



AGENDA

REGULAR BOARD MEETING

**Board Room
3707 Old Highway 395
Fallbrook, CA 92028**

**Tuesday, April 28, 2026
1:00 P.M.**

- 1. CALL TO ORDER**
- 2. ROLL CALL: Hamilton, Mack, Townsend-Smith, Hoffman, Irvine**
- 3. PLEDGE OF ALLEGIANCE**
- 4. ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA**
- 5. APPROVAL OF THE AGENDA**

6. PUBLIC COMMENT

Any person may address the Board at this time upon any subject not identified on this Agenda, but within the jurisdiction of Rainbow Municipal Water District; however, any matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. As to matters on the Agenda, if a request to make a public comment is received, an opportunity will be given to address the Board when the matter is considered.

Members of the public may make comments in person by submitting a Speaker Slip to the Board Secretary, virtually through virtual or teleconference options, or by submitting an email to tquintanar@rainbowmwd.ca.gov no later than midnight on the day before the meeting. Comments shall be made in an orderly manner, and profanity, slander, or abusive language which is disruptive to the meeting will not be tolerated. Individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the presiding officer.

7. EMPLOYEE RECOGNITIONS

- A. Justin Demary-20 Years

8. PUBLIC HEARING

- A. Public Hearing Regarding Vacancy Rates in Each Bargaining Unit in Accordance with AB2561 and Annual Staffing Analysis

9. PRESENTATION

- A. La Canada Pipeline Replacement Project Update

10. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Calendar, it shall be removed so that it may be acted upon separately.

A. APPROVAL OF:

1. March 24, 2026, Regular Board Meeting Minutes
2. April 7, 2026, Engineering & Operations Committee Meeting Minutes
3. April 14, 2026, Budget and Finance Committee Meeting Minutes
4. Notice of Completion and Acceptance of Minor Facilities Constructed by Customers (Districtwide)
5. Six (6) Year Update to the Sewer System Management Plan
6. Sewer Service Agreement with Neighborhood's Verdeaux at the Havens, LLC for the Havens Development (Division 1)
7. Joint Agreements to Improve Major Subdivisions for the Ocean Breeze Development Tract Map No. 5615-2 (Division 1)

11. ACTION ITEMS

- A. Consider Award of a Construction Contract to LC Paving and Sealing, Inc. in the Amount of \$345,366 for Paving Restoration Associated with the La Canada Pipeline Replacement Project (Division 3)
- B. Consider Approval of the Districts 5-Year Capital Improvement Project (CIP) Water & Wastewater Plan
- C. Consider Adoption of an Ordinance Authorizing Amendment to the Administrative Code Chapter 5.09 – District Vehicle Policies
- D. Consider Appointment of Two Bonsall Unified School District - Rainbow Municipal Water District Joint Powers Financing Authority (JPA) Representatives and an Alternate Director, and Adoption of an Ordinance Authorizing Amendment to Section 2.03.010 – Compensation
- E. Consider Adoption of a Resolution Authorizing a Memorandum of Understanding and Joint Community Facilities Agreement Related to a Proposed Community Facilities District to be Established by the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority for the Neighborhoods Verdeaux at The Havens, LLC

12. INFORMATION ITEMS

- A. Operations Report
- B. Engineering Report
- C. Administrative Services Report
- D. Finance Report

13. REPORTS & COMMENTS

This is placed on the agenda to enable individual Board members, Legal Counsel, and the General Manager to convey information to the Board and the public. There is to be no discussion or action taken by the Board of Directors.

- A. General Manager's Report
- B. Legal Counsel's Report
- C. Board Member Comments

- D. Board Reports
 - 1. CSDA
 - 2. LAFCO
 - 3. Eastern MWD
 - 4. ACWA
 - 5. Committees, Workshops, Seminars, Training

14. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

15. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

16. CLOSED SESSION

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Section 54956.8)
Property: Water Purchase, Agency Negotiator Jake Wiley, Negotiating Partners: Eastern MWD/SDCWA, Under Negotiation: Agreement Terms
- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Section 54956.8)
Property: Water Purchase, Agency Negotiator Jake Wiley, Negotiating Partners: Silvertip, Under Negotiation: Agreement Terms
- C. CONFERENCE WITH LABOR NEGOTIATORS - Government Code §54957.6 and §54957 Agency Designated Representatives Jake Wiley and Karleen Harp; labor negotiations for: Rainbow Employee Association, & Rainbow Association of Supervisor and Confidential Employees

17. ADJOURNMENT - To May 26, 2026 at 1:00 p.m.

ATTEST TO POSTING:

/s/Terese Quintanar
Terese Quintanar
Secretary of the Board

4/23/2026 11:11 AM
Date and Time of Posting
Outside Display Cases

Rainbow Municipal Water District (RMWD) provides remote attendance options solely as a matter of convenience to the public. RMWD will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the Zoom or call-in line listed on the agenda. We encourage members of the public to attend meetings in person at 3707 Old Highway 395, Fallbrook, CA 92028, or remotely utilizing the options below:

For Online Participation:

Go to: <https://rainbowmwd.zoom.us/j/85664315900>

If members of the public attending virtually would like to ask a question or make a comment on any item listed on this agenda, please utilize the "Raise Hand" button, located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.

For Call-in Only:

Call: (669) 900-6833, or (669) 444-9171, or
(309) 205-3325, or (312) 626-6799, or
(564) 217-2000, or (689) 278-1000
Meeting ID: 856 6431 5900

*Those who have joined by dialing a number on their telephone can dial *9 to alert us of a request to speak and *6 to unmute, once called upon by the presiding officer.*

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the District's Administrative offices not less than 72 hours prior to the meeting date and time above. Meetings are regularly held at 1:00 p.m. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of all, of the members of the District's Board, are available for public inspection in the office of the District Secretary, 3707 Old Highway 395, Fallbrook, CA 92028

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



BOARD ACTION

Item No. 7.A

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

EMPLOYEE RECOGNITION – JUSTIN DEMARY- 20 YEARS

DESCRIPTION

20 YEARS OF SERVICE AWARD: JUSTIN DEMARY

Mr. Demary, who has now been with the District for over twenty years, brings a wealth of knowledge and experience to the construction crew. He is one of the District's most skilled and experienced heavy equipment operators. Over the past year, Mr. Demary has taken on the additional responsibility of serving as the REA Union President and is currently leading the organization through negotiations.

His foresight, leadership, and depth of experience have proven invaluable in mentoring new team members on the construction crew and supporting the continued development of the workforce

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

PUBLIC HEARING REGARDING VACANCY RATES IN EACH BARGAINING UNIT IN ACCORDANCE WITH AB2561 AND ANNUAL STAFFING ANALYSIS

BACKGROUND

Assembly Bill 2561 (AB 2561), which amended the Meyers-Milias-Brown Act (MMBA), California Government Code Section 3500 et seq., requires public agencies to hold an annual vacancy hearing to present staffing levels, vacancy rates, and related trends before approving the next budget. The goal of the hearing is to provide transparency and accountability regarding staffing practices, and it requires recognized employee organizations to have an opportunity to present. All three bargaining units were invited to present, but none accepted.

The vacancy hearing will be used to report on the District's vacancy rate as of December 31, 2026, along with related staffing analyses and projections for fiscal years 2027 and 2028.

DESCRIPTION

The purpose of the public hearing is to review the District's vacancy rates and annual staffing analysis, which includes an overview of current staffing levels, generational demographics, turnover trends, overtime analysis, and succession planning efforts. Additionally, the hearing will present the proposed staffing changes for fiscal years 2027 and 2028.

The District's vacancy rates as of December 31, 2024, were as follows:

- **District-wide vacancy rate: 0%**
- **Rainbow Employees Association (REA): 0%**
- **Rainbow Association of Supervisors and Confidential Employees (RASCE): 0%**
- **Exempt: 0%**

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Asset Management
Strategic Focus Area Three: Workforce Development
Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Option 1: Receive and file the Vacancy and Staffing Analysis, and approve the recommended staffing changes. The recommended staffing changes would have the following fiscal impact:

POSITION (Operating/CIP split)	NEW FTE	Fiscal 2027 Budget			Fiscal 2028 Budget		
		Operating	CIP	Total	Operating	CIP	Total
Engineer (60/40)	1	154,713	103,142	\$257,855	159,315	106,210	\$265,525
APWA Intern (70/30)	.2	6,901	2,958	\$9,859	7,519	3,222	\$10,741
Utility Worker – CIP (50/50)	1	77,956	77,956	\$155,912	84,884	84,884	\$169,768
Crew Lead – CIP (50/50) (promotion)	-				7,512	7,512	\$15,024
Utility Worker – CIP (50/50)	2				171,231	171,231	\$342,462
Subtotal to stand-up In-House CIP Program	4.2	239,570	184,056	\$423,626	430,461	373,059	\$803,520
IT Labor for ERP (0/100) (1 ee, PT to FT)	.5		80,432	80,432		85,800	\$85,800
Finance Temp for ERP (18-22 months, part-time)	.5		51,404	51,404		47,409	\$47,409
Subtotal for ERP Project	1.5		131,836	\$131,836		133,209	\$133,209
IT Applications Analyst (promotion)	-	14,757		\$14,757	16,416		\$16,416
TOTAL	8.4	254,327	315,892	\$570,219	446,877	498,756	\$945,633

Option 2: Receive and file the Vacancy and Staffing Analysis without approving the recommended staffing changes.

STAFF RECOMMENDATION

Staff recommends **Option 1:** Receive and file the Vacancy and Staffing Analysis, and approve the recommended staffing changes. This option aligns with the District's strategic objectives for asset management, infrastructure replacement, fiscal responsibility, and workforce development.



Karleen Harp
Administrative Services Manager

April 28, 2026

BOARD PRESENTATION

Item No.9.A

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

LA CANADA PIPELINE REPLACEMENT PROJECT UPDATE

BACKGROUND

Staff will provide an update on this project at the meeting.

**MINUTES OF THE SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MARCH 24, 2026**

1. **CALL TO ORDER** - The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on March 24, 2026, was called to order by President Hamilton at 12:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028.

2. **ROLL CALL:**

Present: Directors Hamilton, Mack, Townsend-Smith, Irvine, Hoffman

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Manager Khattab, Information Technology Specialist Espino, District Secretary Quintanar, Administrative Analyst Weber, Chief Operations Manager Gutierrez, Finance Manager Shilkov, Engineering & CIP Manager Williams, Sr. Project Manager Tamimi, Electrical/Instrumentation Technician Gassman, Billing Specialist Kilmer, Meters & Customer Service Supervisor Cruz, Human Resources Specialist Ramirez, SCADA Technician Buntin

**Also Present in Person,
Via Teleconference or**

Video Conference: Administrative Analysts Barrow and Montano, Dan Schitea, Hunter Jones, Hazen & Sawyer consultants, and members of the public

3. **PLEDGE OF ALLEGIANCE**

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

Item No. 7 was moved up to be addressed as Item No. 6.

5. **APPROVAL OF THE AGENDA**

Motion: To approve the Agenda as amended.

Action: Approve, Moved by Director Irvine, Seconded by Director Mack

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

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

6. **CLOSED SESSION**

The Board and appropriate staff adjourned to closed session at 12:05 p.m. to discuss:

- A. THREAT TO PUBLIC SERVICES OR FACILITIES (Government Code §54957(a) – Consultation with Legal Counsel
- B. CONFERENCE WITH LABOR NEGOTIATORS - Government Code §§ 54957.6 and 54957 Agency Designated Representatives Jake Wiley and Karleen Harp; labor negotiations for: Rainbow Employee Association, & Rainbow Association of Supervisor and Confidential Employees
- C. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Anticipated Initiation of Litigation Pursuant to Government Code section 54956.9(d)(4)

The Board reconvened to open session at 1:04 p.m. Legal Counsel Smith reported that there was no reportable action taken.

7. PUBLIC COMMENT

None.

8. EMPLOYEE RECOGNITIONS

Information Technology Specialist Espino was presented with the Excellence Five-Coin Recipient Award, which is a very special recognition of employees who have earned all five of Rainbow Municipal Water District's Core Value Coin Awards: Teamwork, Professionalism, Responsibility, Innovation, and Integrity. General Manager Wiley recognized Mr. Espino for his ongoing dedication, relayed his appreciation, and presented a plaque.

9. CONSENT CALENDAR

A. APPROVAL OF:

1. February 10, 2026, Budget and Finance Committee Meeting Minutes
2. February 24, 2026, Regular Board Meeting Minutes
3. March 10, 2026, Budget and Finance Committee Meeting Minutes
4. March 18, 2026, Special Board Meeting Minutes
5. Notice of Completion and Acceptance of Minor Facilities Constructed by Customers (Division 5) Accept the Appurtenances Constructed as complete and as shown on the District's Standard Drawings.
6. Construction Agreements Between the District and TH Ocean Breeze Ranch LLC (Division 1)
7. Contract with Flume, Inc., for Participation in the Flume Device Customer Water Consumption Monitoring Program

Motion: To approve the Consent Calendar as presented, including minutes of February 10, February 24, March 10, and March 18, 2026, a Notice of Completion and acceptance of minor facilities, construction agreements with TH Ocean Breeze Ranch LLC, and a contract with Flume Inc.

Action: Approve, Moved by Director Irvine, Seconded by Director Mack

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

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

10. ACTION ITEMS

A. Review and Consider FY 2026/27 Water Sales Projections

General Manager Wiley explained the importance of an established sales projection as part of the budgeting process for the next fiscal year, and the considerations involved. Finance Manager Shilkov added explanation as to how the 10,750 AF projection was determined. Short discussion ensued.

Motion: To approve 10,750 AF as the water sales projection for FY 26/27 for incorporation by staff into the District's Operating Budget.

Action: Approve, Moved by Director Mack, Seconded by Director Townsend-Smith

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

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- B. Review and Consider Approval of a Professional Services Agreement with Silversky Inc. for Cybersecurity Risk Assessment, Controls Review, Policy Development, and Incident Response Exercises

Information Technology Manager Khattab reported that as part of the Cybersecurity Grant, an assessment of District policies and cyber hygiene is needed. SilverSky’s proposal was the most cost-effective and strategically aligned of the three proposals received. He explained the scope and costs of the proposed agreement for services, to be funded by the State and Local Cybersecurity Program (SLCGP) grant, which was awarded to the District last Fall.

Motion: To Authorize the General Manager to execute a professional services agreement with SilverSky Inc. in the amount of \$53,957.98, with reimbursement anticipated through the State and Local Cybersecurity Grant Program

Action: Approve, Moved by Director Townsend-Smith, Seconded by Director Hamilton

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

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

- C. Consider Approval of Additional Funding and Award of a Construction Contract to Vadnais Microtunneling for the Line NN Emergency Replacement Project (Division 1)

Engineering and CIP Project Manager Williams provided information regarding Vadnais Construction’s bid, totaling \$4,111,545. He explained efforts to reduce costs and expedite the work. The construction bid totaled \$4,111,545. With contingencies and prior authorized costs, the total project cost is estimated at \$4,970,525. Staff and Hazen & Sawyer representatives explained adjustments to the pipe alignment plan. An amendment to the CalTRANS permit is needed, but time will be saved on dewatering, excavation, and shoring. Brief discussion ensued.

Motion: To Authorize an increase in expenditures for the Line NN Emergency Pipeline Replacement Project in the amount of \$1,477,280 to a total authorized expenditure of \$4,970,525 and authorize the General Manager to execute a construction agreement with Vadnais Microtunneling.

Action: Approve, Moved by Director Irvine, Seconded by Director Hamilton

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

Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

11. INFORMATION ITEMS

The staff provided an update on the progress of the La Canada Pipeline Replacement Project. There were no additional questions regarding the information provided in the meeting packet.

12. REPORTS & COMMENTS

Mr. Wiley reported about Metropolitan Water District (MWD) budget planning and rate setting efforts. There may be significant rate increases in the future, and discussions continue regarding options to adjust fixed charges and peaking capacity charges. Their Ad Valorem Tax may be increased once again to recoup State Water Project costs. Adoption of rates and water supply projects may be considered at MWD’s workshop in April.

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State Water Project water supply is slightly below the normal snowpack. However, all of the reservoirs are full and MWD has ample storage. The Colorado River storage is at about 60 percent, and levels at Mead and Powell are low.

Development activity includes approximately 500 new homes in our District, which will affect Rainbow's Wastewater and CIP budget. Staff will present additional information regarding CIP budget projections in April.

A Community Funded Project appropriations request was submitted, as a result of the combined efforts enabled through the Mutual Services Agreement. Staff is hoping for funding for pipeline replacements and rehabilitation of the District's sewer system. Each of the four agencies presented projects in need of funding.

Legal Counsel Smith reported on a decision of the Second District Court of Appeal creating a split in law regarding Proposition 218's cost-justification requirements for water rates. The Second District Court of Appeal holds a more practical view with respect to the setting of water rates, allowing for consideration of water conservation goals in setting water rates and breakpoints, with a more reasonable cost of service analysis that does not require water agencies to determine the exact cost of service for each individual parcel. ACWA is sponsoring AB2180 in the effort to codify this ruling.

President Hamilton recommended that Standing Committee Members notify their alternate with as much advanced notice possible when absence is foreseen. The preference is at least twenty-four hours in advance of the meeting date. He continued that staff should be notified of the anticipated absence well in advance, in order to attempt to secure a quorum. Director Irvine relayed his support of increased communication.

Director Mack informed staff of a repair that may be needed near the Rice Canyon intersection, and reported on the Lower Colorado River tour that he attended earlier this month, provided by the Water Education Foundation (WEF).

President Hamilton reported on his completion of SB827 financial training and encouraged others to do the same.

13. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were none.

14. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

An alternative energy presentation will be provided in April by Opterra, as well as committee policy, a draft CIP budget, and a pipeline repair update.

15. ADJOURNMENT - The meeting was adjourned at 2:08 p.m., to a regular meeting on April 28, 2026, at 1:00 p.m.

Hayden Hamilton, Board President

Terese Quintanar, District Secretary

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 7, 2026**

1. **CALL TO ORDER** – The Regular Engineering and Operations Committee (E&OC) Meeting was held in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028, with remote public participation information listed on the Agenda. The meeting was called to order at 1:00 p.m.

Directors Present: Hoffman, Irvine

Staff Present: General Manager Wiley, Information Technology Manager Khattab, Engineering and CIP Manager Williams, Chief Operations Officer Gutierrez, Safety and Risk Management Officer Johnson, District Secretary Quintanar, Administrative Analyst Montano, Administrative Analyst Barrow, Sr. Project Manager Tamimi, Administrative Services Manager Harp, Deputy Operations Manager Coffey, Finance Manager Shilkov, Construction/Maintenance Supervisor Nunez

Additional Attendees: Ryan Booth, Julie Johnson, Rodney Smith, public

2. **PUBLIC COMMENT**

Julie Johnson relayed her appreciation for the professional meeting packet materials. Ryan Booth, a customer residing on Camino Del Rey, addressed the committee regarding the Eagles Perch project. He commented that the project is long-awaited and has his full support, along with that of his neighbors, and offered to assist with communication and coordination efforts to obtain easements needed for the project.

3. **DISCUSSION ITEMS**

- A. Eagles Perch Project Update**

Engineering and CIP Manager Williams explained that the District is working with land surveyor and a firm specializing in right-of-way acquisition. Neighbors will be very helpful in acquiring easements from landowners. A fire hydrant will be added in the area and remove all the public pipelines from private property. General Manager Wiley reported that all the lines are being relocated into existing roadways. The design work is complete, meters are relocated, and the acquisition of easements is the next step. Existing roads will also be repaired. This is our priority, and is a \$2M pipeline replacement project. Because easement acquisition will take some time, a trial run will be performed by installing active leak detection monitors on valve cans. Mr. Booth mentioned that a survey had been completed and survey points have been filed with the County of San Diego. He again offered to assist with communication with neighboring residents.

- B. La Canada Pipeline Replacement Project Update**

Construction/Maintenance Supervisor Nunez reported that the pipeline has experienced several breaks in recent years. He shared photos documenting ongoing efforts to replace

approximately 3,800 linear feet of 8-inch waterline, parallel to the existing line. Multiple crew members and various pieces of equipment are currently engaged in the project.

The work is taking place along La Canada Road between Hillrise and Via Monserate, with the primary goal of upgrading infrastructure to improve system reliability and maintain water quality in the area. The existing pipeline is being abandoned in place, and no nighttime construction activities are occurring. Staff has maintained consistent communication with local residents throughout the project.

To date, staff has been working for 69 days and have made significant progress. Upon completion of the project, an outside contractor will repave the street.

C. Review of the Draft 2026 Sewer System Management Plan (SSMP)

General Manager Wiley explained that the draft update is a regulatory requirement and includes substantial revisions. The Plan, which is updated every six years, outlines the sewer system, including spill response protocols, system capacity, and overall condition, and was completed in-house by staff.

He commended the Rainbow team for their diligence and exceptional effort in preparing the document. The Board is expected to consider adopting the Plan later this month to meet the May submittal deadline.

D. Review of the District’s 5-Year Capital Improvement Plan (CIP) for Water & Wastewater

Staff explained that each year, the five-year project list is reviewed and reprioritized as part of the budget planning process. The vast majority of the \$40M in planned projects are rehabilitation and pipeline and valve replacements. Engineering and CIP Manager Williams provided details, such as priority, funding methods, timing, regulations, and challenges, and staff answered questions about each of the proposed water and wastewater projects. Some projects, specifically the Rainbow Glen and Integrity Court pipeline replacements and the isolation valve replacements will be completed in-house. Ms. Johnson relayed her support of the priority of the projects.

E. Administrative Code Updates to Chapter 5.09 – District Vehicle Policies

Safety and Risk Management Officer Johnson explained that the Chapter 5.09 of the Administrative Code, addressing use of vehicles, needed to be updated and consolidated. The proposed policy amendments consolidate existing provisions into broader policy sections that address vehicle use, assignments, responsibilities, and reporting requirements in a more streamlined format. Detailed operational requirements, such as inspection procedures, driver compliance monitoring, and reporting protocols, will be maintained in the District Vehicle Use Policy Appendix “C” of the employee handbook, which can be updated administratively by the General Manager as operational needs evolve.

4. ADJOURN - The meeting was adjourned at 2:26 p.m.

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 14, 2026**

1. **CALL TO ORDER** – The Regular Budget and Finance Committee (B&F) Meeting was held in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028, with remote public participation information listed on the Agenda. The meeting was called to order at 1:00 p.m.

Directors Present: Hoffman, Hamilton

Staff Present: Information Technology Manager Khattab, Finance Manager Shilkov, Safety and Risk Management Officer Johnson, District Secretary Quintanar, Administrative Services Manager Harp, Administrative Analyst Montano, Chief Operations Manager Gutierrez, Administrative Analyst Weber

Additional Attendees: Rick Carey

2. **PUBLIC COMMENT**

None.

3. **DISCUSSION ITEMS**

- A. Review Draft Fiscal Year 2026/27 and Fiscal Year 2027/28 Operating Budgets

General Manager Wiley proposed adopting a two-year budget, as MWD and many other agencies do. Finance Manager Shilkov began his review, reporting that sufficient data is available to support a two-year budget cycle. He provided a high-level overview, noting that major cost drivers include: a projected 9.5% increase in purchased water; three new capacity charges proposed by MWD; a 12% increase in CalPERS unfunded liability (UAL); a 3.5% CPI increase; a 17.5% increase in gasoline costs; a 6% increase in SDG&E power costs; and compliance costs related to environmental and state regulations.

Imported water accounts for 35% of Rainbow’s annual expenditure, and MWD’s proposed fixed charges are estimated at \$1,230,114 in FY 2027. Staff also explained debt obligations, including CalPERS liability actuarial calculations. Operations and maintenance expenditures, projected water sales, and revenue sources were reviewed.

Total Water Fund revenue is expected to be \$53,383,491 for FY 2027 and \$55,112,890 for FY 2028. Cash reserve balances are projected to fall below the 10% target but remain above the minimum threshold and are expected to gradually increase over the next several years. Director Hoffman suggested presenting this information to the public in bullet-point format. Staff will recommend a 5% increase in both variable and fixed rates in January 2027 and again in January 2028.

The City of Oceanside’s wastewater processing charges continue to increase, and staff are closely monitoring the current allocation process. Wastewater debt obligations over the next two years include the Thoroughbred Lift Station construction loan and the JW Fowler settlement.

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Wastewater expenditures are expected to decrease by 4% in FY 2027 due to the purchase of a CCTV camera, which will save approximately \$50,000 annually. Wastewater revenue is expected to meet projected expenses of \$12,285,315 in FY 2027 and \$13,531,647 in FY 2028, supported by 13% increases in fixed monthly charges approved for July 1, 2026, and July 1, 2027.

A Special Meeting will be held on May 12, 2026, to present this information to the Board.

- B. Consider Tyler Technologies as the District's Preferred Enterprise Resource Planning (ERP) Replacement Solution

Information Technology Manager Khattab explained that two software vendors offer solutions that meet the District's needs, with Tyler Technologies providing a more integrated, all-in-one platform. Mr. Khattab and Mr. Shilkov reviewed technical implementation details.

Tyler presents lower implementation risk and offers preferred AI capabilities. Vendor market stability was also reviewed. A cost comparison showed that Tyler's annual cost is lower than that of Sage, SUSI, and Lumin (Continental Utility Solutions, Inc.). The annual subscription cost for either vendor is also lower than the District's current system.

Implementation costs are estimated at \$455,811 for FY 2027 and \$227,906 for FY 2028. Tyler's implementation cost is \$124,000 higher than Sage; however, its annual recurring cost is lower by \$4,350. Additionally, implementing three separate products would significantly increase the burden on IT and Finance staff, resulting in greater internal time commitments and administrative complexity.

Total implementation costs will be amortized over five years, at approximately \$137,000 annually. The platform also offers future scalability should the District expand into additional functional areas, including human resources, permitting, customer-facing services, and payroll/timekeeping.

Given Tyler Technologies' integrated ERP platform, lower annual subscription costs, reduced administrative burden, and strong presence in the public sector, staff will recommend that the Board authorize utilization of Tyler as the District's ERP solution for Finance, Customer Service, and Work Order Management.

The estimated implementation timeline is eighteen months, and temporary staff will be required to support day-to-day operations during implementation.

- C. Monthly Finance Packet

There were no questions regarding the information included in the meeting packet.

4. ADJOURNMENT - The meeting was adjourned at 2:32 p.m.

CONSENT CALENDAR

Item No.10.A

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

NOTICE OF COMPLETION AND ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY CUSTOMERS (DISTRICTWIDE)

BACKGROUND

Customers are often required to construct improvements for Rainbow Municipal Water District (District) to develop a parcel of land within the District's boundaries. These requirements include extending a water main to serve a parcel, installing new water or sewer services, or installing a fire hydrant for fire protection. When constructing facilities to connect to an existing water main or sewer line, a customer must submit a water, sewer, or fire hydrant application, submit proposed plans for plan check services, pay all applicable fees (plan check, capacity fees, and inspection), and hire a contractor with a class "A" license to install the facilities according to the District's Standard Specifications. The customer then warrants the work free of defects for one-year following Board acceptance and filing of the Notice of Completion. The District becomes responsible for the daily operation and maintenance of the fire hydrant following the one-year warranty phase.

DESCRIPTION

The following facilities have been constructed per the District's Domestic Water, Recycled Water, and Sanitary Sewer Facilities Construction Standards Manual, and past all required testing and inspections.

Facilities constructed and ready for acceptance include the following:

- Installation of a 1-inch Water Service at 3208 Gird Rd Fallbrook, CA 92028 constructed by Draves Pipeline, Inc (Division 3)
- Installation of Sewer Service facilities at 3208 Gird Rd Fallbrook, CA 92028 constructed by Draves Pipeline, Inc (Division 3)
- Installation of a 3/4-inch Water Service at 2669 Daisy Ln Fallbrook, CA 92028 constructed by Moe Construction, Inc (Division 4)
- Installation of Sewer Service facilities at 2669 Daisy Ln Fallbrook, CA 92028 constructed by Moe Construction, Inc (Division 4)
- Installation of a 1-inch Water Service at 4373 S Mission Rd Fallbrook, CA 92028 constructed by Draves Pipeline, Inc (Division 2)

Following acceptance by the Board and filing of the Notice of Completion, a one-year warranty period commences where all required maintenance and upkeep of the facilities lie with the customer. Installation costs for the projects totaling \$132,455 will be added to the District's total valuation.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management.

ENVIRONMENTAL

In accordance with California Environmental Quality Act (CEQA) guidelines Section 15378, the action before the Board, filing a Notice of Completion and accepting the facilities, does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

The construction costs of the improvements totaling \$132,455 will be added to the District's asset valuation.

1) Option 1:

- Accept the Appurtenances Constructed as complete and as shown on the District's Standard Drawings.
- Approve filing the Notice of Completion.
- Add installation costs to the District's total valuation:
 - i. \$26,440 Installation of 1-inch Water Service at 3208 Gird Rd Fallbrook, CA 92028 constructed by Draves Pipeline, Inc.
 - ii. \$28,775 Installation of Sewer Service at 3208 Gird Rd Fallbrook, CA 92028 constructed by Draves Pipeline, Inc.
 - iii. \$24,320 Installation of 3/4-inch Water Service at 2669 Daisy Ln Fallbrook, CA 92028 constructed by Moe Construction, Inc.
 - iv. \$27,000 Installation of Sewer Service at 2669 Daisy Ln Fallbrook, CA 92028 constructed by Moe Construction, Inc.
 - v. \$25,920 Installation of 1-inch Water Service at 4373 S Mission Rd Fallbrook, CA 92028 constructed by Draves Pipeline, Inc (Division 2)
- Make a finding that the action herein does not constitute a "project" as defined by CEQA.

2) Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering & CIP Program Manager

04/28/2026

Attachment(s):

1. Project Site Map & NOC Gird Rd
2. Project Site Map & NOC Daisy Ln
3. Project Site Map & NOC Mission Rd

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

Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, California 92028

NO FEE REQUIRED PER GOVERNMENT CODE SECTION
§6103 DEED TRANSFER TAX: \$ 0
EXEMPT FROM DOCUMENTARY TRANSFER TAX PER REV. &
TAX CODE §11922
EXEMPT FROM RECORDING FEES PER GOVT. CODE §27383

Assessor Parcel No: 108-251-07-00

NOTICE OF COMPLETION

Notice is hereby given that:

Erik Hansen located at 3172 Toopal Dr Oceanside, CA 92058 ("Owner"), is the developer of the 3/4-inch water service and sewer service facilities at 2669 Daisy Ln, Fallbrook, CA; more particularly described as County of San Diego, California.

This Notice of Completion concerns the construction and acceptance of public water and sewer improvements ("Facilities") to serve said property. The Facilities are located at 2669 Daisy Ln, Fallbrook, CA 92028.

The contractor for construction of the Facilities was Carter Moe Construction, Inc. 404 Minnesota Ave #G, Bonsall, CA 92003 under contract with the Owner. Work was completed on April 9, 2026.

NOTICE OF ACCEPTANCE

The Rainbow Municipal Water District ("District"), located at 3707 Old Highway 395, Fallbrook, California 92028, accepted the Facilities by Board action on April 28, 2026. The District is the owner of the Improvements in fee and easement. The Facilities are located within public streets right of way and District easements.

VERIFICATION

I, the undersigned, state that I am the General Manager of the Rainbow Municipal Water District, the public agency accepting the Facilities referred to in the foregoing Notice of Completion; that I have executed such Notice of Completion on behalf of such public agency and likewise make this verification on behalf of said public agency; and that I have read said Notice of Completion and know the contents thereof and the facts therein stated are true of my own knowledge.

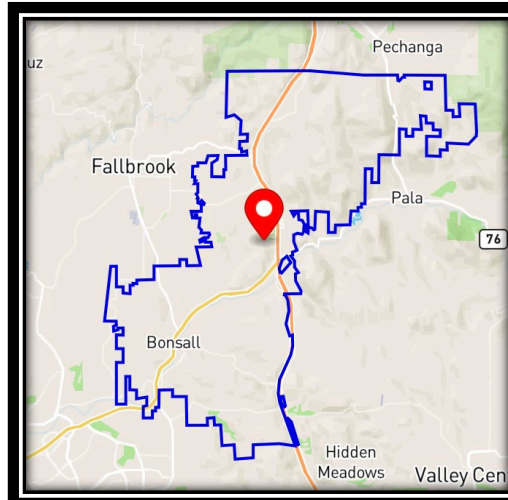
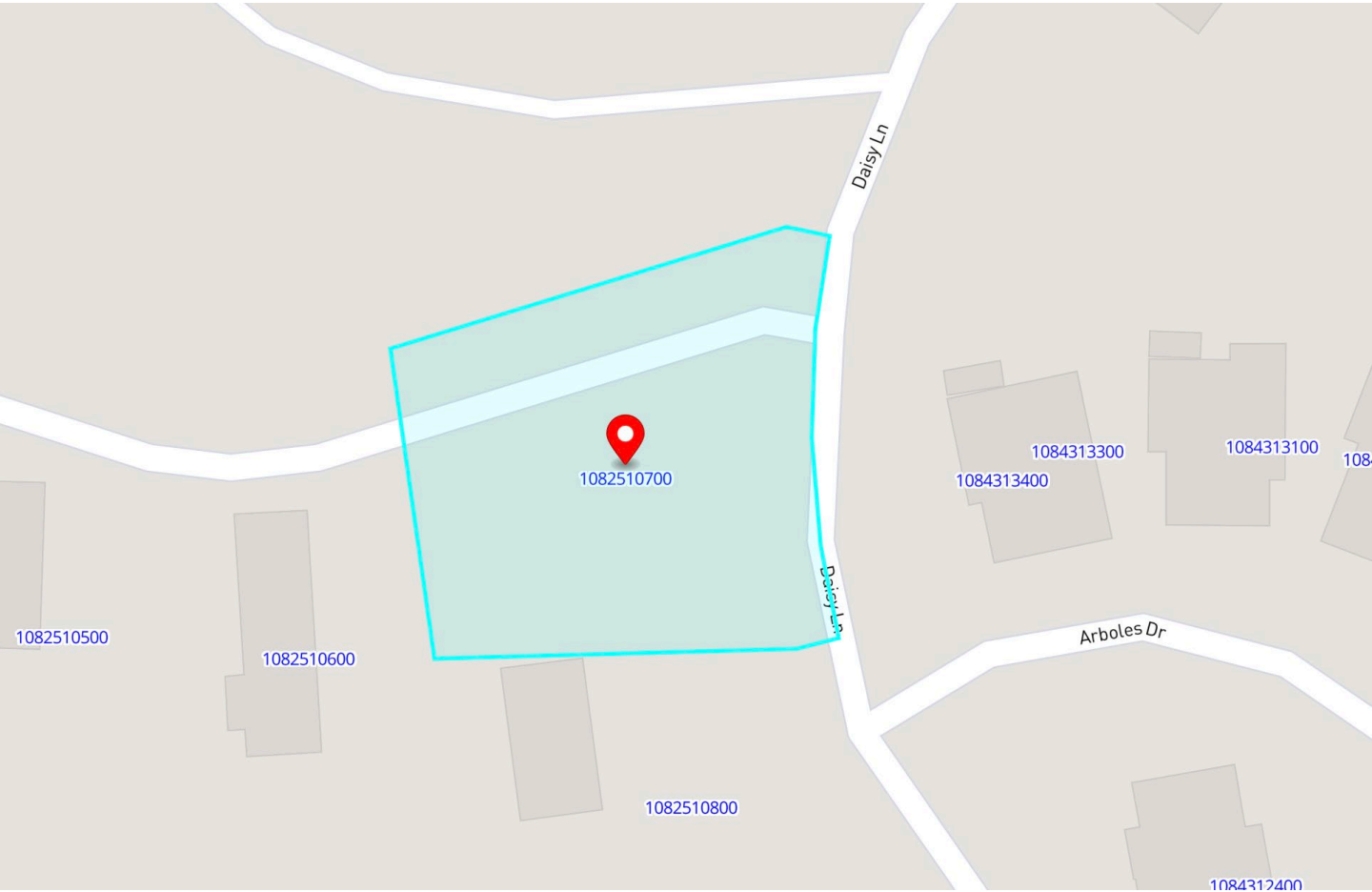
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

April 28, 2026, Fallbrook, CA
Date and Place

Jake Wiley, General Manager
Rainbow Municipal Water District



**3/4-INCH WATER SERVICE & SEWER SERVICES
AT 2669 DAISY LN
DISTRICT PROJECT NO. 700073**



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

Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, California 92028

NO FEE REQUIRED PER GOVERNMENT CODE SECTION
§6103 DEED TRANSFER TAX: \$ 0
EXEMPT FROM DOCUMENTARY TRANSFER TAX PER REV. &
TAX CODE §11922
EXEMPT FROM RECORDING FEES PER GOVT. CODE §27383

Assessor Parcel No: 124-190-10-00

NOTICE OF COMPLETION

Notice is hereby given that:

Wesley Hovanesian located at 2813 Alabama St La Crescenta, CA 91214 ("Owner"), is the developer of the 1-inch water service and sewer service facilities at 3208 Gird Rd, Fallbrook, CA; more particularly described as County of San Diego, California.

This Notice of Completion concerns the construction and acceptance of public water and sewer improvements ("Facilities") to serve said property. The Facilities are located at 3208 Gird Rd, Fallbrook, CA 92028.

The contractor for construction of the Facilities was Draves Pipeline, Inc. P.O. Box 1051, Bonsall, CA 92003 under contract with the Owner. Work was completed on March 20, 2026.

NOTICE OF ACCEPTANCE

The Rainbow Municipal Water District ("District"), located at 3707 Old Highway 395, Fallbrook, California 92028, accepted the Facilities by Board action on April 28, 2026. The District is the owner of the Improvements in fee and easement. The Facilities are located within public streets right of way and District easements.

VERIFICATION

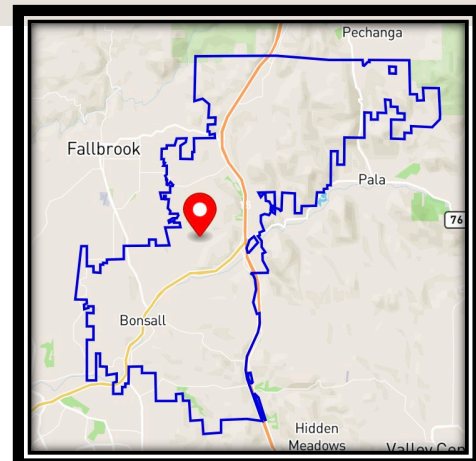
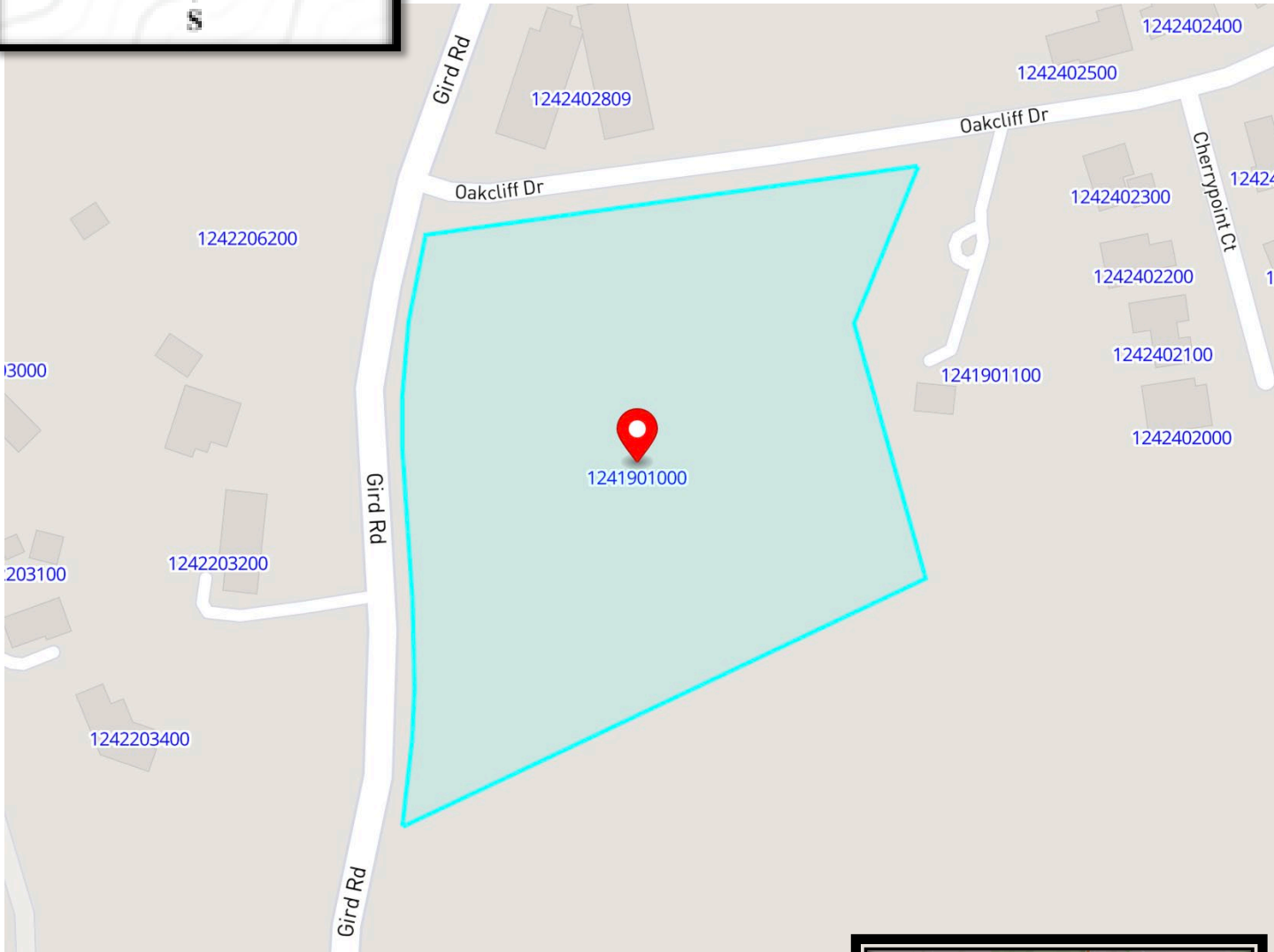
I, the undersigned, state that I am the General Manager of the Rainbow Municipal Water District, the public agency accepting the Facilities referred to in the foregoing Notice of Completion; that I have executed such Notice of Completion on behalf of such public agency and likewise make this verification on behalf of said public agency; and that I have read said Notice of Completion and know the contents thereof and the facts therein stated are true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

April 28, 2026, Fallbrook, CA
Date and Place

Jake Wiley, General Manager
Rainbow Municipal Water District

1-INCH WATER SERVICE & SEWER SERVICES AT 3208 GIRD RD DISTRICT PROJECT NO. 610159



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

Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, California 92028

NO FEE REQUIRED PER GOVERNMENT CODE SECTION
§6103 DEED TRANSFER TAX: \$ 0
EXEMPT FROM DOCUMENTARY TRANSFER TAX PER REV. &
TAX CODE §11922
EXEMPT FROM RECORDING FEES PER GOVT. CODE §27383

Assessor Parcel No: 123-330-20-00

NOTICE OF COMPLETION

Notice is hereby given that:

Sonya Agaezi located at 23811 Washington Ave Murrieta, CA 92562 ("Owner"), is the developer of the 1-inch water service facilities at 4373 S Mission Rd, Fallbrook, CA; more particularly described as County of San Diego, California.

This Notice of Completion concerns the construction and acceptance of public water and sewer improvements ("Facilities") to serve said property. The Facilities are located at 4373 S Mission Rd, Fallbrook, CA 92028.

The contractor for construction of the Facilities was 4S General Engineering, Inc. 37881 Spring Valley Rd, Temecula, CA 92592 under contract with the Owner. Work was completed on March 20, 2026.

NOTICE OF ACCEPTANCE

The Rainbow Municipal Water District ("District"), located at 3707 Old Highway 395, Fallbrook, California 92028, accepted the Facilities by Board action on April 28, 2026. The District is the owner of the Improvements in fee and easement. The Facilities are located within public streets right of way and District easements.

VERIFICATION

I, the undersigned, state that I am the General Manager of the Rainbow Municipal Water District, the public agency accepting the Facilities referred to in the foregoing Notice of Completion; that I have executed such Notice of Completion on behalf of such public agency and likewise make this verification on behalf of said public agency; and that I have read said Notice of Completion and know the contents thereof and the facts therein stated are true of my own knowledge.

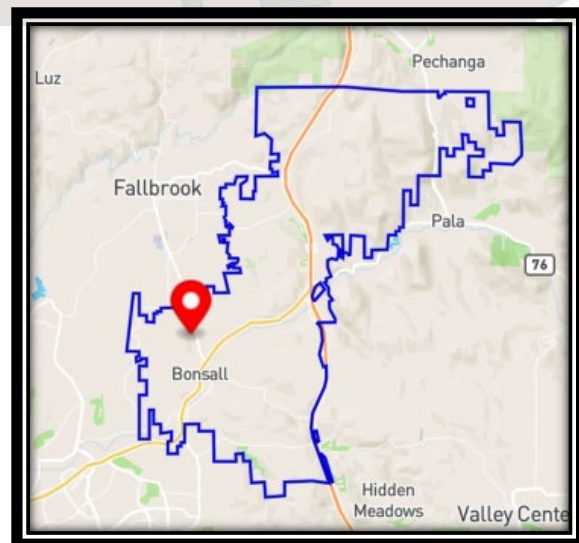
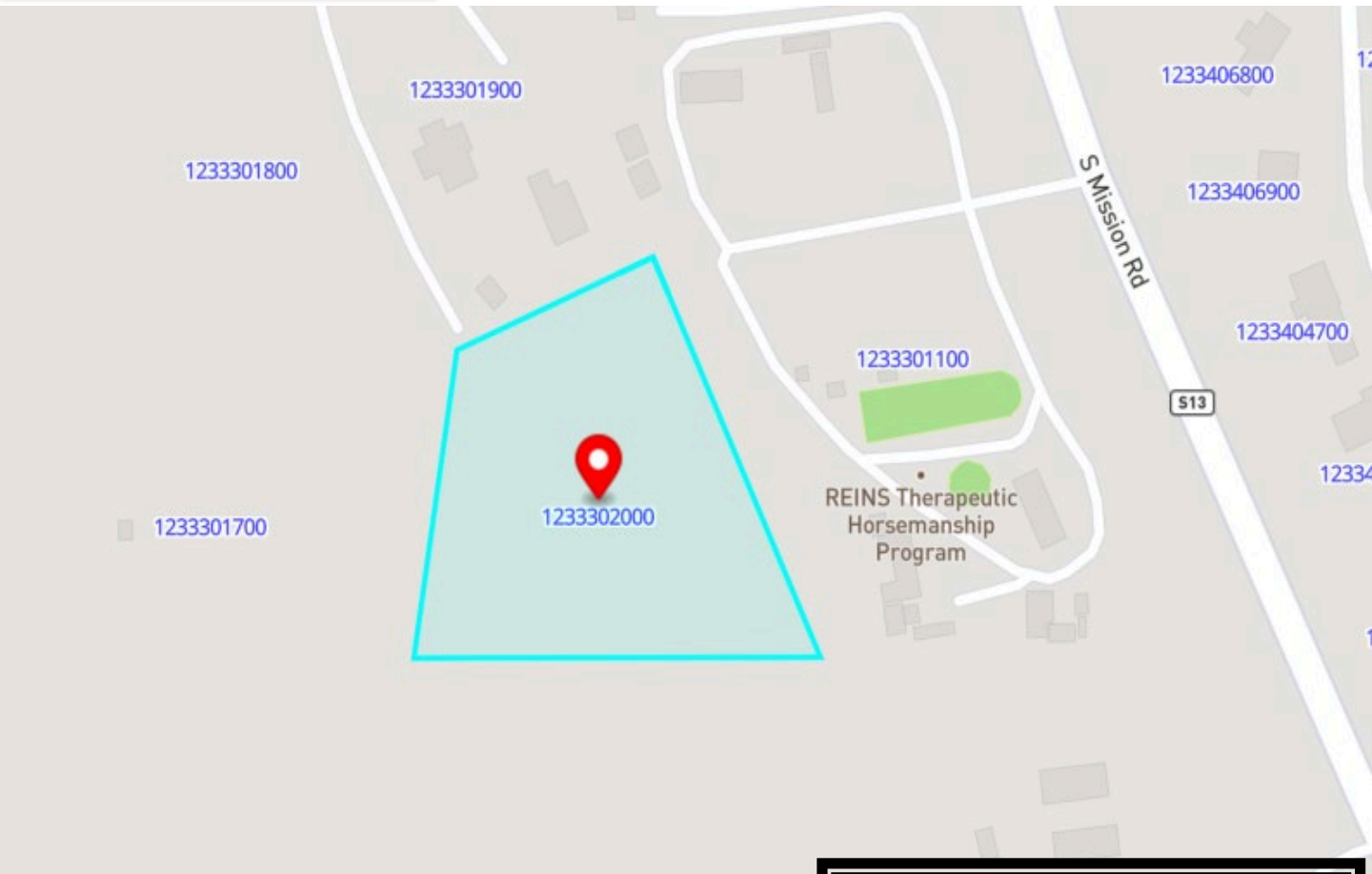
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

April 28, 2026, Fallbrook, CA
Date and Place

Jake Wiley, General Manager
Rainbow Municipal Water District



1-INCH WATER SERVICE AT 4373 S. MISSION RD DISTRICT PROJECT NO. 610154



CONSENT CALENDAR

Item No.10.A.5

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

APPROVAL OF THE DRAFT 2026 SEWER SYSTEM MANAGEMENT PLAN (SSMP)

BACKGROUND

Rainbow Municipal Water District (RMWD/District) owns and operates a wastewater collection system that includes 87 miles of gravity wastewater lines, three miles of force main, 1,882 manholes, and eight lift stations. A four-person crew maintains and operates this system 24 hours a day, 365 days a year. In 2006, the State Water Resources Control Board (SWRCB) enacted Order #2006-0003, Statewide General Waste Discharge Requirement for Sanitary Sewer Systems (WDR). The Order requires all sanitary sewer systems in the State of California to have an SSMP, including measures to control and mitigate sewer spills. Every three (3) years, RMWD must complete an internal audit of the SSMP, and every six (6) years complete an update of the plan, which must be evaluated and approved by the Board.

The Sewer System Management Plan (SSMP) is a document that describes the activities RMWD uses to manage wastewater systems and prevent and minimize wastewater spills. The SSMP also contains provisions for preventing illicit discharges into the sanitary sewer system, requiring sewers and connections to be properly designed and constructed, establishing practices to control discharges of fats, oils, grease, and other debris that may cause blockages, and providing mechanisms to enforce violations of the RMWD wastewater ordinances. The SSMP guides District staff in maintaining wastewater system infrastructure to provide a reliable service. The plan also includes cost-effective methods to minimize infiltration and intrusion of groundwater and rainwater, ensuring adequate sewer capacity to accommodate future design flows and reducing treatment costs.

There are 11 different elements to the plan. Those elements include:

- Introduction
- Organization
- Legal authority
- Operations and maintenance program
- Design and performance provisions
- Spill Emergency Response Plan
- Sewer pipe blockage control program
- System evaluation, capacity assurance & capital improvements
- Monitoring, Measurement and program modifications
- Internal Audits
- Communication program
- Appendix A: Completed SSMP Audit
- Appendix B: Available inventory equipment
- Appendix C: Available parts inventory
- Appendix D: Water quality monitoring plan
- Appendix E: Repair list for lines within 200' of surface waters
- Appendix F: Resiliency Adaptation Plan

DESCRIPTION

Pursuant to the State Water Resources Control Board General Waste Discharge Requirements, RMWD updates its SSMP every six (6) years to ensure continued compliance with WDRs and to ensure its effectiveness in addressing sewer spills. This version updates our list of phone numbers, our organizational chart, equipment list, and names our legally responsible officer.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management - This update ensures that District staff have the appropriate tools and equipment to aid in responding to sewer emergencies. It also ensures that the assets used to convey sewer flow to a treatment facility are well maintained.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

There are no direct fiscal impacts related to the approval of the SSMP. The equipment and staffing listed in the plan are funded through our current budget.

1. Approve the SSMP as submitted
2. Provide input to staff and have the SSMP brought back at the next Board meeting

STAFF RECOMMENDATION

Staff Recommends Option 1



Robert Gutierrez, Operations
Manager

4/28/2026

SEWER SYSTEM MANAGEMENT PLAN

6-YEAR UPDATE

REGION 9
SAN DIEGO COUNTY



RAINBOWMWD.CA.GOV

May 1, 2026
WDID# SSO106887



TABLE OF CONTENTS

List of Frequent Acronyms	ii
Distribution List	iii
Element I: Introduction - Regulatory Context	2 
Elements II: Organization	7
Elements III: Legal Authority	13
Elements IV: Operations and Maintenance Program	15
Elements V: Design and Performance Provisions	37
Elements VI: Spill Emergency Response Plan	39
Elements VII: Sewer Pipe Blockage Control Program	50
Elements VII: System Evaluation, Capacity Assurance & Capital Improvements	53
Elements IX: Monitoring, Measurement and Program Modifications	55
Elements X: Internal Audits	58
Elements XI: Communication Program	60
Appendix A: Completed SSMP Audit	62
Appendix B: Available Inventory Equipment	62
Appendix C: Available Parts Inventory	63
Appendix D: Water Quality Monitoring Plan	70
Appendix E: Repair List for Lines within 200' of Surface Waters	72
Appendix F: Resiliency Adaptation Plan	74

LIST OF TABLES

Table 1: Legal Authority	13
Table 2: Characteristics of District Lift Stations	16
Table 3: Lift Station Maintenance	26
Table 4: Lift Station Cleaning Schedule	30
Table 5: High Frequency Areas	31
Table 6: Capital Projects Budget	33
Table 7: Regulatory Agency Notification Requirements	48 
Table 8: Wastewater Division Equipment	62
Table 9: Available Parts Inventory	63

LIST OF FREQUENT ACRONYMS

Cal EMA	California Emergency Management Agency
CI	Cast Iron
CCW	Counterclockwise
CIP	Capital Improvement Project
CIWQS	California Integrated Water Quality System
CW	Clockwise
DEH	Department of Environmental Health
District	Rainbow Municipal Water District
EDU	Equivalent Dwelling Unit
FOG	Fat, Oils & Grease
GCDI	Grease Control Device Inspection
GPD	Gallons Per Day
HDPE	High-Density Polyethylene
HP	Horsepower
HZ	Hertz
I&I	Inflow and Infiltration
LRO	Legally Responsible Officer
MRP	Monitoring Reporting Plan
NPDES	National Pollutant Discharge Elimination System
O&M	Operations & Maintenance
PM	Preventive Maintenance
POTW	Publicly Owned Treatment Works
RCT	Regulatory Compliance Technician
SCADA	Supervisory Control & Data Acquisition
SDRWQCB	San Diego Regional Water Quality Control Board
SSMP	Sanitary Sewer Maintenance Plan
SWRCB	State Water Resources Control Board
TDH	Total Dynamic Head
WERP	Wastewater Emergency Response Plan

DISTRIBUTION LIST

NAME	TITLE
Board Members (5)	Board
Jake Wiley	General Manager
Robert Gutierrez	Chief Operating Officer
Chad Williams	Engineering and CIP Program Manager
Ramon Zuniga	Wastewater Superintendent
Wastewater (1)	Staff

ELEMENT I

INTRODUCTION



ELEMENT I: INTRODUCTION

REGULATORY CONTEXT

State Water Resources Control Board Requirement

On May 2, 2006, the State Water Resources Control Board (SWRCB) enacted Order No. 2006-003 entitled, "Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (WDR). The WDR requires any public agency that owns or operates a sanitary sewer system more than one mile in length that conveys treated or partially treated wastewater to a Publicly Owned Treatment Works (POTW) in the State of California to comply with the requirements of the WDR to reduce the number of Sewer System Overflows (SSOs). General order WQ 2022-0103-DWQ adopted on June 5, 2023 supersedes any previous orders.

The public agency must develop goals to properly manage, operate, and maintain all parts of its wastewater collection system in order to reduce and prevent SSOs and mitigate any that occur.

The District has already implemented measures to reduce SSOs and utilizes the statewide electronic reporting system, "California Integrated Water Quality System" (CIWQS) for SSOs.

The District submitted a "Notice of Intent" for coverage under the WDR and has developed a Sewer System Management Plan (SSMP) per these requirements. The SSMP identifies how the District complies with or implements the eleven mandatory elements in the WDR that will reduce SSOs. The required elements are as follows:

- Goals
- Organization
- Legal Authority
- Operation and Maintenance Program
- Design and Performance Provisions
- Spill Emergency Response Plan
- Sewer Pipe Blockage Control Program
- System Evaluation and Capacity Assurance and Capital Improvements
- Monitoring, Measurement, and Program Modifications
- SSMP Program Audits
- Communication Program

Update Schedule

TYPE	DEADLINE	ACTUAL DATE OF UPDATE	SECTIONS REVISED	SIGNATURE
Update schedule	May 2, 2026	July 02, 2025	Schedule	RGZ
Organization	May 2, 2026	July 24, 2025	Title Changes	RGZ, CH
Legal Authority	May 2, 2026	July 24, 2025	(2) - added enforcement sections	RZ
Operations & Maintenance update	May 2, 2026	July 22,23, 24,30 2025	New lift station add-on/equipment update, Table #3 & Table #4, Table # 7Lift station updates characteristics, Table #8 /cleaning schedule, Training, Contingency equip. & parts (5-year CIP Plan).	RGZ, AK, EL, CH, RL
Overflow Emergency Plan Revised.	May 2, 2026	July 31,2025	Revised title changes from overflow response plan to - Spill Emergency Response Plan	RGZ, RL, CH
Section VII Fog Control Program	May 2, 2026	August 01,2025	Title change - Sewer Pipe Blockage Control Program	RGZ, CH
SSMP Program internal audit review	May 2, 2026	Reviewed & updated	Total pages: 92 pages	RZ
Admin	May 2, 2026	Forwarded	Formatting	AW
Audit Review - LRO	May 2, 2028	Forwarded	3-year internal Audit - Upload into CIWQS	LRO

Rainbow Municipal Water District

The Rainbow Municipal Water District (District) is a local governmental agency providing water and wastewater services to an unincorporated area of northern inland San Diego County in California. The District serves the unincorporated communities of Rainbow, Bonsall, and a portion of Fallbrook, covering approximately 49,800 acres. The District straddles, in part, Interstate 15 and the San Luis Rey River. Much of the area remains in its natural state of chaparral, oak, and coastal sage vegetation, characteristic of Mediterranean west coast climatic regions. Temperatures vary from a low daytime temperature of 69 degrees in the winter to a high mean daytime temperature of 86 degrees in the summer.

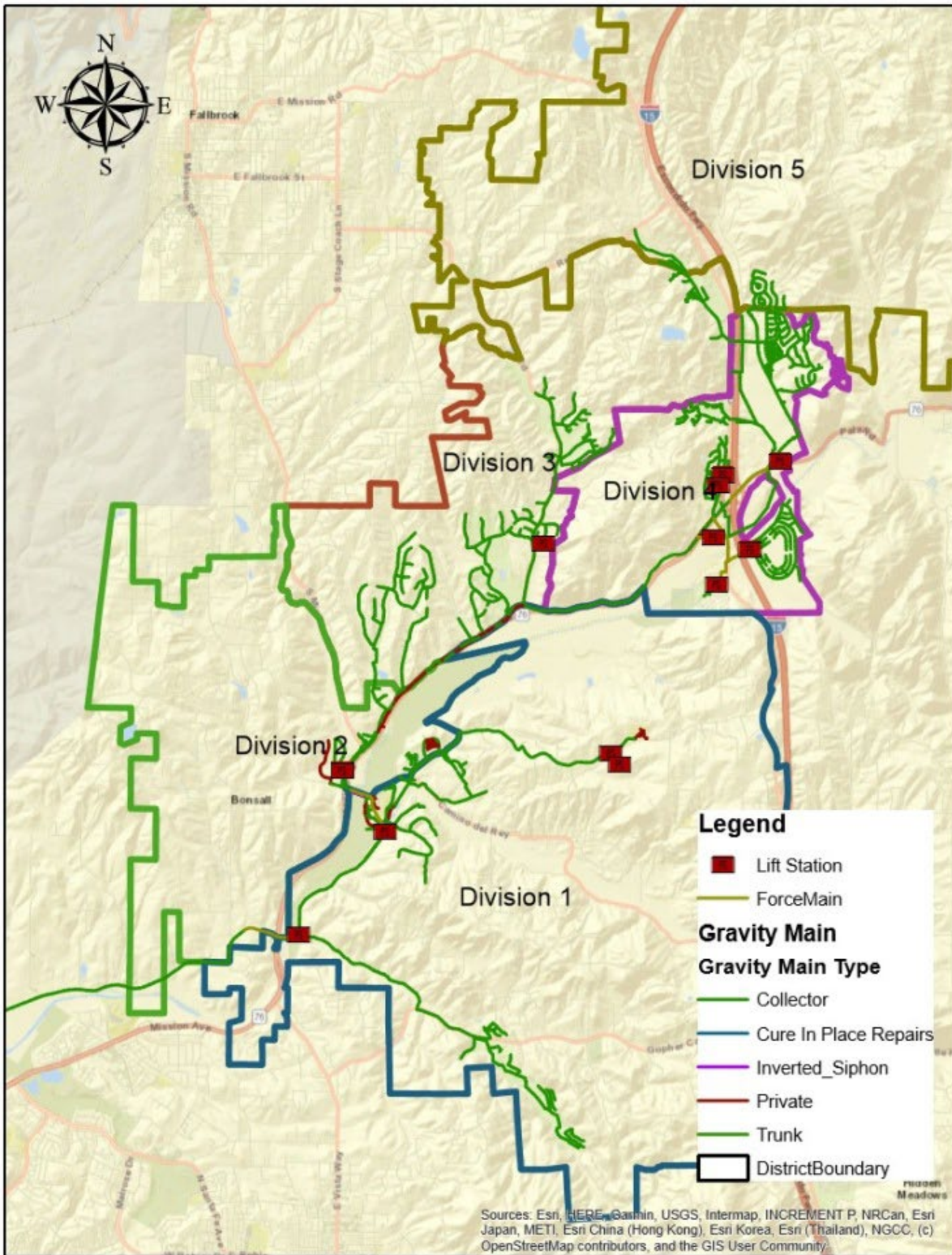
The District is a form of government in California known as a special District organized under Section 71000 of the California Water Code.

The District serves a relatively rural group of customers with approximately 9,179 water connections and 3,836 wastewater connections, which consist of 6,948 residential, 336 commercial, Institutional, sewer-only, and 1,895 agricultural connections.

The terrain is rugged and mountainous, consisting of natural vegetation and developed groves, with some residential areas interspersed in the more accessible valleys. The District is largely agricultural; however, it is expected to see limited growth in its residential customer base in the future. The area has many agricultural uses, including citrus, avocados, tomatoes, commercial nurseries, and livestock (primarily equestrian).

The District serves a population of 23,536 (source: 2020 United States Census) The District owns and operates a collection system of 83 miles of gravity sewer lines, 3 miles of force main with no siphons, eight lift stations, and one metering station. These facilities collect and convey sewage from the District's customers for final treatment and disposal at the San Luis Rey Treatment Plant, operated by and located in the City of Oceanside. The District owns the capacity to convey and treat 1.5 million gallons of sewage per day at the San Luis Rey plant. No structures divert stormwater to the wastewater system or treatment facilities.

The data management system is driven by an enterprise asset management system for creating work orders, which includes storing as-built drawings and photographs. Work orders are generated via GeoViewer, which leverages GIS to track assets and initiate work orders based on unique asset identifiers.



ELEMENT II

ORGANIZATION



ELEMENT II: ORGANIZATION

Legally Responsible Official

Robert Gutierrez, Chief Operating Officer, is designated as the Legally Responsible Official (LRO).

Responsible Positions

Wastewater Standby	(760) 525-6932
Wastewater Superintendent, Ramon Zuniga	(760) 525-6934
Chief Operating Officer, Robert Gutierrez	(760) 468-0217
General Manager, Jake Wiley	(760) 516-5619
Engineering and CIP Program Manager, Chad Williams	(760) 468-6757
Senior Engineering Inspector, Ryan Stockton	(760) 421-6064

Organization Chart

An organization chart and narrative explanation of positions follows:



Board of Directors

The District is a governmental agency, governed by a five (5) member Board of Directors. Each Director is elected by the people within one of the District's five Divisions and serves a four-year term. The Board of Directors sets District policy.

Legal

The District's legal team advises the Board of Directors and staff on legal matters.

General Manager

The General Manager is responsible for all District functions. The General Manager also serves as the Public Information Officer (PIO) and provides information and updates to the Board of Directors.

Chief Operating Officer

The Chief Operating Officer establishes procedures, allocates resources, delegates responsibility, and authorizes outside contractors to perform their services. The Chief Operating Officer also coordinates the development of the District's SSMP and is the Legally Responsible Official (LRO).

Engineering and CIP Program Manager

The Engineering and CIP Program Manager will establish procedures, allocate resources, delegate responsibility, and authorize outside contractors to perform services.

Senior Engineering Inspector

The Senior Engineering Inspector ensures that new and rehabilitated assets meet District standards, works with field crews to handle emergencies when contractors are involved, and provides verbal and written reports to the Engineering and CIP Program Manager.

Safety & Risk Management Officer

The Environmental Health and Safety Officer, under the direction of the Human Resources Manager, is responsible for the planning and



administration of the District's programs and services related to safety, security, emergency preparedness, and environmental compliance functions.

Wastewater Superintendent

The Wastewater Superintendent manages and oversees field operations and maintenance activities, provides relevant information to agency management, prepares and implements contingency plans, leads emergency responses, investigates and reports SSOs, and trains field crews. The Superintendent coordinates and manages the repair, maintenance, and operation of the wastewater pumping and collection system and performs research and planning. The Wastewater superintendent also assists with the development and implementation of the SSMP.

Utility Workers – Wastewater

Utility Worker staff perform preventative maintenance activities, mobilize and respond to notifications of stoppages and SSOs, activate sewer cleaning equipment and CCTV, set up bypass pumping equipment and portable generators, and operate other equipment, such as traffic control.

Collection System Maintenance

- **Lift Stations:** Staff performs routine maintenance on the District's eight (8) lift stations.
- **Line Cleaning:** Staff regularly maintains the 83 miles of gravity sewer lines.
- **CCTV:** Staff oversee contract video recording of the gravity sewer system.

Fats, Oils, and Grease (FOG) Program

Staff oversee the FOG Program for source control. Activities are outsourced when needed.

Electrician

Electrician provides general electrical journey-level experience in wastewater applications.

Vehicle Maintenance

The Mechanic maintains wastewater vehicles and equipment.

Chain of Communication for Reporting Spills:

The District is generally notified of a sewer system overflow by a call received at our office by Customer Service or via the District's after-hours answering service. In either event, a member of the collections department is notified immediately. If it is after hours, our collections standby personnel are called out. The collections staff promptly mobilizes personnel and equipment to mitigate the spill. Once the spill has been controlled and remedied, staff draft a report of the overflow incident and, if needed, complete initial report notifications.

The Chief Operating Officer is named the Legal Responsible Official and is responsible for overseeing the reporting process and certifying all SSOs. The LRO has designated authorized data submitters to report overflows to all necessary agencies and the online database.

Data submitters include Collection System Utility workers I, II, and III. Submitters understand the need to review the written report for accuracy and make appropriate reporting notifications. The initial report notifications may be done in draft form, with a follow-up finalized report submitted once all data is complete and verified (within guidance of the adopted state and local Board orders).

The District reports all spills regardless of size and whether they reach state waters. The District has always believed in keeping the reporting agencies and the public fully informed.

Reporting Plan

The reporting plan is detailed in the notification procedures in Element VI, the Overflow Emergency Response Plan.

ELEMENT III

LEGAL AUTHORITY



ELEMENT III: LEGAL AUTHORITY

Legal Authority

The District, Administrative Code Chapter 9.02 possesses the legal authority to prevent, require, limit, and enforce specific features and operations the Order requires. Table 1 summarizes the relevant sections of the Administrative Code, and the ordinance is available upon request or can be viewed on the [Rainbow Water website](#).

Additionally, the District's Domestic Water, Recycled Water & Sanitary Sewer Construction Standards Manual is available for review on the [Rainbow Water website](#).

TABLE 1
Summary of Legal Authority

Legal Authority To:	Existing Authority (Excerpts from Ordinance 98-06)
Sewers and connections are required to be properly designed and constructed.	9.04.010, 9.04.020 9.04.030,9.04.040
Prevent Illicit discharges into the Sanitary sewer system	9.08.010 9.08.020 9.08.030
Ensures access for maintenance, inspection, or repairs for laterals	9.08.030
Limit the discharge of fats, oils, grease, and other debris that may cause blockages	9.12.010
Enforce any violation of the Rainbow Municipal Water District ordinances	9.14.010,9.15.010,9.16.010,9.16.020,9.16.030,9.16.040,9.16.050,9.16.060,9.17.010,9.18.010

ELEMENT IV

OPERATIONS AND MAINTENANCE PROGRAM



ELEMENT IV: OPERATIONS AND MAINTENANCE PROGRAM

District Map

The District has an up-to-date geographical information system (Geoviewer) of the wastewater collection system linked to an enterprise asset management system (Hexagon EAM). The GIS is updated whenever new facilities, such as new developments, are added or if any modifications are made to the system.

The Information Technology Department (IT) updates the GIS and EAM data. Wastewater staff & IT Department review for corrections as discrepancies are found. GIS Shape files (.shp) with associated layers can be requested from RMWD IT Department.

[View the District Map online](#)

Operation and Maintenance Program

Listed in Element II, Organization, the Wastewater Division includes a Superintendent and three utility workers. All the Wastewater staff are certified through the California Water Environment Association (CWEA) and cross-trained to perform all the work needed to operate and maintain the collection system.

Table 2 lists vehicles and equipment assigned to the Wastewater Division. This division also has access to other Operations construction staff and various construction equipment, such as backhoes, dump trucks, concrete saws, etc. The District also maintains pre-negotiated contracts with third-party contractors to provide additional services as needed, as well as Mutual aid agreements with neighboring water districts.

TABLE 2
Characteristics of District Lift Stations

Lift Station	No. of Pumps	Capacity of Each (gpm)	Inspection Frequency	SCADA	Backup Power	Flow Meter
Golf Club	3	500	Weekly	Yes	Yes	No
Old River Rd	3	1,600	Weekly	Yes	Yes	Yes
B Plant	2	320	Weekly	Yes	Yes	No
Rancho Monserate	2	320	Weekly	Yes	Yes	No
Rancho Viejo*	2	805	Weekly	Yes	No	No
Fallbrook Oaks	2	250	Weekly	Yes	Yes	No
Horse Creek	3	1600	Weekly	Yes	Yes	Yes
Thoroughbred	4	1,007	Weekly	Yes	Yes	Yes

*Rancho Viejo – Funds for backup generator procurement was approved in the District’s Fiscal Year 25/26 Capital Improvement Plan.

The following sections describe the eight (8) sewage lift stations and the flow metering station. The maintenance plan for the stations follows (see Table 7)

GOLF CLUB LIFT STATION

Address	31250 Old River Road, Bonsall, California 92028
Placed in Service	1974
Station	Smith & Loveless
Serial No.	N/A
Coordinates	3316.9527 / -11713.1108
Pumps	Three (3) non-clog centrifugal pumps, Model #6D, 500 GPM, 20' Total Dynamic Head (TDH), Impeller diameter 10 5/8"
Pump Rotations	Pump #1 – (CCW) / Pump #2 – CCW / Pump #3 – Clockwise (CW)
Motors	5 HP, 900 RPM, 3 phase, 60 HZ, 230/460 volts
Fuel	Propane / 250-gallon capacity
Standby Generator	Generac, Model #91A021775, Serial #996436, KVA 67.5
Duration of fuel	3 days
Connections	881 Equivalent Dwelling Units (EDUs)
Population Served	1,719
Average Flow	107,000 (GPD)
Area Served	Bonsall Elementary and Normal Sullivan Middle School, West Lilac, Las Casitas, San Luis Rey Downs, Villas Fore, Fairgreen Way, Ascot Park Estates, Malabar Ranch Estates, Sycamore Ranch Estates, Sweetgrass, Lane, Live Oak Estates, Lake Tree Estates, River Village, Thoroughbred Lane, Lake Vista Estates, Golf Club Lane, and Lift Stations 3, 4, 5 and 6.
Force Main	10" Cast Iron (CI)

OLD RIVER ROAD LIFT STATION

Address	30516 Old River Road, Bonsall, California 92028
Placed in Service	2011
Station	Brand: Flygt Pump Station
Serial No.	Model # 3202
Coordinates	3316.0415 / -11713.9902
Pumps	Motor type submersible, Model No. 3202, 70 Horsepower, cable length 50', RPM 1,750, explosion proof yes, leak sensor yes. (3) New impellers # 456 326 mm
Pump Rotations	Pump #1 – CCW / Pump #2 – CCW / Pump #3 - CCW
Motors	70 HP, 1,750 RPM, 3phase, 60Hz, 460 volts and 615 amps, Service factor .88, mini cas Yes (3). Engine: 120/240 volts, 1500 watts
Fuel	Diesel 966 Gallon Capacity
Standby Generator	Cummins 175 kW Standby Generator
Duration of fuel	3 days
Connections	285 EDUs
Population Served	387
Average Flow	695,000 GPD
Area Served	Old River Road, Vista Valley Development, Little Gopher Canyon, Cal-a-Vie Spa, Horsecreek, Pala Mesa, Adobes, Aurora Heights, Rancho Viejo, Hwy 76, Sycamore Ranch, Ramona Drive, Via Monserate, River Village. (Lift stations – Horsecreek, Rancho Viejo, Rancho Monserate, B-Plant, Fallbrook Oaks,
Force Main	14" high-density polyethylene (HDPE)

B PLANT LIFT STATION

Address	3707 Old Highway 395, Bonsall, California 92028
Placed in Service	1964
Station	Smith & Loveless
Serial No.	66-2122
Coordinates	33.19.5159 / -1179.7645
Pumps	Two (2) non clog centrifugal pumps, Model #4D215TTDR8381ANL 4B2A, 320 GPM, 29' TDH, Impeller diameter 8 1/8"
Pump Rotations	Pump #1 – CW / Pump #2 – CCW
Motors	5 HP, 1170 RPM, 3 phase, 60 HZ, 460 volts
Fuel	Propane 500 Gallon Capacity
Standby Generator	Generac, Model # 92A022095, Serial # 2003351, KVA 37.5 Propane / 200-gallon capacity
Duration of fuel	5 Days operational
Connections	150 EDUs
Population Served	1,186
Average Flow	24,900 GPD
Area Served	Pala Mesa Drive, Los Padres Dr, Almendra Ct, Pankey Easement, District Office
Force Main	6" PVC

RANCHO MONSERATE LIFT STATION

Address	211 ½ Manzano Street Fallbrook California 92028
Placed in Service	2011
Station	Brand: Flygt Pump Station
Serial No.	Model # 3127.090 1160153/1160154
Coordinates	3319.1150 / -1179.7255
Pumps	Model # Flygt NP3127.090-488 Submersible, 320 GPM, 22' TDH, Impeller Diameter 8 1/8" / non-clog; (2) pumps at lift station
Pump Rotations	Pump #1 – CCW / Pump #2 – CCW
Motors	10 HP, 1745 RPM, 3 phase, 60 HZ, 230/460 volts and 13.25 amps.
Fuel	Natural gas
Standby Generator	Generac, Model #92A022075, Serial #2003349, KVA 75
Duration of fuel	Continuous
Connections	231 EDUs
Population Served	100
Average Flow	35,000 GPD
Area Served	Rancho Monserate Mobile Home Park
Force Main	6" PVC

RANCHO VIEJO LIFT STATION

Address	4198 Lake Circle Drive, Fallbrook California 92028
Placed in Service	1990
Station	Gorman Rupp
Serial No.	89-2936
Coordinates	3319.4243 / -1179.3694
Pumps	#1, Classic T series, 6" x 6" self-priming centrifugal pump, Model No. T6A3-B, 1,765 RPM, Semi-open, type two vane impeller diameter 12.38" #2, Super T, 6" x 6" centrifugal self-priming pump, Model No. T6A3S-B, Serial No.1436277, 1,765 RPM, Semi-open, type two vane impeller, two air release valves connected to each pump
Pump Rotations	Pump No. 1 - CCW / Pump No. 2 - CCW
Motors	#1, 40 HP GR-28225-251, 1750 rpm, 3 phase, 60 HZ, 460 volts #2, 40 HP GR-28225-253, 1750 rpm, 3 phase, 60 HZ, 460 volts
Fuel	Propane 500-gallon capacity
Standby Generator	Generac, Model # 3285B1263B, Serial # AD2051935PK; KVA-164 Note: This generator is out of service.
Duration of fuel	4 Days
Connections	755 EDUs
Population Served	2,426
Average Flow	178,500 GPD
Area Served	Serves the Rancho Viejo Development
Force Main	10" PVC

FALLBROOK OAKS LIFT STATION

Address	3690 Sara Ann Drive, Fallbrook California 92028
Placed in Service	1988
Station	Meyer
Serial No.	5025-029
Coordinates	3319.4584 / -1171.15089
Pumps	Two (2) submersibles, Model #4R50M4-21 6VH FL112L3XX2728, Serial # 741064-A-1
Pump Rotations	Pump No. 1 – CW / Pump No. 2 – CW
Motors	5 HP, 1,750 RPM, 60 HZ, 230 volts, and 60 amps
Fuel	Natural Gas
Standby Generator	Onan Model #GGDB-5692340, Serial #1040697462, KVA – 20
Duration of fuel	Continuous
Connections	38 EDUs
Population Served	94
Average Flow	6,500 GPD
Area Served	Fallbrook Oaks Homeowners Association
Force Main	6" PVC

HORSE CREEK LIFT STATION

Address	3900 Pankey Road, Fallbrook California 92028
Placed in Service	2018
Station	Flygt
Serial No.	3202.830,76005,0006,0007
Coordinates	33.33436 117.151219
Pumps	Three (3) submersibles, Model #NP 3202 HT 9N3202.830)28, Serial # 741064-A-1
Pump Rotations	Pump No. 1 – CCW / Pump No. 2 – CCW / Pump No. 3 CCW
Motors	54 HP, 1,785 RPM, 60 HZ, 460 volts and 61 amps
Fuel	380 Gallons Diesel
Standby Generator	Onan Model Q5B7-G5-NR3, KVA – 20
Duration of fuel	3 Days
Connections	861 EDUs
Population Served	1,777
Average Flow	175,000 GPD
Area Served	Valley Oaks Mobile Home Park Pala Mesa Resort, Tecolote Dr. Horse Creek Community and Palomar College.
Force Ma, Horse Creek Community,n	18" PVC

THOROUGHBRED LIFT STATION

Address	5957 Thoroughbred Lane, Bonsall, California 92028
Placed in Service	2024
Station	Sulzer
Serial No.	N/A
Coordinates	33.2913839 -117.2260446
Pumps	Four (4) submersibles, Model #NP 3202 HT 9N3202.830)28, Serial # 741064-A-1
Pump Rotations	Pump No. 1 – CCW / Pump No. 2 – CCW / Pump No. 3 CCW- Pump # 4 CCW
Motors	46 HP, 1,185 RPM, 60 HZ, 460 volts, and 59 amps
Fuel	357 Gallons Diesel
Standby Generator	Caterpillar Model D20066
Duration of fuel	3 Days
Connections	971 EDUs
Population Served	2,074
Average Flow	604,000 GPD
Area Served	Horsecreek, Pala Mesa, Adobes, Aurora Heights, Rancho Viejo, Hwy 76, Sycamore Ranch, Ramona Drive, Via Monserate, River Village. (Lift stations – Horsecreek, Rancho Viejo, Rancho Monserate, B-Plant, Fallbrook Oaks
Force Main	Primus liner 12” DIP 12”

STALLION FLOW MONITORING STATION

Address	5304 North River Road, Oceanside, California 92057
Placed in Service	2002
Station	The station monitors and calculates the District's collections system flow with a Flo Far brand meter using Doppler radar technology.
Serial No.	Flo Dar Serial # 250200001120, Model #890004901
Coordinates	3316.9527 / -11713.1108
Model	#464R - S232 with 4-20 mA output; Marsh–McBirney, Inc.
Operation	<p>Flows are transmitted to SCADA. If the District loses a signal, Wastewater staff responds to the site immediately.</p> <p>A sampling system collects periodic samples. The system is an ISSCO 3700 Sampler Refrigerator.</p>
Maintenance	The meter is calibrated annually, using the Marsh-McBirney, Inc. Flo-Tote 2000 portable handheld electromagnetic flow meter. Depth measurements are taken using a standard metal ruler; actual field flow calculations are calculated using the "Insight Flow Simulator," which is compared to real-time field readings of the Flo Dar Meter sensor firings.

