATIONS FOR RECOGNIZATION BANQUET

CHECK # 51679

AMOUNT \$ 13,925.62

17K2-4

AMERICAN EXPRESS BREAKDOWN
 JANUARY, 2016

NEW ACCOUNT

DATE OF CHARGE	AMOUNT	VENDOR & PURPOSE
1/26/2016	\$ 1,198.70	ABCANA INDUSTRIES - HYPOCHLORITE
1/26/2016	\$ 210.00	ATLAS PUMPING - MONTHLY BIN RENTAL
1/19/2016	\$ 35.00	BABCOCK LABORATORIES - JOE PERRERIA TRAINING
1/26/2016	\$ 100.00	BROWN AND CALDWELL - RECRUITMENT ADVERTISEMENT
1/26/2016	\$ 4,146.36	BRADY SAND - CLASS II BASE
1/26/2016	\$ 150.00	CALIFORNIA SPECIAL DISTRICT ASSOCIATION - DAWN WASHBURN SEMINAR
1/27/2016	\$ 495.16	W.W. GRAINGER - LS 3 - COMPRESSOR/VACUUM PUMP
1/26/2016	\$ 31,122.37	NATIONAL METER - 1' METER W/ITRON - 100WATT ERT
1/26/2016	\$ 847.16	OFFICE DEPOT - DESK CALENDARS, BINDERS, TONER, DRY ERASE MARKERS, SCISSORS, TAPE DISPENSER
1/26/2016	\$ (63.12)	OFFICE DEPOT - CREDIT DUE
1/26/2016	\$ 5,427.52	PACIFIC PIPELINE - GATE VALVE, VALVE COMBO
1/26/2016	\$ 7,104.00	PALOMAR BACKFLOW - BACKFLOW CERTIFICATIONS
1/26/2016	\$ 7,224.00	PALOMAR BACKFLOW - BACKFLOW CERTIFICATIONS
1/26/2016	\$ 2,536.50	PROCOPIO, CORY, HARGREAVES & SAVITCH LLP - LEGAL SERVICES - WATER
1/26/2016	\$ 1,710.00	PROCOPIO, CORY, HARGREAVES & SAVITCH LLP - LEGAL SERVICES - LABOR & EMPLOYMENT
1/26/2016	\$ 3,388.09	PROCOPIO, CORY, HARGREAVES & SAVITCH LLP - LEGAL SERVICES - GENERAL
1/26/2016	\$ 2,638.50	PROCOPIO, CORY, HARGREAVES & SAVITCH LLP - LEGAL SERVICES - GENERAL
1/27/2016	\$ 7,703.76	WESTERN WATER WORKS - BUSHINGS, BUTT STRAPS, ADAPTERS, HOSE COUPLINGS, ELBOWS, ANTI-SEIZE, PVC PIPE TAPE

CHECK # 51679

AMOUNT \$ 75,974.00

17K2-5

FY 2015-2016

Disbursement Date	Description	Bob Lucy-21	Jack Griffiths-22	Dennis Sanford-25	Helene Brazier-27	Tory Walker-29	Paul Christensen
07/31/15	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS					\$ 25.00 \$ 300.00	\$ 340.62 (340.62)
	Monthly Totals	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 325.00	\$ -
08/31/15	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS			\$ 456.20			\$ 340.56 (340.56)
	Monthly Totals	\$ -	\$ -	\$ 456.20	\$ -	\$ -	\$ -
09/30/15	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE AND EXPENSES REIMBURSEMENT FROM DIRECTORS			\$ 450.00	\$ 300.00	\$ 25.00 \$ 450.00	\$ 340.56 (340.56)
	Monthly Totals	\$ 300.00	\$ 329.34	\$ 450.00	\$ 300.00	\$ 475.00	\$ -
10/31/15	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE AND EXPENSES REIMBURSEMENT FROM DIRECTORS		\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 340.56 (340.56)
	Monthly Totals	\$ -	\$ 150.00	\$ 325.34	\$ 150.00	\$ 150.00	\$ -
11/30/15	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS			\$ 35.96			\$ 340.56 (340.56)
	Monthly Totals	\$ 300.00	\$ 450.00	\$ 935.96	\$ 450.00	\$ 600.00	\$ -
12/31/15	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						\$ 340.56 (340.56)
	Monthly Totals	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ -

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FY 2015-2016

Disbursement Date	Description	Bob Lucy-21	Jack Griffiths-22	Dennis Sanford-25	Helene Brazier-27	Tory Walker-29	Paul Christensen
01/31/16	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER CSDA TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						\$ 340.56
	Monthly Totals	\$ -	\$ 150.00	\$ 300.00	\$ 150.00	\$ 300.00	\$ (340.56)
02/28/16	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER CSDA TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03/31/16	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA TRAINING WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
04/30/16	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. CSDA,SAN DIEGO CHAPTER WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
05/31/16	CAL PERS - HEALTH INS. ASSURANT - DENTAL INS. VALLEY CENTER MWD CSDA-SAN DIEGO CHAPTER COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
06/30/16	CAL PERS - HEALTH INS. COUNCIL OF WATER UTILITIES VALLEY CENTER MWD WATER AGENCIES ASSOC OF S.D. COUNCIL OF WATER UTILITIES DIRECTORS' MEETINGS MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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RAINBOW MUNICIPAL WATER DISTRICT
 FOR BOARD INFORMATION
 February 29, 2016
 GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51610	4130	AFLAC HEALTH AND ACCIDENTAL INSURANCE	\$ 159.06
			\$ 159.06
51611	1715	COLONIAL LIFE & ACCIDENT INS. HEALTH AND ACCIDENTAL INSURANCE	\$ 60.71
			\$ 60.71
51613	4465	LINCOLN NATIONAL RETIREMENT	\$ 3,702.50
		RETIREMENT	\$ 7,879.62
			\$ 11,582.12
51614	02/03/2016	ACCELA, INC. #774375 RMWD Program changes	\$ 950.00
			\$ 950.00
51615	2/3/2016	AIRGAS USA, LLC Silver Solder	\$ 189.50
		Silver Solder	\$ 557.97
		Monthly agreement	\$ 126.94
			\$ 874.41
51616	02/03/2016	ART'S TRENCH PLATE & Trench Plate Rental	\$ 265.00
		Trench Plate Rental	\$ 393.00
		Trench Plate Rental	\$ 340.00
		Trench Plate Rental	\$ 549.00
		Trench Plate Rental	\$ 450.00
		Trench Plate Rental	\$ 360.00
		Trench Plate Rental	\$ 410.40
		Trench Plate Rental	\$ 300.00
		Trench Plate Rental	\$ 365.00
		Trench Plate Rental	\$ 449.00
		Trench Plate Rental	\$ 1,060.00
		Trench Plate Rental	\$ 1,550.00
		Trench Plate Rental	\$ 349.00
			\$ 6,840.40
51617	02/03/2016	ASSURANT EMPLOYEE BENEFITS Life & Long Term Disability	\$ 3,816.43
			\$ 3,816.43
51618	02/03/2016	AT&T Monthly Phone Service	\$ 76.70
		Monthly Phone Service	\$ 90.88
			\$ 167.58
51619	02/03/2016	AT&T Monthly Phone Service	\$ 21.75
		Monthly Phone Service	\$ 18.07
		Monthly Phone Service	\$ 18.62
		Monthly Phone Service	\$ 412.04
		Monthly Phone Service	\$ 52.10
		Monthly Phone Service	\$ 39.80
			\$ 562.38
51620	02/03/2016	AT&T LONG DISTANCE Monthly Phone Service	\$ 16.07
			\$ 16.07
51621	02/03/2016	AUTOMATION TRAINING Mark Cline - Control Logix Training Course	\$ 1,785.00
			\$ 1,785.00

