

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 12:00 p.m. and Open Session at 1:00 p.m. Tuesday, October 23, 2018, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
 2. **ROLL CALL: Brazier ___ Hamilton ___ Gasca ___ Mack ___ Stewart ___**
 3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
 4. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. *Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
 5. **CLOSED SESSION**
 - A. Conference with Legal Counsel–Anticipated Litigation (Government Code §54956.9(d)(2))
 - Two Items
 - B. Consider Personnel Matter-General Manager Performance Evaluation (Government Code §54957)
 6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
- Time Certain: 1:00 p.m.
7. **PLEDGE OF ALLEGIANCE**
 8. **REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**
 9. **REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
 10. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. *No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*

(*) - Asterisk indicates a report is attached.

***11. APPROVAL OF MINUTES**

- A. September 18, 2018 - Regular Board Meeting

12. BOARD OF DIRECTORS' COMMENTS/REPORTS

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

- A. President's Report (President Brazier)
- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - A. Summary of Board Meeting September 27, 2018
 - 2. CSDA
 - 3. LAFCO
 - 4. San Luis Rey Watershed Council
 - 5. Santa Margarita River Watershed Watermaster Steering Committee
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attending Requests and Reports
- D. Directors Comments
- E. Legal Counsel Comments
 - 1. Attorney Report – New Rules for Discontinuance of Water Service (501668-0002)

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

- A. Budget and Finance Committee
 - 1. September 11, 2018 Minutes
- B. Communications and Customer Service Committee
 - 1. September 6, 2018 Minutes
- C. Engineering and Operations Committee
 - 1. September 5, 2018 Minutes

Time Certain: 1:00 p.m.

PUBLIC HEARINGS

***14. DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED ORDINANCE NO. 18-23 TO REPEAL EXISTING ORDINANCE NO. 95-1, WHICH CURRENTLY REQUIRES A TWO-THIRDS VOTE OF THE ELECTORATE BEFORE THE DISTRICT CAN INCUR ADDITIONAL PUBLIC DEBT**

(This agenda item was discussed in open session at the Board meeting of September 18, 2018. The Board authorized the publication of notice pursuant to Government Code section 6066 and scheduled a public hearing for consideration of proposed Ordinance No. 18-23 for October 23, 2018.)

CONSENT CALENDAR

15. ACCEPTANCE OF THE BACKBONE INFRASTRUCTURE FOR THE HORSE CREEK RIDGE DEVELOPMENT BY D.R. HORTON

(The improvements representing the major water and sewer infrastructure to serve the Horse Creek Ridge Development and existing and future development in the area (Backbone Infrastructure) has been constructed per plans, inspected and tested per specifications, all punch list items have been completed, and as-builts delivered to Engineering. Upon acceptance by the Board, the improvements become part of the District water and sewer system and Staff takes over operation and maintenance.)

(*) - Asterisk indicates a report is attached.

16. ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR THE PALOMAR NORTH EDUCATION CENTER

(Palomar College was responsible for construction of public water and sewer mains to serve the campus property and connect with existing mains in Horse Ranch Creek Road. All facilities have been constructed per plans, inspected and tested per specifications, all punch list items have been completed, and as-builts delivered to Engineering. Upon acceptance by the Board, the improvements become part of the District water and sewer system and Staff takes over operation and maintenance.)

BOARD ACTION ITEMS

***17. CONSIDER ADOPTION OF RESOLUTION NO. 18-17 OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING THE FORM OF A CONVEYANCE AGREEMENT AND AN INSTALLMENT PURCHASE CONTRACT WITH ZMFU II, INC. AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF AND APPROVAING THE FORM OF THE FIRST AMENDMENT TO THE DISTRICTWIDE METER REPLACEMENT PROJECT AGREEMENT WITH ABM BUILDING SERVICES LLC AND AUTHORIZING THE GENERAL MANAGER TO SIGN ON THE DISTRICT'S BEHALF**

(At the September 18, 2018 Regular Board Meeting, the Board approved the execution of a tax-exempt lease with ZB, N.A. to cover the costs for the meter replacement components of this project. This action is to secure additional municipal debt in the amount of \$5.25 Million with a rate of 3.18% and a term of 10 years. This Resolution is a requirement for the financing of the project which is a not to exceed amount of \$5,249,905.)

***18. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 17-07 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT**

(A property owner has requested a variance from Ordinance 17-07 to install a 3/4 inch meter and pay the capacity charges for capacity class B for a 7.16 acre property. After a review of the application, the Engineering and Operations Committee has recommended that the variance be approved with an agreement to protect the District from overuse of the lower capacity class.)

***19. DISCUSSION AND POSSIBLE ACTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH UTILITY SERVICE CO. (SUEZ) FOR THE INSTALLATION OF TANK FALL PROTECTION IMPROVEMENTS**

(This project is a multi-year construction project that includes the construction of metal stairways up the sides of the steel water tanks and railing systems around the tops of the tanks. These improvements will simplify the safety procedures and make it possible for a single employee to carry out water tank inspections safely.)

***20. DISCUSSION AND ACTION TO APPROVE ORDINANCE NO. 18-24 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 6 – ENGINEERING ADDING CHAPTER 6.10 – RIGHTS-OF-WAY**

(Currently there is no policy which establishes regulations, policies and procedures to protect and preserve the District's property, property interests, pipelines, associated appurtenances and facilities of the District. The addition of Chapter 6.10 Rights-Of-Way is intended to establish regulations, policies and procedures to protect and preserve the District's property, property interests, pipelines, associated appurtenances and facilities of the District.)

***21. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE MISCELLANEOUS PIPE RELOCATION DESIGN PROJECT**

(This project consists of the design of four (4) pipe relocations, and the installation of two pipe segments connecting a housing tract to a lower pressure zone. The design efforts for these projects were combined into one request for proposal (RFP) to increase the efficiency of completing the design work.)

(*) - Asterisk indicates a report is attached.