TABLE 3

LIFT STATION MAINTENANCE						
Schedule	Exterior	Wet Well	ESB Vault, Sump pump vaults, Dry wells	Electrical Cabinet	Stationary Standby Generator	Force Main
THOROUGHbred LIFT STATION						
Mondays	Check fence, & ck for vandalism	Review pump run hours, Change flows ww # 1 or ww # 2, Clean interior / Check floats & wet well levels, ck plc on or off signal.	N/A Unless it's been used. ESB	Ck faults or alarms.	Inspect generator & run hours	
Weekly	N/A	N/A	N/A	N/A	Power shutdown. 15 min.	N/A
Semi-Weekly	N/A	N/A	N/A	N/A	N/A	N/A
Monthly	N/A	N/A	N/A	Inspect wiring & connections / Inspect telemetry & control systems / Electrician performs this task	N/A	Inspect the sewer force main.
Semi-Annually	N/A	Megging 4 Sulzer 47 Horsepower / quarterly	N/A	N/A	Shut down grid power & test generator startup / Transfer switch once per month, 40 min. test	N/A
Annually	N/A	N/A	N/A	Clean & inspect motor controls / Electrician	Perform load bank testing / Perform routine maintenance	N/A
OLD RIVER ROAD LIFT STATION						
Mondays	Check fence, vandalism, bioxide tank	Review pump hours, clean interior / Check floats & wet well levels, sensor operations	Confined space entry: Valve vaults / check pumps, & seals, interior parts, valves / Clean all components sump pump only in vaults.	Ck faults or alarms.	Inspect generator & run hours	N/A
Weekly	N/A	Clean debris & floats	N/A	N/A	N/A	N/A
Semi-Weekly	N/A	N/A	N/A	N/A	Power shutdown .15 min.	Inspect the force main
Monthly	N/A	Perform float switch test.	Exercise all valves / Flush out sump pump at vaults / Vactor wet wells.	Inspect wiring & connections / Inspect telemetry & control systems / Electrician performs this task	Shut down grid power & test generator startup / Transfer switch once per month 40 min. test	N/A
Semi-Annually	N/A	Megging 3 Xylem 50 horsepower / quarterly	Lubricate check valves, pump bearing, and fittings at sump pump vaults	N/A	N/A	N/A
Annually	N/A	N/A	Inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings at sump pump vaults	Clean & inspect motor controls/ Electrician	Perform load bank testing / Perform routine maintenance	N/A
LIFT STATION #3						
Mondays	Check perimeter, vandalism	Review pump hours, clean interior / Check air compressors / Check floats & wet well levels	Confined space entry: check pumps, & seals, interior parts, valves / Clean all components - Dry well.	N/A	Inspect generator & run hours	N/A
Weekly	N/A	Clean debris / Check bubbler lines & floats	N/A	N/A	N/A	N/A
Semi-Weekly	N/A	N/A	N/A	N/A	Power shutdown .15 min.	Inspect the force main
Monthly	N/A	Drain bubbler line; check pressure switch settings/air compressor switches, / Perform float switch test.	Exercise all valves / Flush out sump pump, activate alarm - Dry well. / Vactor wet wells.	Inspect wiring & connections / Inspect telemetry & control systems / Electrician performs this task	Shut down grid power & test generator startup/ Transfer switch once per month, 40 min. test	N/A
Semi-annually	N/A	Megging 2 Smith & Loveless pumps 5 horsepower / quarterly	Lubricate check valves, pump bearing, and fittings – Dry well.	N/A	N/A	N/A
Annually	N/A	N/A	Disassemble & inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings.	Clean & inspect motor controls / Electrician	Perform load bank testing / Perform routine maintenance	N/A

LIFT STATION MAINTENANCE

Schedule	Exterior	Schedule	ESB Vault or Sump pump vaults, wet well, dry well	Electrical Cabinet	Stationary Standby Generator	Force Main
LIFT STATION #4						
Mondays	Check perimeter, vandalism	Review pump hours, clean interior / Check air compressors / Check floats & wet well levels & Check wood railing, structures.	Gen vault – Confined space entry, inspect & run generator/run hours	ck faults on screen	Review Gen. run hours	N/A
Weekly	N/A	Clean debris / Check psi transducer, & floats	N/A	N/A	N/A	N/A
Semi-Weekly	N/A	N/A	N/A	N/A	Power shutdown .15 min	N/A
Monthly	N/A	Perform float switch test. Snorkel wet well	Exercise all valves / Flush out (2) sump pump, activate alarm - Gen vault	Inspect wiring & connections visual / Inspect telemetry & control systems / Electrician	Shut down grid power & test generator startup / Transfer switch once per month, 40 min. test	Inspect the force main
Semi-Annually	N/A	Megging 2 Smith & Loveless pumps 5 horsepower / quarterly	Lubricate valves & check valves	N/A	N/A	N/A
Annually	N/A	N/A	Disassemble & inspect pumps; check impellor, wear plate, gaskets; lubricate, replace pump seal oil / ww	Clean & inspect motor controls / Electrician	Perform load bank testing / Perform routine maintenance	N/A
LIFT STATION #5						
Mondays	Check perimeter, vandalism	Review pump hours, clean interior / Check air compressors / Check floats & wet well levels & structures.	Clean interior / Check floats & wet well levels / wet well	ck faults on screen	Review Gen. run hours	N/A
Weekly	N/A	Clean debris / & floats	N/A	N/A	N/A	N/A
*Semi-Weekly	N/A	N/A	N/A	N/A	Power shutdown .15 min	N/A
Monthly	N/A	Perform float test/ Clean debris / & floats	Exercise all valves / Flush out sump pump, activate alarm / Vactor wet wells.	Inspect wiring & connections / Inspect telemetry & control systems / Electrician	Shut down grid power & test generator startup / Transfer switch once per month, 40 min. Test (3) service air valves FM / 2 in dry well	Inspect the force main
Semi- Annually	N/A	Megging 2 Gorman Rupp pumps 40 horsepower / quarterly	Disassemble & inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings	N/A	N/A	N/A
Annually	N/A	N/A	Dry well - Disassemble & inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings	Clean & inspect motor controls - Electrician	Perform load bank testing / Perform routine maintenance	N/A
LIFT STATION #6						
Mondays	Check perimeter, vandalism	Review pump hours, clean interior / Check air compressors / Check floats & wet well levels & structures.	N/A	Ck faults on screen	Review Gen. run hours	N/A
Weekly	N/A	Clean debris / Check bubbler lines & floats	N/A	N/A	N/A	N/A
*Semi-Weekly	N/A	N/A	N/A	N/A	Power shutdown .15 min	N/A
Monthly	N/A	Drain bubbler line; check pressure switch settings/air compressor switches, / Perform float switch test.	Exercise all valves / Flush out sump pump, activate alarm / Vactor wet wells.	Inspect wiring & connections / Inspect telemetry & control systems / Electrician	Shut down grid power & test generator startup / Transfer switch once per month, 40 min. Test & service (2) air valves	Inspect the force main
Semi-Annually	N/A	Megging / 2 Myers pumps 5 horsepower / quarterly	Disassemble & inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings	N/A	N/A	N/A
Annually	N/A	N/A	Dry well - Disassemble & inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings	Clean & inspect motor controls / Electrician	Perform load bank testing / Perform routine maintenance	N/A

LIFT STATION MAINTENANCE

Schedule	Exterior	Schedule		ESB Vault or Sump pump vaults, wet well, dry well	Electrical Cabinet	Stationary Standby Generator	Force Main
STALLION FLOW METERING STATION							
Mondays	Check perimeter, vandalism	Set up pc, download flow data from Flodar meter		N/A	N/A	N/A	N/A
Monthly	N/A	N/A		N/A	N/A	24-hour Allogat sample or quarterly	N/A
HORSECREEK LIFT STATION							
Mondays	Check Perimeter, vandalism	Review pump hours, clean interior / Check air compressors / Check floats & wet well levels & structures.	N/A	Ck faults		Review Gen, run hours	
Weekly	N/A	Clean debris / Check bubbler lines & floats	N/A	N/A		N/A	
*Semi-Weekly	N/A	N/A	N/A	N/A		Power shutdown 15 min	
Monthly	N/A	Drain bubbler line; check pressure switch settings/air compressor switches, / Perform float switch test.	Exercise all valves / Flush out sump pump, activate alarm / Vactor wet wells.	Inspect wiring & connections / Inspect telemetry & control systems. Electrician		Shut down grid power & test generator startup / Transfer switch once per month, 40 min. Test (1) & service air valve	Inspect the force main
Semi - Annual		Megging / (3) Xylem pumps 54 horsepower / quarterly		Disassemble & inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings	N/A		
Annually	N/A		Dry well - Disassemble & inspect pumps; check impellor, gaskets; lubricate pump bearings, fittings	Clean & inspect motor control systems / Electrician	Perform load bank testing / perform routine maintenance.		

* Note: Semi-Weekly based on all six lift stations on 15 min. Power shutdowns


Rehabilitation and Replacement Plan

The District's collection system is cleaned every three (3) years (Table 8). The current cycle is from January 1, 2023, through December 30, 2025. The average monthly footage cleaned is 13,601' feet. 20–25% of the cleaned system is inspected by CCTV each year. High-frequency areas are checked per the schedule (Table 9). All manholes are inspected during the three-year cleaning cycle. A root control program has been initiated and may become part of the routine PM after evaluating the program's effectiveness. The annual operating budget provides funds for the repair and maintenance of the system.

The District has a five (5) year Capital Improvement Program (CIP) based on system needs. Funds are budgeted primarily from capacity fees from new connections or sewer rates. Current projects included in the District's CIP are listed in Table 10.

TABLE 4
Lift Station Cleaning Schedule

January 1, 2023 – December 30, 2025

Duration – 3 years Total footage – 417,376 ft. or 79  Average monthly footage – 13,601 ft.

LOCATION	FOOTAGE/ FREQUENCY	DURATION
Basin #1 Vista Valley to Lift Station #2	32,254 ft. 3 mo.	Jan. 01,2023 - March 31,2023
Basin #11 W Lilac, Camino Del Cielo, San Luis Rey Track	34,641 ft. 3.5 mo.	April 01,2023 - July 15,2023
Basin #4 Tecolote	15,863 ft. 2 mo.	July 16,2023 - Sept. 15,2023
Basin #6 Pala Mesa, Aurora Estates, Adobes, Old Hwy 395	25,416 ft. 2 mo.	July 16, 2018 - Sept. 15, 2018
Basin #5 Horse ranch Creek	77,021 ft. 4.5 mo.	December 01,2023 - April 15,2024
Basin #7 Rancho Monserate, Lake Rancho Viejo	26,384 ft. 2.50 mo.	April 16,2024 - June 30,2024
Basin #2 Lake tree, Gird to Sycamore Ranch North	26,512 ft. 2.5 mo.	July 01,2024 - September 15,2024
Basin #3 Sycamore Ranch Phase 1, Fallbrook Oaks – Gird to 76	13,256 ft. 1 mo.	September 16,2024 - October 15,2024
Basin #8 Sycamore Ranch – Phase II & III	19,522 ft. 1.5 mo.	October 16,2024 - November 31,2024
Basin #9 Brook Hills, Ramona, Sweetgrass, Thoroughbred, Olive Hill, Village, Via Monserate	43,479 ft. 4 mo.	December 01,2024 - March 31,2025
Basin #10 Hwy 76 Trunk	48,843 ft. 3 mo.	April 01,2025 - June 30,2025
Basin #12 Lake Vista Estates, Golf Green Estates, Moosa Creek to Old River Road to Lift Station #2	36,196 ft. 3 mo.	July 01,2025 - October 15,2025
Basin #13 North River Road to Stallion	15,983 ft. 1 mo.	July 01,2025 - October 15,2025

TABLE 5

HIGH FREQUENCY AREAS										
Location	Map Page		Roots	Grease	Low Flows	Dead-end Lines	Footage	Undersized Pipe / Problem	Problem Resolution	Time Frame
Via Casitas	M-4 M/H 09 M-4 M/H 10 M-4 M/H 11		X	X			775'		Hydro flush	3-Month Cycle
Tecolote Road	G-6 M/H 14	G-6 M/H 15	X				378'		Hydro flush	3-Month Cycle
Tecolote Road Private	G 6 M/H 44 G-6 M/H 06	G-6 M/H 43	x				303'		Hydro flush	3-Month Cycle
Daisy Lane	I-6 M/H 04 I-6 M/H 03		X				149'		Hydro flush	3-Month Cycle
Lake Vista Terrace	N-3 M/H 35	03 M/H 01	X				341'		Hydro flush	3-Month Cycle
Little Gopher Canyon	P-3 M/H 13	P-3 M/H 14	X				126'		Hydro flush	3-Month Cycle
Vista Valley	Q-4 M/H 30	Q-4 MH 31	X				211'		Hydro flush	3-Month Cycle
Lake Garden	I-5 M/H 56 I-5 M/H 55 I-5 M/H 54 I-5 M/H 53 I-5 M/H 52 I-5 M/H 51		X				2,722'		Hydro flush	3-Month Cycle
Circle View Drive & Golf Club Drive	N-3 M/H 43 N-3 M/H 42 N-3 M/H 41 N-3 M/H 79 N-3 M/H 88						2,451'		Hydro flush	3-Month Cycle
San Luis Rey Track & Training	N-4 M/H 07 N-4 M/H 06 N-4 M/H 05 N-4 M/H 04 N-4 M/H 03 N-4 M/H 02 N-4 M/H 11 N-4 M/H 01			Sludge			2,092'		Hydro flush	6-Month Cycle
Del Cielo Oeste West	M-3 M/H 03 M-3 M/H 05	M-3 M/H 04 M-3 M/H 06		X			791'		Hydro flush	6-Month Cycle
Del Cielo Oeste East	M-4 M/H 02 M-4 M/H 01	M-4 M/H 03 M-3 M/H 55		X			734'			6-Month Cycle

HIGH FREQUENCY AREAS

Location	Map Page	Roots	Grease	Low Flows	Dead-end Lines	Footage	Undersized Pipe / Problem	Problem Resolution	Time Frame
Vista Valle Camino	F-5 02 F-5 01	X				232'			12-Month Cycle
Little Gopher Canyon	P-3 M/H 33 P-3 M/H 34	X				253'			12-Month Cycle
Pankey Ranch / Orange Grove, South Side	J-6 M/H 51 J-6 M/H 50 J-6 M/H 49 J-6 M/H 48 J-6 M/H 47 J-6 M/H 46 J-6 M/H 45 J-6 M/H 44 J-6 M/H 43 J-6 M/H 42 J-6 M/H 41 J-6 M/H 40 J-6 M/H 39 J-6 M/H 38 J-6 M/H 37 J-6 M/H 35 J-6 M/H 34	X				3,365'			12-Month Cycle
Horse Creek Ranch	I-6 M/H 58 I-6 M/H 50 I-6 M/H 51 I-6 M/H 52 I-6 M/H 53 I-6 M/H 58 I-6 M/H 59 I-6 M/H 60 I-6 M/H 61 I-6 M/H 62 I-6 M/H 63 I-6 M/H 64								18-Month Cycle
Lake tree	I-5 M/H 04 I-5 M/H 11 I-5 M/H 21 I-5 M/H 86 I-5 M/H 83	X				743'		Hydro flush	18-Month Cycle
Westmont Lane	I-5 M/H 85 I-4 M/H 02	X				223'		Hydro flush	18-Month Cycle
Old River Road Bonsall Center Drive Median	N-3 M/H 05 N-3 M/H 81 N-3 M/H 84 N-3 M/H 80 N-3 M/H 85 N-3 M/H 01	X	X			1,839'		Hydro flush	18-Month Cycle
River Village	M-3 M/H 40 M-3 M/H 41 M-3 M/H 42 M-3 M/H 43 M-3 M/H 44 M-3 M/H 45 M-3 M/H 47 M-3 M/H 48 M-3 M/H 49		X	X		1,342'		Hydro flush / CCTV	18-Month Cycle
Thoroughbred Lane	M-3 M/H 27 M-3 M/H 28 M-3 M/H 29		X	X		583'		Hydro flush / CCTV	18-Month Cycle

TABLE 6
RMWD Wastewater Capital Projects: FY 2024/2025-2029/2030

Five-Year Wastewater CIP Plan

WASTEWATER CAPITAL FUND PROJECT BUDGETS		YEAR 1 Planned Budget	YEAR 2 Planned Budget	YEAR 3 Planned Budget	YEAR 4 Planned Budget	YEAR 5 Planned Budget
Project #	Project Name	FY 25/26	FY 26/27	FY 27/28	FY 29/30	FY 30/31
Development/Growth						
TBD	School House LS (Developer Driven)			\$500,000	\$10,000,000	
TBD	North River Road Sewer Replacement	\$50,000	\$500,000	\$9,000,000		
TBD	Convert Existing 15-in Gravity Interceptor from LS1-LS2 w/ 21-in FM ♦				\$200,000	\$3,000,000
Replacement/Rehabilitation						
530018	Fallbrook Oaks FM, LS & MH Replacement (Concurrent w Sarah Ann PN: 600068)					\$1,650,000
530019	CIPP 2,000 LF of line 8" VCP line near Pala Mesa Raise or Relocate MH's			\$100,000	\$1,000,000	
TBD	Lake Garden CIPP and Line Manholes			\$100,000	\$1,000,000	
530023	Rancho Monserate, Rancho Viejo LS & HQ B-Plant Emergency Generators ★	\$1,075,000				
TBD	CIPP Lining (Create Individual Projects)					\$1,000,000
TOTAL		\$1,125,000	\$500,000	\$9,700,000	\$12,200,000	\$5,650,000

♦ 7,600 LF ★ Grant Funded

Training Program

The District provides the following training for all staff working in the Wastewater Division. All staff participate in weekly tailgate meetings.

Safety

- Confined Space Entry
- Confined Space Rescue
- Traffic Control
- Trenching & Shoring
- Bloodborne Pathogens
- Heat Stress
- Forklift
- First Aid/CPR Training

Collection System

- Lift Station O&M
- Main Line Cleaning / CCTV
- High PSI Equipment / Vac Con Combination Truck
- USA Locations
- Customer Service

Electrical

- Arc Flash
- Electrical Maintenance
- SCADA

Regulatory

- SSOs / Emergency Response
- APCD – Air Pollution Control District San Diego
- (LPG) Pressure Vessels Unit – State of California
- NIMS / SEMS

Certification

- California Water Environment Association (CWEA)
- NAASCO

Training records are kept by the District's Safety Section and Human Resources Department.

Contingency Equipment and Replacement Inventories

Equipment Inventory

The District maintains a supply of equipment and replacement parts for the wastewater system. The equipment and spare parts are stored at the District's Wastewater Storage Yard and are secured by an alarm system. The inventory is listed in Table 9.

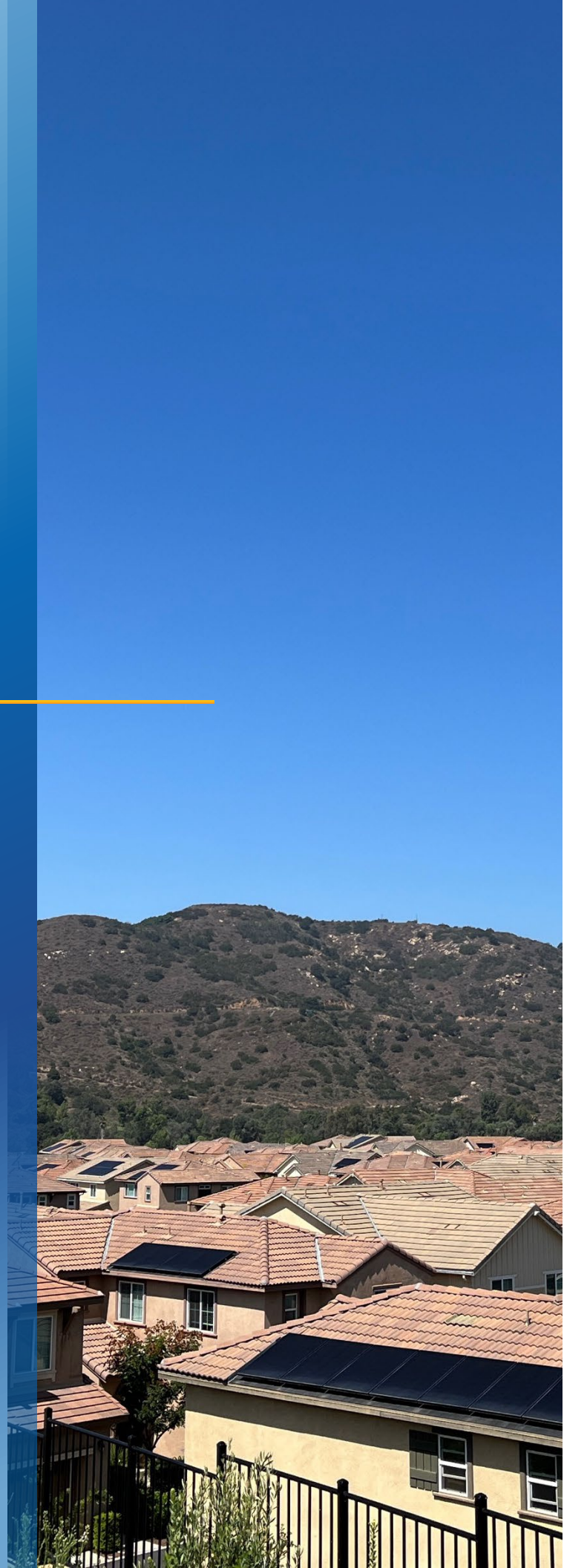
Through the use of spare parts, backup pumps, and portable generators, the District can readily deal with equipment or part failures at any of the pump stations and could handle a localized power outage if any stationary generators failed. The District can readily repair most pipeline breaks that may occur up to 12" in diameter, which covers 95% of the sewer system. In addition to spare parts on hand, the District has agreements with local vendors where parts and materials can be obtained 24 hours per day, seven days per week.

The District also has a working relationship with local water and wastewater agencies (including but not limited to the Fallbrook Public Utilities District, Valley Center Municipal Water District, Vista Irrigation District, and the City of Oceanside) where parts and equipment can be borrowed.

Parts are replaced as they are used, and the spare parts inventory is reviewed periodically by the Wastewater Superintendent.

ELEMENT V

DESIGN & PERFORMANCE PROVISIONS



ELEMENT V: DESIGN & PERFORMANCE PROVISIONS

Design Standards

The District's "Domestic Water and Sanitary Sewer Construction Manual", 2025 (Standards Manual). The Standards Manual link is included in this document. Section 1 of the Standards Manual contains general conditions for all projects and Section 1, Part 1.23 and Section 2, Part 2.03 contain requirements for sanitary sewers.

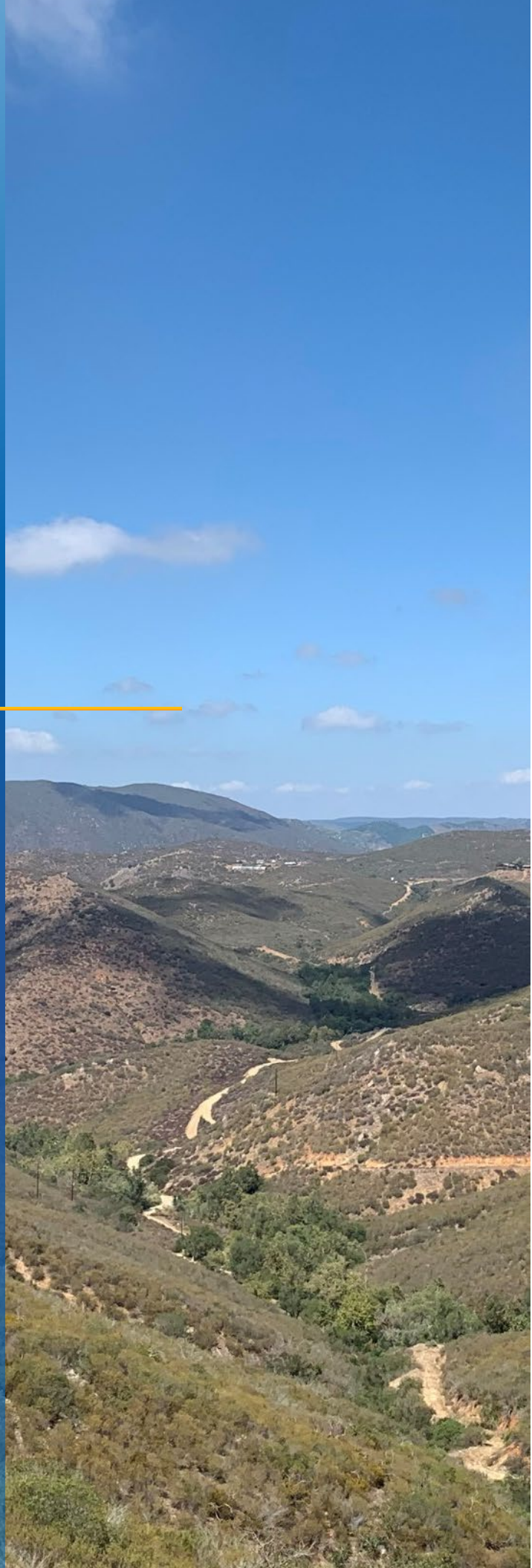
[View the Domestic Water and Sanitary Sewer Construction Manual online](#)

Procedures and Standards

The Engineering and Capital Improvement Program Manager or designee will inspect all new construction activity. When a developer or contractor indicates that the construction is complete, an air test, a leakage test and an infiltration test where applicable, is performed with the Engineering and Capital Improvement Program Manager or designee onsite during the tests to observe the results. Upon completion of construction, the developer or contractor shall hire a video company approved by the District to videotape the sewer mains and then submit the video to the District for review for potential construction defects. Prior to acceptance of any sewer line, all lines shall be flushed clear using a Wayne Ball and mandrel tested.

ELEMENT VI

SPILL EMERGENCY RESPONSE PLAN



ELEMENT VI: SPILL EMERGENCY RESPONSE PLAN

Notification Procedures

Notification of any potential SSO is received by the District Customer Service staff during regular business hours (8:00 AM – 4:30 PM) Monday- Friday. The Wastewater Superintendent is notified and responds. After regular business hours, the District's contracted answering service receives calls through the District's business phone number. The Wastewater Standby person responds. Wastewater staff can also be notified by SCADA alarms and through electronic level sensors or SmartCovers.

SmartCover is an in-manhole system that monitors sewer flow data and levels, performs analytics, and delivers timely notifications to stop sewer spills.

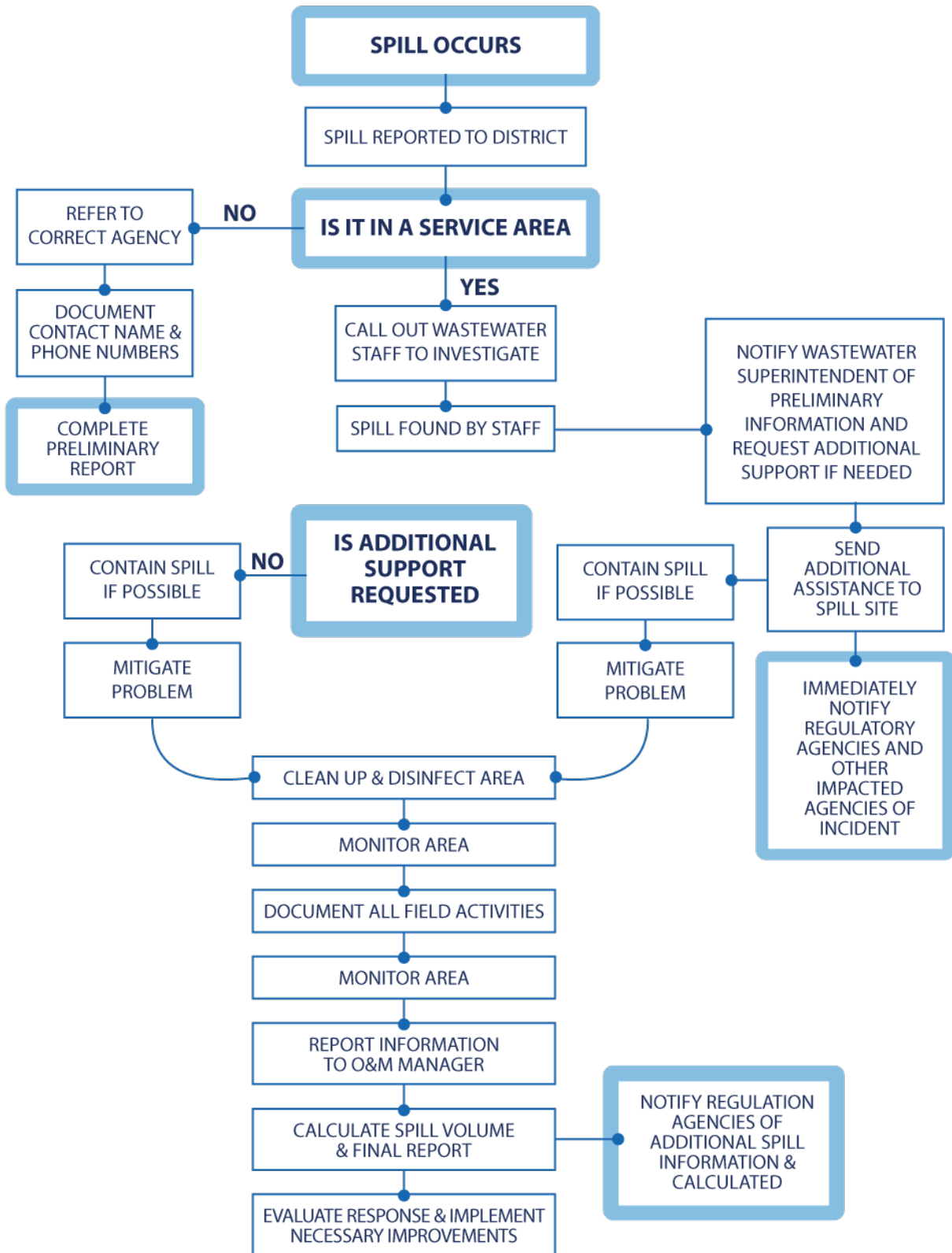
The District's on-call staff have a cell phone that receives text messages or emails from SmartCover alerting operators of an advisory alarm or real-time alerts requiring immediate attention. The District currently owns 33 SmartCover devices at critical locations in the service area. These SmartCovers devices can be relocated as needed. Service locations where these units are installed include sewer line interceptors, gravity sewer lines, and emergency overflow storage tanks. These units effectively alert District staff to surcharging sewer lines and manhole intrusion.

The Wastewater Superintendent is responsible for notifying the required regulatory agencies, State Water Resources Control Board (SWRWB), San Diego Regional Water Quality Control Board (SDRWQCB), California Emergency Management Agency (Cal EMA), and County of San Diego Department of Environmental Health (DEH). The Wastewater Superintendent will also contact the Chief Operating Officer, who contacts the General Manager. The General Manager is responsible for notifying the Board of Directors.

The Chief Operating Officer is the LRO, who certifies SSO reports submitted to the CIWQS database.

The flow chart on the next page describes a typical District spill response.

SPILL RESPONSE FLOW CHART



Response Procedures

All crews are trained for an appropriate response to any potential SSO. They are trained in assessing and documenting, as well as estimating the volume of an overflow. The District's Vactor towable trailer sewer jet cleaner# 156 is on standby 24/7.

An important determination that must be made in the initial stages of a sewage spill is to estimate the spill volume. The volume of sewage spilled is estimated by using known methods such as the San Diego Manhole Flow Rate Chart and documenting the flow of the sewage with photographs.

Regulatory agencies must be notified as soon as reasonably possible. DEH shall be notified of a sewage spill of any size. SDRWQCB shall be notified as soon as possible, but no later than 24 hours after a spill occurs. Additionally, for spills greater than 1,000 gallons or entering a storm drain, Cal EMA must be notified within 2 hours.

Lift Stations

The District's lift stations employ a SCADA system, which notifies District personnel in the event of a loss of power, pump failure, and high or low wet well conditions. The alarms are monitored 24 hours per day by Wastewater staff. If an alarm is received, staff visit the lift station site, assess the problem, and take whatever action is necessary to correct the situation. At the following lift stations, Thoroughbred, Old River Road, B-Plant, Rancho Monserate, Rancho Viejo, Fallbrook Oaks, Golf Club and Horse Creek, there is an emergency plan mounted in a capsule with an estimated number & forms through rain for Rent Xylem pump rentals to bypass the sewer system and keep sewage flowing. Response time to an after-hours emergency call-out is generally one (1) hour.

Stallion Flow Meter

If a loss of flow occurs at the Stallion flow meter, Lift Station #2 is checked by timing pumps to indicate a possible pump failure. If pumps are working, this would indicate a failure of the force main, which would require investigation to determine the area of the break. Staff will check the flow by lifting the manhole at North River Road & Holly Lane.

Force Mains

In the event of a force main failure, the District will implement the following emergency response procedures:

- Build temporary earthwork berms or containment areas where necessary to temporarily retain any overflow that may occur so that it can be recovered and pumped back into the collection system.
- Immediately install and/or activate emergency bypass pumping/pipeline systems in order to halt sewage flow through the force main and enable repairs to be performed if necessary.
- In the event that an emergency bypass system/pipeline is not available, contact other public agencies or contract vacuum trucks or tanks to transport sewage to the nearest manhole until repairs are completed.

Line Break

In the event of a sewer line break, Wastewater staff will meet at the site in order to assess the damage and take whatever precautions are necessary to contain the spill. If outside resources are required, the District will contact an on-call contractor. Containing the spill and repairing the breakage may involve the installation of portable pumps and/or highlines or may result in having to truck the sewage to a disposal site at the City of Oceanside's treatment plant. If a spill were to occur, the District would submit the required reports to the proper agencies.

Private Sewer Back-Up

The District is not responsible for private sewer laterals; however, the District has made a commitment to assist homeowners with containing private spills to protect health and environment. Figure 2 details owner or customer responsibility for maintenance of the sewer lateral. Reference the wastewater contractor after Hours Emergency Contact phone list in assisting homeowners in deciding on who they want to employ for emergency repairs.

Inspection

Inspection of the collection system is performed to monitor conditions, detect or correct problems which may cause sanitary hazards, identify damage to or deterioration of facilities or equipment and detect encroachment of other utilities. Most types of inspections are routine (such as checking for vandalism), while others are performed under special circumstances or on a scheduled basis.

All staff is trained to be alert to potential or actual problems while traveling throughout the District. Any activity that may threaten or endanger a District facility (above or below ground) will be brought to the attention of the Wastewater Superintendent immediately. Easements are checked for signs of erosion above and around sewer lines. Access to sewer manholes is maintained at all times and excessive odors that could indicate sewage problems are investigated. Vandalism such as forced entry, property damage, graffiti or dumping of trash, will be reported immediately.

Regulatory Requirement – Monitoring Reporting Plan

Procedures are in place to ensure prompt notification to appropriate regulatory agencies and other potentially affected entities (e.g. health agencies, Regional Water Boards, water suppliers, etc.) of all SSOs that potentially affect public health or reach waters of the State in accordance with the Monitoring Reporting Plan (MRP). Please see Table 12. All SSOs shall be reported in accordance with this MRP, the California Water Code, other State Law, and other applicable Regional Water Board WDR's or NPDES permit requirements. The SSMP should identify the officials who will receive immediate notification.

Notification of Appropriate Regulatory Agency

The first responder will determine the magnitude of the spill and take further action if necessary. The Wastewater Superintendent will be responsible for initiating the proper cleanup procedures and filing of the necessary reports with the SDRWQCB.

In compliance with California Health and Safety Code Section 5411.5, immediately reportable spills pertain to all spills to waters of the state (ocean, bay, river, dry or flowing creek or stream, etc.) and "unmitigated spills to areas with potential public contact (near homes, schools, parks, etc.)". These spills must be immediately reported to DEH, 24/7, via electronic report and a faxed copy of the SSO report.

Notify the SDRWQCB and Cal EMA as soon as possible within 2 hours from the time of knowledge of discharge. For after-hours, weekends and holidays, the following information must be left on the answering machine:

- Name and telephone number of persons reporting incident
- Responsible Sanitary Sewer System Agency
- Estimated total of sewer overflow volume
- Location
- Potential receiving waters
- Whether or not sewer overflow is still occurring at time of report
- Confirmation that DEH was or will be notified

Response Activities

The primary objective of the responders to a sewage spill is to protect public health. Therefore, the initial actions in any sewage spill response effort are to isolate the public from coming in contact with the sewage; this includes vehicular traffic, as well as pedestrians. The crew must establish perimeters and control zones with cones, barricades, vehicles or terrain. The District maintains appropriate traffic control devices, including barricades, lighting, sign boards and flagging. This equipment is readily available for SSO emergencies. In addition, the District has full authority and will take responsibility for implementing necessary traffic control in the event of an SSO.

Spill Mitigation and Containment Procedure

The following actions are taken to respond to a spill originating within the District's service area. All spills require notification of the appropriate manager and superintendent. The guidelines and procedures are provided to direct actions of staff to ensure the health and safety of personnel, the public and the environment. Key response responsibilities include the following:

- Identify and assess the area and the extent of the spill.
- Quantify available resources.
- Determine the optimal use of resources.
- Initiate immediate spill containment, control and cleanup measures.

Recommend immediate and long-term abatement activities:

- Maintain liaison with responding agencies.
- Document remedial actions.
- Authorize and oversee contractor activities.

Establish Response Priorities

Containment

After the public has been isolated from the sewage spill, the crew must then proceed with containment of the spill. The crew must contain the discharged sewage to the maximum extent possible, and every effort must be made to prevent the discharge of sewage into surface waters. The following procedures shall be implemented to contain the overflow:

- Sandbag or block off access to storm drains with spill containment mats.
- Divert the spill by building a small berm to change direction of flow of sewage back to the sanitary sewer and/or use combination trucks to pick up the spill.
- Divert the spill by pumping around overflow and return to the sewer.
- Retain the spill by letting it collect in a natural low area and recover the sewage with combination trucks as soon as possible.
- Dike or dam the spill by building a dirt berm to contain and collect the spill.

Control

Once the spill is contained, the responding crew can focus their attention on controlling the spill. Controlling the spill includes relieving the source of blockage in the line, repairing the broken pipe or eliminating whatever the source of the spill may be. Procedures that can be used to remedy the cause of the sewage spill include:

- Relieving the spill by mechanically or hydraulically cleaning the sewer.
- Diverting flow to another pipe using bypass transfer pumps, hoses, and combination and tanker trucks.
- Stop pumping at the lift station if the spill is in a force main.
- Startup backup/standby generator in case of a power failure.

A District crew should be able to contain most spills before proceeding with control activities. If two crews respond to the sewage spill, then efforts to contain the spill can be conducted concurrently with efforts to control the spill. However, if the spill is too large to contain given the available resources, efforts should first be focused on controlling the spill.

Cleanup

Crews shall make full effort to collect/recover as much sewage as possible and return collected sewage to the sewer system. The sewage should be directed back into the sewer manhole by gravity flow or pressurized water. When this is not possible, the combination trucks can be used to return contained sewage to the sanitary sewer.

Any sewage that is not recovered and returned to the sewer (i.e., soaks into ground), must be disinfected when required, in order to protect human health and minimize impact on the environment. DEH should be contacted to assist in coordinating the cleanup effort.

If sewage from an SSO flows into a storm drain, it is of the utmost importance to contain and recover as much as possible to prevent the sewage from entering receiving waters. When practical, sewage that enters a storm drain shall be diked and recovered at the initial entry point. If this is not practical, sewage shall be diked, contained and recovered by vacuum and/or pumps and hoses as necessary. After a sewage spill, pavement and hardscapes shall be flushed with water. Flush water should be contained, vacuumed and returned to the sewer whenever possible. Do not remove barricades until the entire cleanup operation is complete.

Spill Monitoring – Water Quality

For a sewage spill that reaches surface water and/or closes the beaches, DEH and/or the District will provide sampling and testing for bacteriological and/or chemical analysis. Testing and sampling will continue until results for two consecutive days indicate that the waters are safe for human contact.

Sewage Spill Sample Collection Guidelines

Use the following method if a sewage spill is discharging into any body of water, including seasonal storm drainages.

1. Collect one sample in a plastic liter container upstream from the spill mixing zone, which is the point where the spill and body of water combine. Label the sample with the following information:
 - Name: #1 UPSTREAM
 - Name of stream, lake or drainage
 - Location and Approximate Distance from mixing zone
 - Date and time
 - Sample Collectors name

Make sure this sample is taken far enough upstream that the spill does not impact the sample. In addition, collect one more sample in a sterilized container.

2. Collect one sample in a plastic liter container from the mixing zone. Label the sample with the following information:
 - Name: #2 MIXING ZONE
 - Name of stream, lake or drainage
 - Location
 - Date and time
 - Sample Collectors name

This should be collected at the exact spot or location where the spill connects with the stream, lake or drainage. In addition, collect one more sample in a sterilized container.

3. Collect one sample in a plastic liter container downstream from the mixing zone, between 1/8 and a mile if possible. Label the sample with the following information:
 - Name: #3 DOWNSTREAM
 - Name of stream, lake or drainage
 - Location and Approximate Distance from mixing zone
 - Date and time
 - Sample Collectors name

In addition, collect one more sample in a sterilized container.

During business hours these samples should be immediately delivered or arranged through Edward S. Babcock labs in Riverside California. If samples are collected after hours pack the samples in ice for the next delivery to the lab. The following tests are required for these samples: Ph, ammonia, chlorine residual and fecal coliform. Note: A chain of custody form is mandatory for all outgoing samples.

Posting Plan

Whenever there is a risk of contamination from a sewage spill to surface waters or an area of public contact, the District will initiate posting of the contaminated area with signs warning of the contamination. DEH will be contacted in order to determine the duration of the posting and whether or not any closure or sampling of the area will be necessary. Upon notification by DEH that the threat of contamination is over, the District will remove any posted signs.

Immediate and Long-Term Abatement Activities

Abatement activities are any steps taken to prevent the recurrence of the sewage spill. The nature of the spill determines what immediate and long-term abatement activities will occur. Short-term steps may be as simple as jetting the line to clean out grease build-up, remove grit or eliminate roots, or re-routing the flow of sewage over the course of a few days in order to repair a line.

Long-term abatement activities imply some type of preventive or corrective maintenance on the line. Preventive maintenance includes routine cleaning of grease build-up from the lines or utilizing a root cutter to routinely clear out tree roots, as well as inspection of lines with a video sewer camera. The District conducts an ongoing maintenance program involving the cleaning and inspection and NASSCO coding of the collection system and more frequent maintenance high frequency areas.

TABLE 7
Regulatory Agency Notification Requirements

Spill Type	Spill Details	Initial Notification	External Notification	Required Agency Notifications
ALL	Sewage spills of any size within the District.	<p>Initial Notification: Wastewater Superintendent, Ramon Zuniga (Office) 760-728-1178, ext. 151 (Cell) 760-525-6934 The above personnel will contact the following: Chief Operating Officer Robert Gutierrez (Office) 760 7281178, ext. 160 (Cell) 760-468-0217</p>	Call person or agency responsible for area affected by sewage spill	<p>District staff or Designee, will notify the following agencies: Cal EMA - Obtain control number, complete field spill report: 800-852-7550 / Fax 916- 845-8910 <u>SWRCB Executive Order requires report of discharge within 2 hours</u> On September 9, 2013, Order # (2006-003 DWQ was amended) The new <i>MRP Order # 2013-0058</i> that became effective September 09, 2013 supersedes Order # 2006-003. The Statewide General Waste Discharge Requirements for Sanitary Sewer Systems that was signed and immediately put into effect by the State Water Resources Control Board. The order requires that: "For any discharges of sewage that results in a discharge into a drainage channel or a surface water, the Discharger shall, as soon as possible, but not later than two (2) hours after becoming aware of the discharge, notify the California Emergency Management Agency (Cal EMA), the local health officer or directors of environmental health with jurisdiction over affected water bodies, and the appropriate Regional Water Quality Control Board."</p> <p>It also requires that: "As soon as possible, but no later than twenty-four (2) hours after becoming aware of a discharge to a drainage channel or surface water, the Discharger shall submit to the appropriate Regional Water Quality Board a certification that the California Emergency Management Agency and the local health officer or director of environmental health with jurisdiction over the affected water bodies have been notified of the discharge."</p>
> 1,000 Gallons	Sewage spills > 1,000 gallons within the District	"	"	In addition to the ALL-Sewage Spill notifications, also notify the following: (CAL OES) Cal OES - Obtain control number, complete field spill report: 800-852-7550 for sewer spills greater than 1,000 gallons
Impacts State Waters	Sewage spills that impact or threatens to impact state waters	"	"	In addition to the ALL-sewage spill notification, also notify the following: San Diego Branch California Department of Fish & Game: 858-467-4215 / 916-445-9338
Impacts Storm Drain System	Sewage spill that impacts the storms drain system	"	"	In addition to the ALL-Sewage Spill notifications, also notify the following: San Diego County Watershed Protection Program: 858-495-5318
Impacts Drinking Water Supply	Sewage spill impacts or threatens to impact the drinking water supply	"	"	Notification of District / City Agencies / local Health Department, San Marcos Branch: 1-619-778-4495

*Updated

ELEMENT VII

SEWER PIPE BLOCKAGE CONTROL PROGRAM



ELEMENT VII SEWER PIPE BLOCKAGE CONTROL PROGRAM

Public Outreach

The District has identified all food preparation and service locations within its service area. Facilities will be provided with a Fats, Oils and Greases (FOG) binder consisting of an educational video link, posters, and other materials educating them on proper FOG disposal. These customers must undergo an annual Grease Best Management Practices (GBMP) inspection where the following are evaluated: exhaust hoods, seating capacity, menus and review of the Best Management Practices (BMP's) in the food preparation area. A Grease Control Device Inspection (GCDI) is also performed annually to ensure that interceptors are routinely serviced to minimize FOG discharges to the sewer system. Food preparation and service locations must keep annual records of interceptor maintenance. Customers with a history of contributing FOG to the sewer system are sent a letter of correction. The District maintains an active listing of all food preparation and service locations and permits are not required at this time.

FOG Disposal

The District contracts for and stores fog/grit bin at the Districts headquarters for proper storage and removal. The disposal contractor disposes of the waste at an authorized site.

Public Education

The District will conduct an ongoing educational outreach campaign to inform the public of best practices to keep the waterways clean. This will include collateral materials for distribution at community events, newsletter articles, website content, social media videos, interactive game at annual community events and educational field trips for K-12 students to emphasize proper disposal of FOGs.

Authority

The District possesses the legal authority to prohibit discharges to the system and identify measures to prevent SSOs, and blockages caused by FOG through District Ordinance No. 98-06, 9110: Quality of Sewage.

Grease Removal Devices

Ordinance 9.12.010: Grease, Oil and Sand Interceptors, details installation, design, maintenance, record keeping and reporting requirements.

Inspection

The District has the authority to inspect grease-producing facilities throughout its service area per Ordinance No. 9.11.010: Entry upon Private Property to Enforce Provisions. All interceptors and other grease control devices are inspected annually with more frequent inspections of those facilities experiencing inconsistent maintenance practices. The District maintains standard drawings for grease interceptors and there are several independent vendors which will collect and dispose of accumulated FOG. The District works in conjunction with contract staff to provide inspections of each grease removal device in the service area a minimum of one time per year.

High Frequency Areas

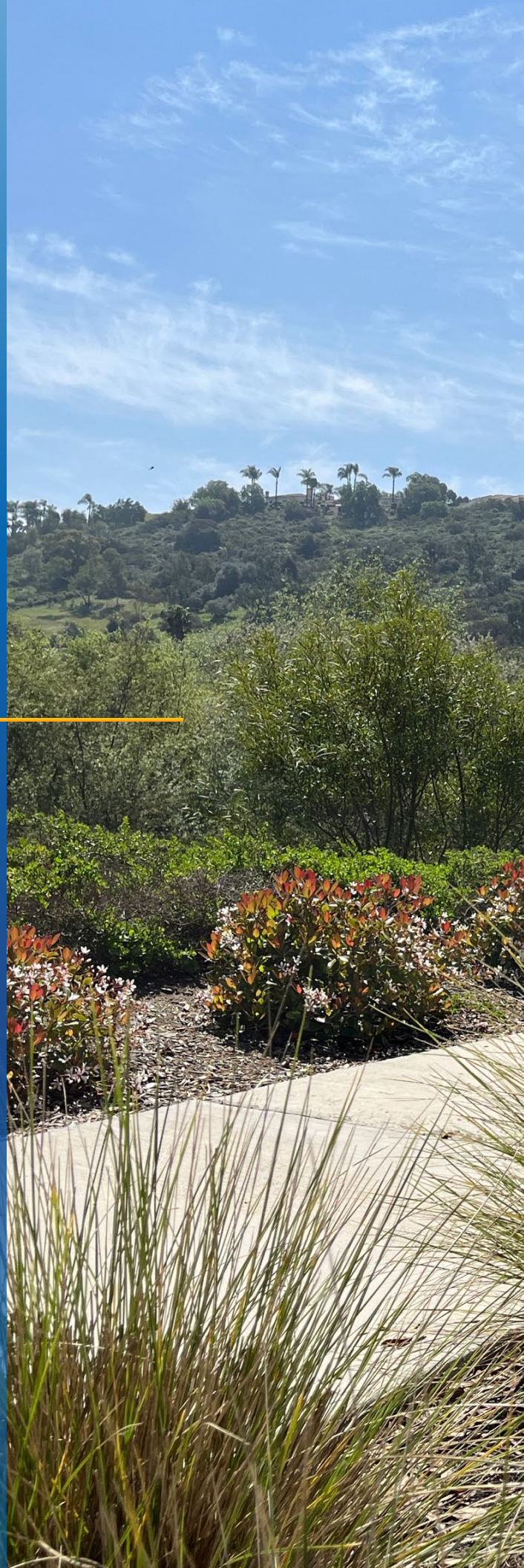
The District has identified high-frequency areas of the sewer system subject to higher levels of FOG and has developed a cleaning program for those areas. As sewer lines are cleaned, the severity of the FOG accumulation is documented in the District database system and the program is updated based on the most recent data collected by field staff.

Source Control

The District has developed and implemented source control measures for potential FOG discharged to the sewer system by implementing annual GBMP inspections.

ELEMENT VIII

SYSTEM EVALUATION,
CAPACITY ASSURANCE &
CAPITAL IMPROVEMENTS



ELEMENT VIII SYSTEM EVALUATION, CAPACITY ASSURANCE & CAPITAL IMPROVEMENTS

Compliance Summary - Masterplan to be Updated 2025

The District's 2016 Master Plan addresses the following:

- System Description
- System Flows
- System Evaluation
- Ultimate system Flow Projections and Analysis
- Capital Improvement Programs

The plan is under separate cover.

Capacity Assessment Design Criteria

See Appendix F:

Dexter Wilson Report

Dated January 31,2023

ELEMENT IX

MONITORING, MEASUREMENT
& PROGRAM MODIFICATIONS



ELEMENT IX: MONITORING, MEASUREMENT & PLAN MODIFICATIONS

Historical and Baseline Performance

The District maintains information relevant to the performance of the collection system in its database. The District has been reporting SSOs using the CIWQS since 2007. CIWQS data will be used as the District's historical performance data. Trend analysis will be conducted in future years as additional data becomes available.

Performance Measures

- SSO Rate (SSOs/50 miles/year)
- Number of SSOs for each cause (roots, grease, debris, pipe failure, capacity, lift station failures, etc.)
- Average SSO volume (gallons)
- Percentage of SSOs greater than 100 gallons
- Percentage of SSOs reported as Category 1
- Percentage of sewage contained compared to total volume spilled
- Percentage of total spilled sewage discharged to surface waters
- Locations of SSO's

Performance Monitoring and Program Changes

The District will evaluate the performance of its wastewater collection system annually using the performance measures identified above. The District will update the data and analysis in this section at the time of the evaluation. The District may use other performance measures in its evaluation. The District will prioritize its actions and initiate changes to this SSMP, and the related programs based on the results of the evaluation.

Program Update

Staff will review the SSMP annually and update program elements as necessary.

Compliance Summary

The District tracks the location and cause of all SSOs, blockages and gravity main high enhanced locations. The District maintains a log of all cleaning activity within each of its cleaning zones. Each of these basins/zones represents a separate drainage basin for the District. The District maintains records of the staff that cleaned the line, the equipment used, the size and length of the pipe, the number of debris gathered, the manhole condition assessments on the line, and any relevant remarks observed during the cleaning. The District uses work orders to document preventative maintenance activity.

Additionally, District staff observes all gravity and force mains during routine cleaning and conducts contracted video inspections when their observations in the field warrant further investigation. The District maintains a log of the video inspections.

Condition Assessment

The District will implement the following condition assessment parameters. Utilizing the District CMMS system, GeoViewer via the manhole inspection template. District staff inspects the following items: Manhole infiltration, manhole cover, manhole ring and frame, manhole size, manhole cover, manhole cone, manhole channel, manhole shelf, manhole inflow indication, manhole surcharge indications and manhole vermin. Gravity mains are inspected as part of preventive maintenance, which includes a thorough cleaning of each reach. The District hires contractors to perform CCTV inspections on pipelines to identify conditions that may lead to gravity mains being at risk of failure or prone to more frequent blockages due to pipe defects. The District will track several performance indicators, including reactionary efforts.

- Location of all overflows.
- Amount of overflow recaptured and/or released to the environment.
- Cause of the overflows as revealed through CCTV investigation/ Per contractor assistance.
- Average response time of staff to arrive at an overflow location.
- Volume of sewage spills per mile of sewer mains.
- Station Facility Maintenance: Percentage of planned work activities completed during the fiscal year based on standards established in the Maintenance Assessment Program.
- Sewer Main Cleaning: Percentage of planned work activities completed during the fiscal year based on standards established in the Maintenance Assessment Program.
- Record and track total mileage of gravity sewer system cleaned annually.
- Evaluation of the “high frequency areas” to evaluate whether to add or delete sections of the system from the accelerated cleaning schedule.
- Percentage of total gravity sewer system cleaned annually.
- Number of manholes inspected annually.
- Number of Interceptors inspected and/or cleaned annually.
- Percentage of wet wells cleaned annually.

It is anticipated that performance measures will be compared over time and an effort will be made towards lowering or eliminating SSOs.

ELEMENT X

INTERNAL AUDITS



ELEMENT X: INTERNAL AUDITS

Compliance Summary

The District will conduct an internal audit of the SSMP every three years, focusing on the effectiveness of the SSMP and the District's compliance with the SSMP requirements. The audit will include, but may not be limited to the following:

- State Water Resources Control Board General Order # 2022 - 0103 DWQ WDR for Wastewater Collection Agencies.
- Any significant changes to components of the SSMP, including but not limited to, Legal Authority, FOG Control Program, Emergency Response Plan, Overflow Emergency Response Plan, and System Evaluation & Capacity Assurance Plan.
- Any significant changes to the referenced compliance documents.
- SSMP implementation efforts over the past two years.
- A description of additions and improvements made to the sanitary sewer collections system during the past two years.
- A description of the additions and improvements planned for the upcoming two years, with an estimated schedule for implementation.
- Strategies to correct deficiencies, if identified, will be developed by the responsible RMWD division.

The Wastewater Superintendent will document audit findings and recommend changes to the SSMP in a written report to the Chief Operating Officer. These audit reports will be kept on file and made available to the public upon request. Minor changes to the SSMP, such as change to the operation and maintenance element, will be made at the staff level. Significant changes, such as changes to legal authority, must be reviewed and approved by the Board of Directors. The latest updated/version of the 3-YR internal Audit SSMP will be available on the District's website: rainbowmwd.ca.gov

ELEMENT XI

COMMUNICATIONS PROGRAM



ELEMENT XI COMMUNICATIONS PROGRAM

Compliance Summary

The SSMP will be posted on the District's website, rainbowmwd.ca.gov with instructions to the public on how to provide input on the SSMP. As input is received, staff will consider changes to the SSMP. The District is tributary to the City of Oceanside, which treats all sewage. The District has a written agreement with the City of Oceanside for wastewater flow and quality. The District regularly communicates with City of Oceanside utilities staff.

Public Implementation and Outreach

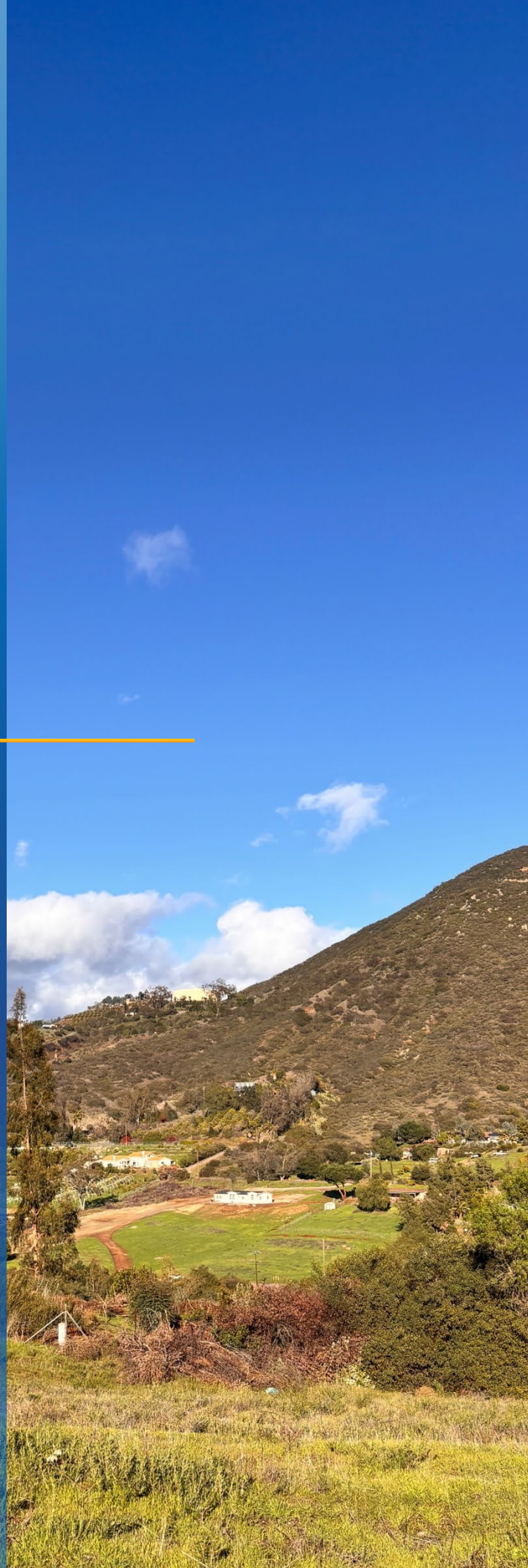
Development and opportunities for public input are made available with summary updates at the District's Engineering & Operations and Communications & Customer Service Committees. In addition, an educational campaign on best practices for proper disposal of items will be regularly distributed in the District's community newsletter, website and social media channels. The District's educational campaign will cover sewer pipe blockage, holiday disposal, household waste disposal, outdoor landscape disposal, paint disposal locations, and more. Development of a community outreach campaign for best practices to keep the wastewater ways clean will include distributing rack cards at community events, educational outreach at local schools, school field trips to the City of Oceanside's San Luis Rey Wastewater Reclamation Facility, guest speaker opportunities at community events, and informative videos shared on the District's website.

Procedures to Communicate with the Public

The District will use a variety of communication channels to inform the public about spills, discharges and impact on drinking water. The website is the primary communications source for emergency event information and additional methods for dissemination of information will include reverse 911 calls, pop up banner on website with link to emergency event page and map, and electronic communications via email and/or social media channels.

APPENDIX

A-F



APPENDIX A

SSMP Audit 3-Year Report

Completed SSMP Audit 3-Year Report is available on the [District website](#).

APPENDIX B

Available Equipment Inventory

Wastewater Division Equipment

TABLE 8

Unit No.	Equipment	Purpose
#3	½ Ton Pickup Truck	Service Truck
#60	½ Ton Pickup Truck	Service Truck
#61	F-450 Super Duty 1 ½ Ton Utility Truck	Service Truck / Confined Space
#68	2500 HD ¾ Ton	Emergency Response Vehicle
#156	Vactor trailer jetter	Sewer cleaning unit
Fallbrook Public Utility District	Sewer Combination Assistance	Emergency response
#116	Emergency Response Trailer	Emergency Response /Confined Space Rescue Operations
#141	Portable Emergency Generator	Backup Power for Lift Stations
#110	John Deer Trash Pump 6”	Bypass/Flow control
#109	1,300’ Sewer bypass hose	Bypass hose and parts

Table 3 shows the age of the collection system. Most are 20 to 30, and approximately 6% are older than 40.

APPENDIX C

Available Parts Inventory

TABLE 9 Equipment Inventory

THOUROGHBRED LIFT STATION						
Date	Item	Description	Vendor	Part Number	On Hand	Required
2025	Gauges	(Water gauges)	McMasters	4026K1	2	2
2025	Level transducer	Wet wells	Vega		1	1
2025	Vega Pols	Level sensor	Vega	74290904	1	0
2025	Floats	Normal open Normal closed	Grainger		1	0

Definitions: * Can be used with other pump stations

TABLE 9

OLD RIVER ROAD LIFT STATION						
Date	Description	Description	Vendor	Part Number	On Hand	Required
2025	Hour meters	* Cramer	Grainger	6X137	1	1
2025	Floats	*Normal open/ Normal closed	Barrett Pump	1022454	1	1
2025	3/8" Tubing	* 3/8" tubing for bubblier line	Ace Hardware	048643-025639	200'	100'
2025	Anti seize lubricant	Lubricant Chesterton 785 250-gram brush	Chesterton	82016	4	1
2025	Sump Pump	* 2" effluent pump Dayton	Grainger	3BB92	1	1
2025	Seal kit/pumps	Flygt pump seal kit per cavity tray	Flygt	829369	1 pack	1 pack
2025	Grease tubes	High temp grease	Chevron	5214-pl	4	1

TABLE 9

B-PLANT LIFT STATION						
Date	Item	Description	Vendor	Part Number	On Hand	Required
2025	Water Gauges	*(100 inch of water gauge)	McMasters	4026K1	4	6
2025	Filter	* Parker filter elements	Applied Tech	03531100B	2	2
2025	Park bowls	* Filter Bonnet bowls	Applied Tech	03530500B	1	1
2025	Filter bonnet o rings	* Bowl - o rings	Applied Tech	027097202B	0	4
2025	Pressure switches	*Allen Bradley	Smith Loveless	4L407B	6	4
2025	Floats	*Normal open/ Normal closed	Barrett Pump	1022454	2	5
2025	3/8" Tubing	*3/8" vinyl tubing for bubbler line	Ace Hardware	048643-025639	200'	100'
2025	Pump seal kit	Repair Kit	Chesterton	669337	1	1
2025	Volute	6"	Smith Loveless	60D35	0	0
2025	Motor	5 Hp 4b2A	Smith Loveless	4D215TTDR8381ANL	0	0
2025	Impeller	8" 1/8	Smith Loveless	60D34-105	1	1
2025	Motor starter	Cutler Hammer	Walters	size 1	1	1
2025	Sump Pump	* 2" EFFLUENT PUMP	Grainger	3BB92	1	1
2025	Transducer	* 4 to 20 MA	Esterline	J000013992	1	0
2025	Compressor	*1/8" Air Compressor	Grainger	5Z348	2	2
2025	Check Valve	Complete Assembly	Smith Loveless	200W0G	0	0
2025	Check Valve	Repair parts	Smith Loveless	60H15	1	1
2025	Suction elbow	6" adapter to pump frame	Smith Loveless	60D35	0	0
2025	6" knife valve	Suction or discharge	Western water works	87791	1	1
2025	6" plug valve	Suction or discharge	Western water works	0518SX	1	1

Definitions: * Can be used with other pump stations

TABLE 9

RANCHO MONSERATE LIFT STATION						
Date	Item	Description	Vendor	Part Number	On Hand	Required
2025	Floats	*Normal open/ Normal closed	Barrett Pump	1022454	1	1
2025	Seal kit	Seal kit for pump cavity	Flygt	803222	1	1
2025	Grease tubes	High temp grease	Chevron	5214-PL	4	1
2025	Starter	starter	Square D	80709	2	0
2025	Level transmitter	Flow level	Flygt	852184	2	0
2025	Cable		Flygt	837726	1	0

TABLE 9

RANCHO VIEJO LIFT STATION						
Date	Item	Description	Vendor	Part Number	On Hand	Required
2025	Suction ck valve	Ck valve rubber to hold prime	Calif. Environ. Controls	46411-064	1	1
2025	Fill cover	Secure latch to pump water fill	Calif. Environ. Controls	42111-344	1	3
2025	Set gauges	Field gauge kit 0"- 35"	Calif. Environ. Controls	GR-418213090	1	1
2025	Floats	*Normal open/ Normal closed	Barrett Pump	1022454	3	1
2025	wear plate	24150 material code	Calif. Environ. Controls	46451-723	1	1
2025	Sensor	Flow line sensor	Calif. Environ. Controls	Model Lu20	2	1
2025	Air Valve	Suction Priming valve	Calif. Environ. Controls	GR GRP3307B	1	1
2025	Impeller	12 3/8" diameter 11 010	Calif. Environ. Controls	10958	0	0
2025	Pump	6" Pump model T6A3B rotating unit	Calif. Environ. Controls	GR - 10956F	0	0
2025	Electric Motor	40 HP Gorman Rupp	Calif. Environ. Controls	28225-251/28225-253	0	0
2025	ck valve	Right hand side	Calif. Environ. Controls	GR-26642-068	0	0
2025	ck valve	Left hand side	Calif. Environ. Controls	GR-26642-088	0	0
2025	Spool piece	6" spool C.I.	Calif. Environ. Controls	GR-46354-556	1	1
2025	Sump Pump	* 2" effluent pump	Grainger	3BB92	1	1
2025	Transducer	4 to 20 MA	Esterline	J0000139965	1	1

Definitions: * Can be used with other pump stations

TABLE 9

FALLBROOK OAKS LIFT STATION						
Date	Item	Description	Vendor	Part Number	On Hand	Required
2025	Water Gauges	(100 inch of water gauge)	McMasters	4026K1	4	2
2025	Hour meters	* Cramer	Grainger	6X137	3	1
2025	Run relay caps	Motor control set	Walters wholesale	12141A006	2	1
2025	Capacitors	Start and run caps	Grainger	ZGU15	3	1
2025	Pressure switches	*Allen Bradley	Smith Loveless	4L407B	6	2
2025	Floats	*Normal open/ Normal closed	Barrett Pump	1022454	3	1
2025	3/8" Tubing	*3/8" tubing for bubblier line	Ace Hardware	048643-025639	100'	100'
2025	Motor	5 Hp submersible	Peninsula Pumps	FL112L3XX2728	1	1
2025	Motor starter	Cutler Hammer	Walters wholesale	SIZE 1	1	1
2025	Transducer	4 to 20 MA	Esterline	J000013992	1	1
2025	Compressor	1/8" Air Compressor	Grainger	5Z348	1	2
2025	2" air valve Apco	Apco sewage air release valve	HD Waterworks	Series -400	1	1
2025	6" Check Valve	Complete Assembly	HD Waterworks	6 x214k	1	1

Definitions: * Can be used with other pump stations

TABLE 9

STALLION FLOW METER						
Date	Item	Description	Vendor	Part Number	On Hand	Required
2025	Sample bottles	Alloquat sampling & monitoring	Issco	1 litter	24	24
2025	3/8" vinyl hose	Calibration	Issco	686700047	30'	10'
2025	Flow meter	Flow metering unit Flodar / 2024 repaired	Hach FLOW, Marsh McBirney	4640-0160-0902	1	1

Definitions: * Can be used with other pump stations

HORSECREEK LIFT STATION						
Date	Item	Description	Vendor	Part Number	On Hand	Required
2025	Seal	Flygt seal	Flygt	631-37-30	3	1
2025	Wear plate	Wear plate	Flygt	704-27-003	3	1
2025	Oil ring	Pump oil ring	Flygt	82-96-98	1	1
2025	Surge tank	1,000Gallon bladder	Flygt	50599-2	1	1
2025	Impeller	Impeller	Flygt	762-69-43	1	1
2025	Air valve	2" vent o mat	Dezurik	" "	1	1

APPENDIX D

Water Quality Monitoring Plan

Spill Monitoring – Water Quality

For a sewage spill that reaches surface water and/or closes the beaches, DEH and/or the district will provide sampling and testing for bacteriological and/or chemical analysis. Testing and sampling will continue until results for two consecutive days indicate that the waters are safe for human contact.

Sewage Spill Sample Collection Guidelines

Use the following method if a sewage spill is discharging into any body of water, including seasonal storm drainages. A diagram of typical sample location is provided below.

1. Collect one sample in a plastic liter container upstream from the spill mixing zone, which is the point where the spill and body of water combine. Label the sample with the following information:
 - Name: #1 UPSTREAM
 - Name of stream, lake or drainage
 - Location and Approximate Distance from mixing zone
 - Date and time
 - Sample Collectors name

Make sure this sample is taken far enough upstream that the spill does not impact the sample. In addition, collect one more sample in a sterilized container.

2. Collect one sample in a plastic liter container from the mixing zone. Label the sample with the following information:
 - Name: #2 MIXING ZONE
 - Name of stream, lake or drainage
 - Location
 - Date and time
 - Sample Collectors name

This should be collected at the exact spot or location where the spill connects with the stream, lake or drainage. In addition, collect one more sample in a sterilized container.

3. Collect one sample in a plastic liter container downstream from the mixing zone, between 1/8 and a mile if possible. Label the sample with the following information:
 - a. Name: #3 DOWNSTREAM
 - b. Name of stream, lake or drainage
 - c. Location and Approximate Distance from mixing zone
 - d. Date and time
 - e. Sample Collectors name

In addition, collect one more sample in a sterilized container.

During business hours these samples should be immediately delivered or arranged through Edward S. Babcock labs in Riverside California. If samples are collected after hours pack the samples in ice for the next delivery to the lab. The following tests are required for these samples: Ph, ammonia, chlorine residual and fecal coliform. Note: A chain of custody form is mandatory for all outgoing samples.

Posting Plan

Whenever there is a risk of contamination from a sewage spill to surface waters or an area of public contact, the district will initiate posting of the contaminated area with signs warning of the contamination. DEH will be contacted in order to determine the duration of the posting and whether or not any closure or sampling of the area will be necessary. Upon notification by DEH that the threat of contamination is over, the district will remove any posted signs.

Immediate and Long-Term Abatement Activities

Abatement activities are any steps taken to prevent the recurrence of the sewage spill. The nature of the spill determines what immediate and long-term abatement activities will occur. Short-term steps may be as simple as jetting the line to clean out grease build-up, remove grit or eliminate roots, or re-routing the flow of sewage over the course of a few days in order to repair a line.

Long-term abatement activities imply some type of preventive or corrective maintenance on the line. Preventive maintenance includes routine cleaning of grease build-up from the lines or utilizing a root cutter to routinely clear out tree roots, as well as inspection of lines with a video sewer camera. The district conducts an ongoing maintenance program involving the cleaning and inspection and NASSCO coding of the collection system and more frequent maintenance high frequency areas.

APPENDIX E

Repair List for Lines within 200 Feet of Surface Waters

Gravity Mains

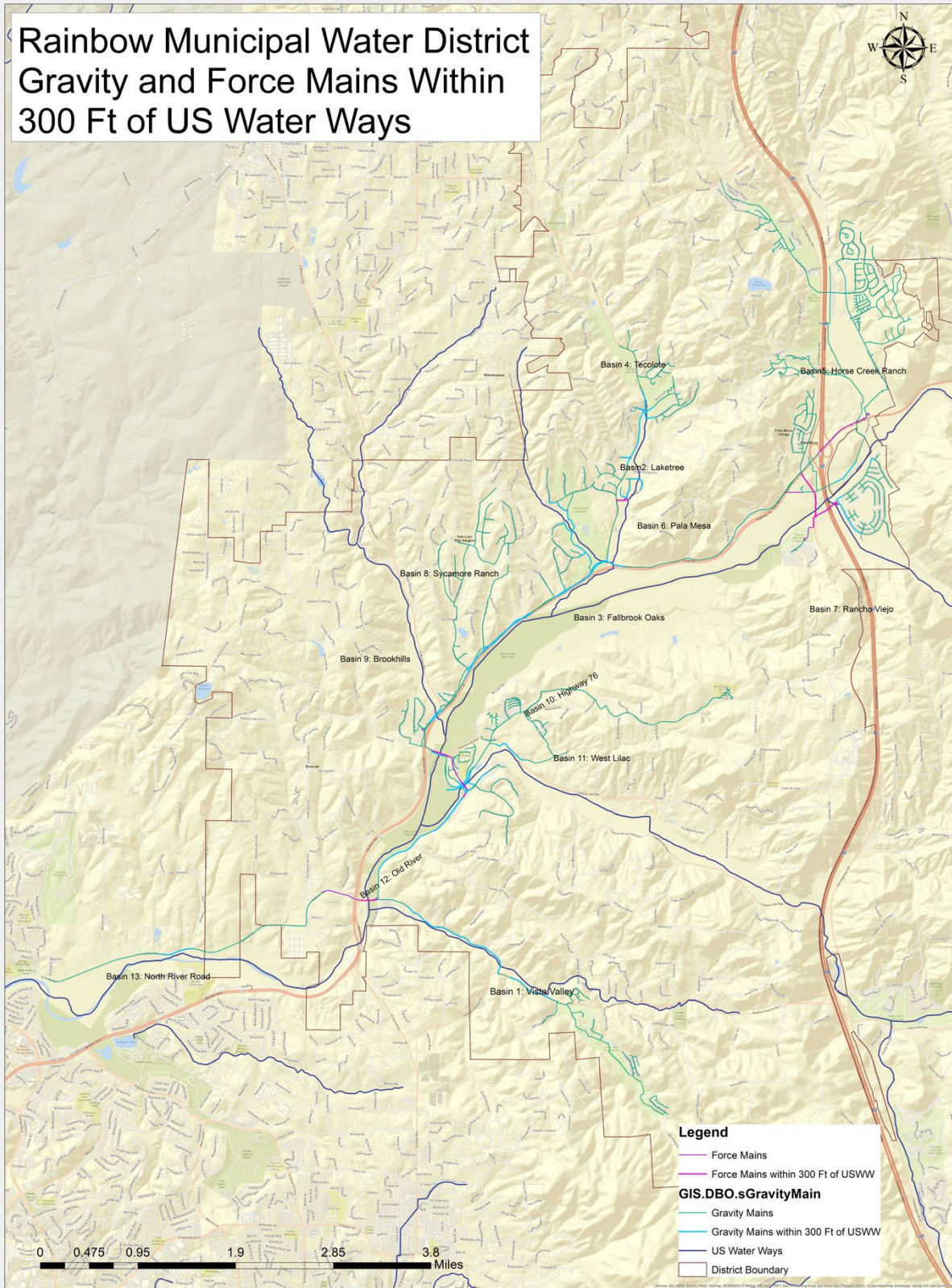
Diameter	Length (Feet)
4	716
6	705
8	30,636
10	2,242
12	14,404
15	8,567
18	9,290
21	418
24	609

Force Mains

Diameter	Length (Feet)
6	1,537
8	645
10	3,892
12	549
14	592
18	705

The pipe repair material for these pipe sizes is readily available in the District warehouse, suppliers, and neighboring water districts.

Rainbow Municipal Water District Gravity and Force Mains Within 300 Ft of US Water Ways



APPENDIX

Resiliency Adaptation Plan

[Link to Dexter Wilson Report](#)



RAINBOW

MUNICIPAL WATER DISTRICT

3707 OLD HIGHWAY 395, FALLBROOK, CA 92028
760.728.1178 | RAINBOWMWD.CA.GOV



CONSENT CALENDAR

Item No. 10.A.6

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

CONSIDER APPROVAL OF A SEWER SERVICE AGREEMENT WITH NEIGHBORHOOD'S VERDEAUX AT THE HAVENS, LLC. FOR THE HAVENS DEVELOPMENT (DIVISION 1)

BACKGROUND

The Havens (Developer) formerly known as the Bonsall Oaks development within the Rainbow Municipal Water District (District) boundaries has been in development since 1999. The proposed development is located on the north side of Gopher Canyon Road, across the street from Vista Valley Country Club. The proposed development is broken down into phases for construction:

- Phase 1A-1: Winery, Tasting Room, Bed and Breakfast (Completed)
- Phase 1A: 59 Lots and Supporting Water and Sewer Infrastructure (Completed)
- Phase 1B: 62 Lots and Supporting Water and Sewer Infrastructure
- Phase 2A: 32 Lots and Supporting Water and Sewer Infrastructure
- Phase 2B: 10 Lots and Supporting Water and Sewer Infrastructure

In 2021, the District's Board of Directors (Board) approved the Sewer Service and Construction Agreements for Phases 1A-1 and 1A for a total of 65.4 Sewer Equivalent Dwelling Units (EDUs). These phases were completed and accepted by the Board in January 2024. During construction of Phase 1A, there was a change in some of the dwelling sizes resulting in an additional 8.4 EDUs. Part of the proposed Sewer Service Agreement will memorialize the actual EDUs versus the projected from the 2021 agreement.

DESCRIPTION

The District's Administrative Code, section 9.05.080.2 Sewer Service Commitments of More than 5 EDU's; Parcel, any development requiring more than five (5) EDUs must enter into a Sewer Service Agreement. The table below provides a breakdown of the estimated Sewer Capacity Fees that are to be collected upon execution of the Sewer Service Agreement:

ESTIMATED SEWER CAPACITY FEES					
Phases	Lots Nos.	Description	Sewer Capacity Fee	Total Sewer EDUs	Total Sewer Capacity
1B	62	Single Family Residential	\$ 18,861	87.3	\$ 1,646,565.30
2A	32	Single Family Residential	\$ 18,861	45	\$ 848,745.00
2B	10	Single Family Residential	\$ 18,861	14.1	\$ 265,940.10
				146.4	\$ 2,761,250.40

By executing the Sewer Service Agreement the Developer will reserve 146.4 EDUs with a 50% payment of the projected capacity. Actual EDU count and cost will be addressed at current capacity rates once construction commences and the Sewer Service Agreement may require an amendment.

The entire cost of construction of the water systems, sewer systems, and District services (plan checks, inspection, and administration) are to be paid by the Developer.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

By approving the Sewer Service Agreement, Developer is obligated to pay 50% of the total Sewer Capacity Fees and the Developer covers the construction costs and District staff efforts via a Project Administrative Deposit.

Option 1:

- Approve the Sewer Service Agreement 26-02 by and between Rainbow Municipal Water District and Developer.
- Authorize the General Manager to execute the agreement upon payment of the 50% of sewer capacity fees by the developer.
- Make a determination that the action defined herein does not constitute a “project” as defined by CEQA.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

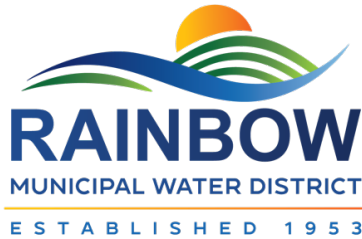
Staff recommends Option 1 as the developer has met all required District obligations and has agreed to pay 50% of the sewer capacity fees to secure sewer service.



Chad Williams
Engineering & CIP Program Manager

04/28/2026

*Attachment(s):
26-06 Sewer Service Agreement*



RAINBOW MUNICIPAL WATER DISTRICT
3707 OLD HIGHWAY 395, FALLBROOK, CALIFORNIA 92028
TELEPHONE (760) 728-1178 FAX (760) 728-2575

**SEWER SERVICE AGREEMENT (SSA)
BY AND BETWEEN RAINBOW MUNICIPAL WATER DISTRICT
AND BONSALL OAKS, LLC**

**PROJECT: HAVENS FORMERLY KNOWN AS BONSALL OAKS, TM 4736-1/FINAL
MAP 13856
PROJECT NUMBER: 700063
CONTRACT NO. 26-06**

This sewer service agreement (“Agreement”) is made on _____ (“Commencement Date”) by and between **Rainbow Municipal Water District** (“District”), a municipal water district organized under the Municipal Water District Law of 1911, and **Neighborhood’s Verdeaux at the Havens, LLC a California limited liability company** (“DEVELOPER”). Each of District and Subdivider are interchangeably referred to as a “Party” to the Agreement herein and are collectively referred to as the “Parties”.

RECITALS

DEVELOPER is the legal owner and DEVELOPER is the permittee, developer and optionee of real property located in the unincorporated community of Bonsall, County of San Diego, State of California, which real property lies within the jurisdictional service area of the District, identified as Assessor’s Parcel Numbers: **127-613-05 thru -52, 127-613-65 thru -66, 127-614-01 thru -35, 127-615-02 thru -16, and 127-620-01 thru -03** (the “Real Property”).

A. District and Developer entered into a Sewer Connection Fee Charges and Reimbursement of Charges in Excess of Actual Project Costs (“Sewer Connection Fee Agreement”) dated January 12, 1999. Said Agreement concerns the securing of sewer connection rights from the District for development of the then current parcels of the Real Property and the basis for the Developer’s sewer permit and connection fees.

B. In consideration of the Agreement identified in “B” above, and in conjunction with the development plans for the Real Property, on or about January 12, 1999, Developer paid the District the amount of \$1,098,240 (letter of credit/assigned to lien holder/joint use agreement) for a Commitment Letter and Sewer Connection Permits. Said amount represented connection rights for 165 Sewer Equivalent Dwelling Units (EDUs) a the then calculated cost of \$6,656 per EDU.

C. Final Map 13856 was approved by the San Diego County Board of Supervisors on September 22, 1999. The planned development consisted of 165 residential lots and 165 dwelling units, two (2) open space lots, and a total of 449.54 acres.

D. Subsequent to the above, District and Developer entered into an amended agreement known as the Amendment to Agreement Consenting to Sewer Connection Fee Charges and the Reimbursement of Charges in Excess of Actual Project Costs (Amended Agreement) dated December 5, 2003. Said Amended Agreement set Terms and Conditions for Developer EDU allocation, payment of capacity charges and monthly service charges, and the irrevocable surrender of nine (9) EDUs of the original allocation of 165. The Amendment expired on January 1, 2008. The project was placed on hold by Developer.

E. Developer submitted to the District a Sewer Permit Application (Permit for Sewer Connection to the District Sewer Line) dated March 28, 2014. Said Application sought to confirm the same information as the previous Application: that the Developer previously paid \$1,038,336 (net amount of payment received in “C” above minus the value of the irrevocable surrender of nine (9) EDUs in “E” above), which was the value of the 59.85 EDUs. The Application expired on March 28, 2016.

F. On March 1, 2016, prior to expiration of the above reference Sewer Permit Application, Developer submitted to the District a new Sewer Permit Application (Permit for Sewer Connection to District Sewer Line). Said Application sought to confirm the same information as the previous Application: that the Developer previously paid \$1,038,336 (net amount of payment received in “C” above minus the value of the irrevocable surrender of nine (9) EDUs in “E” above), which was the value of the 59.85 EDUs at the time of the Permit Application. The Application expired on March 28, 2017.

G. On September 16, 2021, the Developer and District entered into Sewer Service Agreement with a revised EDU count of 205.8. The new agreement sought to consolidate, update, memorialize past agreements, and commitments for needed Sewer Capacity to complete the project.

H. The planned projects consist of 163 sewer single family homes on individual lots, a Winery, and a Bed and Breakfast. A revised total of 220.2 Sewer EDUs are needed to serve the proposed project. Construction is now complete on Phase I for 59 of the proposed lots as well as the Winery, Bed and Breakfast for a total of 73.8 EDUs.

I. District and DEVELOPER desire to consolidate, update, memorialize past agreements, applications, and commitments for sewer capacity for the Project through execution of this Agreement as required by the District’s Administrative Code Section 9.05.080.

J. District acknowledges that it currently has sufficient capacity to serve the Havens project, and that it is in the best interest of the District for this development to occur.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the District and Subdivider agree as follows:

AGREEMENT

1. Warranties. The foregoing recitals are true and correct. The undersigned, for themselves and the Party on whose behalf they execute this Agreement, warrant and represent that they have full power and authority to bind said Party to the obligations and benefits set forth in this Agreement.
2. Credit of Sewer Capacity Fees. The District hereby acknowledges \$1,983,278 in previously paid sewer capacity fees (Exhibit 1) for the Havens developments and credits the Developer with the same.
3. Capacity Fees. In accordance with District Administrative Code Section 9.05.080.05.2, Subdivider shall pay to the District a fee in the amount of 50% of the wastewater capacity fees required to serve the entire project in order to ensure capacity is available. The amount due upon approval of this Agreement shall be 50% of the total capacity fees due at current rates. The calculated balance due for the initial 50% is \$1,380,625.20. See **Exhibit 1** for the breakout of the estimated sewer capacity fees at the current rates. The remaining 50% capacity fees shall be paid in full at the then-current rates by wire or check prior to the issuance of building permits or when the initial 50% deposit is depleted. The District will issue amendment(s) accordingly should calculations change.
4. Term. As provided by District Administrative Code Section 9.05.080.05.3, this Agreement shall become effective on the date of mutual execution by the Parties, and shall terminate five (5) years from that date. The service commitment may be renewed for one (1) additional five-year term upon application and payment to the District of a fee equal to the difference between fees previously paid and the current fee rates in effect at the time of renewal.
5. DEVELOPER's Obligations.
 - a. DEVELOPER agrees to hold District harmless from any and all claims, demands, actions, damages, costs, expenses, compensation, causes of action and rights, in law or in equity, in the nature of an administrative procedure or otherwise (known, unknown, contingent, accrued, inchoate, or otherwise) that Subdivider may have against the District, related to, arising from and/or pertaining in any way to the payments made to the District for sewer capacity fees for the Haven's Phase II project.
 - b. DEVELOPER further agrees to pay the District the full amount of sewer capacity fees required by the District to serve the Haven's Phase II project, at the then current rates in effect at the time building permits are issued and prior to connecting to the sewer system, unless the DEVELOPER's seeks payment after this Agreement expires but before permits are issued as provided herein.
5. Subject to Approval. This Agreement is subject to the approval of the District Board of Directors, and District shall not be bound to any terms of this Agreement absent such approval.
6. Non-Assignment. This Agreement shall not be assigned or transferred, nor shall any of the DEVELOPER's rights hereunder be delegated or subcontracted. Any attempt to assign or delegate this Agreement shall render this Agreement void and of no force or effect.