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51622	02/03/2016	BARRETT ENGINEERED PUMPS Lift Station #2 - Mechanical switch	\$ 145.80
			\$ 145.80
51623	02/03/2016	BORDER PRODUCTS CORP. Speedcrete red line mortar, Red-E-Crete premixed concrete	\$ 1,446.77
			\$ 1,446.77
51624	02/03/2016	BP BATTERY Battery	\$ 94.13
		Unit #11 - Battery	\$ 94.23
		Unit #243 - Battery	\$ 57.29
		CL2 Stations - Battery for backup generators	\$ 347.77
		Battery	\$ 94.13
			\$ 687.55
51625	02/03/2016	CALIFORNIA COMMERCIAL SECURITY Troubleshoot Employee Gate	\$ 198.00
			\$ 198.00
51626	02/03/2016	CITY OF OCEANSIDE Sewer Treatment - February 2016	\$ 63,836.54
			\$ 63,836.54
51627	02/03/2016	COSTCO WHOLESALE MEMBERSHIP Annual Membership Renewal	\$ 110.00
			\$ 110.00
51628	02/03/2016	COVERALL NORTH AMERICA, INC Restroom & Bathroom Supplies	\$ 471.81
			\$ 471.81
51629	02/03/2016	CROP PRODUCTION SVC INC, Unit #247 - Exhaust Muffler Kit	\$ 248.30
			\$ 248.30
51630	02/03/2016	DAVID SEYMOUR Reimburse Retired Employee Health Ins - January 2016	\$ 363.00
			\$ 363.00
51631	02/03/2016	EUGENE BUCKLEY Reimburse Retired Employee Health Ins - February 2016	\$ 363.00
			\$ 363.00
51632	02/03/2016	FALLBROOK AUTO PARTS Unit #135 - Oil Filter, Air Filter, Fuel Filter	\$ 134.72
		Unit #33 - Drain Plug Gasket, Oil Filter, Fleet Supplies	\$ 1,454.00
		Oil Stabilizer, Fleet Supplies	\$ 95.99
		Shop Generator - Filters, Oil	\$ 179.79
		Oil Filter and Oil	\$ 45.45
		Credit Due	\$ (99.01)
		Unit #243 - Oil Filter, Unit #290 - Air Filter	\$ 7.58
			\$ 1,818.52
51633	02/03/2016	FALLBROOK EQUIPMENT RENTAL 1 Yard 6 Sack Concrete Mix	\$ 183.60
			\$ 183.60

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51634	02/03/2016	FALLBROOK OIL CO	
		Fuel Deliveries	\$ 1,086.70
		Fuel Deliveries	\$ 344.95
		Fuel Deliveries	\$ 797.10
		Fuel Deliveries	\$ 695.56
		Fuel Deliveries	\$ 608.18
		Fuel Deliveries	\$ 520.02
		Fuel Deliveries	\$ 203.47
		Fuel Deliveries	\$ 610.25
		\$ 4,866.23	
51635	02/03/2016	FALLBROOK SMOG	
		Smog Tess for 7 Vehicles	\$ 272.25
		\$ 272.25	
51636	02/03/2016	FERGUSON WATERWORKS #1083	
		Coupling	\$ 137.64
		Brass Meter Flange, Brass 90, Brass Nipples, 3" Pipe	\$ 5,352.76
		Weld Flange, Ring Gaskets	\$ 486.00
		Ball Valves	\$ 1,046.20
		Coupling	\$ 64.80
		\$ 7,087.40	
51637	02/03/2016	FIRST BANKCARD	
		Amazon - Lighting Kit and Background Stand	\$ 187.96
		Amazon - Muslin Clamps	\$ 7.70
		76 Gas - Fuel	\$ 40.28
		\$ 235.94	
51638	02/03/2016	FIRST BANKCARD	
		Employee Relations - Envelopes	\$ 15.36
		Brown and Caldwell - Recruitment Advertisement	\$ 200.00
		Brown and Caldwell - Recruitment Advertisement	\$ 200.00
		\$ 415.36	
51639	02/03/2016	FIRST BANKCARD	
		Ultrasonic Cleaner with Basket	\$ 395.58
		\$ 395.58	
51640	02/03/2016	FREEWAY TRAILER SALES	
		Adapter and testers	\$ 53.78
		Unit #133 - Repairs	\$ 1,878.80
		\$ 1,932.58	
51641	02/03/2016	GIL FRANCO, TIRE HAULER	
		Used Tire Disposal	\$ 24.00
		Used Tire Disposal	\$ 82.00
		\$ 106.00	
51642	02/03/2016	HAWTHORNE LIFT SYSTEMS	
		Unit #421 - Engine Rebuilt	\$ 1,751.81
		Unit #421 - Service Call and Labor	\$ 312.39
		Unit #421 - Engine Rebuilt	\$ 4,303.36
		\$ 6,367.56	
51643	02/03/2016	HAWTHORNE MACHINERY COMPANY	
		Unit #141 - Block Heater	\$ 130.98
		\$ 130.98	
51644	02/03/2016	HIDDEN VALLEY PUMP SYSTEMS INC	
		Pump Station #1- #4 pump - new seal and gear drive reinstall	\$ 3,991.82
		\$ 3,991.82	