- *22. CONSIDER APPROVAL OF RAINBOW MUNICIPAL WATER DISTRICT UPDATED STRATEGIC PLAN OBJECTIVES**
(Over the last several months, the District Board, Committees, and staff have engaged in a thorough and thoughtful process for updating the RMWD Strategic Plan objectives. These updates bring the plan approved in 2015 current with the District's needs.)
- *23. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-16 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE OCTOBER 23, 2018 THROUGH JUNE 30, 2019**
- *24. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**
 - A. Waiver for Prior Application Process (Director Gasca)**

BOARD INFORMATION ITEMS

- 25. MISSED OPPORTUNITIES FOR GRANTS (DIRECTOR HAMILTON)**
(Director Hamilton requested an opportunity for the Board to discuss possible missed opportunities for Grants.)
- *26. ADMINISTRATIVE CODE SECTION 5.05.050.01 - RECORD RETENTION POLICY AND RELATED SUB-SECTIONS REVIEW AND UPDATE**
(The District has been working diligently on executing a Records Management Program to lessen the District's liability or risk as well as start the process of implementing an electronic filing system for records to be retained. Staff has prepared a draft policy update to Section 5.05.050.01 that is being presented to the Board for review and consideration at this time.)
- *27. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**
 - A. General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
 - B. Communications**
 - 1. Staff Training Reports
 - C. Operations Comments**
 - 1. Operations Report
 - D. Engineering Comments**
 - 1. Engineering Report
 - E. Customer Service and Meters Comments**
 - 1. Customer Service and Meters Report
 - F. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - G. Finance Comments**
 - 1. Interim Financial Statement
 - 2. Treasurer Report
 - 3. Credit Card Breakdown
 - 4. Directors' Expense
 - 5. Check Register
 - 6. Water Sales Summary
 - 7. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
- 28. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING**

(*) - Asterisk indicates a report is attached.

29. ADJOURNMENT - To Tuesday, December 4, 2018 at 1:00 p.m.

ATTEST TO POSTING:


Hayden Hamilton
Secretary of the Board

10-18-18 @ 3:30 p.m.
Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.

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**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
SEPTEMBER 18, 2018**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on September 18, 2018 was called to order by President Brazier at 12:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

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

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

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

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

There are no changes to the agenda.

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

There were no comments.

The meeting adjourned to Closed Session at 12:03 p.m.

5. **CLOSED SESSION**

A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))

- Two Cases

B. Consider Personnel Matter-General Manager Performance Evaluation (Government Code §54957)

The meeting reconvened at 1:26 p.m.

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

This item was addressed under Item #8.

(*) - Asterisk indicates a report is attached.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

President Brazier reported there was nothing to report.

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

President Brazier noted there were no changes to the agenda.

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

There were no comments.

***11. APPROVAL OF MINUTES**

A. August 28, 2018 - Regular Board Meeting

Motion:

To approve the minutes of August 28, 2018.

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

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

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

12. BOARD OF DIRECTORS' COMMENTS/REPORTS

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

A. President's Report (President Brazier)

President Brazier made comments related to the structure and purpose behind the District's standing committees. She noted the Administrative Code states the committees are to be advisory to the Board and are to serve at the Board's pleasure since there was no way the committees could participate in the two main activities of the Board which are money and policy. She expressed concern there were committee member comments regarding this practice. She stated the Board very much appreciates the efforts of the committee members and the value they bring to the District. She recommended setting aside time at a future meeting to review how the committees are to function. She also noted it may be time to consider a budget for community activities since the Communications and Customer Service Committee is now undertaking a greater responsibility in community outreach to provide for transparency as well as give the committee an idea of what funds are available to them for these activities.

(*) - Asterisk indicates a report is attached.

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- B. Representative Report (Appointed Representative)**
 - 1. SDCWA**

Mr. Kennedy reported the last meeting was uneventful as work is focused on reaching a settlement with MWD.

- 2. CSDA**

Director Mack stated he was considering participating in some of the CSDA committees. He asked if he needed Board approval before submitting the required paperwork no later than October 1, 2018. It was clarified should he be selected to serve on a committee, he would need to submit application for an upcoming meeting in the same manner as attending a conference or training.

- 3. LAFCO**

Mr. Kennedy reported the Advisory Committee meeting was cancelled; however, he and Mrs. Gray did visit LAFCO to review historical RMWD records which there were little to find.

- 4. San Luis Rey Watershed Council**

Director Stewart reported since the general meeting in August, there have been no further meetings.

- 5. Santa Margarita River Watershed Watermaster Steering Committee**

Director Hamilton noted the next meeting would be in October.

- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)**
 - 1. Board Seminar/Conference/Workshop Training Attending Requests and Reports**

Director Gasca reported on the September 18th Council of Water Utilities meeting noting the Orange County Water District discussed their reclaimed water project.

- D. Directors Comments**

Director Gasca reported he will be running unopposed in the November elections.

- E. Legal Counsel Comments**
 - 1. Employment Law Update (501668-0002)**

Legal Counsel reviewed the information provided in his report related to the class action lawsuit involving Starbucks and compensable hours.

Mr. Kennedy introduced Robert Gutierrez as the new Operations Manager and Diane Collup as the Interim Finance Manager.

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

- A. Budget and Finance Committee**
 - 1. August 14, 2018 Minutes**

Mr. Stitle reported the audit report will be provided on schedule this year.

- B. Communications and Customer Service Committee**
 - 1. August 2, 2018 Minutes**

Director Hamilton reported the committee was making progress on the history of the District video presentation including an interview with long-term resident, Bill Hitt. He noted the committee was reviewing policy for leaks on the customer side of a connection as well as getting updates on the Flume project.

- C. Engineering and Operations Committee**
 - 1. August 1, 2018 Minutes**

Mr. Strapac reported the committee discussed the tank fall protection project for which Suez was selected. He noted a draft rights-of-way policy was provided for committee input. He mentioned there was an RFP out for corrosion as well as record of survey, respectively. He noted there was a customer seeking a variance; however, the information was not yet complete.

PRESENTATIONS

14. PIPELINE 6 RELINING PROJECT UPDATE (PRESENTED BY SDCWA)

It was noted the official project name is “Pipeline 5 Relining” and not “Pipeline 6 Relining”.

Mrs. Gray introduced Teresa Penunuri, SDCWA Public Affairs Supervisor, who gave a presentation entitled “Pipeline 5 Relining Delivery” with project updates.

Director Stewart asked for the size of the pipe. Ms. Penunuri stated it was 96” pre-stressed concrete cylinder pipe with 93” diameter steel liners.