7. Notice. All notices, demands, payments, requests, consents, or other communications which this Agreement either contemplates, authorizes, requires, or permits any Party to give to the other Party, shall be in writing and shall be personally delivered, sent by registered or certified mail, postage pre-paid, return receipt requested, or by email, addressed to the respective parties as follows:

To District: Jake Wiley, General Manager,
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, California 92028
Email: jwiley@rainbowmwd.ca.gov

With a Copy to: Alfred Smith, II, General Counsel
Nossaman LLP
777 South Figueroa Street
34th Floor
Los Angeles, California 90017
Email: asmith@nossaman.com

To Party: Dan Leigh, Managing Member
Neighborhood's Verdeaux at the Havens, LLC.
32823 Temecula Parkway
Temecula, CA 92592
Email: dleigh@cormanleigh.com

With a Copy to: Developer General Counsel
Saied Kashani
3830 Valley Centre Drive, Suite 705
San Diego, CA 92130
saiedkashani@gmail.com

Any party may change its address and contact information by notice to the others as provided herein. Any such change shall be incorporated into this Agreement as if fully set forth herein. Notices shall be deemed effective when delivered if personally served or if sent by mail. If served or sent by email or facsimile, notices shall be deemed effective on the same business day that the notices are sent, or if received after 5:00 p.m., then the notice shall be deemed effective on the next business day.

8. Agreement Controlling. With respect to the District's allocation of fees paid for EDUs/sewer to the DEVELOPER, as described within this Agreement, in the event of any conflict or ambiguity between this Agreement, DEVELOPER's Application, the Construction Agreement, or any other document attached hereto or incorporated by reference herein, this Agreement shall control as between the Parties.
9. Governing Law/Venue. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the laws of the State of California. The appropriate venue

for any action brought to enforce or declare its terms shall be brought in the appropriate state or federal court in or nearest to the North County Judicial District for the County of San Diego.

10. Severability. Should any provisions herein be found or deemed invalid or in contravention of California law, such provision shall be deemed not a part of this Agreement. All other provisions of this Agreement shall remain valid and enforceable and shall remain in full force and effect.
11. Modification. This Agreement may only be modified by written agreement signed by the Parties.
12. No Third-Party Beneficiary. This Agreement shall inure to the benefit of and be binding upon the Parties. This Agreement is not intended to and shall not be for the benefit of third parties who are not expressly included herein.
13. Attorneys' Fees and Costs. In the event any legal action or proceeding to interpret or enforce the terms of, or obligations arising from, this Agreement – including mediation or arbitration – or to recover damages for breach of this Agreement, the Party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing Party all reasonable attorneys' fees, costs, and expenses incurred by the prevailing Party.
14. Further Assurances. The Parties hereby covenant and agree that the Parties will execute such other and further documents and instruments as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.
15. Headings. The headings contained in this Agreement have been inserted for convenience only and in no way define or limit the scope or interpretation of this Agreement.
16. Entire Agreement. This Agreement, together with all attachments hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are superseded.
17. Attachments. All attachments referred to herein are hereby incorporated by reference into this Agreement as though fully set forth in the body of this Agreement.
18. Waiver. No covenant, term or condition, or the breach thereof, shall be deemed waived except by written consent of the Party against whom the waiver is claimed. Any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition. Acceptance by District of any performance by Subdivider after such time that the performance is due shall not be deemed a waiver of any preceding breach by Subdivider other than the failure of performance expressly accepted, regardless of the District's knowledge of such preceding breach at the time of acceptance. No delay or omission by either Party in exercising any relief or power accruing upon non-compliance or failure of performance by the other Party shall impair or be construed as a waiver thereof, unless an intention to waive is expressly set forth in a writing signed by the waiving Party.
19. Warranties. District and Subdivider covenant and represent that each respective Party has the full authority to execute, deliver, and perform this Agreement, and that each Party has fully

complied with all requirements imposed by law as necessary for the Party to create a lawful and binding Agreement for the term of this Agreement. Each individual signing this Agreement for the District represents and warrants that he or she has the full power and authority, and legal right, to execute this Agreement on behalf of the District, and that the District has taken all necessary actions to authorize the individual signing on behalf of the District's behalf to do. Each individual signing this Agreement on behalf of Subdivider represents and warrants that he or she has the full power and authority, and the legal right, to execute this Agreement on behalf of Subdivider, and that Subdivider has taken all necessary actions to authorize the individual signing on Subdivider's behalf to do so.

- 20. Force Majeure. If either Party, except as otherwise herein specifically provided, shall be delayed or prevented from performing any act required hereunder, by reason of strikes, lock-outs, labor problems, inability to procure materials, fire, unusual weather conditions, failure of power or other utilities, applicable governmental laws or regulations (other than those reasonably foreseeable in connection with the uses contemplated by this Agreement), riots, insurrection, war or other reason of a like nature, not the fault of the Party so delayed, then performance of such act shall be excused for the period necessary to accommodate such delay.
- 21. Understanding. Each Party hereto acknowledges that the Party has reviewed this Agreement and has had an opportunity to consult legal counsel, and that the normal rule of construction that ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any subsequent amendments hereto.
- 22. Counterparts. This Agreement may be executed in counterparts, which, taken together, shall be construed as a single, complete Agreement.

IN WITNESS WHEREOF, the Parties, for themselves, do hereby agree to the full performance of the covenants herein and have caused this Agreement to be executed on the date first set forth above.

RAINBOW MUNICIPAL WATER
DISTRICT

NEIGHBORHOOD'S VERDEAUX AT
THE HAVENS, LLC.

Name: Jake Wiley

Name: Dan Leigh

Title: General Manager

Title: Managing Member

DISTRICT'S GENERAL COUNSEL

DEVELOPER GENERAL COUNSEL

Name: Alfred E. Smith, II of Nossaman LLP

Name: Saied Kashani

Title: General Counsel

Title: General Counsel

CONSENT CALENDAR

Item No. 10.A.7

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

CONSIDER APPROVAL OF JOINT AGREEMENTS TO IMPROVE MAJOR SUBDIVISIONS FOR THE OCEAN BREEZE DEVELOPMENT TRACT MAP NO.5615-2 (DIVISION 1)

BACKGROUND

The Ocean Breeze Ranch development located at 5820 West Lilac Road, Bonsall CA has been in development with Rainbow Municipal Water District (District) since 2015. The 1,403-acre property includes 833 acres of permanent biological open space, an equestrian center of 203 acres, public and private park space of 9.35 acres (including two (2) public parks, four (4) private parks and a private recreation center), four miles of sidewalks and five miles of trails for pedestrian connectivity throughout, including a trail connection from the development through open space to Sullivan Middle School. 367 acres of the total 1,403 property will be developed. The proposed development has been broken down into phases for construction:

1. Ocean Breeze Ranch Planning Area 1
2. Ocean Breeze Ranch Planning Area 2
3. Ocean Breeze Ranch Dulin Road Planning Area 3
4. Ocean Breeze Ranch High Pressure Waterline
5. Ocean Breeze Ranch Backbone
6. Ocean Breeze Ranch Sewer Lift Stations

The Rainbow Municipal Water District (District) Board of Directors (Board) approved entering into a Sewer Service Agreement with TH Ocean Breeze Ranch, LLC. (Developer) at the February 4, 2026 meeting. The agreement reserved 520.5 sewer Equivalent Dwelling Units (EDUs) needed to serve the proposed development. In addition to the Sewer Service Agreement, the District entered into Joint Agreements to Improve Major Subdivisions for Planning area 3 and Backbone phases.

At the March 24, 2026 meeting, the Board approved entering into six (6) construction agreements with the Developer to construct the water system, sewer system and facilities needed to serve the development. All construction services and District services are paid by the Developer.

DESCRIPTION

Joint Agreements to Improve Major Subdivisions (Agreements) for developments are agreements with the District, Developer, and the County of San Diego to construct the planned Tract Maps. As part of the development process, the Developer must sign new agreements with the relevant public agencies with jurisdiction over the project, including the District.

The two (2) Agreements for consideration of approval before the Board today are:

1. Joint Agreement to Improve Major Subdivision Tract Map 5615-2 Planning Area 1
2. Joint Agreement to Improve Major Subdivision Tract Map 5615-2 Planning Area 2

The agreements do not introduce any new improvements and are meant to memorialize the work needed to complete the development. If any of the improvements change from the approved plans and specifications, amendments will be brought before the Board for approval.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources

Strategic Focus Area Two: Asset Management

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

There is no direct fiscal impact from this action.

Option 1:

- Authorize the General Manager to execute the Joint Use Agreements to Improve Major Subdivisions Tract Map 5615-2.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering & CIP Program Manager

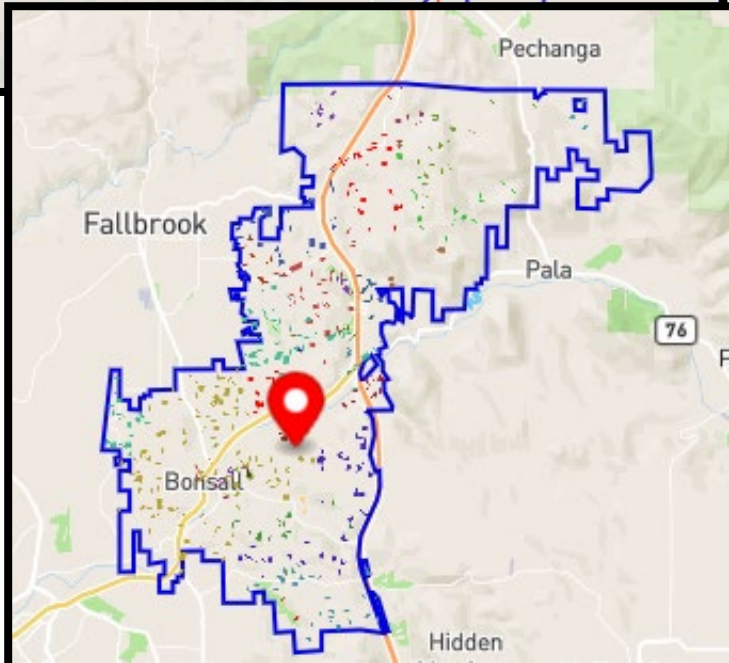
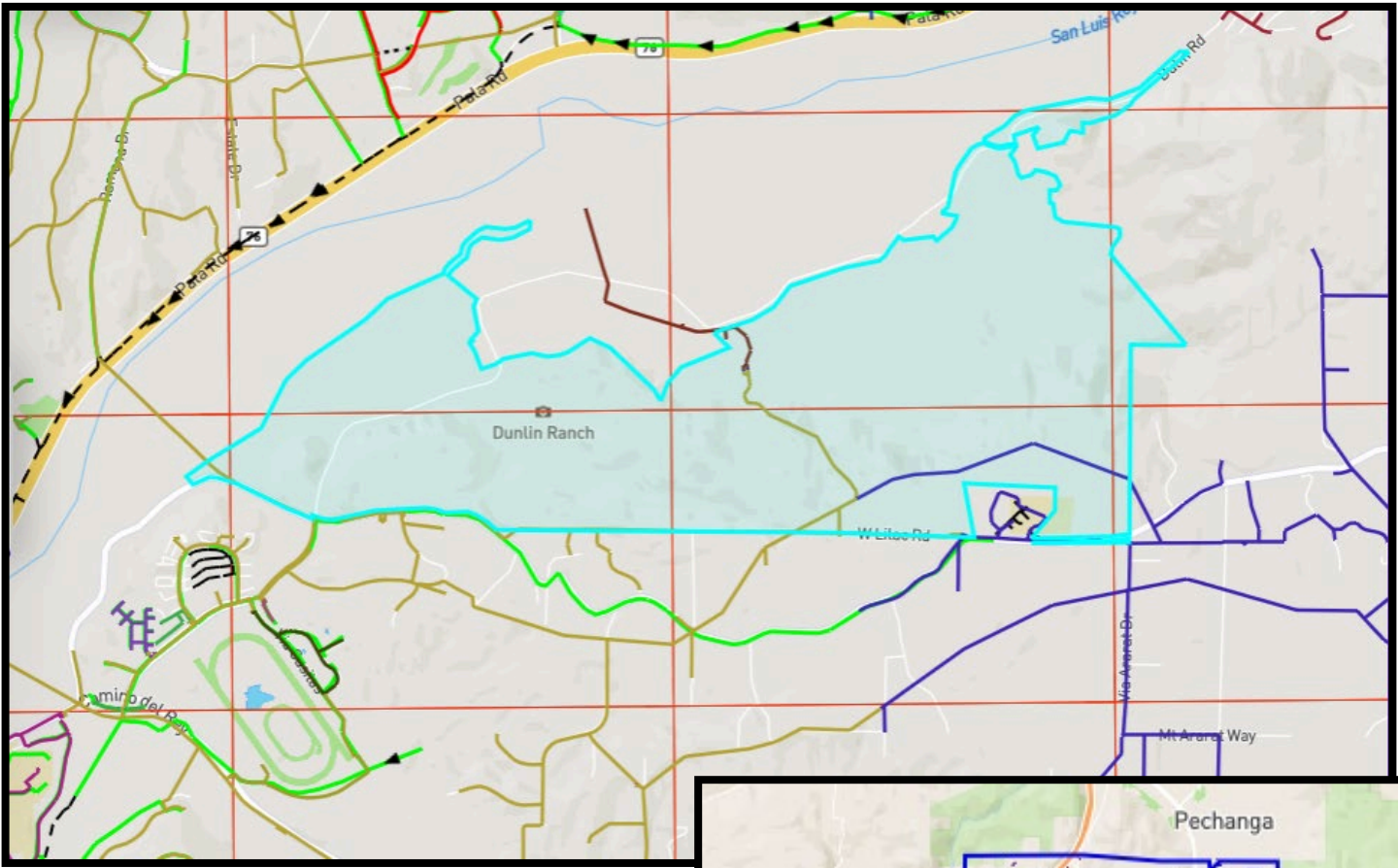
04/28/2026

Attachment(s):

1. *Project Site Map*
2. *Joint Use Agreement to Improve Major Subdivision Tract Map 5615-1 Planning Area 1*
3. *Joint Use Agreement to Improve Major Subdivision Tract Map 5615-1 Planning Area 2*



OCEAN BREEZE RANCH DEVELOPMENT DISTRICT PROJECT NO. 700035



**JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION
COUNTY OF SAN DIEGO
TRACT NO. 5615-2**

(PDS2025-LDMJIP-50111, PA-1)
(Single District)

This Joint Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, between the County of San Diego, State of California (“County”), the Rainbow Municipal Water District (“District”) KENNEDY LEWIS CAPITAL PARTNERS MASTER FUND IV-C LP, a Delaware limited partnership (“Current Owner”), and TH OCEAN BREEZE RANCH LLC, a California limited liability company (“Owner”)

WITNESSETH:

WHEREAS, in the near future, Owner will file with the Board of Supervisors of the County (“Board”) a Final Map of Subdivision of County of San Diego Tract No. 5615-2 , (“Final Map”) for the Board's approval and for recording; and

WHEREAS, on October 16, 2025, Current Owner and Owner entered into an agreement to codify the development of said Subdivision of County of San Diego Tract No. 5615-2; and

WHEREAS, pursuant to Section 66462 of the Subdivision Map Act and Section 81.407 of the San Diego County Code, the Board requires Owner to make or agree to make certain subdivision improvements; **NOW, THEREFORE**,

FIRST: IMPROVEMENTS. Owner agrees at its own cost and expense to furnish all the labor, equipment and material to perform and complete, and within 730 days from the date of the approval of the Final Map by the Board to perform and complete, in a good, workmanlike manner, according to the plans and specifications referred to below, the following improvements:

1. The improvements within the subdivision as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Agreement by reference, together with the improvements specifically designated by the plans and specifications to be improved.

2. The improvement of the sewer and/or water facilities (“Facilities”) as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Agreement by reference. These improvements shall be constructed subject to the following additional terms and conditions:

(a) Owner shall convey to District easements covering the property in which the Facilities are located, in all instances where the Facilities are not located in a dedicated street. Owner’s engineer shall provide a legal

description and an 8½" X 14" plat of easement for approval by District. The plat shall be a reproducible transparency with the appropriate District's title block and fully locate and describe the easement. The standard easement processing fee and costs of a policy of title insurance insuring title to the easement in the District shall be paid by Owner.

(b) Owner shall pay District separately on demand the full amount of costs incurred by the District in connection with the work, including plan checking, inspection, materials furnished, and all other expenses of each District directly attributable to the work, plus a reasonable amount for overhead in connection therewith. Owner shall deposit with the District concurrently with the execution of this Agreement the following sums being the estimated amounts of each District's expenses: District - \$ N/A. Should the expenses incurred by District exceed said deposit, Owner shall pay the amount of such excess to the District on demand. Should the District's expenses be less than the amount deposited, the difference shall be refunded upon completion of the work and its acceptance by the District.

(c) Owner shall obtain at its expense, all necessary permits required by County, State or other public agency in connection with the construction of the Facilities.

(d) The Facilities shall be operated by the District to whom they are dedicated in accordance with the rules and regulation of that District. Service connection fees and meter costs are not included in the estimated cost of facilities set forth in the Second Paragraph, but shall be an additional sum paid by Owner in accordance with the District's rate schedule as it from time to time exists.

3. The setting by a licensed surveyor or engineer of all monuments and stakes not installed on the date of recording of the Final Map, and the setting of all previously installed monuments and stakes that were removed, altered or destroyed prior to completion of the improvements and their acceptance by the Board and District, within 30 days of acceptance. Owner hereby further agrees to pay the engineer or surveyor for setting the monuments, and to secure the obligation to pay the engineer or surveyor by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", subject to the following:

(a) Notice of Setting. Pursuant to Section 66497 of the Subdivision Map Act, within five days after the final setting of all monuments has been completed, the engineer or surveyor shall give written notice to Owner and County's Director of Public Works ("Director") that final monuments have been set.

(b) Payment of Engineer. Upon payment to the engineer or surveyor for setting the final monuments, Owner shall present to Director evidence of such payment and receipt thereof by the engineer or surveyor. In this event, Owner's security obligations conditioned on payment to the engineer or surveyor, as required by this Paragraph, shall terminate. Where a cash deposit is given by Owner as security for faithful performance, the Clerk of the Board of County may pay the engineer or surveyor for setting the final monuments from the cash deposit if so directed by Director upon the request of Owner.

(c) Nonpayment. If Owner does not present evidence to Director that he has paid the engineer or surveyor for setting the final monuments, and if the engineer or surveyor notifies Director that he has not been paid by Owner for setting the final monuments, County may, within three months from the date of said notification, pay the engineer or surveyor the amount due from any deposit.

(d) Death or Disability of Engineer. Pursuant to Section 66498 of the Subdivision Map Act, in the event of death, disability or retirement from practice of the engineer or surveyor charged with the responsibility for setting monuments, or in the event of his or her refusal to set such monuments, County may direct Director, or such engineer or surveyor as it may select, to set the monuments. If the original engineer or surveyor is replaced by another, the former may, by letter to Director, release his or her right to set the final monuments to the substitute surveyor or engineer. When the monuments are so set, the substitute engineer shall amend any Final Map in accordance with the correction and amendment provisions of Sections 66469 through 66472 of the Subdivision Map Act. All provisions of this Agreement relating to payment shall apply to the service performed by the substitute engineer or surveyor.

4. (___) If preceding blank is checked, erosion control work as shown on the attached plans and specifications as Exhibit 2 and incorporated into this Agreement by reference, is subject to the following:

(a) The tops of all slopes shall be diked to prevent water from flowing over the edge of the slope.

(b) All driveways shall be paved not later than October 1, where their slopes exceed two percent (2%).

(c) As soon as grading is completed, but not later than October 1, the entire area not to be paved immediately will be treated with two to four tons per acre straw mulch, 50 lbs. per acre annual rye grass seed or equivalent as determined by the Director at the time of planting, and 100 lbs. per acre actual nitrogen and phosphate (ammonia phosphate 16-20-

0). The mulch shall be tacked in place with a sheepsfoot roller and lightly irrigated. On cut and fill slopes, jute matting shall be installed over the mulch to hold it in place and cutting from small leaf ice plants, or approved equivalent ground cover, shall be planted with spacing approved by Director prior to October 15.

(d) An irrigation system shall be installed in accordance with County's standard drawings for irrigation systems and approved by Director not later than May 15 following the planting of the slopes.

(e) Sandbags shall be placed in gutters as approved by Director.

(f) Catch basins, stilling basins and storm drain system as approved by Director shall be installed.

(g) Owner shall maintain the plantings and erosion control measures described herein until release from such obligation by Director. Owner shall pick up and replace on the slopes all sand intercepted by the sandbags, catch basins and stilling basins after each runoff-producing rainfall.

(h) For purposes of providing for the performance of emergency erosion control work that Director, in his or her sole discretion, deems necessary, Owner shall deposit with Director, the sum of \$ N/A, which sum is independent of any other improvement security required by the terms of this Agreement.

5. Incomplete Offsite Street and Utility Improvements.

(a) In the event this unit or subsequent units of this project require access across streets that have not been improved and accepted into the public maintained road system, and to the extent additional sewer and water facilities to serve this unit or subsequent units are required, Owner agrees to complete said improvements to the satisfaction of Director and, where appropriate, each District prior to requesting acceptance of the improvements secured under this Agreement.

(b) Owner agrees that its obligation under this Agreement shall continue in the event of a transfer or sale of this unit or subsequent units to a person or persons who are not parties to this Agreement.

SECOND: INSPECTION, ACCEPTANCE AND COST ESTIMATE. Owner agrees that the work and improvements required in the First Paragraph, subparagraph 2, above shall be done subject to inspection by and to the satisfaction of the District to whom the improvements will be dedicated, and the improvements shall not be deemed completed until approved and accepted as completed by the accepting District. Owner

agrees that all other work and improvements required in the First Paragraph shall be done subject to inspection by and to satisfaction of Director and the improvements shall not be deemed completed until approved and accepted as completed by the Board. District and Director shall be allowed to inspect their respective facilities during all stages of the construction. District and Director shall be notified a minimum of forty-eight (48) hours prior to the commencement of construction of their respective facilities. The estimated costs of the work and improvements specified in the First Paragraph are itemized as follows:

Improvements of the Streets and/or Easements	\$ 6,261,900.00
Improvements of the Sewer Facilities	\$ 876,600.00
Improvements of the Water Facilities	\$ 1,782,300.00
Setting of Monuments	\$ 104,000.00
Erosion Control Work, if any	\$ N/A
Total Estimated Amount	\$ 9,024,800.00

Owner agrees that its obligation under this Agreement extends to the completion of the designated improvements, and that this obligation is not limited by the amount of these cost estimates. Owner further agrees that these cost estimates are estimates only and are not intended to constitute liquidated damages.

THIRD: PARK LAND AND FEES. (____) If the preceding blank is checked, dedication of land or payment of fees for park or recreational purposes is required for this project. Section 66477 of the Subdivision Map Act and Section 810.103 of the San Diego County Code required the dedication of land, the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes. Owner hereby agrees to dedicate land and/or pay County the sum of \$N/A in satisfaction of these requirements.

If land is to be dedicated, pursuant to Section 810.107(b) of the San Diego County Code, Owner agrees to offer the land for dedication prior to the approval of the Final Map by the Board.

If fees alone are to be paid, or fees are to be paid in combination with the dedication of land, pursuant to Section 810.107 (a) and (c) of the San Diego County Code, Owner agrees to pay the full amount specified above prior to the issuance of any building permit or prior to the date upon which all subdivision improvements are to be completed, whichever occurs first. Owner further agrees to secure the obligation to pay the amount required by this Paragraph, by providing security for faithful performance, as

set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Agreement and Final Map for approval by the Board.

FOURTH: DRAINAGE FEES. (____) If the preceding blank is checked, drainage fees are required for this project. Government Code Section 66483 and Section 810.208 of the San Diego County Code require the payment of drainage fees. Owner agrees to pay drainage fees to County in the amount of \$N/A in satisfaction of these requirements. Owner agrees to pay the full amount specified prior to approval of the Final Map if a reimbursement agreement exists for the Local Drainage Area. If no reimbursement agreement exists, Owner agrees to pay the fees prior to the earliest of the following:

- (a) the date of issuance of any building permit except building permits for model houses;
- (b) the date all subdivision improvements are completed and accepted by County;
- (c) the date construction commences of any portion of a master planned flood control facility within the Local Drainage Area;
- (d) the date of execution of a reimbursement agreement for facilities constructed within the Local Drainage Area.

Owner further agrees to secure the obligation to pay the amount required by this paragraph, by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Agreement and Final Map for approval by the Board.

FIFTH: TAX AND ASSESSMENT LIENS. Section 66493 of the Subdivision Map Act requires Owner to post security whenever any part of the subdivision is subject to a lien for taxes or special assessments collected as taxes that are not yet payable. Owner hereby agrees to pay, or causes to be paid, when due, all State, County, municipal and local taxes, and the current installment of principal and interest of all special assessments collected as taxes which at the time the Final Map is recorded are a lien against such subdivision, or any part thereof, but which are not yet payable. Owner further agrees to secure the obligation to pay such taxes and assessment liens by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", at the time of submitting this Agreement and Final Map for approval by the Board.

In accordance with Section 81.104 of the San Diego County Code, whenever security pursuant to this Paragraph is filed with the Board, the Clerk of the Board, upon written notification by the Tax Collector that the total amount of such taxes or special assessments has been paid in full, may release the security.

In the event that the taxes or special assessments are allowed to become delinquent, pursuant to Section 66494 of the Subdivision Map Act, the Clerk of the Board shall apply the proceeds of the security required by this Paragraph to the payment of any such taxes or special assessments, including penalties and costs.

SIXTH: OWNER'S LIABILITY FOR DAMAGES. County, District, and their respective officers or employees shall not be liable or responsible for any accident, loss or damage happening or occurring to the work or improvements specified in this Agreement prior to their completion and acceptance. Nor shall County, District, or their respective officers or employees be liable for any person or property injured by reason of the work or improvements. All of the aforesaid liability shall be assumed by Owner. Owner further agrees to protect County, District, and their respective officers and employees from all liability or claim because of, or arising out of, the use of any patent or patented article in conjunction with the construction of the improvements required by this Agreement.

SEVENTH: OWNER'S LIABILITY FOR EXPENSES. County, District, and their respective officers or employees shall not be liable for any portion of the expense of the work or improvements specified in this Agreement, or for the payment for any labor or materials furnished in connection with such work or improvements.

EIGHTH: OWNER'S DUTY TO PROTECT PUBLIC. At all times from the acceptance by County and Districts of the streets and/or easements offered for dedication in this subdivision up to the completion and acceptance of the improvements by the District and the Board, Owner will give good and adequate warning to the public of each and every dangerous condition existing on the property being improved, and will protect the public from any and all such defective or dangerous conditions. It is understood and agreed that, until completion of all improvements to be performed under this Agreement, those improvements to be located in the streets and/or easements not accepted as improved shall be under the charge of Owner for the purposes of this Agreement, and Owner, upon receipt of a street closure permit issued by Director, may close all or any portion of any specified street whenever it is necessary to protect the traveling public during the construction of improvements required by this Agreement. Owner further agrees to pay for the inspection of streets and/or easements as may be required by Director and District.

NINTH: TYPES OF IMPROVEMENT SECURITY. Pursuant to Sections 66462 and 66499 of the Subdivision Map Act, it is further agreed that Owner shall file a security with the District and the Clerk of the Board at the time of submitting this Agreement and Final Map for approval by the Board. The security shall consist of one of the following types:

1. Bond or bonds by one or more duly authorized corporate sureties;
2. A deposit with the District and the Clerk of the Board of money or negotiable bonds of the kind approved for securing deposits of public moneys;

3. An instrument of credit from one or more financial institutions subject to regulation by the state or federal government and pledging that the funds necessary to carry out the obligations of this Agreement are on deposit and guaranteed for payment; or

4. An irrevocable standby letter of credit from one or more financial institutions subject to regulation by the state or federal government.

TENTH: SECURITY. Security shall be in the following amounts and shall fulfill the following purposes:

1. Security for Faithful Performance. Security shall be provided to ensure the faithful performance of all acts and improvements required by this Agreement in amounts not less than one-hundred percent (100%) of the total estimated costs of the improvements or of the acts to be performed as set forth in the Second Paragraph, more specifically described as follows:

Work and Improvements	\$ 9,024,800.00
Park Land and/or Dedication Fees	\$ N/A
Drainage Fees	\$ N/A
Tax and Assessment Liens	\$ by separate instrument
Total Estimated Amount	\$ 9,024,800.00

(a) Owner's Failure to Perform. In the event Owner fails to complete the acts, improvements, or contractual obligations specified herein within the time and upon the terms and conditions of this Agreement, County or District may jointly or severally and independently pursue any or all of the following remedies:

(1) Cause such portions of the work to be done and take such protective measures as are deemed necessary to complete the work. Accordingly, Owner agrees that County, District, or their agents, employees or representatives may enter upon Owner's property to effect the appropriate work and necessary measures.

(2) Apply the security for faithful performance, or any balance thereof, to the construction or completion of the work or installation of improvements or the satisfying of any contractual obligation remaining pursuant to this Agreement.

(3) Pursue legal remedies in any court of competent jurisdiction for damages not covered by the security or to seek specific performance of the terms and conditions of this Agreement.

(b) Release of Security

(1) Completion of Work and Improvements Specified in the First Paragraph. Pursuant to Section 81.408 of the San Diego County Code, in the event that the work and improvements specified in the First Paragraph are completed within the time and upon the terms and conditions of this Agreement, Owner is entitled to a release of the security in a sum equal to ninety-five percent (95%) of the value of such security originally pledged, less previous payments advanced.

(2) Partial Completion of Work and Improvements Specified in the First Paragraph. Pursuant to Section 66499.7 of Subdivision Map Act and upon the partial performance of the work as it progresses, Owner may be entitled to partial releases of the security for work and improvements specified in the First Paragraph. However, no reduction in such security will be authorized (1) where Director or District determine that more than fifty percent (50%) of the amount of work remains to be completed; (2) where the reduction results in a remaining security of less than 5 percent (5%) of the original security; or (3) where there has been twice previously processed partial releases of such security in conjunction with this Agreement.

No reduction in security for the work and improvements specified in the First Paragraph will apply to the required warranty period described below, to the five percent (5%) determined necessary for such warranty, or to costs, fees, and reasonable expenses, including attorney's fees.

(3) Completion of Acts Not Involving Work and Improvements Specified in the First Paragraph. Owner is entitled to a release of one-hundred percent (100%) of the security posted for performance of acts or contractual obligations that do not involve the performance of the work and improvements specified in the First Paragraph upon completion of such acts and/or contractual obligations.

(c) Any release of security related to an improvement or obligation subject to the approval by an agency other than County shall be subject to Section 66499.8 of the Subdivision Map Act.

2. Security for Payment. Good and sufficient security in an amount not less than fifty percent (50%) of the estimated costs specified in the Second Paragraph of the work and improvements required in the First Paragraph, securing payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to the contractors or subcontractors for the improvements. This security shall inure to the benefit of any and all person, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this security.

This security for shall, after passage of the time within which claims of lien are required to be recorded pursuant to Article 2 (commencing with Section 8410) of Chapter 4 of Title 2 of Part 6 of Division 4 of the Civil Code and after acceptance of the work by County and District, be reduced to an amount not less than the total claimed by all claimants for whom claims of lien have been recorded and notice thereof given in writing to County and District, and if no such claims have been recorded, the security may be released in full.

3. Warranty. A one (1) year warranty of the work and improvements specified in the First Paragraph secured by continuing in effect for a period of one (1) year five percent (5%) of the security for faithful performance for such work and improvements by County and District. Pursuant to this warranty, Owner, at its sole expense, agrees to repair or replace any and all work required under this Agreement that may prove defective in workmanship and/or materials, together with any other work which may be affected by this repair, within a one (1) year period from the date of acceptance of the work and improvements by County and District. Work necessitated, however, by ordinary wear and tear, or unusual abuse or neglect, shall not be included in this warranty.

Director or District shall give Owner notice of the existence of such defects in their respective facilities with reasonable promptness. Owner shall notify Director or District upon completion of such repairs. Should Owner fail to comply with County or District request for repairs within one (1) week of receiving the written notification, County or District is authorized to have the defects repaired and made good at the expense of Owner who hereby agrees to pay the cost for such work immediately upon demand. In an emergency, County or District may repair any defect in their respective facilities without prior notification to Owner. A County or District decision to repair defects in no way relieves Owner of the warranties given in this provision.

ELEVENTH: CHANGES. Upon consent by Owner, County or District may make changes, alterations, or additions to the plans and specifications for the work and improvements of their respective facilities specified in the First Paragraph that do not exceed ten percent (10%) of the original estimated cost of the work and improvements and that Director or District determines to be necessary and desirable for the proper

completion of their respective facilities. No changes, alterations, or additions shall relieve any security obligations given for the faithful performance of this Agreement.

TWELFTH: EXTENSION OF TIME. It is further agreed by and between the parties that in the event it is deemed necessary to extend the time of completion of the work and improvements contemplated under this Agreement, said extension may be granted by the Board or District upon Owner's request, by the Board unilaterally, or by District with the Board's approval, and shall in no way affect the validity of this Agreement or release any security obligations given for the faithful performance of this Agreement.

THIRTEENTH: COSTS OF ENFORCING JUDGMENT. As part of the security given for the faithful performance of this Agreement and in addition to the face amount specified therefor, there shall be included costs and reasonable fees, including reasonable attorney's fees, incurred by County or District in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

FOURTEENTH: EXERCISE OF RIGHTS BY DISTRICT OR COUNTY. Whenever in this Agreement reference are made to the rights of "County and/or District" or to "County or District" and the exercise of rights, the parties hereto agree that such rights may be exercised by County or District (1), jointly, or (2) severally and individually with County or District acting independently of one another.

FIFTEENTH: GOVERNING LAW, VENUE, AND JURISDICTION. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California without regard to choice of law principles. Venue for any disputes shall be brought only in the state or federal courts located in San Diego County, California. Owner consents to personal jurisdiction in such courts and hereby waives any defense of lack of personal jurisdiction.

SIXTEENTH: CURRENT OWNER'S CONSENT TO IMPROVEMENTS. Current Owner consents to the construction, maintenance and operation of the improvements required by this Improvement Agreement and to any other activities on the Project reasonably necessary for Owner to fulfill its obligations under the Improvement Agreement upon those portions of the project owned by Current Owner, as described or depicted on Exhibit B (the "Property"). The provisions of this section shall be binding on all subsequent owners of the Property and shall be covenants running with the land in accordance with California Civil Code Section 1468. This covenant shall terminate upon the County's written acceptance of all improvements required to be installed on the Property (or applicable portion thereof) pursuant to the Improvement Agreement. In such event, the applicable portion Property (or interest therein) shall be deemed automatically released from this covenant without signing or recording any instrument of release; provided, however, that upon request, the County shall sign and consents to the recordation of a release with respect to any such portion of the Property (or interest therein) released pursuant to the foregoing provisions.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the date first above written.

COUNTY OF SAN DIEGO

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By: _____
Clerk, Board of Supervisors

By: Jerod Markley
SUPERVISING DEPUTY

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Printed Name
Printed Title

Current Owner

KENNEDY LEWIS CAPITAL PARTNERS MASTER FUND IV-C LP, a Delaware limited partnership

By: _____, Authorized Signatory

Owner
TH OCEAN BREEZE RANCH LLC, a California limited liability company

By: Guy Oliver, Authorized Agent

Notes: (1) Signatures must be acknowledged; and,
(2) Appropriate security must be attached.

**JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION
COUNTY OF SAN DIEGO
TRACT NO. 5615-3**

(PDS2025-LDMJIP-50112, PA-2)
(Single District)

This Joint Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, between the County of San Diego, State of California (“County”), the Rainbow Municipal Water District (“District”) KENNEDY LEWIS CAPITAL PARTNERS MASTER FUND IV-C LP, a Delaware limited partnership (“Current Owner”), and TH OCEAN BREEZE RANCH LLC, a California limited liability company (“Owner”)

WITNESSETH:

WHEREAS, in the near future, Owner will file with the Board of Supervisors of the County (“Board”) a Final Map of Subdivision of County of San Diego Tract No. 5615-3 , (“Final Map”) for the Board's approval and for recording; and

WHEREAS, on October 16, 2025, Current Owner and Owner entered into an agreement to codify the development of said Subdivision of County of San Diego Tract No. 5615-3; and

WHEREAS, pursuant to Section 66462 of the Subdivision Map Act and Section 81.407 of the San Diego County Code, the Board requires Owner to make or agree to make certain subdivision improvements; **NOW, THEREFORE**,

FIRST: IMPROVEMENTS. Owner agrees at its own cost and expense to furnish all the labor, equipment and material to perform and complete, and within 730 days from the date of the approval of the Final Map by the Board to perform and complete, in a good, workmanlike manner, according to the plans and specifications referred to below, the following improvements:

1. The improvements within the subdivision as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Agreement by reference, together with the improvements specifically designated by the plans and specifications to be improved.

2. The improvement of the sewer and/or water facilities (“Facilities”) as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Agreement by reference. These improvements shall be constructed subject to the following additional terms and conditions:

(a) Owner shall convey to District easements covering the property in which the Facilities are located, in all instances where the Facilities are not located in a dedicated street. Owner’s engineer shall provide a legal

description and an 8½" X 14" plat of easement for approval by District. The plat shall be a reproducible transparency with the appropriate District's title block and fully locate and describe the easement. The standard easement processing fee and costs of a policy of title insurance insuring title to the easement in the District shall be paid by Owner.

(b) Owner shall pay District separately on demand the full amount of costs incurred by the District in connection with the work, including plan checking, inspection, materials furnished, and all other expenses of each District directly attributable to the work, plus a reasonable amount for overhead in connection therewith. Owner shall deposit with the District concurrently with the execution of this Agreement the following sums being the estimated amounts of each District's expenses: District - \$ N/A. Should the expenses incurred by District exceed said deposit, Owner shall pay the amount of such excess to the District on demand. Should the District's expenses be less than the amount deposited, the difference shall be refunded upon completion of the work and its acceptance by the District.

(c) Owner shall obtain at its expense, all necessary permits required by County, State or other public agency in connection with the construction of the Facilities.

(d) The Facilities shall be operated by the District to whom they are dedicated in accordance with the rules and regulation of that District. Service connection fees and meter costs are not included in the estimated cost of facilities set forth in the Second Paragraph, but shall be an additional sum paid by Owner in accordance with the District's rate schedule as it from time to time exists.

3. The setting by a licensed surveyor or engineer of all monuments and stakes not installed on the date of recording of the Final Map, and the setting of all previously installed monuments and stakes that were removed, altered or destroyed prior to completion of the improvements and their acceptance by the Board and District, within 30 days of acceptance. Owner hereby further agrees to pay the engineer or surveyor for setting the monuments, and to secure the obligation to pay the engineer or surveyor by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", subject to the following:

(a) Notice of Setting. Pursuant to Section 66497 of the Subdivision Map Act, within five days after the final setting of all monuments has been completed, the engineer or surveyor shall give written notice to Owner and County's Director of Public Works ("Director") that final monuments have been set.

(b) Payment of Engineer. Upon payment to the engineer or surveyor for setting the final monuments, Owner shall present to Director evidence of such payment and receipt thereof by the engineer or surveyor. In this event, Owner's security obligations conditioned on payment to the engineer or surveyor, as required by this Paragraph, shall terminate. Where a cash deposit is given by Owner as security for faithful performance, the Clerk of the Board of County may pay the engineer or surveyor for setting the final monuments from the cash deposit if so directed by Director upon the request of Owner.

(c) Nonpayment. If Owner does not present evidence to Director that he has paid the engineer or surveyor for setting the final monuments, and if the engineer or surveyor notifies Director that he has not been paid by Owner for setting the final monuments, County may, within three months from the date of said notification, pay the engineer or surveyor the amount due from any deposit.

(d) Death or Disability of Engineer. Pursuant to Section 66498 of the Subdivision Map Act, in the event of death, disability or retirement from practice of the engineer or surveyor charged with the responsibility for setting monuments, or in the event of his or her refusal to set such monuments, County may direct Director, or such engineer or surveyor as it may select, to set the monuments. If the original engineer or surveyor is replaced by another, the former may, by letter to Director, release his or her right to set the final monuments to the substitute surveyor or engineer. When the monuments are so set, the substitute engineer shall amend any Final Map in accordance with the correction and amendment provisions of Sections 66469 through 66472 of the Subdivision Map Act. All provisions of this Agreement relating to payment shall apply to the service performed by the substitute engineer or surveyor.

4. (___) If preceding blank is checked, erosion control work as shown on the attached plans and specifications as Exhibit 2 and incorporated into this Agreement by reference, is subject to the following:

(a) The tops of all slopes shall be diked to prevent water from flowing over the edge of the slope.

(b) All driveways shall be paved not later than October 1, where their slopes exceed two percent (2%).

(c) As soon as grading is completed, but not later than October 1, the entire area not to be paved immediately will be treated with two to four tons per acre straw mulch, 50 lbs. per acre annual rye grass seed or equivalent as determined by the Director at the time of planting, and 100 lbs. per acre actual nitrogen and phosphate (ammonia phosphate 16-20-

0). The mulch shall be tacked in place with a sheepsfoot roller and lightly irrigated. On cut and fill slopes, jute matting shall be installed over the mulch to hold it in place and cutting from small leaf ice plants, or approved equivalent ground cover, shall be planted with spacing approved by Director prior to October 15.

(d) An irrigation system shall be installed in accordance with County's standard drawings for irrigation systems and approved by Director not later than May 15 following the planting of the slopes.

(e) Sandbags shall be placed in gutters as approved by Director.

(f) Catch basins, stilling basins and storm drain system as approved by Director shall be installed.

(g) Owner shall maintain the plantings and erosion control measures described herein until release from such obligation by Director. Owner shall pick up and replace on the slopes all sand intercepted by the sandbags, catch basins and stilling basins after each runoff-producing rainfall.

(h) For purposes of providing for the performance of emergency erosion control work that Director, in his or her sole discretion, deems necessary, Owner shall deposit with Director, the sum of \$ N/A, which sum is independent of any other improvement security required by the terms of this Agreement.

5. Incomplete Offsite Street and Utility Improvements.

(a) In the event this unit or subsequent units of this project require access across streets that have not been improved and accepted into the public maintained road system, and to the extent additional sewer and water facilities to serve this unit or subsequent units are required, Owner agrees to complete said improvements to the satisfaction of Director and, where appropriate, each District prior to requesting acceptance of the improvements secured under this Agreement.

(b) Owner agrees that its obligation under this Agreement shall continue in the event of a transfer or sale of this unit or subsequent units to a person or persons who are not parties to this Agreement.

SECOND: INSPECTION, ACCEPTANCE AND COST ESTIMATE. Owner agrees that the work and improvements required in the First Paragraph, subparagraph 2, above shall be done subject to inspection by and to the satisfaction of the District to whom the improvements will be dedicated, and the improvements shall not be deemed completed until approved and accepted as completed by the accepting District. Owner

agrees that all other work and improvements required in the First Paragraph shall be done subject to inspection by and to satisfaction of Director and the improvements shall not be deemed completed until approved and accepted as completed by the Board. District and Director shall be allowed to inspect their respective facilities during all stages of the construction. District and Director shall be notified a minimum of forty-eight (48) hours prior to the commencement of construction of their respective facilities. The estimated costs of the work and improvements specified in the First Paragraph are itemized as follows:

Improvements of the Streets and/or Easements	\$ 8,385,700.00
Improvements of the Sewer Facilities	\$ 1,687,300.00
Improvements of the Water Facilities	\$ 3,175,600.00
Setting of Monuments	\$ 149,000.00
Erosion Control Work, if any	\$ N/A
Total Estimated Amount	\$ 13,397,600.00

Owner agrees that its obligation under this Agreement extends to the completion of the designated improvements, and that this obligation is not limited by the amount of these cost estimates. Owner further agrees that these cost estimates are estimates only and are not intended to constitute liquidated damages.

THIRD: PARK LAND AND FEES. (____) If the preceding blank is checked, dedication of land or payment of fees for park or recreational purposes is required for this project. Section 66477 of the Subdivision Map Act and Section 810.103 of the San Diego County Code required the dedication of land, the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes. Owner hereby agrees to dedicate land and/or pay County the sum of \$N/A in satisfaction of these requirements.

If land is to be dedicated, pursuant to Section 810.107(b) of the San Diego County Code, Owner agrees to offer the land for dedication prior to the approval of the Final Map by the Board.

If fees alone are to be paid, or fees are to be paid in combination with the dedication of land, pursuant to Section 810.107 (a) and (c) of the San Diego County Code, Owner agrees to pay the full amount specified above prior to the issuance of any building permit or prior to the date upon which all subdivision improvements are to be completed, whichever occurs first. Owner further agrees to secure the obligation to pay the amount required by this Paragraph, by providing security for faithful performance, as

set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Agreement and Final Map for approval by the Board.

FOURTH: DRAINAGE FEES. (____) If the preceding blank is checked, drainage fees are required for this project. Government Code Section 66483 and Section 810.208 of the San Diego County Code require the payment of drainage fees. Owner agrees to pay drainage fees to County in the amount of \$N/A in satisfaction of these requirements. Owner agrees to pay the full amount specified prior to approval of the Final Map if a reimbursement agreement exists for the Local Drainage Area. If no reimbursement agreement exists, Owner agrees to pay the fees prior to the earliest of the following:

- (a) the date of issuance of any building permit except building permits for model houses;
- (b) the date all subdivision improvements are completed and accepted by County;
- (c) the date construction commences of any portion of a master planned flood control facility within the Local Drainage Area;
- (d) the date of execution of a reimbursement agreement for facilities constructed within the Local Drainage Area.

Owner further agrees to secure the obligation to pay the amount required by this paragraph, by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Agreement and Final Map for approval by the Board.

FIFTH: TAX AND ASSESSMENT LIENS. Section 66493 of the Subdivision Map Act requires Owner to post security whenever any part of the subdivision is subject to a lien for taxes or special assessments collected as taxes that are not yet payable. Owner hereby agrees to pay, or causes to be paid, when due, all State, County, municipal and local taxes, and the current installment of principal and interest of all special assessments collected as taxes which at the time the Final Map is recorded are a lien against such subdivision, or any part thereof, but which are not yet payable. Owner further agrees to secure the obligation to pay such taxes and assessment liens by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", at the time of submitting this Agreement and Final Map for approval by the Board.

In accordance with Section 81.104 of the San Diego County Code, whenever security pursuant to this Paragraph is filed with the Board, the Clerk of the Board, upon written notification by the Tax Collector that the total amount of such taxes or special assessments has been paid in full, may release the security.

In the event that the taxes or special assessments are allowed to become delinquent, pursuant to Section 66494 of the Subdivision Map Act, the Clerk of the Board shall apply the proceeds of the security required by this Paragraph to the payment of any such taxes or special assessments, including penalties and costs.

SIXTH: OWNER'S LIABILITY FOR DAMAGES. County, District, and their respective officers or employees shall not be liable or responsible for any accident, loss or damage happening or occurring to the work or improvements specified in this Agreement prior to their completion and acceptance. Nor shall County, District, or their respective officers or employees be liable for any person or property injured by reason of the work or improvements. All of the aforesaid liability shall be assumed by Owner. Owner further agrees to protect County, District, and their respective officers and employees from all liability or claim because of, or arising out of, the use of any patent or patented article in conjunction with the construction of the improvements required by this Agreement.

SEVENTH: OWNER'S LIABILITY FOR EXPENSES. County, District, and their respective officers or employees shall not be liable for any portion of the expense of the work or improvements specified in this Agreement, or for the payment for any labor or materials furnished in connection with such work or improvements.

EIGHTH: OWNER'S DUTY TO PROTECT PUBLIC. At all times from the acceptance by County and Districts of the streets and/or easements offered for dedication in this subdivision up to the completion and acceptance of the improvements by the District and the Board, Owner will give good and adequate warning to the public of each and every dangerous condition existing on the property being improved, and will protect the public from any and all such defective or dangerous conditions. It is understood and agreed that, until completion of all improvements to be performed under this Agreement, those improvements to be located in the streets and/or easements not accepted as improved shall be under the charge of Owner for the purposes of this Agreement, and Owner, upon receipt of a street closure permit issued by Director, may close all or any portion of any specified street whenever it is necessary to protect the traveling public during the construction of improvements required by this Agreement. Owner further agrees to pay for the inspection of streets and/or easements as may be required by Director and District.

NINTH: TYPES OF IMPROVEMENT SECURITY. Pursuant to Sections 66462 and 66499 of the Subdivision Map Act, it is further agreed that Owner shall file a security with the District and the Clerk of the Board at the time of submitting this Agreement and Final Map for approval by the Board. The security shall consist of one of the following types:

1. Bond or bonds by one or more duly authorized corporate sureties;
2. A deposit with the District and the Clerk of the Board of money or negotiable bonds of the kind approved for securing deposits of public moneys;

3. An instrument of credit from one or more financial institutions subject to regulation by the state or federal government and pledging that the funds necessary to carry out the obligations of this Agreement are on deposit and guaranteed for payment; or

4. An irrevocable standby letter of credit from one or more financial institutions subject to regulation by the state or federal government.

TENTH: SECURITY. Security shall be in the following amounts and shall fulfill the following purposes:

1. Security for Faithful Performance. Security shall be provided to ensure the faithful performance of all acts and improvements required by this Agreement in amounts not less than one-hundred percent (100%) of the total estimated costs of the improvements or of the acts to be performed as set forth in the Second Paragraph, more specifically described as follows:

Work and Improvements	\$ 13,397,600.00
Park Land and/or Dedication Fees	\$ N/A
Drainage Fees	\$ N/A
Tax and Assessment Liens	\$ by separate instrument
Total Estimated Amount	\$ 13,397,600.00

(a) Owner's Failure to Perform. In the event Owner fails to complete the acts, improvements, or contractual obligations specified herein within the time and upon the terms and conditions of this Agreement, County or District may jointly or severally and independently pursue any or all of the following remedies:

(1) Cause such portions of the work to be done and take such protective measures as are deemed necessary to complete the work. Accordingly, Owner agrees that County, District, or their agents, employees or representatives may enter upon Owner's property to effect the appropriate work and necessary measures.

(2) Apply the security for faithful performance, or any balance thereof, to the construction or completion of the work or installation of improvements or the satisfying of any contractual obligation remaining pursuant to this Agreement.

(3) Pursue legal remedies in any court of competent jurisdiction for damages not covered by the security or to seek specific performance of the terms and conditions of this Agreement.

(b) Release of Security

(1) Completion of Work and Improvements Specified in the First Paragraph. Pursuant to Section 81.408 of the San Diego County Code, in the event that the work and improvements specified in the First Paragraph are completed within the time and upon the terms and conditions of this Agreement, Owner is entitled to a release of the security in a sum equal to ninety-five percent (95%) of the value of such security originally pledged, less previous payments advanced.

(2) Partial Completion of Work and Improvements Specified in the First Paragraph. Pursuant to Section 66499.7 of Subdivision Map Act and upon the partial performance of the work as it progresses, Owner may be entitled to partial releases of the security for work and improvements specified in the First Paragraph. However, no reduction in such security will be authorized (1) where Director or District determine that more than fifty percent (50%) of the amount of work remains to be completed; (2) where the reduction results in a remaining security of less than 5 percent (5%) of the original security; or (3) where there has been twice previously processed partial releases of such security in conjunction with this Agreement.

No reduction in security for the work and improvements specified in the First Paragraph will apply to the required warranty period described below, to the five percent (5%) determined necessary for such warranty, or to costs, fees, and reasonable expenses, including attorney's fees.

(3) Completion of Acts Not Involving Work and Improvements Specified in the First Paragraph. Owner is entitled to a release of one-hundred percent (100%) of the security posted for performance of acts or contractual obligations that do not involve the performance of the work and improvements specified in the First Paragraph upon completion of such acts and/or contractual obligations.

(c) Any release of security related to an improvement or obligation subject to the approval by an agency other than County shall be subject to Section 66499.8 of the Subdivision Map Act.

2. Security for Payment. Good and sufficient security in an amount not less than fifty percent (50%) of the estimated costs specified in the Second Paragraph of the work and improvements required in the First Paragraph, securing payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to the contractors or subcontractors for the improvements. This security shall inure to the benefit of any and all person, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this security.

This security for shall, after passage of the time within which claims of lien are required to be recorded pursuant to Article 2 (commencing with Section 8410) of Chapter 4 of Title 2 of Part 6 of Division 4 of the Civil Code and after acceptance of the work by County and District, be reduced to an amount not less than the total claimed by all claimants for whom claims of lien have been recorded and notice thereof given in writing to County and District, and if no such claims have been recorded, the security may be released in full.

3. Warranty. A one (1) year warranty of the work and improvements specified in the First Paragraph secured by continuing in effect for a period of one (1) year five percent (5%) of the security for faithful performance for such work and improvements by County and District. Pursuant to this warranty, Owner, at its sole expense, agrees to repair or replace any and all work required under this Agreement that may prove defective in workmanship and/or materials, together with any other work which may be affected by this repair, within a one (1) year period from the date of acceptance of the work and improvements by County and District. Work necessitated, however, by ordinary wear and tear, or unusual abuse or neglect, shall not be included in this warranty.

Director or District shall give Owner notice of the existence of such defects in their respective facilities with reasonable promptness. Owner shall notify Director or District upon completion of such repairs. Should Owner fail to comply with County or District request for repairs within one (1) week of receiving the written notification, County or District is authorized to have the defects repaired and made good at the expense of Owner who hereby agrees to pay the cost for such work immediately upon demand. In an emergency, County or District may repair any defect in their respective facilities without prior notification to Owner. A County or District decision to repair defects in no way relieves Owner of the warranties given in this provision.

ELEVENTH: CHANGES. Upon consent by Owner, County or District may make changes, alterations, or additions to the plans and specifications for the work and improvements of their respective facilities specified in the First Paragraph that do not exceed ten percent (10%) of the original estimated cost of the work and improvements and that Director or District determines to be necessary and desirable for the proper

completion of their respective facilities. No changes, alterations, or additions shall relieve any security obligations given for the faithful performance of this Agreement.

TWELFTH: EXTENSION OF TIME. It is further agreed by and between the parties that in the event it is deemed necessary to extend the time of completion of the work and improvements contemplated under this Agreement, said extension may be granted by the Board or District upon Owner's request, by the Board unilaterally, or by District with the Board's approval, and shall in no way affect the validity of this Agreement or release any security obligations given for the faithful performance of this Agreement.

THIRTEENTH: COSTS OF ENFORCING JUDGMENT. As part of the security given for the faithful performance of this Agreement and in addition to the face amount specified therefor, there shall be included costs and reasonable fees, including reasonable attorney's fees, incurred by County or District in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

FOURTEENTH: EXERCISE OF RIGHTS BY DISTRICT OR COUNTY. Whenever in this Agreement reference are made to the rights of "County and/or District" or to "County or District" and the exercise of rights, the parties hereto agree that such rights may be exercised by County or District (1), jointly, or (2) severally and individually with County or District acting independently of one another.

FIFTEENTH: GOVERNING LAW, VENUE, AND JURISDICTION. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California without regard to choice of law principles. Venue for any disputes shall be brought only in the state or federal courts located in San Diego County, California. Owner consents to personal jurisdiction in such courts and hereby waives any defense of lack of personal jurisdiction.

SIXTEENTH: CURRENT OWNER'S CONSENT TO IMPROVEMENTS. Current Owner consents to the construction, maintenance and operation of the improvements required by this Improvement Agreement and to any other activities on the Project reasonably necessary for Owner to fulfill its obligations under the Improvement Agreement upon those portions of the project owned by Current Owner, as described or depicted on Exhibit B (the "Property"). The provisions of this section shall be binding on all subsequent owners of the Property and shall be covenants running with the land in accordance with California Civil Code Section 1468. This covenant shall terminate upon the County's written acceptance of all improvements required to be installed on the Property (or applicable portion thereof) pursuant to the Improvement Agreement. In such event, the applicable portion Property (or interest therein) shall be deemed automatically released from this covenant without signing or recording any instrument of release; provided, however, that upon request, the County shall sign and consents to the recordation of a release with respect to any such portion of the Property (or interest therein) released pursuant to the foregoing provisions.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the date first above written.

COUNTY OF SAN DIEGO

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By: _____
Clerk, Board of Supervisors

By: *Jerod Markley* _____
SUPERVISING DEPUTY

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Printed Name
Printed Title

Current Owner

KENNEDY LEWIS CAPITAL PARTNERS MASTER FUND IV-C LP, a Delaware limited partnership

By: _____, Authorized Signatory

Owner
TH OCEAN BREEZE RANCH LLC, a California limited liability company

By: Guy Oliver, Authorized Agent

Notes: (1) Signatures must be acknowledged; and,
(2) Appropriate security must be attached.

BOARD ACTION Item No. 11.A

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

CONSIDER AWARD OF A CONSTRUCTION CONTRACT TO LC PAVING AND SEALING, INC. IN THE AMOUNT OF \$345,366 FOR PAVING RESTORATION ASSOCIATED WITH THE LA CANADA PIPELINE REPLACEMENT PROJECT (DIVISION 3)

BACKGROUND

The La Canada Road pipeline project replaced 4,000 LF of existing 8-inch steel pipeline within La Canada Road from Hillrise Road and Via Monserate. The pipeline replacement work was conducted by In-house District staff. This project also included the installed of two (2) new pressure reducing stations. Construction of the new pipeline is complete and road restoration work is needed to complete the project. In 2025, the District contracted with Omnis Consulting, Inc. to provide plans and specifications for paving and street improvements. This portion of the work requires specialty services from Contractors specializing in Hot Mix Asphalt Concrete (Hot Mix AC) paving.

DESCRIPTION

On April 13, 2026, the District published a construction bid package for the La Canada Road Street Improvements to the District's online bidding platform (Planet Bids) for public bidding. On April 21, 2026, the District received six (6) contractor bids. The lowest responsible and responsive bidder was LC Paving and Sealing, Inc. with a bid amount of \$345,366. Staff has evaluated the bid and found no irregularities.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources
Strategic Focus Area Two: Asset Management

ENVIRONMENTAL

The La Canada Road Street Improvements qualify for a categorical exemption from the California Environmental Quality Act (CEQA) under Section 21080a, the division does not apply to any project of less than one in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal or demolition of an existing pipeline. The Notice of Exemption was filed for the project on January 7, 2026.

BOARD OPTIONS/FISCAL IMPACTS

Funds for the replacement of the La Canada Road pipeline replacement, installation pressure reducing stations and street improvements were budgeted in fiscal year 25/26 and for a total of \$1,150,000, under the La Canada Pipeline Replacement and Pressure Reduction project number 600093. Adequate funding exists to complete the Project.

Option 1:

- (1) Approve a construction contract with LC Paving and Sealing, Inc. in the amount of \$345,366.
- (2) Make a determination that the La Canada Street Improvement project is categorically exempt from CEQA pursuant to Section 21080.21a.
- (3) Authorize the General Manager to execute the construction contract with LC Paving and Sealing, Inc..

Option 2: (1) Reject all bids.

Option 3: (1) Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1 as adequate funding exist within the Board-approved budget for the paving restoration work. This is the final contract necessary to complete construction of the Project.

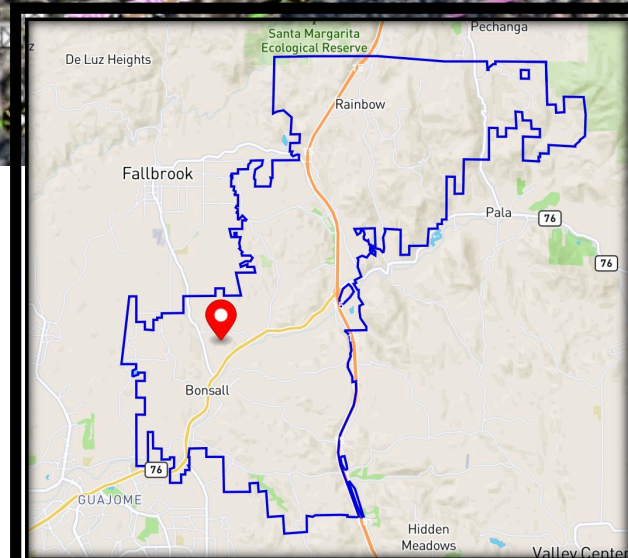


Chad Williams
Engineering & CIP Program Manager

04/28/2026

*Attachment(s):
Project Site Map*

LA CANADA PIPELINE REPLACEMENT PROJECT DISTRICT PROJECT NO. 600093



BOARD OF DIRECTORS

April 28, 2026

SUBJECT

APPROVAL OF THE DISTRICTS 5-YEAR CIP WATER & WASTEWATER PLAN

BACKGROUND

Rainbow Municipal Water District (District) maintains a 5-year Capital Improvement Project (CIP) Plan. The plan identifies and presents priority projects to be considered for funding in a five-year program. The recommended projects are based primarily on the results of hydraulic analysis summarized in condition assessments, water and wastewater master plans, and District's staff institutional knowledge of system's capacity and needs. Projects fall under several improvement categories that include but are not limited to:

Replacement and Rehabilitation

Pipelines/Valves: These projects are composed of pipeline replacement projects. The District's aging infrastructure is prone to main breaks and many of its pipelines and appurtenances are near or have exceeded their useful life and require replacement. The new pipelines and facilities that are installed to replace the existing ones are designed and constructed with a 50-100 year life span.

Pump Stations: Several of the Districts potable water pump stations have obsolete equipment. The equipment consists of electrical panels, breakers and switches that are no longer available. When one of these components breaks, there are no replacement parts available and the station remains off-line until a work around or emergency project is completed. Obsolete equipment is often not subject to a retrofit, and instead requires a complete replacement of the equipment. These pump stations have pumps and motors that are less efficient than modern pumps and motors. Changing the existing pumps and motors can lead to lower electric bills and more operational flexibility for redirecting water during times when the water system is not operating under "normal conditions". An example is when any one of the aqueducts is off-line, or one of the District's tanks/reservoirs is off-line. These conditions require Operations to reconfigure the system so that water can be delivered without interruption.

Tanks and Reservoirs: The District has 12 steel tanks and one concrete tank. In addition, there are three larger covered reservoirs. Each tank is inspected on an annual basis and the steel tanks interior and exterior are recoated as necessary (approximately once every 10-15 years). The reservoirs have both a lined bottom and a floating cover. Both are subject to wear and the covers are subject to UV light with an estimated useful life of 20 to 25 years.

Operational Efficiency Improvement: This category includes projects that are necessary for operational and/or efficiency improvements. The District has a fleet of vehicles and equipment that is necessary to run both water and wastewater systems. Vehicles and equipment fall under operational

efficiency and are long-term investments that improve productivity for the District's operations. Purchases are aligned with operational goals.

Source of Supply: The District relies on 100% imported water. The District previously purchased its water from the San Diego County Water Authority. Post detachment (November 2024), it purchases its treated import water through the Eastern Municipal Water District. Under this category, projects were necessary as part of the detachment process from one wholesale water supplier to another. This includes projects such as permanently decommissioning existing water connections with the San Diego County Water Authority.

Regulatory: This category is based off of Federal, State, and local government requirements. The District has to implement measures to comply with specific requirements. For example, public water districts are currently mandated by CARB's Advanced Clean Fleet (ACF) rule to transition to zero-emission vehicle fleets. This requires installation of electric vehicle charging stations.

Miscellaneous Projects: This is a catch all for projects that do not necessarily fit into any other category but are considered capital projects. This includes the District Headquarter Rehabilitation project. It also includes Heli-Hydrant projects for fire protection such as the proposed project at the Gomez tank.

Similarly, wastewater projects fall under the same or if not similar categories. Currently all of the District's 5-year CIP wastewater projects fall under Replacement and Rehabilitation category. Pipe replacement, sewer lining, new generators at lift stations and rehabilitation of an existing lift station are some of the projects within this category.

It is worth noting that District staff conducts in-depth analysis of each project with the highest priority projects being placed earlier in the 5-year CIP plan and the lower ranking projects being pushed further out. However, the cost of the project can also push back or advance a project regardless of its ranking. Staff may determine that multiple smaller projects could benefit the District versus constructing one large project at the same cost. The 5-year CIP Plan is reviewed each year during the midyear budget adjustment and during the development of the new fiscal year budget.

DESCRIPTION

District staff has updated the 5-year CIP Plan for water and wastewater projects. 5-year CIP water and wastewater tables are presented below. Projects have been categorized under Replacement/Rehabilitation (includes pipelines/valves, pump stations, tanks/reservoirs), Operational/Efficiency Improvement (OEI), Source of Supply, Regulatory, and Miscellaneous Water Projects. Pipeline rehabilitation projects are the primary focus in years one and two of the proposed CIP plan.

Under the water 5-year CIP Plan, there are 29 proposed projects (vehicle/equipment acquisition excluded) with an estimated cumulative five-year cost of just under \$42 million (Attachment 1). This equates to an average yearly budget of just under \$8.5 million, which is in line with the District's financial plan. Year 3 is about \$4 million over the average yearly budget because the District's Finance Department has recommended that Year 3 is the ideal year to issue debt with long-term, low-interest financing.

Taking a closer look at Year 1, which is scheduled to be presented at the regularly scheduled May Board of Directors meeting, there are 16 projects proposed for funding (vehicle/equipment acquisition excluded). One of the 16 projects includes capitalizing the new enterprise resource planning system implementation that was approved at the past February board meeting. The Year 1 proposed project budget total is estimated at \$8,805,000 (including vehicles/equipment). If there are no changes to the proposed projects/budgets, this is the amount that will be presented to the Board for budget approval in May of this year.

5-Year Water CIP	Year 1 Planned Budget	Year 2 Planned Budget	Year 3 Planned Budget	Year 4 Planned Budget	Year 5 Planned Budget
Project Driver	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Replacement/Rehabilitation					
<i>Pipelines/Valves</i>	\$ 3,120,000	\$ 3,160,000	\$ 6,150,000	\$ 5,650,000	\$ 3,150,000
<i>Pump Stations</i>	\$ 3,080,000	\$ 2,750,000	\$ 4,500,000	\$ 300,000	\$ 1,500,000
<i>Tanks/Reservoirs</i>	\$ 1,025,000	\$ 800,000	\$ -	\$ -	\$ -
Operational/Efficiency Improvement (OEI)	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Source of Supply	\$ -	\$ 375,000	\$ 375,000	\$ -	\$ -
Regulatory	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Misc Projects	\$ 1,030,000	\$ 500,000	\$ 800,000	\$ 500,000	\$ 500,000
Total	\$ 8,805,000	\$ 8,085,000	\$ 12,325,000	\$ 6,950,000	\$ 5,650,000

Under the wastewater 5-year CIP Plan, there are nine proposed projects with an estimated cumulative five-year cost of \$30.6 million (Attachment 2). The Year 3 budget estimate is over \$20 million. The District's Finance Department has recommended that Year 3 is the ideal year for a debt issuance ideally with a long-term low interest loan for significant wastewater projects.

Taking a closer look at Year 1, which is scheduled to be presented at the regularly scheduled May Board meeting for consideration and approval, there are three projects proposed for funding. All three projects fall under the Replacement/Rehabilitation category. Additionally, there is one line item under operational/efficiency improvements for the purchase of equipment. The Year 1 proposed project budget total is estimated at \$1,960,000. If there are no changes to the proposed projects/budgets, this is the amount that will be presented to the Board for budget approval in May of this year.

5-Year Wastewater CIP	Year 1 Planned Budget	Year 2 Planned Budget	Year 3 Planned Budget	Year 4 Planned Budget	Year 5 Planned Budget
Project Driver	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Replacement/Rehabilitation	\$1,800,000	\$1,600,000	\$20,200,000	\$1,850,000	\$5,000,000
Operational/Efficiency Improvement (OEI)	\$ 160,000				
Total	\$1,960,000	\$1,600,000	\$20,200,000	\$1,850,000	\$5,000,000

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Option 1: Approve the District's 5-Year Water and Wastewater CIP Plan for incorporation into the Draft FY 26/27 Budget.

Option 2: Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends Option 1 as the proposed five-year CIP plan has been analyzed and vetted by District leadership and funding levels are sufficient for the Year 1 (FY26/27) and Year 2 (FY27/28) projects identified.

Chad Williams

Chad Williams
Engineering & CIP Program Manager

04/28/2026

Attachments:

- 1. 5-Year Water CIP*
- 2. 5-Year Wastewater CIP*

Attachment 1: 5-Year Water CIP

		Year 1 Planned Budget	Year 2 Planned Budget	Year 3 Planned Budget	Year 4 Planned Budget	Year 5 Planned Budget
Project Driver	Project Name	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Replacement/Rehabilitation						
Pipelines/Valves						
600130	Rainbow Glen Pipeline Project (inhouse 1,100 LF)	\$ 250,000				
600043	Eagles Perch Water Pipeline Improvements	\$ 1,920,000				
600045	Gopher Canyon Water Pipeline Improvements	\$ 250,000	\$ 2,410,000	-		
600009	Isolation Valve Replacement Program	\$ 500,000	\$ 500,000	\$ 800,000	\$ 800,000	\$ 1,000,000
600131	Integrity Court Pipeline Project (inhouse 800 LF)	\$ 200,000				
600067	Pala Mesa Fairways 383 A and C Community Pipeline Replacement		\$ 250,000	\$ 3,000,000		
600068	Sarah Ann Community Pipeline Replacement (Concurrent with WW PN: 530018)			\$ 200,000	\$ 4,000,000	
600066	Thibido Water Main Replacement/Rehabilitation			\$ 150,000	\$ 700,000	
600061	Rice Canyon Road Water Main Replacement			\$ 2,000,000		
600075	Emerald Hill Pipeline Replacement (Roy Line Ext)				\$ 150,000	\$ 2,000,000
600051	North Feeder and Rainbow Hills Water Line Replacements (Add New Tee and 3 New Valves (1) 27-inch and (2) 20-inch)					\$ 150,000
Pump Stations						
600094	Wild Acres Pump Station (formerly Gopher Pump Station)	\$ 2,250,000				
600126	Gomez PS Electrical Upgrades	\$ 250,000		\$ 2,500,000		
600050	Lookout Mountain PS w/ Enclosure & New Emergency Generator	\$ 500,000	\$ 2,750,000			
600133	Morro Hills Pump Station-VFD	\$ 80,000				
600040	Vallecitos Pump Station Replacement			\$ 2,000,000		
600084	Morro Pump Station Rehabilitation				\$ 300,000	\$ 1,500,000
Tanks/Reservoirs						
600124	Rice Canyon Tank Interior/Exterior Coating (4M Gallons)	\$ 375,000				
600119	Rainbow Heights Tank Water Quality Upgrades	\$ 125,000				
600132	Magee Tank Water Quality Upgrades	\$ 125,000				
600122	Canonita Tank Interior/Exterior Coating (6M Gallons)	\$ 400,000				
600121	Vallecitos Tank Interior/Exterior Coating (400K Gallons)		\$ 200,000			
600123	Gomez Tank Interior/Exterior Coating (3M Gallons)		\$ 350,000			
600127	Replace Liners and Floating Covers at Morro, Rainbow Hills, and North Reservoir (planning/design)		\$ 250,000			
Operational/Efficiency Improvement (OEI)						
300034	Vehicle / Equipment Acquisition	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Source of Supply						
600125	SDCWA Connections 3, 6, 7, 11, & 12 Permanent Decommissioning		\$ 375,000	\$ 375,000		
Regulatory						
300036	EV Charging Stations at HQ (QTY TBD)	\$ 50,000				
Misc Projects						
300008	District Headquarters Rehabilitation	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
300037	Financial ERP System	\$ 530,000				
600128	Gomez Heli Hydrant			\$ 300,000		
Total		\$ 8,805,000	\$ 8,085,000	\$ 12,325,000	\$ 6,950,000	\$ 5,650,000

Attachment 2: 5-Year Wastewater CIP

		Year 1 Planned Budget	Year 2 Planned Budget	Year 3 Planned Budget	Year 4 Planned Budget	Year 5 Planned Budget
Project Driver	Project Name	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Replacement/Rehabilitation						
530028	North River Road Sewer Replacement	\$ 500,000		\$ 12,000,000		
530019	Valley Oaks / Pala Mesa CIPP and Manhole Rehabilitation	\$ 1,100,000				
530023	Rancho Monserate, Rancho Viejo LS& HQ B-Plant Emergency Generators (Grant Funded)	\$ 200,000				
530033	I-15 Crossings CIPP Lining		\$ 1,000,000			
530029	LS-1 Rehabilitation/School House LS		\$ 500,000	\$ 7,000,000		
530030	Lake Garden CIPP and Manhole Rehabilitation		\$ 100,000	\$ 1,000,000		
530032	Convert Existing 15-inch Gravity Interceptor from LS1-LS2 with 21-inch Force Main			\$ 200,000	\$ 200,000	\$ 3,000,000
530018	Fallbrook Oaks FM, LS, & MH Replacement (concurrent w/Sarah Ann, PN 600068)				\$ 1,650,000	
530031	Gopher Canyon / Little Gopher Canyon CIPP and Manhole Rehabilitation					\$ 2,000,000
Operational/Efficiency Improvement (OEI)						
530034	Equipment Acquisition	\$ 160,000				
Total		\$ 1,960,000	\$ 1,600,000	\$ 20,200,000	\$ 1,850,000	\$ 5,000,000

April 28, 2026

SUBJECT

CONSIDER ADOPTION OF AN ORDINANCE AUTHORIZING AMENDMENT TO THE ADMINISTRATIVE CODE CHAPTER 5.09 – DISTRICT VEHICLE POLICIES

BACKGROUND

Rainbow Municipal Water District maintains a fleet of vehicles that support water and wastewater operations, emergency response, and routine District business. Clear policies governing the use, assignment, and management of District vehicles help ensure safe operations, regulatory compliance, and responsible stewardship of public resources.

District staff recently reviewed Chapter 5.09 of the Administrative Code to ensure the policy reflects current operational practices and is easier for employees to understand and follow. As part of this review, the policy was simplified and reorganized into fewer sections while maintaining the same core policy direction and operational expectations.

The previous structure contained numerous individual sections addressing similar vehicle-use topics. The updated policy consolidates these provisions into broader policy sections that address vehicle use, assignments, responsibilities, and reporting requirements in a more streamlined format. Detailed operational requirements—such as inspection procedures, driver compliance monitoring, and reporting protocols—will be maintained in the District Vehicle Use Policy Appendix “C” of the employee handbook, which can be updated administratively by the General Manager as operational needs evolve.

This approach allows the Administrative Code to focus on policy direction and governance while enabling operational procedures to be updated without requiring formal revisions to the Administrative Code.

DESCRIPTION

The proposed Administrative Code updates to Chapter 5.09 establish a simplified and consolidated framework governing the management and use of District vehicles. Key elements include:

- **Policy Simplification and Consolidation** – Reduces the number of policy sections and consolidates related provisions into a more streamlined structure that improves clarity and usability.
- **Vehicle Use and Responsibility Standards** – Establishes that District vehicles are to be used exclusively for District business and must be operated safely and in compliance with the California Vehicle Code.
- **Driver Licensing Requirements** – Requires operators to maintain a valid California driver’s license appropriate for the vehicle being operated, with disciplinary action possible if licensure is suspended or revoked.

- **Vehicle Assignment Criteria** – Defines when vehicles may be assigned to employees, including use during normal working hours, standby assignments, and emergency response requirements.
- **After-Hours and Take-Home Vehicles** – Allows the General Manager to authorize after-hours vehicle assignments when necessary to support emergency response capability or operational efficiency.
- **Personal Use and Passenger Restrictions** – Limits personal use of District vehicles and restricts the transport of family members, personal goods, or non-District personnel except when related to District business or authorized operational needs.
- **Vehicle Replacement, Licensing, and Insurance** – Establishes expectations for vehicle replacement planning through the District’s annual budgeting process and compliance with registration and insurance requirements.
- **Accident and Incident Reporting** – Requires prompt reporting of vehicle accidents, damage, or safety incidents and cooperation with investigations and insurance reporting requirements.

Overall, the revisions maintain the District’s existing policy direction while presenting it in a clearer, more organized structure.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management
Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Approval of the updated Administrative Code provisions is not anticipated to result in any direct fiscal impacts. The policy provides governance and operational guidance for the District’s existing vehicle fleet and vehicle replacement planning, which are already addressed through the District’s annual budget process.

STAFF RECOMMENDATION

Staff recommends adoption of the ordinance authorizing amendment to Administrative Code Chapter 5.09 – District Vehicle Policies.



Jake Wiley
General Manager

April 28, 2026

Ordinance No. 26-xx

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Chapter 5.09 – Vehicle Policies**

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 hereto as Exhibit A are hereby adopted and shall be incorporated into the Administrative Code, consisting of:

Title 5
Chapter 5.09 – Vehicle Policies
Consolidating amending Sections 5.09.010 through 5.09.120

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 28th day of April 2026.

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, Board Secretary

Chapter 5.09
VEHICLE POLICIES

Sections:

- 5.09.010** **Purpose, Scope, and Definitions**
- 5.09.020** **Vehicle Use and Responsibilities**
- 5.09.030** **Vehicle Assignment and Operating Condition**
- 5.09.040** **Personal Use, Passengers, and Transported Property**
- 5.09.050** **Vehicle Replacement, Licensing, and Insurance**
- 5.09.060** **Vehicle Accidents, Incidents, and Reporting**

Section 5.09.010

Purpose, Scope, and Definitions

District vehicles are owned, leased, or rented for the conduct of official District business and services and are not intended to replace personal vehicles.

District employees include full-time and part-time employees of the District; Board members, contractors, consultants, and contract employees are excluded unless expressly authorized.

District vehicles do not include short-term rental vehicles used for travel outside the District.

Normal working hours are defined as the regularly scheduled working hours of District personnel.

The General Manager shall have to sole discretion to update and revise the District Vehicle Use Policy Appendix "C" in the Employee Handbook as needed.

Section 5.09.020

Vehicle Use and Responsibilities

District vehicles shall be used exclusively for District business unless otherwise authorized under this policy. Authority for the assignment, control, and use of District vehicles rests with the General Manager. Operators of District vehicles are responsible for their safe and lawful operation in compliance with the California Vehicle Code and all other applicable laws. Operators must possess and maintain a valid California driver's license appropriate for the class of vehicle being operated, and loss or suspension of such licensure may result in discipline, up to and including dismissal. Traffic citations issued to operators are the operator's responsibility, unless the citation results from a faulty District vehicle. This policy does not apply to the General Manager's vehicle assignment, which is governed by the applicable employment agreement approved by the Board of Directors.

Employees authorized to operate District vehicles shall be subject to initial and periodic review of their motor vehicle driving records. Operation of District vehicles while impaired by alcohol, controlled substances, or medications that affect safe driving ability is strictly prohibited. Employees shall comply with all safety requirements, including mandatory seat belt use at all times.

Section 5.09.030

Vehicle Assignment and Operating Condition

District vehicles are normally assigned only to District employees and are intended for use during normal working hours, with vehicles parked or garaged at District facilities when not in use. The General Manager may authorize after-hours or take-home vehicle assignments when such use clearly improves emergency response capability or operational efficiency. Factors considered include whether the employee is on scheduled standby or required to respond to emergency calls, whether the assignment improves response time or service delivery, and whether the employee resides within a forty-five-minute response time unless a deviation is approved based on business necessity.

After-hours vehicle assignments are limited to the duration of the employee's scheduled after-hours duties and may be authorized on a twenty-four-hour basis when job duties require continuous emergency response availability.

Commuting in a District vehicle may be permitted when the after-hours duty assignment is contiguous with normal working hours. Attendance at after-hours meetings or functions alone does not justify an after-hours vehicle assignment, and employees may instead seek reimbursement for use of a private vehicle.

Vehicles are not normally assigned to administrative personnel who are not required to respond to emergency service calls after normal working hours. During declared emergencies, the General Manager may temporarily deviate from this policy to make special vehicle assignments necessary to address the emergency, with such deviations reported to the Board of Directors at the next regular meeting and terminated upon conclusion of the emergency. District vehicles may also be assigned for business travel outside the District when such use represents the most efficient and economical means of transportation and does not impair District operations.

Authorization to operate a District vehicle is a privilege and may be suspended or revoked at the discretion of the General Manager based on safety concerns, driving record history, policy violations, or operational needs. Vehicle assignments will be reviewed annually.

Section 5.09.040**Personal Use, Passengers, and Transported Property**

District vehicles shall not be used for personal or private purposes except as expressly authorized under this policy. Transport of family members, personal goods, or personal equipment in District vehicles is generally prohibited. Board members, contractors, consultants, and members of the public may be transported in District vehicles when such transportation is directly related to District business or emergency services.

At the discretion of the General Manager, an employee who is on duty or on scheduled standby may be authorized to transport immediate family members in a District vehicle when doing so directly reduces emergency response time and supports District operational needs without compromising safety, liability, or professional standards. Any authorization to transport immediate family members is temporary, limited to the specific operational need, and subject to revocation at any time. Such authorization does not create a general entitlement to transport non-employees.

Section 5.09.050

Vehicle Replacement, Licensing, and Insurance

Replacement of District vehicles shall be evaluated on a case-by-case basis and funded through the capital budgeting process. Vehicle purchases shall follow the appropriate section in the finance and purchasing sections of the Administrative Code.

All District vehicles and operators shall be properly registered, licensed, and insured in accordance with the California Vehicle Code and all other applicable laws. The General Manager or designee is responsible for ensuring that vehicles and operators meet all licensing and insurance requirements prior to vehicle assignment.

Unauthorized or non-compliant use of a District vehicle may result in loss of District insurance coverage for the employee and may expose the employee to personal liability.

Section 5.09.060

Vehicle Accidents, Incidents, and Reporting

Employees operating District vehicles shall immediately report all vehicle accidents, damage, injuries, or incidents to their supervisor and the General Manager or designee, regardless of severity. Employees shall cooperate fully with investigations, insurance reporting requirements, and post-incident reviews. Failure to report incidents promptly may result in disciplinary action.

District vehicles have a GPS Tracking system installed and allows the District to run reports on Safe Driving practices. The District may provide positive reinforcement based on safe driving, retraining if safety concerns arise, and use the GPS information for Accident Investigation.

BOARD ACTION Item No.11.D

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

CONSIDER APPOINTMENT OF TWO BONSALL UNIFIED SCHOOL DISTRICT - RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY (JPA) REPRESENTATIVES AND AN ALTERNATE DIRECTOR, AND ADOPTION OF AN ORDINANCE AUTHORIZING AMENDMENT TO SECTION 2.03.010 – COMPENSATION

BACKGROUND

Neighborhoods Verdeaux at The Havens, LLC (“Owner”), the owner of a property that it intends to develop with 104-unit residential units (“The Havens Project”), has asked the Rainbow Municipal Water District (“Water District”) and the Bonsall Unified School District (the “School District”) to provide access to financing from a community facilities district established under the Mello-Roos Community Facilities Act of 1982 (“Mello-Roos Act”) for facilities to be owned by the Water District, the School District and the County of San Diego (“County”).