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51645	02/03/2016	IMAGE SOURCE Monthly Copy Count	\$ 191.13
			\$ 191.13
51646	02/03/2016	JIM'S SIGN SHOP Replace "Days Without Injury" Sign	\$ 367.20
			\$ 367.20
51647	02/03/2016	JOE'S HARDWARE Single Cut Regular Key	\$ 10.21
			\$ 10.21
51648	02/03/2016	JUSTIN CHANDLER Reimbursement for Water Use Efficiency I & Cross Connection	\$ 130.00
			\$ 130.00
51649	02/03/2016	KENNEDY/JENKS CONSULTANTS INC Lift Station 1 Replacement	\$ 11,226.49
			\$ 11,226.49
51650	02/03/2016	LOS ANGELES FREIGHTLINER Unit #71 - Repairs	\$ 3,559.70
			\$ 3,559.70
51651	02/03/2016	MULTI W SYSTEMS Lift Station6 - Capacitor Kits	\$ 400.42
			\$ 400.42
51652	02/03/2016	OCCUPATIONAL HEALTH CENTERS OF DOT Physical Recertification	\$ 78.00
			\$ 78.00
51653	02/03/2016	ONESOURCE DISTRIBUTORS, LLC Building Maintenance - Ballast Parts for Field Panels Parts for Field Panels	\$ 194.08 \$ 108.81 \$ 234.57
			\$ 537.46
51654	02/03/2016	PARKHOUSE TIRE, INC. Tires Tires Unit #72 - Front Tires	\$ 545.53 \$ 507.86 \$ 606.12
			\$ 1,659.51
51655	02/03/2016	PLIC-SBD GRAND ISLAND Monthly Dental Insurance	\$ 6,626.97
			\$ 6,626.97
51656	02/03/2016	PSOMAS Gird/Monserate Hill Waterline Design	\$ 33,945.26
			\$ 33,945.26

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RAINBOW MUNICIPAL WATER DISTRICT
 FOR BOARD INFORMATION
 February 29, 2016
 GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51657	02/03/2016	RAMON ZUNIGA Reimbursement for CWEA Collection System Maint. Grade 4	\$ 96.00
			\$ 96.00
51658	02/03/2016	SAFETY-KLEEN Parts Washer, Brake Cleaner and Oil Filters	\$ 376.56
			\$ 376.56
51659	02/03/2016	SAN DIEGO COUNTY FARM BUREAU Regional Agricultural Water Mgmt. Plan Preparation	\$ 4,637.50
			\$ 4,637.50
51660	02/03/2016	SAN LUIS REY WATERSHED COUNCIL Annual Membership Dues 2016	\$ 100.00
			\$ 100.00
51661	02/03/2016	SCOTT SIMPSON SWRCB Grade 2 Water Dist. Operator Cert. Renewal Fee	\$ 80.00
			\$ 80.00
51662	02/03/2016	SCOTT TERRELL Reimbursement for Work Safety Boots	\$ 140.39
			\$ 140.39
51663	02/03/2016	SHRED-IT USA LLC Service Agreement	\$ 110.26
			\$ 110.26
51664	02/03/2016	SOFTCHOICE CORPORATION MS Enterprise Agreement	\$ 11,915.35
			\$ 11,915.35
51665	02/03/2016	SOUTHWEST ANSWERING SERVICE, INC. Monthly Answering Service	\$ 882.04
			\$ 882.04
51666	02/03/2016	STREAMLINE Monthly Web Management Fee	\$ 300.00
			\$ 300.00
51667	02/03/2016	TEMECULA TROPHY CO. 10 Year Anniversary Plaques (2)	\$ 53.89
			\$ 53.89

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RAINBOW MUNICIPAL WATER DISTRICT
 FOR BOARD INFORMATION
 February 29, 2016
 GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount	
51668	02/03/2016	TETRA TECH, INC. As-Needed Construction Support Services	\$	4,108.00
			\$	4,108.00
51669	02/03/2016	TITUS INDUSTRIAL GROUP Manhole Cover, Twist Lift Opening Toll with Lock Socket	\$	952.07
			\$	952.07
51670	02/03/2016	TRENCH PLATE RENTAL CO. 10 ft Concrete K-Rail	\$	1,055.00
			\$	1,055.00
51671	02/03/2016	UNDERGROUND SERVICE ALERT Locate Utilities	\$	114.00
			\$	114.00
51672	02/03/2016	VERIZON WIRELESS Monthly Cellular Service	\$	1,736.18
			\$	1,736.18
51673	02/03/2016	VICTOR TORNERO SWRCB Grade 2 Water Treatment Exam and Op. Certification Fees	\$	125.00
			\$	125.00
51674	02/03/2016	WESTERN LANDSCAPE MAINT PLUS, Landscape Maintenance Service	\$	483.00
			\$	483.00
51675	02/03/2016	WESTERN SALES, LLC Supplies for Emergency Bypass Collections System	\$	512.22
			\$	512.22
51676	02/03/2016	WINZER Restock Supplies	\$	451.28
			\$	451.28
51677	02/03/2016	XEROX FINANCIAL SERVICES Monthly Lease	\$	567.14
			\$	567.14
		Total for 2/03/2016:	\$	210,584.12