Director Gasca inquired as to whether the route in which the pipe will be delivered will be presented during project updates. Mrs. Penunuri stated this information will be included in the emails to those in the affected area; however, she will also look into possibly putting together a map.

Discussion ensued regarding the location from which the pipeline would run.

Director Gasca asked about the size of the crew and how they would arrive at the site as well as the amount of traffic to expect. It was stated most likely a crew of ten members will carpool to the portal.

President Brazier thanked SDCWA for the project update.

(*) - Asterisk indicates a report is attached.

BOARD ACTION ITEMS

***15. DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED ORDINANCE NO. 18-23 TO REPEAL EXISTING ORDINANCE NO. 95-1, WHICH CURRENTLY REQUIRES A TWO-THIRDS VOTE OF THE ELECTORATE BEFORE THE DISTRICT CAN INCUR ADDITIONAL PUBLIC DEBT, AND TO INTRODUCE PROPOSED ORDINANCE NO. 18-23 AND SCHEDULE A PUBLIC HEARING FOR THE OCTOBER 23, 2018 BOARD MEETING**

Mr. Kennedy stated in accordance to Legal Counsel direction, this would be release of the proposed ordinance planned to be brought before the Board at their October meeting for consideration. He said the action today would be to approve publishing the Notice of Public Hearing for October 23, 2018. He noted the proposed notice provided in the agenda packet would be published in the local paper upon Board approval. He explained once the notice is published, a Public Hearing will be held on October 23, 2018 to repeal Ordinance No. 95-1; the ordinance approved in 1995 that restricts the District’s ability to access capital markets to handle its financing. He mentioned Legal Counsel as well as other legal counsels are of the opinion the ordinance is invalid; therefore, RMWD will repeal it.

Legal Counsel talked about some of the content included in the written legal opinion supporting the invalidity of the ordinance that was provided as additional support to the Board on this matter.

Director Stewart expressed his opinion it makes no sense to have to go to a two-thirds vote to obtain approval to borrow. He noted the District will save an excessive amount of money by not having to pay all the costs of pipeline repairs.

President Brazier said she found it comforting to know if this Board passes something that is later deemed to be injudicious future boards will have recourse to do what is best for the District regardless of what this board does.

Motion:

Publish the notice and schedule a hearing.

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

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

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

***16. CONSIDER ADOPTION OF RESOLUTION NO. 18-15 OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING THE FORM OF THE LEASE/PURCHASE AGREEMENT WITH ZB, N.A., SALT LAKE CITY, UTAH AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF**

Mr. Kennedy explained this was the first portion of the meter replacement project which is the lease portion. He stated this resolution just formalizes the Board voting to agree to do this lease. He noted the lease agreement has been through counsel review including that of a bond attorney. He noted by approving this item, the Board will be stating it finds this is in the best interest of the District and thereby authorize the execution of the agreement.

(*) - Asterisk indicates a report is attached.

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Motion:

To approve Option 1 – Approve Resolution 18-15 which would authorize the General Manager to execute the financing agreements necessary to implement the meter replacement project.

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

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

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

***17. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 18-20 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 5.02.210 APPENDIX A – PURCHASING APPROVAL LIMITS POLICY**

Mr. Kennedy explained this amendment was brought to the Budget and Finance Committee for review and recommendation. He stated the dollar amount limits for department managers will be increased from \$500 to \$2,000 as a means of improving inefficient purchasing practices.

Motion:

To adopt Ordinance No. 18-20.

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

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

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

***18. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 18-21 ADDING SECTION 5.07 – UNCLAIMED CHECKS POLICY TO THE ADMINISTRATIVE CODE AND APPROVE AN UNCLAIMED CHECKS POLICY**

Mr. Kennedy noted RMWD does not currently have an unclaimed checks policy; therefore, this will put together a policy and process for addressing unclaimed checks going forward. He explained the Administrative Code revision as well as the policy itself will be considered under this item as opposed to having two separate agenda items.

Motion:

To adopt Ordinance No. 18-21 and the Unclaimed Checks Policy.

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

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

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

(*) - Asterisk indicates a report is attached.

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***19. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 18-22 AMENDING AND UPDATING AMEND ADMINISTRATIVE CODE CHAPTER 5.04 - FIXED ASSETS**

Mr. Kennedy explained one of the issue identified under the asset evaluation in the audit process was that RMWD does not have a detailed policy in place; therefore, a policy was prepared for Board consideration.

Director Stewart stated he found the policy to be excellent and that it will provide a road map as assets are revalued which in turn will place the RMWD in a greater position to qualify for loans and anything else requiring financial review.

Motion:

To approve Ordinance No. 18-22.

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

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

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

***20. APPROVAL OF RESOLUTION NO. 18-14 ESTABLISHING CHECK SIGNING AUTHORITY**

Mr. Kennedy pointed out with the resignation of Mrs. Martinez, Mr. Strapac and Mrs. Harp have been added to as designated check signers. He confirmed once the Finance Manager position is filled, an updated version will be brought back to the Board for consideration.

Motion:

To approve Resolution No. 18-14.

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

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

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

21. DISCUSSION AND POSSIBLE APPOINTMENT OF TREASURER

Mr. Kennedy stated with the resignation of Mrs. Martinez, it is District policy to have a Treasurer appointed by the Board of Directors. He noted this appointment would most likely be temporary until the Finance Manager position is filled.

Motion:

To appoint Director Mack to serve as District Treasurer.

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

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

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

(*) - Asterisk indicates a report is attached.

22. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Ms. Washburn explained she provided a blank form to each Director to complete should they wish to attend the 2018 ACWA Fall Conference in November 27-30, 2018. She explained the full conference registration cost was the better price to include the meals as opposed to registration with meals purchased separately.

Motion:

To approve the attendance of all five Board Members at the ACWA 2018 Fall Conference & Exhibition from November 27-30, 2018.

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

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

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

BOARD INFORMATION ITEMS

23. FLUME UPDATE

Mr. Kennedy solicited the Board for feedback on the Flume pilot program. He noted customers in the program have provided positive feedback.

Mrs. Gray noted there are four customers yet to complete their self-installation. She also mentioned there were some customers who were unable to use the device that have returned them for use by another customer.