The Water District and the School District previously established a joint exercise of powers authority (the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority; “JPA”) under the Joint Exercise of Powers Act (“JPA Act”) and a Joint Exercise of Powers Agreement dated as of February 12, 2026 (“JPA Agreement”) that can establish a community facilities district (“CFD”) to provide the requested financing.

DESCRIPTION

The JPA Agreement provides for a four-member Board of Directors consisting of two Directors appointed by the Board of Trustees of the School District and two Directors appointed by the Water District for fiscal years 2025-26 and 2026-27. The Directors appointed by the Water District will act on behalf of the Water District regarding the CFD and ensure that the JPA acts in alignment with the Water District’s interests.

The assigned representative(s) will be responsible for:

- Attending regular meetings.
- Voting on matters regarding the JPA’s CFD program, including formation of the CFD, the levy of special taxes in the CFD, and the issuance of bonds for the CFD payable from special taxes.
- Reporting back to the Board of Directors on major actions and/or financial implications.
- Ensuring the JPA’s activities align with Water District goals.

Staff has suggested that the Water District also appoint an alternate Director for fiscal years 2025-26 and 2026-27 to fulfill the duties of one of the Directors appointed by Rainbow if they are absent or unavailable to fulfill those duties. Because the JPA Agreement does not currently provide for alternate Directors, the appointment of an alternate Director by Rainbow would be subject to the Water District

and the School District amending the JPA Agreement to provide for an alternate Director appointed by each agency. Now that both agencies have approved and executed the agreement forming the JPA, it is the appropriate time to appoint agency representatives to attend the regular meetings, which are planned for the first Wednesday of each month.

In addition to the request for appointment of Rainbow's JPA representatives, staff recommends adoption of an ordinance authorizing amendment to Section 2.03.010 of the Administrative Code to add the Bonsall Unified School District – Rainbow Municipal Water District Joint Powers Financing Authority to the list of Regularly Scheduled Local Organization Meetings for which appointed representatives may be compensated. The alternate Director will be compensated for attending the meeting only in the absence of one of the appointed Directors.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The sole member of the Owner has agreed to provide a cash deposit to pay the costs of establishing the JPA, forming the CFD and issuing the CFD Bonds.

The special taxes levied on property in The Havens Project would pay the costs of administering the CFD.

The bonds issued by the CFD would be payable only from the special taxes levied on property in The Havens Project.

If the Board of Directors does not wish to appoint two members to the Board of Directors, then the JPA and the related CFD program would need to be reconsidered.

Option 1: Appoint two JPA representatives and one alternate representative, and adopt the ordinance authorizing the amendment to Section 2.03.010 of the Administrative Code.

Option 2: Provide Direction to staff.

STAFF RECOMMENDATION

Staff recommends approval of Option 1 as the next step in the formation of the JPA and its regular meetings, as well as adoption of the foregoing ordinance to establish compensation for attending the meetings.

Attachments:

Officers and Committee Representation List

Draft Ordinance

Section 2.03.010 Redline



Jake Wiley
General Manager

April 28, 2026

**RAINBOW MUNICIPAL WATER DISTRICT
OFFICERS & COMMITTEES & REPRESENTATION
2026**

President	Hayden Hamilton
Vice President	Michael Mack
Treasurer	Konstantin Shilkov
Secretary (staff)	Terese Quintanar
California Special Districts Association (CSDA)	Representative: Hayden Hamilton Alternate: Michael Mack
San Diego Local Agency Formation Commission (LAFCO) (Staff)	Representative: Jake Wiley
ACWA/ACWA-JPIA	Representative: Michael Mack Alternate: Lisa Hoffman
Eastern Municipal Water District (EMWD)	Representative: Greg Irvine Representative: Hayden Hamilton
San Diego Farm Bureau Farm Bureau Water Committee	Representative: Lisa Hoffman Alternate: Patti Townsend-Smith
Bonsall Chamber of Commerce	Representative: Jake Wiley Alternate: Lisa Hoffman
Fallbrook Chamber of Commerce (and Roundtable)	Representative: Jake Wiley Alternate: Michael Mack
Bonsall Unified School District -Rainbow Water Joint Powers Financing Authority (JPA)	Representative: Representative: Alternate:
Standing Committee: Communications & Customer Service	Representative: Patti Townsend-Smith Representative: Michael Mack Alternate: Hayden Hamilton
Standing Committee: Budget & Finance	Representative: Patti Townsend-Smith Representative: Lisa Hoffman Alternate: Hayden Hamilton
Standing Committee: Engineering & Operations	Representative: Greg Irvine Representative: Lisa Hoffman Alternate: Hayden Hamilton
AD HOC - Established 2/27/24 Revitalization of Headquarter Facilities	Attendees: Directors Irvine & Townsend-Smith, Jake Wiley, Chad Williams
AD HOC – Established 1/27/26 MOU Negotiations	Attendees: Directors Lisa Hoffman, Greg Irvine, Jake Wiley, Karleen Harp
AD HOC – Established 2/25/25 Mutual Services (aka Shared Services) (Mutual Services Agreement with VCMWD, Yuima, FPUD, RMWD)	Directors Mack & Hamilton, Jake Wiley
AD HOC – Established 1/27/26 Agricultural	Directors Townsend-Smith & Mack

Ordinance No. 26-XX

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Section 2.03.010.2 – Compensation**

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

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

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

NOW, THEREFORE,

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

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

Section 2.03.010.2 – Compensation

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

3. This ordinance shall take effect immediately upon its adoption on this 28th day of April 2026.

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary

Section 2.03.010

Remuneration and Reimbursement Policy

Members of the Board of Directors are encouraged to attend in participate in professional meetings, educational conferences, or seminars when the purpose of such activities is to improve District operation. Board Members are also required to complete all local, state, and federal regulatory training.

2.03.010.01 Compensable Meetings

State Law limits Board member compensation to ten (10) compensable meetings per month (Water Code Section 20202). The RMWD Board shall not be eligible for compensation for more than six (6) compensable days per month.

2.03.010.02 Compensation

Members of the Board of Directors are eligible to receive compensation of \$150 for each day's attendance at the following:

- Rainbow Municipal Water District Meetings
 - Up to Two Board Meetings Per Month
 - Standing Committee Meetings as Board Appointed Member or Alternate Member. Alternate members are compensated only when attending in the absence of the regular appointed member.
 - Ad-Hoc Committee Meetings as Board Appointed Member
 - One Monthly In-Person Meeting with General Manager (To qualify for this, the meeting must be scheduled in advance, be related to a specific topic regarding the Board's oversight of the District and have a duration of at least one hour.)

- Regularly Scheduled Local Organization Meetings
 - Council of Water Utilities Monthly Meeting
 - San Diego Chapter of CSDA Quarterly Meeting
 - Eastern Municipal Water District Coordination Meetings
 - Southern California Water Coalition Quarterly Meetings
 - San Diego Farm Bureau - Water Committee Meetings
 - Bonsall Unified School District & Rainbow Water Joint Powers Authority

- Training and Conferences
 - Required Local, State and Federal Regulatory Training
 - ACWA (and ACWA JPIA) Annual Spring and Fall Conferences
 - CSDA Annual Conference

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Approved 8-3-05 by Ordinance No. 05-07\Amended and Updated 7-21-06 by Ordinance No. 06-02\Amended and Updated 06-26-07 by Ordinance No. 07-08\Amended and Updated 2-24-09 by Ordinance No. 09-05\Amended and Updated 8-28-12 by Ordinance No. 12-03\Amended and Updated 10-24-17 by Ordinance No. 17-13\Amended and Updated 8-25-20 by Ordinance No. 20-08\Amended and Updated 12-08-20 by Ordinance No. 20-14\Amended and Updated 4-27-21 by Ordinance No. 21-01\Amended and Updated 8-24-21 by Ordinance No. 21-06\Amended and Updated 12-7-21 by Ordinance No. 21-08\Amended and Updated 1-25-22 by Ordinance No. 22-01\Amended and Updated 2-27-24 by Ordinance No. 24-05\Amended and Updated 1-28-25 by Ordinance No. 25-01\Amended and Updated 6-24-25 by Ordinance No. 25-05

- Urban Water Institute (UWI) Conference
- Southern California Water Coalition Annual Meeting

Members of the Board of Directors will be appointed as the District's representative for local agencies and organizations. Board Members appointed to the following organizations are eligible to receive compensation of \$150 per day of attendance at meetings of the following organizations:

- Association of California Water Agencies (ACWA and ACWA JPIA)
- California Special Districts Association (CSDA)
- Southern California Water Coalition
- Urban Water Institute (UWI)

Should two compensable meetings occur in a single day, the Board Member(s) in attendance shall be eligible for compensation of only \$150 for the entire day. In the event duplicate compensable meetings occur in the same month, the Board Member(s) in attendance shall be eligible, for more than one meeting in the same month without exceeding the number of meeting limitations provided herein under 2.03.010.01.

2.03.010.03 Training, Seminars and Conferences

In the event a Member of the Board of Directors wishes to attend any non-regulatory required training, seminars, and conferences and receive compensation for the event and travel/registration expenses, the Board member must present a written request for attendance in advance of the event start date during a regularly scheduled open session Board meeting for Board consideration during the standing agenda item for this practice included in each Board meeting agenda. The Board member requesting compensation and travel/registration expenses shall indicate the nature of the event and the benefits their attendance will bring to the District and its ratepayers. The full Board shall consider this information and take action to approve or disapprove the compensation and travel/registration expenses by a majority vote. Upon approval, the Board Member will be eligible for compensation of \$150 for each day at a non-required training, conference, or seminar after a written or verbal report is provided at the Board meeting immediately following the conclusion of the event.

Advance written requests and/or Board approval is not required for participation in online local, state, or federal regulatory training. In the event regulatory training is completed as part of a seminar or conference attended by a Board Member, the provisions provided herein under 2.03.010.03 will apply and the Board Member will be required to provide the District with a Certificate of Completion within fifteen (15) days of completion.

2.03.010.04 Legitimate Expenses

Members of the Board of Directors shall be eligible for reimbursement for all legitimate expenses incurred in attending any meetings, seminars, conferences, or training as well as in making any

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trips on official business of the Board, when so authorized in accordance with the provisions provided in 2.03.010.03 and the following:

- Receipts for all expenses (hotel, food, beverages, parking fees, etc.) are remitted.
 - The following categories are excluded from reimbursement:
 1. Expenses incurred for other persons except those who have a direct bearing on conducting District business
 2. Personal Entertainment expenses
 3. Clothing and personal hygiene items
 4. Alcoholic beverages
 5. Items remaining the personal property of the individual
 6. Any expenses not related to District business
- Expenses to the District for training, education and conferences should be kept to a minimum by:
 1. Utilizing hotel(s) recommended by the event sponsor in order to obtain discount rates.
 2. Hotel accommodations will be made for the night before the event and expire on the day the event ends.
 3. Requesting reservations sufficiently in advance, when possible, to obtain discounted airfares and hotel rates.
- If available, refundable airfares will be purchased for District travel so that in the event a trip is cancelled due to unforeseen circumstances, the District will be directly refunded any applicable funds to avoid being issued travel funds assigned to individual travelers for future use. Should refundable airfares not be available for purchase for District travel for a trip cancelled due to unforeseen circumstances, any travel funds reverted back to an individual traveler that is used by the traveler for non-District travel will be reimbursed to the District in full by the individual traveler no later than thirty (30) days following the use of these funds.
- Expenses for meals, including non-alcoholic beverages and tips ordinarily associated with normal eating customs, shall be reimbursable. The reasonableness of meal expense reimbursement requests shall be based on the published IRS locally calculated meal and incidental guidelines located on the GSA website <http://www.gsa.gov/portal/category/100120> and the reimbursable amount shall be limited to the daily Meal and Incidental Expenses Total in the region during the course of travel and while attending the authorized activity. Exceptions to these limitations shall be made in situations where participation in the authorized activity makes it necessary to eat at a specific place or to attend special meal functions.
- Expenses for meals purchased for the purpose of attending a District Board of Directors meeting and unforeseen circumstances prohibit the District from providing

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such shall be reimbursable. Reimbursements requested under this section shall comply with meal expense reimbursement requirements outlined above.

- Reimbursement for the cost of the use of a Director's vehicle shall be on the basis of total miles driven and at the current rate specified by the Internal Revenue Service.

2.03.010.05 Limitations for Submitting Compensation and Reimbursement Requests

To receive compensation or reimbursement for legitimate expenses Board Members are required to remit requests for compensation or reimbursement no later than sixty (60) days from the conclusion of the event or purchase is made.

Requests for compensation for completion of required regulatory training must be accompanied with the appropriate Certificate of Completion only if such certificate has not been provided to the District in advance of the request for compensation.

2.03.010.06 Eligibility

Members of the Board of Directors are eligible for compensation and reimbursement for legitimate expenses as provided herein at their sole discretion.

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BOARD OF DIRECTORS

April 28, 2026

SUBJECT

Consider Adoption of a Resolution Authorizing a Memorandum of Understanding and Joint Community Facilities Agreement Related to a Proposed Community Facilities District to be Established by the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority for the Neighborhoods Verdeaux at The Havens, LLC

BACKGROUND

Neighborhoods Verdeaux at The Havens, LLC (“Owner”), the owner of a property that it intends to develop with 104-unit residential units (“The Havens Project”), has asked the Rainbow Municipal Water District (“Water District”) and the Bonsall Unified School District (the “School District”) to provide access to financing from a community facilities district established under the Mello-Roos Community Facilities Act of 1982 (“Mello-Roos Act”) for facilities to be owned by the he Water District, the School District and the County of San Diego (“County”).

The Water District and the School District previously established a joint exercise of powers authority (the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority; “JPA”) under the Joint Exercise of Powers Act (“JPA Act”) that can establish a community facilities district (“CFD”) to provide the requested financing.

DESCRIPTION

Staff, working with the Water District’s advisors, the School District and the Owner, has caused to be prepared two agreements to be executed by the Water District in connection with the CFD:

1. A non-binding memorandum of understanding with the JPA, the School District, and the Owner that would summarize the terms of the CFD and include the key documentation for approval in form (“Memorandum of Understanding”); and
2. In order to comply with the Mello-Roos Act, a joint community facilities agreement with the JPA and the Owner that would provide for the use of CFD proceeds to fund Water District facilities (“Water District JCFA”).

The MOU includes the following 10 attachments, which are generally approved in form by the related parties executing the MOU:

- | | | |
|----|--|---|
| 1 | Form of Petition | The Petition will be executed by the Owner to initiate CFD formation. |
| 2 | Resolution of Intention to Establish | This and the following resolution will be adopted in substantially the attached form by the JPA to initiate formation of the CFD. |
| 3 | Resolution of Intention to Incur Bonded Indebtedness | This and the previous resolution will be adopted in substantially the attached form by the JPA to initiate formation of the CFD. |
| 4 | Resolution of Formation | Following a public hearing, this and the following resolution would be adopted in substantially the attached form by the JPA if it wishes to proceed with CFD formation. |
| 5 | Resolution Determining Necessity | Following a public hearing, this and the previous resolution would be adopted in substantially the attached form by the JPA if it wishes to proceed with CFD formation. |
| 6 | Water District JCFA | The Water District JCFA is the only document attached to the MOU that will be executed by the Water District, and it is being approved in substantially the attached form by the Board. |
| 7 | County JCFA | The JPA and the County will consider execution of this agreement in substantially the attached form to allow the CFD to finance County infrastructure. |
| 8 | School District JCFA | The JPA and the School District will consider execution of this agreement in substantially the attached form to allow the CFD to finance School District facilities. |
| 9 | Mitigation Agreement | The Owner and the School District will consider execution of this agreement to document the Owner's school mitigation payment obligations. |
| 10 | Proceeding Timeline | The parties agree to use commercially reasonable efforts to proceed according to the following schedule. |

This action represents the final step to be taken by the Water District with respect to the CFD.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management
Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

Adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).

BOARD OPTIONS/FISCAL IMPACTS

The sole member of the Owner has agreed to provide a cash deposit to pay the costs of establishing the JPA and forming the CFD.

The special taxes levied on property in The Havens Project would pay the costs of administering the CFD.

The bonds issued by the CFD would be payable only from the special taxes levied on property in The Havens Project.

If the Board of Directors does not wish to proceed with the formation by the JPA of the CFD, then the Owner might ask the School District and the Water District to establish separate community facilities districts, which would be more administratively burdensome for the Water District and expensive for the Owner.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors adopt the resolution, authorizing execution and delivery of the Memorandum of Understanding and the Water District JCFA.



Jake Wiley, General Manager

April 28, 2026

RESOLUTION NO. 2026 -

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING, IN CONNECTION WITH A PROPOSED COMMUNITY FACILITIES DISTRICT, A MEMORANDUM OF UNDERSTANDING WITH THE BONSALL UNIFIED SCHOOL DISTRICT, THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, AND NEIGHBORHOODS VERDEAUX AT THE HAVENS, LLC, AND A JOINT COMMUNITY FACILITIES AGREEMENT WITH THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY; AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the Bonsall Unified School District (the "School District") and the Rainbow Municipal Water District (the "Water District") established the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "Authority") under a Joint Exercise of Powers Agreement dated as of February 12, 2026 (the "Joint Exercise of Powers Agreement") and Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, for the purpose of providing an entity that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act"), to finance certain real property and improvements to be owned by the School District, the Water District and the County of San Diego (the "County") related to a 104-unit residential development project (the "Project") to be developed by Neighborhoods Verdeaux at The Havens, LLC (the "Developer"); and

WHEREAS, pursuant to Section 53316.2 of the Mello-Roos Act, a community facilities district is authorized to finance facilities to be owned or operated by an entity other than the agency that created the community facilities district pursuant to a joint community facilities agreement; and

WHEREAS, the Joint Exercise of Powers Agreement provides that the Water District and the School District anticipate (i) entering into a memorandum of understanding with the Authority and the Developer that would describe the proposed community facilities district for the Project (the "Memorandum of Understanding") and (ii) the Authority entering into (A) a joint community facilities agreement with the Water District and the Developer (the "Water District JCFA"), (B) a joint community facilities agreement with the School District and the Developer, and (C) a joint community facilities agreement with the County and the Developer; and

WHEREAS, the Memorandum of Understanding would obligate the Authority to adopt resolutions of intention to establish the community facilities district for the Project and hold related public hearings, but it would not obligate the Authority to establish the community facilities district for the Project or to enter into any of the agreements described in or attached to the Memorandum of Understanding, with those matters to be subject to consideration by the Board of Directors of the Authority at subsequent meetings; and

WHEREAS, the School District and the Water District have caused to be presented to this meeting a form of the Memorandum of Understanding and the Water District JCFA; and

WHEREAS, the Board of Directors has reviewed and considered and wishes to approve the Memorandum of Understanding and the Water District JCFA;

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

1. The Board of Directors hereby approves the Memorandum of Understanding, in substantially the form on file with the District Secretary. The Board President and the General Manager, each acting alone, is hereby authorized and directed to execute, and the District Secretary is hereby authorized to attest to, the Memorandum of Understanding in the name and on behalf of the Water District.

2. The Board of Directors hereby approves the Water District JCFA, in substantially the form on file with the District Secretary. The Board President and the General Manager, each acting alone, is hereby authorized and directed to execute, and the District Secretary is hereby authorized to attest to, the Water District JCFA in the name and on behalf of the Water District. The Board of Directors hereby declares that the Water District JCFA would be beneficial to the residents of the Water District.

3. The Board President and the General Manager, their designee(s), and other officers of the Water District, are, and each of them acting alone is, authorized to execute any agreements and documents and take any and all actions necessary to implement the orders and directives of this Resolution.

4. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of April 2026, by the following vote, to wit:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, Board Secretary

**MEMORANDUM OF UNDERSTANDING RELATING TO
A COMMUNITY FACILITIES DISTRICT FOR
NEIGHBORHOODS VERDEAUX AT THE HAVENS IN BONSALL,
CALIFORNIA**

This MEMORANDUM OF UNDERSTANDING RELATING TO A COMMUNITY FACILITIES DISTRICT FOR NEIGHBORHOODS VERDEAUX AT THE HAVENS IN BONSALL, CALIFORNIA (this “**Memorandum of Understanding**”) dated as of _____, 2026, is by and among the BONSALL UNIFIED SCHOOL DISTRICT, a school district duly organized and existing under the laws of the State of California (the “**School District**”), the RAINBOW MUNICIPAL WATER DISTRICT, a municipal water district duly organized and existing under the laws of the State of California (the “**Water District**”), the BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the “**Joint Powers Authority**”) and Neighborhoods Verdeaux at The Havens, a California limited liability company (the “**Developer**”). Together, the School District, the Water District, the Joint Powers Authority and the Developer are referred to as the “**Parties**,” and each may be referred to as a “**Party**.”

WITNESSETH:

WHEREAS, the School District and the Water District established the Joint Powers Authority under a Joint Exercise of Powers Agreement dated February 24, 2026 (the “**Joint Exercise of Powers Agreement**”) and Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “**Joint Exercise of Powers Act**”) for the purpose of providing an entity that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended (the “**Mello-Roos Act**”) to finance certain real property and improvements to be owned by the School District, the Water District and the County of San Diego (the “**County**”) related to a 104-unit residential development project (the “**Project**”) to be developed by the Developer; and

WHEREAS, the Joint Exercise of Powers Agreement provides that the Water District and the School District anticipate (i) entering into a memorandum of understanding with the Joint Powers Authority and the Developer that would describe the proposed community facilities district and (ii) entering into (A) a joint community facilities agreement with the Water District and the Developer (the “**Water District JCFA**”), (B) a joint community facilities agreement with the County and the Developer (the “**County JCFA**”), and (C) a joint community facilities agreement with the School District and the Developer (the “**School District JCFA**”); and

WHEREAS, the School District and the Developer also expect to enter into a mitigation agreement describing the mitigation by the Developer of the impact of the Project on the School District’s school facilities (the “**School District Mitigation Agreement**”); and

WHEREAS, the Parties are entering into this Memorandum of Understanding for the purpose of documenting their understanding with respect to the proposed formation by the Joint Powers Authority of a community facilities district for the Project;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the School District, the Water District the Joint Powers Authority and the Developer do hereby agree as follows:

Section 1. Purpose of the MOU; Term.

(a) The Parties are entering into this Memorandum of Understanding for the purpose of facilitating formation of a community facilities district for the Project. Except as expressly set forth herein, this Memorandum of Understanding is not binding on the Parties hereto.

(b) This Memorandum of Understanding will take effect upon the last date it is executed by all of the Parties ("**Effective Date**") and shall remain in effect until either (i) the community facilities district has been established by the Board of Directors of the Joint Powers Authority in accordance with the Mello-Roos Act and the additional proceedings described in Sections 7 through 10 have been completed or (ii) the Board of Directors of the Joint Powers Authority has determined that it will not establish the community facilities district as a result of not adopting the Resolution of Formation and the Resolution Determining Necessity described in Section 6. The Parties acknowledge that if a community facilities district is not formed as a result of the Joint Powers Authority not adopting such Resolution of Formation and Resolution Determining Necessity, there may be resulting impacts related to agreements between two or more of the Parties.

Section 2. Description of the Project; California Environmental Quality Act.

(a) The Project is expected to consist of 104 single-family residential units located in Bonsall, California, a census-designated place in the unincorporated territory of the County.

(b) The Developer will provide evidence to the Joint Powers Authority of the Project's compliance with the California Environmental Quality Act prior to adoption by the Joint Powers Authority of the Resolution of Intention.

Section 3. Description of the Facilities Proposed to be Financed by the Community Facilities District. In connection with the Project, the Developer will (i) construct and pay fees for acquisition and construction by the Water District of certain water and sewer facilities to be owned and operated by the Water District, as described in the Petition defined in Section 4 (the "**Water District Facilities**"), (ii) construct and pay fees for acquisition and construction by the County of certain facilities to be owned and operated by the County, as described in the Petition (the "**County Facilities**"), and (iii) pay fees for acquisition and construction of certain facilities to be owned by and operated by the School District, as described in the Petition (the "**School District Facilities**"). The Water District Facilities, the County Facilities and the School District Facilities are collectively referred to herein as the "**Facilities.**"

It is the intent of the parties that the School District will receive 57% of the “Special Tax Remainder” as defined in the Mitigation Agreement between the School District and Developer, and the Water District will receive 43% of the Special Tax Remainder collected from the community facilities district for the Project. The division of the special tax for any future community facilities districts formed by the Joint Powers Authority shall be subject to future written agreement between the School District and the Water District.

If the Parties decide to issue the community facilities district bonds for the Project in more than one series, the proceeds of each series of bonds will be applied as set forth in the Water District JCFA and the School District JCFA.

It is the intent of the parties that, following formation of a community facilities district for the Project, the Joint Powers Authority will retain a third-party consultant, Francisco & Associates (or such other party reasonably acceptable to the Parties), to review the Developer’s request for reimbursement of Facilities costs from proceeds of the community facilities district bonds. The costs of such third party will be paid from proceeds of the community facilities district.

Section 4. Submission of Petition; Deposit Agreement. The Developer has informed the Water District, the School District and the Joint Powers Authority that it will submit a petition in substantially the form attached hereto as **Attachment 1** (the “**Petition**”) asking the Joint Powers Authority to establish a community facilities district to finance the Facilities. The Developer acknowledges that the Petition must comply with Section 53319 of the Mello-Roos Act, and will include a map of the proposed boundaries of the community facilities district and the proposed rate and method of apportionment of special taxes for the proposed community facilities district (the “**RMA**”).

The Petition includes a request for the community facilities district to include one or more improvement areas and for a future annexation area to be established for future phases of the Project.

The Developer has agreed to enter into a deposit and reimbursement agreement pursuant to which the Developer will provide funds to pay the costs of forming the Joint Powers Authority, negotiating this Memorandum of Understanding, preparing the other documents described herein, and establishing the proposed community facilities district.

Section 5. Resolutions of Intention; Public Hearings. The Joint Powers Authority hereby agrees that, upon receipt of the Petition and the developer deposit pursuant to Section 53318(d) of the Mello-Roos Act, and a determination that the Petition complies with Section 53319 of the Mello-Roos Act, the Joint Powers Authority will (a) in accordance with Section 53320 of the Mello-Roos Act and local goals and policies to be established by the Board of Directors in compliance with Section 53312.7 of the Mello-Roos Act, adopt a resolution of intention within 90 days to establish a community facilities district (including one or more improvement areas and a future annexation area if requested by the Developer) in the form specified in Section 53321 of the Mello-Roos Act (the “**Resolution of Intention to Establish**”) in substantially the form (including (i) the exhibit describing the Facilities and (ii) the exhibit containing the RMA) attached hereto as **Attachment 2**, (b) adopt a resolution of intention to incur bonded indebtedness in accordance with Section 53345 of the Mello-Roos Act (the “**Resolution of Intention to Incur Bonded Indebtedness**”) in substantially the form attached hereto as **Attachment 3** and (c) hold duly noticed public hearings in

accordance with Sections 53322 through 53325 of the Mello-Roos Act and Sections 53346 through 53349 of the Mello-Roos Act.

Section 6. Resolution of Formation; Resolution of Necessity. The resolutions described in Section 5 will provide that the Board of Directors of the Joint Powers Authority is not obligated to establish the community facilities district, any improvement areas or a future annexation area or approve bonded indebtedness for the community facilities district. The Joint Powers Authority hereby agrees that it will place on the agenda for the meeting at which the public hearings are held (a) a resolution determining to establish the community facilities district (including one or more improvement areas and a future annexation area for future phases of the Project if requested by the Developer) that complies with the requirements of Section 53325.1 of the Mello-Roos Act (the “**Resolution of Formation**”), in substantially the form (including (i) the exhibit describing the Facilities and (ii) the exhibit containing the RMA) attached hereto as **Attachment 4** and (b) a resolution declaring the necessity to incur bonded indebtedness for the community facilities district that complies with the requirements of Section 53351 of the Mello-Roos Act (the “**Resolution Determining Necessity**”), in substantially the form attached hereto as **Attachment 5**.

Section 7. Water District JCFA.

(a) The Joint Powers Authority hereby agrees that it will place (or previously has placed) on the agenda for the meeting at which the public hearings are held a resolution approving a Water District JCFA in substantially the form attached hereto as **Attachment 6**.

(b) The Water District hereby agrees that it will place (or previously has placed) on the agenda for approval by the Board of Directors of the Water District a resolution approving a Water District JCFA in substantially the form attached hereto as **Attachment 6**.

Section 8. County JCFA. The Joint Powers Authority hereby agrees that it will place (or previously has placed) on the agenda a resolution approving a County JCFA in substantially the form attached hereto as **Attachment 7**.

Section 9. School District JCFA.

(a) The Joint Powers Authority hereby agrees that it will place (or previously has placed) on the agenda for the meeting at which the public hearings are held a resolution approving a School District JCFA in substantially the form attached hereto as **Attachment 8**.

(b) The School District hereby agrees that it will place on the agenda for approval by the Board of Trustees of the School District a resolution approving a School District JCFA in substantially the form attached hereto as **Attachment 8**.

Section 10. Mitigation Agreement. The School District hereby agrees that it will place (or previously has placed) on the agenda for approval by the Board of Trustees of the School District a resolution approving a Mitigation Agreement in substantially the form attached hereto as **Attachment 9**.

Section 11. Timeline. The Parties to this Memorandum of Understanding agree to exercise commercially reasonable efforts to satisfy their respective obligations by the dates outlined in **Attachment 10** (“**Proceeding Timeline**”).

Section 12. Remedies. The Parties agree that damages are not an adequate remedy for any breach of this Memorandum of Understanding and are not available if either Party breaches its obligations under this Memorandum of Understanding. Accordingly, the Parties agree that specific performance, writ of mandate for performance of a required act, or termination, shall be the sole available and appropriate remedy for a Party under this Memorandum of Understanding. Further, the Parties agree that failure of the Joint Powers Authority to establish the community facilities district, a failure by the Parties to enter into the various agreements described herein or failure by the Parties to abide by the deadlines in the Proceeding Timeline is not a breach of this Memorandum of Understanding.

Section 13. Notices. Notices hereunder must be in writing and will be sufficient if delivered to:

Bonsall Unified School District
31505 Old River Rd.
Bonsall, CA 92003
Attention: Superintendent

Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028
Attention: General Manager

Bonsall Unified School District-Rainbow
Municipal Water District Joint Powers
Financing Authority
31505 Old River Rd.
Bonsall, CA 92003
Attention: Executive Director

Neighborhoods Verdeaux at The Havens,
LLC
32823 Temecula Pkwy
Temecula, CA 92592
Attention: Dan Leigh

Section 14. Section Headings. All section headings in this Memorandum of Understanding are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Memorandum of Understanding.

Section 15. Law Governing. This Memorandum of Understanding is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 16. Amendments. This Memorandum of Understanding may be amended in writing by the Parties hereto at any time.

Section 17. Counterpart. This Memorandum of Understanding may be executed in counterparts. An emailed copy of the executed signature page shall be sufficient to cause the terms of this Memorandum of Understanding to become fully operative. The effective date of the Agreement shall be the latest date that any of the Parties executes this Memorandum of Understanding.

Section 18. Electronic Signatures.

(a) The Parties hereto acknowledge and agree that this Memorandum of Understanding may be executed by one or more electronic means (hereinafter referred to as “**Electronic Signatures**”). Each Party hereto agrees that Electronic Signatures provided by such Party shall constitute effective execution and delivery of this Memorandum of Understanding by such Party to all other Parties to or relying on this Memorandum of Understanding. Each Party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such Party to be bound by those signatures and by the terms and conditions of this Memorandum of Understanding as signed. Each Party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

(b) Each Party hereto agrees to accept Electronic Signatures provided by any and all other Parties to this Memorandum of Understanding as (i) full and sufficient intent by such Parties to be bound hereunder, (ii) effective execution and delivery of this Memorandum of Understanding and (iii) constituting this Memorandum of Understanding an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

(c) If Electronic Signatures are used to execute this Memorandum of Understanding, each Party hereto hereby accepts the terms of, and intends and does sign, this Memorandum of Understanding by its Electronic Signature hereto.

Section 19. Successors. This Memorandum of Understanding is binding upon and inures to the benefit of the successors of the respective Parties. No Party may assign any right or obligation hereunder without the written consent of the other Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Memorandum of Understanding to be executed and attested by their proper officers.

BONSALL UNIFIED SCHOOL DISTRICT

By: _____
Heather Golly,
Superintendent

Dated: _____

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Jake Wiley,
General Manager

Dated: _____

**BONSALL UNIFIED SCHOOL DISTRICT-
RAINBOW MUNICIPAL WATER DISTRICT
JOINT POWERS FINANCING AUTHORITY**

By: _____
Heather Golly,
Executive Director

**NEIGHBORHOODS VERDEAUX AT THE
HAVENS, LLC**

By: Neighborhood 2 at The Havens, LLC
Its: Member

By: Tulloch Holdings, LLC
Its: Manager

By: _____
Dan Leigh

Its: _____
Manager

Table of Attachments

Attachment Number	Attachment Name
1	Form of Petition
2	Resolution of Intention to Establish
3	Resolution of Intention to Incur Bonded Indebtedness
4	Resolution of Formation
5	Resolution Determining Necessity
6	Water District JCFA
7	County JCFA
8	School District JCFA
9	Mitigation Agreement
10	Proceeding Timeline

ATTACHMENT 1
PETITION

**COMMUNITY FACILITIES DISTRICT NO. 20__-1
OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING AUTHORITY**

TO: BOARD OF DIRECTORS
BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT
JOINT POWERS FINANCING AUTHORITY

FROM: LANDOWNER REQUESTING ESTABLISHMENT OF
COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE
BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL
WATER DISTRICT JOINT POWERS FINANCING AUTHORITY,
IMPROVEMENT AREAS THEREOF, AND A FUTURE
ANNEXATION AREA

**PETITION (INCLUDING CONSENT AND WAIVER) REQUESTING
FORMATION OF A COMMUNITY FACILITIES DISTRICT, ONE OR MORE
IMPROVEMENT AREAS, AND A FUTURE ANNEXATION AREA**

The undersigned landowner does hereby certify under penalty of perjury that the following statements are all true and correct:

1. The undersigned is authorized to represent the landowner identified below (the "**Property Owner**") with respect to the property described in the map attached as Exhibit "B" hereto (the "**Property**") and to petition the Board of Directors of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (respectively, the "**Board**" and the "**Joint Powers Authority**") and to give the consent and waiver contained herein with respect to a community facilities district to be established over the properties included within this petition (the "**CFD**") to be formed under the provisions of the "Mello-Roos Community Facilities Act of 1982" (the "**Mello-Roos Act**"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California.

The Property Owner hereby petitions the Board to establish (i) the CFD to be known as "Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Public Joint Powers Financing Authority," (ii) an initial improvement area to be known as "Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority" ("**Improvement Area No. 1**") and (iii) a future annexation area for the CFD (the "**Future Annexation Area**"). The Property Owner further hereby petitions for the Board to provide in the proceedings for the possibility of additional improvement areas (each, a "**Future Improvement Area**") to be established when parcels in the Future Annexation Area annex to the CFD.

2. The Property Owner, pursuant to Section 53318 of the Mello-Roos Act, hereby requests that proceedings be commenced (i) to establish the CFD, Improvement Area No. 1, the Future Annexation Area and Future Improvement Areas for the purpose of financing facilities (the "**Facilities**") and other costs described in Exhibit "A" hereto, (ii) to authorize the issuance of bonds and other debt by the CFD and the annual levy of special taxes on the portion of Property in Improvement Area No. 1 in accordance with the Rate and

Method (as defined herein) to finance the Facilities and the other costs in conjunction therewith, and (iii) to establish an appropriations limit for the CFD.

3. The Property Owner hereby certifies that as of the date of this Petition, the Property Owner is the owner of the Property. The Property Owner hereby represents and warrants that, to the best knowledge of the Property Owner as of the date hereof, there are no registered voters residing within the boundaries of the Property.

4. The Property Owner further requests that the CFD enter into a joint community facilities agreement with each of the Bonsall Unified School District (the "**School District**"), the Rainbow Municipal Water District (the "**Water District**") and the County of San Diego (the "**County**") pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Mello-Roos Act that will provide for the financing of the Facilities described in Exhibit "A" hereto.

5. In accordance with the provisions of the Mello-Roos Act, and specifically Sections 53326(a) and 53327(b) thereof allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included in a community facilities district and concurrence of the election official conducting the election, the Property Owner (i) expressly consents to the conduct of the special election of the qualified electors of Improvement Area No. 1 at the earliest possible time following the adoption by the Board of a Resolution of Formation of the CFD and a Resolution Declaring Necessity to Incur Bonded Indebtedness, and (ii) expressly waives any requirement to have the special election conducted within the time periods specified in Section 53326 of the Mello-Roos Act or in accordance with the procedural requirements identified in Section 53327(a) of the Mello-Roos Act, Section 13119 of the California Elections Code, and any other pertinent procedural requirements stated in the Mello-Roos Act or in the California Elections Code.

6. The Property Owner waives any requirement for the mailing of the ballot for the special election and expressly agrees that said election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the designated election official, being the Secretary of the Board, and the Property Owner requests that the results of said election be canvassed and reported to the Board at the same meeting of the Board as the public hearing on the formation of the CFD or the next available meeting.

7. The Property Owner expressly waives all applicable waiting periods for the election and waives the requirements for analysis and arguments relating to the special election, as set forth in Section 53327 of the Mello-Roos Act. The Property Owner hereby waives all requirements as to the preparation, printing and delivery of election materials for the election (other than delivery of the ballot to each voter as provided in the Act) and the form and content of such election materials, including, without limitation, that a fiscal impact report or statement be prepared, delivered or referenced, that a voter information guide or pamphlet be prepared, printed, delivered or made available and that the full ballot measure be printed in materials, other than the ballot, delivered or made available to voters.

8. The Property Owner expressly waives all notice requirements relating to hearings and special elections, whether by posting, publishing, or mailing, and whether such requirements are found in the California Elections Code, the California Government Code or other laws or procedures, including, but not limited to, any notice provided for by compliance with the provisions of Sections 4101 of the California Elections Code.

9. The Property Owner hereby consents to and expressly waives any and all claims based on any irregularity, error, mistake or departure from the provisions of the Mello-Roos Act or other laws of the State, and any and all laws and requirements incorporated therein, and no step or action in any proceeding relative to the CFD, Improvement Area No. 1 or the Future Annexation Area, or the special election therein relative to the establishment of the CFD and Improvement Area No. 1 or the special election shall be invalidated or affected by any such irregularity, error, mistake or departure.

The Property Owner's request, pursuant to the Petition, that the CFD, Improvement Area No. 1 and the Future Annexation Area be created and that the special taxes be levied in Improvement Area No. 1 in accordance with the Rate and Method (as defined in Section 12) and bonds and other debt be issued to finance all or a part of the Facilities, evidences, and the Property Owner hereby represents and confirms, that the Property Owner was in possession of such information and knowledge as it deemed necessary or appropriate with respect to such matters. The Property Owner hereby represents and confirms that it is fully informed with respect to such matters and fully understands the consequences thereof.

The Property Owner hereby acknowledges, confirms and agrees that that the Property Owner and representatives thereof, including its financial advisor and legal counsel, received, reviewed, participated in discussions regarding, and provided comments and input on the documents and instruments constituting, the proceedings to establish the CFD, Improvement Area No. 1 and the Future Annexation Area, including, without limitation, this petition, the Rate and Method for Improvement Area No. 1 and the description of the authorized Facilities.

The Property Owner hereby acknowledges, confirms and agrees (a) that the Rate and Method is set forth in Exhibit C hereto, and (b) that the Rate and Method contains detailed provisions specifying (i) the type of the special taxes (a special tax) and the amount or rate of the special taxes to be levied on each parcel of property in Improvement Area No. 1, (ii) the duration of the special taxes, and (iii) the use of the revenue derived from the special taxes (to pay the costs of Facilities, to pay debt service on Bonds and other debt, to pay administrative costs and to pay or provide for other related costs or expenses). The Property Owner hereby acknowledges, confirms and agrees that by virtue of the ballot's reference to the Resolution of Formation, which sets forth the Rate and Method, and by virtue of the Property Owner and representatives thereof, including its financial advisor and legal counsel, receiving, reviewing, participating in discussions regarding and providing comments and input on the Rate and Method, the Property Owner has such information and knowledge about the matters described in clause (b) of this paragraph that is at least equal to that it would have had if such matters had been set forth in the ballot.

The Property Owner hereby represents and confirms that it has obtained, and is in possession of, such information and knowledge with respect to the Property Owner's representations, warranties, acknowledgements, confirmations, agreements, consents and waivers contained in this Petition as it has deemed necessary or appropriate. The Property Owner hereby represents and confirms that it is fully informed with respect to such representations, warranties, acknowledgements, confirmations, agreements, consents and waivers and fully understands the consequences thereof. The Property Owner hereby represents and confirms that each such waiver by the Property Owner is a knowing, intelligent and voluntary waiver.

10. The Property Owner hereby waives all requirements as to the form and content of the ballot and the ballot measure for the election, including, without limitation, all requirements that the ballot measure be condensed, abbreviated or summarized in the ballot, the requirements in Section 9051 of the Elections Code and the requirements in Section 13119(b) of the Elections Code that the ballot measure include the amount of money to be raised annually from the special taxes and the rate and duration of the special taxes; provided, however, that, notwithstanding the foregoing, the Property Owner is not waiving, and does not waive, the requirement in Section 13247 of the Elections Code that the ballot label be followed with the words “Yes” and “No”.

11. The Property Owner expressly acknowledges and consents to the public hearings for the CFD being held on _____, 20__, or such other date determined by the Board, and acknowledges and agrees that, notwithstanding Section 53321(e) of the Mello-Roos Act, holding such public hearings on a date that is more than 60 days after the Board adopts a resolution of intention to establish the CFD does not directly affect the jurisdiction of the Board to order the financing of the Facilities, and shall not void or invalidate any proceedings related to the CFD, any levy of special taxes for the costs of the Facilities, or any bonds or debt issued for the CFD. The Property Owner acknowledges that the Joint Powers Authority has informed the Property Owner that it is relying on, and would not proceed with, the formation of the CFD, Improvement Area No. 1 or the Future Annexation Area without receiving, such waivers, acknowledgements, consents and agreements in initiating formation of the CFD, Improvement Area No. 1 or the Future Annexation Area.

12. The following exhibits attached hereto are incorporated into this petition by reference.

<u>Exhibit</u>	<u>Description</u>
“A”	DESCRIPTION OF FACILITIES AND OTHER COSTS
“B”	MAP AND DESCRIPTION OF PROPERTY
“C”	RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA NO. 1(“Rate and Method”)

13. The Property Owner represents and warrants that the submission of this Petition and participation in the Joint Powers Authority's proceedings under the Mello-Roos Act will not constitute a violation or event of default under any existing financing arrangement in any way affecting the Property Owner and such Property, including any “due-on-encumbrance” clauses under any existing deeds of trust secured by the Property.

14. The Property Owner represents and warrants as follows with regard to the Property. As a part of this Petition, the Property Owner agrees, at its expense, to supply to the Joint Powers Authority current title evidence (not older than 90 days) identifying the exact ownership of the Property and showing all encumbrances, liens and other matters of record.

The exact legal name of the property owner: Neighborhoods Verdeaux at The Havens, a California limited liability company

Mailing address and email for receiving ballots: Neighborhoods Verdeaux at The Havens, a California limited liability company
32823 Temecula Parkway Temecula, CA 92592

Attn: Dan Leigh, President
E-mail: dleigh@Cormanleigh.com

The Property that is the subject of this Petition is identified as follows:

Property Owners	San Diego County Assessor Parcel Numbers:	The total acreage of the Property (to 2 decimal places):
Neighborhoods Verdeaux at The Havens, a California limited liability company	[to come]	[to come]

This petition may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this petition, the Property Owner agrees to all of the above.

Dated: _____, 202_

**NEIGHBORHOODS VERDEAUX AT THE
HAVENS, LLC**

By: Neighborhood 2 at The Havens, LLC
Its: Member

By: Tulloch Holdings, LLC
Its: Manager

By: _____
Dan Leigh

Its: _____
Manager

EXHIBIT "A"

DESCRIPTION OF FACILITIES AND OTHER COSTS

I Facilities.

The types of facilities ("Facilities") proposed to be planned for, designed, acquired, constructed, leased, expanded, improved, rehabilitated and financed by proposed Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("CFD"; as used in this Exhibit A, the term "CFD" includes each improvement area as originally designated and as designated in the future in connection with annexations of territory to the CFD) under the Mello Roos Community Facilities Act of 1982 ("Mello-Roos Act") are as follows:

1. School facilities includes, but not by way of limitation, facilities of the Bonsall Unified School District ("School District") consisting of the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, recreational facilities, administration and auxiliary space at school facilities, central support, and transportation facilities as reasonably determined from time to time by the School District to be necessary to accommodate the student population of the School District, including the property within the CFD, and all appurtenances and appurtenant work in connection with the foregoing, including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such school facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such school facilities, during the term of the special taxes as follows:
 - (A) School sites and facilities for all grade levels of education provided by the School District, including pre-school/early age, TK-12, and adult education, including lease rental payments therefore related to the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, as well as portable or relocatable buildings or interim additions to existing buildings at such school facilities.
 - (B) Modernization, rehabilitation, relocation and expansion of existing school facilities and related infrastructure.
 - (C) Central support, administrative facilities, special education facilities and transportation facilities, including, but not by way of limitation, buses and vehicles.
 - (D) Furniture, equipment, and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five years at such school facilities.

(E) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of school facilities (including, without limitation, construction management, inspection, materials testing, and construction staking); any "debt," as defined in California Government Code Section 53317(d), the costs to issue and sell any such debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond trustee or fiscal agent, bond and official statement printing, and administrative expenses of the School District and/or the CFD), and all other incidental expenses.

The school facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and/or specifications approved by the School District. The school facilities described in this Exhibit are representative of the types of improvements to be funded or financed by the CFD. Addition, deletion, or modification of school facilities may be made consistent with the requirements of the School District, the CFD, and the Mello-Roos Act.

2. "County Facilities" include public facilities of the County of San Diego ("County") and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such County Facilities and any other expenses incidental to the construction, acquisition, modification, expansion or rehabilitation of such County Facilities. The County Facilities listed herein are representative of the types of improvements authorized to be financed by the CFD. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of County. Addition, deletion or modification of descriptions of the County Facilities may be made consistent with the requirements of the County, the CFD, and the Mello-Roos Act.
3. "Water District Facilities" consist of water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of the Rainbow Municipal Water District ("Water District"), and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Water District Facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Water District Facilities. The Water District Facilities listed herein are representative of the types of improvements authorized to be financed by the CFD. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of Water District. Addition, deletion or modification of descriptions of the Water District Facilities may be made consistent with the requirements of the Water District, the CFD, and the Mello-Roos Act.
4. Acquisition, improvement, rehabilitation, or maintenance of any real or other tangible property, whether privately or publicly owned, for flood and storm protection services, including, but not limited to, storm drainage and treatment

systems and sandstorm protection systems.

Any facility authorized to be financed by the CFD may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

II. Other Costs.

Incidental expenses to be incurred, as permitted under the provisions of the Mello-Roos Act including but not limited to:

1. The cost of engineering, planning, designing and rehabilitating the Facilities, legal services, materials testing, coordination, surveying, construction staking, construction inspection, environmental evaluations of Facilities, and any and all appurtenant facilities to the foregoing required to serve the Property.

2. All costs chargeable as administrative or incidental costs associated with the creation of the CFD, Improvement Area No. 1 and the Future Annexation Area, the issuance of the Bonds thereby in one or more series, and the determination of the amount of special taxes to be levied, collection of special taxes, payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the CFD.

3. All other expenses incidental to the construction, acquisition, modification, maintenance, rehabilitation, completion, and inspection of the Facilities.

4. Reimbursement of costs related to the formation of the CFD, Improvement Area No. 1 and the Future Annexation Area advanced by the Joint Powers Authority, the Water District, the School District, the landowner(s) in the CFD, Improvement Area No. 1 or the Future Annexation Area, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the School District, the Water District, the landowner(s) in the CFD, Improvement Area No. 1 and the Future Annexation Area, or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD.

EXHIBIT "B"

**PROPOSED BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 20__-1
OF THE BONSCALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL
WATER DISTRICT JOINT POWERS FINANCING AUTHORITY,
IMPROVEMENT AREA NO. 1 AND FUTURE ANNEXATION AREA**

EXHIBIT "C"

**PROPOSED RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES
OF IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 20__-1
OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL
WATER DISTRICT JOINT POWERS FINANCING AUTHORITY**

ATTACHMENT 2

RESOLUTION OF INTENTION TO ESTABLISH

RESOLUTION NO.

**RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS
OF THE BONSCALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL
WATER DISTRICT JOINT POWERS FINANCING AUTHORITY TO
ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE
BONSCALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING AUTHORITY, IMPROVEMENT AREA
NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSCALL
UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT
JOINT POWERS FINANCING AUTHORITY, AND A FUTURE ANNEXATION
AREA, TO PROVIDE FOR FUTURE IMPROVEMENT AREAS, AND TO
AUTHORIZE THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY
FACILITIES DISTRICT NO. 20__-1**

WHEREAS, the Rainbow Municipal Water District ("**Water District**") and the Bonsall Unified School District ("**School District**") established the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**Authority**") under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California ("**Joint Powers Law**") and a Joint Exercise of Powers Agreement, dated _____, for the purpose of creating a public agency that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended ("**Mello-Roos Act**") to finance certain real property and improvements to be owned by the School District, the Water District and the County of San Diego ("**County**") related to a 104-unit residential development project ("**Project**") to be developed by Neighborhoods Verdeaux at The Havens, LLC ("**Owner**"); and

WHEREAS, on ____, 2026, pursuant to Resolution No. ____ and Government Code Section 53312.7, the Board of Directors of the Authority ("**Board**") considered and adopted Policies and Procedures for Community Facilities Districts ("**CFD Goals and Policies**"); and

WHEREAS, the Owner has submitted to the Authority a petition (including consent and waiver) requesting that the Authority institute proceedings for formation of (i) a community facilities district to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**CFD No. 20__-1**"), (ii) an improvement area to be known as Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**Improvement Area No. 1**"), and (iii) a future annexation area for CFD No. 20__-1 to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority Future Annexation Area ("**Future Annexation Area**"), and such petition has been received and filed with the Secretary to the Authority; and

WHEREAS, the Owner has requested that the Authority undertake proceedings to establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for

the purpose of financing certain school facilities (“**School Facilities**”) applicable to the development of the land in CFD No. 20__-1, as described in (i) a mitigation agreement (“**Mitigation Agreement**”) between the School District and the Owner and (ii) a Joint Community Facilities Agreement by and among the Authority, the School District and the Owner (“**JCFA (School District)**”); and

WHEREAS, the Owner has further requested that Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the Water District (“**Water District Facilities**”) as described in a Joint Community Facilities Agreement among the Water District, the Authority and the Owner (“**JCFA (Water District)**”); and

WHEREAS, the Owner has further requested that the Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the County (“**County Facilities**”; together with the School Facilities and the Water District Facilities, “**Facilities**”) as described in a Joint Community Facilities Agreement among the County, the Authority and the Owner (“**JCFA (County)**”); and

WHEREAS, the Board intends to institute proceedings pursuant to the Mello-Roos Act for the establishment of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area that includes specified Special Taxes, to provide funds to finance the costs of the Facilities as described in Exhibit "A" attached hereto and made a part hereof by this reference, and as further described herein; and

WHEREAS, the cost(s) of financing the Facilities shall include the payment of principal of and interest on bonds (“**Bonds**”) and other debt (as defined in the Mello-Roos Act), and other periodic costs, including, but not limited to, costs of administering CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the levy of Special Taxes and administration of the Bonds or other debt, the establishment and replenishment of reserve funds and any other necessary costs described in Exhibit "A"; and

WHEREAS, in accordance with Section 53325.7 of the Mello-Roos Act, the Board has determined that it is advisable to establish an appropriations limit, as defined by Article XIII B, Section 8(h) of the California Constitution, for CFD No. 20__-1; and

WHEREAS, in accordance with California Government Code Section 53314.9, the Board has determined the proceedings for the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area shall include, subject to the Owner funding the costs of such formation, the repayment of Owner for such costs, without interest, as provided in the Deposit and Reimbursement Agreement (as defined below); and

WHEREAS, it is the intention of the Authority to plan, design, construct, lease, acquire or finance the construction, modification, relocation, rehabilitation, expansion or acquisition of the Facilities, or any combination thereof, through the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, subject to the authorization of Bonds or other debt and the levy of Special Taxes; and

WHEREAS, pursuant to Section 53321(e) of the Mello-Roos Act, the Board has determined to set a date, time and place for a public hearing relating to the establishment of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the levy of Special Taxes, the issuance of Bonds and other debt secured by the Special Taxes to pay for such Facilities and the establishment of an appropriations limit and to call for an election of qualified electors within Improvement Area No. 1 and to provide for the levy of Special Taxes therein to pay for the Facilities and incidental costs relating thereto.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE BONSALE UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

Section 2. The petition of the Owner is hereby accepted and proceedings are initiated pursuant to the authorization of Section 53318(c) of the Mello-Roos Act.

Section 3. The Authority proposes to establish CFD No. 20__-1, Improvement Area No. 1 and any future improvement areas formed to include territory that annexes to CFD No. 20__-1 (each, a "**Future Improvement Area**")_ under the provisions and requirements of the Mello-Roos Act subject to the CFD Goals and Policies and subject to the Owner funding the costs of such formation. The Authority has arranged for the preparation of a boundary map of proposed CFD No. 20__-1 ("**Boundary Map**"). The proposed boundaries of the territory proposed for inclusion in CFD No. 20__-1 are as depicted on Exhibit "B," incorporated herein by this reference. Based on the information available, the Board determines that the proposed boundaries of Improvement Area No. 1 include the entirety of any parcel that will be subject to the Special Taxes of Improvement Area No. 1.

The Board finds that the Boundary Map attached hereto as Exhibit "A" and incorporated herein by this reference, complies with the requirements of Sections 3110, et seq., of the California Streets and Highways Code and the Mello-Roos Act and hereby approves and adopts the Boundary Map as the official boundary map for proposed CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, and the Boundary Map shall govern and control with regard to all details of the boundary and extent of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area.

The Secretary to the Board or their designee is directed to cause the Boundary Map to be recorded with the Assessor/Recorder/County Clerk for the County of San Diego within 15 days after the adoption of this resolution and in no event later than 15 days prior to the public hearing referenced in Section 13.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "**Unanimous Approval**") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any

requirement for further public hearings or additional proceedings, except as described in Section 7.

Section 4. The name of the proposed community facilities district shall be “**Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority.**”

The name of the proposed Improvement Area No. 1 shall be “**Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority.**”

The name of the proposed Future Annexation Area shall be “**Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority Future Annexation Area.**”

Section 5. The Board finds that public convenience and necessity require the Facilities proposed to be acquired, constructed and/or financed by and through proposed CFD No. 20__-1, Improvement Area No. 1 and any Future Improvement Areas.

Section 6. The Facilities to be planned, acquired, constructed, leased, or financed are authorized facilities under the Mello-Roos Act and the Board determines that the Facilities are necessary to meet increased demand placed on the School District, the Water District, the County and other public agencies, as a result of development, including development which will occur in the future, within CFD No. 20__-1, Improvement Area No. 1 and any Future Improvement Area. The Board hereby finds and determines that the public interest will not be served by allowing the property owners in CFD No. 20__-1 to enter into a contract pursuant to Section 53329(a) of the Mello-Roos Act. Notwithstanding the foregoing, the Board, on behalf of CFD No. 20__-1, may enter into one or more contracts directly with any of the property owners with respect to the construction and/or acquisition of any portion of the School Facilities in accordance with applicable law.

Improvement Area No. 1 and each Future Improvement Area is, or will be, authorized to finance the Facilities regardless of their location.

Section 7. For all funds needed to accomplish the herein described purposes and actions, it is the intention of the Board to levy the Special Taxes annually within the boundaries of Improvement Area No. 1 and any Future Improvement Area in accordance with the procedures contained in the Mello-Roos Act. Except where funds are otherwise available, the Special Taxes sufficient to pay for all facilities, secured by recordation of a continuing lien against all nonexempt real property within the boundaries of Improvement Area No. 1 and any Future Improvement Area, will be annually levied within Improvement Area No. 1 and any Future Improvement Area. Such lien will be a continuing lien which shall secure each annual levy of the Special Taxes, and which shall continue in force and effect until the Special Tax obligation is prepaid, permanently satisfied, and canceled in accordance with applicable law or until the Special Tax ceases to be levied and a notice of cessation of Special Tax is recorded in accordance with Section 53330.5 of the Mello-Roos Act.

The Special Taxes shall be levied in Improvement Area No. 1 each year in the amounts specified in Exhibit "C" to this Resolution of Intention (the "**Improvement Area No. 1 Rate and Method of Apportionment**") for planning, construction, acquisition, relocation and rehabilitation of the Facilities which may include the principal of and interest on the Bonds or other debt proposed to be issued to finance the Facilities and other periodic costs; any payments for the Facilities or lease payments; the establishment and replenishment of reserve funds, including reserves for modernization and rehabilitation of Facilities constructed with Special Tax revenues; the expenses incurred for administering, levying and collecting the Special Taxes and issuing Bonds, or each series thereof, and any debt; legal, fiscal and financial consultant fees; discount fees; capitalized interest on the Bonds for a period not to exceed the period set forth in Section 21 below; election costs; fees for bond counsel, other legal counsel, and printing costs. The Board also reserves the right to establish a fund, and use Special Tax revenues, pursuant to Section 53314.5 of the Mello-Roos Act. Exhibit "C" provides sufficient detail to allow each landowner or resident within Improvement Area No. 1 to estimate the maximum amount that such person will have to pay for the Facilities.

A Special Tax to finance Facilities shall not be levied in a Future Improvement Area after the fiscal year identified in the rate and method for the Future Improvement Area (each, a "**Future Improvement Area Rate and Method of Apportionment**"), except that any such Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. For Future Improvement Areas, a different rate and method may be adopted if the annexed territory is designated as a separate improvement area. No supplements to the Improvement Area No. 1 Rate and Method of Apportionment in connection with the annexation of territory to Improvement Area No. 1 (if any) and no Future Improvement Area Rate and Method of Apportionment will cause the maximum tax rate in the territory that was in the CFD No. 20__-1 prior to the annexation (including Improvement Area No. 1) to increase.

The designation as an improvement area of any territory annexing to the CFD No. 20__-1, the maximum amount of bonded indebtedness and other debt for such improvement area, the Future Improvement Area Rate and Method of Apportionment and the appropriations limit for CFD No. 20__-1 shall be identified and approved in the Unanimous Approval executed by property owners in connection with their annexation to CFD No. 20__-1. The annexation and related matters described in the Unanimous Approval shall be subject to the approval by the Board of Directors in accordance with the Mello-Roos Act.

As required by Section 53339.3(d) of the Mello-Roos Act, the Board of Directors hereby determines that if the Special Tax in the new improvement area is to be used to pay for the same costs of specific Facilities as those that were financed by the Special Tax in Improvement Area No. 1, then the Special Tax within the Future Improvement Area will be equal to the Special Taxes levied to pay for the same Facilities in previously-existing areas of the CFD and Improvement Area No. 1, except that a higher Special Tax may be levied within the Future Improvement Area to pay for the same costs of specific Facilities to compensate for the interest and principal previously paid from Special Taxes in the original area of the CFD and Improvement Area No. 1, less any depreciation allocable to the financed Facilities. If the Future Improvement Area is financing additional costs of the

specific Facilities financed by Improvement Area No. 1 or is financing new or additional Facilities, then a higher Special Tax may be levied in the Future Improvement Area to pay for such additional costs or such new or additional Facilities, with or without bond financing.

The Special Taxes shall be collected (1) in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes as such procedure may be modified by law or by the Board from time to time, or (2) in any other manner determined by the Board

As herein provided, CFD No. 20__-1 may also, in lieu of issuing the Bonds, issue or execute and deliver other securities and other debt, including, but not limited to, lease revenue bonds or certificates of participation, which may involve a lease-purchase financing arrangement for property and/or facilities with a nonprofit public benefit corporation and may involve or include a pledge of the Special Taxes levied and collected within CFD No. 20__-1 to pay principal, interest and/or the redemption or prepayment price(s) on such debt, securities or obligation(s).

Section 8. The Improvement Area No. 1 Rate and Method and the manner of collection of the Special Tax for Improvement Area No. 1 are described in detail in Exhibit "C" attached hereto and made a part hereof by this reference. The Special Taxes take into consideration the cost of making the Facilities available and are allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property). The Special Taxes are apportioned to each parcel within Improvement Area No. 1 on the foregoing basis pursuant to Section 53325.3 of the Mello-Roos Act and such Special Taxes are not based upon the value of real property.

Special Taxes shall not be levied and collected with respect to any parcel that is exempt from Special Taxes pursuant to the Improvement Area No. 1 Rate and Method of Apportionment or the Mello-Roos Act, or for which the Special Tax obligation has been fully prepaid and a notice of cancellation of Special Taxes has been recorded. Special Taxes shall not be levied and collected with respect to any parcel that is exempt from Special Taxes pursuant to the Future Improvement Area Rate and Method of Apportionment or the Mello-Roos Act, or for which the Special Tax obligation has been fully prepaid and a notice of cancellation of Special Taxes has been recorded. Any Special Taxes collected pursuant to the authorization of the qualified electors in Improvement Area No. 1 shall be collected annually on all Assessor's Parcels of Taxable Property within Improvement Area No. 1 until the date provided for in the Improvement Area No. 1 Rate and Method of Apportionment set forth in Exhibit "C." Any Special Taxes collected pursuant to the authorization of the Unanimous Approval in a Future Improvement Area shall be collected annually on all Assessor's Parcels of Taxable Property within such Improvement Area until the date provided for in the Future Improvement Area Rate and Method of Apportionment.

If property within Improvement Area No. 1 is acquired or dedicated to a public agency or other purposes specified in the Mello-Roos Act subsequent to the date of formation of Improvement Area No. 1, it may become exempt and no longer subject to the Special Taxes, pursuant to the provisions of the Mello-Roos Act and the Rate and Method of Apportionment attached hereto as Exhibit "C." If property within a Future Improvement

Area is acquired or dedicated to a public agency or other purposes specified in the Mello-Roos Act subsequent to the date of formation of the Future Improvement Area, it may become exempt and no longer subject to the Special Taxes, pursuant to the provisions of the Mello-Roos Act and the Future Improvement Area Rate and Method of Apportionment.

The maximum Special Tax applicable to a parcel to be used for private residential purposes in Improvement Area No. 1, as set forth in Exhibit "C," is specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to tax because of its use for private residential purposes and such amount shall not be increased over time by an amount in excess of 2% per year. The Board determines that the annual increase in Special Taxes will benefit the School District, the Water District and the County as to funding of Facilities. The tax year after which no further Special Tax shall be levied to pay for Facilities against any parcel used for private residential purposes is set forth in the Rate and Method of Apportionment, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes within Improvement Area No. 1 be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within Improvement Area No. 1 by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued. The foregoing limitation shall only apply to the extent set out in Section 53321 of the Mello-Roos Act.

The maximum Special Tax applicable to a parcel to be used for private residential purposes in a Future Improvement Area shall be specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to tax because of its use for private residential purposes and such amount shall not be increased over time by an amount in excess of 2% per year. The Board determines that the annual increase in Special Taxes within a Future Improvement Area will benefit the School District, the Water District and the County as to funding of Facilities. The tax year after which no further Special Tax shall be levied to pay for Facilities against any parcel used for private residential purposes shall be set forth in the Future Improvement Area Rate and Method of Apportionment, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes within Future Improvement Area be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within Future Improvement Area by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued. The foregoing limitation shall only apply to the extent set out in Section 53321 of the Mello-Roos Act.

The Board of Directors hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9(c) are inapplicable to the proposed CFD.

Section 9. It is the intention of the Board, pursuant to Section 53317.3 of the Mello-Roos Act, to levy the proposed Special Tax on property that is not otherwise exempt from the proposed Special Tax and that is acquired by a public entity through a negotiated transaction, or by gift or devise.

Section 10. It is the intention of the Board, pursuant to Section 53317.5 of the Mello-Roos Act, to treat any Special Tax levied against property that is acquired by a public entity through eminent domain proceedings as if it were a special annual assessment pursuant to Section 1265.250 of the Code of Civil Procedure of the State of California.

Section 11. It is the intention of the Board, pursuant to Section 53340.1 of the Mello-Roos Act, to levy the proposed Special Tax on the leasehold or possessory interests in property owned by a public agency, which property is otherwise exempt from the Special Tax.

Section 12. It is the intention of the Board that owners of parcels within Improvement Area No. 1 may prepay the designated Special Tax obligation to CFD No. 20__-1 for such parcel(s) by those method(s) set forth in the Rate and Method of Apportionment.

Section 13. Notice is given that a public hearing (“**Hearing**”) on the establishment of CFD No. 20__-1, Improvement Area No. 1, the proposed Improvement Area No. 1 Rate and Method of Apportionment, the proposed appropriations limit for CFD No. 20__-1, the Future Annexation Area and all other matters set forth in this Resolution of Intention shall be held on _____ 20__, at ____ p.m., or as soon thereafter as practicable at [**specify location**].

Section 14. At the time and place set forth above for the Hearing, the Authority shall receive testimony as to whether proposed CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area shall be established, as to the Improvement Area Rate and Method of Apportionment, and as to all other matters set forth in this Resolution. Any interested person, including taxpayers, property owners and registered voters within the boundaries of proposed Improvement Area No. 1, may appear and be heard at the Hearing. The testimony of all such interested persons for or against the establishment of CFD No. 20__-1 or Improvement Area No. 1, the boundaries of CFD No. 20__-1 or Improvement Area No. 1, the levy of Special Taxes within Improvement Area No. 1, the furnishing of the Facilities, the establishment of an appropriations limit, or any other matters set forth herein, will be heard and considered.

Section 15. Koppel & Gruber Public Finance, the special tax consultant retained by the Authority to prepare and administer the Improvement Area No. 1 Rate and Method of Apportionment and each Future Improvement Area Rate and Method of Apportionment (“**Special Tax Consultant**”), and the staff of the Authority in consultation with staff of the School District, the Water District and the County, as appropriate, are hereby directed to study proposed CFD No. 20__-1 and Improvement Area No. 1, and, at or before the time of the Hearing, file a report with the Board containing a description of the Facilities which will, in their opinion, be required to adequately meet the herein described needs of

proposed CFD No. 20__-1, Improvement Area No. 1 and each Future Improvement Area, and an estimate of the cost of providing the Facilities (“**Community Facilities District Report**”). The Special Tax Consultant and Authority staff are directed to estimate the fair and reasonable cost of the study of, planning, purchase, construction, leasing or financing of the Facilities, including the cost of planning and designing the Facilities, including the purchase of completed Facilities, and all costs associated with the formation of CFD No. 20__-1, Improvement Area No. 1, each Future Improvement Area and the Future Annexation Area, issuance of the Bonds and other debt, as well as administration and collection of the Special Taxes and costs otherwise incurred to carry out the authorized purposes of CFD No. 20__-1, Improvement Area No. 1 and each Future Improvement Area. The Board directs that the Community Facilities District Report shall be provided to the Board for consideration at the Hearing and at that time copies of such report shall be available for public review.

Section 16. The Authority may accept advances of funds from any sources, including private persons or private entities, and is authorized and directed to use such funds for any authorized purpose, or paying for any cost incurred by the Authority in creating CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area. The Authority may enter into agreements to:

- (i) repay all such funds which are not expended or committed for any authorized purpose at the time of the election regarding the levy of the Special Tax, if the proposal to levy such tax should fail, and
- (ii) repay all such funds which have been advanced to the Authority from the proceeds of Bonds if Bonds of CFD No. 20__-1 are issued and sold. The obligation to repay any advances made to the Authority shall not be a debt or obligation of the Authority.

Section 17. At the Hearing, protests against the proposals described in this Resolution of Intention may be made orally or in writing by any interested person. Any protests pertaining to the regularity or sufficiency of the Hearing or the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made. All written protests not personally presented by the author of that protest at the Hearing shall be filed with the Secretary to the Board at or before the time fixed for the Hearing. Written protests may be withdrawn in writing at any time before the conclusion of the Hearing. The Hearing may be continued from time to time not to exceed a period of six months as provided in Section 53325 of the Mello-Roos Act.

If after completion of the Hearing, the Board determines that written protests against the establishment of CFD No. 20__-1 and Improvement Area No. 1 are filed by 50% or more of the registered voters, or six registered voters, whichever is greater, residing within the boundaries of Improvement Area No. 1, or owners of one-half or more of the area of land proposed to be included within Improvement Area No. 1, and not exempt from the Special Tax, and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings to establish CFD No. 20__-1 or Improvement Area No. 1, or authorize the specified Special Tax, shall be taken for a period of one year from the date of such finding by the Board. If said majority protest is limited to certain Facilities or a

specified Special Tax, those Facilities or the specified Special Tax shall be eliminated from the resolution of formation by the Board.

If 50 percent or more of the registered voters, or six registered voters, whichever is more, residing within the existing CFD No. 20__-1, or if 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the Future Annexation Area, or if the owners of one-half or more of the area of land in the territory included in the existing CFD No. 20__-1 and not exempt from special tax, or if the owners of one-half or more of the area of land in the Future Annexation Area and not exempt from the special tax, file written protests against the proposed Future Annexation Area, and protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings to establish the Future Annexation Area shall be undertaken for a period of one year from the date of decision of the Board of Directors on the issues discussed at the hearing.

Section 18. The Secretary to the Board is hereby directed to have a notice ("**Notice**") of the Hearing published pursuant to Section 6061 of the California Government Code in a newspaper of general circulation published in the area of proposed CFD No. 20__-1. Such Notice shall contain a summary of this Resolution of Intention, state the time and place of the Hearing, contain a statement that the testimony of all interested persons or taxpayers shall be heard, have a description of the protest rights of the registered voters and landowners in proposed Improvement Area No. 1 and the protest rights of the registered voters and landowners in the proposed Future Annexation Area, and contain a description of the proposed voting procedure for the election required in Improvement Area No. 1 by the Mello-Roos Act. Such publication shall be completed at least seven days prior to the date of the Hearing. Additionally, the Secretary to the Board is hereby directed to file, or arrange to be filed, a copy of this Resolution of Intention in accordance with the provisions of Section 53315.6 of the Mello-Roos Act.

Section 19. If following the Hearing the Board determines to establish CFD No. 20__-1 and Improvement Area No. 1, the Board shall then submit the levy of the Special Taxes in an election ("**Election**") to the qualified electors of Improvement Area No. 1 pursuant to requirements contained in the Mello-Roos Act and the applicable provisions of the Elections Code. If at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within Improvement Area No. 1 for each of the 90 days preceding the close of the Hearing, the vote shall be by registered voters of Improvement Area No. 1 with each voter having one vote. If there are less than 12 persons registered to vote for each of the 90 days preceding the close of the Hearing, pursuant to Section 53326 of the Mello-Roos Act, the vote shall be by the landowners of Improvement Area No. 1, with each landowner having one vote for each acre, or portion of an acre, of land that he, she, or it owns within Improvement Area No. 1 not exempt from the Special Tax.

The Election shall be conducted at least 90 days, but not more than 180 days, following the adoption of the Resolution of Formation adopted pursuant to Section 53325.1 of the Mello-Roos Act. Notwithstanding the foregoing, the Election may be conducted less than 90 days after the adoption of the Resolution of Formation with the unanimous consent of the qualified electors pursuant to Section 53326(a) of the Mello-Roos Act. If the Election

is to be held less than 125 days following the close of the Hearing, the concurrence of the Election Official (defined below) conducting the Election shall be required.

The Authority staff and consultants are directed to undertake, with the Election Official and the San Diego County Registrar of Voters office, a review of the boundaries of Improvement Area No. 1, to determine the number of registered voters, if any, within such boundaries. The results of such review shall be provided to the Board.

Based upon information furnished to the County it is anticipated that there will be fewer than 12 registered voters within Improvement Area No. 1, and that the Election will be among landowner voters of Improvement Area No. 1. Contingent on such finding, the Board hereby appoints the Authority's Executive Director (or designee) to serve as the election official ("**Election Official**") for the Election pursuant to Section 53327(b) of the Mello-Roos Act and the imposition of the Special Taxes on property within Improvement Area No. 1 as required by law.

Pursuant to Section 53326(d) of the Mello-Roos Act, the Board may determine to distribute the ballots for such Election by mail, or by personal service by the Election Official. The balloting shall otherwise conform to the requirements of Sections 53326 and 53327 of the Mello-Roos Act.

A Special Tax shall be levied in the Future Annexation Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings, except as set forth in Section 7. The designation as an improvement area of any territory annexing to CFD No. 20__-1 from the Future Annexation Area, the maximum amount of bonded indebtedness for such improvement area, the Future Improvement Area Rate and Method of Apportionment and the appropriations limit for the CFD shall be identified and approved in the Unanimous Approval executed by property owners in connection with their annexation to CFD No. 20__-1. Pursuant to Section 53329.6 of the Mello-Roos Act, a Unanimous Approval executed by the owner of a parcel constitutes the vote of the qualified elector in favor of the matters addressed in the unanimous approval for purposes of the California Constitution, including, but not limited to, Articles XIII A and XIII C.

Section 20. The CFD Goals and Policies are incorporated herein by this reference. The CFD Goals and Policies are hereby made applicable to all proceedings for the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the authorization of Special Taxes, the authorization to incur bonded indebtedness and other debt, and all other matters relating to CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, unless expressly waived by action of the Board. Pursuant to the provisions of the Mello-Roos Act, this action shall constitute the adoption of a community facilities district financing policy for CFD No. 20__-1. The total effective tax rate within Improvement Area No. 1 based on the Assigned Special Tax (as defined in the Rate and Method of Apportionment) is not expected to exceed 2% at the time of formation of Improvement Area No. 1.

Section 21. The Board hereby determines, in accordance with the CFD Goals and Policies, that up to a maximum of 24 months' capitalized interest is allowed for CFD No.

20__-1 and each Improvement Area and such capitalized interest is hereby determined to be of benefit to the Authority in regard to funding of the Facilities concurrent with development in CFD No. 20__-1.

Section 22. [Reserved]

Section 23. As permitted by Section 53314.9 of the Mello-Roos Act, the Owner has made a deposit to pay for expenses incurred by the Authority and its consultants relating to the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area. Pursuant to a Deposit and Reimbursement Agreement, by and between the Authority and the Owner (the “**Deposit and Reimbursement Agreement**”), to be approved by the Board pursuant to a separate resolution of the Board, the Owner shall be repaid in accordance with the terms of such Deposit and Reimbursement Agreement.

Section 24. Pursuant to the Local Agency Special Tax and Bond Accountability Act, Section 50075.1 *et seq.* of the Government Code, (a) the ballot measure referred to herein shall contain a statement indicating the specific purposes of the Special Taxes, (b) the Special Taxes shall be applied only to the purposes specified in the ballot measure, (c) there shall be created by CFD No. 20__-1, accounts into which proceeds of the Special Tax levies will be deposited, and (d) the Authority’s Executive Director, or a written designee of the Executive Director, is hereby directed to cause an annual report to be provided to the Board as required by Section 50075.3 of the Government Code.

Section 25. Except to the extent limited in any bond resolution, fiscal agent agreement or trust indenture related to the issuance of the Bonds, the Board hereby reserves to itself all rights and powers set forth in Section 53344.1 of the Mello-Roos Act relating to tenders in full or partial payment of the Bonds.

Section 26. The Board hereby determines that the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the levy of Special Taxes, the issuance of the Bonds or other debt for facilities, and related election and procedural actions, will not have an effect on the environment and that such actions are correspondingly exempt from the requirements of the California Environmental Quality Act (“**CEQA**”). The Secretary to the Board is directed to, or arrange to, complete, execute, file, and post a Notice of Exemption in such regard pursuant to the provisions and requirements of CEQA.

Section 27. No error, irregularity, informality, and no neglect or omission of any officer, in any procedure taken under this chapter, which does not directly affect the jurisdiction of the legislative body to order the installation of the facility or the provision of service, shall void or invalidate such proceeding or any levy for the costs of such facility or service. If any term, provision, finding, condition or directive of this Resolution of Intention, and the other proceedings for the formation of CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area and any Future Improvement Areas, the authorization of the Special Tax, the authorization of the Bonds and other debt and related matters thereto is, to any extent, held invalid or unenforceable, the remainder of the proceedings, or the application of such term, provision, finding, condition or directive other than those to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each such

term, provision, finding, condition or directive shall be valid and enforceable to the fullest extent provided by law. If this Resolution of Intention, or the proceedings relative to CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area and any Future Improvement Areas are held invalid or unenforceable as against any particular piece or parcel of property within CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area or any Future Improvement Area, the remainder of the proceedings, or the application of any term, provision, finding, condition, or directive applicable to other parcels of properties as against which such holding is not applicable, shall continue to be valid and enforceable to the fullest extent provided by law.

Section 28. The Executive Director, or his designee(s), and other officers of the Authority, are, and each of them acting alone is, authorized to take any and all actions necessary to implement the orders and directives of this Resolution of Intention to proceed with the establishment of proposed CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, and the authorization of Special Taxes of Improvement Area No. 1, within the time periods specified by the Mello-Roos Act, including, but not limited to, providing the notice required by Section 53315.6 of the Mello-Roos Act.

Section 29. This Resolution shall take effect upon adoption.

ADOPTED, SIGNED AND APPROVED, this ____ day of _____, 20__.

**BOARD OF DIRECTORS OF THE
BONSALL UNIFIED SCHOOL DISTRICT-
RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING
AUTHORITY**

By: _____
Chair

ATTEST:

Secretary

EXHIBIT A

DESCRIPTION OF FACILITIES AND OTHER COSTS

I Facilities.

The types of facilities ("Facilities") proposed to be planned for, designed, acquired, constructed, leased, expanded, improved, rehabilitated and financed by proposed Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("CFD No. 20__-1"; as used in this Exhibit A, the term "CFD" includes each improvement area as originally designated and as designated in the future in connection with annexations of territory to the CFD No. 20__-1) under the Mello Roos Community Facilities Act of 1982 ("Mello-Roos Act") are as follows:

1. School facilities includes, but not by way of limitation, facilities of the Bonsall Unified School District ("School District") consisting of the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, recreational facilities, administration and auxiliary space at school facilities, central support, and transportation facilities as reasonably determined from time to time by the School District to be necessary to accommodate the student population of the School District, including the property within CFD No. 20__-1, and all appurtenances and appurtenant work in connection with the foregoing, including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such school facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such school facilities, during the term of the special taxes as follows:
 - (A) School sites and facilities for all grade levels of education provided by the School District, including pre-school/early age, TK-12, and adult education, including lease rental payments therefore related to the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, as well as portable or relocatable buildings or interim additions to existing buildings at such school facilities.
 - (B) Modernization, rehabilitation, relocation and expansion of existing school facilities and related infrastructure.
 - (C) Central support, administrative facilities, special education facilities and transportation facilities, including, but not by way of limitation, buses and vehicles.

(D) Furniture, equipment, and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five years at such school facilities.

(E) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of school facilities (including, without limitation, construction management, inspection, materials testing, and construction staking); any "debt," as defined in California Government Code Section 53317(d), the costs to issue and sell any such debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond trustee or fiscal agent, bond and official statement printing, and administrative expenses of the School District and/or CFD No. 20__-1), and all other incidental expenses.

The school facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and/or specifications approved by the School District. The school facilities described in this Exhibit are representative of the types of improvements to be funded or financed by CFD No. 20__-1. Addition, deletion, or modification of school facilities may be made consistent with the requirements of the School District, CFD No. 20__-1, and the Mello-Roos Act.

2. "County Facilities" include public facilities of the County of San Diego ("County") and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such County Facilities and any other expenses incidental to the construction, acquisition, modification, expansion or rehabilitation of such County Facilities. The County Facilities listed herein are representative of the types of improvements authorized to be financed by CFD No. 20__-1. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of County. Addition, deletion or modification of descriptions of the County Facilities may be made consistent with the requirements of the County, CFD No. 20__-1, and the Mello-Roos Act.
3. "Water District Facilities" consist of water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of the Rainbow Municipal Water District ("Water District"), and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Water District Facilities and any other expense incidental to the construction, acquisition, modification, expansion or

rehabilitation of such Water District Facilities. The Water District Facilities listed herein are representative of the types of improvements authorized to be financed by CFD No. 20__-1. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of Water District. Addition, deletion or modification of descriptions of the Water District Facilities may be made consistent with the requirements of the Water District, CFD No. 20__-1, and the Mello-Roos Act.

4. Acquisition, improvement, rehabilitation, or maintenance of any real or other tangible property, whether privately or publicly owned, for flood and storm protection services, including, but not limited to, storm drainage and treatment systems and sandstorm protection systems.

Any facility authorized to be financed by CFD No. 20__-1 may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

II. Other Costs.

Incidental expenses to be incurred, as permitted under the provisions of the Mello-Roos Act including but not limited to:

1. The cost of engineering, planning, designing and rehabilitating the Facilities, legal services, materials testing, coordination, surveying, construction staking, construction inspection, environmental evaluations of Facilities, and any and all appurtenant facilities to the foregoing required to serve the Property.

2. All costs chargeable as administrative or incidental costs associated with the creation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the issuance of the Bonds thereby in one or more series, and the determination of the amount of special taxes to be levied, collection of special taxes, payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 20__-1.

3. All other expenses incidental to the construction, acquisition, modification, maintenance, rehabilitation, completion, and inspection of the Facilities.

4. Reimbursement of costs related to the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area advanced by the Joint Powers Authority, the Water District, the School District, the landowner(s) in CFD No. 20__-1, Improvement Area No. 1 or the Future Annexation Area, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the School District, the Water District, the landowner(s) in CFD No. 20__-1, Improvement Area No. 1 or the Future Annexation Area or any party related to any of the foregoing, for facilities, fees or other purposes or costs of CFD No. 20__-1.