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51679	02/10/2016	AMERICAN EXPRESS	
		HP LaserJet Printer	\$ 609.87
		Employee Relations - Employee Recognition Banquet	\$ 955.51
		Joe Perreria - Babcock Laboratories training	\$ 35.00
		Dawn Washburn - HR Boot Camp	\$ 150.00
		Brown and Caldwell - Recruitment advertisement	\$ 100.00
		Monthly Rental Agreement	\$ 75.00
		Monthly Uniforms	\$ 223.04
		Mats and miscellaneous	\$ 128.28
		Toner, received stamp, memo book, petty cash slips, highlighters	\$ 1,291.93
		Class II Base	\$ 1,029.08
		Class II Base	\$ 1,189.73
		Class II Base	\$ 1,198.03
		Class II Base and cold mix	\$ 1,789.74
		Class II Base	\$ 2,278.04
		Class II Base	\$ 1,758.60
		Repair clamps	\$ 1,188.13
		Combo air valve	\$ 1,742.34
		Gate valve	\$ 3,685.18
		Butt straps	\$ 793.81
		Adapter, hose coupling, elbows	\$ 543.27
		Bushings	\$ 159.41
		Anti-seize	\$ 139.10
		Butt straps	\$ 447.12
		Redwood plugs	\$ 42.99
		Butt straps	\$ 769.43
		Copper tubing	\$ 2,613.60
		Weld flanges	\$ 246.82
		PVC pipe tape, male adapter, copper tubing	\$ 1,013.38
		Brass bushings, butt straps	\$ 934.83
		Roll off service	\$ 2,190.00
		Monthly bin rental	\$ 210.00
		Backflow certifications	\$ 7,104.00
		Legal Services - General	\$ 2,536.50
		Legal Services - General	\$ 3,388.09
		Legal Services - Water	\$ 2,638.50
		Legal Services - Labor & Employment	\$ 1,710.00
		Backflow certifications	\$ 7,224.00
		Credit Due	\$ (369.35)
		Credit Due	\$ (43.15)
		Desk calendars, binders, toner, dry erase markers, scissors	\$ 847.16
		Credit Due	\$ (19.97)
		Realquest document and sale document images	\$ 50.00
		Realquest Map Search, foreclosure, property details	\$ 192.50
		Award certificate holders	\$ 58.26
		Hypochlorite	\$ 546.66
		Hypochlorite	\$ 1,141.77
		Hypochlorite	\$ 1,198.70
		Wheel brush knot, grind wheel	\$ 457.05
		Lift Station 6 - replace capacitors	\$ 90.11
		Lift Station #3 - Compressor for bubbler line	\$ 495.16
		Encoder with Itron connection	\$ 3,922.56
		Meter body only	\$ 18,451.81
		Itron 100watt plus ERT	\$ 2,073.60
		1" meter with Itron ert	\$ 6,674.40
			\$ 89,899.62
51680	02/10/2016	FRED PRYOR SEMINARS	
		Vanessa Martinez & Tammy Rakusan - Payroll Law 2016 Seminar	\$ 298.00
			\$ 298.00
		Total for 2/10/2016:	\$ 90,197.62

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51681		AFLAC HEALTH AND ACCIDENTAL INSURANCE	\$ 159.06
			\$ 159.06
51682		COLONIAL LIFE & ACCIDENT INS. HEALTH AND ACCIDENTAL INSURANCE	\$ 60.71
			\$ 60.71
51684		LINCOLN NATIONAL RETIREMENT	\$ 3,802.50
		RETIREMENT	\$ 8,006.50
			\$ 11,809.00
ACH	02/22/2016	INFOR PUBLIC SECTOR, INC. Yearly charges for asset management software	\$ 49,436.28
			\$ 49,436.28
51689	02/22/2016	AIRGAS SAFETY INC Two tone vests	\$ 117.16
		Disposable gloves, hand sanitizer, gloves, chemical resistant	\$ 982.12
			\$ 1,099.28
51690	02/22/2016	AIRGAS USA, LLC Electrode sticks, helmet shade, chin and neck guard	\$ 752.04
		Monthly agreement	\$ 126.94
			\$ 878.98
51691	02/22/2016	ANDREW ECHOLS Reimbursement for SWRCB Grade 2 Water Dist. Op. Cert. renewal	\$ 80.00
			\$ 80.00
51692	02/22/2016	ART'S TRENCH PLATE & Trench plate rental	\$ 150.00
		Trench plate rental	\$ 450.00
			\$ 600.00
51693	02/22/2016	AYALA ENGINEERING, INC. Rehab 11 manholes	\$ 5,200.00
			\$ 5,200.00
51694	02/22/2016	BABCOCK LABORATORIES, INC Monthly water analysis	\$ 210.00
		Monthly water analysis	\$ 270.00
		Monthly water analysis	\$ 45.00
			\$ 525.00
51695	02/22/2016	BANNER DAY, INC Beck CL2 tree removal	\$ 300.00
			\$ 300.00
51696	02/22/2016	BP BATTERY Unit #31 - battery	\$ 109.30
		Pala Mesa Tank - battery	\$ 403.24
		Unit #72 - battery	\$ 204.02
			\$ 716.56
51697	02/22/2016	CALIFORNIA COMMERCIAL SECURITY Quarterly service agreement	\$ 368.04
			\$ 368.04
51698	02/22/2016	CAROL WILSON Payment on District claim	\$ 1,184.00
			\$ 1,184.00