Mr. Kennedy stated there would be some media coverage on the program in next week or so.

Discussion ensued.

24. STRATEGIC PLAN UPDATE

Mr. Kennedy referenced the handout provided noting time did not allow for a preparation of a full presentation. Mrs. Gray recapped what steps have taken place to date to arrive at the information provided in the handout. She requested everyone look at the handout and provide any feedback or additional input.

Director Mack inquired as to whether the items listed were prioritized. Mrs. Gray explained it will be prioritized by date and timeframe for completion.

Mr. Kennedy stated he wanted to take some time to review the items listed in the handout as he provided additional details. He solicited for Board input throughout the item review.

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

A. General Manager Comments

- 1. Meetings, Conferences and Seminar Calendar**

(*) - Asterisk indicates a report is attached.

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- B. Operations Comments**
 - 1. Operations Report
- C. Engineering Comments**
 - 1. Engineering Report
- D. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
- E. Finance Comments**
 - 1. Interim Financial Statement
 - 2. Treasurer Report
 - 3. Credit Card Breakdown
 - 4. Directors' Expense
 - 5. Check Register
 - 6. Water Sales Summary
 - 7. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

Mr. Gutierrez stated he will be working with the operations crew members on summarizing the Operations Report to include the most pertinent information to share with the Board.

Director Gasca suggested any repairs or breaks be separated by division.

Mr. Gutierrez mentioned the steps being made working toward getting information out to customers in a timely manner.

Mr. Strapac noted he was exploring opportunities for possible building a solar farm at Beck Reservoir to assist with subsidizing the District's electrical costs.

Mrs. Harp announced a part-time HR Assistant would be starting on October 1, 2018 as well as interviews are scheduled on October 2, 2018 for the Finance Manager position.

Motion:

To receive and file information and financial items.

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

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

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

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

It was noted the public hearing, a resolution for after the repeal of Ordinance No. 95-1, strategic plan approval, a tank fall protection contract, consideration of a variance, record retention policy review, and rights-of-way policy should be on the next agenda.

Director Stewart confirmed he would not be at the October 23, 2018 Board meeting.

(*) - Asterisk indicates a report is attached.

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27. ADJOURNMENT - To Tuesday, October 23, 2018 at 1:00 p.m.

The meeting was adjourned with a motion made by Director Brazier to a regular meeting on October 23, 2018 at 1:00 p.m.

The meeting was adjourned at 3:45 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING **September 27, 2018**

- 9-1. Construction contract with Sylvester Roofing for Kearny Mesa Headquarters Roof Rehabilitation.
The Board determined that the bid protest was valid and authorized the General Manager to award a construction contract to Sylvester Roofing in the amount of \$347,500 for the Kearny Mesa Headquarters Roof Rehabilitation project.
- 9-2. Notice of Completion for the Pipeline 3 Relining Lake Murray to Sweetwater Reservoir project.
The Board authorized the General Manager to accept the Pipeline 3 Relining Lake Murray to Sweetwater Reservoir project as complete, record the Notice of Completion, and release all funds held in retention to L.H. Woods and Sons Inc., following the expiration of Notice of Completion period.
- 9-3. Professional services contracts with Diakont Advanced Technologies, Inc., Pure Technologies U.S. Inc., and Pipeline Inspection and Condition Analysis Corporation for pipeline condition assessment of the First Aqueduct.
The Board approved the following actions to support the condition assessment of the First Aqueduct pipeline
- a. Authorized the General Manager to award a professional services contract to Diakont Advanced Technologies, Inc., for a not-to-exceed amount of \$480,000 for pipeline condition assessment services for a period of four years.
 - b. Authorized the General Manager to award a professional services contract to Pure Technologies U.S. Inc., for a not-to-exceed amount of \$1,001,000 for pipeline condition assessment services for a period of four years, with an option to renew for an additional two years.
 - c. Authorized the General Manager to award a professional services contract to Pipeline Inspection and Condition Analysis Corporation, for a not-to-exceed amount of \$2,242,000 for pipeline condition assessment services for a period of four years with, an option to renew for an additional two years.
- 9-4. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
- 9-5. Amendments to the San Diego County Water Authority Local Conflict of Interest Code.
The Board conducted the Public Hearing and adopted Resolution No. 2018-17 approving amendments to the San Diego County Water Authority Local Conflict of Interest Code.



- 9-6. Professional services contract with Hazen and Sawyer for the Long Range Demand Forecast Update project.
The Board authorized the General Manager to award a professional services contract to Hazen and Sawyer, for a not-to-exceed contract amount of \$529,603 for the Long Range Demand Forecast Update project.
- 9-7. Election of Board Officers for October 1, 2018 – September 30, 2020.
The Board elected officers to the Board for a two-year term beginning October 1, 2018 as follows:
- Chair: Jim Madaffer
Vice Chair: Gary Croucher
Secretary: Christy Guerin



BOARD OF DIRECTORS CONFERENCE/SEMINAR REPORT

ATTENDEES NAME(S): Miguel Gasca

TITLE OF TRAINING/CONFERENCE/WORKSHOP/CLASS: Sept 24 - 27, 2018 CSDA Annual Conference

DATE(S) ATTENDED: Sept 25 - 27, 2018

AGENCY HOSTING TRAINING/CONFERENCE/WORKSHOP/CLASS: CSDA

LOCATION: Renaissance Indian Wells

DESCRIPTION OF TOPIC(S)/LEARNING EXPERIENCE:

Tuesday: RULES REGARDING LOBBYING & BALLOT MEASURES

Craig Steele, Richard Watson Gershon, Csteele@rwglaw.com

People will ask for results of any polling done, esp in a small community

No use of district resources or in uniform

Don't make vote requirement for employment action

Candidates forum must be run by nonprofit & can use bd room

Govt code for hiring lobbyist

Public agencies cannot do Grassroots lobbying

Get the message across by: inform public impartially, use advocacy group, hire lobbyist,

On endorsements, asterisk for

Tuesday: MESSAGING FOR RATE INCREASES & OTHER BUMMER NEWS

Marty Boyer, Communication Advantage

Elements of good message: appropriate empathy, include action, includes context, background as needed

Foster understanding, defuse anger, guide audiences: customers, regulators, Legislators, news media, Stakeholders, partners, govt agencies

Promote accuracy & consistency

Vargas vs Salinas allows use of public monies & defines what can be done

Make the most of a good message. Stay on message. Plaster your message all over the place

Message will evolve. Need to change key words

Wednesday: IT CAN BE EASY TO BE GREEN - BEST PRACTICE SUSTAINABILITY RECYCLING SUSTAINABILITY Ron Ford, SCE, Funding Opportunity: wizard.arb.ca.gov

SCE Pump Testing, Pumping efficiencies, plant efficiencies, Initial installation & longterm, Develop energy plan, monitor system, overhaul or retrofit at desired payback threshold

LINCUS

WISE Program focuses on water system optimization and water/wastewater integration.