EXHIBIT B

**PROPOSED BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 20__-1
OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING AUTHORITY, IMPROVEMENT AREA NO. 1
AND FUTURE ANNEXATION AREA**

EXHIBIT "C"

**PROPOSED RATE AND METHOD OF
APPORTIONMENT OF SPECIAL TAXES
IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 20__-1
OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING AUTHORITY**

ATTACHMENT 3

RESOLUTION OF INTENTION TO INCUR BONDED INDEBTEDNESS

RESOLUTION NO. _____

RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY TO INCUR BONDED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 AND OTHER DEBT SECURED BY A SPECIAL TAX OF COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, TO FINANCE FACILITIES OF THE BONSALL UNIFIED SCHOOL DISTRICT, RAINBOW MUNICIPAL WATER DISTRICT AND COUNTY OF SAN DIEGO, AND TAKING RELATED ACTIONS

WHEREAS, the Rainbow Municipal Water District ("**Water District**") and the Bonsall Unified School District ("**School District**") established the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**Authority**") under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California ("**Joint Powers Law**") and a Joint Exercise of Powers Agreement, dated _____, for the purpose of creating a public agency that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended ("**Mello-Roos Act**") to finance certain real property and improvements to be owned by the School District, the Water District and the County of San Diego ("**County**") related to a 104-unit residential development project ("**Project**") to be developed by Neighborhoods Verdeaux at The Havens, LLC ("**Owner**"); and

WHEREAS, on ____, 2026, pursuant to Resolution No. ____ and Government Code Section 53312.7, the Board of Directors of the Authority ("**Board**") considered and adopted Policies and Procedures for Community Facilities Districts ("**CFD Goals and Policies**"); and

WHEREAS, the Owner has submitted to the Authority a petition (including consent and waiver) requesting that the Authority institute proceedings for formation of (i) a community facilities district to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Public Financing Authority ("**CFD No. 20__-1**"), (ii) an improvement area to be known as Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**Improvement Area No. 1**"), and (iii) a future annexation area for CFD No. 20__-1 to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority Future Annexation Area ("**Future Annexation Area**"), and such petition has been received and filed with the Secretary of the Authority; and

WHEREAS, the Owner has requested that the Authority undertake proceedings to establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain school facilities ("**School Facilities**") applicable to the

development of the land in CFD No. 20__-1, as described in (i) a mitigation agreement (“**Mitigation Agreement**”) between the School District and the Owner and (ii) a Joint Community Facilities Agreement by and among the Authority, the School District and the Owner (“**JCFA (School District)**”); and

WHEREAS, the Owner has further requested that Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the Water District (“**Water District Facilities**”) as described in a Joint Community Facilities Agreement among the Water District, the Authority and the Owner (“**JCFA (Water District)**”); and

WHEREAS, the Owner has further requested that the Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the County (“**County Facilities**”; together with the School Facilities and the Water District Facilities, “**Facilities**”) as described in a Joint Community Facilities Agreement among the County of San Diego (“**County**”), the Authority and the Owner (“**JCFA (County)**”); and

WHEREAS, the Board has on this date adopted a resolution (the “**Resolution of Intention**”) stating its intention to consider the establishment of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area pursuant to the Mello-Roos Act to provide and finance Facilities described in the Resolution of Intention and any incidental expenses thereto to serve the area within proposed CFD No. 20__-1; and

WHEREAS, the Board estimates the approximate amount required to finance the Facilities on the basis of current estimated costs, including the incidental costs thereof, will not exceed \$100,000,000; and

WHEREAS, in order to finance the Facilities it is necessary to incur bonded indebtedness through the issuance of one or more series of bonds in an aggregate principal amount not to exceed \$100,000,000; and

WHEREAS, in order to finance the Facilities, it is further necessary to incur debt (as defined in the Mello-Roos Act), although any such debt shall not be subject to the limitations on bonded indebtedness set forth above; and

WHEREAS, in accordance with Section 53325.7 of the Mello-Roos Act, the Board has determined that it is advisable to establish an appropriations limit, as defined by Article XIII B, Section 8(h) of the California Constitution, for CFD No. 20__-1; and

WHEREAS, the Board has determined to set a date, time and place for a public hearing relating to the establishment of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the levy of a special tax in Improvement Area No. 1, the issuance of bonds and other debt with respect to CFD No. 20__-1 secured by the special tax to be levied in CFD No. 20__-1 to pay for such Facilities and the establishment of an appropriations limit, and to call for an election of qualified electors of Improvement Area No. 1 and to provide for the levy of a special tax in Improvement Area No. 1 to pay for the Facilities and incidental costs relating thereto;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

Section 2. It is necessary to incur bonded indebtedness with respect to the property within the boundaries of proposed CFD No. 20__-1 in the following amounts for the purpose of financing the Facilities and the incidental expenses thereof:

- (i) for Improvement Area No. 1, an aggregate amount not to exceed \$30,000,000 (the "**Improvement Area No. 1 Bonded Indebtedness Limit**"), and
- (ii) for the portion of CFD No. 20__-1 that is not in Improvement Area No. 1, an amount not to exceed \$70,000,000 (the "**Non-Improvement Area No. 1 Bonded Indebtedness Limit**").

It is further necessary to incur debt (as defined in the Act) for the purpose of financing the Facilities and the incidental expenses thereof, although any such debt shall not be subject to the limitations on bonded indebtedness set forth above.

Section 3. The amount of the proposed bonded indebtedness shall include the costs and estimated costs incidental to or connected with the accomplishment of the purpose for which the bonded indebtedness is to be incurred, including, but not limited to, the estimated costs of design, construction, acquisition and/or financing of the Facilities; satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Mello-Roos Act; costs associated with the creation of CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area, and any future improvement areas (each, a "**Future Improvement Area**"); the determination of the amount of special taxes; costs otherwise incurred in order to carry out the authorized purposes of CFD No. 20__-1; architectural, engineering, inspection, legal, fiscal and financial consultant fees; bond and other reserve funds; discount fees; capitalized interest on bonds of CFD No. 20__-1 for a period not to exceed 24 months for any series of bonds; election costs; administration costs; all costs of issuance of the bonds or other securities, including, but not limited to, fees for bond counsel and disclosure counsel, costs of obtaining credit ratings, bond insurance premiums, printing costs, and any other expenses incidental to the construction, completion, and inspection of the Facilities.

Section 4. It is the intent of the School District to authorize the sale of the bonds in one or more series in the maximum aggregate principal amount as set forth in Section 2, and consider and finally determine whether the public interest, convenience, and necessity require the issuance and sale of bonds for CFD No. 20__-1, Improvement Area No. 1 and each Future Improvement Area, at a maximum interest rate not to exceed 12% per annum or such rate not in excess of the maximum rate permitted by law at the time the bonds are issued. The term of the bonds shall be determined pursuant to a resolution,

indenture, fiscal agent agreement, or other legal instrument setting forth the issuance terms of the bonds, but such term shall in no event exceed 31 years or such longer term as is then permitted by law.

Section 5. A public hearing (“**Hearing**”) on the proposed issuance of bonded indebtedness in an aggregate principal amount not to exceed \$100,000,000, the Improvement Area No. 1 Bonded Indebtedness Limit and the Non-Improvement Area No. 1 Bonded Indebtedness Limit and other debt, and to consider and finally determine whether the public interest, convenience and necessity require the issuance and sale of bonds and other debt for CFD No. 20__-1 shall be held on _____, 20__, at _____ p.m., or as soon thereafter as practicable, at [**specify location**].

Section 6. At the time and place set forth above for the Hearing, any interested persons, including taxpayers, property owners and registered voters within the boundaries of proposed CFD No. 20__-1 and Improvement Area No. 1 may appear and be heard.

Section 7. The Secretary to the Board is hereby directed to publish, or cause to be published, a notice (“**Notice**”) of the Hearing pursuant to Section 6061 of the Government Code of the State of California in a newspaper of general circulation published in the area of proposed CFD No. 20__-1. Such publication shall be completed at least seven days prior to the date of the Hearing. Such Notice shall contain a summary of this Resolution, state the time and place of the Hearing, and contain a statement that the testimony of all interested persons, including all persons owning property in the area, for or against the proposed debt issuance will be heard. The notice required to be given pursuant to this section may be combined with the notice to be given pursuant to its Resolution stating the Board's intention to form CFD No. 20__-1. Notice of the hearing may also be sent by first-class mail or electronic means to each registered voter, if any, and to each landowner within proposed CFD No. 20__-1.

Section 8. Following the conclusion of the Hearing, the Board may determine to place the matter of the authorization of bonded indebtedness and other debt of proposed CFD No. 20__-1 with respect to Improvement Area No. 1 before the qualified electors of Improvement Area No. 1, pursuant to the provisions of the Mello-Roos Act in an election (“**Election**”) to be called and conducted pursuant to applicable State law, including, but not limited to, the provisions of the Mello-Roos Act. Such Election may be consolidated with a special tax election for proposed Improvement Area No. 1 as described in the Resolution of Intention. The provisions concerning such special tax election shall generally apply to the Election. The special election may be conducted by hand delivered or mailed ballot. The ballots shall be returned to the office of the election officer in accordance to the proceedings calling the election.

The designation as a Future Improvement Area of any territory annexing to CFD No. 20__-1, the maximum amount of bonded indebtedness for such Future Improvement Area, the rate and method of apportionment of special tax for such Future Improvement Area and the appropriations limit for CFD No. 20__-1 shall be specified and approved in the unanimous approval executed by property owners in connection with their annexation to CFD No. 20__-1 (each, a “**Unanimous Approval**”), subject to the conditions to be established by the Board of Directors. In the event all or a portion of the Future Annexation

Area is annexed as one or more Future Improvement Areas, the maximum bonded indebtedness of each such Future Improvement Area shall be identified in the Unanimous Approval of the property owners of the property to be annexed at the time of the annexation, and the amount of the maximum bonded indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Bonded Indebtedness Limit.

Section 53329.6 of the Act provides that a Unanimous Approval constitutes the vote of the qualified elector in favor of the matters addressed in the Unanimous Approval for purposes of the California Constitution, including, but not limited to, Articles XIII A and XIII C.

Section 9. The Chair of the Board, Secretary to the Board, Executive Director, Treasurer, and any other member or officers of the Authority, and their designee(s), are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the provisions and directives of this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 10. United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure. Accordingly, this Board hereby declares that it (i) may pay certain costs of the Facilities prior to the date of issuance of each series of the Bonds and, in such case, (ii) intends to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the Facilities that are paid before the date of issuance of the Bonds.

Section 11. This Resolution shall take effect upon adoption.

ADOPTED, SIGNED AND APPROVED, this ____ day of ____, 2026.

**BOARD OF DIRECTORS OF THE
BONSALL UNIFIED SCHOOL DISTRICT-
RAINBOW MUNICIPAL WATER DISTRICT JOINT
POWERS FINANCING AUTHORITY**

By: _____
Chair

ATTEST:

Secretary

ATTACHMENT 4
RESOLUTION OF FORMATION

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, AND A FUTURE ANNEXATION AREA, PROVIDING FOR FUTURE IMPROVEMENT AREAS, AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, ESTABLISHING AN APPROPRIATIONS LIMIT, MAKING CERTAIN FINDINGS, CALLING AN ELECTION, AND TAKING RELATED ACTIONS

WHEREAS, the Rainbow Municipal Water District ("**Water District**") and the Bonsall Unified School District ("**School District**") established the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**Authority**") under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California ("**Joint Powers Law**") and a Joint Exercise of Powers Agreement, dated _____, for the purpose of creating a public agency that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended ("**Mello-Roos Act**") to finance certain real property and improvements to be owned by the School District, the Water District and the County of San Diego ("**County**") related to a 104-unit residential development project ("**Project**") to be developed by Neighborhoods Verdeaux at The Havens, LLC ("**Owner**"); and

WHEREAS, on ____, 2026, pursuant to Resolution No. ____ and Government Code Section 53312.7, the Board of Directors of the Authority ("**Board**") considered and adopted Policies and Procedures for Community Facilities Districts ("**CFD Goals and Policies**"); and

WHEREAS, the Owner has submitted to the Authority a petition (including consent and waiver) requesting that the Authority institute proceedings for formation of (i) a community facilities district to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Public Financing Authority ("**CFD No. 20__-1**"), (ii) an improvement area to be known as Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**Improvement Area No. 1**"), and (iii) a future annexation area for CFD No. 20__-1 to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority Future Annexation Area ("**Future Annexation Area**"), and such petition has been received and filed with the Secretary to the Authority; and

WHEREAS, the Owner has requested that the Authority undertake proceedings to establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain school facilities ("**School Facilities**") applicable to the development of the land in CFD No. 20__-1, as described in (i) a mitigation agreement ("**Mitigation**

Agreement") between the School District and the Owner and (ii) a Joint Community Facilities Agreement by and among the Authority, the School District and the Owner ("**JCFA (School District)**"); and

WHEREAS, the Owner has further requested that Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the Water District ("**Water District Facilities**") as described in a Joint Community Facilities Agreement among the Water District, the Authority and the Owner ("**JCFA (Water District)**"); and

WHEREAS, the Owner has further requested that the Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the County ("**County Facilities**"; together with the School Facilities and the Water District Facilities, "**Facilities**") as described in a Joint Community Facilities Agreement among the County, the Authority and the Owner ("**JCFA (County)**"); and

WHEREAS, on ____, 20__, the Board adopted Resolution No. ____ stating its intention to establish (i) CFD No. 20__-1, (ii) Improvement Area No. 1, (iii) the Future Annexation Area and (iv) future improvement areas formed to include territory that annexes to CFD No. 20__-1 (each a "**Future Improvement Area**"), in accordance with the provisions of the Mello-Roos Act; and

WHEREAS, a copy of Resolution No. ____, setting forth a description of the proposed boundaries of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the Facilities to be provided by CFD No. 20__-1, the costs of providing such Facilities and the proposed Rate and Method of Apportionment of Special Taxes (the "**Rate and Method of Apportionment**") to be levied within Improvement Area No. 1 to pay for the Facilities and other costs, including payment of the principal of and interest on bonds or other securities proposed to be authorized with respect to CFD No. 20__-1, is on file with the Secretary to the Board and is incorporated herein by this reference; and

WHEREAS, on ____, 20__, the Board also adopted Resolution No. ____ stating its intention to incur (i) bonded indebtedness in an amount not to exceed (A) \$100,000,000 for CFD No. 20__-1, (B) \$30,000,000 for Improvement Area No. 1 and (C) \$70,000,000 for Future Improvement Areas, and (ii) other debt with respect to proposed CFD No. 20__-1, Improvement Area No. 1 and Future Improvement Areas for the purpose of financing the Facilities; and

WHEREAS, a copy of the Boundary Map of proposed CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area was recorded in the office of the County Recorder of the County of San Diego, State of California, on ____, 20__, as Instrument No. ____, Book No. ____, Page ____, in the Books of Maps of Assessment and Community Facilities Districts in such office, in compliance with Section 3110, *et seq.*, of the Streets and Highways Code of the State of California and the Mello-Roos Act; and

WHEREAS, pursuant to the requirements of the Mello-Roos Act and applicable State law, the Authority has completed related postings, filing, and provisions of notices; and

WHEREAS, on ____, 20__, pursuant to the provisions of the Mello-Roos Act, the Board conducted and completed the public hearing on the formation of proposed CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the special taxes, the proposed Facilities to be financed by CFD No. 20__-1, and certain related matters; and

WHEREAS, during such public hearing all persons desiring to be heard on all matters pertaining to the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, and related matters were heard and a full and fair public hearing was held; and

WHEREAS, at such public hearing the community facilities district report (“**CFD Report**”), attached hereto as Exhibit “A” and incorporated herein by this reference, containing a brief description of the Facilities by type that will be required to meet the needs of development within CFD No. 20__-1, and the estimated cost of providing such Facilities was presented to, and considered by the Board; and

WHEREAS, the Registrar of Voters for the County of San Diego has confirmed that there are no registered voters residing within the boundaries of proposed CFD No. 20__-1, Improvement Area No. 1 or the Future Annexation Area; and

WHEREAS, the Board has been provided with documentation and information from and concerning the current landowner(s) within the territory proposed to be included within CFD No. 20__-1 and Improvement Area No. 1, including but not limited to, documentation concerning designated voting representatives for such landowner(s) as required under the Mello-Roos Act for a landowner voter election.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

Section 2. Pursuant to Section 53325.1(b) of the Mello-Roos Act, the Board finds and determines that the proceedings conducted prior hereto were valid and in conformity with the requirements of the Mello-Roos Act.

Section 3. The CFD Report, prepared pursuant to the Mello-Roos Act, was previously reviewed as a part of the hearing process and made a part of the record of the public hearing.

Section 4. The Board finds that the public convenience and necessity require the funding of the Facilities (as further defined in Section 6 hereof) through CFD No. 20__-1.

Section 5. A community facilities district to be named the “Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority” is hereby established pursuant to the Mello-Roos Act for the property within CFD No. 20__-1 as shown on the Boundary Map attached hereto as Exhibit “B.”

An initial improvement area to be named “Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority” is hereby established pursuant to the Mello-Roos Act for the property within Improvement Area No. 1 as shown on the Boundary Map attached hereto as Exhibit “B.”

A future annexation area for CFD No. 20__-1 to be named the "Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (Future Annexation Area)" is hereby established pursuant to the Mello-Roos Act for the property within the Future Annexation Area as shown on the Boundary Map attached hereto as Exhibit "B." Parcels within the Future Annexation Area shall be annexed to CFD No. 20__-1 only with the unanimous approval (each, a "**Unanimous Approval**") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed in accordance with the Mello-Roos Act.

The Board of Directors hereby authorizes the Authority's Executive Director to execute and cause recordation of a replacement Boundary Map to the extent required to correct any errors in execution or recording of the Boundary Map.

Section 6. The types of Facilities proposed to be provided with respect to CFD No. 20__-1 are described in Exhibit "C" attached hereto, and incorporated herein by this reference.

Section 7. For all funds needed to accomplish the herein described actions, it is the intention of the Authority, on behalf of CFD No. 20__-1, to levy annually, in accordance with the procedures contained in the Mello-Roos Act, special taxes within CFD No. 20__-1 to pay (i) for the acquisition, construction, rehabilitation, expansion, relocation, improvement, financing, and/or leasing of the Facilities and expenses incidental thereto, including, but not limited to the cost of planning, design, and environmental evaluations of the Facilities, (ii) the principal, interest, and/or other periodic or one-time costs of securities and other debt that may be issued to finance the Facilities and all incidental expenses related thereto; (iii) any installment purchase payments or lease payments for or related to the Facilities; (iv) the costs associated with the creation of CFD No. 20__-1, issuance of bonds, debt or other securities, determination of the amount of taxes, collection of taxes or other securities, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 20__-1; (v) all costs incidental to, or connected with, the accomplishment of the purposes for which debt may be incurred, including, but not limited to, the costs of acquiring real property and construction and/or acquisition of buildings; (vi) satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time special taxes are levied and/or bonds or other debt or securities are issued pursuant to the Mello-Roos Act; (vii) architectural, engineering, inspection, legal, fiscal, and financial consultant fees; (viii) reserve funds; (ix) discount fees; (x) interest on any securities of CFD No. 20__-1, not to exceed two (2) years from the date of issuance of the securities; (xi) election costs; and (xii) all costs of issuance of securities, including, but not limited to, fees for special counsel and legal counsel, fees for appraisers and market absorption analysts, costs of obtaining credit ratings, insurance premiums, fees for letters of credit, tax surety bonds, and/or other credit enhancement costs, and printing costs.

Except where funds are otherwise available, the special tax sufficient to pay for all the Facilities, secured by recordation of a continuing lien against all nonexempt real property within the boundaries of CFD No. 20__-1 (including Improvement Area No. 1 and any Future Improvement Area) will be annually levied within CFD No. 20__-1 (including Improvement Area No. 1 and any Future Improvement Area). Such lien will be a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with applicable law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Mello-Roos Act.

The Board also reserves the right to establish a fund, and use tax revenues, pursuant to Section 53314.5 of the Mello-Roos Act. As herein provided, CFD No. 20__-1 may also, in lieu of

issuing bonds, issue or execute and deliver other debt (as defined in the Mello-Roos Act), which may involve a lease-purchase financing arrangement for property and/or facilities with a nonprofit public benefit corporation.

Improvement Area No. 1 and each Future Improvement Area is, or will be, authorized to finance the Facilities regardless of their location.

Section 8. The special taxes to be levied within Improvement Area No. 1 are described in detail on Exhibit "D" attached hereto and made a part hereof. (the "**Improvement Area No. 1 Rate and Method of Apportionment**"). The special taxes take into consideration the cost of making the Facilities available. The special taxes are apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Mello-Roos Act and such special taxes are not based upon the ownership or value of real property.

For Future Improvement Areas, a different rate and method Area (each, a "**Future Improvement Area Rate and Method of Apportionment**") may be adopted if the annexed territory is designated as a separate improvement area. No supplements to the Improvement Area No. 1 Rate and Method of Apportionment in connection with the annexation of territory to Improvement Area No. 1 (if any) and no Future Improvement Area Rate and Method of Apportionment will cause the maximum tax rate in the territory that was in the CFD No. 20__-1 prior to the annexation (including Improvement Area No. 1) to increase.

The designation as a Future Improvement Area- of any territory annexing to the CFD No. 20__-1, the maximum amount of bonded indebtedness and other debt for such Future Improvement Area, the Future Improvement Area Rate and Method of Apportionment and the appropriations limit for CFD No. 20__-1 shall be identified and approved in the Unanimous Approval executed by property owners in connection with their annexation to CFD No. 20__-1. The annexation and related matters described in the Unanimous Approval shall be subject to the approval by the Board of Directors in accordance with the Mello-Roos Act.

As required by Section 53339.3(d) of the Mello-Roos Act, the Board of Directors hereby determines that if the Special Tax in the Future Improvement Area is to be used to pay for the same costs of specific Facilities as those that were financed by the Special Tax in Improvement Area No. 1, then the Special Tax within the Future Improvement Area will be equal to the Special Taxes levied to pay for the same Facilities in previously-existing areas of the CFD and Improvement Area No. 1, except that a higher Special Tax may be levied within the Future Improvement Area to pay for the same costs of specific Facilities to compensate for the interest and principal previously paid from Special Taxes in the original area of the CFD and Improvement Area No. 1, less any depreciation allocable to the financed Facilities. If the Future Improvement Area is financing additional costs of the specific Facilities financed by Improvement Area No. 1 or is financing new or additional Facilities, then a higher Special Tax may be levied in the Future Improvement Area to pay for such additional costs or such new or additional Facilities, with or without bond financing.

The special tax shall be collected (1) in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes as such procedure may be modified by law or by the Board from time to time, or (2) in any other manner determined by the Board.

The maximum special tax applicable to a parcel in Improvement Area No. 1 to be used for private residential purposes, as set forth in Exhibit "D," is specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to tax

because of its use for private residential purposes and such amount shall not be increased over time by an amount in excess of two percent (2%) per year. The tax year after which no further special tax shall be levied to pay for facilities against any parcel in Improvement Area No. 1 used for private residential purposes is set forth in the Improvement Area No. 1 Rate and Method of Apportionment, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances will the special tax levied in any fiscal year against any parcel used for private residential purposes within Improvement Area No. 1 be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within Improvement Area No. 1 by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued. The foregoing limitation shall only apply to the extent set out in Section 53321 of the Mello-Roos Act.

The maximum special tax applicable to a parcel in a Future Improvement Area to be used for private residential purposes, as set forth in the Future Improvement Area Rate and Method of Apportionment, will be specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to tax because of its use for private residential purposes and such amount shall not be increased over time by an amount in excess of two percent (2%) per year. The tax year after which no further special tax shall be levied to pay for facilities against any parcel in a Future Improvement Area used for private residential purposes is set forth in the Future Improvement Area Rate and Method of Apportionment, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances will the special tax levied in any fiscal year against any parcel used for private residential purposes within a Future Improvement Area be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Future Improvement Area by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued. The foregoing limitation shall only apply to the extent set out in Section 53321 of the Mello-Roos Act.

Section 9. It is the intention of the Board that owners of parcels within Improvement Area No. 1 may prepay the designated special tax obligation to CFD No. 20__-1 for such parcel(s) by those method(s) set forth in the Improvement Area No. 1 Rate and Method of Apportionment.

It is the intention of the Board that owners of parcels within a Future Improvement Area may prepay the designated special tax obligation to CFD No. 20__-1 for such parcel(s) by those method(s) set forth in the Future Improvement Area Rate and Method of Apportionment.

The Board reserves the right to provide for additional terms for such prepayment(s) of special taxes as may be necessary or desirable for the effective administration thereof consistent with the existing terms of the Improvement Area No. 1 Rate and Method of Apportionment or the Future Improvement Area Rate and Method of Apportionment, as applicable.

Section 10. In the event that a portion of the property within Improvement Area No. 1 or a Future Improvement Area shall become for any reason exempt, wholly or partially, from the levy of the special taxes specified in Exhibit "D," the Board shall, on behalf of CFD No. 20__-1, increase the levy within Improvement Area No. 1 or the Future Improvement Area, as applicable, to the extent necessary, and permitted by statute, up to the authorized maximum tax, upon the

remaining property within within Improvement Area No. 1 or the Future Improvement Area, as applicable, which is not exempt in order to yield the required debt service payments or other payments.

Section 11. Written protests against the formation of CFD No. 20__-1, Improvement Area No. 1, the proposed territory to be included within CFD No. 20__-1 and Improvement Area No. 1, or the proposed facilities to be furnished or financed through CFD No. 20__-1 (including Improvement Area No. 1_ have not been filed by 50% or more of the registered voters or property owners of one-half ($\frac{1}{2}$) or more of the area of land within CFD No. 20__-1 and Improvement Area No. 1.

The special taxes proposed to be levied in Improvement Area No. 1 to pay for the proposed Facilities have not been eliminated by protest by 50% or more of the registered voters or six registered voters, whichever is greater, residing within the boundaries of Improvement Area No. 1, or the owners of one-half ($\frac{1}{2}$) or more of the area of land within Improvement Area No. 1 and not exempt from the special tax.

Section 12. Written protests against the formation of the Future Annexation Area and the future annexation of such territory to CFD No. 20__-1 have not been filed by 50 percent or more of the registered voters, or six registered voters, whichever is more, residing within the existing CFD No. 20__-1, or 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the Future Annexation Area, or the owners of one-half or more of the area of land in the territory included in the existing CFD No. 20__-1 and not exempt from special tax, or the owners of one-half or more of the area of land in the Future Annexation Area and not exempt from the special tax.

Section 13. A special election is hereby called and ordered for Improvement Area No. 1 on the propositions of levying special taxes on property within Improvement Area No. 1 as set forth herein. This Resolution shall constitute the election order for such special election.

Section 14. The Board hereby submits to the qualified electors of Improvement Area No. 1 a proposition to establish an annual appropriations limit as defined by subdivision (h) of Section 8 of Article XIIB of the California Constitution for CFD No. 20__-1. Such appropriations limit shall be equal to the amount of the proposed amount of bonded indebtedness to be authorized with respect to CFD No. 20__-1. The proposition to establish an appropriations limit shall be combined pursuant to Government Code Section 53353.5 of the Mello-Roos Act with the proposition relating to levy of special taxes, and proposition to incur bonded indebtedness, and is set forth in Exhibit "E," attached hereto and made a part hereof by this reference. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and the appropriations limit shall be adjusted in accordance with the applicable provisions of the Act.

Section 15. A combined Community Facilities District Election ("**Election**") is hereby called and ordered for Improvement Area No. 1 on the proposition of levying special taxes on property within Improvement Area No. 1 and shall be consolidated with the Special Measure Election — Combined Community Facilities District Election on the proposition of incurring bonded indebtedness, pursuant to Section 53353.5 of the Mello-Roos Act. The proposed proposition relative to incurring bonded indebtedness in the maximum aggregate principal amount of \$30,000,000 with respect to Improvement Area No. 1, and the levy of special taxes and the proposition to establish an appropriations limit, shall be submitted to the voters pursuant to Section 53353.5 of the Mello-Roos Act. The form of the Measures for the Election are set forth in Exhibit "E," attached hereto and made a part hereof by this reference.

Section 16. Pursuant to Section 53326 of the Mello-Roos Act and documents furnished to the Board, the Board hereby determines that there are fewer than twelve (12) registered voters within Improvement Area No. 1. Pursuant to Section 53326(b) of the Mello-Roos Act, the Board hereby determines and directs that the Election shall be a landowner election with each landowner within Improvement Area No. 1 having one (1) vote for each acre of property, or portion thereof, that they own within Improvement Area No. 1 as of the date of this Resolution. Pursuant to Section 53326 of the Mello-Roos Act, the Board hereby finds that such Facilities financed by CFD No. 20__-1 are necessary to meet increased demands placed upon local agencies as the result of development or rehabilitation occurring in CFD No. 20__-1.

Section 17. The date of the Election for Improvement Area No. 1 on the proposition of authorizing the levy of the special taxes pursuant to the Improvement Area No. 1 Rate and Method of Apportionment, and other combined measures, shall be on _____, 20__, at _____ p.m., or as soon thereafter as the matter may be called, at **[specify location]**. The Board of Directors hereby finds that the provisions of Section 53326 of the Mello-Roos Act requiring a minimum of 90 days following the adoption of this resolution to elapse before the special election are for the protection of the landowner electors of the CFD. In accordance with Section 53326(a) of the Mello-Roos Act, there is on file with the Board of Directors a written waiver executed by each of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD, the levy of special taxes therein and incurrence of bonded indebtedness and other debt thereby and waiving any requirement for notice, analysis and arguments in connection with the Election.

Section 18. Pursuant to the provisions of Section 53327(b) of the Mello-Roos Act, the Board hereby confirms and directs that the Authority's Executive Director (or designee) shall be the Election Official ("**Election Official**") for this Election. The Election Official is authorized to, and shall, take all actions necessary to conduct the Election as provided for herein. The Board of Directors hereby finds and determines that the Election Official has concurred in the shortened time for the election.

Section 19. Pursuant to the provisions of Section 53327(b), analysis and written argument for or against the measures have been waived by the landowner(s) in the boundaries of proposed Improvement Area No. 1.

Section 20. Pursuant to the requirements and provisions of Government Code Section 50075.1, the Board hereby finds, determines and directs as follows:

(a) The special taxes to be authorized at the Election shall be used only as set forth in the Mello-Roos Act and the Improvement Area No. 1 Rate and Method of Apportionment for the purposes set forth in Section 7 hereof, which is incorporated herein by this reference.

(b) All special taxes so levied and collected within Improvement Area No. 1 shall be used only for the purposes referenced herein.

(c) The Authority staff is directed to create a fund or account, which may include sub-accounts, in which the special taxes levied and collected within Improvement Area No. 1 shall be deposited. Such fund(s) and/or account(s) may, at the appropriate time, be combined or merged with funds, accounts and subaccounts created and used to pay debt service and for other purposes in connection with outstanding bonds securities or other debt, issued by, or on behalf of, CFD No. 20__-1 with respect to Improvement Area No. 1 to finance the Facilities as further described herein (collectively referred to herein as the "**Bonds**").

(d) The Authority's Executive Director, or such other person(s) as shall be designated by the Authority's Executive Director, on behalf of CFD No. 20__-1, shall have the responsibility no less often than annually, to provide the Board with a written report which shall contain at least the following information:

(i) the amount of special taxes collected within Improvement Area No. 1 and expended for an identified period, which may be quarterly, semi-annually or annually; and

(ii) a brief discussion of the status of the acquisition, construction or financing of the Facilities with the above-referenced special taxes.

The report required by this Section 20(d) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission ("CDIAC"), continuing disclosure reports provided in connection with the outstanding bonds and/or those reports required under Section 21(d) of this Resolution. Reports shall be prepared for each year in which special taxes are levied and collected within Improvement Area No. 1.

The provisions of this Section 20 shall cease and terminate upon the earliest of any of the following events:

(i) the dissolution of Improvement Area No. 1;

(ii) the recordation of a notice of cessation of special taxes for all of the territory within Improvement Area No. 1; or

(iii) the final year in which special taxes may be collected within Improvement Area No. 1 pursuant to the provisions of the Improvement Area No. 1 Rate and Method of Apportionment.

Section 21. Pursuant to Government Code Section 53410, the Board hereby finds, determines and directs as follows:

(a) The purpose of the Bonds to be authorized pursuant to the Election is to finance the Facilities as further described herein and in Resolution No. _____.

(b) The Board hereby provides that at the time the Bonds with respect to Improvement Area No. 1 are authorized by the Board for issuance, the Board shall provide, in such issuance resolution or other bond issuance documents, that the proceeds of the Bonds with respect to Improvement Area No. 1 shall be used only for the purpose set forth in Section 21(a), above.

(c) The Board hereby provides that at the time the Bonds are authorized by the Board for issuance, the Board shall provide in such issuance resolution or other bond issuance documents for the creation of one or more funds or accounts (which may include subaccounts) into which the proceeds of the Bonds, or each series of Bonds, as the case may be, shall be deposited. The Bonds may be issued in one or more series and the provisions and restrictions of this Section 21 shall apply to each such series of the Bonds.

(d) The Authority's Executive Director, or such other officer as shall be designated by the Executive Director, shall have the responsibility, no less often than annually thereafter, to

provide to the Board a written report which shall contain at least the following information:

(i) The amount of the Bond proceeds received and expended within the identified period of time. If no Bonds have been issued and sold, the report may simply note such situation; and

(ii) In the event that Bonds have been issued and sold, and proceeds therefore received, the report shall include the status of the acquisition, construction or financing of the Facilities with the proceeds of such Bonds or series of Bonds.

The report required by this Section 21(d) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to CDIAC, continuing disclosure reports and/or the reports required under Section 20(d) of this Resolution.

The requirements of this Section 21(d) shall apply only until all Bonds, or each series of Bonds, are redeemed or defeased, but if the Bonds or any series of Bonds are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

Section 22. Pursuant to Section 53314.9 of the Mello-Roos Act, the Authority may accept advances of funds from any sources, including private persons or private entities, and is authorized and directed to use such funds for any authorized purpose, or paying for any cost incurred by the Authority in creating CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area or any Future Improvement Area. The Authority may enter into agreements to:

(i) repay all such funds which are not expended or committed for any authorized purpose at the time of the election regarding the levy of the Special Tax, if the proposal to levy such tax should fail, and

(ii) repay all such funds which have been advanced to the Authority from the proceeds of Bonds if Bonds of CFD No. 20__-1 are issued and sold. The obligation to repay any advances made to the Authority shall not be a debt or obligation of the Authority.

As permitted by Section 53314.9 of the Mello-Roos Act, the Owner has made a deposit to pay for expenses incurred by the Authority and its consultants relating to the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area pursuant to the Deposit and Reimbursement Agreement, by and between the Authority and the Owner (the "**Deposit and Reimbursement Agreement**"), approved in form by the Board of Directors on ____, 20__, and shall be repaid in accordance with the terms of the Deposit and Reimbursement Agreement.

Section 23. The Secretary to the Board and Authority staff and consultants are hereby directed to take all necessary and appropriate action(s) as may be required by the Election Official to conduct the Election referenced herein and to carry out the directives of this Resolution.

Section 24. A Special Tax shall be levied on parcels in the Future Annexation Area that annex to CFD No. 20__-1 only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings in accordance with the Mello-Roos Act. The designation as a Future Improvement Area of any territory annexing to CFD No. 20__-1 from the Future Annexation Area, the maximum amount of bonded indebtedness for such Future Improvement Area, the Future Improvement Area Rate and Method of Apportionment and the

appropriations limit for the CFD shall be identified and approved in the Unanimous Approval executed by property owners in connection with their annexation to CFD No. 20__-1. Pursuant to Section 53329.6 of the Mello-Roos Act, a Unanimous Approval executed by the owner of a parcel constitutes the vote of the qualified elector in favor of the matters addressed in the unanimous approval for purposes of the California Constitution, including, but not limited to, Articles XIII A and XIII C.

Section 25. The Board hereby establishes that the Authority's Executive Director, and/or the Authority's staff, or at the discretion of the Authority, a consultant retained by the Authority or CFD No. 20__-1, will be responsible for preparing annually, a current roll of special tax levy obligations by assessor parcel number and will be responsible for estimating future tax levies in CFD No. 20__-1 (including Improvement Area No. 1 and any Future Improvement Area) pursuant to Section 53340.2 of the Mello-Roos Act. Authority staff may be reached at Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority, c/o Superintendent, Bonsall Unified School District, 31505 Old River Rd., Bonsall, CA 92003, (760) 631-5200.

Section 26. Upon recordation of the Notice of Special Tax Lien for Improvement Area No. 1 or any Future Improvement Area pursuant to Section 3114.5 of the Streets and Highways Code of the State of California, a continuing lien to secure each levy of the special taxes shall attach to all non-exempt real property within Improvement Area No. 1 or the Future Improvement Area, as applicable, and the continuing lien shall remain in full force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the authorized special taxes by the Board, acting as the Legislative Body of CFD No. 20__-1, ceases.

Section 27. If any term, finding, condition, directive or other provision of this Resolution (each a "**Provision**") or any proceeding undertaken in connection with the formation of CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area or any Future Improvement Area, the authorization of the special taxes or Bonds, or any matter related thereto (each a "**Proceeding**") is duly held, to any extent, to be invalid or unenforceable, no other Provision or Proceeding shall be affected by such holding, and each such other Provision and Proceeding shall be valid and enforceable to the fullest extent provided by law. If any Provision or Proceeding is duly held to be partially invalid or unenforceable, no other portion of such Provision or Proceeding shall be affected by such holding and each other portion of such Provision or Proceeding shall continue to be valid and enforceable to the fullest extent provided by law. If any Provision or Proceeding is duly held, to any extent, to be invalid or unenforceable with respect to any particular property within CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area or any Future Improvement Area, such Provision or Proceeding shall continue to be valid and enforceable to the fullest extent provided by law with respect to all other property within CFD No. 20__-1. If any Provision or Proceeding is duly held, to any extent, to be invalid or unenforceable with respect to any particular person or entity, such Provision or Proceeding shall continue to be valid and enforceable to the fullest extent provided by law with respect to every other person or entity.

Section 27. This Resolution shall take effect upon adoption.

ADOPTED, SIGNED AND APPROVED, this ____ day of ____, 2026.

**BOARD OF DIRECTORS OF THE
BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW
MUNICIPAL WATER DISTRICT JOINT POWERS
FINANCING AUTHORITY**

By: _____
Chair

ATTEST:

Secretary

EXHIBIT "A"

CFD REPORT

EXHIBIT "B"
BOUNDARIES OF CFD NO. 20__-1,
IMPROVEMENT AREA NO. 1 AND THE FUTURE ANNEXATION AREA

EXHIBIT "C"

DESCRIPTION OF FACILITIES AND OTHER COSTS

I Facilities.

The types of facilities ("Facilities") proposed to be planned for, designed, acquired, constructed, leased, expanded, improved, rehabilitated and financed by proposed Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("CFD No. 20__-1"; as used in this Exhibit, the term "CFD" includes each improvement area as originally designated and as designated in the future in connection with annexations of territory to the CFD No. 20__-1) under the Mello Roos Community Facilities Act of 1982 ("Mello-Roos Act") are as follows:

1. School facilities includes, but not by way of limitation, facilities of the Bonsall Unified School District ("School District") consisting of the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, recreational facilities, administration and auxiliary space at school facilities, central support, and transportation facilities as reasonably determined from time to time by the School District to be necessary to accommodate the student population of the School District, including the property within CFD No. 20__-1, and all appurtenances and appurtenant work in connection with the foregoing, including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such school facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such school facilities, during the term of the special taxes as follows:

(A) School sites and facilities for all grade levels of education provided by the School District, including pre-school/early age, TK-12, and adult education, including lease rental payments therefore related to the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, as well as portable or relocatable buildings or interim additions to existing buildings at such school facilities.

(B) Modernization, rehabilitation, relocation and expansion of existing school facilities and related infrastructure.

(C) Central support, administrative facilities, special education facilities and transportation facilities, including, but not by way of limitation, buses and vehicles.

(D) Furniture, equipment, and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five years at such school facilities.

(E) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of school facilities (including, without limitation, construction management, inspection, materials testing, and construction staking); any "debt," as defined in California Government Code Section 53317(d), the costs to issue and sell any such debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond trustee or fiscal agent,

bond and official statement printing, and administrative expenses of the School District and/or CFD No. 20__-1), and all other incidental expenses.

The school facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and/or specifications approved by the School District. The school facilities described in this Exhibit are representative of the types of improvements to be funded or financed by CFD No. 20__-1. Addition, deletion, or modification of school facilities may be made consistent with the requirements of the School District, CFD No. 20__-1, and the Mello-Roos Act.

2. "County Facilities" include public facilities of the County of San Diego ("County") and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such County Facilities and any other expenses incidental to the construction, acquisition, modification, expansion or rehabilitation of such County Facilities. The County Facilities listed herein are representative of the types of improvements authorized to be financed by CFD No. 20__-1. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of County. Addition, deletion or modification of descriptions of the County Facilities may be made consistent with the requirements of the County, CFD No. 20__-1, and the Mello-Roos Act.
3. "Water District Facilities" consist of water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of the Rainbow Municipal Water District ("Water District"), and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Water District Facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Water District Facilities. The Water District Facilities listed herein are representative of the types of improvements authorized to be financed by CFD No. 20__-1. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of Water District. Addition, deletion or modification of descriptions of the Water District Facilities may be made consistent with the requirements of the Water District, CFD No. 20__-1, and the Mello-Roos Act.
4. Acquisition, improvement, rehabilitation, or maintenance of any real or other tangible property, whether privately or publicly owned, for flood and storm protection services, including, but not limited to, storm drainage and treatment systems and sandstorm protection systems.

Any facility authorized to be financed by CFD No. 20__-1 may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

II. Other Costs.

Incidental expenses to be incurred, as permitted under the provisions of the Mello-Roos Act including but not limited to:

1. The cost of engineering, planning, designing and rehabilitating the Facilities, legal services, materials testing, coordination, surveying, construction staking, construction inspection, environmental evaluations of Facilities, and any and all appurtenant facilities to the foregoing required to serve the Property.

2. All costs chargeable as administrative or incidental costs associated with the creation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the issuance of the Bonds thereby in one or more series, and the determination of the amount of special taxes to be levied, collection of special taxes, payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 20__-1.

3. All other expenses incidental to the construction, acquisition, modification, maintenance, rehabilitation, completion, and inspection of the Facilities.

4. Reimbursement of costs related to the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area advanced by the Joint Powers Authority, the Water District, the School District, the landowner(s) in CFD No. 20__-1, Improvement Area No. 1 or the Future Annexation Area, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the School District, the Water District, the landowner(s) in CFD No. 20__-1, Improvement Area No. 1 or the Future Annexation Area, or any party related to any of the foregoing, for facilities, fees or other purposes or costs of CFD No. 20__-1.

EXHIBIT "D"

**IMPROVEMENT AREA NO. 1
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES**

EXHIBIT "E"

SAMPLE BALLOT

**Improvement Area No. 1 of Community Facilities District No. 20__-1 of the
Bonsall Unified School District-Rainbow Municipal Water District
Joint Powers Financing Authority**

**OFFICIAL BALLOT
SPECIAL TAX ELECTION**

This ballot is for a special, landowner election. You must return this ballot in the enclosed envelope, either by mail or in person, to the office of the Secretary to the Board of Directors of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority no later than the public hearing on the proposed Community Facilities District, which will be held during the Board meeting starting at ____ P.M. on **[day of week]**, **[date]**, at **[specify location]**. In order to ensure all ballots are received in time, the Authority requests that you return your ballot to the Secretary to the Board no later than the close of business on **[day of week]**, **[date]**.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Secretary to the Board and obtain another.

<p>BALLOT MEASURE: Shall the measure be adopted: authorizing (i) the levy of a special tax solely on lands within Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("Improvement Area No. 1") in accordance with the rate and method contained in the resolution of the Board of Directors of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "Authority") establishing Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "CFD") and Improvement Area No. 1 (the "Formation Resolution"), commencing in the Authority's fiscal year 20__-__ (with annual escalation thereafter), to pay debt service on bonds and other debt, to pay for the facilities specified in the Formation Resolution and to pay the costs of administering the CFD (including Improvement Area No. 1 and future improvement areas established in accordance with the Formation Resolution), which special tax, if levied at the maximum rate and assuming full build-out of the properties in Improvement Area No. 1 at the time of formation, is anticipated to raise \$____ in fiscal year 20__-__ (with annual escalation thereafter); (ii) the establishment of an annual appropriations limit for the CFD in the amount of \$100,000,000 (subject to increase in accordance with law); and (iii) the issuance of one or more series of bonds ("bonds") in the maximum aggregate principal amount of \$30,000,000, and other</p>	<p>YES: _____</p> <p>NO: _____</p>
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debt for the CFD with respect to Improvement Area No. 1, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds or debt by or on behalf of the CFD, the proceeds of which bonds and other debt will be used to acquire and/or construct certain facilities, including facilities to be owned by operated by the Bonsall Unified School District, the Rainbow Municipal Water District, and the County of San Diego, reimburse certain costs of the facilities paid prior to the date of issuance of the bonds or debt, and pay for the costs of issuing the bonds and debt and related expenses?

By execution in the space provided below, (a) you represent and warrant that the property information listed below is true and correct, and (b) you indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any requirement pertaining to the conduct of the election.

The Property that is the subject of this Ballot is identified as:

San Diego County Assessor
Parcel Numbers:

The total acreage of the Property:

_____ acres

Total number of votes:

_____ votes

Dated: _____, 20__

[property owner name]

By: _____
Name: _____
Title: _____

ATTACHMENT 5
RESOLUTION DETERMINING NECESSITY

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BONSCALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSCALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 AND OTHER DEBT FOR COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSCALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY AND CALLING A SPECIAL ELECTION

WHEREAS, the Rainbow Municipal Water District (“**Water District**”) and the Bonsall Unified School District (“**School District**”) established the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (“**Authority**”) under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (“**Joint Powers Law**”) and a Joint Exercise of Powers Agreement, dated _____, for the purpose of creating a public agency that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended (“**Mello-Roos Act**”) to finance certain real property and improvements to be owned by the School District, the Water District and the County of San Diego (“**County**”) related to a 104-unit residential development project (“**Project**”) to be developed by Neighborhoods Verdeaux at The Havens, LLC (“**Owner**”); and

WHEREAS, on ____, 2026, pursuant to Resolution No. ____ and Government Code Section 53312.7, the Board of Directors of the Authority (“**Board**”) considered and adopted Policies and Procedures for Community Facilities Districts (“**CFD Goals and Policies**”); and

WHEREAS, the Owner has submitted to the Authority a petition (including consent and waiver) requesting that the Authority institute proceedings for formation of a (i) community facilities district to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Public Financing Authority (“**CFD No. 20__-1**”), (ii) an improvement area to be known as Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (“**Improvement Area No. 1**”), and (iii) a future annexation area for CFD No. 20__-1 to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority Future Annexation Area (“**Future Annexation Area**”), and such petition has been received and filed with the Secretary to the Authority; and

WHEREAS, the Owner has requested that the Authority undertake proceedings to establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the

purpose of financing certain school facilities (“**School Facilities**”) applicable to the development of the land in CFD No. 20__-1, as described in (i) a mitigation agreement (“**Mitigation Agreement**”) between the School District and the Owner and (ii) a Joint Community Facilities Agreement by and among the Authority, the School District and the Owner (“**JCFA (School District)**”); and

WHEREAS, the Owner has further requested that Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the Water District (“**Water District Facilities**”) as described in a Joint Community Facilities Agreement among the Water District, the Authority and the Owner (“**JCFA (Water District)**”); and

WHEREAS, the Owner has further requested that the Authority establish CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area for the purpose of financing certain facilities to be owned and operated by the County (“**County Facilities**”; together with the School Facilities and the Water District Facilities, “**Facilities**”) as described in a Joint Community Facilities Agreement among the County, the Authority and the Owner (“**JCFA (County)**”); and

WHEREAS, on ____, 20__, the Board adopted Resolution No. ____ stating its intention to form (i) CFD No. 20__-1, (ii) Improvement Area No. 1, (iii) the Future Annexation Area and (iv) future improvement areas formed to include territory that annexes to CFD No. 20__-1 (each a “**Future Improvement Area**”), in accordance with the provisions of the Mello-Roos Act; and

WHEREAS, on ____, 20__, the Board also adopted Resolution No. ____ stating its intention to incur (i) bonded indebtedness in an amount not to exceed (A) \$100,000 for CFD No. 20__-2, (B) \$30,000,000 for Improvement Area No. 1 (the “**Improvement Area No. 1 Bonded Indebtedness Limit**”) and (C) \$70,000,000 for Future Improvement Areas (the “**Non-Improvement Area No. 1 Bonded Indebtedness Limit**”), and (ii) other debt for proposed CFD No. 20__-1, as set forth below in Section 1 of this Resolution, for the purpose of financing the Facilities; and

WHEREAS, on ____, 20__, the Board conducted and completed a noticed hearing, as required by law, relative to the determination to proceed with the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, the Rate and Method of Apportionment of the Special Taxes to be levied within Improvement Area No. 1 (the “**Improvement Area No. 1 Rate and Method of Apportionment**”), and to pay the principal and interest on the proposed bonded indebtedness and other debt with respect to CFD No. 20__-1, all as set forth in Resolution No. ____; and

WHEREAS, on ____, 20__, the Board conducted and completed a noticed hearing, as required by law, relative to the necessity for authorizing bonded indebtedness in an aggregate principal amount not to exceed \$100,000,000, the Improvement Area No. 1 Bonded Indebtedness Limit, the Non-Improvement Area No. 1 Bonded Indebtedness Limit, and other debt with respect to CFD No. 20__-1, the purpose for which the bonds and other debt are to be issued, the maximum term of the bonds and other debt, and the maximum annual rate of interest to be paid thereon; and

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of CFD No. 20__-1 and the incurring of bonded indebtedness and other debt were heard and a full and fair hearing was held and completed; and

WHEREAS, no written protests with respect to the matters material to the questions set forth in Resolution No. _____ have been filed with the Clerk; and

WHEREAS, the Board subsequent to such hearing adopted Resolution No. _____ establishing CFD No. 20__-1.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 20__-1 OF THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS FINANCING AUTHORITY, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

Section 2. It is necessary to incur bonded indebtedness in one or more series in an aggregate maximum principal amount not to exceed the Improvement Area No. 1 Bonded Indebtedness Limit.

It is further necessary to incur bonded indebtedness in one or more series in an aggregate maximum principal amount not to exceed the Non-Improvement Area No. 1 Bonded Indebtedness Limit. It is further necessary to incur debt (as defined in the Mello-Roos Act), although any such debt shall not be subject to the limitations on bonded indebtedness set forth above.

Section 3. The indebtedness is incurred for the purpose of financing the Facilities described in Resolution No. _____, which Facilities are necessary to carry out the powers and purposes of CFD No. 20__-1, including, but not by way of limitation, the costs of selling the indebtedness to finance such costs of the Facilities. The Board hereby further determines that the Facilities to be financed through CFD No. 20__-1 are necessary to meet increased demands on the School District, the Water District and the County as a result of development occurring, or to occur, within CFD No. 20__-1.

Section 4. All property within Improvement Area No. 1 not otherwise exempt from the levy of the special taxes pursuant to the Improvement Area No. 1 Rate and Method of Apportionment shall pay for the related bonded indebtedness and other debt issued with respect to Improvement Area No. 1.

All property within a Future Improvement Area not otherwise exempt from the levy of the special taxes pursuant to the rate and method of apportionment of special tax for the Future Improvement Area (each, a “**Future Improvement Area Rate and Method of Apportionment**”) shall pay for the related bonded indebtedness and other debt issued with respect to such Future Improvement Area.

The designation as a Future Improvement Area of any territory annexing to CFD No. 20__-1, the maximum amount of bonded indebtedness for such Future Improvement Area, the Future Improvement Area Rate and Method of Apportionment and the appropriations limit for CFD No. 20__-1 shall be specified and approved in the unanimous approval executed by property owners in connection with their annexation to CFD No. 20__-1 (each, a “**Unanimous Approval**”), subject to the conditions to be established by the Board of Directors. In the event all or a portion of the Future Annexation Area is annexed as one or more Future Improvement Areas, the maximum bonded indebtedness of each such Future Improvement Area shall be identified in

the Unanimous Approval of the property owners of the property to be annexed at the time of the annexation, and the amount of the maximum bonded indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Bonded Indebtedness Limit.

Section 53329.6 of the Act provides that a Unanimous Approval constitutes the vote of the qualified elector in favor of the matters addressed in the Unanimous Approval for purposes of the California Constitution, including, but not limited to, Articles XIII A and XIII C.

Section 5. The maximum term of bonds issued by CFD No. 20__-1 shall not exceed 35 years or such term as is then permitted by law.

Section 6. The bonds shall bear interest at a rate or rates established at such times as the bonds are sold in one or more series at fixed or variable interest rates, not to exceed any applicable statutory rate for such bonds, payable annually, semiannually, or as otherwise authorized pursuant to a resolution of the Board authorizing the issuance of the bonds, the actual rate or rates and times of payment to be determined at the time or times of sale thereof.

Section 7. A special election (“**Election**”) is hereby called in Improvement Area No. 1 and ordered for ____, 20___. Such Election is to include a proposition on authorization to incur bonded indebtedness in an amount not to exceed the Improvement Area No. 1 Bonded Indebtedness Limit and other debt with respect to Improvement Area No. 1.

The Board, acting as the Legislative Body of CFD No. 20__-1, hereby finds, determines, and directs as follows with respect to the Election:

(a) This Resolution shall constitute the order for such Election. Except as otherwise provided for herein, the provisions, conditions, findings, and determinations of Resolution No. _____ concerning the special election ordered and called therein are incorporated herein by this reference and shall apply to the Election.

(b) Pursuant to the documents furnished to the Board, the Board hereby determines that there are fewer than twelve registered voters residing within Improvement Area No. 1 at the time of the protest hearing and the ninety days prior thereto, and the requirements of Section 53326 of the Government Code having been waived by the qualified landowner elector(s), the ballots for the special election shall be hand delivered or mailed to the qualified landowner elector(s) within Improvement Area No. 1. The voted ballots shall be returned to the Authority’s Executive Director (or designee), who is acting as the election official. The date of the election on the proposition on authorization to incur bonded indebtedness and other debt, and other measures, shall be ____, 20__, at [**specify time**], or as soon thereafter as the matter may be called at the [**specify location**]. However, the election may be closed with the concurrence of the Authority’s Executive Director (or designee), as soon as the ballots are returned. The Election shall be a landowner voter election with each landowner having one vote per acre of land, or portion thereof, which they own within Improvement Area No. 1.

(c) Pursuant to Section 53353.5 of the Mello-Roos Act, the Election shall be consolidated with an election on the proposition to levy the special taxes within Improvement Area No. 1 and establishing an appropriations limit for CFD No. 20__-1 as described in

Resolution No. _____.

(d) Forms of the ballots for the consolidated Election are attached hereto as Exhibit “A” and made a part hereof by this reference.

(e) Notice of the election, analysis and written argument for or against the measures have been waived by the qualified landowner elector(s) in Improvement Area No. 1.

(f) The Board hereby finds that each qualified landowner elector(s) within Improvement Area No. 1, who is not exempt from the levy of such special taxes, is informed and aware of the date of the Election, nature of the Election, and the measure language for the Election. Based thereon, the Board hereby directs that no further notice(s) of the Election need be given and that such directive shall not impair the conduct of such Election, shall not impair the canvass of results thereof, and shall not impair the binding nature of the results thereof.

(g) It is hereby found and determined by this Board that waivers of the applicable election periods have been provided by the qualified landowner elector(s) within Improvement Area No. 1, and it is hereby directed that the Election shall be conducted on _____, 20____, by either a mailed ballot election or a “walk-in” election as the Election Official (as defined herein) shall determine. The owner of each parcel of property within Improvement Area No. 1 as of _____, 20____, or the designated voting representative or authorized proxy for such person or party, shall be a qualified voter for this Election. Any landowner voter within Improvement Area No. 1 may provide a proxy, or vote through a designated voting representative, as specified through an appropriate power of attorney or written voter designation form. For the purposes of this Election, the boundaries of Improvement Area No. 1 shall constitute a single election precinct.

(h) The Election shall be held pursuant to the provisions of the Mello-Roos Act, the applicable provisions of the Elections Code of the State of California, and all other applicable provisions of law, subject to the proceedings and directives referenced herein.

Section 8. Pursuant to Section 53351(j) of the Mello-Roos Act, if the Election is conducted by mailed ballot, the ballots shall be received in the office of the Election Official (defined below) by [specify time] of the date of the Election, and if all qualified electors have voted, the Election shall be closed.

Section 9. Pursuant to the provisions of Section 53327(b) of the Mello-Roos Act, the Board hereby confirms and directs that the Authority's Executive Director (or designee) shall be the Election Official ("**Election Official**") for this Election. The Election Official shall take all actions necessary to conduct the Election as described herein.

Section 10. Pursuant to Government Code Section 53410, the Board, acting as the Legislative Body of CFD No. 20__-1, hereby finds, determines, and directs as follows:

(a) The purpose of the Bonds to be authorized for Improvement Area No. 1 pursuant to the Election is to finance the Facilities as further described herein and in Resolution No. _____.

(b) The Board hereby provides that at the time the Bonds are authorized by the Board for issuance, the Board shall provide, in such issuance resolution or other bond issuance documents, that the proceeds of the Bonds shall be used only for the purposes set forth in Section 10(a), above.

(c) The Board hereby provides that at the time the Bonds are authorized by the Board for issuance, the Board shall provide in such issuance resolution or other bond issuance documents for the creation of one or more funds or accounts (which may include subaccounts) into which the proceeds of the Bonds, or each series of Bonds, as the case may be, shall be deposited. The Bonds may be issued in one or more series and the provisions and restrictions of this Section 10 shall apply to each such series of the Bonds.

(d) The Authority's Executive Director (or designee), or such other officer(s) as shall be designated by the Superintendent, shall have the responsibility, no less often than annually, to provide to the Board a written report which shall contain at least the following information:

(i) The amount of the Bond proceeds received and expended within the identified period of time. If no Bonds have been issued and sold, the report may simply note such situation; and

(ii) In the event that Bonds have been issued and sold, and proceeds therefore received, the report shall include the status of the acquisition, construction or financing of the Facilities with the proceeds of such Bonds of Improvement Area No. 1 or series of Bonds.

The report required by this Section 10(d) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission or continuing disclosure reports provided in connection with outstanding Bonds.

The requirements of this Section 10(d) shall apply only until all Bonds, or each series of Bonds, are redeemed or defeased, but if the Bonds or any series of Bonds are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

Section 11. The Executive Director of the Authority, the Treasurer, the Chair of the Board, the Secretary to the Board, and any official authorized in writing by the Superintendent (the "**Authorized Officers**"), acting singly, are, and each of them is, hereby authorized and directed to do any and all things, and to execute and deliver any and all documents which said officers may deem necessary or advisable in order to accomplish the purpose of this Resolution and not inconsistent with the provisions hereto. The Secretary to the Board and School District staff and consultants are hereby directed to take all necessary action(s) as may be required by the Election Official to conduct such Election.

ADOPTED, SIGNED AND APPROVED this ____ day of ____, 20__.

**BOARD OF DIRECTORS OF THE
BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW
MUNICIPAL WATER DISTRICT JOINT POWERS
FINANCING AUTHORITY**

By: _____
Chair

ATTEST:

Secretary

EXHIBIT "A"

SAMPLE BALLOT FORM

**Improvement Area No. 1 of Community Facilities District No. 20__-1 of the
Bonsall Unified School District-Rainbow Municipal Water District
Joint Powers Financing Authority**

**OFFICIAL BALLOT
SPECIAL TAX ELECTION**

This ballot is for a special, landowner election. You must return this ballot in the enclosed envelope, either by mail or in person, to the office of the Secretary to the Board of Directors of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority no later than the public hearing on the proposed Community Facilities District, which will be held during the Board meeting starting at ____ P.M. on **[day of week]**, **[date]**, at **[specify location]**. In order to ensure all ballots are received in time, the Authority requests that you return your ballot to the Secretary to the Board no later than the close of business on **[day of week]**, **[date]**.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Secretary to the Board and obtain another.

<p>BALLOT MEASURE: Shall the measure be adopted: authorizing (i) the levy of a special tax solely on lands within Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "Improvement Area") in accordance with the rate and method contained in the resolution of the Board of Directors of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "Authority") establishing Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "CFD") and Improvement Area No. 1 (the "Formation Resolution"), commencing in the Authority's fiscal year 20__-__ (with annual escalation thereafter), to pay debt service on bonds and other debt, to pay for the facilities specified in the Formation Resolution and to pay the costs of administering the CFD (including Improvement Area No. 1 and future improvement areas established in accordance with the Formation Resolution), which special tax, if levied at the maximum rate and assuming full build-out of the properties in Improvement Area No. 1 at the time of formation, is anticipated to raise \$ ____ in fiscal year 20__-__ (with annual escalation thereafter); (ii) the establishment of an annual appropriations limit for the CFD in the amount of \$100,000,000 (subject to increase in accordance with law); and (iii) the issuance of one or more series of bonds ("bonds") in the maximum aggregate principal amount of \$30,000,000, and other debt for the CFD with respect to Improvement Area No. 1, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds or debt by or on behalf of the CFD, the proceeds of which bonds and other</p>	<p>YES: _____</p> <p>NO: _____</p>
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debt will be used to acquire and/or construct certain facilities, including facilities to be owned by operated by the Bonsall Unified School District, the Rainbow Municipal Water District, and the County of San Diego, reimburse certain costs of the facilities paid prior to the date of issuance of the bonds or debt, and pay for the costs of issuing the bonds and debt and related expenses?	
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By execution in the space provided below, (a) you represent and warrant that the property information listed below is true and correct, and (b) you indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any requirement pertaining to the conduct of the election.

The Property that is the subject
of this Ballot is identified as:

San Diego County Assessor
Parcel Numbers:

The total acreage of the
Property:

_____ acres

Total number of votes:

_____ votes

Dated: _____, 20__

[property owner name]

By: _____
Name: _____
Title: _____

ATTACHMENT 6
WATER DISTRICT JCFA

**JOINT COMMUNITY FACILITIES AGREEMENT
among**

**THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING AUTHORITY,**

RAINBOW MUNICIPAL WATER DISTRICT

and

NEIGHBORHOODS VERDEAUX AT THE HAVENS, LLC

This Joint Community Facilities Agreement (this “Agreement”), dated as of _____, 2026, among the Rainbow Municipal Water District (the “Water District”), the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “Authority”) and Neighborhoods Verdeaux at The Havens, LLC (the “Developer”) is made under the authority of California Government Code Section 53316.2. The Authority, the Water District and the Developer are collectively referred to herein as the “Parties” and individually as a “Party”.

WHEREAS, the Water District and the Bonsall Unified School District (“School District”) established the Authority under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Joint Powers Law”) and a Joint Exercise of Powers Agreement, dated _____, for the purpose of creating a public agency that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended (the “Mello-Roos Act”) to finance certain real property and improvements to be owned by the Water District, the School District and the County of San Diego (the “County”) related to a 104-unit residential development project (the “Project”) to be developed by the Developer with boundaries substantially as described in Exhibit D attached hereto; and

WHEREAS, the Developer has submitted to the Authority a petition (including consent and waiver) requesting that the Authority institute proceedings for formation of a community facilities district to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Public Financing Authority (the "Community Facilities District"), (ii) an initial improvement area to be known as “Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority” (“Improvement Area No. 1”) and (iii) a future annexation area for the CFD (the “Future Annexation Area”); and

WHEREAS, the petition further requests that the Board provide in the proceedings for the possibility of additional improvement areas (each, a “Future Improvement Area”; each of Improvement Area No. 1 and a Future Improvement Area is referred to herein as an “Improvement Area”) to be established when parcels in the Future Annexation Area annex to the CFD; and

WHEREAS, such petition has been received and filed with the Secretary to the Authority;
and

WHEREAS, it is proposed that the Authority conduct proceedings under the Mello-Roos Act to form the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area and to issue debt to finance certain public facilities (such facilities hereinafter called the “Facilities”) either directly or by financing the payment of mitigation payments required of the Developer within the proposed Community Facilities District (referred to herein as “Fees”) and certain Facilities to be owned and operated by other local agencies that enter into a joint community facilities agreement with the Authority (the “Other Local Agencies”); and

WHEREAS, the Board of Directors of the Water District, the Board of Directors of the Authority and the Developer have, prior to the execution of this Agreement, duly considered the contents of this Agreement, and each has determined, by resolution, that the execution of this Agreement would be beneficial; and

WHEREAS, the Water District and the Authority wish to cooperate in accomplishing the financing of the Water District's Facilities to be authorized by the Community Facilities District;
and

WHEREAS, the Parties wish to provide that each of the Water District and the Other Local Agencies shall be solely and separately responsible for all other aspects of planning, acquiring, constructing, reconstructing, rehabilitating, furnishing, equipping, and owning its own Facilities.

NOW, THEREFORE, the Parties agree as follows:

Section 1. This Agreement is determined to be beneficial to residents of the Water District and in the best interests of the Authority and the future residents of the area within the Community Facilities District.

Section 2. The above recitals are agreed to by the Parties.

Section 3. Pursuant to the Mello-Roos Act and this Agreement, the Authority may conduct proceedings under the Mello-Roos Act to form the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area for the Project. The proceedings shall authorize the financing of any or all of the Facilities or Fees set forth on Exhibit A, attached hereto. The Facilities to be owned by the Water District are referred to as the “Water District Facilities.” The Fees paid or to be paid to the Water District are referred to as the “Water District Fees.”

All of the Water District Facilities listed on Exhibit A, whether to be financed directly or through the Water District Fees, are facilities that have an expected useful life of five years or longer and are facilities that the Water District is authorized by law to construct, own or operate, or to which it may contribute revenue. As it relates to the Water District Facilities and the Water District Fees, Exhibit A may be modified from time to time by written agreement executed by authorized representatives of the Authority, the Water District and the Developer.

Each Improvement Area is, or will be, authorized to finance the Water District Facilities

and the Water District Fees, and this Agreement applies equally to all Improvement Areas.

Exhibit B sets forth certain terms related to the financing of Water District Fees.

Section 4. For Fees paid or to be paid to an Other Local Agency, the Authority will obtain the written consent of that Other Local Agency before issuing bonds to fund such Fees, as required by the Mello-Roos Act. The Parties expect the School District and the County to each be an Other Local Agency for this purpose. For the Facilities to be owned by an Other Local Agency, the Authority will separately identify them in its proceedings and will enter into a joint community facilities agreement with such Other Local Agency prior to issuing bonds to finance such Facilities, as required by the Mello-Roos Act. Each joint community facilities agreement with each Other Local Agency will contain a provision that the Other Local Agency will provide indemnification to the Water District to the same extent that the Water District provides indemnification to the Other Local Agency under the terms of this Agreement. The Facilities to be owned by the School District are referred to in this Agreement as the “School District Facilities.” The Facilities to be owned by the County are referred to in this Agreement as the “County Facilities.”

Section 5. All of the Water District Facilities including the improvements to be constructed or acquired with the proceeds of Water District Fees are necessary to meet increased demands placed upon the Water District as a result of development occurring or expected to occur within the proposed Community Facilities District. Joint community facilities agreements with Other Local Agencies will each contain a requirement that each Other Local Agency will make identical certification in connection with respect to the Facilities to be owned by, and Fees paid or to be paid to, such Other Local Agency equivalent to that made by the Water District in this paragraph.

Section 6. The Authority will apply revenues from the special taxes levied in the Community Facilities District (“Special Taxes”) to pay for the costs of administering the Community Facilities District in accordance with the rate and method of apportionment of Special Taxes for Improvement Area No. 1 (“Improvement Area No. 1 Rate and Method”), the rate and method of apportionment of Special Taxes for each Future Improvement Area (each, a “Future Improvement Area Rate and Method”; together with the Improvement Area No. 1 Rate and Method, the “Rate and Methods”; each may be referred to herein as a “Rate and Method”) and the documents governing any bonds issued by the Community Facilities District. The Authority, the Water District and the Developer agree that, subject to the discretion of the Authority and the local goals and policies adopted by the Authority under Section 53312.7 of the Mello-Roos Act (“Goals and Policies”), they intend for the Improvement Area No. 1 Rate and Method to be as set forth in Exhibit G to this Agreement, and that the Special Taxes and the related provisions of the Improvement Area No. 1 Rate and Method shall be applicable to the Project.

Revenues of the Special Taxes from the Community Facilities District (including Improvement Area No. 1 and any Future Improvement Area) that are not necessary to pay debt service on bonds issued by the Community Facilities District, pay administrative expenses, or replenish a debt service reserve fund for bonds issued by the Community Facilities District (“Special Tax Remainder”) shall be allocated as follows: (i) 57% shall be allocated to the School District to pay for School District Facilities and (ii) 43% shall be allocated to the Water District to pay for Water District Facilities. The Special Tax Remainder shall be deposited by the Authority

in an account for the benefit of the School District (“School District Remainder Account”) and an account for the benefit of the Water District (“Water District Remainder Account”), which may be established with the trustee or fiscal agent for any bonds issued by the Community Facilities District (hereinafter such Trustee or Fiscal Agent is referred to as the “Fiscal Agent”) or in such other account determined by the Authority. If, at any time, there is a balance in the School District Remainder Account and the School District informs the Authority in writing that it has no plan to expend such balance within the next 24 months, then the balance shall be transferred to the Water District Remainder Account. If, at any time, there is a balance in the Water District Remainder Account and the Water District informs the Authority in writing that it has no plan to expend such balance within the next 24 months, then the balance shall be transferred to the School District Remainder Account. The joint community facilities agreements with each Other Local Agency must require the Other Local Agency to apply the revenues from the Special Taxes they receive for their authorized Facilities and Fees under the Community Facilities District and for their own related administrative costs only as permitted by the Mello-Roos Act.

In order to generate the Special Tax Remainder, Special Taxes shall be levied on (a) parcels of Developed Property (as defined in the Rate and Method) in Improvement Area No. 1 at one hundred percent (100%) of the Assigned Annual Special Tax rate each Fiscal Year (as those terms are defined in the Improvement Area No. 1 Rate and Method) and (b) on parcels of Developed Property (as defined in the Future Improvement Area Rate and Methods) in Future Improvement Areas at one hundred percent (100%) of the Assigned Annual Special Tax rate each Fiscal Year (as those terms are defined in the Future Improvement Area Rate and Methods).

Section 7. The Parties agree that, subject to the discretion of the Authority and the Goals and Policies, they intend for bonds of the Community Facilities District for Improvement Area No. 1 and each Future Improvement Area to be issued as set forth below.

(a) One Series of Bonds; Use of Proceeds. If the Community Facilities District issues one series of bonds for an Improvement Area, the proceeds shall be applied as follows:

i. First Priority: To pay for costs of issuing the bonds, including (i) reimbursing the Authority, School District, the Water District and the County for any formation expenditures not previously reimbursed, and (ii) reimbursing Developer for the deposits made by the Developer to pay for the costs of forming the Community Facilities District and issuing bonds of the Community Facilities District expended as authorized under the Mello-Roos Act, a separate Deposit and Reimbursement Agreement between the Authority and the Developer, and the Mitigation Agreement. Reimbursements to the Developer may be assigned if the Authority and the School District are provided documentation of the assignment.

ii. Second Priority: To fund a debt service reserve fund in an amount equal to the least of (i) 10% of the initial principal amount of the bonds (ii) maximum annual debt service on such outstanding bonds, or (iii) 125% of the average annual debt service on the outstanding bonds.

iii. Third Priority: To fund capitalized interest for the period of time (i) requested by the Developer up to a maximum of 24 months or (ii) such lesser period if

required to be considered sound under municipal finance practices as determined by the Authority in consultation with the Authority's municipal advisor, the Authority's underwriter and the Developer.

iv. Fourth Priority: To fund an amount for the costs of administering the Community Facilities District, the Improvement Area and any bonds issued by the Community Facilities District in the amount that cannot be funded from Special Taxes levied in the current Fiscal Year (the "Priority Administrative Expenses Amount") up to an amount of \$15,300 for the Authority's fiscal year 2026-27, which shall be increased by 2.00% annually.

v. Fifth Priority: To deposit into a school facilities account of the improvement fund for the bonds ("School District Facilities Account" and "Improvement Fund," respectively) an amount equal to the sum of the following (as those terms are defined in that certain School District Facilities Funding and Mitigation Agreement Between Bonsall Unified School District and Neighborhoods Verdeaux at The Havens, LLC related to the Project ("Mitigation Agreement")): (i) the Cash Payments made for each DU and for which a certificate of compliance ("COC") has been issued on the date of bond issuance plus (ii) the estimated Mitigation Payments for the projected aggregate Building Square Footage of remaining projected DUs within the Improvement Area and for which a COC has not been issued. Amounts described in this paragraph shall be applied in accordance with the Mitigation Agreement.

vi. Sixth Priority: To deposit into an account of the Improvement Fund to fund the Water District Facilities (the "Water District Facilities Account") as requested in writing by the Developer. The amounts deposited into the Water District Facilities Account shall not exceed an amount equal to the sum of the Water District Fees plus the cost of eligible Water District Facilities, if any, to the extent allowable pursuant to applicable law and this Agreement. Amounts in the Water District Facilities Account shall be administered as set forth in Section 8.

vii. Seventh Priority: To deposit into an account of the Improvement Fund to fund the County Facilities (the "County Facilities Account") as requested in writing by the Developer. The amounts deposited into the County Facilities Account shall not exceed an amount equal to the sum of the County Fees, plus the cost of eligible County infrastructure, if any, to the extent allowable pursuant to applicable law and the Joint Community Facilities Agreement related to the Project among the County, the Authority and the Developer.

viii. Eighth Priority: All remaining bond proceeds, if any, shall be split equally and one-half of such amount shall be deposited into each of the School District Facilities Account and the Water District Facilities Account.

(b) Multiple Series of Bonds; Use of Proceeds. If the Authority and the Developer decide to issue the bonds in more than one series for an Improvement Area, the application of bond proceeds set forth above shall be modified as agreed by the School District, the Water District, the Authority and the Developer to reflect the planned issuance of bonds in two or more series, without

any amendment of this Agreement required. The Water District and the Authority agree that they intend that in the event two series of bonds are issued, (i) 91% of the net proceeds of the first shall fund the acquisition of Water District Facilities, (ii) the remaining 9% of the net proceeds of the first series shall be used for the purposes described as the Fifth Priority in Section 7(a), and (iii) the second series will finance the priorities listed in Section 7(a) in the order set forth in Section 7(a) and in amounts net of amounts funded from the first series of bonds.

(c) Bond Terms. The Water District, the Authority and the Developer agree that, subject to the discretion of the Authority and the Authority's Goals and Policies, they intend for the amount of the bonds anticipated to be issued by the Community Facilities District for each Improvement Area to be based on the maximum amount which may be supported by the Special Taxes as provided for in the applicable Rate and Method within the limits imposed by the Goals and Policies and applicable law consistent with the following terms:

(i) The term of the bonds shall be not more than the lesser of (i) 31 years or (ii) the final year in which Special Taxes may be levied and not less than 30 years if the term of the Special Tax allows for such term.

(ii) Capitalized interest shall be funded for a period of time (A) requested by Developer up to a maximum of 24 months or (B) such lesser period if required to be considered sound under municipal finance practices as determined by the Authority in consultation with the Authority's municipal advisor, Authority's underwriter and the Developer.

(iii) Issuance costs shall be reasonable and in accordance with sound municipal financing practices and the Goals and Policies of the Authority.

(iv) The reserve fund for the bonds (the "Reserve Fund") shall be funded in an amount equal to the least of (i) 10% of the initial principal amount of the bonds (ii) maximum annual debt service on such outstanding bonds, or (iii) 125% of the average annual debt service on the outstanding bonds.

(v) Interest earnings on the Reserve Fund in excess of the Reserve Fund requirement shall be transferred to the debt service fund for the bonds (the "Debt Service Fund") to pay debt service on the bonds until all such bonds of the Community Facilities District for the Improvement Area have been paid.

(vi) Interest earnings on the funds in the respective accounts of the Improvement Fund shall be retained in the respective accounts of the Improvement Fund and expended for authorized purposes.

(vii) The Special Tax rates, together with overlapping general property taxes and assessments, are estimated to not exceed 2.00% of the base DU sales price as represented to the School District and the Water District by Developer at the time of formation of the Improvement Area.

(viii) Administrative expenses, for purposes of determining the Special Tax

revenue available for debt service when sizing and issuing the bonds, are specified as the Priority Administrative Expenses Amount. Notwithstanding the foregoing, the annual Special Tax levy may include an administrative expenses amount exceeding the Priority Administrative Expense Amount to the extent authorized pursuant to the applicable Rate and Method.

(ix) Gross annual Special Tax revenues each fiscal year shall be at least equal to the sum of (i) the Priority Administrative Expenses Amount plus (ii) 110% of debt service in the calendar year beginning in such fiscal year.

(d) Cooperation with Bonds. The Authority will administer the Community Facilities District, including employing and paying all consultants, annually levying the Special Taxes and all aspects of paying and administering the bonds, and complying with all State and Federal requirements appertaining to the proceedings, including the requirements of the United States Internal Revenue Code. The Water District will cooperate fully with the Authority in respect of the requirements of the Internal Revenue Code and to the extent information is required of the Water District to enable the Authority to perform its disclosure and continuing disclosure obligations with respect to the bonds, although the Water District will not participate in nor be considered to be a participant in the proceedings respecting the Community Facilities District, Improvement Area No. 1, the Future Annexation Area or Future Improvement Areas (other than as a party to the agreement embodied by this Agreement) nor will the Water District be or be considered to be an issuer of the bonds. The Water District agrees in connection with any bond issuance funding Water District Facilities (whether directly or through Water District Fees) to execute and deliver a certificate substantially in the form attached hereto as Exhibit C. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency.

(e) Pro Forma; Limitation on Tax Rate. Exhibit F was prepared by Koppel & Gruber Public Finance, and it sets forth certain assumptions about the bonds to be issued by the Community Facilities District, the Special Tax Remainder, School District Facilities, Water District Facilities and County Facilities. The foregoing assumptions and calculations in Exhibit F are for illustration purposes and are not binding on the School District, the Water District, the Authority or the Community Facilities District. The Water District and the Authority understand and agree that bonds will be sold based on market conditions at the time of sale.

Except as to the Community Facilities District, the Developer agrees that it shall not initiate or affirmatively support any additional public debt (such as, but not limited to, assessment districts or community facilities districts) to be placed on the Property that will increase the total property tax rate, including the direct and overlapping debt, taxes and assessments estimated on Exhibit F, above 2.00% of the estimated base DU sales prices, unless required as part of the conditions of approval for the Project.

(f) Security for Payment of Special Taxes. This section applies separately for each Improvement Area. If bonds are issued prior to 60% of the DUs within the Improvement Area being owned by individual homeowners, then not less than five days prior to the agenda deadline for the adoption of the resolution of issuance for the bonds, Developer, as applicable or its successors or its permitted assigns under Section 18 hereof (“Permitted Assigns”), shall deliver to

the Authority, the Community Facilities District, or the Fiscal Agent under the Indenture (as defined in the Rate and Method), one or more letters of credit (“LOC(s)”), issued by a bank with a minimum Moody’s or Standard and Poor’s long term rating of “A” and short term rating of “P-1,” or which is otherwise acceptable to the Authority (“LOC Bank”), a cash deposit, or other mutually acceptable security (collectively, “Security”), in an amount equal to one (1) year’s Assigned Special Tax (as defined in the applicable Rate and Method) on all taxable DUs and parcels in the Improvement Area for which the bonds are being sized and which are not owned by individual homeowners calculated as if such parcels are categorized as Developed Property based on expected Building Square Footage (whether or not any such DUs or parcels are subject to levy in that year due to capitalized interest) (“Security Amount”). Such Security shall secure the payment of the semi-annual installments of the Special Taxes for all DUs and parcels in the Improvement Area owned by Developer or its applicable successors or Permitted Assigns (other than individual homeowners), unless a substitute Security is posted by such successor or Permitted Assign.

The LOC shall name the Authority, the Community Facilities District, or Fiscal Agent, as the case may be, as the beneficiary who may draw on the LOC in an amount equal to any delinquent Special Taxes levied on DUs and parcels for which the LOC has been provided, which are owned by such Developer, or its successors or Permitted Assigns (other than individual homeowners). The LOC shall be for a term of not less than 12 months and shall be renewed annually by the issuing LOC Bank or a substitute bank acceptable to the Authority or the Community Facilities District until such time as the number of all the DUs owned by individual homeowners is equal to at least 60% of the number of all DUs in the Improvement Area for which the bonds are being sized or as otherwise agreed by the Parties. Prior to each renewal date, the Authority shall recalculate the Security Amount based on the then-current ownership of DUs within the Improvement Area. The amount of the LOC renewal shall be increased or reduced to the recalculated Security Amount. The foregoing reduction or release of the LOC shall also apply to cash deposits provided for Security. The LOC(s) shall provide that the failure of the LOC Bank to renew the LOC 15 days prior to its expiration for an additional one year will enable the Authority, the Community Facilities District, or Fiscal Agent to draw the full amount thereof. If the Authority, the Community Facilities District, or the Fiscal Agent draws any amount under an LOC, except upon the failure of the issuing bank to renew it, the Authority, the Community Facilities District, or the Fiscal Agent, as the case may be, shall reimburse the amount drawn to the LOC Bank (or its written designee) without interest, from the delinquent Special Tax installments as to the applicable DUs and parcels with respect to which any such amount is drawn when and if (i) such installments are paid or the proceeds of foreclosure of the applicable property as a result of such delinquency are received, and (ii) the amount of the LOC is reinstated to the amount prior to such draw, as such amount may be increased or adjusted downward based on a recalculation by the Authority of the Security Amount based on the then-current ownership of DUs and parcels within the Improvement Area. If the LOC is not reinstated to the proper amount, the amounts that would otherwise be reimbursed to the LOC Bank shall be held in the letter of credit account and be security for the bonds in the same manner as the LOC. If the Authority, the Community Facilities District, or the Fiscal Agent draws any amount under an LOC upon the failure of the issuing bank to renew it, the Authority, the Community Facilities District, or the Fiscal Agent shall reimburse the amount drawn to the LOC Bank (or its written designee) without interest, upon receipt of a substitute LOC. The form of the LOC(s) shall, in all respects, be satisfactory to and approved as to form and all other aspects by the Authority.

The Authority shall make a good faith effort to give Developer, or its successors or Permitted Assigns that has provided an LOC or cash deposit at least 15 days prior notice before the Authority or the Community Facilities District draws upon, or instructs the Fiscal Agent to draw upon, the applicable Security due to the delinquency by Developer, or its successors or Permitted Assigns (other than individual homeowners), in the payment of Special Taxes. However, the failure by the Authority or the Community Facilities District to provide such notice shall not prevent draws upon such Security to the extent required by the documents providing for the issuance of the bonds.

(g) Disclosure of Special Taxes. Developer and its successors or Permitted Assigns, as applicable, shall comply with all applicable legal requirements for disclosure to individual homebuyers and other parties purchasing any applicable portion of the Property as to the Community Facilities District and the Special Taxes, including, but not limited to the provisions of Government Code Section 53341.5. The Government Code directs the disclosure be provided at first contract (as opposed to close of escrow).

(h) Disclosure Following Issuance of Bonds. This section applies separately for each Improvement Area. If Developer or its successors or Permitted Assigns owns Property in the Improvement Area that is responsible for more than 15% of the projected levy of Special Taxes at the time of issuance of the bonds, Developer agrees to enter into a continuing disclosure undertaking whereby the Developer will, until such obligation is terminated, provide semi-annual information to Electronic Municipal Market Access regarding the development and financing plans for the Property in the Improvement Area. Developer, the Authority and the Water District further acknowledge and agree that Developer may enter into an assignment agreement with subsequent purchasers of all or a portion of the Property in the Improvement Area (other than individual homeowners) whereby such subsequent purchaser assumes the continuing disclosure obligations with respect to the property acquired or such subsequent purchaser may enter into a comparable continuing disclosure agreement in connection with the issuance of the bonds.

Section 8. The Authority shall consult with Water District staff prior to the issuance of bonds and shall promptly inform Water District staff of the amount of any bond proceeds in the Water Facilities Account of the Improvement Fund or available Special Taxes in the Water District Remainder Account.