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51699	02/22/2016	CDW GOVERNMENT, INC. HP Color Laser printers	\$ 753.84
			\$ 753.84
51700	02/22/2016	CHARLES C. SNEED Reimburse retired employee health ins - February 2016	\$ 363.00
			\$ 363.00
51701	02/22/2016	COUNCIL OF WATER UTILITIES Tom Kennedy's attendance at COWU meeting	\$ 25.00
		Tory Walker's attendance at COWU meeting	\$ 25.00
			\$ 50.00
51702	02/22/2016	COUNTY OF SAN DIEGO-DPW Road permits	\$ 1,221.80
			\$ 1,221.80
51703	02/22/2016	COVERALL NORTH AMERICA, INC Monthly service	\$ 995.00
			\$ 995.00
51704	02/22/2016	CSDA, SAN DIEGO CHAPTER Tom Kennedy's attendance at February 18, 2016 quarterly meeting	\$ 30.00
			\$ 30.00
51705	02/22/2016	DATAPROSE INC. Monthly mailing of water bills and newsletters	\$ 2,890.68
		Monthly mailing of water bills and newsletters	\$ 2,044.32
		Monthly mailing of water bills and newsletters	\$ 1,487.89
		Monthly mailing of water bills and newsletters	\$ 2,085.35
			\$ 8,508.24
51706	02/22/2016	DAWN WASHBURN Dawn Washburn reimbursement - Human Resources & the Law seminar	\$ 162.38
			\$ 162.38
51707	02/22/2016	DEEP BLUE DIAMOND 18" premium combo blade, 16" supreme diamond combo blade	\$ 1,173.16
			\$ 1,173.16
51708	02/22/2016	DELL BUSINESS CREDIT Dell 24" monitors, computer & accessories	\$ 1,455.59
			\$ 1,455.59
51709	02/22/2016	DRAVES PIPELINE, INC Little Gopher Canyon - 8"sewer line repairs	\$ 30,133.00
			\$ 30,133.00
51710	02/22/2016	ED SHOBE PLUMBING Repairs in Bldg. 1 & 2	\$ 149.00
			\$ 149.00
51711	02/22/2016	ENGINEERED FLUID INC Ascot Meadows Project - pressure reducing station	\$ 48,890.52
		Lake Vista Estates Project - pressure reducing station	\$ 57,011.04
			\$ 105,901.56

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51712	02/22/2016	E-Z UP DIRECT Speed shelters	\$ 915.84
			\$ 915.84
51713	02/10/2016 02/22/2016	FALLBROOK EQUIPMENT RENTAL 1/2 Yard 6 sack concrete	\$ 145.80
			\$ 145.80
51714	02/22/2016	FALLBROOK OIL CO Fuel deliveries Fuel deliveries Fuel deliveries Fuel deliveries Fuel deliveries Fuel deliveries	\$ 397.86 \$ 689.21 \$ 540.54 \$ 486.59 \$ 401.97 \$ 338.69
			\$ 2,854.86
51715	02/22/2016	FALLBROOK WASTE AND RECYCLING Monthly refuse and recycle Monthly refuse and recycle	\$ 212.30 \$ 123.25
			\$ 335.55
51716	02/22/2016	FERGUSON WATERWORKS #1083 1" press. regulator, 3/4" press. regulator, 2"X2 1/2" wharfhead Flange reducer, transitional reducing	\$ 12,239.10 \$ 334.80
			\$ 12,573.90
51717	02/22/2016	HOME DEPOT Conduit, plastic bushing, pipe clamp, reducing bushing 40 watt 4 foot lights Ridged extension cords Foam tape, standard wrap, zinc Flashlights Credit Due	\$ 104.85 \$ 87.44 \$ 213.78 \$ 77.20 32.4 \$ (572.29)
			\$ (56.62)
51718	02/22/2016	IDG DISTRIBUTION GROUP Small wire brushes	\$ 147.05
			\$ 147.05
51719	02/22/2016	J J SEPTIC Little Gopher Canyon 8" sewer line repairs Little Gopher Canyon 8" sewer line repairs	\$ 2,472.50 \$ 2,242.50
			\$ 4,715.00
51720	02/22/2016	JACK I. GRIFFITHS January 2016 mileage reimbursement	\$ 9.18
			\$ 9.18
51721	02/22/2016	JOE'S HARDWARE Sealant, granite hammer bit, screws and bolts EZ seed tall	\$ 48.86 \$ 34.86
			\$ 83.72
51722	02/22/2016	JUSTIN CHANDLER Reimburse for work safety boots	\$ 150.00
			\$ 150.00

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51723	02/22/2016	KARN ENGINEERING & SURVEYING	
		Prepare sewer easement legal description, calc record data	\$ 3,497.50
		Review and calculate existing RMWD easement, revise legal description.	\$ 1,350.00
			\$ 4,847.50
51724	02/22/2016	KEVIN MILLER	
		Reimburse retired employee health ins - February 2016	\$ 726.00
			\$ 726.00
51725	02/22/2016	KYLE SCHILLING	
		Reimbursement for work safety boots	\$ 136.06
			\$ 136.06
51726	02/22/2016	MITEL LEASING	
		Lease agreement	\$ 575.70
			\$ 575.70
51727	02/22/2016	MODULAR BUILDING CONCEPTS, INC	
		Rental agreement	\$ 248.40
		Rental agreement	\$ 478.44
			\$ 726.84
51728	02/22/2016	NATIONAL SAFETY COMPLIANCE, INC	
		Annual administration fee	\$ 150.00
			\$ 150.00
51729	02/22/2016	NETWORK FLEET, INC.	
		Monthly airtime charges for GPS tracking - February 2016	\$ 780.00
			\$ 780.00
51730	02/22/2016	ONESOURCE DISTRIBUTORS, LLC	
		Seal for wet well	\$ 74.57
		Sealing compound, fiber	\$ 66.18
		Anti-Oxidant compound squeeze bottle, flip open utility knife	\$ 479.31
			\$ 620.06
51731	02/22/2016	PACIFIC TEK	
		Unit #32 - hydraulic oil cooler	\$ 1,063.80
			\$ 1,063.80
51732	02/22/2016	PARKHOUSE TIRE, INC.	
		Unit #111 - Service call, parts	\$ 455.80
		Unit #71 - Service call, parts	\$ 573.79
		Unit #111 - Service call, parts	\$ 517.07
		Unit #40 - tires and stock tires	\$ 482.68
			\$ 2,029.34