Efficiency strategies & Incentives: measures like overhauling or adding controls, and incentives between 2% & 20% reductions

So Cal Water wise Program

RENEWABLE NATURAL GAS

SB1383 to reduce 50% reduction of organic waste from 2014 to 2020. Then up to 75%

Cal Recycle to manage

CR&R Waste doing it in OC, LA, SB, Imperial, Riverside counties

Compression service Tariff for CNG flee

Wednesday: BEST PRACTICES FOR A SUCCESSFUL PROPOSITION 218 RATE HEARING

Jack Bebee, Fallbrook PUD; Sanjay Gaur, Raftelis; Lutfi Kharuf, BBK

Provided lessons learned of their process and hearing.

Start working the issue years in advance.

Over 150 people at hearing. Should have gotten a bigger venue.

Provided responses to all questions

Thursday: 2018 LEGISLATIVE IMPACTS TO SPECIAL DISTRICTS

Little Hoover Comision Review of Special Districts: CSDA was able to craft different message than what was started by member of commision. The member, that wanted consolidation & eventual elimination of preponderance of SDs, eventually resigned from the commision board.

Proposition 5: would allow homeowners who are over 55 yrs old or severely disabled to transfer their property tax base to a replacement residence, with some adjustments depending on the value of the purchase, but without regard for value, location or frequency.

CSDA recommends districts OPPOSE proposition, and provided a sample resolution.

Provided listing of numerous bills that CSDA has taken a position on.

Requested Districts respond to 2019 CSDA Legislative Priorities Survey

Trip Report --Hayden Hamilton

2018 CSDA Annual Conference
September 24-27, 2018
Renaissance Indian Wells, CA
Attended: September 25 & 26

General Sessions

Opening Keynote by Connie Podesta, StandOut Leadership...Lead Like You Mean It!

Fascinating and interesting presentation on "Selling." Key is to understand your "customer" so you can use the best approach to convince/sell to follow your lead. She used the categorizations of triangles, squares, circles and skwiggles for individual types (I've seen this presented in slightly different ways). Bottom line is that if you can understand the "target's" personality, then motivating them to action can be successful by approaching them in terms they understand and relate to.

SDRMA Keynote Speaker: Derreck Kayongo, *Harnessing Your Power to Create Change* (Founder of the "Global Soap Project")

A survivor in more ways than one. Uses his message to promote a life style of SELF: Service, Education, Leadership and Faith. Provided an interesting perspective on American life and life styles and how he has taken what is basically trash from our perspective and turned it into an industry for change (improved hygiene, better health, reduced disease) in third world countries.

CSDA Annual Awards Luncheon: Part of the reason for going - RMWD Directors received their award for Governance – unfortunately, the District of Distinction award was delayed(?) because of the new auditor's report relative to past practices in accounting – I may not have this accurately described.

Sessions Attended

Who Ya Gonna Call? Preparedness During an Emergency and in the Aftermath.

Takeaways: Communications are essential – leads to better coordination between agencies. Also provides an infrastructure for affected parties. Need to effectively use Social Media (SM) to get message out to later group. Best for a single media point of contact (all agencies). Need to show what's happening so evacuees understand why they can't get back in. Media Go-Kits important to prepare before the event. On the SM side, Facebook and Twitter key elements in today's society for getting message out. Poster Boards important when phone and cell services are disrupted.

Dear Ratepayer: Messaging for Rate increases and other Bummer News

Takeaways: Two thirds of US use SM today. Between 80-90% of under 30s are on SM (doesn't help us much relative to RMWD ratepayers, but allows us to reach their children and grand children). Benefits of a SM program: Awareness, Real time data collection (feedback, insights). Maximize awareness of goals, drive engagement, Improve services and community experience, **Crisis Communication**. **Challenges include:** regulatory compliance (FOIA & public records), SM policy implementation (privacy and stated policy on employee use (CSDA has sample SM policies for

guides), dealing with negative comments. **Negative Comments:** need for complaint service/situation -> require timely response and one that is empathetic. **Disagreements with District practices/actions** -> Don't be afraid to artfully correct where appropriate or ignore. Try to turn a complaint into an opportunity; address miss information with facts. Policies for taking down posts: Obviously those that are offensive, contain vulgarities, continuously object to all responses. **BLOCKING:** Have a policy that addresses when & why. **Responding to Negative comments:** who is responding, why you are responding (following a policy), and action to be taken

Is Your District Engaged Effectively with Social Media?? It is a Must These Days for Every District

Takeaways: How tos, Hack and Tips -> Facebook prioritizes videos & slide show videos (has tool to convert PowerPoint to a video). Major Projects -> start education program early, humor is an effective tool for communicating. Shorten long URL links with tools like bitly.com, or others (be cautious). At this point the presenter recommended Picasa as a photo management tool (A Google product discontinued in May 2016) at which time I tuned out the rest of the presentation.

How to Write for the Web (or for the Newspaper, or for an Email Blast, or Even a Billboard!)

Sloane Dell'Orto, Streamline

Takeaways: Excellent presentation by the owner of our web services partner. Have forwarded the a copy of the presentation to Cynthia Gray. "ATTENTION" is the new currency on the web. People don't read online – scan and then scan again. Attention span is 8-9 seconds. The under 30s prefer to read screens. 59% of people will share article without reading it. Write to a 7th/8th grade reading level. No ALL CAPS, less than 3 fonts maximum, logo size matters – arms length test, use compelling design elements. 5 times more people read headlines only. Only 20% of content gets read. Design – 10-15 words per line. Break content up. Scrolling is no longer taboo (only 5% still don't scroll). Make content easy to scan, show – don't tell (then also tell), Make PDFs readable. NO WORD DOCS (not legally compliant after January 2019). On SM, use hashtags – 2x readership increase with hash tags – no more than 2 per piece. A lot more detailed good information that I'll write up for Cynthia.