The Authority, the Water District and the Developer agree that the Community Facilities District shall fund the Water District Facilities Account as provided in Section 7 above. The amounts for Water District Facilities shall be funded to Water District from the Water District Facilities Account upon the written request of Developer as generally set forth on Exhibit E. The Authority, the Water District and the Developer agree that neither the Authority nor the Water District shall have any responsibility to fund the Water District Facilities from any source other than the Special Tax Remainder and proceeds of the bonds which have been allocated to the Water District Facilities Account as provided in this Agreement.

Funds, to the extent available from bond proceeds, for Water District Facilities shall be held in the Water District Facilities Account, which shall be established with the Fiscal Agent. Bond proceeds and the Special Tax Remainder will fund the qualifying Water District Facilities, subject to the limitations set forth herein and applicable federal and state laws. All amounts,

including interest thereon, deposited into the Water District Facilities Account and except as disbursed as provided in the following sentence, shall remain in such Water District Facilities Account until the earlier of (i) the date that Developer provides written notice to the Authority that all qualifying expenditures related to Water District Facilities to be financed by bonds issued with respect to the Community Facilities District have been funded or reimbursed to Developer for qualifying expenditures, or (ii) the date that is two years and nine months from the date of the applicable sale of bonds unless Developer provides the Authority with evidence confirmed in writing either by the Water District or otherwise confirmed by means acceptable to the Authority in its discretion showing that such funds are still needed to fund Water District Facilities pursuant to this Agreement. Upon receipt by the Authority of written notice from the Developer that Water District Facilities have been fully funded or upon the expiration of two years and nine months from the date of the applicable sale of bonds with respect to the Community Facilities District and Developer not providing the Authority with evidence confirmed in writing either by Water District or otherwise confirmed by means acceptable to the Authority showing that such funds are still needed to fund Water District Facilities pursuant to this Agreement, the then amount in the Water District Facilities Account and any interest earnings on the Water District Facilities Account shall be transferred to the School District Facilities Account; provided that if the basis of such transfer is the expiration of two years and nine months from the date of the applicable sale of bonds, the Authority shall provide written notice to the Developer thirty days prior to such transfer to provide Developer sufficient time to provide written notice to the Authority that such funds are still needed for qualifying expenses. If the Developer provides Authority with evidence confirmed in writing either by Water District or otherwise confirmed means acceptable to the Authority showing that such funds are still needed to fund Water District Facilities pursuant to this Agreement, such funds may remain in the Water District Facilities Account pending disbursement for qualifying expenditures related to Water District Facilities to be financed by bonds issued with respect to the Community Facilities District or reimbursed to Developer for qualifying expenditures. If, upon the expiration of two years and nine months from the date of the applicable sale of Community Facilities District bonds, neither the School District, the Developer, the Water District nor the County informs the Joint Powers Authority that the proceeds of Bonds in their respective account in the Improvement Fund are needed to pay for qualifying expenses, then the Authority shall, unless otherwise authorized by bond counsel to the Authority, cause such proceeds to be used to redeem bonds in accordance with the Indenture.

Section 9. As respects the Authority and each Other Local Agency, the Water District agrees to fully administer, and to take full governmental responsibility for, the construction or acquisition of the Water District Facilities and for the administration and expenditure of the Water District Fees including but not limited to environmental review, approval of plans and specifications, bid requirements, performance and payment bond requirements, insurance requirements, contract and construction administration, staking, inspection, acquisition of necessary property interests in real or personal property, the holding back and administration of retention payments, punch list administration, and the Authority and each Other Local Agency shall have no responsibility in that regard. The Water District reserves the right, as respects the Developer, to require the Developer to contract with the Water District to assume any portion or all of this responsibility. The Authority is required to obtain provisions equivalent to this paragraph in the joint community facilities agreement with each Other Local Agency.

With respect to the Water District Facilities to be constructed by the Developer, the Water

District and the Developer agree that the Water District shall acquire such Water District Facilities in accordance with the procedures set forth in Exhibit E to this Agreement. The Water District hereby affirms that Developer's compliance with Exhibit E ensures that such Water District Facilities shall be constructed as if they had been constructed under the direction and supervision, or under the authority of, the Water District.

Pursuant to Section 1781 of the Labor Code, the Water District hereby states, and the Developer hereby acknowledges, that the construction of the Water District Facilities by the Developer, which will be paid in part out of public funds, is a "public work" (as defined in Section 1720 of the Labor Code) to which Section 1771 of the Labor Code applies, and the Developer hereby agrees that it shall cause the construction of the Water District Facilities to be performed as "public work" as required by Section 1781 of the Labor Code. Without limiting the foregoing, the Developer agrees to comply with the provisions of Sections 1720 et seq. of the Labor Code with respect to prevailing wages. In addition, the Developer represents and warrants that with respect to any and all contracts awarded prior to the date of this Agreement for any Water District Facility, the Developer has complied with any applicable law or regulation for the payment of prevailing wages, including without limitation the provisions of Sections 1720 et seq. of the Labor Code with respect to prevailing wages.

The Developer shall comply with provisions of the Civil Code requiring the filing of a payment bond (and naming the Water District as beneficiary).

If the Community Facilities District's bonds are issued on a tax-exempt basis, then the Water District shall not use or permit the Water District Facilities funded with the proceeds of the bonds to be used for any activity that would constitute a "Private Use" within the meaning of Section 141 of the Internal Revenue Code. The Water District understands (a) that the term "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than governmental entities; (b) that the leasing of the Water District Facilities or access by persons or entities other than a governmental unit to the Water District Facilities on a basis other than as a member of the general public ("General Public Use") would constitute a Private Use; and (c) that the use of the Water District Facilities in a trade or business would constitute a General Public Use only if the Water District Facilities are intended to be available and are in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business.

If the Community Facilities District's bonds are issued on a tax-exempt basis, then the Water District shall assist the Authority in complying with the arbitrage rebate requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations which relate thereto, by keeping accurate records of the investment earnings on any and all investments which the Water District may make with amounts drawn on the Water District Facilities Account and at the end of each fiscal year shall provide to Authority and its consultants such records and documents as they may reasonably request to enable them to determine the nature of any such investments and the interest earnings thereon for purposes of determining whether any portion thereof must be rebated to the United States of America as rebateable arbitrage earnings.

Section 10. The Water District agrees to indemnify and to hold the Authority, its other members, and its other members' officers, agents and employees, and each Other Local Agency

and their officers, agents and employees (collectively, the "Water District Indemnified Parties") harmless from any and all claims, suits and damages (including costs and reasonable attorneys' fees) arising out of the design, engineering, construction and installation of the Water District Facilities and the improvements to be financed or acquired with the Water District Fees. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency naming the Water District and its officers, agents and employees as Indemnified Parties with respect to each Other Local Agency's respective Facilities and the improvements to be constructed or acquired with each Other Local Agency's Fees.

The Authority agrees to indemnify and to hold the Water District, its officers, agents and employees harmless from any and all claims, suits and damages arising out of the formation or administration of the Community Facilities District or the issuance of bonds therefor except to the extent such claims, suits and damages are caused by the negligence or willful misconduct of such indemnified parties

Section 11. As respects the Authority and each Other Local Agency, the Water District agrees to take maintenance responsibility for the Water District Facilities, and to indemnify and hold harmless the Indemnified Parties to the extent provided in the preceding paragraph from any and all claims, etc., arising out of the use and maintenance of the Water District Facilities. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency naming the Water District and its officers, agents and employees as Indemnified Parties.

Section 12. The Water District hereby consents to the formation of the Community Facilities District in accordance with this Agreement and consents to the assumption of jurisdiction by the Authority for the proceedings respecting the Community Facilities District with the understanding that the Authority will hereafter take each and every step required for or suitable for consummation of the proceedings, the levy, collection and enforcement of the Special Taxes, and the issuance, sale, delivery and administration of the bonds, all at no cost to the Water District and without binding or obligating the Water District's general fund or taxing authority. The Water District shall be entitled to recover its reasonable costs from the proceeds of the issuance of bonds or Special Tax collections in the amount of \$ _____.

Section 13. Developer agrees to, in connection with the issuance of bonds by the Community Facilities District, certify as of the date on the preliminary official statement and the final official statement, respectively, that all of the information with respect to the Developer and its Relevant Entities (as defined below), regarding the proposed development of the Project, ownership of the Project, the Developer's development plan, the Developer's financing plan, the Developer's lenders (if any), and the Developer's contractual arrangements (excluding therefrom any information regarding the appraised valuation of the Project, statements pertaining to the appraisal, and information which is identified as having been provided by a source other than Developer or a Relevant Entity), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As used in this Agreement, the term "Relevant Entity" means, with respect to the Developer, any other Person (as defined below) (i) who directly, or indirectly through

one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information could be material to potential investors in their investment decisions regarding the bonds (including, without limitation, information relevant to the proposed development of the Project), or to the Developer's ability to pay the Special Taxes levied on its property in the Community Facilities District (to the extent the responsibility of the Developer as owner of such property). "Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term "control" (including the terms "controlling," "controlled by," or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Developer, whether through the ownership of voting securities, by contract, or otherwise.

In addition, solely as to the information indicated in the preceding paragraph concerning the Developer, its Relevant Entities and the development of the Project, and subject to the limitations and exclusions set forth in the preceding paragraph, the Developer agrees to indemnify and hold harmless, to the extent permitted by law, the Authority, the Water District and the Community Facilities District, and their officials and employees, and each person, if any, who controls any of the forgoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities and Exchange Act of 1934, as amended (each an "Developer Indemnified Party" and, collectively, the "Developer Indemnified Parties"), against any and all losses, claims, damages, or liabilities, joint or several, to which such Developer Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Developer Indemnified Party for any actual reasonable legal or other expense reasonably incurred by it in connection with the investigation of any such claim against it and defending any such action, insofar as and solely to the extent any such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the above referenced information or the omission or alleged omission with respect to such information, (i) in the preliminary official statement as of its date or as of the date of the execution of the bond purchase agreement, (ii) in the final official statement as of its date or as of the date of issuance of the bonds, (iii) in any amendment or supplement to such preliminary official statement and/or final official statement which includes information provided and approved by Developer, and only with respect to such information as of the date of such amendment or supplement to a preliminary official statement or final official statement, or (iv) in any semi-annual report or other disclosure report provided by or on behalf of the Developer in connection with the bonds as of its date with respect to the Community Facilities District, necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnity provision shall not be construed as a limitation on any other liability which Developer may otherwise have to any Developer Indemnified Party, provided that in no event shall the Developer be obligated for double indemnification or for the negligence or willful misconduct of a Developer Indemnified Party.

Section 14. All notices or other communications that may be given under this Agreement shall be in writing and shall be served personally, or by certified or first class mail, postage prepaid, addressed as follows, or to such other address as either party may provide to the other party in writing:

WATER DISTRICT: Rainbow Municipal Water District
3707 Old. Highway 395
Fallbrook, CA 92028
Attn: General Manager

AUTHORITY: Bonsall Unified School District-
Rainbow Municipal Water District
Joint Powers Financing Authority
Attn. Executive Director
c/o Superintendent
Bonsall Unified School District
31505 Old River Road
Bonsall, CA 92003

Developer: Neighborhoods Verdeaux at The Havens, LLC
32823 Temecula Pkwy
Temecula, CA 92592
Attention: Dan Leigh
Email: dleigh@Cormanleigh.com

Section 15. The terms of this Agreement may be amended by a writing duly authorized, executed and delivered by the Parties, except that no amendment may be made after the issuance of bonds by the Authority for the Community Facilities District that would be detrimental to the interests of the bondholders without complying with all of the bondholder consent provisions for the amendment of the bond resolutions, bond indentures or like instruments governing the issuance, delivery and administration of all outstanding bonds.

Section 16. Except to the extent of the indemnifications set forth herein, no person or entity shall be deemed to be a -party beneficiary of this Agreement, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity other than the Parties (and their respective successors and assigns) any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 17. The Water District shall be identified as a third-party beneficiary of all joint community facilities agreements between the Authority and each Other Local Agency to the extent of the indemnification provisions and the provisions whereby each Other Local Agency agrees to take responsibility for and ownership of their Facilities.

Section 18. Nothing in this Agreement shall in any way limit the right or ability of Developer individually to transfer, assign, encumber, or hypothecate the Agreement in any way without the consent of the Water District, the Authority or the Community Facilities District, provided that: (i) the Water District, the Authority and Community Facilities District are provided

written notice of the transfer; and (ii) the transferee assumes all applicable obligations under this Agreement with respect to the portion of the Project within the Community Facilities District. Notwithstanding the foregoing, the Developer may separately transfer this Agreement separately as it relates to each Improvement Area. If these conditions are met, the Water District, the Authority and the Community Facilities District agree to look solely to the transferee for performance of the assignor's obligations under this Agreement transferred.

If Developer assigns the right to receive reimbursement as described in this Agreement, the specific DUs or parcels within the Community Facilities District to which the reimbursement applies shall be specified in a written assignment together with the amount of such reimbursement so assigned. If these conditions are not satisfied, any assignment of the right to receive reimbursement may not be recognized by the Water District or the Authority and additional actions may be required. Whenever this Agreement provides the Party with a right, that right may be exercised by an assignee of that right to the same extent that such Party could have exercised that right itself.

Solely for the purposes of this Agreement and except as provided in this Section 18, all obligations contained within this Agreement are agreed to be an interest in the Property and shall run with the land and bind assignees and successor owners, notwithstanding the provisions of Civil Code Section 1468. The Water District and the Authority reserve the right to request that Developer or the transferee record any instrument of assignment, sale, or other transfer of interest as to the provisions of this Section of this Agreement and Developer agrees to do so upon such request.

Section 19. The appropriate officials and staff of the Water District are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by bond counsel in connection with the participation of any districts, authorities or other third-party entities entitled to own Facilities and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the Water District, as are reasonably required by the Authority to conduct proceedings to form the Community Facilities District and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the bonds.

Section 20. Should any term or provision of this Agreement be determined to be illegal or in conflict with any law of the State of California, the validity of the remaining portions or provisions shall not be affected thereby, and each term or provision of this Agreement shall be valid and be enforced as written to the full extent permitted by law.

Section 21. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement is agreed and entered into as of the date first written above.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
General Manager

**BONSALL UNIFIED SCHOOL DISTRICT-
RAINBOW MUNICIPAL WATER DISTRICT
JOINT POWERS FINANCING AUTHORITY**

By: _____
Executive Director

DEVELOPER:

NEIGHBORHOODS VERDEAUX AT THE
HAVENS, LLC,
a California limited liability company

By: Neighborhood 2 at The Havens, LLC
Its: Member

By: Tulloch Holdings, LLC
Its: Manager

By: _____

Name: Dan Leigh

Title: Manager

EXHIBIT A TO THE JOINT COMMUNITY FACILITIES AGREEMENT

DESCRIPTION OF FACILITIES AND OTHER COSTS

I Facilities.

The types of facilities (“Facilities”) proposed to be planned for, designed, acquired, constructed, leased, expanded, improved, rehabilitated and financed by proposed Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (“Community Facilities District”; as used in this Exhibit A, the term “Community Facilities District” includes each improvement area as originally designated and as designated in the future in connection with annexations of territory to Community Facilities District) established by the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (“Joint Powers Authority”) under the Mello Roos Community Facilities Act of 1982 (“Mello-Roos Act”) are as follows:

1. School facilities includes, but not by way of limitation, facilities of the Bonsall Unified School District (“School District”) consisting of the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, recreational facilities, administration and auxiliary space at school facilities, central support, and transportation facilities as reasonably determined from time to time by the School District to be necessary to accommodate the student population of the School District, including the property within the Community Facilities District, and all appurtenances and appurtenant work in connection with the foregoing, including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such school facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such school facilities, during the term of the special taxes as follows:
 - (A) School sites and facilities for all grade levels of education provided by the School District, including pre-school/early age, TK-12, and adult education, including lease rental payments therefore related to the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, as well as portable or relocatable buildings or interim additions to existing buildings at such school facilities.
 - (B) Modernization, rehabilitation, relocation and expansion of existing school facilities and related infrastructure.
 - (C) Central support, administrative facilities, special education facilities and transportation facilities, including, but not by way of limitation, buses and vehicles.
 - (D) Furniture, equipment, and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five years at such school facilities.

(E) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of school facilities (including, without limitation, construction management, inspection, materials testing, and construction staking); any “debt,” as defined in California Government Code Section 53317(d), the costs to issue and sell any such debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond trustee or fiscal agent, bond and official statement printing, and administrative expenses of the School District and/or the Community Facilities District), and all other incidental expenses.

The school facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and/or specifications approved by the School District. The school facilities described in this Exhibit are representative of the types of improvements to be funded or financed by the Community Facilities District. Addition, deletion, or modification of school facilities may be made consistent with the requirements of the School District, the Community Facilities District, and the Mello-Roos Act.

2. "County Facilities" include public facilities of the County of San Diego (“County”) and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such County Facilities and any other expenses incidental to the construction, acquisition, modification, expansion or rehabilitation of such County Facilities. The County Facilities listed herein are representative of the types of improvements authorized to be financed by the Community Facilities District. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of County. Addition, deletion or modification of descriptions of the County Facilities may be made consistent with the requirements of the County, the Community Facilities District, and the Mello-Roos Act.
3. “Water District Facilities” consist of water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of the Rainbow Municipal Water District (“Water District”), and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Water District Facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Water District Facilities. The Water District Facilities listed herein are representative of the types of improvements authorized to be financed by the Community Facilities District. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of Water District. Addition, deletion or modification of descriptions of the Water District Facilities may be made consistent with the requirements of the Water District, the Community Facilities District, and the Mello-Roos Act.
4. Acquisition, improvement, rehabilitation, or maintenance of any real or other tangible property, whether privately or publicly owned, for flood and storm

protection services, including, but not limited to, storm drainage and treatment systems and sandstorm protection systems.

Any facility authorized to be financed by the Community Facilities District may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

II. Other Costs.

Incidental expenses to be incurred, as permitted under the provisions of the Mello-Roos Act including but not limited to:

1. The cost of engineering, planning, designing and rehabilitating the Facilities, legal services, materials testing, coordination, surveying, construction staking, construction inspection, environmental evaluations of Facilities, and any and all appurtenant facilities to the foregoing required to serve the Property.

2. All costs chargeable as administrative or incidental costs associated with the creation of the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area, the issuance of the bonds thereby in one or more series, and the determination of the amount of special taxes to be levied, collection of special taxes, payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District.

3. All other expenses incidental to the construction, acquisition, modification, maintenance, rehabilitation, completion, and inspection of the Facilities.

4. Reimbursement of costs related to the formation of the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area, advanced by the Joint Powers Authority, the Water District, the School District, the landowner(s) in the Community Facilities District, Improvement Area No. 1 or the Future Annexation Area, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the School District, the Water District, the landowner(s) in the Community Facilities District, Improvement Area No. 1 or the Future Annexation Area, or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the Community Facilities District.

EXHIBIT B TO THE JOINT COMMUNITY FACILITIES AGREEMENT

APPLICATION OF FEE CREDITS

In the event proceeds of bonds issued for the proposed Community Facilities District or Special Taxes levied by the proposed Community Facilities District are applied or set aside by the Authority and the Water District to construct Facilities that otherwise would have been constructed with a Water District Fee levied by the Water District against the property within the Community Facilities District (a "Fee Eligible Facility"), the Water District shall apply such amount as a credit against such property within the Community Facilities District required to pay such Water District Fees pro rata (the "Fee Credits"). The Fee Credits shall be applied by the Water District upon the deposit of bond proceeds into the Water District Facilities Account of the Improvement Fund or any earlier disbursement of such proceeds directly to the Water District. The Authority shall establish or cause to be established such subaccounts in the Improvement Fund as necessary to differentiate between applicable Water District Fees and between fee reimbursement or fee prefunding as further described below.

Fee Reimbursement. When proceeds of bonds or Special Taxes levied by the proposed Community Facilities District are applied or set aside for the construction of Fee Eligible Facilities after a property developer within the Community Facilities District has already made a payment of the applicable Water District Fee to the Water District (a "Prepaid Fee"), the developer who paid the Water District Fee shall be reimbursed in the amount of the Fee Credit. Subject to the application of federal income tax requirements for any tax-exempt bonds and upon such evidence as shall be acceptable to the Authority and the Authority's bond counsel, the Authority shall, upon the direction of the Water District, disburse or cause the disbursement of amounts from the Water District Facilities Account of the Improvement Fund to the developer to reimburse such Prepaid Fee. The School District acknowledges that applicable federal income tax laws and regulations may require different or additional procedures, including direct reimbursement of the developer from the Water District's Fee fund or transferring unspent Prepaid Fees to the Authority's trustee, for the developer to receive reimbursement.

Fee Prefunding. When proceeds of bonds or Special Taxes levied by the proposed Community Facilities District are applied or set aside for the construction of Fee Eligible Facilities prior to the date the property developer is required to pay such fee, the Water District shall keep a record of the amount of the Fee Credits allocable to each parcel in the Community Facilities District (each, a "Credited Parcel"). When a building permit is obtained or a Water District Fee is otherwise due to the Water District for any Credited Parcel, the developer shall be required to pay to the Water District, either by application of remaining Fee Credits, or by cash payment if remaining Fee Credits have been expended, only any increase between the then applicable amount of the Water District Fee for the Credited Parcel and the amount of the applicable Fee Credit for such Credited Parcel. Subject to the application of federal income tax requirements for any tax-exempt bonds and upon such evidence as shall be acceptable to the Authority and the Authority's bond counsel, the Authority shall, upon the direction of the Water District, disburse or cause the disbursement of amounts from the Water District Facilities Account of the Improvement Fund to the Water District for the construction of the Fee Eligible Facilities.

Federal Income Tax Limitations. The Water District acknowledges that proceeds of tax-exempt bonds have certain limitations under applicable federal income tax laws. The Water District covenants to cooperate with the Authority and the Authority's bond counsel in determining the Water District Fees and Water District Facilities eligible for financing from such tax-exempt bond proceeds and the application of the developer's Fee Credits. The Water District further acknowledges that not all Water District Fees and not all components of the Water District Fees may be eligible for application of tax-exempt bond proceeds and therefore that not all Water District Fees will be eligible for inclusion in a bond issuance for the Community Facilities District.

EXHIBIT C TO THE JOINT COMMUNITY FACILITIES AGREEMENT

FORM OF BOND CLOSING CERTIFICATE

This Local Agency Closing Certificate is executed and delivered by the undersigned on behalf of the Rainbow Municipal Water District (the “Local Agency” or the “Water District”) with respect to the financing of certain capital improvements required (the “Facilities”) and/or certain development impact fees levied by the Local Agency (the “Eligible Impact Fees”), as applicable, for certain development project(s) (the “Projects”) located on real property within the planning jurisdiction of the Local Agency (the “Assessed Parcels”), all as described in Schedule I.

The undersigned is an authorized representative of the Local Agency and is acting for and on behalf of the Local Agency in executing this Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the certifications and expectations as set forth herein, and said certifications and expectations are reasonable.

In connection with the issuance of the above referenced bonds (the “Bonds”), the Local Agency hereby represents, warrants and certifies as follows:

1. Attached hereto as Exhibit A is a full, true and correct copy of Resolution No. ____ (the “Water District Resolution”) duly adopted by the governing board of the Water District at a meeting thereof duly and regularly held on _____, 2026, of which meeting all of the members of the governing board had due notice and at which a majority of the members thereof were present, and the Water District Resolution has not been amended, modified or superseded in any manner since the date of its adoption, and the same is now in full force and effect. The School District approved the Joint Community Facilities Agreement (as defined in the following paragraph).

2. The Water District has duly executed and delivered the Joint Community Facilities Agreement, dated as of _____, 2026 (the “Joint Community Facilities Agreement”) between the Water District and the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “Authority”).

3. To the best knowledge of the undersigned, the adoption of the Water District Resolution and the execution of the Joint Community Facilities Agreement, and compliance with the provisions thereof by the Water District do not violate, in any material way, any applicable law, regulation or judgment, order or decree of any court or any public or governmental agency or authority of the State of California or the federal government of the United States of America and do not in any material way conflict with, or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Water District is a party or by which it or its properties is or may be bound.

4. To the best knowledge of the undersigned, no order, consent, permission, approval, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the Water District Resolution or the Joint Community Facilities Agreement, or the consummation of any transaction therein contemplated, except as have been obtained or made and as are in full force and effect.

5. To the best knowledge of the undersigned, the Water District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the Water District is a party or is otherwise subject, which breach or default would materially adversely affect the transactions contemplated by the Water District Resolution and the Joint Community Facilities Agreement, and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Water District is a party or is otherwise subject.

6. To the best knowledge of the undersigned, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before or by any court, governmental agency, public board or body which are pending, notice of which has been properly served on the Water District, or threatened against the Water District, or against the titles of its officers to their respective offices, or seeking to restrain or to enjoin the application of the proceeds of the [name of bonds] (the "Bonds") in accordance with the Joint Community Facilities Agreement, or in any way contesting or affecting the powers of the Water District or its authority with respect to the Joint Community Facilities Agreement, or any action on the part of the Water District contemplated by any of said documents.

7. All applicable policies of the Water District pertaining to the formation of the Community Facilities District and the issuance of bonds therefor have been satisfied or waived.

8. The Tax Certifications attached hereto as Exhibit B are true and correct.

IN WITNESS WHEREOF, the undersigned has executed this CLOSING CERTIFICATE OF THE RAINBOW MUNICIPAL WATER DISTRICT as of the date first above written.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____

Name:

Title:

Exhibit A to Form of Closing Certificate

Resolution No. _____

[Attach Resolution]

Exhibit B to Form of Closing Certificate

Tax Certifications of District

The Water District hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the \$[PAR] Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "Authority") [name of bonds] (the "Bonds"). The representations and covenants contained in this Tax Certification are designed to support the conclusion that the interest paid on the Bonds issued to fund the Water District's improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

1.1 Use of Facilities. The proceeds of the Bonds in the amount of \$[_____] (the "Proceeds") will be used to finance the construction or acquisition of certain public capital improvements (collectively, the "Facilities"). The District or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the Water District agrees to promptly notify the Authority and provide such additional information to the Authority as shall be necessary in connection with such transfer. The District will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Water District or another state or local government agency.

The average expected useful life of the Facilities is at least 20 years.

1.2 Timing of Expenditures. The District reasonably expects that all of the Proceeds will be spent for the governmental purpose of the Bonds within three years. In addition, the Water District reasonably expects that at least 5% of the Proceeds will be spent, or that the Water District will incur a binding obligation to a third party involving an expenditure of such amount, within six months. The District reasonably expects that construction or acquisition of the Facilities will proceed with due diligence to completion and that the allocation of proceeds to expenditures for the Facilities will proceed with due diligence. None of the Proceeds will be used to pay principal of or interest on any debt obligations.

1.3 Expenditure of Proceeds. Proceeds and other deposits of the Bonds are not treated as spent on the Facilities until the Water District makes a transfer to a person unrelated to the Water District and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits of the Bonds are transferred from the Water District Facilities Account of the Improvement Fund either (a) to the Water District and actually used to make a payment to a person unrelated to the Water District no later than three days after the transfer, (b) directly to a third party at the direction of the Water District to pay the cost of the Facilities, or (c) to the Water District to reimburse the Water District for costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits relating to the Bonds are transferred to the Water

District to reimburse the Water District for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before _____, 2026, the date on which the Authority declared its intention to reimburse such costs, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service, but in no case more than 3 years after the date the costs were paid by the Water District.

EXHIBIT D TO THE JOINT COMMUNITY FACILITIES AGREEMENT

**PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT,
IMPROVEMENT AREA NO. 1 AND THE FUTURE ANNEXATION AREA**

EXHIBIT E TO THE JOINT COMMUNITY FACILITIES AGREEMENT

PROCEDURES GOVERNING WATER DISTRICT FACILITIES CONSTRUCTED BY DEVELOPER

Part A

With respect to the Water District Facilities to be constructed by the Developer and acquired by the Water District with amounts in the Water District Remainder Account and the Water Facilities Account of the Improvement Fund:

1. The Developer shall be responsible for the preparation of the plans and specifications for the construction of such Water District Facilities (the “Plans and Specifications”). The Plans and Specifications shall conform to the requirements of the Water District for such Water District Facilities and shall be subject to the review and approval by the Water District.

2. The Water District Facilities must be constructed in accordance with the Plans and Specifications.

3. The Developer shall be solely responsible for the bidding, contracting and construction of the Water District Facilities in accordance with the requirements set forth in Part B.

4. The construction of the Water District Facilities shall be subject to inspection by the Water District. Upon the request of the Developer, the Water District shall notify the Developer in writing when the Water District Facilities has been completed and is ready for acceptance by the Water District.

5. Provided the Water District Facilities have been completed in accordance with the Plans and Specifications, the Water District agrees to acquire the Water District Facilities. The acquisition price to be paid to Developer from amounts in the Water District Remainder Account and the Water Facilities Account of the Improvement Fund shall be based on the Actual Costs submitted by the Developer, as that term is defined in Part C. Ownership of the Water District Facilities shall be transferred to the Water District by grant deed, bill of sale or such other documentation as the Water District may require. Upon acceptance of the Water District Facilities by the Water District, the Water District shall incorporate the Water District Facilities in the Water District’s system. Following the expiration of any warranty period applicable to the construction of the Water District Facilities during which time the Developer shall be responsible for the maintenance of the Water District Facilities, the Water District shall thereafter be responsible for the maintenance of the Water District Facilities in accordance with all applicable Water District maintenance procedures and practices.

6. The Developer may submit a single payment request upon completion of the Water District Facilities. The form of payment request to be submitted to the Water District by the Developer in requesting payment by the Community Facilities District of the acquisition price shall be substantially in the form of Attachment E-1 hereto. Within ten (10) business days of the Developer’s submission to the Water District of a payment request, the Water District shall determine if the Water District Facilities have been completed and shall either deny or approve the payment request, which approval shall not be unreasonably withheld. If the Water District denies any payment request it shall provide the Developer a detailed written explanation describing the

reasons or rational for such denial. All denied payment requests may be resubmitted for approval. The Developer shall reimburse the Water District from amounts in the Water District Remainder Account and the Water Facilities Account of the Improvement Fund for the Developer's actual costs incurred in connection with the processing of such payment requests, including the inspection of the Water District Facilities and such amounts shall be included in the acquisition price paid by the Water District.

7. In connection with the Water District's approval of a payment request, the Water District and the Developer shall authorize the Community Facilities District to disburse the acquisition price with respect to the approved Water District Facilities pursuant to a disbursement request, which shall be substantially in the form of Attachment E-2 hereto. The sole source of funds for payment of the acquisition price or funding with respect to the approved Water District Facilities shall be amounts in the Water District Remainder Account and the Water Facilities Account of the Improvement Fund. Within ten (10) days of the Water District's receipt of a signed disbursement request, the Authority shall authorize payment of the disbursement request by the trustee or fiscal agent for the Bonds. Neither the Water District nor the Community Facilities District shall be responsible for payments of any portion of the acquisition price that is not or cannot be funded with amounts in the Water District Remainder Account and the Water Facilities Account of the Improvement Fund.

Part B

With respect to the Water District Facilities to be constructed by the Developer and acquired by the Water District with amounts in the Water District Remainder Account and the Water Facilities Account of the Improvement Fund:

1. Bids shall be solicited from at least three (3) qualified contractors, provided at least three (3) qualified contractors are reasonably available. The Developer may also directly solicit bids.
2. The bidding response time shall be not less than ten (10) working days.
3. An authorized representative of the Water District shall be provided a copy of the tabulation of bid results.
4. Contractor(s) for the construction of the Water District Facilities shall be awarded to the qualified contractor(s) submitting the lowest responsible bid(s), as determined by the Developer.
5. The contractor to whom a contract is awarded shall be required to pay not less than the prevailing rates of wages pursuant to Labor Code Sections 1770, 1773 and 1773.1. A current copy of applicable wage rates shall be on file in the Office of the Water District Engineer, as required by Labor Code Section 1773.2.

Part C

The eligible costs for the Water District Facilities constructed by the Developer shall include the following actual costs ("Actual Costs"):

1. Costs for the construction of the Water District Facilities.
2. Costs of surveying, special studies, environmental evaluations, public agency permits, inspection fees and approvals attributable to the Water District Facilities.
3. Allocated grading costs based upon the square footage of grading area for the Water

District Facilities and the grading of slope areas relating to the Water District Facilities as a percentage of the total graded area under the applicable grading contract.

4. Professional costs and fees associated with design, engineering, accounting, inspection, construction staking, materials testing, legal and accounting and other similar services.
 5. Costs of acquiring from unrelated third parties any real property or interest therein required for the Water District Facilities, including, without limitation, temporary construction easements, haul road and maintenance easements, and professional and escrow fees.
 6. Costs of payment, performance and maintenance bonds and insurance costs.
 7. Construction and project management and supervision not to exceed 10% of the costs of construction of the related Water District Facilities.
-

Attachment E-1

Form of Payment Request

The undersigned hereby requests payment from the Water District Remainder Account or the Water Facilities Account of the Improvement Fund, established by Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “Authority”) with respect to its Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “CFD”), an amount equal to \$ _____ for the following Water District Facilities (as defined in the Joint Community Facilities Agreement by and among the Rainbow Municipal Water District (“Water District”), the Authority and Neighborhoods Verdeaux at The Havens, LLC (the “Developer”), dated ____, 2026 (the “Agreement”)):

<u>Water District Facility</u>	<u>Amount</u>	<u>Source of Funds</u>

In connection with this Payment Request, the undersigned hereby represents and warrants to the Water District as follows:

1. He(she) is a duly authorized officer of the undersigned, qualified to execute this Payment Request for payment on behalf of the undersigned and is knowledgeable as to the matters set forth herein.
2. All costs of the listed Water District Facilities for which payment is requested hereby are those Actual Costs (as defined in the Agreement) and have not been inflated in any respect. The Actual Costs for which payment is requested have not been the subject of any prior disbursement request submitted to the CFD.
3. Supporting documentation (such as third party invoices, lien releases and cancelled checks or other evidence of payment) is attached with respect to each cost for which payment is requested.
4. The Water District Facilities were constructed in accordance with the requirements of the Agreement.
5. The undersigned is in compliance with the terms and provisions of the Agreement and no portion of the amount being requested to be paid was previously paid.
6. The acquisition price for the Water District Facilities (a detailed calculation of which is shown in Attachment A hereto) has been calculated in conformance with the terms of the Agreement.
7. Please authorize payment of the acquisition price by the CFD to the following entity(ies), if other than the undersigned, in the amounts or percentages indicated:

(Insert names of payees and amounts or percentages]

I declare under penalty of perjury that the above representations and warranties are true and connect.

[INSERT DEVELOPER SIGNATURE PAGE]

Attachment E-2

Disbursement Request Form

Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “CFD”) is hereby requested to pay from the account specified below to [_____ (“Developer”)] [other parties set forth in the attachment payment request], as payee, the sum set forth below (the “Requested Amount”):

<u>Water District Facility</u>	<u>Amount</u>	<u>Source of Funds</u>

The undersigned certifies that the Requested Amount has been expended or encumbered for capital costs related to the construction and/or acquisition of the listed Water District Facilities.

The Requested Amount is due and payable and has not formed the basis of prior request or payment.

The Requested Amount is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement by and among the Rainbow Municipal Water District (“Water District”), the Authority and Neighborhoods Verdeaux at The Havens, LLC (the “Developer”), dated ____, 2026 (the “Agreement”).

Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
General Manager

EXHIBIT F TO THE JOINT COMMUNITY FACILITIES AGREEMENT

**PRO FORMA OF PROJECTED BOND AMOUNTS,
SPECIAL TAX PROJECTIONS, SCHOOL FACILITIES, COUNTY FACILITIES AND
WATER DISTRICT FACILITIES**

EXHIBIT G TO THE JOINT COMMUNITY FACILITIES AGREEMENT
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
IMPROVEMENT AREA NO. 1

ATTACHMENT 7

COUNTY JCFA

ATTACHMENT 8
SCHOOL DISTRICT JCFA

JOINT COMMUNITY FACILITIES AGREEMENT

among

**THE BONSALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING AUTHORITY,**

BONSALL UNIFIED SCHOOL DISTRICT

and

NEIGHBORHOODS VERDEAUX AT THE HAVENS, LLC

This Joint Community Facilities Agreement (this “Agreement”), dated as of _____, 2026, among the Bonsall Unified School District (the “School District”), the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “Authority”) and Neighborhoods Verdeaux at The Havens, LLC (the “Developer”) is made under the authority of California Government Code Section 53316.2. The Authority, the School District and the Developer are collectively referred to herein as the “Parties” and individually as a “Party”.

WHEREAS, the Rainbow Municipal Water District (the “Water District”) and the School District established the Authority under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Joint Powers Law”) and a Joint Exercise of Powers Agreement, dated _____, for the purpose of creating a public agency that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended (the “Mello-Roos Act”) to finance certain real property and improvements to be owned by the School District, the Water District and the County of San Diego (the “County”) related to a 104-unit residential development project (the “Project”) to be developed by the Developer with boundaries substantially as described in Exhibit C attached hereto; and

WHEREAS, the Developer has submitted to the Authority a petition (including consent and waiver) requesting that the Authority institute proceedings for formation of (i) a community facilities district to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Public Financing Authority (the “Community Facilities District”), (ii) an initial improvement area to be known as “Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority” (“Improvement Area No. 1”) and (iii) a future annexation area for the CFD (the “Future Annexation Area”); and

WHEREAS, the petition further requests that the Board provide in the proceedings for the possibility of additional improvement areas (each, a “Future Improvement Area”; each of Improvement Area No. 1 and a Future Improvement Area is referred to herein as an “Improvement Area”) to be established when parcels in the Future Annexation Area annex to the CFD; and

WHEREAS, such petition has been received and filed with the Secretary to the Authority;
and

WHEREAS, it is proposed that the Authority conduct proceedings under the Mello-Roos Act to form the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area and to issue debt to finance certain public facilities (such facilities hereinafter called the “Facilities”) either directly or by financing the payment of mitigation payments required of the Developer within the proposed Community Facilities District (referred to herein as “Fees”) and certain Facilities to be owned and operated by other local agencies that enter into a joint community facilities agreement with the Authority (the “Other Local Agencies”); and

WHEREAS, the Board of Trustees of the School District, the Board of Directors of the Authority and the Developer have, prior to the execution of this Agreement, duly considered the contents of this Agreement, and each has determined, by resolution, that the execution of this Agreement would be beneficial; and

WHEREAS, the School District and the Authority wish to cooperate in accomplishing the financing of the School District's Facilities to be authorized by the Community Facilities District;
and

WHEREAS, the Parties wish to provide that each of the School District and the Other Local Agencies shall be solely and separately responsible for all other aspects of planning, acquiring, constructing, reconstructing, rehabilitating, furnishing, equipping, and owning its own Facilities.

NOW, THEREFORE, the Parties agree as follows:

Section 1. This Agreement is determined to be beneficial to residents of the School District and in the best interests of the Authority and the future residents of the area within the Community Facilities District.

Section 2. The above recitals are agreed to by the Parties.

Section 3. Pursuant to the Mello-Roos Act and this Agreement, the Authority may conduct proceedings under the Mello-Roos Act to form the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area for the Project. The proceedings shall authorize the financing of any or all of the Facilities or Fees set forth on Exhibit A, attached hereto. The Facilities to be owned by the School District are referred to as the “School District Facilities.” The Fees paid or to be paid to the School District are referred to as the “School District Fees.”

All of the School District Facilities listed on Exhibit A, whether to be financed directly or through the School District Fees, are facilities that have an expected useful life of five years or longer and are facilities that the School District is authorized by law to construct, own or operate, or to which it may contribute revenue. As it relates to the School District Facilities and the School District Fees, Exhibit A may be modified from time to time by written agreement executed by authorized representatives of the Authority, the School District and the Developer.

The Developer and the School District are separately entering into a mitigation agreement

(“Mitigation Agreement”) relating to the School District Facilities and the School District Fees, and, in the event of any conflict between this Agreement and the Mitigation Agreement, the Mitigation Agreement shall govern, but only to the extent that it will not adversely affect the Authority, the Water District or the County. Capitalized terms used in this Agreement that are not defined in this Agreement shall have the meanings given to them in the Mitigation Agreement.

Each Improvement Area is, or will be, authorized to finance the School District Facilities and the School District Fees, and this Agreement applies equally to all Improvement Areas.

Section 4. For Fees paid or to be paid to an Other Local Agency, the Authority will obtain the written consent of that Other Local Agency before issuing bonds to fund such Fees, as required by the Mello-Roos Act. The Parties expect the Water District and the County to each be an Other Local Agency for this purpose. For the Facilities to be owned by an Other Local Agency, the Authority will separately identify them in its proceedings and will enter into a joint community facilities agreement with such Other Local Agency prior to issuing bonds to finance such Facilities, as required by the Mello-Roos Act. Each joint community facilities agreement with each Other Local Agency will contain a provision that the Other Local Agency will provide indemnification to the School District to the same extent that the School District provides indemnification to the Other Local Agency under the terms of this Agreement. The Facilities to be owned by the Water District are referred to in this Agreement as the “Water District Facilities.” The Facilities to be owned by the County are referred to in this Agreement as the “County Facilities.”

Section 5. All of the School District Facilities including the improvements to be constructed or acquired with the proceeds of School District Fees are necessary to meet increased demands placed upon the School District as a result of development occurring or expected to occur within the proposed Community Facilities District. Joint community facilities agreements with other local agencies will each contain a requirement that each Other Local Agency will make identical certification in connection with respect to the Facilities to be owned by, and Fees paid or to be paid to, such Other Local Agency equivalent to that made by the School District in this paragraph.

Section 6. The Authority will apply revenues from the special taxes levied in the Community Facilities District (“Special Taxes”) to pay for the costs of administering the Community Facilities District in accordance with the rate and method of apportionment of Special Taxes for Improvement Area No. 1 (“Improvement Area No. 1 Rate and Method”), the rate and method of apportionment of Special Taxes for each Future Improvement Area (each, a “Future Improvement Area Rate and Method”; together with the Improvement Area No. 1 Rate and Method, the “Rate and Methods”; each may be referred to herein as a “Rate and Method”) and the documents governing any bonds issued by the Community Facilities District. The Authority, the School District and the Developer agree that, subject to the discretion of the Authority and the local goals and policies adopted by the Authority under Section 53312.7 of the Mello-Roos Act (“Goals and Policies”), they intend for the Improvement Area No. 1 Rate and Method to be as set forth in Exhibit E to this Agreement, and that the Special Taxes and the related provisions of the Improvement Area No. 1 Rate and Method shall be applicable to the Project.

Revenues of the Special Taxes from the Community Facilities District (including Improvement Area No. 1 and any Future Improvement Area) that are not necessary to pay debt

service on bonds issued by the Community Facilities District, pay administrative expenses, or replenish a debt service reserve fund for bonds issued by the Community Facilities District (“Special Tax Remainder”) shall be allocated as follows: (i) 57% shall be allocated to the School District to pay for School District Facilities and (ii) 43% shall be allocated to the Water District to pay for Water District Facilities. The Special Tax Remainder shall be deposited by the Authority in an account for the benefit of the School District (“School District Remainder Account”) and an account for the benefit of the Water District (“Water District Remainder Account”), which may be established with the trustee or fiscal agent for any bonds issued by the Community Facilities District (hereinafter such Trustee or Fiscal Agent is referred to as the “Fiscal Agent”) or in such other account determined by the Authority. If, at any time, there is a balance in the School District Remainder Account and the School District informs the Authority in writing that it has no plan to expend such balance within the next 24 months, then the balance shall be transferred to the Water District Remainder Account. If, at any time, there is a balance in the Water District Remainder Account and the Water District informs the Authority in writing that it has no plan to expend such balance within the next 24 months, then the balance shall be transferred to the School District Remainder Account. The joint community facilities agreements with each Other Local Agency must require the Other Local Agency to apply the revenues from the Special Taxes they receive for their authorized Facilities and Fees under the Community Facilities District and for their own related administrative costs only as permitted by the Mello-Roos Act.

In order to generate the Special Tax Remainder, Special Taxes shall be levied (a) on parcels of Developed Property (as defined in the Improvement Area No. 1 Rate and Method) in Improvement Area No. 1 at one hundred percent (100%) of the Assigned Annual Special Tax rate each Fiscal Year (as those terms are defined in the Improvement Area No. 1 Rate and Method) and (b) on parcels of Developed Property (as defined in the Future Improvement Area Rate and Methods) in Future Improvement Areas at one hundred percent (100%) of the Assigned Annual Special Tax rate each Fiscal Year (as those terms are defined in the Future Improvement Area Rate and Methods).

Section 7. The Parties agree that, subject to the discretion of the Authority and the Goals and Policies, they intend for bonds of the Community Facilities District for Improvement Area No. 1 and each Future Improvement Area to be issued as set forth below.

(a) One Series of Bonds; Use of Proceeds. If the Community Facilities District issues one series of bonds for an Improvement Area, the proceeds shall be applied as follows :

i. First Priority: To pay for costs of issuing the bonds, including (i) reimbursing the Authority, School District, the Water District and the County for any formation expenditures not previously reimbursed, and (ii) reimbursing Developer for the deposits made by the Developer to pay for the costs of forming the Community Facilities District and issuing bonds of the Community Facilities District expended as authorized under the Mello-Roos Act, a separate Deposit and Reimbursement Agreement between the Authority and the Developer, and the Mitigation Agreement. Reimbursements to the Developer may be assigned if the Authority and the School District are provided documentation of the assignment.

ii. Second Priority: To fund a debt service reserve fund in an amount equal to

the least of (i) 10% of the initial principal amount of the bonds (ii) maximum annual debt service on such outstanding bonds, or (iii) 125% of the average annual debt service on the outstanding bonds.

iii. Third Priority: To fund capitalized interest for the period of time (i) requested by the Developer up to a maximum of 24 months or (ii) such lesser period if required to be considered sound under municipal finance practices as determined by the Authority in consultation with the Authority's municipal advisor, the Authority's underwriter and the Developer.

iv. Fourth Priority: To fund an amount for the costs of administering the Community Facilities District, the Improvement Area and any bonds issued by the Community Facilities District in the amount that cannot be funded from Special Taxes levied in the current Fiscal Year (the "Priority Administrative Expenses Amount") up to an amount of \$15,300 for the Authority's fiscal year 2026-27, which shall be increased by 2.00% annually.

v. Fifth Priority: To deposit into a school facilities account of the improvement fund for the bonds ("School District Facilities Account" and "Improvement Fund," respectively) an amount equal to the sum of the following (as those terms are defined in the Mitigation Agreement): (i) the Cash Payments made for each DU and for which a COC has been issued on the date of bond issuance plus (ii) the estimated Mitigation Payments for the projected aggregate Building Square Footage of remaining projected DUs within the Improvement Area and for which a COC has not been issued. Amounts described in this paragraph shall be applied in accordance with the Mitigation Agreement.

vi. Sixth Priority: To deposit into an account of the Improvement Fund to fund the Water District Facilities (the "Water District Facilities Account") as requested in writing by the Developer. The amounts deposited into the Water District Facilities Account shall not exceed an amount equal to the sum of the Water District Fees plus the cost of eligible Water District Facilities, if any, to the extent allowable pursuant to applicable law and the Joint Community Facilities Agreement related to the Project among the Authority, the Water District and the Developer.

vii. Seventh Priority: To deposit into an account of the Improvement Fund to fund the County Facilities (the "County Facilities Account") as requested in writing by the Developer. The amounts deposited into the County Facilities Account shall not exceed an amount equal to the sum of the County Fees, plus the cost of eligible County infrastructure, if any, to the extent allowable pursuant to applicable law and the Joint Community Facilities Agreement related to the Project among the Authority, the County and the Developer.

viii. Eighth Priority: All remaining bond proceeds, if any, shall be split equally and one-half of such amount shall be deposited into each of the School District Facilities Account and the Water District Facilities Account.

(b) Multiple Series of Bonds; Use of Proceeds. If the Authority and the Developer

decide to issue the bonds in more than one series for an Improvement Area, the application of bond proceeds set forth above shall be modified as agreed by the School District, the Water District, the Authority and the Developer to reflect the planned issuance of bonds in two or more series, without any amendment of this Agreement required. The School District and the Authority agree that they intend that in the event two series of bonds are issued, (i) 91% of the net proceeds of the first series shall fund the acquisition of Water District Facilities, (ii) the remaining 9% of the net proceeds of the first series shall be used for the purposes described as the Fifth Priority in Section 7(a), and (iii) the second series will finance the priorities listed in Section 7(a) in the order set forth in Section 7(a) and in amounts net of amounts funded from the first series of bonds.

(c) Bond Terms. The School District, the Authority and the Developer agree that, subject to the discretion of the Authority and the Authority's Goals and Policies, they intend for the amount of the bonds anticipated to be issued by the Community Facilities District for each Improvement Area to be based on the maximum amount which may be supported by the Special Taxes as provided for in the applicable Rate and Method within the limits imposed by the Goals and Policies and applicable law consistent with the following terms:

(i) The term of the bonds shall be not more than the lesser of (i) 31 years or (ii) the final year in which Special Taxes may be levied and not less than 30 years if the term of the Special Tax allows for such term.

(ii) Capitalized interest shall be funded for a period of time (A) requested by Developer up to a maximum of 24 months or (B) such lesser period if required to be considered sound under municipal finance practices as determined by the Authority in consultation with the Authority's municipal advisor, Authority's underwriter and the Developer.

(iii) Issuance costs shall be reasonable and in accordance with sound municipal financing practices and the Goals and Policies of the Authority.

(iv) The reserve fund for the bonds (the "Reserve Fund") shall be funded in an amount equal to the least of (i) 10% of the initial principal amount of the bonds (ii) maximum annual debt service on such outstanding bonds, or (iii) 125% of the average annual debt service on the outstanding bonds.

(v) Interest earnings on the Reserve Fund in excess of the Reserve Fund requirement shall be transferred to the debt service fund for the bonds (the "Debt Service Fund") to pay debt service on the bonds until all such bonds of the Community Facilities District for the Improvement Area have been paid.

(vi) Interest earnings on the funds in the respective accounts of the Improvement Fund shall be retained in the respective accounts of the Improvement Fund and expended for authorized purposes.

(vii) The Special Tax rates, together with overlapping general property taxes and assessments, are estimated to not exceed 2.00% of the base DU sales price as represented to the School District and the Water District by Developer at the time of formation of the

Improvement Area.

(viii) Administrative expenses, for purposes of determining the Special Tax revenue available for debt service when sizing and issuing the bonds, are specified as the Priority Administrative Expenses Amount. Notwithstanding the foregoing, the annual Special Tax levy may include an administrative expenses amount exceeding the Priority Administrative Expense Amount to the extent authorized pursuant to the applicable Rate and Method.

(ix) Gross annual Special Tax revenues each fiscal year shall be at least equal to the sum of (i) the Priority Administrative Expenses Amount plus (ii) 110% of debt service in the calendar year beginning in such fiscal year.

(d) Cooperation with Bonds. The Authority will administer the Community Facilities District, including employing and paying all consultants, annually levying the Special Taxes and all aspects of paying and administering the bonds, and complying with all State and Federal requirements appertaining to the proceedings, including the requirements of the United States Internal Revenue Code. The School District will cooperate fully with the Authority in respect of the requirements of the Internal Revenue Code and to the extent information is required of the School District to enable the Authority to perform its disclosure and continuing disclosure obligations with respect to the bonds, although the School District will not participate in nor be considered to be a participant in the proceedings respecting the Community Facilities District, Improvement Area No. 1, the Future Annexation Area or Future Improvement Areas (other than as a party to the agreement embodied by this Agreement) nor will the School District be or be considered to be an issuer of the bonds. The School District agrees in connection with any bond issuance funding School District Facilities (whether directly or through Schools District Fees) to execute and deliver a certificate substantially in the form attached hereto as Exhibit B. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency.

(d) Pro Forma; Limitation on Tax Rate. Exhibit D was prepared by Koppel & Gruber Public Finance, and it sets forth certain assumptions about the bonds to be issued by the Community Facilities District, the Special Tax Remainder, School District Facilities, Water District Facilities and County Facilities. The foregoing assumptions and calculations in Exhibit D are for illustration purposes and are not binding on the School District, the Water District, the Authority or the Community Facilities District. The Water District and the Authority understand and agree that bonds will be sold based on market conditions at the time of sale.

Except as to the Community Facilities District, the Developer agrees that it shall not initiate or affirmatively support any additional public debt (such as, but not limited to, assessment districts or community facilities districts) to be placed on the Property that will increase the total property tax rate, including the direct and overlapping debt, taxes and assessments estimated on Exhibit D, above 2.00% of the estimated base residential dwelling unit sales prices, unless required as part of the conditions of approval for the Project.

(f) Security for Payment of Special Taxes. This section applies separately for each Improvement Area. If bonds are issued prior to 60% of the DUs within the applicable Improvement

Area being owned by individual homeowners, then not less than five days prior to the agenda deadline for the adoption of the resolution of issuance for the bonds, Developer, as applicable or its successors or its permitted assigns under Section 18 hereof (“Permitted Assigns”), shall deliver to the Authority, the Community Facilities District, or the Fiscal Agent under the Indenture (as defined in the Rate and Method), one or more letters of credit (“LOC(s)”), issued by a bank with a minimum Moody’s or Standard and Poor’s long term rating of “A” and short term rating of “P-1,” or which is otherwise acceptable to the Authority (“LOC Bank”), a cash deposit, or other mutually acceptable security (collectively, “Security”), in an amount equal to one (1) year’s Assigned Special Tax (as defined in the applicable Rate and Method) on all taxable DUs and parcels in the Improvement Area for which the bonds are being sized and which are not owned by individual homeowners calculated as if such parcels are categorized as Developed Property based on expected Building Square Footage (whether or not any such DUs or parcels are subject to levy in that year due to capitalized interest) (“Security Amount”). Such Security shall secure the payment of the semi-annual installments of the Special Taxes for all DUs and parcels in the Improvement Area owned by Developer or its applicable successors or Permitted Assigns (other than individual homeowners), unless a substitute Security is posted by such successor or Permitted Assign.

The LOC shall name the Authority, the Community Facilities District, or Fiscal Agent, as the case may be, as the beneficiary who may draw on the LOC in an amount equal to any delinquent Special Taxes levied on DUs and parcels for which the LOC has been provided, which are owned by such Developer, or its successors or Permitted Assigns (other than individual homeowners). The LOC shall be for a term of not less than 12 months and shall be renewed annually by the issuing LOC Bank or a substitute bank acceptable to the Authority or the Community Facilities District until such time as the number of all the DUs owned by individual homeowners is equal to at least 60% of the number of all DUs in the Improvement Area for which the bonds are being sized or as otherwise agreed by the Parties. Prior to each renewal date, the Authority shall recalculate the Security Amount based on the then-current ownership of DUs within the Improvement Area. The amount of the LOC renewal shall be increased or reduced to the recalculated Security Amount. The foregoing reduction or release of the LOC shall also apply to cash deposits provided for Security. The LOC(s) shall provide that the failure of the LOC Bank to renew the LOC 15 days prior to its expiration for an additional one year will enable the Authority, the Community Facilities District, or Fiscal Agent to draw the full amount thereof. If the Authority, the Community Facilities District, or the Fiscal Agent draws any amount under an LOC, except upon the failure of the issuing bank to renew it, the Authority, the Community Facilities District, or the Fiscal Agent, as the case may be, shall reimburse the amount drawn to the LOC Bank (or its written designee) without interest, from the delinquent Special Tax installments as to the applicable DUs and parcels with respect to which any such amount is drawn when and if (i) such installments are paid or the proceeds of foreclosure of the applicable property as a result of such delinquency are received, and (ii) the amount of the LOC is reinstated to the amount prior to such draw, as such amount may be increased or adjusted downward based on a recalculation by the Authority of the Security Amount based on the then-current ownership of DUs and parcels within the Improvement Area. If the LOC is not reinstated to the proper amount, the amounts that would otherwise be reimbursed to the LOC Bank shall be held in the letter of credit account and be security for the bonds in the same manner as the LOC. If the Authority, the Community Facilities District, or the Fiscal Agent draws any amount under an LOC upon the failure of the issuing bank to renew it, the Authority, the Community Facilities District, or the

Fiscal Agent shall reimburse the amount drawn to the LOC Bank (or its written designee) without interest, upon receipt of a substitute LOC. The form of the LOC(s) shall, in all respects, be satisfactory to and approved as to form and all other aspects by the Authority.

The Authority shall make a good faith effort to give Developer, or its successors or Permitted Assigns that has provided an LOC or cash deposit at least 15 days prior notice before the Authority or the Community Facilities District draws upon, or instructs the Fiscal Agent to draw upon, the applicable Security due to the delinquency by Developer, or its successors or Permitted Assigns (other than individual homeowners), in the payment of Special Taxes. However, the failure by the Authority or the Community Facilities District to provide such notice shall not prevent draws upon such Security to the extent required by the documents providing for the issuance of the bonds.

(g) Disclosure of Special Taxes. Developer and its successors or Permitted Assigns, as applicable, shall comply with all applicable legal requirements for disclosure to individual homebuyers and other parties purchasing any applicable portion of the Property as to the Community Facilities District and the Special Taxes, including, but not limited to the provisions of Government Code Section 53341.5. The Government Code directs the disclosure be provided at first contract (as opposed to close of escrow).

(h) Disclosure Following Issuance of Bonds. This section applies separately for each Improvement Area. If Developer or its successors or Permitted Assigns owns Property in the Improvement Area that is responsible for more than 15% of the projected levy of Special Taxes at the time of issuance of the bonds, Developer agrees to enter into a continuing disclosure undertaking whereby the Developer will, until such obligation is terminated, provide semi-annual information to Electronic Municipal Market Access regarding the development and financing plans for the Property in the Improvement Area. Developer, the Authority and the School District further acknowledge and agree that Developer may enter into an assignment agreement with subsequent purchasers of all or a portion of the Property in the Improvement Area (other than individual homeowners) whereby such subsequent purchaser assumes the continuing disclosure obligations with respect to the property acquired or such subsequent purchaser may enter into a comparable continuing disclosure agreement in connection with the issuance of the bonds.

Section 8. The Authority shall consult with School District staff prior to the issuance of bonds and shall promptly inform School District staff of the amount of any bond proceeds in the School District Facilities Account of the Improvement Fund or available Special Taxes in the School District Remainder Account.

The Authority, the School District and the Developer agree that the Community Facilities District shall fund the School District Facilities Account as provided in Section 7 above. The amounts for School District Facilities shall be funded to School District from the School District Facilities Account upon the written request of the School District to the Authority in the form set forth in Exhibit F. The Authority, the School District and the Developer agree that neither the Authority nor the School District shall have any responsibility to fund the School District Facilities from any source other than the Special Tax Remainder and proceeds of the bonds which have been allocated to the School District Facilities Account as provided in this Agreement.

Funds, to the extent available from bond proceeds, for School District Facilities shall be held in the School District Facilities Account, which shall be established with the Fiscal Agent. Bond proceeds and the Special Tax Remainder will fund the qualifying School District Facilities, subject to the limitations set forth herein and applicable federal and state laws. All amounts, including interest thereon, deposited into the School District Facilities Account and except as disbursed as provided in the following sentence, shall remain in such School District Facilities Account until the earlier of (i) the date that Developer provides written notice to the Authority that all qualifying expenditures related to School District Facilities to be financed by bonds issued with respect to the Community Facilities District have been funded or reimbursed to Developer for qualifying expenditures, or (ii) the date that is two years and nine months from the date of the applicable sale of bonds unless Developer provides the Authority with evidence confirmed in writing either by the School District or otherwise confirmed by means acceptable to the Authority in its discretion showing that such funds are still needed to fund School District Facilities pursuant to this Agreement. Upon receipt by the Authority of written notice from the Developer that School District Facilities have been fully funded or upon the expiration of two years and nine months from the date of the applicable sale of bonds with respect to the Community Facilities District and Developer not providing the Authority with evidence confirmed in writing either by School District or otherwise confirmed by means acceptable to the Authority showing that such funds are still needed to fund School District Facilities pursuant to this Agreement, the then amount in the School District Facilities Account and any interest earnings on the School District Facilities Account shall be transferred to the Water District Facilities Account; provided that if the basis of such transfer is the expiration of two years and nine months from the date of the applicable sale of bonds, the Authority shall provide written notice to the Developer thirty days prior to such transfer to provide Developer sufficient time to provide written notice to the Authority that such funds are still needed for qualifying expenses. If the Developer provides Authority with evidence confirmed in writing either by School District or otherwise confirmed means acceptable to the Authority showing that such funds are still needed to fund School District Facilities pursuant to this Agreement, such funds may remain in the School District Facilities Account pending disbursement for qualifying expenditures related to School District Facilities to be financed by bonds issued with respect to the Community Facilities District or reimbursed to Developer for qualifying expenditures.

If, upon the expiration of two years and nine months from the date of the applicable sale of Community Facilities District bonds, neither the School District, the Developer, the Water District nor the County informs the Joint Powers Authority that the proceeds of Bonds in their respective account in the Improvement Fund are needed to pay for qualifying expenses, then the Authority shall, unless otherwise authorized by bond counsel to the Authority, cause such proceeds to be used to redeem bonds in accordance with the Indenture.

All Mitigation Payments paid or deposited as a Cash Payment for DUs in the Community Facilities District in accordance with the Mitigation Agreement shall be reimbursed to Owner (or Owner's assign(s) if the School District is provided documentation of the assignment in accordance with the Mitigation Agreement), provided, however, such reimbursement shall be limited to (i) the availability of sufficient Bond proceeds received by the School District equivalent to such amounts for reimbursement as provided in Section 7 hereof or (ii) Special Tax prepayments as provided in the Rate and Method and the Indenture.

Section 9. As respects the Authority and each Other Local Agency, the School District agrees to fully administer, and to take full governmental responsibility for, the construction or acquisition of the School District Facilities and for the administration and expenditure of the School District Fees including but not limited to environmental review, approval of plans and specifications, bid requirements, performance and payment bond requirements, insurance requirements, contract and construction administration, staking, inspection, acquisition of necessary property interests in real or personal property, the holding back and administration of retention payments, punch list administration, and the Authority and each Other Local Agency shall have no responsibility in that regard. The School District reserves the right, as respects the Developer, to require the Developer to contract with the School District to assume any portion or all of this responsibility. The Authority is required to obtain provisions equivalent to this paragraph in the joint community facilities agreement with each Other Local Agency.

If the Community Facilities District's bonds are issued on a tax-exempt basis, then the School District shall not use or permit the School District Facilities funded with the proceeds of the bonds to be used for any activity that would constitute a "Private Use" within the meaning of Section 141 of the Internal Revenue Code. The School District understands (a) that the term "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than governmental entities; (b) that the leasing of the School District Facilities or access by persons or entities other than a governmental unit to the School District Facilities on a basis other than as a member of the general public ("General Public Use") would constitute a Private Use; and (c) that the use of the School District Facilities in a trade or business would constitute a General Public Use only if the School District Facilities are intended to be available and are in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business.

If the Community Facilities District's bonds are issued on a tax-exempt basis, then the School District shall assist the Authority in complying with the arbitrage rebate requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations which relate thereto, by keeping accurate records of the investment earnings on any and all investments which the School District may make with amounts drawn on the School District Facilities Account and at the end of each fiscal year shall provide to Authority and its consultants such records and documents as they may reasonably request to enable them to determine the nature of any such investments and the interest earnings thereon for purposes of determining whether any portion thereof must be rebated to the United States of America as rebateable arbitrage earnings.

Section 10. The School District agrees to indemnify and to hold the Authority, its other members, and its other members' officers, agents and employees, and each Other Local Agency and their officers, agents and employees (collectively, the "School District Indemnified Parties") harmless from any and all claims, suits and damages (including costs and reasonable attorneys' fees) arising out of the design, engineering, construction and installation of the School District Facilities and the improvements to be financed or acquired with the School District Fees. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency naming the School District and its officers, agents and employees as School District Indemnified Parties with respect to each Other Local Agency's respective Facilities and the improvements to be constructed or acquired with each Other Local Agency's Fees.

The Authority agrees to indemnify and to hold the School District, its officers, agents and employees harmless from any and all claims, suits and damages arising out of the formation or administration of the Community Facilities District or the issuance of bonds therefor except to the extent such claims, suits and damages are caused by the negligence or willful misconduct of such indemnified parties

Section 11. As respects the Authority and each Other Local Agency, the School District agrees to construct the School District Facilities, to take maintenance responsibility for the School District Facilities, and to indemnify and hold harmless the School District Indemnified Parties to the extent provided in the preceding paragraph from any and all claims, etc., arising out of the use and maintenance of the School District Facilities. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with each Other Local Agency naming the School District and its officers, agents and employees as Indemnified Parties.

Section 12. The School District hereby consents to the formation of the Community Facilities District in accordance with this Agreement and consents to the assumption of jurisdiction by the Authority for the proceedings respecting the Community Facilities District with the understanding that the Authority will hereafter take each and every step required for or suitable for consummation of the proceedings, the levy, collection and enforcement of the Special Taxes, and the issuance, sale, delivery and administration of the bonds, all at no cost to the School District and without binding or obligating the School District's general fund or taxing authority. The School District shall be entitled to recover its reasonable costs from the proceeds of the issuance of bonds or Special Tax collections in the amount of \$ ____.

Section 13. Developer agrees to, in connection with the issuance of bonds by the Community Facilities District, certify as of the date on the preliminary official statement and the final official statement, respectively, that all of the information with respect to the Developer and its Relevant Entities (as defined below), regarding the proposed development of the Project, ownership of the Project, the Developer's development plan, the Developer's financing plan, the Developer's lenders (if any), and the Developer's contractual arrangements (excluding therefrom any information regarding the appraised valuation of the Project, statements pertaining to the appraisal, and information which is identified as having been provided by a source other than Developer or a Relevant Entity), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As used in this Agreement, the term "Relevant Entity" means, with respect to the Developer, any other Person (as defined below) (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information could be material to potential investors in their investment decisions regarding the bonds (including, without limitation, information relevant to the proposed development of the Project), or to the Developer's ability to pay the Special Taxes levied on its property in the Community Facilities District (to the extent the responsibility of the Developer as owner of such property). "Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term "control" (including the terms "controlling," "controlled by," or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the

management and policies of the Developer, whether through the ownership of voting securities, by contract, or otherwise.

In addition, solely as to the information indicated in the preceding paragraph concerning the Developer, its Relevant Entities and the development of the Project, and subject to the limitations and exclusions set forth in the preceding paragraph, the Developer agrees to indemnify and hold harmless, to the extent permitted by law, the Authority, the School District and the Community Facilities District, and their officials and employees, and each person, if any, who controls any of the forgoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities and Exchange Act of 1934, as amended (each a “Developer Indemnified Party” and, collectively, the “Developer Indemnified Parties”), against any and all losses, claims, damages, or liabilities, joint or several, to which such Developer Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Developer Indemnified Party for any actual reasonable legal or other expense reasonably incurred by it in connection with the investigation of any such claim against it and defending any such action, insofar as and solely to the extent any such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the above referenced information or the omission or alleged omission with respect to such information, (i) in the preliminary official statement as of its date or as of the date of the execution of the bond purchase agreement, (ii) in the final official statement as of its date or as of the date of issuance of the bonds, (iii) in any amendment or supplement to such preliminary official statement and/or final official statement which includes information provided and approved by Developer, and only with respect to such information as of the date of such amendment or supplement to a preliminary official statement or final official statement, or (iv) in any semi-annual report or other disclosure report provided by or on behalf of the Developer in connection with the bonds as of its date with respect to the Community Facilities District, necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnity provision shall not be construed as a limitation on any other liability which Developer may otherwise have to any Developer Indemnified Party, provided that in no event shall the Developer be obligated for double indemnification or for the negligence or willful misconduct of a Developer Indemnified Party.

Section 14. All notices or other communications that may be given under this Agreement shall be in writing and shall be served personally, or by certified or first class mail, postage prepaid, addressed as follows, or to such other address as either party may provide to the other party in writing:

SCHOOL DISTRICT: Bonsall Unified School District
 31505 Old River Road
 Bonsall, CA 92003
 Attn: Superintendent

AUTHORITY: Bonsall Unified School District-
 Rainbow Municipal Water District
 Joint Powers Financing Authority
 Attn. Executive Director
 c/o Superintendent

Bonsall Unified School District
31505 Old River Road
Bonsall, CA 92003

Developer: Neighborhoods Verdeaux at The Havens, LLC
32823 Temecula Pkwy
Temecula, CA 92592
Attention: Dan Leigh
Email: dleigh@Cormanleigh.com

Section 15. The terms of this Agreement may be amended by a writing duly authorized, executed and delivered by the Parties, except that no amendment may be made after the issuance of bonds by the Authority for the Community Facilities District that would be detrimental to the interests of the bondholders without complying with all of the bondholder consent provisions for the amendment of the bond resolutions, bond indentures or like instruments governing the issuance, delivery and administration of all outstanding bonds.

Section 16. Except to the extent of the indemnifications set forth herein, no person or entity shall be deemed to be a third-party beneficiary of this Agreement, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity other than the Parties (and their respective successors and assigns) any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 17. The School District shall be identified as a third-party beneficiary of all joint community facilities agreements between the Authority and each Other Local Agency to the extent of the indemnification provisions and the provisions whereby each Other Local Agency agrees to take responsibility for and ownership of their Facilities.

Section 18. Nothing in this Agreement shall in any way limit the right or ability of Developer individually to transfer, assign, encumber, or hypothecate the Agreement in any way without the consent of the School District, the Authority or the Community Facilities District, provided that: (i) the School District, the Authority and Community Facilities District are provided written notice of the transfer; and (ii) the transferee assumes all applicable obligations under this Agreement with respect to the portion of the Project within the Community Facilities District. Notwithstanding the foregoing, the Developer may separately transfer this Agreement separately as it relates to each Improvement Area. If these conditions are met, the School District, the Authority and the Community Facilities District agree to look solely to the transferee for performance of the assignor's obligations under this Agreement transferred.

If Developer assigns the right to receive reimbursement as described in this Agreement, the specific DUs or parcels within the Community Facilities District to which the reimbursement applies shall be specified in a written assignment together with the amount of such reimbursement so assigned. If these conditions are not satisfied, any assignment of the right to receive reimbursement may not be recognized by the School District or the Authority and additional actions may be required. Whenever this Agreement provides the Party with a right, that right may be exercised by an assignee of that right to the same extent that such Party could have exercised that right itself.

Solely for the purposes of this Agreement and except as provided in this Section 18, all obligations contained within this Agreement are agreed to be an interest in the Property and shall run with the land and bind assignees and successor owners, notwithstanding the provisions of Civil Code Section 1468. The School District and the Authority reserve the right to request that Developer or the transferee record any instrument of assignment, sale, or other transfer of interest as to the provisions of this Section of this Agreement and Developer agrees to do so upon such request.

Section 19. The appropriate officials and staff of the School District are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by bond counsel in connection with the participation of any districts, authorities or other third-party entities entitled to own Facilities and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the School District, as are reasonably required by the Authority to conduct proceedings to form the Community Facilities District and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the bonds.

Section 20. Should any term or provision of this Agreement be determined to be illegal or in conflict with any law of the State of California, the validity of the remaining portions or provisions shall not be affected thereby, and each term or provision of this Agreement shall be valid and be enforced as written to the full extent permitted by law.

Section 21. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement is agreed and entered into as of the date first written above.

BONSALL UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

**BONSALL UNIFIED SCHOOL DISTRICT-
RAINBOW MUNICIPAL WATER DISTRICT
JOINT POWERS FINANCING AUTHORITY**

By: _____
Executive Director

DEVELOPER:

NEIGHBORHOODS VERDEAUX AT THE
HAVENS, LLC,
a California limited liability company

By: Neighborhood 2 at The Havens, LLC
Its: Member

By: Tulloch Holdings, LLC
Its: Manager

By: _____

Name: Dan Leigh

Title: Manager

EXHIBIT A TO THE JOINT COMMUNITY FACILITIES AGREEMENT

DESCRIPTION OF FACILITIES AND OTHER COSTS

I Facilities.

The types of facilities (“Facilities”) proposed to be planned for, designed, acquired, constructed, leased, expanded, improved, rehabilitated and financed by proposed Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (“Community Facilities District”; as used in this Exhibit A, the term “Community Facilities District” includes each improvement area as originally designated and as designated in the future in connection with annexations of territory to Community Facilities District) established by the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (“Joint Powers Authority”) under the Mello Roos Community Facilities Act of 1982 (“Mello-Roos Act”) are as follows:

1. School facilities includes, but not by way of limitation, facilities of the Bonsall Unified School District (“School District”) consisting of the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, recreational facilities, administration and auxiliary space at school facilities, central support, and transportation facilities as reasonably determined from time to time by the School District to be necessary to accommodate the student population of the School District, including the property within the Community Facilities District, and all appurtenances and appurtenant work in connection with the foregoing, including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such school facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such school facilities, during the term of the special taxes as follows:
 - (A) School sites and facilities for all grade levels of education provided by the School District, including pre-school/early age, TK-12, and adult education, including lease rental payments therefore related to the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, as well as portable or relocatable buildings or interim additions to existing buildings at such school facilities.
 - (B) Modernization, rehabilitation, relocation and expansion of existing school facilities and related infrastructure.
 - (C) Central support, administrative facilities, special education facilities and transportation facilities, including, but not by way of limitation, buses and vehicles.
 - (D) Furniture, equipment, and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five years at such school facilities.

(E) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of school facilities (including, without limitation, construction management, inspection, materials testing, and construction staking); any “debt,” as defined in California Government Code Section 53317(d), the costs to issue and sell any such debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond trustee or fiscal agent, bond and official statement printing, and administrative expenses of the School District and/or the Community Facilities District), and all other incidental expenses.

The school facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and/or specifications approved by the School District. The school facilities described in this Exhibit are representative of the types of improvements to be funded or financed by the Community Facilities District. Addition, deletion, or modification of school facilities may be made consistent with the requirements of the School District, the Community Facilities District, and the Mello-Roos Act.

2. "County Facilities" include public facilities of the County of San Diego (“County”) and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such County Facilities and any other expenses incidental to the construction, acquisition, modification, expansion or rehabilitation of such County Facilities. The County Facilities listed herein are representative of the types of improvements authorized to be financed by the Community Facilities District. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of County. Addition, deletion or modification of descriptions of the County Facilities may be made consistent with the requirements of the County, the Community Facilities District, and the Mello-Roos Act.
3. “Water District Facilities” consist of water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of the Rainbow Municipal Water District (“Water District”), and all appurtenances and appurtenant work in connection with the foregoing, including but not limited to the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Water District Facilities and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Water District Facilities. The Water District Facilities listed herein are representative of the types of improvements authorized to be financed by the Community Facilities District. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of Water District. Addition, deletion or modification of descriptions of the Water District Facilities may be made consistent with the requirements of the Water District, the Community Facilities District, and the Mello-Roos Act.
4. Acquisition, improvement, rehabilitation, or maintenance of any real or other tangible property, whether privately or publicly owned, for flood and storm

protection services, including, but not limited to, storm drainage and treatment systems and sandstorm protection systems.

Any facility authorized to be financed by the Community Facilities District may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

II. Other Costs.

Incidental expenses to be incurred, as permitted under the provisions of the Mello-Roos Act including but not limited to:

1. The cost of engineering, planning, designing and rehabilitating the Facilities, legal services, materials testing, coordination, surveying, construction staking, construction inspection, environmental evaluations of Facilities, and any and all appurtenant facilities to the foregoing required to serve the Property.

2. All costs chargeable as administrative or incidental costs associated with the creation of the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area, the issuance of the bonds thereby in one or more series, and the determination of the amount of special taxes to be levied, collection of special taxes, payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District.

3. All other expenses incidental to the construction, acquisition, modification, maintenance, rehabilitation, completion, and inspection of the Facilities.

4. Reimbursement of costs related to the formation of the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area, advanced by the Joint Powers Authority, the Water District, the School District, the landowner(s) in the Community Facilities District, Improvement Area No. 1 or the Future Annexation Area, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the School District, the Water District, the landowner(s) in the Community Facilities District, Improvement Area No. 1 and the Future Annexation Area, or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the Community Facilities District.

EXHIBIT B TO THE JOINT COMMUNITY FACILITIES AGREEMENT

FORM OF BOND CLOSING CERTIFICATE

This Local Agency Closing Certificate is executed and delivered by the undersigned on behalf of the Bonsall Unified School District (the “Local Agency” or the “School District”) with respect to the financing of certain capital improvements required (the “Facilities”) and/or certain development impact fees levied by the Local Agency (the “Eligible Impact Fees”), as applicable, for certain development project(s) (the “Projects”) located on real property within the planning jurisdiction of the Local Agency (the “Assessed Parcels”), all as described in Schedule I.

The undersigned is an authorized representative of the Local Agency and is acting for and on behalf of the Local Agency in executing this Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the certifications and expectations as set forth herein, and said certifications and expectations are reasonable.

In connection with the issuance of the above referenced bonds (the “Bonds”), the Local Agency hereby represents, warrants and certifies as follows:

1. Attached hereto as Exhibit A is a full, true and correct copy of Resolution No. ____ (the “School District Resolution”) duly adopted by the governing board of the School District at a meeting thereof duly and regularly held on _____, 2026, of which meeting all of the members of the governing board had due notice and at which a majority of the members thereof were present, and the School District Resolution has not been amended, modified or superseded in any manner since the date of its adoption, and the same is now in full force and effect. The School District approved the Joint Community Facilities Agreement (as defined in the following paragraph).

2. The School District has duly executed and delivered the Joint Community Facilities Agreement, dated as of _____, 2026 (the “Joint Community Facilities Agreement”) between the School District and the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “Authority”).

3. To the best knowledge of the undersigned, the adoption of the School District Resolution and the execution of the Joint Community Facilities Agreement, and compliance with the provisions thereof by the School District do not violate, in any material way, any applicable law, regulation or judgment, order or decree of any court or any public or governmental agency or authority of the State of California or the federal government of the United States of America and do not in any material way conflict with, or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the School District is a party or by which it or its properties is or may be bound.

4. To the best knowledge of the undersigned, no order, consent, permission, approval, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the School District Resolution or the Joint Community Facilities Agreement, or the consummation of any transaction therein contemplated, except as have been obtained or made and as are in full force and effect.

5. To the best knowledge of the undersigned, the School District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the School District is a party or is otherwise subject, which breach or default would materially adversely affect the transactions contemplated by the School District Resolution and the Joint Community Facilities Agreement, and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the School District is a party or is otherwise subject.

6. To the best knowledge of the undersigned, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before or by any court, governmental agency, public board or body which are pending, notice of which has been properly served on the School District, or threatened against the School District, or against the titles of its officers to their respective offices, or seeking to restrain or to enjoin the application of the proceeds of the [name of bonds] (the "Bonds") in accordance with the Joint Community Facilities Agreement, or in any way contesting or affecting the powers of the School District or its authority with respect to the Joint Community Facilities Agreement, or any action on the part of the School District contemplated by any of said documents.

7. All applicable policies of the School District pertaining to the formation of the Community Facilities District and the issuance of bonds therefor have been satisfied or waived.

8. The Tax Certifications attached hereto as Exhibit B are true and correct.

IN WITNESS WHEREOF, the undersigned has executed this CLOSING CERTIFICATE OF THE BONSALL UNIFIED SCHOOL DISTRICT as of the date first above written.

BONSALL UNIFIED SCHOOL DISTRICT

By: _____

Name:

Title:

Exhibit A to Form of Closing Certificate

Resolution No. _____

[Attach Resolution]

Exhibit B to Form of Closing Certificate

Tax Certifications of District

The School District hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the \$[PAR] Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the "Authority") [name of bonds] (the "Bonds"). The representations and covenants contained in this Tax Certification are designed to support the conclusion that the interest paid on the Bonds issued to fund the School District's improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

1.1 Use of Facilities. The proceeds of the Bonds in the amount of \$[_____] (the "Proceeds") will be used to finance the construction or acquisition of certain public capital improvements (collectively, the "Facilities"). The School District or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the School District agrees to promptly notify the Authority and provide such additional information to the Authority as shall be necessary in connection with such transfer. The School District will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the School District or another state or local government agency.

The average expected useful life of the Facilities is at least 20 years.

1.2 Timing of Expenditures. The School District reasonably expects that all of the Proceeds will be spent for the governmental purpose of the Bonds within three years. In addition, the School District reasonably expects that at least 5% of the Proceeds will be spent, or that the School District will incur a binding obligation to a third party involving an expenditure of such amount, within six months. The School District reasonably expects that construction or acquisition of the Facilities will proceed with due diligence to completion and that the allocation of proceeds to expenditures for the Facilities will proceed with due diligence. None of the Proceeds will be used to pay principal of or interest on any debt obligations.

1.3 Expenditure of Proceeds. Proceeds and other deposits of the Bonds are not treated as spent on the Facilities until the School District makes a transfer to a person unrelated to the School District and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits of the Bonds are transferred from the School District Facilities Account of the Improvement Fund either (a) to the School District and actually used to make a payment to a person unrelated to the School District no later than three days after the transfer, (b) directly to a third party at the direction of the School District to pay the cost of the Facilities, or (c) to the School District to reimburse the School District for costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits relating to the Bonds are transferred

to the School District to reimburse the School District for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before _____, 2026, the date on which the Authority declared its intention to reimburse such costs, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service, but in no case more than 3 years after the date the costs were paid by the School District.

EXHIBIT C TO THE JOINT COMMUNITY FACILITIES AGREEMENT

**PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT,
IMPROVEMENT AREA NO. 1 AND THE FUTURE ANNEXATION AREA**

EXHIBIT D TO THE JOINT COMMUNITY FACILITIES AGREEMENT

**PRO FORMA OF PROJECTED BOND AMOUNTS,
SPECIAL TAX PROJECTIONS, SCHOOL FACILITIES, COUNTY FACILITIES AND
WATER DISTRICT FACILITIES**

EXHIBIT E TO THE JOINT COMMUNITY FACILITIES AGREEMENT

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
IMPROVEMENT AREA NO. 1**

EXHIBIT F TO THE JOINT COMMUNITY FACILITIES AGREEMENT

DISBURSEMENT REQUEST FORM

Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (the “CFD”) is hereby requested to pay from the account specified below to [the Bonsall Unified School District] [other parties set forth in the attachment payment request], as payee, the sum set forth below (the “Requested Amount”):

<u>School District Facility</u>	<u>Amount</u>	<u>Account</u>

The undersigned certifies that the Requested Amount has been expended or encumbered for capital costs related to the construction and/or acquisition of the listed School District Facilities.

The Requested Amount is due and payable and has not formed the basis of prior request or payment.

The Requested Amount is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement by and among the Bonsall Unified School District (“School District”), the Authority and Neighborhoods Verdeaux at The Havens, LLC (the “Developer”), dated ____, 2026 (the “Agreement”).

Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

BONSALL UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

ATTACHMENT 9
MITIGATION AGREEMENT

Recording Requested by)
and when recorded mail to:)
)
Bonsall Unified School District)
31505 Old River Road)
Bonsall, CA 92003)
Attn: Superintendent)
)

Space above this line for Recorders use only.
Exempt from recording fee pursuant to Gov't. Code Section 6103.