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51733	02/22/2016	PETTY CASH	
		After hour meals for 4 employees	\$ 19.42
		Storage bins for decorations	\$ 23.70
		Postage to mail SWRCB report	\$ 8.55
		Shop supplies for garage	\$ 46.40
		Replacement Christmas tree for RMWD	\$ 10.53
		Lunch reimbursement for LCW workshop - Rene' Bush	\$ 7.83
		Lunch reimbursement for LCW workshop - John Maccarrone	\$ 12.58
		Lunch reimbursement for LCW workshop - Jenn Wise	\$ 12.85
			\$ 141.86
51734	02/22/2016	QUALITY CHEVROLET	
		Unit #43 - Cap	\$ 19.86
		Unit #44 - Sensor	\$ 71.19
		Left and right arms	\$ 70.72
		Unit #31 - fuel cap	\$ 26.97
			\$ 188.74
51735	02/22/2016	RAIN FOR RENT RIVERSIDE	
		Sewer by-pass pump	\$ 34,598.60
			\$ 34,598.60
51736	02/22/2016	REM MECHANICAL, INC	
		Service call and labor	\$ 160.00
			\$ 160.00
51737	02/22/2016	RHO MONSERATE C.C.H.A.	
		Electric charge	\$ 473.14
			\$ 473.14
51738	02/22/2016	SAN DIEGO GAS & ELECTRIC	
		Monthly electric service	\$ 9.27
		Monthly electric service	\$ 12.00
		Monthly electric service	\$ 2,581.52
		Monthly electric service	\$ 19,922.24
		Monthly electric service	\$ 1,075.78
		Monthly electric service	\$ 4,222.55
			\$ 27,823.36
51739	02/22/2016	SHERRY MULLENNIX	
		Reimburse retired employee health ins - January & February 2016	\$ 1,200.00
			\$ 1,200.00
51740	02/22/2016	SHRED-IT USA LLC	
		Service agreement	\$ 170.90
			\$ 170.90
51741	02/22/2016	SONSRAY MACHINERY LLC.	
		Unit #102 - hvdraulic fluid leak repair	\$ 3,698.04
			\$ 3,698.04
51742	02/22/2016	T.R.Y. ENTERPRISES, INC.	
		Patrol services for Februarv 2016	\$ 510.00
			\$ 510.00

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51743	02/22/2016	TCN. INC Monthlv 48 hour notice calls	\$ 20.03
			\$ 20.03
51744	02/22/2016	TEMECULA TROPHY CO. Name plates - Cvnthia Grav. Vanessa Martinez. Ramon Zunioa. Jenn Name plates - Cvnthia Grav. Vanessa Martinez. Ramon Zunioa Emplovee plaques for banquet	\$ 45.36 \$ 34.02 \$ 129.56
			\$ 208.94
51745	02/22/2016	TRAFFIC SAFETY SOLUTIONS. LLC Traffic control	\$ 11.379.00
			\$ 11.379.00
51746	02/22/2016	UNDERGROUND SERVICE ALERT Locate Utilities	\$ 90.00
			\$ 90.00
51747	02/22/2016	UNUM LIFE INSURANCE Monthlv short term disability	\$ 588.00
			\$ 588.00
51748	02/22/2016	UTILITY SERVICE CO. Quarterlv tank service	\$ 157.305.21
			\$ 157.305.21
51749	02/22/2016	VICTOR VEENSTRA Reimbursement for CWEA Grade 2 Collection svstem maint. tech Reimbursement for work safetv boots	\$ 86.00 \$ 150.00
			\$ 236.00
51750	02/22/2016	WHITE CAP CONSTRUCTION SUPPLY Emotv sandbaas	\$ 361.80
			\$ 361.80
51751	02/22/2016	XEROX CORP. Monthly lease Monthly lease	\$ 721.55 \$ 760.94
			\$ 1.482.49
51752	02/22/2016	XYLEM INC Annual pumo maintenance service on 3 flvat pumos	\$ 492.29
			\$ 492.29
51753	02/22/2016	ZEP MANUFACTURING CO. Scent Gard and lemonex	\$ 862.12
			\$ 862.12
		Total for 2/22/2016:	\$ 487.377.10
51755	02/25/2016	ACCELA. INC. #774375 RMWD Proaram Chanaes	\$ 4.227.50
			\$ 4.227.50
51756	02/25/2016	AMERICAN WATER WORKS ASSOC. AWWA "30014-4e-m14 Backflow Prevention and CCC. Fourth Edition	\$ 123.00
			\$ 123.00
51757	02/25/2016	AMES CONSTRUCTION. INC Two 42" Steel Casina - includes labor and equioment	\$ 164.715.00
			\$ 164.715.00
51758	02/25/2016	ART'S TRENCH PLATE & Trench Plate Rental Trench Plate Rental Trench Plate Rental Trench Plate Rental	\$ 315.00 \$ 370.00 \$ 405.60 \$ 394.40
			\$ 1.485.00

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51759	02/25/2016	ASSURANT EMPLOYEE BENEFITS Life & Long Term Disability	\$ 3,812.29
			\$ 3,812.29
51760	02/25/2016	ASTRA INDUSTRIAL SERV. INC PS #1 - Replacement for Pumo #7	\$ 6,803.50
			\$ 6,803.50
51761	02/25/2016	AT&T Monthly Phone Service	\$ 76.70
		Monthly Phone Service	\$ 90.88
			\$ 167.58
51762	02/25/2016	AT&T Monthly Phone Service	\$ 22.72
		Monthly Phone Service	\$ 18.07
		Monthly Phone Service	\$ 18.63
		Monthly Phone Service	\$ 391.19
		Monthly Phone Service	\$ 52.12
		Monthly Phone Service	\$ 39.80
			\$ 542.53
51763	02/25/2016	AT&T LONG DISTANCE Monthly Phone Service	\$ 16.07
			\$ 16.07
51764	02/25/2016	ATKINS NORTH AMERICA. INC 2015 Updates to Water/Wastewater Master Plans	\$ 4,115.77
		2015 Updates to Water/Wastewater Master Plans	\$ 4,115.77
		Water/Wastewater Master Plan Hydraulic Modelina Update	\$ 575.00
		Water/Wastewater Master Plan Hydraulic Modelina Update	\$ 575.00
			\$ 9,381.54
51765	02/25/2016	BOARD OF EQUALIZATION Shortage on 3rd Quarter 2015 Road Use Tax	\$ 26.95
			\$ 26.95
51766	02/25/2016	BONSALL PEST CONTROL Monthly Pest Control	\$ 90.00
			\$ 90.00
51767	02/25/2016	CARDIAC SCIENCE CORP AED Replacement	\$ 1,319.55
			\$ 1,319.55
51768	02/25/2016	CENTRO PRINT SOLUTIONS 2015 Tax Forms	\$ 91.27
			\$ 91.27
51769	02/25/2016	CITY OF OCEANSIDE Sewer Treatment - March 2016	\$ 63,836.54
			\$ 63,836.54
51770	02/25/2016	CMS BUSINESS FORMS Customer Window Envelopes	\$ 815.50
			\$ 815.50
51771	02/25/2016	COUNTY OF SAN DIEGO. AIR Annual Permits	\$ 2,205.00
			\$ 2,205.00
51772	02/25/2016	CROP PRODUCTION SVC INC. 5LB. Square Gator	\$ 64.79
			\$ 64.79
51773	02/25/2016	DATA NET SOLUTIONS GROUP. INC RMWD Server Maintenance. Repairs and Virus Issues	\$ 249.62
			\$ 249.62