Be a Cyber-Sleuth: Current Fraud Trends and Preventing Cyber Crime in Special Districts.

Takeaways: Not if but When. Spear Phishing most prevalent entry point. Everyone is now a target. Attacks now include network attached appliances (like Flume – what might our exposure/risks be in such a s case). Smaller organizations are being targeted because of vulnerabilities – lack of skilled personnel, dedicated staff, regulatory regulations, shared infrastructure, low focus on external threats, budget, etc. 78% of people claiming knowledge of email attack methods but click on the mails anyway. Need plan for when you get hacked – too late after the fact.

Dawn Washburn

From: Michael Mack <mpmack731@gmail.com>
Sent: Tuesday, October 09, 2018 10:59 PM
To: Dawn Washburn
Subject: Conference Report/ CSDA/ Director Mack

EXTERNAL EMAIL – USE CAUTION WHEN OPENING ATTACHMENTS OR HYPERLINKS.

Board of Directors Conference / Report

Attendees : Michael Mack

Title: CSDA Fall Conference

Dates: September 24,25,26

Agency Hosting: CSDA

Location: Indian Wells

Description of Topics:

Tuesday September 25

1. Keynote speaker - Connie Podesta
Standout Leadership: Lead Like you Mean it.

Successful leaders are great influencers. They know how to get consensus of ownership and buy in from people who count without manipulation, intimidation, sacrificing relationships, or stepping on toes.

Bottom line: Getting the job done the right way hinges on your ability to sell your self and your ideas in a such a trusting way and positive way that people will choose to follow your lead.

Comments; Excellent speaker, make you think, recommend

2. Up in the Air: Drones for Special Districts.
Brian wright Bushman and Aleshire & Wynder LLP

What are drones

UAV- Actual devise

UAS- System - remote and unman

How are the being used

1. Property inspections and maintenance

2. Safety- Police and Fire

Required- Remote flying Licence

Need to make policy for your District

Need Drone Insurance and maintenance schedules FFA has Stated that it' responsible for the safety from the ground up
- This includes Drones Part 107- Title 14 states Of code of visual line of site No operation around people who are not

under cover or structure Or in a a car Daylight use only, ground speed not to exceed 100 MPH and Maximum altitude 400 feet

Comment: good class, learn about drones and the laws to operate

3. Required Ethics AB1234 Compliance Training Rich Pio Poda, Meyers Nave
3 hours

Received certificate

Wednesday September 26

1. Keynote speaker- Derreck Kayongo
Harnessing your power to create change

As founder of the global soap project<, Mr. Kayongo has built a multi- million dollar venture which take recycle bars of soap and distributes it through global health programs to people who lack access to it around the world. He breaks down the key factors that have led to his personal success. S.E.L.F. - Service, Education Leadership and Faith

Comments; Great speaker, good motivator, highly recommend

2.Nightmare on Board night
Jeffrey Hosinson and Lindsay Thorson

Questions and answers. The do and don't in board rooms Brown act Quorum Requirments Voting Requirements

Governs how meetings are conducted by public agencies, Wit focus on facilitating public participation in local government decisions. Express purpose is to assure that local governments conducts the publics business openly and publicly..

Comments.: good class. Highly recommend

3. Required Harassment Prevention Training.
Kelly Trainer- Burke Williams & Sorenson, LLP
3 hours

Received certificate



BOARD OF DIRECTORS CONFERENCE/SEMINAR REPORT

ATTENDEES NAME(S): William Stewart

TITLE OF TRAINING/CONFERENCE/WORKSHOP/CLASS: CSDA Fall Conference

DATE(S) ATTENDED: September 24 - 26, 2018

AGENCY HOSTING TRAINING/CONFERENCE/WORKSHOP/CLASS: Calif. Special Districts Association

LOCATION: Indian Wells, Calif.

DESCRIPTION OF TOPIC(S)/LEARNING EXPERIENCE:

9/24 - President's reception with the Exhibitors 5:30 to 7:30 p.m. Used opportunity to seek out vendors offering services and products used by RMWD.

9/24 - Cancelled hotel room for that night when invited to stay with Friends in La Quinta.

9/25 - 9:00 Opening Keynote by Connie Podesta on Standout Leadership - discussion of personality traits and tools useful in leadership roles in government organizations.

11:00 Workshop on "Drones for Special Districts" - Presentation regarding new FAA and local government regulations on pilot licensing, maximum speed and altitude, visual flight and daylight only restrictions, operations over people, moving vehicle restrictions, etc. Obtained email follow up with power point and sent it to GM to evaluate post-conference.

2:00 Workshop on "How to Prepare for Capital Improvement Financing" by CSDA Financing Corporation - Presentation on options and resources for financing special district capital replacement and improvement projects.

3:30 Workshop on "It Can't be Easy Being Green" - Presentation by SC Edison, SC Gas Company and Institute for Local Government representatives discussing opportunities for more sustainable operations and facilities. Information presented regarding SC Air Resources Board low interest loans available (!% interest rates) and available grants and government funding and using renewable and low environmental impact power resources and other green practices. Power point available online.

4:30 Networking Reception in the Exhibit Hall - Time spent talking with vendors and professionals providing services and equipment to the Water and Wastewater industry.

9:26 - 9:00 SDRMA General Session/Awards Presentations (Including our individual directors receiving their leadership certificates).

9:45 Keynote Address by Derreck Kayongo, immigrant founder of the Global Soap Project on "Harnessing Your Power to Create Change" with his S.E.L.F. approach involving Service, Education, Leadership and Faith after his family escaped Uganda after witnessing killings by the forces of Edi Amin.

11:00 Workshop on "How to Write for the Web, Newspaper, E-blasts or Bill Boards" - Presenters focused on creating communications to rate payers which will be read and understood, verses turned off. Techniques for classic newswriting like "nutshell leads featuring who, what, why, where and how", 8th grade level words; 5 to 10

nd attention span as people scan today's communication glut; targeted messages; no all caps; one font; small logo ID, and understanding that people only read 20% of most stories. Also, discussion of message design and simplicity, PDF security, headline writing, infusing brand recognition and take aways such as messages that are short, shareable, have clear intentions and audience oriented.