**SCHOOL FACILITIES FUNDING AND MITIGATION AGREEMENT
BETWEEN BONSALL UNIFIED SCHOOL DISTRICT AND
NEIGHBORHOODS VERDEAUX AT THE HAVENS, LLC**

**Relating to
Proposed Community Facilities District No. 20__-1
of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers
Financing Authority**

THIS SCHOOL FACILITIES FUNDING AND MITIGATION AGREEMENT (“**Mitigation Agreement**”) is made and entered into as of this ___ day of ____, 20__, by and between BONSALL UNIFIED SCHOOL DISTRICT (“**School District**”), a public school district organized and existing under the laws of the State of California (“**State**”), and NEIGHBORHOODS VERDEAUX AT THE HAVENS, LLC, a California limited liability company (“**Owner**”). School District and Owner may hereinafter be referred to individually as “**Party**” and collectively as “**Parties**.”

RECITALS

A. Owner is the owner of the privately owned land described in Exhibit “A” and depicted on Exhibit “B” (the “**Property**”), which consists of approximately _____ acres of property located in Bonsall, California, a census-designated place in the unincorporated territory of San Diego County (the “**County**”). Owner anticipates development of the Property with 104 residential dwelling units (“**DU**”) and the “**Project**,” respectively).

B. The School District and the Rainbow Municipal Water District (“**Water District**”) established the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority (“**Authority**”) under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (“**Joint Powers Law**”) and a Joint Exercise of Powers Agreement, dated _____, for the purpose of creating a public agency that can, among other things, establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, as amended (“**Mello-Roos Act**”) to

finance certain real property and improvements to be owned by the School District, the Water District and the County related to the Project.

C. The Owner has asked the Authority to establish (i) a community facilities district to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**CFD No. 20__-1**"), (ii) an improvement area to be known as Improvement Area No. 1 of Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority ("**Improvement Area No. 1**"), and (iii) a future annexation area for CFD No. 20__-1 to be known as Community Facilities District No. 20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority Future Annexation Area ("**Future Annexation Area**"). The Owner has further asked the Authority to provide in the proceedings for the possibility of additional improvement areas (each, a "**Future Improvement Area**"; each of Improvement Area No. 1 and a Future Improvement Area is referred to herein as an "**Improvement Area**") to be established when parcels in the Future Annexation Area annex to the CFD.

D. School District and Owner agree that the Project will generate additional TK-12 students ("**Project Students**"). Owner and School District have agreed upon terms as to acceptable mitigation by Owner of the impact of the Project on School District Facilities (defined below). These amounts to be provided herein and other funding assumed to be received in the future other than from Owner, such as from "State Funding" and/or other sources of funding available to School District that may require voter approval of such funding, are believed by the School District to be adequate to fund school facilities of School District, including central administration, support facilities, furniture, equipment, and special education facilities of the School District ("**School District Facilities**") needed due to the additional Project Students. Owner has requested formation of CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area and Future Improvement Areas for the purpose of financing such School District Facilities, to the extent herein provided, as well as public improvement facilities to be owned and operated by Rainbow Municipal Water District ("**Water District Facilities**" and "**Water District**," respectively) and the County ("**County Facilities**" and "**County**," respectively). To the extent described in this Agreement, the School District Facilities, the County Facilities and the Water District Facilities are proposed to be funded through the levy of special taxes within CFD No. 20__-1 ("**Special Taxes**") and the issuance of one or more series of bonds secured by the levy of such Special Taxes ("**Bonds**"). The Special Taxes and proceeds of the Bonds are as estimated on Exhibit "C."

E. It is presently anticipated that CFD No. 20__-1 will be authorized pursuant to a resolution to be considered by the Board of Directors of the Joint Powers Authority to issue Bonds in an amount not to exceed \$100,000,000, of which \$30,000,000 may be issued with respect to Improvement Area No. 1 and \$70,000,000 may be issued with respect to Future Improvement Areas. The Bonds will be secured only by the Special Taxes and property within the applicable Improvement Area.

F. The mitigation payments for each DU to be received by the School District with respect to the Property shall be determined (i) at the time of the issuance of each certificate of compliance ("**COC**") for such DU (if not previously determined as set forth in the following clause (ii) or clause

(iii), (ii) at the time of issuance of Bonds which provide Bond proceeds to pay mitigation payments with respect to parcels identified at the time of issuance of Bonds and covered by the Bulk Certificate (as defined herein), and (iii) at such time as the Owner or its successors or its permitted assigns under Section 16 hereof (“**Permitted Assigns**”) requests a COC for DUs that are not covered by the Bulk Certificate. The mitigation payment shall be an amount equal to the greater of (a) 110% of the School District’s applicable Level I Fees or Level II Fees then in effect (or comparable provisions of Statutory Fees, if Level I Fees or Level II Fees are no longer in effect due to a change in State law) or (b) 100% of the School District’s Level III Fees then in effect if the School District is authorized to charge Level III Fees (or comparable provisions of Statutory Fees, if Level III Fees are no longer in effect due to a change in State law), in each case based on the Building Square Footage (as defined in the Rate and Method of Apportionment of Special Taxes (“**RMA**”) for the applicable Improvement Area) as determined on the building permit for such DU (“**Mitigation Payment**” or “**Mitigation Payments,**” as applicable). Once the Mitigation Payment as to the Building Square Footage of a DU is paid or deposited by Owner or a residential merchant builder (“**Builder**”) (pursuant to Section 5 or Section 11), the Mitigation Payment for such Building Square Footage of such DU shall no longer be subject to any increases, however, should the Building Square Footage of such DU increase prior to initial close of escrow, a Mitigation Payment for the increased Building Square Footage shall be due at the time of issuance of the COC reflecting such increased Building Square Footage.

G. Prior to sale of the Bonds (“**Sale of Bonds**”) of proposed CFD No. 20__-1, it has been contemplated by the Parties that (i) the Joint Powers Authority, on behalf of itself and CFD No. 20__-, School District and Owner shall approve and execute a Joint Community Facilities Agreement (“**School District JCFA**”), authorizing the financing of the School District Facilities as described in the resolution forming CFD No. 20__-1, this Mitigation Agreement and the School District JCFA, (ii) the Joint Powers Authority, on behalf of itself and CFD No. 20__-1, Water District and Owner shall approve and execute a Joint Community Facilities Agreement (“**Water District JCFA**”), authorizing the financing of the Water District Facilities as described in the resolution forming CFD No. 20__-1, this Mitigation Agreement and the Water District JCFA, and (iii) the Joint Powers Authority, on behalf of itself and CFD No. 20__-1, the County and Owner shall approve and execute a Joint Community Facilities Agreement (“**County JCFA**”), authorizing the financing of the County Facilities as described in the resolution forming CFD No. 20__-1, this Mitigation Agreement and the County JCFA.

H. In consideration of the execution and performance of this Mitigation Agreement by Owner, formation of the Joint Powers Authority, formation of CFD No. 20__-1, Improvement Area No. 1, the Future Annexation Area and Future Improvement Area, the authorization of the Special Taxes, the authorization and issuance of the Bonds in accordance with this Mitigation Agreement, and the School District’s receipt of the Mitigation Payments and the portion of the Special Tax Remainder as described above, the mitigation of the impact of the Project on the School District Facilities of School District shall be deemed fully satisfied.

AGREEMENT

1. **Incorporation of Recitals.** All of the foregoing Recitals are correct and are

incorporated in this Mitigation Agreement by reference.

2. Purpose of Mitigation Agreement. The purposes of this Mitigation Agreement are to provide for a means for funding the Mitigation Payments for the Project, subject to formation of CFD 20__-1, Improvement Area No. 1 and the Future Annexation Area by the Joint Powers Authority and approval and execution of the School District JCFA. Owner acknowledges that the Project will contribute to the need for additional School District Facilities and that, in the absence of this Mitigation Agreement, the Project would be subject to the imposition of statutory school fees pursuant to Education Code Section 17620 and Government Code Sections 65995 *et seq.*, as applicable.

Because the School District and the Owner have provided for formation of the Joint Powers Authority to establish CFD 20__-1, Improvement Area No. 1, the Future Annexation Area and Future Improvement Areas, the School District and the Owner agree that they will use good faith efforts to ensure that the School District JCFA, the County JCFA, the Water District JCFA and the formation proceedings of CFD 20__-1, Improvement Area No. 1 and the Future Annexation Area include provisions consistent with this Mitigation Agreement.

3. Formation of CFD No. 20__-1; Special Tax Remainder.

(a) Owner has stated to the School District its preference that the Mitigation Payments determined pursuant to this Mitigation Agreement be satisfied by the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area pursuant to the Mello-Roos Act, and the subsequent authorization and required payment of the Special Taxes and issuance of the Bonds, subject to the provisions of this Mitigation Agreement and the School District JCFA. Owner will cooperate with the Joint Powers Authority and the School District in accomplishing the execution of the School District JCFA, formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area authorizing the herein described Special Taxes and Bonds, and the Sale of Bonds. Subject to Owner reasonably cooperating and completing requested actions, should the Joint Powers Authority not approve the formation of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, this Mitigation Agreement shall terminate. Prior to issuance of Bonds, the Owner may elect to have CFD No. 20__-1 canceled, but the obligation of the Owner to pay Mitigation Payments to the School District shall remain in effect.

(b) Special Taxes from each Improvement Area that are not necessary for debt service, administrative expenses, or replenishment of a debt service reserve fund for any Bonds ("**Special Tax Remainder**") shall be allocated to the School District and the Water District as set forth in the School District JCFA.

(c) In order to generate the Special Tax Remainder, (i) Special Taxes are expected to be levied on parcels of Developed Property (as defined in the RMA for Improvement Area No. 1) at one hundred percent (100%) of the assigned annual special tax rate each Fiscal Year and (ii) Special Taxes are expected to be levied on parcels of Developed Property (as defined in the RMA for Future Improvement Areas) in Future Improvement Areas at one hundred percent (100%) of the assigned annual special tax rate each Fiscal Year.

(d) Each Improvement Area is, or will be, authorized to finance the School District Facilities and the Mitigation Payments, and this Agreement applies equally to all Improvement Areas.

4. Owner's Deposit for CFD No. 20__-1. Owner has provided to the Joint Powers Authority a deposit of \$50,000 ("**Initial Deposit**") for the costs of forming the Joint Powers Authority, preparing the RMA for proposed Improvement Area No. 1 and the required "**CFD Map**," publication of notices, development of formation documents of CFD No. 20__-1, Improvement Area No. 1 and the Future Annexation Area, and the execution and delivery of the Mitigation Agreement, the School District JCFA, the County JCFA and the Water District JCFA. The Joint Powers Authority and the Owner have entered into a Deposit and Reimbursement Agreement ("**Deposit Agreement**"), dated as of _____ 1, _____, regarding the Initial Deposit and possible subsequent deposits and the terms of reimbursement of the Owner for such deposits.

5. Certificates of Compliance Prior to Issuance of Bonds. Subsequent to the effective date of this Mitigation Agreement and prior to the issuance of Bonds, School District shall issue a COC for a DU provided the Owner or a Builder has made a cash deposit, refundable only as provided for herein, to School District equal to the Mitigation Payment for such DU ("**Cash Payment**"). As of the date of this Mitigation Agreement, the Cash Payments received by the School District with respect to a COC for a DU within CFD No. 20__-1, if any, are set forth on Exhibit "D." In the event the Owner or a Builder shall have made a payment for a COC for a DU within CFD No. 20__-1 prior to the date of this Mitigation Agreement, within 14 calendar days of the date of this Mitigation Agreement, the Owner or a Builder, as applicable, shall make a payment to the School District in an amount equal to the difference between the payment made for such COC for a DU prior to the date of this Mitigation Agreement and the amount of the Mitigation Payment that would have been paid for such COC for a DU had such payment been made subsequent to the effective date of this Mitigation Agreement. All such payments and additional payments shall be considered Cash Payments reimbursable pursuant to this Mitigation Agreement.

6. Certificates of Compliance After Issuance of Bonds. Upon availability or receipt of the Bond proceeds for CFD No. 20__-1, School District shall issue to Owner a bulk COC ("**Bulk Certificate**") for CFD No. 20__-1 in the form set forth on Exhibit "E" as to an aggregate amount which may be applied to DUs to be constructed in CFD No. 20__-1. If the Bond proceeds were sufficient to pay the Mitigation Payment for all of the DUs, as set forth in a Bulk Certificate, then the Owner or a Builder shall not be obligated to make any further payments in order to receive a COC for a DU. If, after the Bonds are issued, Owner or a Builder requests a COC for a DU that is not covered by the Bulk Certificate, Owner or such Builder, as applicable, may (a) instruct the School District to apply to the Mitigation Payment then due for such DU any Cash Payment then held by the School District that has not been allocated to a COC that has been issued by the School District, or (b) pay the Mitigation Payment then due for such DU.

7. No Further Exactions. Pursuant to the foregoing, but subject to satisfaction of all provisions of this Mitigation Agreement, School District shall not under any circumstances:

(a) Exercise any power or authority under current or future law to levy or impose by school fee, condition, exaction or other requirement (other than Special Taxes or Mitigation

Payments authorized pursuant to this Mitigation Agreement or *ad valorem* real property taxes for payment of School District general obligation bonds) in any way relating to the use, occupancy or residential development of the Property, exclusive of parcel taxes, special taxes, or assessments established on a School District-wide basis that relate to operating, maintaining, or modernizing School District Facilities, or providing educational programs as opposed to funding, acquisition, or construction of additional new School District Facilities; this prohibition shall expire on the earlier of (i) the date by which COCs for all of the DUs in the Project have been issued, (ii) three years after the date of issuance of the first series of Bonds, or (iii) January 1, 2036. Any such requirements or exactions shall not be applicable to the Owner or a Builder;

(b) Require, request, or cooperate with the Water District, County, or any other governmental entity to exercise any power or authority as to CFD No. 20__-1 to levy or impose an exaction of land, goods, money, or services, whether denominated a fee, charge, dedication, or tax for School District's benefit;

(c) Oppose the development of the Project or any governmental approval, whether legislative or administrative, or change in any governmental approval on any basis whatsoever; or

(d) Sponsor or require the formation of a community facilities district (other than CFD No. 20__-1), assessment district or similar district including the Property, without the written consent of Owner which consent may be given or withheld in Owner's sole discretion, except as provided in the parenthetical in subparagraph (a) of this Section 7 with respect to Special Taxes or Mitigation Payments authorized pursuant to this Mitigation Agreement or *ad valorem* real property taxes in payment of School District general obligation bonds.

The foregoing notwithstanding, (i) other than with respect to the Owner or a Builder, the provisions of this Section 7 shall terminate upon the earlier of (a) the date all of the DUs in the Project have COCs or (b) January 1, 2036; and (ii) at any time prior to termination as provided in the preceding clause (i), School District may approve and sell School District-wide general obligation bonds for school construction purposes and may levy an *ad valorem* tax (for debt service on such bonds) on the Property.

8. Project Mitigation and CFD No. 20__-1. Exhibit "C" was prepared by Koppel & Gruber Public Finance ("**Special Tax Consultant**") on the assumed basis of the Bonds being issued at an average coupon rate as set forth in Exhibit "C," a 30-year bond term, 110% debt service coverage, and on the specified number of DUs constructed as described on Exhibit "C" and sold at the estimated sales price as shown on Exhibit "C." The foregoing assumptions and calculations in Exhibit "C" are for illustration purposes and are not binding on School District, the Joint Powers Authority or CFD No. 20__-1, and the Parties understand and agree that Bonds will be sold based on market conditions at the time of sale.

School District and Owner intend that formation of CFD No. 20__-1 and School District's receipt of Mitigation Payments, proceeds from the Sale of Bonds with respect to CFD No. 20__-1 (with respect to each of the Improvement Areas) and the 57% of the Special Tax Remainder as provided by this Mitigation Agreement, shall fully satisfy any and all School District Facilities

financing requirements of the Project.

If, after the Bonds with respect to CFD No. 20__-1 are issued, Owner or its successors or Permitted Assigns requests a COC for a DU that cannot be covered by the Bulk Certificate, Owner, or such successors or Permitted Assigns, shall be responsible for the portion of the Mitigation Payment due as of the date of issuance of the COC for such DU that cannot be covered by the Bulk Certificate.

Prior to the initial close of escrow of a DU, if there is a request for a COC for additional Building Square Footage to a Project DU, then (i) the difference between the Mitigation Payment with such additional Building Square Footage and the Mitigation Payment previously paid shall be paid prior to the issuance of such COC or (ii) the Bulk Certificate shall be utilized to the extent that the Bulk Certificate can cover such additional amount due for the additional Building Square Footage.

9. No Additional Debt Encumbering the Project. Except as to CFD No. 20__-1, Owner agrees that it shall not initiate or affirmatively support any additional public debt (such as, but not limited to, assessment districts or community facilities districts) to be placed on the Property that will increase the total property tax rate, including the direct and overlapping debt, taxes and assessments estimated on Exhibit "C," above 2.00% of the estimated base DU sales prices, unless required as part of the conditions of approval for the Project.

10. Special Taxes of CFD No. 20__-1 Contractually Obligated for Financing of School District Facilities.

(a) This Mitigation Agreement establishes a contractual agreement between School District and Owner for the funding and financing of the School District Facilities to be owned by the School District, through the levy of Special Taxes and issuance of Bonds, subject to formation of CFD No. 20__-1, Improvement Area No. 1 and any Future Improvement Areas by the Joint Powers Authority and the terms of the School District JCFA. This Mitigation Agreement and the financing of the School District Facilities enable School District to meet the School District Facilities needs of the School District. The levy of Special Taxes is an integrated contractual obligation to fund and finance the herein described amount for School District Facilities required by the aforementioned contractual obligations. The Parties agree that: (i) any reduction or repeal of the Special Taxes authorized to be levied on parcels within CFD No. 20__-1 (including any Improvement Areas) would impair such existing contractual obligations; and (ii) the Parties intend that the Special Taxes and Bonds of CFD No. 20__-1 will be authorized and consistent with the provisions of Section XIII A and XIII C of the California Constitution.

(b) If the Special Taxes of CFD No. 20__-1 (including any Improvement Areas) are repealed or reduced pursuant to Article XIIC of the California Constitution prior to the issuance of Bonds, (i) the Mitigation Payments to be received by the School District shall remain in effect as a condition for receiving any COC for a DU that is requested subsequent to the date the Special Taxes are repealed and (ii) the School District and the Owner shall cooperate with the Joint Powers Authority, the Water District and the County, as applicable, to form a community facilities district over the remaining Property owned by the Owner subject to sound municipal financing practices to the extent practicable to finance the School District Facilities, the County Facilities and the Water District Facilities through the levy of special taxes of such community facilities district and the issuance of bond financing secured by the levy of such special taxes.

11. Sale of Bonds. The School District and the Owner agree that, subject to the discretion of the Joint Powers Authority and the local goals and policies adopted by the Joint Powers Authority under Section 53312.7 of the Mello-Roos Act ("**Goals and Policies**"), they intend for Bonds of CFD No. 20__-1 to be issued as set forth in the School District JCFA.

12. Rate and Method of Apportionment. The School District and the Owner agree that, subject to the discretion of the Joint Powers Authority and the Joint Powers Authority's Goals and Policies, they intend for the RMA for Improvement Area No. 1 to be as set forth in School District JCFA.

13. Issuance of Bonds. The School District and the Owner agree that, subject to the discretion of the Joint Powers Authority and the Joint Powers Authority's Goals and Policies, they intend for the amount of the Bonds anticipated to be issued by CFD No. 20__-1 to be based on the maximum amount which may be supported by the Special Taxes within CFD No. 20__-1 as provided for in the RMA for each Improvement Area within the limits imposed by the Joint Powers Authority's Goals and Policies and applicable law consistent with the terms set forth in the School District JCFA.

14. Facilities Accounts. The School District JCFA shall provide for the creation, funding and use of a School District Facilities Account.

15. Waiver of Right to Protest. Any and all payments, responsibilities, obligations, or consideration made by Owner as set forth herein shall be made by Owner without protest. Owner and School District acknowledge that Government Code Section 66020(d)(1) provides that local agencies, including school districts, shall provide a project applicant notice, in writing, at the time of imposition of fees, dedications, reservations, or other exactions, a statement of the amount of fees, or a description of the dedications, reservations, or exactions and a notification that the 90-day approval period in which the applicant may protest such fees has begun. Owner agrees that Owner has voluntarily entered into this Mitigation Agreement and

knowingly and willingly waives all rights of protest under Government Code Sections 66020, 66021 or 66022, or any other provision of law with respect to school fees and protest rights. Owner agrees that in the event that a 90-day approval period cannot be waived, this Mitigation Agreement includes a description of the exactions which have been required of Owner with respect to the Project described herein. Owner further acknowledges that the 90-day approval period described above, in the event that such a waiver cannot be waived, will commence as of the effective date of this Mitigation Agreement. Owner agrees that the payments provided for herein which are in excess of any amounts payable pursuant to California statute, law, or regulation, are not fees, charges, dedications, or any other requirements within the meanings of such statute, law, or regulation, but are completely voluntary payments made by Owner to assist School District in providing School District Facilities and to enhance the School District Facilities.

16. Assignability of Mitigation Agreement. Nothing in this Mitigation Agreement shall in any way limit the right or ability of Owner individually to transfer, assign, encumber, or hypothecate the Mitigation Agreement in any way without the consent of School District or CFD No. 20__-1, provided that: (i) School District and CFD No. 20__-1 are provided written notice of the transfer; and (ii) the transferee assumes all applicable obligations under this Mitigation Agreement with respect to the portion of the Project within CFD No. 20__-1 transferred. Notwithstanding the foregoing, the Developer may separately transfer this Agreement separately as it relates to each Improvement Area. If these conditions are met, School District and CFD No. 20__-1 agree to look solely to the transferee for performance of the assignor's obligations under this Mitigation Agreement transferred.

If Owner assigns the right to receive reimbursement of any portion of the Deposits, Bond Sale Deposit, or Cash Payments, the specific DUs or parcels within CFD No. 20__-1 to which the reimbursement applies shall be specified in a written assignment together with the amount of such reimbursement so assigned. If these conditions are not satisfied, any assignment of the right to receive reimbursement may not be recognized by the School District and additional actions may be required. Whenever this Mitigation Agreement provides the Party with a right, that right may be exercised by an assignee of that right to the same extent that such Party could have exercised that right itself.

Solely for the purposes of this Mitigation Agreement and except as provided in Section 17 of this Mitigation Agreement, all obligations contained within this Mitigation Agreement are agreed to be an interest in the Property and shall run with the land and bind assignees and successor owners, notwithstanding the provisions of Civil Code Section 1468. School District reserves the right to request that Owner or the transferee record any instrument of assignment, sale, or other transfer of interest as to the provisions of this Section of this Mitigation Agreement and Owner agrees to do so upon such request.

17. Binding on Successors; No Third-Party Beneficiaries. This Mitigation Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto. This Mitigation Agreement is entered into solely for the benefit of the Parties and the successors, transferees and assigns of all Parties. Other than the Joint Powers Authority, the School District and Owner and their successors, transferees, and assigns, no third person shall

be entitled, directly or indirectly, to base any claim or to have any right arising from, or related to, this Mitigation Agreement.

18. Entire Agreement. This Mitigation Agreement contains the entire agreement and understanding concerning the funding of School District Facilities necessitated by development of the Project and supersedes and replaces all prior negotiations and proposed agreements, written and oral. The Parties acknowledge that neither the other Party nor its agents nor attorneys have made any promise, representation, or warranty whatsoever, express or implied, not contained herein to induce the execution of this Mitigation Agreement and acknowledge that this Mitigation Agreement has not been executed in reliance upon any promise, representation or warranty not contained herein.

19. Amendments Must Be in Writing. This Mitigation Agreement may not be amended, except by a writing signed by the School District and Owner.

20. Recovery of Litigation Expenses Including Attorneys' Fees. If it becomes necessary to enforce any of the terms of this Mitigation Agreement, each Party shall be responsible for their own attorneys' fees and other costs of litigation.

21. Interpretation Guides. In interpreting this Mitigation Agreement, it shall be deemed that it was prepared by the Parties jointly and no ambiguity shall be resolved against either Party on the premise that it or its attorneys were responsible for drafting this Mitigation Agreement or any provision thereof. Headings used in this Mitigation Agreement are for convenience and ease of reference only and are not intended nor may be construed as a guide to interpret any provision of this Mitigation Agreement.

22. Due Authority of Signatories to Execute Agreement. Each individual signing this Mitigation Agreement warrants and represents that he or she has been authorized by appropriate action of the Party which he or she represents to enter into this Mitigation Agreement on behalf of the Party.

23. Notices. All notices, demands and communications between the Parties shall be given by personal delivery, registered or certified mail, postage prepaid, return receipt requested, Federal Express or other reliable private express delivery, or by electronic or facsimile transmission. Such notices, demands or communications shall be deemed received (a) upon delivery if personally served, (b) if sent by electronic or facsimile transmission upon the sender's receipt of an appropriate answer back or other written acknowledgement from the addressee of successful transmission, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail, postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by Federal Express or other overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) after three business days if given by other approved means as specified above. Notices, demands and communications shall be sent:

To Joint Powers Authority and School District: Bonsall Unified School District
Bonsall Unified School District-

Rainbow Municipal Water District
Joint Powers Financing Authority
31505 Old River Rd.
Bonsall, CA 92003
Attention: Superintendent Email:
superintendentsoffice@bonsallusd.com

With a copy to
Bond Counsel:

Jones Hall LLP
4 West 4th Avenue, Suite 406
San Mateo, CA 94402 Attn: Katie J.
Dobson, Esq
Email: kdobson@joneshall.com

To Owner:

Neighborhoods Verdeaux at The
Havens, LLC
32823 Temecula Pkwy
Temecula, CA 92592
Attention: Dan Leigh
Email: dleigh@Cormanleigh.com

24. State Funding. In the event that School District receives funds from the State of California to house existing and/or projected students generated from existing and/or future residential units constructed in CFD No. 20__-1, School District may use such proceeds consistent with applicable law and neither Owner nor its successors or Permitted Assigns shall be entitled to any refund or reduction in Special Taxes as a result of such State funds.

25. SB 165 Disclosure. Owner recognizes that California SB 165, Chapter 535 of the Statutes of 2000, became effective on January 1, 2001 (Government Code Section 50075.1 *et seq.* and Government Code Section 53410 *et seq.*). SB 165 provides disclosure and reporting requirements for any local bond measure that is subject to voter approval and which would provide for the sale of bonds by a local agency. Owner agrees to fully, and completely, cooperate with the Joint Powers Authority, the School District and CFD No. 20__-1 in meeting the requirements of SB 165.

26. California Law Governs Mitigation Agreement. This Mitigation Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California.

27. Counterparts. This Mitigation Agreement may be signed in one or more counterparts which, taken together, shall constitute one original document.

28. Exhibits. All Exhibits attached hereto are incorporated into this Mitigation Agreement.

29. Recordation. Upon execution hereof, this Mitigation Agreement may be recorded by the School District.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, this Mitigation Agreement is agreed and entered into as of the date first written above.

BONSALL UNIFIED SCHOOL DISTRICT

By: _____
Heather Golly,
Superintendent

OWNER

NEIGHBORHOODS VERDEAUX AT THE
HAVENS, LLC, a California limited liability
company

By: Neighborhood 2 at The Havens, LLC
Its: Member

By: Tulloch Holdings, LLC
Its: Manager

By: _____

Name: Dan Leigh

Title: Manager

[SIGNATURES TO BE NOTARIZED]

[NOTARY TO INSERT STANDARD NOTARY PAGE]

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

Assessor's Parcel Nos.

EXHIBIT "B"

**MAP DEPICTING PROPERTY
WITHIN PROPOSED COMMUNITY FACILITIES DISTRICT NO. 20__-1
OF THE BONSALE UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT POWERS FINANCING AUTHORITY, IMPROVEMENT AREA NO. 1 AND
THE FUTURE ANNEXATION AREA**

EXHIBIT "C"

**PRO FORMA OF PROJECTED BOND AMOUNTS,
SPECIAL TAX PROJECTIONS, SCHOOL FACILITIES, COUNTY FACILITIES AND WATER
DISTRICT FACILITIES**

EXHIBIT "D"

**SCHEDULE OF CASH PAYMENTS DEPOSITED AS OF THE
DATE OF THE MITIGATION AGREEMENT**

Payment Date	COC No.	Tract No.	Lot No.	Amt. per Sq. Ft. Paid	Sq. Ft. of DU	Amount Paid	Party Responsible

EXHIBIT "E"

BULK CERTIFICATE OF COMPLIANCE

**COMMUNITY FACILITIES DISTRICT NO. 20__-1
OF THE BONSCALL UNIFIED SCHOOL DISTRICT-RAINBOW MUNICIPAL WATER
DISTRICT JOINT EXERCISE OF POWERS AUTHORITY**

[To be prepared by School District staff with information provided by the Owner]

This Bulk Certificate of Compliance for [Describe Project within CFD No. 20__-1]
("Bulk Certificate") is issued by the Bonsall Unified School District ("**School District**") on the
 day of , 20 , to certify that receipt by the School District of special taxes
and/or proceeds of bonds of a Mello-Roos Community Facilities District ("**CFD**") shall satisfy all
obligations to mitigate impacts on the school facilities of School District resulting from the
construction of the homes with respect to the property identified below. This Bulk Certificate is
valid only if signed by both School District and the authorized representative of [Name of
Builder] , a [State] [corporation/ limited liability
company] ("**Builder**"), and the conditions set forth in the Mitigation Agreement have been
satisfied. The original of this Bulk Certificate shall constitute evidence sufficient to permit the
staff of the School District to issue specific COCs which the Owner/Builder can present to the
building department of the County of San Diego (the "**County**") or other applicable governmental
agency to issue building permits for the residential construction specified herein with respect to
the property identified below and copies hereof shall not be valid for such purpose. This Bulk
Certificate is valid only for the property identified below within Community Facilities District No.
20__-1 of the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers
Financing Authority, as specified below. Issuance and continued validity of this Bulk Certificate
is made, subject to agreement by Builder to the terms and conditions stated herein.

Builder:
Representative/Contact Person:
Address:
Telephone: **Facsimile:**

Property: [Project Name/Planning Area(s)/Tract Number(s)/APNs]:

Wherefore, in consideration for the issuance of this Bulk Certificate, the Builder, acting by and through its authorized representative agrees to the terms and conditions for issuance of this Bulk Certificate as set forth herein. The undersigned, acting in his/her capacity as an officer of the Builder, represents and warrants that he/she is the duly authorized representative of Builder and that he/she is authorized to agree and so bind Builder to the terms and conditions set forth herein.

Date: _____ Signature: _____
Print Name: _____
Print Title: _____

Notice of 90-day Period for Protest

Pursuant to Section 66020 of the California Government Code and other applicable law, you have a period of 90 days from the date of payment of school fees, mitigation payments or other exactions to protest the validity thereof. This 90-day period commences upon such payment or performance of any other requirement, as provided in Section 66020. Any such protest related to this Bulk Certificate must be in writing and received by the Bonsall Unified School District within 90 calendar days of the date signed by Builder.

Certification of Bonsall Unified School District

Bonsall Unified School District hereby certifies, by its execution of the original of this Bulk Certificate, that receipt by the School District of the Special Taxes and/or proceeds of the Bonds with respect to CFD No. 20__-1 has (or shall) satisfy Builder's obligations to School District necessary to obtain this Bulk Certificate as a prerequisite to the School District's issuance of specific COCs which the Owner/Builder can present to the building department of the County of San Diego (the "**County**") or other applicable governmental agency to issue building permits for the residential construction specified herein with respect to the parcels identified above. Such building permit(s) may be issued, up to the number and only for the type of residential construction specified above, without requiring further authorization or documentation from the Bonsall Unified School District.

Date: _____ Signature: _____
Print Name: _____
Print Title: _____

ATTACHMENT 10
PROCEEDING TIMELINE

**BONSALL UNIFIED SCHOOL DISTRICT &
RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS AUTHORITY**
Community Facilities District No. 20__-1 (The Havens Phase 2)

TIME AND RESPONSIBILITY SCHEDULE

Week of	Activity	Responsible Parties	Status
10/13	• Schedule, interested parties list & term sheet distributed	• MA	Complete
10/27	• JPA team Zoom meeting (10/27 @ 11:00AM)	• All	Complete
11/17	• Check-in Zoom meeting (11/18 @ 3:00PM)	• All	Complete
1/19	• Initial draft of JPA documents distributed	• BC	Complete
1/26	• Initial draft of RMA, Boundary Map & Special Tax Analysis distributed • Comments on documents submitted	• All • STC	Complete
2/2	• Revised draft of JPA documents distributed • Initial draft of MOU & Mitigation Agreement distributed • Revised draft of RMA, Boundary Map & Special Tax Analysis distributed • BUSD Board agenda deadline (2/6)	• BC • BC • STC • SD, BC	Complete
2/9	• BUSD Governing Board Meeting - Approve JPA Agreement (2/12 @ 6:00PM)	• SD, FC, MA	Complete
2/16	• RMWD Board agenda deadline (2/18)	• WD, BC	Complete
2/23	• RMWD Board of Directors Meeting - Approve JPA Agreement (2/24 @ 1:00PM)	• WD, MA	Complete
3/2	• Revised draft of MOU, JCFA's & Mitigation Agreement distributed	• BC	Complete
3/9	• Comments on all draft documents submitted • JPA Agreement executed • JPA filings completed	• All • SD, WD, BC • BC	
3/16	• Revised draft of MOU, JCFA's, Mitigation Agreement & CFD Formation Documents distributed	• BC	
3/23	• Comments on all draft documents submitted	• All	
3/30	• BUSD Board agenda deadline (4/3)	• SD, BC	

**All meeting dates are preliminary and subject to BUSD and RMWD input.*

**BONSALL UNIFIED SCHOOL DISTRICT &
RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS AUTHORITY**
Community Facilities District No. 20__-1 (The Havens Phase 2)

TIME AND RESPONSIBILITY SCHEDULE

Week of	Activity	Responsible Parties	Status
4/6	<ul style="list-style-type: none"> • BUSD Governing Board Meeting - Appoint JPA Board Members & Approve MOU, Mitigation Agreement and JCFA (4/9 @ 6:00PM) 	<ul style="list-style-type: none"> • SD, FC, MA 	
4/20	<ul style="list-style-type: none"> • RMWD Board agenda deadline (4/22) 	<ul style="list-style-type: none"> • WD, BC 	
4/27	<ul style="list-style-type: none"> • RMWD Board of Directors Meeting - Appoint JPA Board Members & Approve MOU and JCFA (4/28 @ 1:00PM) • JPA Board agenda deadline (4/29) 	<ul style="list-style-type: none"> • WD, MA • JPA, BC 	
5/4	<ul style="list-style-type: none"> • JPA Board Meeting - MOU, Deposit Agreement and JCFA's (5/6 @ 4:00PM) • Deposit Agreement executed • Revised draft of RMA, Boundary Map & Special Tax Analysis distributed • Initial draft of JPA Debt Management Policy distributed 	<ul style="list-style-type: none"> • JPA, FC, MA • SD, WD, BC • STC • BC 	
5/11	<ul style="list-style-type: none"> • Comments on all draft documents submitted 	<ul style="list-style-type: none"> • All 	
5/18	<ul style="list-style-type: none"> • Revised draft of Mitigation Agreement, JCFA's, CFD Local Goals/Policies & ROI legal documents distributed • Revised draft of RMA, Boundary Map & Special Tax Analysis distributed • Revised draft of JPA Debt Management Policy distributed • Comments on all draft documents submitted 	<ul style="list-style-type: none"> • BC • STC • BC • All 	
5/25	<ul style="list-style-type: none"> • Executed petition returned • Revised draft of Mitigation Agreement, JCFA's & ROI legal documents distributed • Revised draft of RMA, Boundary Map & Special Tax Analysis distributed • JPA Board agenda deadline (5/27) 	<ul style="list-style-type: none"> • D, DvC • BC • STC • JPA, BC 	
6/1	<ul style="list-style-type: none"> • JPA Board Meeting - CFD Local Goals/Policies, ROIs & Debt Management Policy (6/3 @ 4:00PM) 	<ul style="list-style-type: none"> • JPA, FC, MA 	
6/8	<ul style="list-style-type: none"> • Revised draft of ROF documents distributed • Initial draft of CFD Public Facilities Report distributed 	<ul style="list-style-type: none"> • BC • STC 	
6/15	<ul style="list-style-type: none"> • Deadline to record Boundary Map (6/18) • Comments on all draft documents submitted 	<ul style="list-style-type: none"> • STC • All 	

**All meeting dates are preliminary and subject to BUSD and RMWD input.*

**BONSALL UNIFIED SCHOOL DISTRICT &
RAINBOW MUNICIPAL WATER DISTRICT JOINT POWERS AUTHORITY**
Community Facilities District No. 20__-1 (The Havens Phase 2)

TIME AND RESPONSIBILITY SCHEDULE

Week of	Activity	Responsible Parties	Status
6/22	<ul style="list-style-type: none"> Revised draft of ROF legal documents distributed Revised draft of CFD Public Facilities Report distributed Comments on all draft documents submitted Ballot mailed; Notice of Public Hearing published 	<ul style="list-style-type: none"> BC STC All BC 	
6/29	<ul style="list-style-type: none"> Revised draft of ROF legal documents distributed Revised draft of CFD Public Facilities Report distributed JPA Special Board agenda deadline (7/1) 	<ul style="list-style-type: none"> BC STC JPA, BC 	
7/6	• JPA Special Board Meeting - ROF (7/8 @ 4:00PM)	• JPA, FC, MA	
7/20	• Deadline to record Notice of Special Tax Lien (7/23)	• BC	
7/27	• JPA Board agenda deadline (7/29)	• SD, WD, BC	
8/3	• JPA Board Meeting - 2nd Reading of Ordinance (8/5 @ 4:00PM)	• JPA, FC	

**All meeting dates are preliminary and subject to BUSD and RMWD input.*

CFD Formation Team		
Joint Powers Authority	BUSD & RMWD JPA	JPA
School District	Bonsall Unified School District	SD
Water District	Rainbow Municipal Water District	WD
District Facilities Consultant	MGT	FC
Bond Counsel	Jones Hall	BC
Municipal Advisor	Fieldman, Rolapp & Associates, Inc.	MA
Special Tax Consultant	Koppel & Gruber Public Finance	STC
Developer	Bonsall Oaks LLC	D
Developer's Consultant	Zimmerman Group	DvCo
Developer's Counsel	TBD	DvC



BOARD INFORMATION
Item No.12.A

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

Operations Report for March 2026

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

March	Repairs(R)	Installations(I)(LF)	Leaks(L)
Mainline	1	2210LF	1
Service		6	
Hydrants		2	
Valves		5	
Meters			
Blow-Offs			
Air Vacs		1	
Annual Totals	10	3860LF of Mainline Installations, 14 Valves & 14 Appurtenances	8

- 438 utility locates were completed in the month of March- an Annual Total of 1520.
- Installed 2210LF of 8" DR-14 C900 at La Canada.
- Installed two hydrants, one at 4186 La Canada and one at 4116 La Canada
- Repaired one 12- inch main break at Ocean Breeze Ranch
- Installed two 8-inch gate valves La Canada and three 6-inch gate valves La Canada
- Installed one Air-vac on La Canada

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Water Operations:

- Assessed 0 Water Quality Complaints. **Annual total 6**
- Performed 1 fire flow tests. **Annual total 3**
- Performed routine maintenance and rebuilt 11 pressure stations (CLA VALs). **Annual total 29**
- Collected all system tank and reservoir nitrification samples.
- Completed all reservoir cover inspections.
- Completed 2025 Electronic Annual Report

- Completed triannual maintenance at MET Connections 1,9,8,10.
- Completed 1st Quarter THM's/HAA5 Samples.

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Annual Totals
Exercised	81	87	473
Inoperable	3	0	12
Repaired			
Replaced	0	0	0
Installed	0	0	0

Valve Maintenance completed and oversaw the following:

- Performed 2 shutdowns - **Annual total 13.**
- Replaced 13 air vents - **Annual total 20.**
- Painted 90 appurtenances - **Annual total 283.**
- Replaced 1 Fire Hydrants - **Annual total 4**

METERS DEPARTMENT:

- **187** Service Requests were resolved in **MARCH 2026**, for a total of **474 YTD**. (Previous Year Month Comparison: **MARCH 2025: 156** Service Requests: **UP 17%**).
- **147** Check Bills were completed in **MARCH 2026**. **YTD total 468**. (Previous Year Month Comparison: **MARCH 2025: 179** Check Bills: **DOWN 18%**).
- **YTD** Service Requests and Check Bills combined: **942** (Previous YTD 2025 Comparison: **934** combined Service Requests & Check Bills: **UP 1%**)

Backflows:

- **553** backflows were tested in March 2026 – **1352 YTD**.

WASTEWATER:

- California Integrated Water Quality System (CIWQS):
- Monthly No Spill Report for March 2026 #2712134

Lift Stations:

- N/A

Collection System:

FEBRUARY	Monthly Totals	YTD Totals
Sewer Main Cleaning in ft	10,192	26,630
Inspected Manholes	71	191
Completed ft of CCTV inspections	7,956	18,749

- March 2026 Cleaned a total of 10,192 feet of sewer main.
- March 2026 Inspected a total of 71 manholes.
- March 2026 Completed 7,956 feet of CCTV inspections

Customer service:

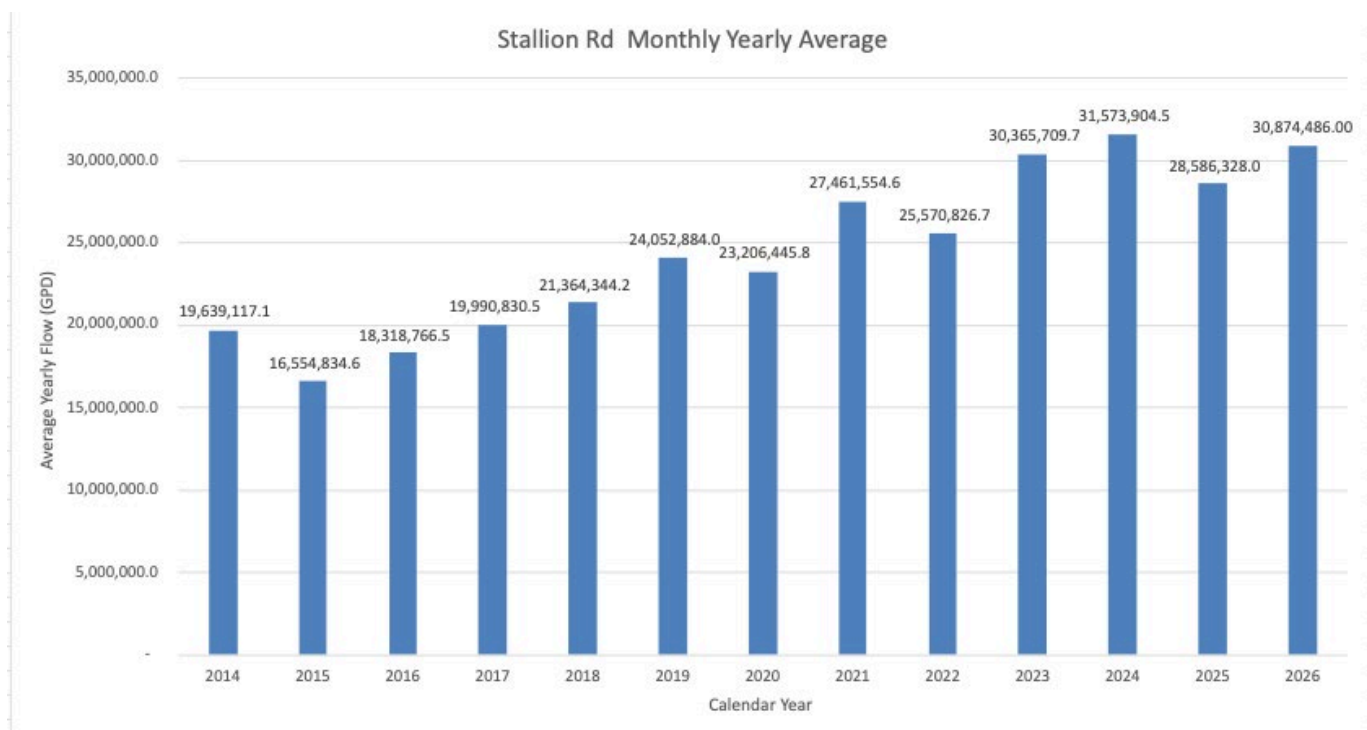
- N/A

Projects:

- July 2025 - July 2026 1st annual contract Evoqua sewer odor control treatment (Horse Creek wet wells & Thoroughbred wet wells).
- The Farm - Temporary flow meter at manhole P-0_16 to measure sewer flow sent to Oceanside.
- January 26-29, 2026, Wastewater Crew came in from 6pm to 4am to clean the sewer outfall line on N. River Road.

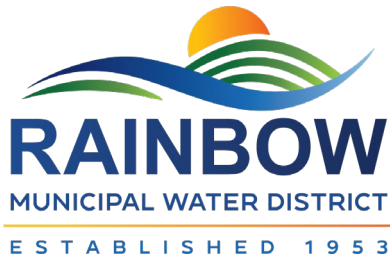
Mutual Aid:

- Fallbrook Equipment Rental - Water truck.
- Evoqua - Sewage odor treatment (2025-2026).
- Haaker Equipment - Vactor Rental, CCTV unit



Robert Gutierrez
Chief Operating Officer

04/28/2026



BOARD INFORMATION

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

Engineering Report for March 2026

DESCRIPTION

CAPITAL IMPROVEMENT PROJECTS:

Eagles Perch Water Pipeline, Division 1: (PN: 600043) This project is for the installation of new segments of pipelines at Eagles Perch Lane and includes several private driveways/roadways. The proposed segments of pipeline to be added are 8-inch steel pipe as well as new appurtenances and relocating water service lateral connections. The proposed pipelines will eliminate existing pipelines running behind homes. The original design was completed in 2020. District staff reviewed those plans and, in September 2025, conducted a site visit to field-verify the planned improvements and prepared additional comments. The plan markups have been provided to the design engineer. The design plans have not been finalized due to the determination that the District is not a party to the existing roadway and utility easements. District staff have been meeting with the design engineer (Omnis), Dokken Engineering, and the Surveyor (KDM) to discuss the project alignment and easement acquisition, and logistics. An assignment letter was issued to KDM to order title reports and to provide support in developing legal and plat maps as part of the easement acquisition. KDM has acquired the title reports and is currently reviewing the title reports. Several coordination meetings occurred during this period with the surveyor and design engineer. Once easement documents have been prepared, District staff will engage the affected property owners on the project and coordinate the easement acquisition requests. It is worth noting that the engineer's estimate in 2020 was \$1.6 million dollars. It is anticipated that escalation over the past 6 years will likely be in the \$2.0 million range. An updated engineer's estimate is part of Omnis' scope of work in finalizing/updating the plans.

La Canada Pipeline Replacement & PRS, Division 3: (PN: 600093) This project is to replace 4,000 LF of pipeline along La Canada from Hillrise Road to Via Monserate. The County Encroachment Permit was issued in early January 2026, and the Environmental CEQA documentation was also filed in early January 2026. A project kickoff meeting occurred in late January and construction commenced in February. The 4,000 LF of pipeline installation was completed during this period. Meter connections and water quality testing is anticipated to be completed in April. The street improvements and paving construction contract will go out for bid via Planet Bids in early April 2026.

Gopher Pump Station, Division 1: (PN: 600094) This project involves replacing the temporary Pump

Skid with a permanent pump station. The District entered into an agreement with Dexter Wilson to provide project design services in 2025. The 60% design was submitted for review. District provided comments and a 90% design is anticipated in late April.

Camino Del Rey Waterline Relocation Project, Division 1: (PN: 600026) The County of San Diego (County) is proposing the Camino Del Rey Drainage and Roadway Improvements Project, which will improve a portion of Camino Del Rey by raising the roadway, incorporating culvert crossings under the road, improving intersections, and installing Green Street Best Management Practices (BMPs) for water quality treatment. As a result of the County's project, existing District infrastructure will be impacted. There is currently a 14-inch water main that runs down Camino Del Rey, a 20-inch water main at Camino Del Cielo, a 6-inch main for the San Luis Rey Downs Racetrack, and a sewer gravity main crossing that conflicts with the County's proposed improvements. The County and District are working together to determine the extent of prior rights along Camino Del Rey and each agency's scope of work for utility relocations. Coordination between the District and the County is ongoing. District staff also reached out to the County's Design Engineer to request a proposal to assist with design plans for the District's portion of the proposed work. District staff executed a design proposal with Nasland Engineering. The design agreement is for limited design services to generate a schematic for the District. Nasland Engineering submitted a draft schematic design. District staff has provided some comments on the conceptual design to the consultant. Also the consultant informed staff that the County may be reducing the scope of their project. The project is currently on-hold while the County of SD coordinates right-of-way conflicts with adjacent property owners.

Electrical Panel Switches (Manual Transfer Switch), Districtwide: (PN: 600058) This project is for the installation of manual transfer switches at three pump stations that include (1) Morro Hills, (2) Vallecitos, and (3) Rainbow Hills Pump Station. Harris & Associates (H&A) submitted updated plans and specifications. Work has been completed at Morro Hills and Rainbow Hills pump stations. Vallecitos Pump Station is the third and last site remaining. Work on Vallecitos Pump Station is anticipated in April.

Morro Tank Rehabilitation, Division 2: (PN: 600097): This project is for the ongoing assessment of tank movement/settlement and needed rehabilitation. Two (2) inclinometers were installed along the southern slope and registered ¼-inch movement. The Board approved creating a CIP project and adding a project budget at the February 2025 meeting. A Notice to Proceed was issued to Peterson Structural Engineers (structural assessment) and KDM Meridian (survey) in March 2025. A site visit was conducted with District staff, Geotech, structural engineer, and survey team on October 31st. The multidisciplinary team has been meeting regularly and are preparing a technical report based on monitoring results and analysis. District entered into a professional services agreement with Lee & Ro during this period to assist with engineer estimates for different rehabilitation or replacement options for the tank. Lee & Ro has been working on developing cost estimates for different rehabilitation or replacement of the tank. The team is currently working on a draft presentation for the Board.

Rancho Monserate, Rancho Viejo, and HQ B-Plant Emergency Generators, Division 4: (PN: 530023) This project entails procuring emergency generators for each of the sewer lift station sites via grant funding. Staff expanded the project scope to include replacement generators at Fallbrook Oaks Lift Station and Lift Station-1. The grant application was finalized and submitted to the United States Environmental Protection Agency in June of 2025. Multiple comments were received during this period by US EPA on the grant application. District staff continues to address comments and work with the EPA representative.

Water and Wastewater Master Plans, Districtwide: (PN: 400001) This project includes the development of updated water and wastewater masterplans. The updated masterplans will help guide the District's future CIP planning. The Board awarded an agreement to Engineering Resources of Southern California. Staff worked on processing the agreement with the added Urban Water Management Plan scope of services. The amended agreement was approved at the September Board meeting. Staff has been gathering data requested by ERSC and met in January 2026.

Line NN Pipeline Replacement Project, Division 1: (PN: 800061) This project is to replace a segment of 16-inch Fusible PVC pipe located on both sides of Hwy 76. On June 11, 2025, District staff responded to a main line break. The 16-inch Fusible PVC pipe on the north side of Hwy 76 was severely damaged. On June 24, 2025, the District's Board of Directors approved the General Managers declaration of emergency and approved \$500,000 to facilitate planning, design and regulatory clearance. District staff entered into an agreement with Hazen and Sawyer for engineering design support, Helix Environmental for environmental support, and KDM Meridian for survey support. District staff entered into an agreement with Verdantas for Geotech support. Several trenchless technologies were presented to the District in a workshop by Hazen and Sawyer, including cost. District staff has been meeting weekly with Hazen and Sawyer. The current design services agreement with Hazen and Sawyer is in the amount of \$393,245 and assumes a 28-week schedule. At the March 2026 meeting, the Board approved a construction contract with Vadnais Microtunneling for the replacement of the pipeline. Submittals were received and reviewed during this period, specifically long lead items such as pipe casing. A pre-construction meeting is scheduled for April 2026.

MAJOR DEVELOPER PROJECTS:

Citro (FKA Meadowood) by Tri Pointe Homes (FKA Pardee Homes), Division 4: (PN: 700027) Approximately 844 Units off of Pala Road/Horse Ranch Creek Road. The Contractor is working on punch list items throughout the development. Once all work is complete, a Notice of Completion (NOC) will be brought before the Board for consideration.

Havens (FKA Bonsall Oaks), Division 1: (PN: 700014) 164 SFR / 205.8 EDUs—District staff continues coordinating with the Developer on plan reviews for future phases (Phases 1B, 2A and 2B). The District completed plan check No. 3 for those phases. Previous issues with new sewer manholes being more than 20-feet deep and extremely flat slopes along the gravity main have been resolved by adding a sewer lift station. Plans for Phase 1B-2B have been approved. There are many outstanding items that the Developer is working on. Once these items are addressed to the satisfaction of the District, a Pre-Construction meeting will be held and work to install water and sewer facilities will begin. The General Manager signed the construction agreement for Phase II in March 2026. An updated sewer service agreement is slated for the April Board meeting for consideration of approval.

North River Farms Development, Division 2: (PN: 700064) Relocation and construction of the sewer flow meter station, which monitors flow from the District to the City of Oceanside. Draft agreements are being reviewed by the District and the City.

Ocean Breeze Ranch, Division 1: (PN: 700035) The Developer has joined the CFD/SCIP Program, and as part of this program, the District and Developer negotiated to enter into an Acquisition Agreement. The Acquisition Agreement was executed in September 2023. The District received the Water and Sewer Plans for all phases of the development on February 25, 2025. The project includes two (2) sewer lift stations and various sewer mains, two (2) pressure reducing stations, and a high-pressure transmission main and various distribution mains. Staff has received improvement plans for PA 1 and PA 2 (residential) and is waiting for PA 3 plans for the larger estates lots. The equestrian area is not a part of the project. The developer requested a temporary water connection at West Lilac Road to the suction line for the West Lilac Pump Station for their model homes. A memorandum of understanding was executed in November 2025 to include terms such as duration, water supply limitations, and liabilities to ensure due diligence. A Joint Use Agreement and Water/Sewer Capacity agreement were presented at the February Special Board meeting for consideration of approval. The Board approved these actions. At the March 2026 meeting, the Board approved entering into six (6) construction agreements with the Developer.

Pala Ranch (FKA Campus Park West) (Pappas Investments), Division 4: (PN: 700029) Residential and Commercial development. The District has approved the proposed water and sewer improvement plans; however, the Developer informed the District that construction has been delayed to September 2026. These delays are because of CalTrans and County of San Diego requirements in Highway 76.

Pala Mesa Market Development Plan, Division 4: (PN: 700047) District staff met with the Developer in July 2024 to restart the project. Construction plans and submittals comments have been returned for corrections to the Developer in October 2025.

San Luis Rey Racetrack Improvement Plan, Division 1: (PN: 700054) The Developer paid a deposit for Sewer and Water Analysis. Dexter Wilson Engineering, Inc. produced a memorandum discussing the expected impacts on sewer infrastructure related to one of two expansion scenarios proposed by the Developer. Staff are waiting on data from the Developer related to the second expansion scenario to complete a second memorandum. The Developer stated that they are not ready to expand nor add horses. Instead, this new effort is solely related to their Federal process water discharge permit. This new regulation requires that process water from horses be discharged into the sewer system instead of the storm drain system. Staff is scheduled to meet with the Developer in March 2026. The Developer would like to move forward with expansion. Discussions are on-going with the exchange of data and options.

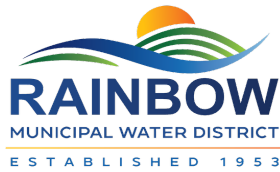
Havens Country Club Pool fka Vista Valley, Division 1: (PN: 700069). In April, staff reviewed the plans, submittals and applications for a new water service, fire hydrant, and expansion of sewer facilities. Construction is now underway for the new and expanded facilities. The proposed sewer facilities have been installed. District staff returned the proposed water and fire hydrant plans with comments to the Contractor in December 2025. The Contractor submitted updated plans that addressed comments made by the District in March 2026 and are currently under review.

ITEMS	NO#
Water Meters Purchased	0



Chad Williams
Engineering and CIP Program Manager

04/28/2026



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
March 2026**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333
Less 5% Contractual Allowance	417
EDUs Set Aside by Board for Emergencies	60
EDUs Connected	6,301 *
EDUs Unconnected/Committed	678
Total EDUs Available for Purchase:	878

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES / CFD Bonds
Bonsall Oaks (Polo Club) - 164 (SF/Other)	131	\$ 1,453,560
Citro (fka Meadowood) - 947 (SF/MF/Other)	25	\$ -
Ocean Breeze Ranch-520.5	521	\$ 7,723,509
Other Development w/5 or less EDUs - (SF & Other)	1	\$ -
TOTAL UNCONNECTED:	678	\$ 9,177,069

Notes:

*There is a delay between connections and new account activations.

BOARD INFORMATION

Item No. 12.C

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

ADMINISTRATIVE SERVICES REPORT FOR APRIL 2026

DESCRIPTION

Human resources, safety, risk management, and communications report for April 2026

HUMAN RESOURCES:

STAFF UPDATES:

- Management Analyst, Esther Lan, has resigned effective April 10, prompting a restructure of the Finance Department as follows:
 - Cathy Lundell has been promoted from Accounting Specialist II to Senior Accountant. This fills the exempt-level headcount created by the vacancy of the Management Analyst position, and is better aligned with departmental needs.
 - Terri Lunetta joined us through a temp agency last year to support Finance through planned leaves. With Cathy's promotion, Terri was offered a full-time Accounting Specialist I position. New temporary help will be needed to support the ERP system implementation, which will be requested in the FT27-28 budget proposal.

EMPLOYEE ANNIVERSARIES:

HIRE DATE	EMPLOYEE	DEPARTMENT	YEARS OF SERVICE
4/3/06	JUSTIN DEMARY	Construction	20 years
4/3/00	JAMES SJUNESON	Construction	26 years
4/7/25	DAVID LONGAKER	System Operators	1 year
4/8/19	BERNARDO NUNEZ	Construction	7 years
4/24/19	DENNIS MENDEZ	Valve Maintenance	7 years
4/27/20	FREDDY ESPINO	IT	6 years
4/28/08	CHRISTOPHER HAND	Wastewater	18 years

WORKFORCE ANALYTICS:

Current headcount: **58**

FYTD new hires: **4**

FYTD separations: **4**

Average tenure: **8 years 6 mos**

FYTD turnover: **6.9%**

Projected annual turnover: **8.4%**

Retention rate: **93.1%**

Projected retirements this year: **1**

RISK MANAGEMENT:

Injuries

- One injury was reported this month, but the medical provider determined it was not work-related.

Program Management

- Annual Review and update of Safety Policies and Procedures:
 - Vehicle Policy is going to the April Board Meeting for review.
- Now that the SCADA position is filled, we plan to test out the Becklar Lone Worker App.
- Eight staff members will be attending NFPA 70E Training at FPUD at the end of March, and another group in April.
- 3M came to the District and provided a Fall Protection demonstration on March 31st.

Grants

- **ACWA-JPIA Risk Control Grant:** Funding was received for \$8,547.71 to purchase and install AI-enabled security cameras at the District yard.
- **CalOES Hazard Mitigation Grant:** application submitted for 4 Pump Station Generators. It is now "Waitlisted" with FEMA.
- **CalOES BRIC Grant:** Safety and Engineering attended a Kickoff Meeting with CalOES to learn about a new grant opportunity. Based on the scoring criteria, our project at best may score around 50 points out of 100 and is not a strong candidate for this nationally competitive funding opportunity.

Environmental Programs

- Herbicide use reported through CalAgPermits was reviewed. No report necessary since none was used.
- Working with APCD and CARB to establish the Whisperwatt Generator as a low-use to remain compliant. The engine phases out on December 31st, 2026, and may require replacement if Low-Use isn't established.
- CARB sent out a notice about a new bill effective January 2026 that begins to phase out all non-zero-emission forklifts. Safety is attending a discussion in July 2026 to review changes. Phase-out for small fleets is required by January 1st, 2029.

Emergency Response Programs

- Operations and safety are working together to schedule a training exercise and a mock EOC setup.
- The Emergency Response Plan is being updated, and ERP folders are being added to the EOC SharePoint and are available in SiteDocs.

Safety Training / Tailgate Talks

- Safety tailgates this month have included Personal Protective Equipment, Trenching, and Slips, Trips, and Falls.

Claims in Progress/Completed

	Claims Received	Open Claims at JPIA	Value of Open Claims at JPIA	Small Claims Pending	Small Claims Rejected	Small Claims Approved	Value of Small Claim Settlements
Fiscal YTD	10	0	\$0	1	4	5	\$9,319.99
New Claims in Current Month	1	0	\$0	1	0	0	\$0

COMMUNICATIONS:

Website

- The new website homepage redesign launched after months of preparation. The new design affects only the homepage, and the information on the website remains the same. Updates include:
 - Sleek modern layout, user-friendly site navigation, high-contrast colors for improved visibility, large banner images, and quick links to the most visited pages.
 - Website created with a responsive design to automatically resize to fit a phone, tablet, or desktop screen.
 - Improved accessibility features to allow visitors to select language translation, document accessibility with options to read aloud, search a document, and live assistance from a third-party visual interpreting service.

Community Events

- Annual Fallbrook Avocado Festival – Sun., April 19
 - Staff coordinated and worked a double booth at the event in Downtown Fallbrook. Volunteers from local high schools worked alongside staff to pass out over 1,500 water-wise collateral pieces and promotional materials.
- Inaugural Plant Giveaway Program – Sat., April 25
 - Staff coordinated the first-ever free plant giveaway program and distributed drought-tolerant plants to 100 customers. The program was funded through a Metropolitan MAAP grant, and plants were purchased from two local nurseries.

Newsletter Features

April Community Newsletter articles included:

- New website homepage: New user interface with large banner images and quick links to help customers navigate to important information. The new design contains all the same information with a refreshed new look to pair with the Rainbow Water brand.
- Around the District: Spring Blood Drive and Living Kidney Donor Match Program scheduled for Thursday, May 21, at the District parking lot.
- Ready, Set, Grow: National Garden Month tips to revive your garden and attract pollinators.
- Virtual Landscape Workshops: Free online workshops presented by Metropolitan and Green Garden Creations.
- Rainbow Water Rundown: March board meeting highlights and future meeting info.



Karleen Harp
Administrative Services Manager

April 28, 2026



BOARD INFORMATION

Item No. 12.D

BOARD OF DIRECTORS

April 28, 2026

SUBJECT

FINANCE REPORT FOR FEBRUARY 2026

DESCRIPTION

Summary:

Water Sales:

FY 25/26 Budget - 11,000 AF

Actual February FYTD 25/26 8,044 AF

Actual February FYTD 24/25 9,936 AF

Actual February FYTD 23/24 7,817 AF

Actual February FYTD 22/23 9,537 AF

February FYTD 2025/2026 Budget vs Actual:

Water Fund

Water operating revenues through February 2026 totaled \$34.1 million, or 3% below budget for this point in the fiscal year. The variance is primarily attributable to lower than average water demand in February, as discussed further in the Water Purchases section below. This shortfall is partially offset by a timing variance related to the District's Readiness to Serve charges placed on the property tax roll, which are generally received primarily between December and May.

Water operating expenses through February 2026 totaled \$22.2 million, or 13% below budget, primarily due to lower imported water purchase costs resulting from reduced sales volume. As a result, net operating revenue for the Water Fund was approximately \$12.0 million, or 23% above budget, through the first eight months of the fiscal year.

Capital expenditures for water projects totaled \$2.8 million through February, representing approximately 33% of the annual capital budget.

Water net non-operating revenues totaled negative \$4.0 million, which is consistent with budget. The negative balance is primarily due to debt service payments.

Wastewater Fund

Wastewater operating revenues through February 2026 totaled \$4.3 million, or 7% above budget. This favorable variance is primarily due to modest EDU growth within the District, along with increased fixed charges that became effective at the beginning of February.

Wastewater operating expenses totaled \$3.2 million, or 2% above budget, primarily due to higher than anticipated invoices from the City of Oceanside, which continue to drive pass through treatment costs upward.

Despite this increase, net operating revenue for the Wastewater Fund was approximately \$1.1 million, or 24% above budget, through the first eight months of the fiscal year.

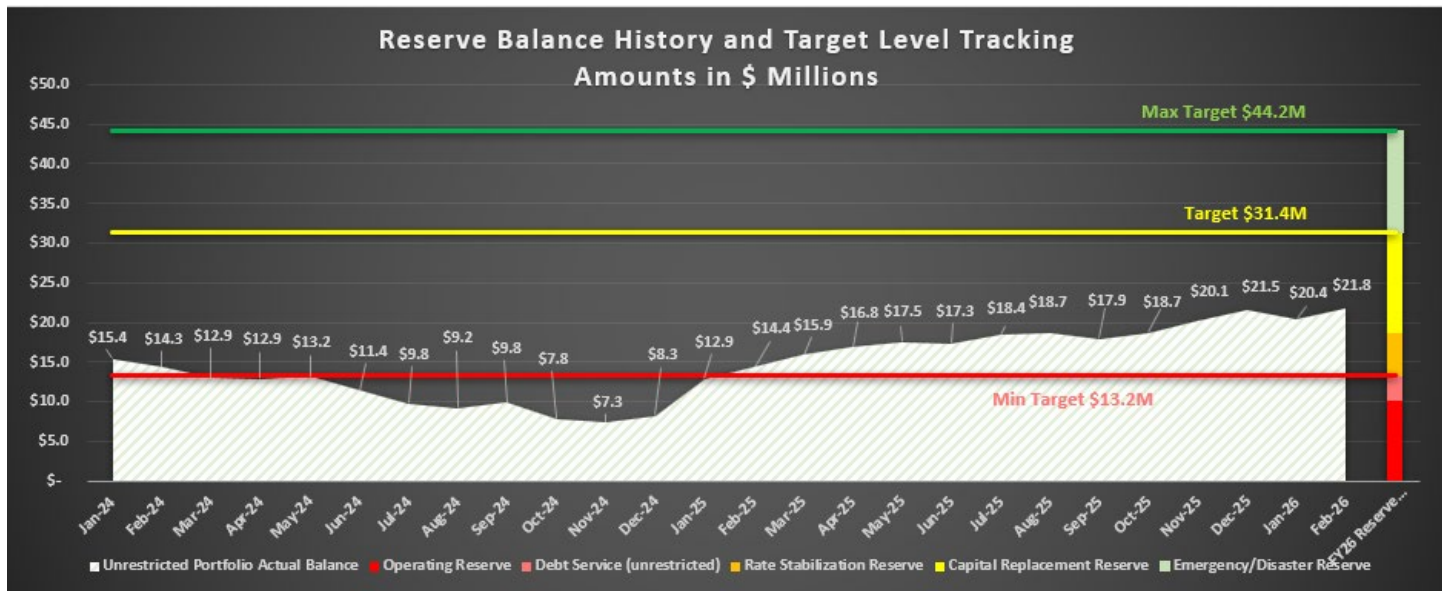
Wastewater capital expenditures through February totaled approximately \$140 thousand, or 8.2% of the annual capital budget. During the period, the District initiated work on the Rancho Monserate, Rancho Viejo Lift Station, and Headquarters B Plant Emergency Generators projects. A significant portion of the Wastewater CIP budget consists of prior year appropriations that have been carried forward.

Treasury Report:

At the end of February 2026, the District’s total investment portfolio was approximately \$34.0 million. Of this amount, \$21.8 million was unrestricted, and \$1.7 million represented remaining restricted proceeds from the District’s \$10 million U.S. Bank loan, designated for budgeted water capital projects in FY 2026.

The increase in restricted balances during the month was primarily driven by the receipt of \$7.7 million in capacity fee revenues from the Ocean Breeze Ranch development, of which approximately \$3.0 million is allocated to water capital projects and \$4.7 million to wastewater capital projects. The unrestricted portfolio balance increased from \$20.4 million in January 2026 to \$21.8 million in February 2026, reflecting positive operating cash flow and continued savings from operations. The graph below illustrates historical unrestricted portfolio balances in comparison to the reserve targets adopted by the Board in June 2024.

Interest revenue earned through February totaled approximately \$588 thousand, compared to \$536 thousand for the same period in the prior year. Current investment yields are approximately 3.79% for CAMP and 3.87% for LAIF. Given the District’s near term liquidity needs, particularly in light of higher debt service requirements over the next year, staff does not recommend investing funds beyond the District’s most liquid and secure options, including CAMP, Money Market accounts, and LAIF, until reserve levels have further strengthened. At this time, these highly liquid investment options continue to provide yields that are competitive with, and in some cases exceed, longer term alternatives.



Water Purchases & Water Sales:

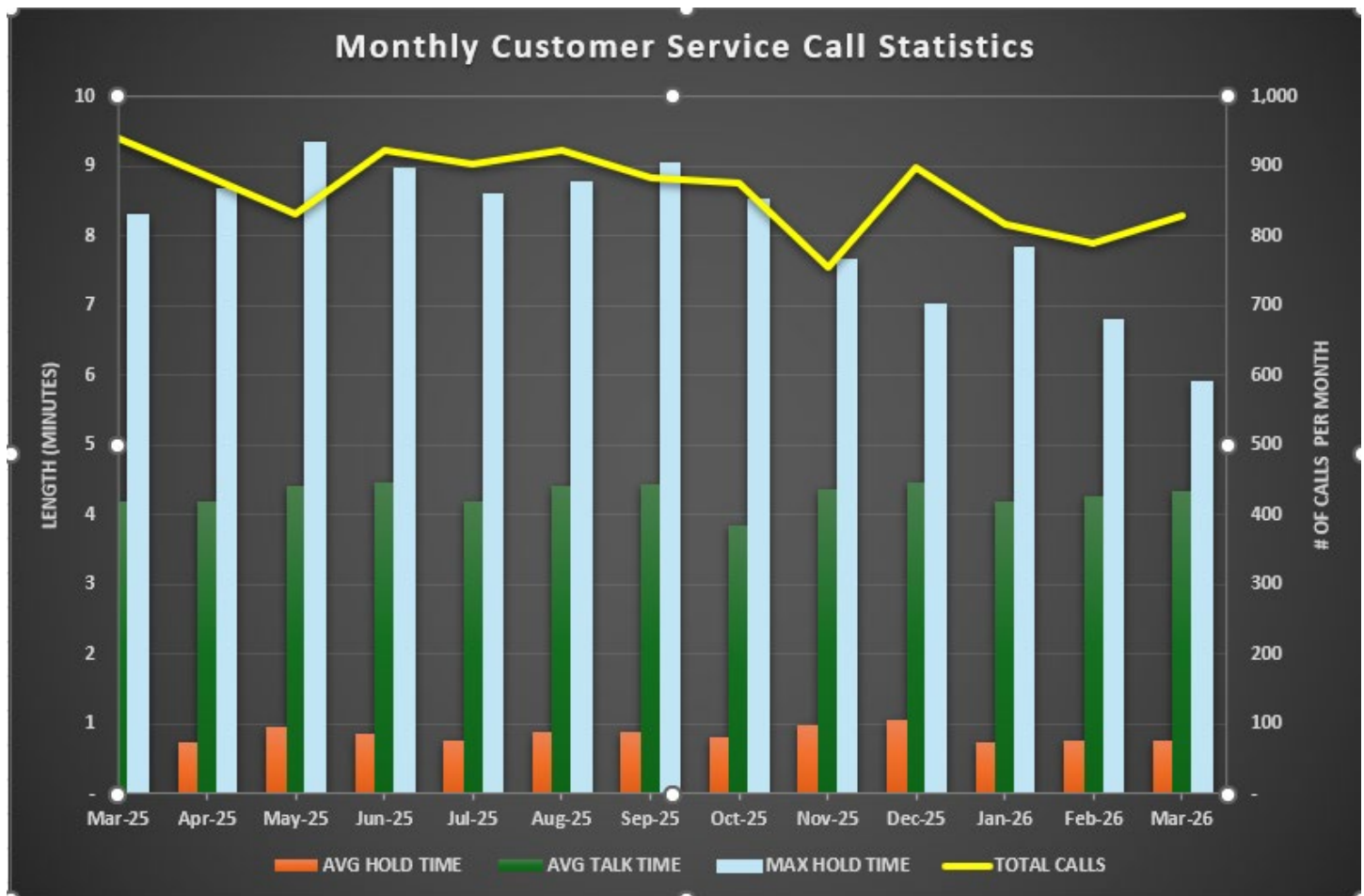
The Five-Year Water Purchases Demand Chart (Attachment D) reports imported water purchases; this data is available in real time. System demand for the current fiscal year totaled 7,890 AF through February, or 23%

below the system demand at the same time last year, and 5% below budget for this time of year based on the average 5-year demand trend through February.

The District recorded 8,044 AF in water sales through February for FY26 compared to 9,936 AF in sales for FY25 for the same period, or 19% lower than prior year due to a little less hot and less dry weather this year compared to last year. The Water Sales Summary Report (Attachment E) represents water that was billed to customers, so the data is time delayed in comparison to the Five-Year Water Purchases Demand Chart. These two reports will not correlate unless they are both presented for the same date; we provide the purchases report in real time to provide the board with the most current demand information available.

Monthly Call Volume:

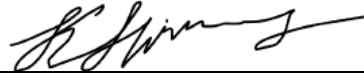
The call volume for March 2026 was 829 calls to customer service with an average hold time of 45 seconds and an average talk time of 4 minutes and 20 seconds. The max time in queue in March was 5 minutes and 55 seconds. See the chart below for the comparison of call statistics over the last 12 months.