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51774	02/25/2016	DAVID SEYMOUR Reimburse Retired Employee Health Ins. - Februarv 2016	\$ 363.00 \$ 363.00
51775	02/25/2016	DELL COMPUTERS Tom Kennedv - Replacement PC	\$ 1,174.89 \$ 1,174.89
51776	02/25/2016	DLM ENGINEERING. INC. Water/Wastewater Master Plannina and General Consulting Services Water/Wastewater Master Plannina and General Consulting Services	\$ 475.00 \$ 475.00 \$ 950.00
51777	02/25/2016	ESCONDIDO METAL SUPPLY. INC. Galvanized Steel Anole. Chop saw Cut Charge	\$ 130.39 \$ 130.39
51778	02/25/2016	EUGENE BUCKLEY Reimburse Retired Health Ins - March 2016	\$ 363.00 \$ 363.00
51779	02/25/2016	FALLBROOK AUTO PARTS Oxvaen Sensor Unit #14 - Brake Caliber Unit #14 - Disc Pad Unit #13 - Oil Seal. Gear Oil Fleet Supplies Credit Due Unit #40 - Control Arm Assemblv Unit #13 & 5 - Air Filter. Unit #5 - Oil filter. Shop Supplies Unit #25 - Back-up Lamo Kit. Feet Supplies Wheel Nut Cover Wheel Nut Cover Unit #20 - TPMS Sensor Unit #44 - Oil Cool Oil Filter Unit #20 & # - Accuit Conventional. Unit #68 - Oil Filter Shop Supplies Unit #13 - Disc Pad Unit #24 - Radiator. Radiator Hose. Fan Clutch	\$ 17.24 \$ 263.63 \$ 68.39 \$ 31.78 \$ 183.59 \$ (140.45) \$ 118.27 \$ 99.51 \$ 45.66 \$ 18.14 \$ 18.14 \$ 220.80 \$ 48.19 \$ 9.14 \$ 48.84 \$ 12.90 \$ 392.00 \$ 558.08 \$ 2,013.85
51780	02/25/2016	FALLBROOK OIL CO Fuel Deliveries Fuel Deliveries Fuel Deliveries Fuel Deliveries Fuel Deliveries Fuel Deliveries Fuel Deliveries	\$ 399.79 \$ 137.87 \$ 680.20 \$ 330.48 \$ 568.63 \$ 670.00 \$ 317.30 \$ 3,104.27
51781	02/25/2016	FEDEX Deliverv Service	\$ 45.77 \$ 45.77
51782	02/25/2016	FERGUSON WATERWORKS #1083 Credit Due - Overpavment 2" 100# Diaphraam/Disc Assemblv. Rubber Disc Cla-Val 1" Lona Meter Tail. 8" Water Valve Lid Wharf Head. Butt Straps. Flanaes Tube Restriction Assemblv Rina Gaskets. Flanaes. Flance Tee	\$ (149.69) \$ 3,383.80 \$ 851.04 \$ 5,180.98 \$ 220.32 \$ 1,136.43 \$ 10,622.88
51783	02/25/2016	FIRST AMERICAN TITLE INSURANCE Title Reports for Dai Dana Proiect	\$ 750.00 \$ 750.00

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RAINBOW MUNICIPAL WATER DISTRICT
FOR BOARD INFORMATION
February 29, 2016
GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51784	02/25/2016	FLEETSERV PS1 - Catalytic Converter for #5	\$ 313.03
			\$ 313.03
51785	02/25/2016	GRABLE GRAPHICS RMWD Web Site Upgrades	\$ 910.00
			\$ 910.00
51786	02/25/2016	HOUSTON AND HARRIS Video Pipe Inspection for Gird to Monserate Sewer Line	\$ 1,492.50
			\$ 1,492.50
51787	02/25/2016	IMAGE SOURCE Monthlv Copv Count	\$ 168.78
			\$ 168.78
51788	02/25/2016	JOE'S HARDWARE Utilitv Pull. Lumber 38" Lea X 3/8" Crown	\$ 75.47
			\$ 3.07
			\$ 78.54
51789	02/25/2016	JOHNSON POWER SYSTEMS Load Bank Test on all 6 Generators	\$ 5,990.00
			\$ 5,990.00
51790	02/25/2016	KENNEDY/JENKS CONSULTANTS INC Lift Station 1 Replacement	\$ 9,317.50
			\$ 9,317.50
51791	02/25/2016	MISSION RESOURCE CONSERVATION DISTRICT Home Water Use Evaluations - Januarv 2016	\$ 125.00
			\$ 125.00
51792	02/25/2016	PSOMAS Gird/Monserate Hill Waterline Desian	\$ 7,381.11
			\$ 7,381.11
51793	02/25/2016	RAFTELIS FINANCIAL CONSULTANTS Professional Services - Januarv 2016	\$ 1,529.15
			\$ 1,529.15
51794	02/25/2016	REM MECHANICAL. INC Preventative Maintenance Agreement	\$ 434.00
			\$ 434.00
51795	02/25/2016	RYAN HERCO PRODUCTS CORP CL2 Stations - New Tubino	\$ 88.97
			\$ 88.97
51796	02/25/2016	SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK Acct #23-3984-2 & 19-0042-4 - Recording Fee for Release of Liens	\$ 26.00
			\$ 26.00
51797	02/25/2016	SAN DIEGO COUNTY FARM BUREAU Reional Adricultural Water Management Plan Preparation	\$ 4,637.50
			\$ 4,637.50
51798	02/25/2016	SOUTHWEST ANSWERING SERVICE. INC. Monthlv Answerina Service	\$ 786.49
			\$ 786.49
51799	02/25/2016	STREAMLINE Monthlv Web Management Fee	\$ 300.00
			\$ 300.00
51800	02/25/2016	SUNWARD FLAG New Flaos for the District	\$ 140.95
			\$ 140.95
51801	02/25/2016	TAMAYO GROUP. INC Professional Services for November 2015 thru Januarv 2016	\$ 3,300.00
			\$ 3,300.00