12:30 Leadership Award Luncheon - Special District Leadership Foundation Award Presentations including those for Rainbow directors.

2:00 Workshop on "How to Survive in a Unionized World" - Presentation by attorneys of the firm of Atkinson, Andelson, Loya, Ruud and Romo regarding successful approaches for negotiating MOU's in the current era; relationships with employees under the umbrella of California Law and day to day activities for successfully managing employee relationships under MOU's and grievance processes.

3:45 Workshop on "Dangerous Condition of Public Property" by SDRMA representative Dennis Timoney - Discussion of conditions giving rise to claims of negligence in the construction, maintenance and operation of facilities and property improvements and the steps public agencies can take to avoid accidents, incidents and liability. Power point available online.



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: October 23, 2018
RE: Attorney Report: New Rules for Discontinuation of Water Service
501668-0002

I. INTRODUCTION.

This attorney report provides an update on new requirements for discontinuing residential water service. On September 28, 2018, Governor Brown signed Senate Bill 998 which requires written polices, detailed notices and alternative payment options when customers are delinquent in paying their water bills. This legislation will impact existing practices, policies and procedures for municipal water districts when addressing delinquent accounts and discontinuing water service.

The new law applies to all urban and community water systems, public or private, that provide water to more than 200 service connections. For water systems regulated by the Public Utilities Commission, or those supplying water to more than 3,000 customers annually, the new requirements take effect on February 1, 2020. Other water systems are required to comply with the new requirements by April 1, 2020.

II. Bill Requirements:

Among other things, SB 998 mandates:

- Water systems must adopt written discontinuation policies that are available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean and any other language spoken by 10 percent or more people within the system's service area. The policies must contain certain information, and must be posted on the water system's website.
- Water systems may not discontinue residential water service due to delinquent payment until payments are delinquent for at least 60 days. After that time, the water system must attempt to provide notice to customers by telephone or in writing, and provide information about appeals, extensions and alternative repayment options.

- Water systems may not discontinue residential water service if all of the following take place:
 - 1.) a primary care provider certifies that the discontinuation of water service will pose a serious or potentially fatal threat to a resident;
 - 2.) the customer demonstrates inability to pay; and
 - 3.) the customer is willing to enter into an alternative payment arrangement. (A customer can demonstrate an inability to pay based on the receipt of certain public assistance by someone in the household, or a declaration from the customer that the household is below 200 percent of the federal poverty level).
- Water systems must limit certain low-income customers' reconnection fees to no more than \$50 during regular business hours, and \$150 during non-regular hours.
- Water systems must attempt to provide notice to renters and mobile home residents that their service may be discontinued due to delinquent payments by their landlords, and that the residents have the right to become customers of the water system without paying the past-due amounts on the landlords' accounts.
- Water systems must annually post on their websites the number of times the system has discontinued service due to inability to pay.

In light of SB 998, water systems are advised to carefully evaluate their existing policies and procedures relating to delinquent accounts and discontinuation of water service, and update any necessary policies, procedures, ordinances or administrative codes to ensure compliance with the new requirements.

A copy of the bill is attached for reference.


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SB-998 Discontinuation of residential water service: urban and community water systems. (2017-2018)

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Date Published: 09/28/2018 09:00 PM

Senate Bill No. 998

CHAPTER 891

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 998, Dodd. Discontinuation of residential water service: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill would prohibit residential service from being discontinued under specified circumstances. The bill would require an urban and community water system that discontinues residential service to provide the customer with information on how to restore service. The bill would require an urban and community water system to waive interest charges on delinquent bills for, and would limit the amount of a reconnection of service fee imposed on, a residential customer who demonstrates, as prescribed, to the urban and community water system household income below 200% of the federal poverty line. The bill would require an urban and community water system that furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit structure, mobilehome park, or permanent residential structure in a labor camp, and that the owner,

manager, or operator of the dwelling, structure, or park is the customer of record, to make every good faith effort to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers, as specified. The bill would require an urban and community water system to report the number of annual discontinuations of residential service for inability to pay on its Internet Web site and to the board, and the bill would require the board to post on its Internet Web site the information reported. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2020, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2020. The bill would provide that the provisions of the bill are in addition to the provisions in existing law duplicative of the bill and that where the provisions are inconsistent, the provisions described in the bill apply.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares as follows:

- (a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.
- (b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.
- (c) Water service discontinuations threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.
- (d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternative payment schedules, and demonstrate medical need and severe economic hardship.
- (e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.
- (f) It is the intent of the Legislature that this act provide additional procedural protections and expand upon the procedural safeguards contained in the Public Utilities Code and Government Code as of January 1, 2018, relating to utility service disconnections.

SEC. 2. Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6. Discontinuation of Residential Water Service

116900. This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.

116902. For the purposes of this chapter, the following definitions apply:

- (a) "Board" means the State Water Resources Control Board.
- (b) "Public water system" has the same meaning as defined in Section 116275.
- (c) "Residential service" means water service to a residential connection that includes single-family residences, multifamily residences, mobilehomes, including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing.
- (d) "Urban and community water system" means a public water system that supplies water to more than 200 service connections.
- (e) "Urban water supplier" has the same meaning as defined in Section 10617 of the Water Code.

116904. (a) An urban water supplier not regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020.

(b) An urban and community water system regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020. The urban and community water system regulated by the Public Utilities Commission shall file advice letters with the commission to conform with this chapter.

(c) An urban and community water system not described in subdivision (a) or (b) shall comply with this chapter on and after April 1, 2020.

116906. (a) An urban and community water system shall have a written policy on discontinuation of residential service for nonpayment available in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area. The policy shall include all of the following:

- (1) A plan for deferred or reduced payments.
- (2) Alternative payment schedules.
- (3) A formal mechanism for a customer to contest or appeal a bill.
- (4) A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.

(b) The policy shall be available on the urban and community water system's Internet Web site, if an Internet Web site exists. If an Internet Web site does not exist, the urban and community water system shall provide the policy to customers in writing, upon request.