Attachments:

- A. Budget vs Actuals (February FY26)
- B. CIP Budget to Actuals (February FY26)
- C. Treasury Report (February FY26)
- D. Five-Year Water Purchases Demand Chart (through 03/01/2026)

- E. Water Sales Summary (February FY26)
- F. Check Register (February FY26)
- G. Directors' Expense Report (February FY26)
- H. Credit Card Breakdown (February FY26)



Konstantin Shilkov, CPA
Chief Financial Officer/Treasurer

April 28, 2026



PMIA/LAIF Performance Report as of 03/25/26



Quarterly Performance Quarter Ended 12/31/25

LAIF Apportionment Rate ⁽²⁾ :	4.20
LAIF Earnings Ratio ⁽²⁾ :	0.00011512010685708
LAIF Administrative Cost ^{(1)*} :	0.27
LAIF Fair Value Factor ⁽¹⁾ :	1.002181483
PMIA Daily ⁽¹⁾ :	3.97
PMIA Quarter to Date ⁽¹⁾ :	4.09
PMIA Average Life ⁽¹⁾ :	244

PMIA Average Monthly Effective Yields⁽¹⁾

February	3.871
January	3.931
December	4.025
November	4.096
October	4.150
September	4.212

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 2/28/26 \$164.6 billion

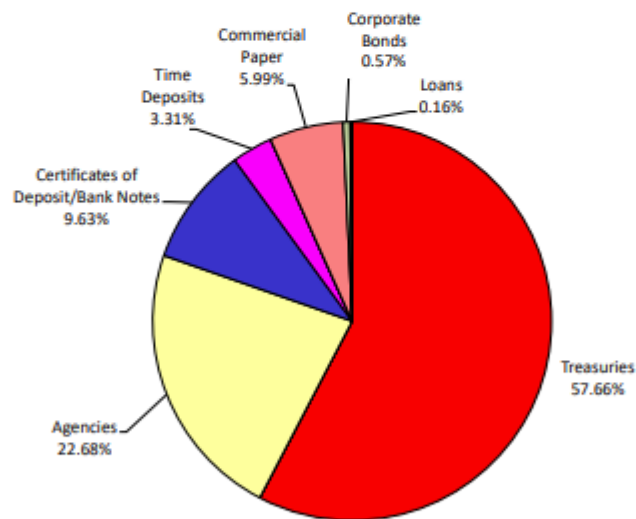


Chart does not include \$855,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾State of California, Office of the Treasurer

⁽²⁾State of California, Office of the Controller

Rainbow Muncipal Water District
 Operating Budget Summary by Fund
NET OPERATING INCOME

Description	FY 2026 Actuals YTD 02/28/2026	Current \$ (Under)/Over Full Year Budget	Current % of Full Year Budget	Budget as of 02/28/2026	\$ Over/(Under) as of 02/28/2026	% Over/(Under) as of 02/28/2026	FY 2026 Adopted Budget
Water Operating & Non-Operating Fund							
Water Operating Revenues	\$ 34,139,714	\$ (15,300,503)	69%	\$ 35,223,926	\$ (1,084,212)	-3%	\$ 49,440,217
Water Operating Expenses	\$ 22,152,396	(13,644,650)	62%	25,438,864	\$ (3,286,468)	-13%	35,797,046
Water Fund Net Operating Revenue	\$ 11,987,318	\$ (1,655,853)	88%	\$ 9,785,062	\$ 2,202,256	23%	\$ 13,643,171
Water Non-Operating Fund							
Water Non-Operating Revenues	\$ 869,541	\$ (226,745)	79%	\$ 730,857	\$ 138,684	19%	\$ 1,096,286
Water Non-Operating Expenses	4,826,532	(1,514,098)	76%	4,227,087	\$ 599,446	14%	6,340,630
Water Fund Net Non-Operating Revenue	\$ (3,956,991)	\$ 1,287,353	75%	\$ (3,496,229)	\$ (460,762)	13%	\$ (5,244,344)
WATER NET REVENUE	\$ 8,030,327	\$ (368,500)	96%	\$ 6,288,833	\$ 1,741,494	28%	\$ 8,398,827
Wastewater Operating & Non-Operating Fund							
Wastewater Operating Revenues	4,302,122	(1,717,166)	71%	4,012,859	289,263	7%	6,019,288
Wastewater Operating Expenses	3,165,491	(1,481,692)	68%	3,098,122	67,369	2%	4,647,183
Wastewater Fund Net Operating Revenue	\$ 1,136,631	\$ (235,474)	83%	\$ 914,737	\$ 221,894	24%	\$ 1,372,105
Wastewater Non-Operating Fund							
Wastewater Non-Operating Revenues	158,877	(42,423)	79%	134,200	24,677	18%	201,300
Wastewater Non-Operating Expenses	663,021	(407,704)	62%	713,816	(50,795)	-7%	1,070,724
Wastewater Fund Net Non-Operating Revenue	\$ (504,144)	\$ 365,281	58%	\$ (579,616)	\$ 75,472	-13%	\$ (869,424)
WASTEWATER NET REVENUE	\$ 632,487	\$ 129,807	126%	\$ 335,120	\$ 297,367	89%	\$ 502,681
WATER & WASTEWATER NET REVENUE	\$ 8,662,814	\$ (238,693)	97%	\$ 6,623,953	\$ 2,038,861	31%	\$ 8,901,508

% of Annual Budget

75% Water Purchases/Sales based on historical average

67% Fixed Fee Revenue & Expenses are based on time

**Rainbow Municipal Water District
Wastewater Fund Operating Budget Summary**

Description	FY 2026 Actuals YTD 02/28/2026	Current \$ (Under)/Over Full Year Budget	Current % of Full Year Budget	Budget as of 02/28/2026	\$ Over/(Under) as of 02/28/2026	% Over/(Under) as of 02/28/2026	FY 2026 Adopted Budget
Operating Revenues							
Wastewater Revenues	\$ 4,301,872	\$ (1,715,816)	71%	\$ 4,011,792	\$ 290,080	7%	\$ 6,017,688
Other Revenues	250	(1,350)	16%	\$ 1,067	\$ (817)	-77%	1,600
Total Operating Revenues	\$ 4,302,122	\$ (1,717,166)	71%	\$ 4,012,859	\$ 289,263	7%	\$ 6,019,288
Operating Expenses							
Total Payroll Expenses	555,012	(276,535)	67%	\$ 554,365	\$ 648	0%	831,547
Total Maintenance & Supply	1,845,062	(733,420)	72%	\$ 1,718,988	\$ 126,074	7%	2,578,482
General Fund Transfer	765,417	(471,737)	62%	\$ 824,769	\$ (59,352)	-7%	1,237,154
Total Operating Expenses	\$ 3,165,491	\$ (1,481,692)	68%	\$ 3,098,122	\$ 67,369	2%	\$ 4,647,183
NET OPERATING REVENUE	1,136,631	(235,474)	83%	914,737	221,894	24%	1,372,105
Non-Operating Revenues							
Investment Income	78,221	(31,779)	71%	\$ 73,333	\$ 4,888	7%	110,000
Property Tax Revenue	52,366	(38,934)	57%	\$ 60,867	\$ (8,501)	-14%	91,300
Grants Revenue	-	-	0%	\$ -	\$ -	#DIV/0!	-
Other Non-Operating Revenue	28,290	28,290	0%	\$ -	\$ 28,290	#DIV/0!	-
Total Non-Operating Revenues	158,877	(42,423)	79%	134,200	24,677	18%	201,300
Non-Operating Expenses							
Oceanside- Prior Period Wastewater Treatment	-	-	0%	\$ -	\$ -	#DIV/0!	-
Oceanside - Contribution to Repl. Reserve	-	(407,703)	0%	\$ 271,802	\$ (271,802)	-100%	407,703
Debt Service (Principal & Interest)	663,021	(0)	100%	\$ 442,014	\$ 221,007	50%	663,021
Total Non-Operating Expenses	663,021	(407,704)	62%	713,816	(50,795)	-7%	1,070,724
NET NON-OPERATING REVENUE	\$ (504,144)	\$ 365,281	58%	\$ (579,616)	\$ 75,472	-13%	\$ (869,424)
NET REVENUE	\$ 632,487	\$ 129,807	126%	\$ 335,120	\$ 297,367	89%	\$ 502,681

**Rainbow Muncipal Water District
General Fund Operating Budget Summary**

General Operating

Description	FY 2026 Actuals YTD 02/28/2026	Current \$ (Under)/Over Full Year Budget	Current % of Full Year Budget	Budget as of 02/28/2026	% Over/(Under) as of 02/28/2026	% Over/(Under) as of 02/28/2026	FY 2026 Adopted Budget
Operating Revenues							
Water Overhead Transfer	\$ 4,989,598	\$ (3,075,159)	62%	\$ 5,376,505	\$ (386,907)	-7%	\$ 8,064,757
Wastewater Overhead Transfer	\$ 765,417	(471,737)	62%	\$ 824,769	\$ (59,352)	-7%	1,237,154
Other General Fund Revenue	457,738	(368,408)	55%	\$ 550,764	\$ (93,026)	-17%	826,146
Total Operating Revenues	\$ 6,212,753	\$ (3,915,304)	61%	\$ 6,752,038	\$ (539,285)	-8%	\$ 10,128,058
Operating Expenses							
Board of Directors	\$ 44,419	\$ (15,706)	74%	\$ 40,083	\$ 4,336	11%	\$ 60,125
Garage	445,791	(259,029)	63%	\$ 469,880	\$ (24,089)	-5%	704,820
Administration	986,984	(581,266)	63%	\$ 1,045,500	\$ (58,516)	-6%	1,568,250
Human Resources	339,910	(212,422)	62%	\$ 368,221	\$ (28,312)	-8%	552,332
Risk Management	727,532	(201,958)	78%	\$ 619,660	\$ 107,872	17%	929,490
IT Services	1,055,823	(524,700)	67%	\$ 1,053,682	\$ 2,141	0%	1,580,523
Public Relations	114,295	(99,964)	53%	\$ 142,839	\$ (28,545)	-20%	214,259
Finance	782,223	(342,356)	70%	\$ 749,719	\$ 32,504	4%	1,124,579
Customer Service	513,985	(375,611)	58%	\$ 593,064	\$ (79,079)	-13%	889,596
Engineering	528,743	(450,341)	54%	\$ 652,722	\$ (123,980)	-19%	979,084
CalPERS UAL Payment	657,194	(867,806)	43%	\$ 1,016,667	\$ (359,473)	-35%	1,525,000
Other Post Employment Benefits	15,855	15,855	0%	\$ -	\$ 15,855	#DIV/0!	0
Total Operating Expenses	\$ 6,212,753	\$ (3,915,304)	61%	\$ 6,752,038	\$ (539,285)	-8%	\$ 10,128,058
CHANGE IN NET POSITION	\$ -	\$ -	\$ -				\$ -

Water Capital Projects - FY26 Budget to Actuals through February 2026

Project #	Project Name	PY Adjusted Budget -	Prior Year Actual (FY25)	PY Remaining Budget -	Carryforward	Carryforward Amount of	CY Adopted	CY Budget	Amended Budget w/ PY	Year-to-Date	Remaining Budget
		FY25	FY 24/25	FY25	Remaining Budget Balance from PY ?	Remaining Budget From PY	Budget	Adjustments	Carryforward	Expended 02-28-26	
		FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	FY 25/26
600003	San Luis Rey Imported Return Flow Recovery	\$ 152,328	\$ 10,121	\$ 142,207	Yes	\$ 142,207	\$ -	\$ -	\$ 142,207	\$ 10,933	\$ 131,275
600007	Pressure Reducing Stations	\$ 150,000	\$ -	\$ 150,000	Yes	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ 183,329	\$ (33,329)
600009	Isolation Valve Installation Program	\$ 150,000	\$ 157,803	\$ (7,803)	Yes	\$ (7,803)	\$ 250,000	\$ -	\$ 242,197	\$ 28,924	\$ 213,272
600013	Hutton/Rancho Amigos (Turnier)/Dentro Pump Stations	\$ 4,532,689	\$ 4,400,057	\$ 132,632	Yes	\$ 132,632	\$ -	\$ -	\$ 132,632	\$ -	\$ 132,632
600026	Camino Del Rey Waterline Relocation	\$ 100,000	\$ 34,118	\$ 65,882	Yes	\$ 65,882	\$ 25,000	\$ -	\$ 90,882	\$ 11,605	\$ 79,276
600030	Corrosion Prevention Program Development and Implementation	\$ -	\$ 4,044	\$ (4,044)	Yes	\$ (4,044)	\$ -	\$ -	\$ -	\$ -	\$ -
600043	Eagles Perch Water Pipeline Improvements	\$ -	\$ -	\$ -	No	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 13,857	\$ 136,143
600047	Generator at Sumac	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
600058	Electrical Panel Switches	\$ 200,000	\$ 43,408	\$ 156,592	Yes	\$ 156,592	\$ 400,000	\$ -	\$ 556,592	\$ 43,524	\$ 513,068
600088	SDCWA Connections 1, 8, 9 & 10 Acquisition	\$ 750,000	\$ 728,501	\$ 21,499	Yes	\$ 21,499	\$ -	\$ -	\$ 21,499	\$ -	\$ 21,499
600089	SDCWA Connections 3, 6, 7, 11, & 12 Interim Decommissioning	\$ -	\$ 14,240	\$ (14,240)	Yes	\$ (14,240)	\$ -	\$ -	\$ -	\$ -	\$ -
600091	FPUD Maravilla to RMWD Maravilla (Morro Tank) (750 LF, in-house construction)	\$ 209,125	\$ 24,966	\$ 184,159	Yes	\$ 184,159	\$ -	\$ -	\$ 184,159	\$ -	\$ 184,159
600092	FPUD Olive Hill to RMWD Olive Hill (Morro Reservoir) (840 LF, in-house construction)	\$ 235,000	\$ 100,894	\$ 134,106	Yes	\$ 134,106	\$ -	\$ -	\$ 134,106	\$ -	\$ 134,106
600093	La Canada Pipeline Replacement and Pressure Reduction from Hillrise Rd. to Via Monserate (4,000 LF, in-house construction)	\$ 100,000	\$ 60,666	\$ 39,334	Yes	\$ 39,334	\$ 1,150,000	\$ -	\$ 1,189,334	\$ 361,196	\$ 828,137
600094	Gopher Skid Pump Station	\$ 710,000	\$ 25,322	\$ 684,678	Yes	\$ 684,678	\$ -	\$ -	\$ 684,678	\$ 45,982	\$ 638,696
600096	Gopher Canyon Pipeline Extension (FY25)	\$ 275,000	\$ 258,544	\$ 16,456	Yes	\$ 16,456	\$ -	\$ -	\$ 16,456	\$ -	\$ 16,456
600098	Lookout Mtn Pump Replacement	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 27,933	\$ (27,933)
800061	Line NN Emergency Repair (add construction cost)	\$ -	\$ -	\$ -		\$ -	\$ 893,245	\$ 2,600,000	\$ 3,493,245	\$ 622,404	\$ 2,870,841
600105	Morro Tank Rehabilitation	\$ 100,000	\$ -	\$ 100,000	Yes	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 209	\$ 99,791
600106	Pala Mesa Tank	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
600112	Huntley Rd Pump Station Soft Start Motor	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 84,517	\$ (84,517)
600114	Turner Tank Interior/Exterior Coating (4M Gallons) Transfer from Operating Budget	\$ -	\$ -	\$ -		\$ -	\$ 375,000	\$ -	\$ 375,000	\$ 274,563	\$ 100,437
600115	Gopher Canyon Tank Interior/Exterior Coating (4M Gallons) Transfer from Operating Budget	\$ -	\$ -	\$ -		\$ -	\$ 375,000	\$ -	\$ 375,000	\$ 274,563	\$ 100,437
600116	Fall Protection Replacement @ Morro Tank and Out-of-Service Concrete Tank	\$ -	\$ -	\$ -		\$ -	\$ 75,000	\$ -	\$ 75,000	\$ 11,516	\$ 63,484
600117	Turner Tank Injection System Upgrades	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 152,714	\$ 152,714	\$ 183,200	\$ (30,486)
600118	Hutton Tank Injection System Upgrades	\$ -	\$ -	\$ -		\$ -	\$ 125,000	\$ 90,000	\$ 215,000	\$ 6,027	\$ 208,973
600119	Rainbow Heights Tank Injection System Upgrades	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
600120	Gopher Tank Injection System Upgrades	\$ -	\$ -	\$ -		\$ -	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ 90,000
N/A	Vehicle/Equipment Acquisition	\$ 150,000	\$ 192,909	\$ (42,909)	Yes	\$ (42,909)	\$ 450,000	\$ -	\$ 407,091	\$ 377,488	\$ 29,603
Total		\$ 7,814,142	\$ 6,055,595	\$ 1,758,547	\$ -	\$ 1,758,547	\$ 4,268,245	\$ 2,932,714	\$ 8,977,791	\$ 2,561,771	\$ 6,416,021
		97,165	7,891.31	89,274					\$ 1,805,203	\$ 214,845	\$ 3,301,357
	= Financed in part or whole by the \$10M US Bank Loan (dated 5-1-24)	\$ 7,911,307	\$ 6,063,486	\$ 1,847,821					\$ 10,782,994	\$ 2,776,616	

Wastewater Capital Projects - FY26 Budget to Actuals through February 2026

		PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	Carryforward Remaining Budget Balance from PY ?	Carryforward Amount of Remaining Budget From PY	CY Adopted Budget	CY Budget Adjustments	Amended Budget w/ PY Carryforward	Year-to-Date Expended 02-28-26	Remaining Budget
Project #	Project Name	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	FY 25/26
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement)	\$ 4,039,499	\$ 5,966,976	\$ (1,927,477)	No	\$ -	\$ -	\$ -	\$ -	\$ 122,324	\$ (122,324)
TBD	North River Road Sewer Replacement						\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000
530023	Rancho Monserate, Rancho Viejo LS & HQ B-Plant Emergency Generators	\$ 525,000	\$ 11,324	\$ 513,676	Yes	\$ 513,676	\$ 1,075,000	\$ -	\$ 1,588,676	\$ 17,590	\$ 1,571,086
530029	LS-1 Rehabilitation/School House LS							\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Total		\$ 4,564,499	\$ 5,978,300	\$ (1,413,801)	\$ -	\$ 513,676	\$ 1,125,000	\$ 75,000	\$ 1,713,676	\$ 139,914	\$ 1,573,763
											\$ 1,696,086


General Capital Projects - FY26 Budget to Actuals through February 2026

Project #	Project Name	PY Adjusted Budget -	Prior Year Actual (FY25)	PY Remaining Budget -	Carryforward	Carryforward Amount of	CY Adopted	CY Budget	Amended Budget w/ PY	Year-to-Date Expended	Remaining Budget
		FY25	FY 24/25	FY25	Remaining Budget Balance from PY ?	Remaining Budget From PY	Budget	Adjustments	Carryforward	02-28-26	FY 25/26
		FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	FY 25/26
300036	EV Charging Stations at HQ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ (90,000)	\$ 10,000	\$ 980	\$ 9,020
300008	New District Headquarters	\$ 500,000	\$ 44,071	\$ 455,929	Yes	\$ 455,929	\$ 500,000		\$ 955,929	\$ 56,109	\$ 899,820
Total		\$ 500,000	\$ 44,071	\$ 455,929	\$ -	\$ 455,929	\$ 600,000	\$ (90,000)	\$ 965,929	\$ 57,089	\$ 908,840

= Financed in part or whole by the \$10M US Bank Loan (dated 5-1-24)

General Capital Projects - FY26 Budget to Actuals through February 2026

		PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	Carryforward Remaining Budget Balance from PY ?	Carryforward Amount of Remaining Budget From PY	CY Adopted Budget	CY Budget Adjustments	Amended Budget w/ PY Carryforward	Year-to-Date Expended 02-28-26	Remaining Budget
Project #	Project Name	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	FY 25/26
400001	Master Plans (Water & Waste Water)	\$ 97,165	\$ 7,891	\$ 89,274	Yes	\$ 89,274	\$ 750,000		\$ 839,274	\$ 17,843	\$ 821,431
Total		\$ 97,165	\$ 7,891	\$ 89,274	\$ -	\$ 89,274	\$ 750,000	\$ -	\$ 839,274	\$ 17,843	\$ 821,431

 = Financed in part or whole by the \$10M US Bank Loan (dated 5-1-24)

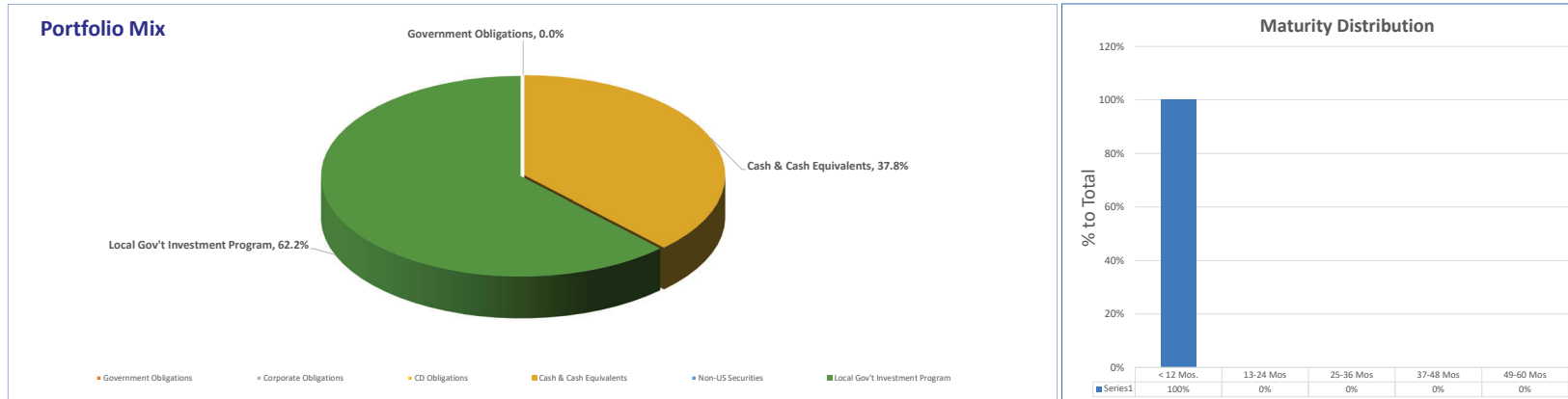
Non-Cap CIP Projects - FY26 Budget to Actuals through February 2026

		PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	Carryforward Remaining Budget Balance from PY ?	Carryforward Amount of Remaining Budget From PY	CY Adopted Budget	CY Budget Adjustments	Amended Budget w/ PY Carryforward	Year-to-Date Expended 02-28-26	Remaining Budget
Project #	Project Name	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	FY 25/26
600097	Morro Reservoir Tank Monitoring	\$ 100,000	\$ 17,985	\$ 82,015	Yes	\$ 82,015	\$ -	\$ -	\$ 82,015	\$ 69,125	\$ 12,891
							\$ -		\$ -	\$ -	\$ -
Total		\$ 100,000	\$ 17,985	\$ 82,015	\$ -	\$ 82,015	\$ -	\$ -	\$ 82,015	\$ 69,125	\$ 12,891

**RAINBOW MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
PORTFOLIO SUMMARY
2/28/2026**



TYPE	ISSUER	RESTRICTION LEVEL	CUSIP	Bond Rating	Date of Maturity	Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity
Cash-Operating	US Bank x139	Unrestricted				\$ 1,148,050	\$ 1,148,050	\$ 1,148,050				0
Cash-Oceanside Plant Construction	US Bank x352	Restricted				\$ -	\$ -	\$ -				0
Money Market Funds	First American Government, US Bank	Unrestricted	31846V567			\$ 9,873,746	\$ 9,873,746	\$ 9,873,746				0
Money Market Funds (Debt Reserve)	Western Alliance	Restricted				\$ -	\$ -	\$ -				0
Money Market Funds-Beek Restr (Debt Reserve)	Computershare Corporate Trust 201	Restricted				\$ 506,943	\$ 506,943	\$ 506,943				0
Money Market Funds-Morro Restr (Debt Reserve)	Computershare Corporate Trust 301	Restricted				\$ 671,666	\$ 671,666	\$ 671,666				0
Money Market Funds (Debt Reserve)	39170200 Trust 200	Restricted				\$ 131	\$ 131	\$ 131				0
Money Market Funds (Debt Reserve)	39170300 Trust 300	Restricted				\$ 152	\$ 152	\$ 152				0
Money Market Funds (Debt Reserve)	Zions Bank-D	Restricted				\$ 659,299	\$ 659,299	\$ 659,299				0
Money Market Funds (Debt Reserve)	Zions Bank-E	Restricted				\$ 50	\$ 50	\$ 50				0
Total Cash & Cash Equivalents						\$ 12,860,036	\$ 12,860,036	\$ 12,860,036				
Local Gov't Investment Program												
	California Asset Management Program (CAMP)	Unrestricted	4039-001			\$ 11,383,801	\$ 11,383,801	\$ 11,383,801				
	CAMP - US Bank Loan Proceeds for CIP	Restricted	4039-002			\$ 1,745,234	\$ 1,745,234	\$ 1,745,234				
	Local Agency Investment Fund (LAIF)	Restricted				\$ 7,723,509	\$ 7,723,509	\$ 7,723,509				
	Local Agency Investment Fund (LAIF)	Unrestricted				\$ 323,914	\$ 323,914	\$ 323,914				0
Total Local Gov't Investment Program						\$ 21,176,457	\$ 21,176,457	\$ 21,176,457				
US Bank Government Obligations											\$ -	0
Total Government Obligations						\$ -	\$ -	\$ -			\$ -	0
US Bank Corporate Issues												
Total Corporate Issues						\$ -	\$ -	\$ -				
Investment Portfolio Totals						\$ 34,036,494	\$ 34,036,494	\$ 34,036,494				
Less Restricted Cash for Oceanside Replacement Reserve						\$ (974,540)	\$ (974,540)	\$ (974,540)				
Less Restricted Portfolio						\$ (11,306,982)	\$ (11,306,982)	\$ (11,306,982)				
Total Unrestricted Portfolio						\$ 21,754,971	\$ 21,754,971	\$ 21,754,971				



This monthly report accurately reflects all District pooled investments. It is in conformity with the investment Administrative code section 5.03.08D. The District has sufficient cash flow to meet six months of obligations. The District is in compliance with the current Investment Policy and California Government Code.

Cathy Lundell

Cathy Lundell - Accounting Specialist

3/24/2026

*Source of Market Value - US Bank monthly statements

System Demands Comparison Chart

20000

Variance to Prior Year: -23%
Variance to Budget: -5%
YTD - System Demands - 7,890 AF
Updated: 03-01-26

15000

- 5 Year Average
- FY 25 Purchases
- FY 26 Budgeted Purchases
- FY 26 Purchases

Acre Feet

10000

5000

0

July

August

September

October

November

December

January

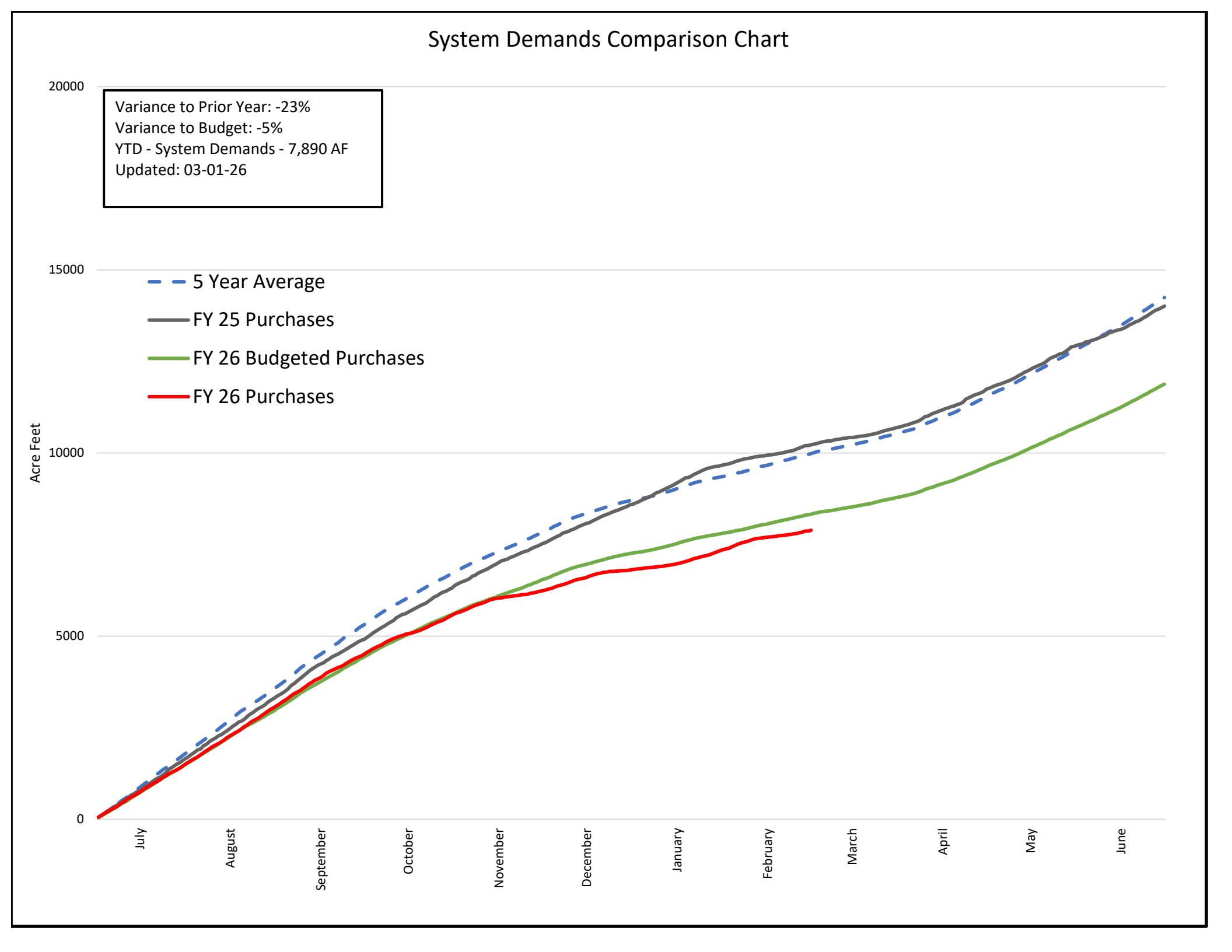
February

March

April

May

June



Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2025-2026

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
1,302	AD	310	402	410	357	306	137	172	150	-	-	-	-	2,243
609	AG	346	484	480	406	331	141	178	160	-	-	-	-	2,527
279	CM	75	104	97	75	69	26	36	27	-	-	-	-	509
20	CN	8	8	9	7	5	1	3	5	-	-	-	-	46
21	IS	5	8	6	5	6	2	3	3	-	-	-	-	39
126	MF	30	39	42	39	38	26	30	25	-	-	-	-	270
-	PC	-	-	-	-	-	-	-	-	-	-	-	-	-
-	PD	-	-	-	-	-	-	-	-	-	-	-	-	-
6,770	SF	320	409	404	348	333	190	221	185	-	-	-	-	2,411
9,127	Total	1,095	1,454	1,447	1,238	1,090	523	642	555	-	-	-	-	8,044

FISCAL YEAR 2024-2025

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,186	AD	193	251	269	231	407	267	288	256	-	-	-	-	2,162
513	AG	246	344	374	307	453	290	315	271	-	-	-	-	2,601
275	CM	85	111	123	83	81	51	52	43	-	-	-	-	628
37	CN	6	10	7	11	7	6	5	4	-	-	-	-	56
21	IS	5	7	7	6	6	4	5	4	-	-	-	-	46
124	MF	33	38	37	33	37	30	32	29	-	-	-	-	269
139	PC	140	184	197	171	-	-	-	-	-	-	-	-	692
300	PD	157	202	218	192	-	-	-	-	-	-	-	-	768
6,234	SF	327	405	441	364	379	261	276	262	-	-	-	-	2,714
8,829	Total	1,192	1,553	1,672	1,398	1,370	910	973	868	-	-	-	-	9,936

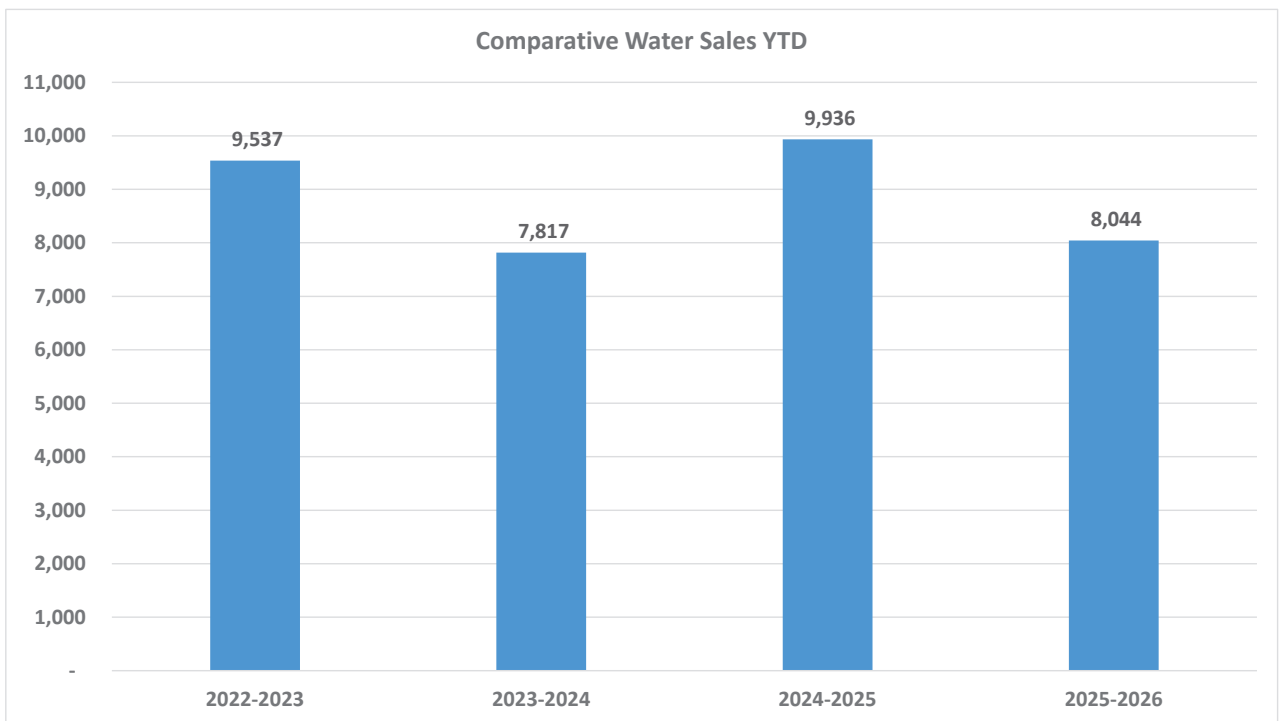
FISCAL YEAR 2023-2024

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,227	AD	168	225	211	178	190	147	114	55	-	-	-	-	1,289
531	AG	203	317	311	221	252	170	120	60	-	-	-	-	1,655
276	CM	66	98	88	65	62	43	32	15	-	-	-	-	469
26	CN	6	6	7	5	4	3	6	2	-	-	-	-	40
21	IS	4	6	5	5	5	5	4	3	-	-	-	-	37
121	MF	26	31	37	31	30	31	28	22	-	-	-	-	235
148	PC	100	150	132	120	139	85	62	22	-	-	-	-	811
313	PD	138	200	176	148	156	106	82	37	-	-	-	-	1,044
-	SC	-	-	-	-	-	-	-	-	-	-	-	-	-
-	SD	-	-	-	-	-	-	-	-	-	-	-	-	-
6,012	SF	287	363	365	311	304	254	216	137	-	-	-	-	2,237
8675	Total	998	1,398	1,332	1,085	1,143	844	664	354	-	-	-	-	7,817

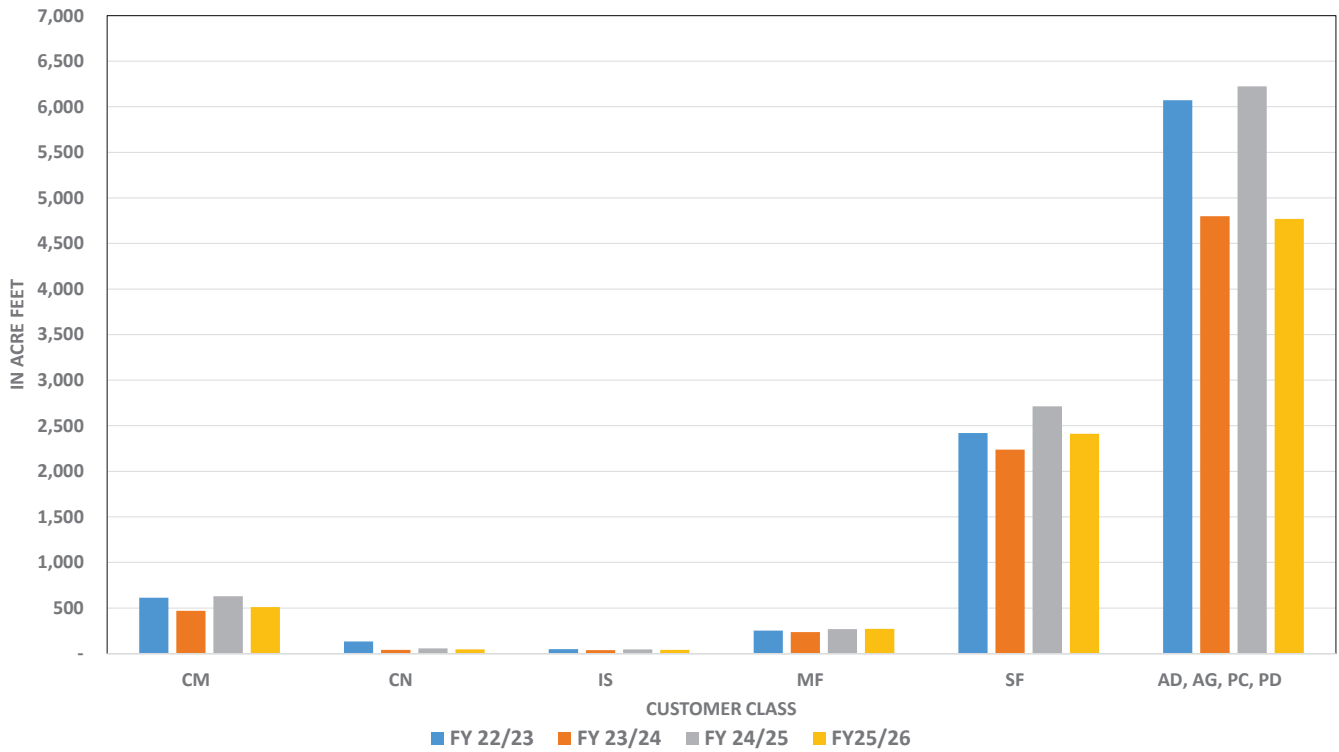
FISCAL YEAR 2022-2023

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
549	AD	291	249	318	242	184	135	76	41	-	-	-	-	1,536
402	AG	438	400	540	356	235	158	82	44	-	-	-	-	2,254
271	CM	119	110	144	98	70	41	18	13	-	-	-	-	614
24	CN	32	20	37	19	12	7	5	2	-	-	-	-	134
21	IS	10	8	10	6	5	4	3	1	-	-	-	-	48
114	MF	32	29	38	31	27	26	50	19	-	-	-	-	252
	PC	199	177	229	179	128	82	31	10	-	-	-	-	1,036
	PD	235	217	279	202	149	101	43	20	-	-	-	-	1,245
319	SC	-	-	-	-	-	-	-	-	-	-	-	-	-
1,012	SD	-	-	-	-	-	-	-	-	-	-	-	-	-
5,851	SF	417	368	457	363	284	235	178	117	-	-	-	-	2,419
8,563	Total	1,774	1,579	2,053	1,495	1,094	789	486	268	-	-	-	-	9,537

Comparative Water Sales YTD from Prior Years



YTD USAGE BY CUSTOMER CLASS





Check Register
Fiscal Year 2025-2026

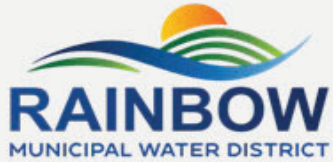
February 2025						
Payments above 50K						
Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
163776207	WIRE	703027	EASTERN MUNICIPAL WATER DISTRICT	EMWD WATER PURCHASE - DECEMBER 2025	02/13/2026	1,168,372.80
3533	ACH	700935	ACWA-JPIA	MONTHLY INSURANCE MEDICAL/VISION - MARCH 2026	02/13/2026	117,403.29
3533	ACH	700935	ACWA-JPIA	MONTHLY INSURANCE MEDICAL/VISION - FEBRUARY 2026	02/13/2026	109,911.15
202502010001	ACH	702788	U.S. NATIONAL ASSOCIATION	COMMERCIAL LOAN	02/01/2026	104,699.89
30152	CHECK	702833	INTERGRAPH CORPORATION DBA HEXAGON'S ASSET LIFECYCLE INTELLIGENCE DIVISION	EAM ANNUAL SUBSCRIPTION	02/13/2026	86,423.04
30183	CHECK	701948	STATE WATER RESOURCES CONTROL BOARD	WATER SYSTEM ANNUAL FEES, 7/1/25-6/30/26	02/13/2026	52,550.48
Payments below 50K						
Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
3532	ACH	701628	A PERFECT SHADE	WINDOW TINTING	02/13/2026	75.00
3534	ACH	700925	ACWA/JPIA	WC PROGRAM FY26 - 2ND QTR	02/13/2026	23,284.42
3535	ACH	700958	AIRGAS USA, LLC	CVR LENS 4-3/16"X2-172" INSD	02/13/2026	39.00
3535	ACH	700958	AIRGAS USA, LLC	OXYGEN INDUSTRIAL	02/13/2026	51.13
3535	ACH	700958	AIRGAS USA, LLC	CARBON DIOXIDE	02/13/2026	46.81
3535	ACH	700958	AIRGAS USA, LLC	ACETYLENE, OXYGEN, ACETYLENE	02/13/2026	184.14
30115	CHECK	703190	ALEX JONES	EDUCATION ASSISTANCE REIMBURSEMENT	02/13/2026	305.00
30116	CHECK	702896	ARDURRA GROUP, INC.	ENGINEERING & DEVELOPMENT PLAN CHECKING SERVICES	02/13/2026	45,676.00
3536	ACH	702729	ASPHALT ZIPPER, INC.	DOUBLE CARBIDE BIT	02/13/2026	1,440.42
30117	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/13/2026	491.20
30117	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/13/2026	31.97
30117	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/13/2026	31.97
30117	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/13/2026	211.30
30118	CHECK	701269	AT&T LONG DISTANCE	MONTHLY PHONE SERVICE	02/13/2026	146.65
30119	CHECK	702629	ATLAS ENGINEERING WEST, INC.	AS-NEEDED GEOTECHNICAL SERVICES	02/13/2026	1,550.00
3537	ACH	701677	AZUGA, INC.	MONTHLY SERVICE FEE	02/13/2026	288.75
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	102.00
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	1,269.68
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	102.00
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	180.00
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	119.00
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	30.00
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	119.00
3538	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/13/2026	102.00
3539	ACH	702525	BADGER METER INC.	ORION CELLULAR LTE SERV UNIT - JAN 2026	02/13/2026	522.75
3539	ACH	702525	BADGER METER INC.	EV - E-SERIES ULTRASONIC PLUS LEAD FREE BRZ	02/13/2026	601.38
30120	CHECK	702448	BERNARDO NUNEZ	SAFETY BOOTS REIMBURSEMENT	02/13/2026	250.00
30120	CHECK	702448	BERNARDO NUNEZ	T2 RENEWAL, D5 CERT & CSM G-1 CERT REIMBURSEMENT	02/13/2026	374.00
30121	CHECK	703220	BLENDMAGIC PRODUCTS, LLC	FLOATING LIFT-STATION DEGREASER - 55 GAL DRUM	02/13/2026	1,999.99
30122	CHECK	702222	BONSALL CHAMBER OF COMMERCE	BONSALL CHAMBER AWARDS NIGHT ATTENDANCE	02/13/2026	100.00
30123	CHECK	700586	BONSALL PEST CONTROL	RODENT CONTROL SERVICE AT 7 OF SITE BUILDING	02/13/2026	220.00
3540	ACH	701510	BOOT BARN INC	SAFETY BOOTS - MENDEZ	02/13/2026	200.00
3540	ACH	701510	BOOT BARN INC	SAFETY BOOTS - JVASQUEZ	02/13/2026	189.49
3541	ACH	701187	BP BATTERY INC.	GROUP 31 STUD BATTERY 1000 CCA	02/13/2026	166.85
3541	ACH	701187	BP BATTERY INC.	BATTERY PROS W/ CORE EXCHANGE	02/13/2026	184.30
30124	CHECK	701788	CALIFORNIA TREE SERVICE, INC.	TREE SERVICE - HQ TREE TRIMMING	02/13/2026	14,800.00
30193	CHECK	703204	CALMAT CO.	COLD MIX 3/8 SC8	02/13/2026	2,081.53

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
3542	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - 2247 RAINBOW GLEN RD, FALLBROOK, CA	02/13/2026	1,975.00
3542	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - 35196-35288 RICE CANYON RD	02/13/2026	3,965.00
3542	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - 4960 SLEEPING RD, FALLBROOK, CA	02/13/2026	5,750.00
3542	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - DENTRO DE LOMAS/OLD RIVER RD, BONSALE, CA	02/13/2026	1,975.00
3543	ACH	701634	CIVILITY PARTNERS	COACHING SERVICES	02/13/2026	3,500.00
30125	CHECK	702988	CLEARSTAR, INC.	BACKGROUND CHECK	02/13/2026	32.80
30125	CHECK	702988	CLEARSTAR, INC.	BACKGROUND CHECK	02/13/2026	1.00
30125	CHECK	702988	CLEARSTAR, INC.	BACKGROUND CHECK	02/13/2026	219.26
30126	CHECK	700634	COASTAL CHLORINATION AND	CHLORINATION & DE-CHLORINATION OF APPRX 1200X18 WATER MAIN	02/13/2026	2,550.00
30127	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2603_HEALTH AND ACCIDENTAL INSURANCE	02/13/2026	27.88
30127	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2602_HEALTH AND ACCIDENTAL INSURANCE	02/13/2026	27.88
30128	CHECK	701977	CORE & MAIN LP	1" X 1 1/2" METER TAIL	02/13/2026	474.10
3544	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	INSTALL ECCO LIGHT BAR 12+ PRO VANTAGE	02/13/2026	7,571.50
3544	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	INSTALL ECCO LIGHT BAR 12+ PRO VANTAGE	02/13/2026	7,571.50
3544	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	INSTALL ECCO LIGHT BAR 12+ PRO VANTAGE	02/13/2026	7,571.50
3544	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	INSTALL ECCO LIGHT BAR 12+ PRO VANTAGE	02/13/2026	7,571.50
30129	CHECK	700738	CWEA	CWEA MEMBERSHIP DUES - ID#280001-2026, RZUNIGA	02/13/2026	251.00
30130	CHECK	700793	DEXTER WILSON ENGINEERING	DESIGN GOPHER PS PROJECT	02/13/2026	7,800.00
30131	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	02/13/2026	76.62
30131	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	02/13/2026	76.62
30133	CHECK	700833	ELECTRICAL SALES, INC.	TRM 1/2 TIME DELAY, ATQR1/2 600V CC TD FUSE	02/13/2026	107.44
30134	CHECK	700839	ESCONDIDO METAL SUPPLY, INC.	STEELPIPE, STEELFLAT BAR, HOT ROLLED STEEL, STEEL SQUARE	02/13/2026	591.30
30135	CHECK	703095	EVOQUA WATER TECHNOLOGIES LLC	BIOXIDE CN9-ORANGE	02/13/2026	11,374.14
30136	CHECK	702718	FALLBROOK ACE HARDWARE	CONN WIRE, BAG, WIRE CONN	02/13/2026	33.75
30136	CHECK	702718	FALLBROOK ACE HARDWARE	CABLETIE (75) - 8", 11", & 14"	02/13/2026	59.33
30136	CHECK	702718	FALLBROOK ACE HARDWARE	DRVR BIT SET, BOLT EYE LAG, CLNR/PRCTR BBY PWDR	02/13/2026	66.24
30136	CHECK	702718	FALLBROOK ACE HARDWARE	CONDUIT STRAP, CONNECTOR LIQ, BOX SCREW, BELL	02/13/2026	129.00
30137	CHECK	700845	FALLBROOK AUTO PARTS	BREAK PADS, FUEL FILTER, ENGINE OIL FILTER, BRAKE CLEANER	02/13/2026	153.55
30137	CHECK	700845	FALLBROOK AUTO PARTS	OIL FILTER, ENGINE FLUSH	02/13/2026	95.62
30138	CHECK	700849	FALLBROOK CHAMBER OF COMMERCE	MEMBERSHIP DUES	02/13/2026	285.00
3545	ACH	700853	FALLBROOK EQUIPMENT RENTAL	WATER TRUCK 2000 GAL	02/13/2026	2,700.00
30139	CHECK	700905	FALLBROOK PUBLIC UTILITY DIST	STATE AND FEDERAL REPRESENTATION SERVICES - COST SHARE DEC	02/13/2026	7,500.00
30140	CHECK	701169	FALLBROOK WASTE AND RECYCLING	HAULING SERVICE - JANUARY 2026	02/13/2026	3,121.40
30140	CHECK	701169	FALLBROOK WASTE AND RECYCLING	WASTE SERVICE - JANUARY 2026	02/13/2026	423.60
30140	CHECK	701169	FALLBROOK WASTE AND RECYCLING	WASTE SERVICE - JANUARY 2026	02/13/2026	743.14
30141	CHECK	700855	FEDEX	DELIVERY SERVICE	02/13/2026	59.26
30142	CHECK	700860	FERGUSON WATERWORKS #1083	8 SIGMA BELL REST F/ C900 *PVLOKO	02/13/2026	20,655.68
30142	CHECK	700860	FERGUSON WATERWORKS #1083	8" PO X FLG RW GATE VLV HF, HYDRANT GUARD BREAKOFF CHECK VLV	02/13/2026	14,999.89
30142	CHECK	700860	FERGUSON WATERWORKS #1083	16 HYMAX GRIP COUP 17.25-17.88	02/13/2026	2,805.81
3546	ACH	701665	FLEET TRUCK & AUTO SHOP INC.	BRAKE PADS, AXLE SEAL, ORING, A/C COMPRESSOR, WATER PUMP	02/13/2026	6,187.34
3547	ACH	701419	FLEETCREW, INC.	DPF LEVEL 2 SERVICE, REGEN ENVIRONMENTALS, DURATION GASKET	02/13/2026	1,569.75
3547	ACH	701419	FLEETCREW, INC.	CLEAN TRUCK CHECK PERIODIC INSPECTION TEST	02/13/2026	981.00
30143	CHECK	701711	FLUME TECH	FLUME SMART WATER SYSTEMS	02/13/2026	583.36
3548	ACH	701930	FLYERS ENERGY LLC	ORDER #4383612-26, DSL 270 UNITS/ETH 120 UNITS	02/13/2026	1,761.48
3548	ACH	701930	FLYERS ENERGY LLC	ORDER #4380717-26, DSL 100 UNITS/ETH 350 UNITS	02/13/2026	1,883.42
3548	ACH	701930	FLYERS ENERGY LLC	ORDER #4375337-26, DSL 100 UNITS/ETH 150 UNITS	02/13/2026	1,044.54
3548	ACH	701930	FLYERS ENERGY LLC	ORDER #4372216-26, DSL 250 UNITS/ETH 300 UNITS	02/13/2026	2,306.86
3548	ACH	701930	FLYERS ENERGY LLC	ORDER #4366768-26, DSL 100 UNITS/ETH 100 UNITS	02/13/2026	827.75
3548	ACH	701930	FLYERS ENERGY LLC	ORDER #4363242-26, DSL 300 UNITS/ETH 410 UNITS	02/13/2026	2,872.99
30144	CHECK	702995	FREDERICK ACCESS SYSTEMS	GATE REPAIR FOR CANONITA TANK	02/13/2026	625.00
3549	ACH	700914	FREEWAY TRAILER SALES	GREASE CAP WITH PLUG	02/13/2026	83.36
3549	ACH	700914	FREEWAY TRAILER SALES	OVERPAYMENT ON ORIGINAL INV# 8863	02/13/2026	(27.97)
3550	ACH	703188	FUSION SIGN & DESIGN, INC.	NEW WOODEN POST, INSTALLATION & MOBILIZATION	02/13/2026	1,743.00
30145	CHECK	703022	GARDA CL WEST, INC	ARMORED TRANSPORTATION SERVICE	02/13/2026	321.03

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
30145	CHECK	703022	GARDA CL WEST, INC	ARMORED TRANSPORTATION SERVICE	02/13/2026	40.59
3551	ACH	700959	HAAKER EQUIPMENT CO.	RENTAL CHARGES, 1/15/26-1/20/26	02/13/2026	4,956.50
3551	ACH	700959	HAAKER EQUIPMENT CO.	RENTAL CHARGES, 1/21/26-1/27/26	02/13/2026	4,956.50
3551	ACH	700959	HAAKER EQUIPMENT CO.	CREDIT ON INV# 27285, RENTAL CHARGES 1/15/26-1/20/26	02/13/2026	(1,939.50)
3551	ACH	700959	HAAKER EQUIPMENT CO.	RENTAL CHARGES, 1/15/26-1/20/26	02/13/2026	1,939.50
3551	ACH	700959	HAAKER EQUIPMENT CO.	RENTAL CHARGES, 1/7/26-1/13/26	02/13/2026	4,956.50
3551	ACH	700959	HAAKER EQUIPMENT CO.	RENTAL CHARGES, 12/16/25-1/12/26	02/13/2026	10,775.00
30146	CHECK	702571	HASA INC.	HASACHLOR, 53GAL DRUM, 10 SHIPPED	02/13/2026	3,116.06
30147	CHECK	700974	HAWTHORNE MACHINERY COMPANY	PERFORM TA1 INSPECTION, REPLACE PARTS	02/13/2026	4,729.91
30147	CHECK	700974	HAWTHORNE MACHINERY COMPANY	SCREW, LOCKNUT	02/13/2026	95.46
30147	CHECK	700974	HAWTHORNE MACHINERY COMPANY	OIL HYDRO, SEAL O RING	02/13/2026	552.34
30147	CHECK	700974	HAWTHORNE MACHINERY COMPANY	EQUIPMENT RENTAL - WHEEL LOADER FORKS	02/13/2026	359.84
30148	CHECK	701549	HAZEN AND SAWYER	DESIGN SERVICES FOR EMERGENCY NN PIPELINE REPLACEMENT	02/13/2026	32,358.02
30149	CHECK	703225	HEDGES CONSTRUCTION	TCM DEPOSIT REFUND ON CLOSED ACCOUNT	02/13/2026	570.65
3552	ACH	701400	HELIX ENVIRONMENTAL PLANNING INC	ENVIRONMENTAL CONSULTING FOR THE EMERGENCY NN PIPELINE	02/13/2026	402.50
30151	CHECK	703203	HUNSAKER & ASSOCIATES SAN DIEGO, INC.	SURVEYING & MAPPING SERVICES FOR LS-1 EXPANSION	02/13/2026	3,982.00
3553	ACH	700663	ICONIX WATERWORKS (US) INC	CRD-18 150-600 PSI REPAIR KIT, 2" #100 DIAPH/DISC ASSY-KC SS	02/13/2026	4,150.72
3553	ACH	700663	ICONIX WATERWORKS (US) INC	8" CLAVAL FLANGED 300#, 2" CLAVAL THREADED, 2 #100 DIAPH/ DI	02/13/2026	17,172.06
30153	CHECK	702138	JAUREGUI & CULVER, INC.	REMOVE AND REPLACE DIESEL HOSES, BREAKAWAYS, RETRACTORS AND	02/13/2026	4,636.43
30154	CHECK	703228	JAVIER VASQUEZ	EDUCATION ASSISTANCE REIMBURSEMENT	02/13/2026	392.68
30155	CHECK	703226	JODY NOVAK	TCM DEPOSIT REFUND ON CLOSED ACCOUNT	02/13/2026	306.68
30156	CHECK	701759	KDM MERIDIAN	ON-CALL LAND SURVEYING SERVICES	02/13/2026	892.50
30157	CHECK	701409	KNOCKOUT PEST CONTROL& TERMITES, INC.	ONE TIME METER BEE REMOVAL	02/13/2026	100.00
30158	CHECK	703151	KONSTANTIN SHILKOV	STUDEN LOAN REIMBURSEMENT	02/13/2026	437.50
30158	CHECK	703151	KONSTANTIN SHILKOV	STUDEN LOAN REIMBURSEMENT	02/13/2026	212.95
30159	CHECK	702462	KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	FREIGHT FEE	02/13/2026	66.50
30160	CHECK	702636	LANCE, SOLL & LUNGHARD LLP	2025 STATE CONTROLLER REPORT - SPECIAL DISTRICT	02/13/2026	1,250.00
3554	ACH	702501	METRON-FARNIER, LLC.	CELLULAR 1 YEAR SERVICE PLAN	02/13/2026	100.00
30161	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 2/5/2026 to 3/6/2026	02/13/2026	880.60
30161	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 2/2/2026 to 3/3/2026	02/13/2026	3,782.72
30162	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	02/13/2026	492.42
30162	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	02/13/2026	951.43
30162	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	02/13/2026	540.91
30163	CHECK	702825	MOTION & FLOW CONTROL PRODUCTS, INC.	NON SPILL CPL ORB	02/13/2026	85.08
3555	ACH	703199	MURRIETA ACCESSORY CENTER	INSTALL BEDLINERS - (4) TRUCKS	02/13/2026	2,713.75
30164	CHECK	702514	NASLAND ENGINEERING	DESIGN SERVICES ON CAMINO DEL REY WATERLINE PROJECT	02/13/2026	4,050.00
30165	CHECK	701643	NATIONAL BENEFIT SERVICES, LLC	401A ANNUAL ADMIN FEE - 12/31/25	02/13/2026	500.00
30165	CHECK	701643	NATIONAL BENEFIT SERVICES, LLC	ACH CHARGEBACK FEE	02/13/2026	25.00
30165	CHECK	701643	NATIONAL BENEFIT SERVICES, LLC	401A ANNUAL ADMIN FEE - 12/31/24	02/13/2026	500.00
30166	CHECK	701241	NATIONAL SAFETY COMPLIANCE,INC	SERVICES PERFORMED	02/13/2026	549.73
30167	CHECK	701254	O'REILLY AUTO PARTS	BOOSTER, DIESEL EXTREME	02/13/2026	523.99
30168	CHECK	701320	PACIFIC PIPELINE SUPPLY	TAPE DETECTABLE 3"X1000' WATER	02/13/2026	101.31
30168	CHECK	701320	PACIFIC PIPELINE SUPPLY	REDUCING COMP FLANGE 4" X 3", STEEL GALV NIPPLE	02/13/2026	553.62
30168	CHECK	701320	PACIFIC PIPELINE SUPPLY	COPPER PRO PRESS COUPLING NO STOP, COPPER PRO PRESS COUPLING	02/13/2026	660.87
30168	CHECK	701320	PACIFIC PIPELINE SUPPLY	STEEL GALV NIPPLE 4" X 36",COMPANION FLANGE 125# 4"	02/13/2026	244.90
30168	CHECK	701320	PACIFIC PIPELINE SUPPLY	PIPE CMLC STEEL .25 WALL 6", STEEL GALV NIPPLE 4" X 36"	02/13/2026	3,578.59
30168	CHECK	701320	PACIFIC PIPELINE SUPPLY	BRASS HOSE COUP SWVL FHT X FHT 2-1/2, REFLECTOR STREET BLUE	02/13/2026	774.88
30168	CHECK	701320	PACIFIC PIPELINE SUPPLY	MJ RESTRAINT KIT PVC 8", MJ 11-1/4 DEG ELL 8",MJ 22-1/2 DEG	02/13/2026	12,539.83
3556	ACH	701312	PARKHOUSE TIRE, INC.	225/70R19.5 G GEN RD 2	02/13/2026	2,512.85
30172	CHECK	701302	PITNEY BOWES BANK INC PURCHASE POWER	POSTAGE	02/13/2026	967.60
30169	CHECK	703037	PLANETBIDS, LLC	SYSTEM VENDOR MANAGEMENT & BID MANAGEMENT	02/13/2026	8,672.86
30170	CHECK	700705	POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	ANNUAL PERMIT-5519 MISSION RD	02/13/2026	718.00
30170	CHECK	700705	POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	ANNUAL PERMIT-9215 HUNTLEY RD	02/13/2026	718.00
30170	CHECK	700705	POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	ANNUAL PERMIT-RANCHO HEIGHTS RD	02/13/2026	652.00

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
3557	ACH	701310	POWER PLUS	GOPHER SKID PUMP TEMPORARY POWER RENTAL	02/13/2026	405.00
3558	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	02/13/2026	703.56
3558	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	02/13/2026	632.56
3558	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	02/13/2026	679.56
3558	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	02/13/2026	538.56
30171	CHECK	703002	PROFORMA PRINTING CORP	ENVELOPES	02/13/2026	828.46
3559	ACH	703152	QUALITY CHEVROLET	MOTOR	02/13/2026	255.71
3559	ACH	703152	QUALITY CHEVROLET	ACTUATO	02/13/2026	114.44
3559	ACH	703152	QUALITY CHEVROLET	REPAIR FUEL DOOR	02/13/2026	954.11
3559	ACH	703152	QUALITY CHEVROLET	CAP	02/13/2026	47.10
30173	CHECK	701829	RAFTELIS FINANCIAL CONSULTANTS	STRATEGIC PLANNING SERVICES	02/13/2026	12,907.75
30174	CHECK	702160	RANCHO FORD LINCOLN MERCURY	HOSE SUPPLY	02/13/2026	240.12
30175	CHECK	701854	RHO MONSERATE C.C.H.A.	ELECTRIC CHARGE	02/13/2026	591.16
30150	CHECK	702391	ROBCAR CORPORATION	SAFETY LIGHTS RENTAL - NORTH RIVER RD	02/13/2026	3,280.00
30150	CHECK	702391	ROBCAR CORPORATION	SAFETY LIGHTS RENTAL - NORTH RIVER RD	02/13/2026	3,280.00
30150	CHECK	702391	ROBCAR CORPORATION	SAFETY LIGHTS RENTAL - NORTH RIVER RD	02/13/2026	3,280.00
30150	CHECK	702391	ROBCAR CORPORATION	SAFETY LIGHTS RENTAL - HUNTLEY & RICE CYN RD	02/13/2026	2,679.00
3560	ACH	701619	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES - JAN 2026	02/13/2026	609.72
30176	CHECK	703164	RUST LOGISTICS	PER LOAD - SYCAMORE LANDFILL	02/13/2026	1,705.00
3561	ACH	701888	SAFETY-KLEEN	BULK LUBE, DIESEL ENGINE OIL, CAR ENGINE OIL	02/13/2026	2,152.69
30177	CHECK	701902	SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	RELEASE OF LIEN DOCUMENT	02/13/2026	20.00
30178	CHECK	701590	SAN DIEGO FRICTION PRODUCTS, INC.	AMEREX 809 BRK ASSEMBLE 10LB, GHAND-BLU SER, HT SHRNK BUTT C	02/13/2026	276.27
30179	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0139 2527 8	02/13/2026	32,567.53
30179	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0156 9427 8	02/13/2026	35.74
30180	CHECK	703215	SANTIAGO VASQUEZ-AGUIRRE	SAFETY BOOTS REIMBURSEMENT	02/13/2026	200.00
30181	CHECK	703208	SILVERTHORN RANCH, LLC.	DEPOSIT FOR MAAP - SUCCULENT AGENCY PROGRAM	02/13/2026	2,500.00
3562	ACH	701940	SONSRAY MACHINERY LLC.	REPAIR - CRANKS BUT DOES NOT START	02/13/2026	4,966.45
30182	CHECK	701982	SOUTHWEST ANSWERING SERVICE, INC.	MONTHLY ANSWERING SERVICE	02/13/2026	1,416.00
30184	CHECK	701928	STERICYCLE, INC.	REGULAR SERVICES, 1/1/26-1/31/26	02/13/2026	788.68
30185	CHECK	701972	STREAMLINE	DOCACCESS PRO	02/13/2026	4,800.00
30185	CHECK	701972	STREAMLINE	MONTHLY WEB MANAGEMENT FEE	02/13/2026	676.20
30185	CHECK	701972	STREAMLINE	MONTHLY WEB MANAGEMENT FEE	02/13/2026	645.00
30186	CHECK	701986	SUPERIOR READY MIX	560-C-3250 CONCRETE	02/13/2026	1,958.59
30187	CHECK	702022	T S INDUSTRIAL SUPPLY	3" X 1000FT 4MIL CAUTION, PRINT SET UP CHARGE	02/13/2026	603.19
30188	CHECK	701984	TCN, INC	MONTHLY 48 HOUR NOTICE	02/13/2026	12.02
30189	CHECK	702762	THE LLOYD PEST CONTROL, INC	MONTHLY PEST CONTROL	02/13/2026	124.00
30189	CHECK	702762	THE LLOYD PEST CONTROL, INC	MONTHLY PEST CONTROL	02/13/2026	32.00
30190	CHECK	701059	TIME WARNER CABLE/SPECTRUM	MONTHLY INTERNET SERVICE	02/13/2026	1,400.00
30132	CHECK	703145	TOTAL QUALITY CORPORATION	MONTHLY MAINTENANCE	02/13/2026	532.51
3563	ACH	702015	TRENCH SHORING COMPANY	PSH 22"-36" X 2' RAIL SHORE W/ FINGER GUARDS, PSH 40"-64" X	02/13/2026	3,636.56
3564	ACH	702042	UNDERGROUND SERVICE ALRT	RAI88 NEW TICKET CHARGES	02/13/2026	242.20
3564	ACH	702042	UNDERGROUND SERVICE ALRT	CA STATE FEE FOR REGULATORY COSTS	02/13/2026	99.57
30191	CHECK	702555	US CALIBRATION INCORPORATED	CLAMP METER, MEGOHMMETER, MULTIMETER/PROCESS METER	02/13/2026	1,695.00
3565	ACH	701621	VALLEY CONSTRUCTION MANAGEMENT	AS-NEEDED CONSTRUCTION MANAGEMENT & INSPECTION SERVICES	02/13/2026	4,394.00
30192	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	02/13/2026	478.04
30192	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	02/13/2026	485.54
30192	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	02/13/2026	764.93
30192	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	02/13/2026	518.49
30194	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1650 UNITS	02/13/2026	6,979.50
30195	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	10MIL 20'X100' CLEAR POLYFILM VISQUEEN SOLD/ROLL	02/13/2026	486.99
30195	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	60LB RED-E-CRETE 2500 PSI BASIC CONCRETE MIX QUIKRETE	02/13/2026	304.72
30196	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	02/13/2026	321.07
30196	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	02/13/2026	330.59
30196	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	02/13/2026	302.53

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
30196	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	02/13/2026	302.53
30196	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	02/13/2026	302.53
30197	CHECK	702220	WINZER CORP	10-24x1 PHIL ROUND M/S ZP, 8-32x1/4 PHIL ROUND M/S ZP, M12x1	02/13/2026	2,438.27
30198	CHECK	702153	YOUNGREN CONSTRUCTION, INC.	BATHROOM RENOVATION PAYMENT	02/13/2026	5,799.70
Net Distribution						2,153,765.87



Director's Expense Report Fiscal Year 2025-2026

July 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton		\$ -				\$ -	\$ -
Lisa Hoffman		\$ -	\$ 890.00			\$ -	\$ 890.00
Michael Mack		\$ -	\$ 890.00	\$ 391.60		\$ -	\$ 1,281.60
Greg Irvine		\$ -				\$ -	\$ -
Patti Townsend-Smith		\$ -	\$ 75.00			\$ -	\$ 75.00
Monthly Totals	0	\$ -	\$ 1,855.00	\$ 391.60	0	\$ -	\$ 2,246.60

August 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton	2	\$ 300.00	\$ 80.00			\$ -	\$ 380.00
Lisa Hoffman	10	\$ 1,500.00				\$ -	\$ 1,500.00
Michael Mack	1	\$ 150.00	\$ 80.00	\$ 884.40		\$ -	\$ 1,114.40
Greg Irvine	2	\$ 300.00				\$ -	\$ 300.00
Patti Townsend-Smith	4	\$ 600.00	\$ 80.00			\$ -	\$ 680.00
Monthly Totals	19	\$ 2,850.00	\$ 240.00	\$ 884.40	0	\$ -	\$ 3,974.40

September 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton	3	\$ 450.00				\$ -	\$ 450.00
Lisa Hoffman		\$ -				\$ -	\$ -
Michael Mack	7	\$ 1,050.00		\$ 214.14	198	\$ 138.60	\$ 1,402.74
Greg Irvine	4	\$ 600.00				\$ -	\$ 600.00
Patti Townsend-Smith	3	\$ 450.00				\$ -	\$ 450.00
Monthly Totals	17	\$ 2,550.00	\$ -	\$ 214.14	198	\$ 138.60	\$ 2,902.74

October 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton	3	\$ 450.00				\$ -	\$ 450.00
Lisa Hoffman	9	\$ 1,350.00				\$ -	\$ 1,350.00
Michael Mack	3	\$ 450.00				\$ -	\$ 450.00
Greg Irvine	4	\$ 600.00				\$ -	\$ 600.00
Patti Townsend-Smith	3	\$ 450.00				\$ -	\$ 450.00
Monthly Totals	22	\$ 3,300.00	\$ -	\$ -	0	\$ -	\$ 3,300.00

November 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton	3	\$ 450.00				\$ -	\$ 450.00
Lisa Hoffman		\$ -				\$ -	\$ -
Michael Mack	2	\$ 300.00			152	\$ 106.40	\$ 406.40
Greg Irvine	3	\$ 450.00				\$ -	\$ 450.00
Patti Townsend-Smith		\$ -				\$ -	\$ -
Monthly Totals	8	\$ 1,200.00	\$ -	\$ -	152	\$ 106.40	\$ 1,306.40

December 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton	3	\$ 450.00			300	\$ 210.00	\$ 660.00
Lisa Hoffman	17	\$ 2,550.00	\$ 612.85	\$ 1,217.54	346	\$ 242.20	\$ 4,622.59
Michael Mack	5	\$ 750.00		\$ 817.47		\$ -	\$ 1,567.47
Greg Irvine	5	\$ 750.00		\$ 599.62	106	\$ 74.20	\$ 1,423.82
Patti Townsend-Smith	8	\$ 1,200.00		\$ 365.98		\$ -	\$ 1,565.98
Monthly Totals	38	\$ 5,700.00	\$ 612.85	\$ 3,000.61	752	\$ 526.40	\$ 9,839.86

January 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	

Claude Hamilton		\$ -		\$ 26.50		\$ -	\$ 26.50
Lisa Hoffman		\$ -		\$ 284.53	156	\$ 109.20	\$ 393.73
Michael Mack		\$ -		\$ 63.00		\$ -	\$ 63.00
Greg Irvine		\$ -				\$ -	\$ -
Patti Townsend-Smith		\$ -			156	\$ 109.20	\$ 109.20
Monthly Totals	0	\$ -	\$ -	\$ 374.03	312	\$ 218.40	\$ 592.43

February 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton	4	\$ 600.00	\$ 80.00			\$ -	\$ 680.00
Lisa Hoffman	6	\$ 900.00	\$ 1,099.00			\$ -	\$ 1,999.00
Michael Mack	5	\$ 750.00	\$ 1,794.85	\$ 1,192.02	84	\$ 60.90	\$ 3,797.77
Greg Irvine	6	\$ 900.00				\$ -	\$ 900.00
Patti Townsend-Smith	3	\$ 450.00				\$ -	\$ 450.00
Monthly Totals	24	\$ 3,600.00	\$ 2,973.85	\$ 1,192.02	84	\$ 60.90	\$ 7,826.77

March 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton		\$ -				\$ -	\$ -
Lisa Hoffman		\$ -				\$ -	\$ -
Michael Mack		\$ -				\$ -	\$ -
Greg Irvine		\$ -				\$ -	\$ -
Patti Townsend-Smith		\$ -				\$ -	\$ -
Monthly Totals	0	\$ -	\$ -	\$ -	0	\$ -	\$ -

April 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton		\$ -				\$ -	\$ -
Lisa Hoffman		\$ -				\$ -	\$ -
Michael Mack		\$ -				\$ -	\$ -
Greg Irvine		\$ -				\$ -	\$ -

Patti Townsend-Smith		\$ -				\$ -	\$ -
Monthly Totals	0	\$ -	\$ -	\$ -	0	\$ -	\$ -

May 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton		\$ -				\$ -	\$ -
Lisa Hoffman		\$ -				\$ -	\$ -
Michael Mack		\$ -				\$ -	\$ -
Greg Irvine		\$ -				\$ -	\$ -
Patti Townsend-Smith		\$ -				\$ -	\$ -
Monthly Totals	0	\$ -	\$ -	\$ -	0	\$ -	\$ -

June 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton		\$ -				\$ -	\$ -
Lisa Hoffman		\$ -				\$ -	\$ -
Michael Mack		\$ -				\$ -	\$ -
Greg Irvine		\$ -				\$ -	\$ -
Patti Townsend-Smith		\$ -				\$ -	\$ -
Monthly Totals	0	\$ -	\$ -	\$ -	0	\$ -	\$ -

Fiscal Year 2025-2026 Total

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Claude Hamilton	18	\$ 2,700.00	\$ 160.00	\$ 26.50	300	\$ 210.00	\$ 3,096.50
Lisa Hoffman	42	\$ 6,300.00	\$ 2,601.85	\$ 1,502.07	502	\$ 351.40	\$ 10,755.32
Michael Mack	23	\$ 3,450.00	\$ 2,764.85	\$ 3,562.63	434	\$ 305.90	\$ 10,083.38
Greg Irvine	24	\$ 3,600.00	\$ -	\$ 599.62	106	\$ 74.20	\$ 4,273.82
Patti Townsend-Smith	21	\$ 3,150.00	\$ 155.00	\$ 365.98	156	\$ 109.20	\$ 3,780.18
FY25-26 Total	128	\$ 19,200.00	\$ 5,681.70	\$ 6,056.80	1498	\$ 1,050.70	\$ 31,989.20



Conference/Seminar and Expense Summary
Fiscal Year 2025-2026

Lisa Hoffman									
Date Paid	Description	Event Date(s)	# of		Registration Fee	Travel Expense	Mileage Reimb		Total
			Meetings	Per Diem			# Miles	Amount	
7/1/2025	CSDA Annual Conference & Exhibitor Showcase	8/25/25-8/28/25			\$ 890.00			\$ -	\$ 890.00
8/7/2025	Farm Bureau Meeting	6/10/2025	1	\$ 150.00				\$ -	\$ 150.00
8/7/2025	CSDA Butcher shop Meeting	6/18/2025	1	\$ 150.00				\$ -	\$ 150.00
8/7/2025	EMWD Luncheon	6/19/2025	1	\$ 150.00				\$ -	\$ 150.00
8/7/2025	Board Meeting	6/24/2025	1	\$ 150.00				\$ -	\$ 150.00
8/21/2025	Communication/Customer Service Meeting	7/15/2025	1	\$ 150.00				\$ -	\$ 150.00
8/21/2025	General Manager Meeting	7/20/2025	1	\$ 150.00				\$ -	\$ 150.00
8/21/2025	Special Board Meeting	7/21/2025	1	\$ 150.00				\$ -	\$ 150.00
8/21/2025	AC Pala	7/31/2025	1	\$ 150.00				\$ -	\$ 150.00
8/21/2025	CSDA Webinar	7/28/2025	1	\$ 150.00				\$ -	\$ 150.00
8/21/2025	Transparency Brown Act Webinar	7/29/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	Farm Bureau Meeting	8/12/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	Board Meeting	8/19/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	GM Evaluation Meeting	8/20/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	Avocados Growers of California Meeting	8/28/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	Farm Bureau Meeting	9/4/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	LAFCO-CSDA Class	9/11/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	Special Board Meeting	9/14/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	General Manager Meeting	9/22/2025	1	\$ 150.00				\$ -	\$ 150.00
10/2/2025	District Meeting	9/23/2025	1	\$ 150.00				\$ -	\$ 150.00
12/4/2025	ACWA Fall Conference 2025	12/2/25-12/4/25	3	\$ 450.00		\$ 597.10	156	\$ 109.20	\$ 1,156.30
12/9/2025	Urban Water Institute Conference 2026	2/25/27-2/27/25			\$ 612.85	\$ 714.06		\$ -	\$ 1,326.91
12/23/2025	Farm Bureau Meeting	10/2/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	EMWD GM Birthday	10/16/2025	1	\$ 150.00			80	\$ 56.00	\$ 206.00
12/23/2025	Pre-Board Meeting Review - GM	10/20/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	Board Meeting	10/21/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	Santa Luz Tour	10/24/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	AGC Meeting	10/24/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	Farm Bureau Meeting	11/6/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	Colorado Aquaduct Tour	11/7/25-11/8/25	2	\$ 300.00		\$ 190.91	142	\$ 99.40	\$ 590.31
12/23/2025	ACWA Region 9 & 10	11/14/2025	1	\$ 150.00			124	\$ 86.80	\$ 236.80
12/23/2025	CSDA Butcher shop Meeting	11/20/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	Pre-Board Meeting Review - GM	12/8/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	Board Meeting	12/9/2025	1	\$ 150.00				\$ -	\$ 150.00
12/23/2025	Social Media Training at Rancho Water	12/10/2025	1	\$ 150.00				\$ -	\$ 150.00
2/5/2026	Special Board Meeting	1/6/2026	1	\$ 150.00				\$ -	\$ 150.00
2/5/2026	Farm Bureau Meeting	1/8/2026	1	\$ 150.00				\$ -	\$ 150.00
2/5/2026	Rafteli's Call	1/14/2026	1	\$ 150.00				\$ -	\$ 150.00
2/5/2026	C&CS Meeting	1/20/2026	1	\$ 150.00				\$ -	\$ 150.00
2/5/2026	Premeeting Agenda Review/GM	1/26/2026	1	\$ 150.00				\$ -	\$ 150.00
2/5/2026	Board Meeting	1/27/2026	1	\$ 150.00				\$ -	\$ 150.00
2/28/2026	WEF Bay Delta Tour	5/20/26-5/22/26			\$ 1,099.00			\$ -	\$ 1,099.00
								\$ -	\$ -
FY25-26 Total			42	\$ 6,300.00	\$ 2,601.85	\$ 1,502.07	502	\$ 351.40	\$ 10,755.32



Credit Card Transactions
Fiscal Year 2025-2026

February 2026 Charges

US Bank CalCard Credit Card

Vendor Name	Description	Transaction Amount
HOME DEPOT	TAPE MEASURE	53.96
HOME DEPOT	PAINT FOR HQ	60.21
HOME DEPOT	WATER FILTERS FOR HQ	38.84
HOME DEPOT	DRILLING HAMMER/HOOK-PICK SET,CHISEL	4,435.64
AMAZON	TOOLS FOR WATER QUALITY TRUCK/PO# 14907	366.35
COSTCO	EMPLOYEE SNACKS	319.92
COSTCO	EMPLOYEE SNACKS	125.80
OFFICE DEPOT	OFFICE SUPPLIES	1,155.04
HOME DEPOT	INSPECTION CAMERA/PO#14910	4,308.92
SAN MARCOS GROCERY	EMPLOYEE SNACKS	32.79
GRAINGER	GARDEN HOSE	8.40
GRAINGER	JANITORIAL SUPPLIES	57.12
GRAINGER	PIPE BEVELING TOOL/PO# 14912	1,292.99
HOME DEPOT	JANITORIAL SUPPLIES	23.77
CULLIGAN	WATER SOFTENER SERVICE	114.33
AMAZON	REPLACEMENT SIGN FOR HQ	28.50
OFFICE DEPOT	OFFICE SUPPLIES	80.04
AMAZON	REPLACEMENT SIGN FOR HQ	66.29
GRAINGER	OPS SUPPLES/PO# 14926	896.84
HOME DEPOT	JANITORIAL SUPPLIES	29.21
GRAINGER	JANITORIAL SUPPLIES - RETURNED	(17.05)
AMAZON	REPLACEMENT SIGN FOR HQ	59.12
COSTCO	KITCHEN SUPPLIES	237.04
AMAZON	REPLACEMENT SIGN FOR HQ	(10.21)
COSTCO	EMPLOYEE SNACKS	87.25
COSTCO	EMPLOYEE SNACKS	29.08
GRAINGER	PPE/PO#14942	2,107.09
HOME DEPOT	BATTERIES	114.04
GRAINGER	REPLACEMENT SIGN FOR HQ	18.36
COSTCO	KITCHEN SUPPLIES	43.49
COSTCO	KITCHEN SUPPLIES	145.92

Vendor Name	Description	Transaction Amount
HOME DEPOT	LADDER	107.66
WEATHERTECH	UNDER SEAT STORAGE SYSTEM	150.80
WEATHERTECH	CUPFONE DUO	231.40
AMAZON	BED TIE DOWN ANCHORS	73.94
EXLINE	EMERGENCY REPAIR PARTS FOR GENERATOR	1,038.55
HARBOR FREIGHT	MAGNETIC TOOL HOLDER	76.60
WEST MARINE	2 ADAPTERS FOR GENERATORS	110.39
HOME DEPOT	GENERATOR	178.57
HOME DEPOT	PUSH BUTTON HANDLE, PLACER,LUMBER	187.39
SUNRISE MATERIAL	MISC MATERIALS	232.74
WHIP AROUND	VEHICLE PRETRIP SOFTWARE	559.00
ZOHO	WEB FORMS	40.25
CLEAR RF	SIAYATA BLUETOOTH	462.00
WATERWISEPRO	TI-4 TREATMENT COURSE-BORTIZ	475.00
SUMMIT SAFETY	YELLOW HOODIES	191.64
HOTEL	2026 EMPLOYEE APPRECIATION BANQUET	8,066.50
Z SOUTH	RECRUITING LUNCH - 2 EE'S/1 CANDIDATE	45.84
LINKEDIN	RECRUITER LITE MEMBERSHIP	169.99
DONUT HOUSE	DONUTS FOR ALL HANDS MEETING	62.85
CTC-VIS	CARB PROCESSING FEE	6.70
CTC-VIS	CARB CLEAN TRUCK COMPLIANCE FEE	223.96
DOTMC	DOT CLEARING HOUSE DRIVER QUERY	65.00
DOT	US DOT PIN REQUEST	50.00
TWILIO	SMS SERVICE	20.04
AMAZON	SCREEN PROTECTORS	45.27
WASABI	BACKUP SOLUTION	672.49
AMAZON	CAR ADAPTER	40.93
AMAZON	IPHONE CASES AND SCREEN PROTECTORS	59.23
AMAZON	PHONE CASES AND POWER ADAPTERS	152.27
AMAZON	MISC IT MATERIALS	2.75
SP JACKERY	EMERGENCY BACKUP BATTERY FOR SERVERS	3,231.43
AMAZON	THERMAL IMAGER	4,129.83
CORELOGIC	ADDRESS LOOK UP SERVICE	232.50
AMAZON	PHONE PARTS	26.91
MICROSOFT	CLOUD SERVICE	131.59
SQSP* DOMAIN	DOMAIN HOSTING	36.00
STARLINK	STARLINK EQUIPMENT	320.00
COMPUTER DEPOT	DOMAIN HOSTING	12.00
COMPUTER DEPOT	DOMAIN HOSTING	12.00

Vendor Name	Description	Transaction Amount
COMPUTER DEPOT	DOMAIN HOSTING	12.00
CURRENTCON	SCADA BACKUP POWER	1,843.42
RAKEN	ENGINEERING INSPECTION SOFTWARE	1,500.00
UTILITIES DEPOT	SCADA BACKUP POWER	1,655.96
LARGE DEPOT	ICLOUD STORAGE	2.99
ZOOM	ZOOM SUBSCRIPTION	149.94
ZORO	ACCELEROMETER	927.77
HOME DEPOT	THROTTLE CONTROL STEPPER	280.15
GFOA	NO TAX ON OT WEBINAR	55.00
GOTOCONNECT	MONTHLY PHONE SERVICE	1,192.26
NESSY BURGERS	FINANCE DEPT TEAM MEETING	100.00
NESSY BURGERS	FINANCE DEPT TEAM MEETING	21.01
HOME DEPOT	GREASE GUN, GREASE, MEASURING WHEEL	1,278.85
HOME DEPOT	HEAVY DUTY TARP, FUEL 500 BLOWER KIT	2,133.50
HOME DEPOT	SCREWS, STAKES, REBAR WIRE	670.27
HOME DEPOT	GARDEN HOSE, THUMB CNTRL TIP	189.37
URBAN WATER INSTITUTE	URBAN WATER CONF - MMACK	715.85
CSDA	QUARTERLY MEETING - 4 ATTENDEES	290.00
CSDA	QUARTERLY MEETING - 4 ATTENDEES	30.00
ACWA	SPRING ACWA CONF-MMACK	999.00
SHERATON	SPRING ACWA CONF LOGDING-MMACK	372.43
SHERATON	SPRING ACWA CONF LOGDING-MMACK	819.59
CSDA	QUARTERLY MEETING - HH & MM	160.00
CSDA	QUARTERLY MEETING - AK	80.00
CSDA	QUARTERLY MEETING - 4 ATTENDEES	(290.00)
CSDA	QUARTERLY MEETING - 4 ATTENDEES	(30.00)
WATER EDUCATION FDN	WEF BAY DELTA TOUR-HOFFMAN	1,099.00
STAPLES	CLIPBOARDS-REVERSE INTERVIEW	81.56
VOCATIONAL DEPOT	EMPLOYEE BANQUET SUPPLIES-GAME TABLES	1,150.00
SAN MARCOS TROPHY	EMPLOYOEE BANQUET-TROPHY AWARDS	679.91
STAPLES	EMPLOYEE BANQUET-PHOTO POSTER	86.91
AMAZON	EMPLOYEE BANQUET-SIGN PLEXIE HOLDER	26.70
DOMINO'S	HIRING EVENT - PANELISTS MEALS	102.41
TICKETS	CLA-VAL TRAINING - DMENDEZ	500.00
TRAVEL DEPOT	CLA-VAL LODGING - DMENDEZ	869.71
PSHRA	PSHRA CONFERENCE	358.00
GFOA	NO TAX ON OT WEBINAR	55.00
CAPIO	EPIC AWARD SUBMISSION FEE	145.00
Z CAFÉ	GM MEAL	40.00

Vendor Name	Description	Transaction Amount
Z CAFÉ	GM MEAL	35.00
Z CAFÉ	MEETING WITH GM	75.00
BACKDRAFT	GM MEAL	43.00
7-ELEVEN	WATER	8.69
DWYER INSTRUMENTS	DESICCANT FILTER FOR VENT TUBE	185.97
HOME DEPOT	SPOTLIGHT, WRENCH, REPELLENT,PLIE	702.45
TOTAL CHARGES		59,644.77



TO: Rainbow Municipal Water District

FROM: Alfred Smith

DATE: April 28, 2026

RE: Attorney Report: Water Supply and Environmental Impact Reports
501668-0002

I. INTRODUCTION.

This attorney report provides an update on a recent California Court of Appeal decision upholding a water supply analysis prepared under the California Environmental Quality Act (“CEQA”). On January 14, 2026, the Third District Court of Appeal issued a published opinion upholding the City of American Canyon’s (“City”) environmental impact report (“EIR”) and accompanying water supply assessment (“WSA”) for the proposed Giovannoni Logistics Center Project (“Project”), an industrial warehouse complex to be located within City limits.

The Court of Appeal decision rejects the challenge to the EIR, upholding the sufficiency of the agency’s water supply analysis. The appellate court’s decision clarifies the legal requirements for EIR water supply assessments. Relying on the principles for evaluating an EIR’s “analytical adequacy” identified in the California Supreme Court decision of *Vineyard Area Citizens for Responsible Growth, Inc. v. City of Rancho Cordova* (“*Vineyard*”), and the related standards incorporated into CEQA Guidelines section 15155, the appellate court reaffirmed that:

“An EIR is not required to demonstrate that a project is definitely assured water, but rather that an EIR need only show that water is reasonably likely to be available from an identified source.”

II. BACKGROUND.

The Giovannoni Logistics Center Project is a 2.4 million-square-foot industrial warehouse complex proposed on industrially zoned land in American Canyon. The Project would require 23.9 acre-feet of potable water per year—an amount the court characterized as “modest compared to other uses”—but would not generate any new water supply. American Canyon lacks groundwater access and depends in part on the City of Vallejo (“Vallejo”), which supplies roughly 23 percent of its water under a 1996 interagency agreement. A portion of that water is diverted from the Sacramento-San Joaquin Bay Delta pursuant to Vallejo’s appropriative water right, which restricts where the water can be delivered.

When a proposed development is subject to CEQA, and it is also a “project” within the meaning of Water Code section 10912, a WSA is required. The WSA is intended to assist local governments in making the discretionary decision of whether to approve a proposed development project. The water supply assessment must be included in any CEQA document prepared for the project. Availability of water for new development is increasingly a focus of challenges under CEQA. There are very few published decisions addressing the adequacy of WSAs; the decision provides helpful direction to lead agencies regarding the level of detail required to satisfy CEQA and the Water Code.

In this case, the Project triggered the need for a WSA due to its footprint, even though its potable water use was projected to be just 23 acre-feet per year. Following CEQA review, the Project came before the City for approval in early 2023. Finding that sufficient water supplies existed to serve the modest potable water needs of the Project, even in dry years, the City certified the EIR, along with the WSA, and approved the Project.

Vallejo filed a petition for writ of mandate challenging the City’s certification of the EIR and Project approval, arguing the EIR failed to comply with water supply disclosures required by CEQA and the Water Code. The Sacramento Superior Court sided with the City and denied Vallejo’s petition in its entirety. Vallejo appealed.

III. COURT’S ANALYSIS.

The Court of Appeal considered whether the City prejudicially abused its discretion in certifying the EIR and approving the Project in light of Vallejo’s arguments that the City should have included additional information in the EIR and WSA regarding the water supplied to the City from Vallejo. The court’s analysis was guided by four principles from the California Supreme Court’s decision in the *Vineyard* case, concerning the sufficiency of an EIR’s water supply analysis. Under the *Vineyard* decision, an EIR must:

- (1) Present sufficient facts for decisionmakers to evaluate water supply;
- (2) Not defer analysis of future sources;
- (3) Identify supplies bearing a reasonable likelihood of availability rather than relying on “paper water;” and
- (4) Discuss alternative sources where future supplies remain uncertain. (At the same time, the *Vineyard* court emphasized that to satisfy this criterion, a project need not have “definitely assured water through signed, enforceable agreements.”)

On Vallejo’s first claim—that the contracted amounts represented “paper water” rather than a reliable source of supply—the court found no support for this characterization. The City historically received 100 percent of its contracted water for all

but one year since 1999 and purchased less than its entitlement due to cost, not supply constraints. Because these water supplies were neither uncertain nor unlikely to be available, the court found no basis to treat the contracted entitlements as "paper water."

The Court of Appeal also rejected Vallejo's argument that the EIR's failure to disclose place-of-use restrictions in the water supply contract was prejudicial error. While those restrictions prevented delivery of the contracted supply directly to the Project site, they affected only *where* water could be used, not the *overall volume* available. The EIR concluded that total projected water supplies in the City would be sufficient to meet total projected demand in all years and all scenarios. Thus, the omission of the place-of-use limitations was "insubstantial or technical" and harmless.

The appellate court likewise found no merit in Vallejo's claim that the EIR's discussion of the possibility of emergency water curtailments was inadequate. The EIR disclosed that both cities received water through the North Bay Aqueduct, and adequately alerted decisionmakers to the risks of simultaneous water curtailment. The court rejected Vallejo's contention that the EIR should have discussed alternative water supply sources, noting that this requirement applied only if the agency was unable to determine whether a particular water supply would be available, which was not the case here.

IV. **CONCLUSION.**

The Third District Court of Appeal decision is a favorable decision for water agencies, clarifying the legal requirements for complying with water supply assessments under CEQA. The appellate court found that additional information Vallejo argued should have been included in the EIR and WSA – including more specific details regarding water purchases by the City from Vallejo, monthly (as opposed to annual) curtailment projections, place of use restrictions in Vallejo's water rights that were not relevant to the Project's water use, and a water supply contract dispute between Vallejo and the City that would not change the availability of water for the Project – was not necessary to informed decision making or informed public participation. The Court of Appeal decision makes it clear that an EIR's alleged omission of desirable, or even helpful, information that is not required by law is "ultimately harmless."

The appellate court's decision confirms an EIR's water supply assessment need only provide decisionmakers with sufficient information to make an informed decision evaluating the pros, cons and risks of supplying a project's water needs. The Court of Appeal decision further reinforces that CEQA demands adequacy, not perfection, in water supply analyses. Water agencies may rely on contracted water entitlements and existing urban water management plans rather than disclosing every detail of historical purchases, and *stare decisis* principles require courts to resist imposing analytical requirements not explicitly required under CEQA or the Guidelines.