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RAINBOW MUNICIPAL WATER DISTRICT
 FOR BOARD INFORMATION
 February 29, 2016
 GENERAL LEDGER

Check No	Check Date	Payee and Description	Check Amount
51802	02/25/2016	TETRA TECH. INC. As-Needed Construction Support Services	\$ 7,923.80
			\$ 7,923.80
51803	02/25/2016	TIME WARNER CABLE Monthlv Internet Connection	\$ 1,250.00
			\$ 1,250.00
51804	02/25/2016	TK CONSTRUCTION Afton Farms Waterline Extension	\$ 61,807.00
			\$ 61,807.00
51805	02/25/2016	VERIZON WIRELESS Monthlv Cellular Service	\$ 1,617.77
			\$ 1,617.77
51806	02/25/2016	WEST COAST GEOTECHNICAL. INC Afton Farms Waterline Extension - Engineeering Geoloaist Services	\$ 4,754.00
		Little Gopher Canvon Rd Sewer - Engineeering Geoloaist Services	\$ 1,236.00
			\$ 5,990.00
51807	02/25/2016	WEST YOST ASSOCIATES. INC San Luis Rev Ground Water Supplv Project	\$ 32,127.15
			\$ 32,127.15
51808	02/25/2016	XEROX FINANICAL SERVICES Monthlv Lease	\$ 567.14
			\$ 567.14
			\$ 427,793.66
		Report Total (198 checks):	\$ 1,215,952.50

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Water Usage by Fiscal Years

FISCAL YEAR 2015-2016

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	MAY	JUN	Acre Feet
601	AD	29,891	26,212	33,050	25,166	24,907	20,638	12,532					396
404	AG	143,174	124,130	153,414	124,219	109,795	85,664	48,608					1,811
6	C	4,342	3,764	4,773	2,948	1,761	665	428					43
221	CM	28,620	33,259	34,668	28,374	14,569	11,399	8,431					366
37	CN	6,680	7,040	5,931	3,994	5,788	3,061	1,002					77
1	D	8	10	10	8	4	6	5					0
24	IS	2,773	2,779	2,486	3,073	3,299	2,641	828					41
88	MF	11,351	10,279	10,887	9,952	9,664	8,600	8,072					158
326	SC	162,756	144,892	188,145	132,002	133,998	109,284	46,707					2,107
1038	SD	245,736	213,120	257,965	197,426	188,412	162,042	82,599					3,093
5091	SF	148,565	143,394	162,611	135,022	120,702	96,893	69,375					2,012
7837		783,896	708,879	853,940	662,184	612,899	500,893	278,587					10,104

FISCAL YEAR 2014-2015

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	MAY	JUN	Acre Feet
426	A	118,146	136,346	116,938	122,567	99,702	62,354	19,943					1,552
341	C	102,461	111,946	90,197	95,608	76,060	51,612	29,802					1,280
36	CN	3,175	3,510	3,579	2,898	1,119	372	1					34
5558	D	220,019	244,786	204,723	208,649	178,916	121,527	67,259					2,860
96	MF	15,917	16,081	14,016	14,241	13,689	10,249	8,659					213
323	SC	207,708	245,358	221,301	241,409	186,106	108,701	25,015					2,837
1040	SD	284,083	332,533	282,418	297,792	260,513	165,578	46,135					3,832
7820		951,509	1,090,560	933,172	983,164	816,105	520,393	196,814					12,607

FISCAL YEAR 2013-2014

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	MAY	JUN	Acre Feet
426	A	130,393	132,497	140,319	122,581	96,941	51,347	71,276					1,711
340	C	90,317	89,194	104,313	86,744	69,704	35,242	44,886					1,195
36	CN	2,965	1,618	1,737	1,857	2,284	15	1,519					28
5558	D	225,641	246,575	245,482	210,918	178,078	101,726	123,160					3,057
96	MF	14,703	17,278	17,433	14,438	14,631	9,475	11,113					227
323	SC	197,030	222,678	232,163	204,607	160,984	95,935	144,898					2,889
1040	SD	293,327	327,443	324,488	276,743	237,162	132,450	171,852					4,048
→		954,376	1,037,283	1,065,935	917,888	759,784	426,190	568,704					13,155

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**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
February 2016**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333.33
Less 5% Contractual Allowance	416.67
EDUs Set Aside by Board for Emergencies	60.00
EDUs Connected	3,899.40
EDUs Unconnected	1,305.44
Total EDUs Available for Purchase:	2,651.83

DEVELOPMENTS WITH UNCONNECTED EDUs	EDUs	CAPACITY FEES PAID
Others (Misc. SFR)	18.20	\$ 315,770
Horse Creek Ridge/ Passarelle	850.57	\$ -
Palomar College	100.00	\$ -
Polo Club	59.85	\$ 1,022,775
Pala Mesa Highlands	124.00	\$ 2,151,400
Golf Green Estates	102.46	\$ 1,743,180
Lake Vista Estates	2.76	\$ 46,150
Vista Valley Country Club	5.00	\$ 86,750
Silver Holdings	9.00	\$ 153,810
Olive Hill Estates	33.60	\$ 574,224
Total Unconnected:	1,305.44	\$ 6,094,059

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