(c) (1) The board may enforce the requirements of this section pursuant to Sections 116577, 116650, and 116655. The provisions of Section 116585 and Article 10 (commencing with Section 116700) of Chapter 4 apply to enforcement undertaken for a violation of this section.

(2) All moneys collected pursuant to this subdivision shall be deposited in the Safe Drinking Water Account established pursuant to Section 116590.

116908. (a) (1) (A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential service for nonpayment, an urban and community water system shall contact the customer named on the account by telephone or written notice.

(B) When the urban and community water system contacts the customer named on the account by telephone pursuant to subparagraph (A), it shall offer to provide in writing to the customer the urban and community water system's policy on discontinuation of residential service for nonpayment. An urban and community water system shall offer to discuss options to avert discontinuation of residential service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

(C) When the urban and community water system contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

- (i) The customer's name and address.
- (ii) The amount of the delinquency.
- (iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.
- (iv) A description of the process to apply for an extension of time to pay the delinquent charges.
- (v) A description of the procedure to petition for bill review and appeal.
- (vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with the written policies provided pursuant to subdivision (a) of Section 116906.

(2) If the urban and community water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the urban and community water system shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service

for nonpayment and the urban and community water system's policy for discontinuation of residential service for nonpayment.

(b) If an adult at the residence appeals the water bill to the urban and community water system or any other administrative or legal body to which such an appeal may be lawfully taken, the urban and community water system shall not discontinue residential service while the appeal is pending.

116910. (a) An urban and community water system shall not discontinue residential service for nonpayment if all of the following conditions are met:

(1) The customer, or a tenant of the customer, submits to the urban and community water system the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.

(2) The customer demonstrates that he or she is financially unable to pay for residential service within the urban and community water system's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the urban and community water system's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(3) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with the written policies provided pursuant to subdivision (a) of Section 116906, with respect to all delinquent charges.

(b) (1) If the conditions listed in subdivision (a) are met, the urban and community water system shall offer the customer one or more of the following options:

(A) Amortization of the unpaid balance.

(B) Participation in an alternative payment schedule.

(C) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(D) Temporary deferral of payment.

(2) The urban and community water system may choose which of the payment options described in paragraph (1) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. An urban and community water system may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

(3) Residential service may be discontinued no sooner than 5 business days after the urban and community water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(A) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.

(B) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

116912. An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

116914. (a) For a residential customer who demonstrates to an urban and community water system household income below 200 percent of the federal poverty line, the urban and community water system shall do both of the following:

(1) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service

during nonoperational hours, an urban and community water system shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

(2) Waive interest charges on delinquent bills once every 12 months.

(b) An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

116916. (a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If an urban and community water system furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the urban and community water system shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

(c) The urban and community water system is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the urban and community water system's rules and tariffs. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the urban and community water system, or if there is a physical means legally available to the urban and community water system of selectively terminating service to those residential occupants who have not met the requirements of the urban and community water system's rules and tariffs, the urban and community water system shall make service available to those residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the urban and community water system, residence and proof of prompt payment of rent or other credit obligation acceptable to the urban and community water system for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the urban and community water system pursuant to this section whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the urban and community water system for those services during the preceding payment period.

(f) In the case of a detached single-family dwelling, the urban and community water system may do any of the following:

(1) Give notice of termination at least seven days prior to the proposed termination.

(2) In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

116918. An urban and community water system shall report the number of annual discontinuations of residential service for inability to pay on the urban and community water system's Internet Web site, if an Internet Web site exists, and to the board. The board shall post on its Internet Web site the information reported.

116920. (a) The Attorney General, at the request of the board or upon his or her own motion, may bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful.

(b) For an urban and community water system regulated by the Public Utilities Commission, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and

community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

116922. All written notices required under this chapter shall be provided in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by 10 percent or more of the customers in the urban and community water system's service area.

116924. Where provisions of existing law are duplicative of this chapter, compliance with one shall be deemed compliance with the other. Where those provisions are inconsistent, the provisions of this chapter shall apply. Nothing in this chapter shall be construed to limit or restrict the procedural safeguards against the disconnection of residential water service existing as of December 31, 2018.

116926. This chapter does not apply to the termination of a service connection by an urban and community water system due to an unauthorized action of a customer.

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

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on September 11, 2018 by Chairperson Stitle in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle, Member Ross, Member Hensley, Alternate Nelson.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Customer Service Supervisor Rubio.

Absent: Member Moss, Member Gasca, Administrative Analyst Gray.

One member of the public was present.

4. **SEATING OF ALTERNATES**

Mr. Nelson was seated to serve as an alternate at this meeting.

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

Mr. Nelson asked if there was an opportunity to discuss the allocation of asset surplus. Ms. Rubio mentioned Mrs. Martinez will be finalizing the end of year matters including surplus items. It was noted this would be on a future agenda.

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

There were no comments.

COMMITTEE ACTION ITEMS

7. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*8. **APPROVAL OF MINUTES**

A. August 14, 2018

Motion:

To approve the minutes.

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

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

Ayes: Member Stitle, Member Ross, Member Hensley, Alternate Nelson.

9. DISCUSSION AND POSSIBLE ACTION REGARDING CAPITALIZATION POLICY UPDATE

Mr. Kennedy referenced the proposed draft policy provided as a handout.

Mr. Flint asked for clarification on the capitalization threshold.

Ms. Rubio introduced Diane who has been hired to temporarily fill the Finance Manager position. She noted Diane worked at FPUD to temporarily help them out and how she does have Springbrook experience.

10. DISCUSSION REGARDING LEAK POLICY

Mr. Kennedy solicited the committee for input on the policy related to leaks located on the customer side of the meter. Discussion ensued regarding the types of leaks about which customers contact RMWD.

Discussion took place regarding creating a matrix showing how often these types of leaks occur.

Mr. Kennedy explained what occurrences would be covered by the proposed leak policy. He noted a draft policy would be presented at the next committee meeting for discussion.

11. REVIEW OF ADMINISTRATIVE CODE SECTION 5.02.210

Mr. Kennedy pointed out the proposed changes to the approval processes.

Motion:

The committee recommend the Board review and accept the change to 5.02.210.

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

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

Ayes: Member Stitle, Member Ross, Member Hensley, Alternate Nelson.

12. ABM UPDATE

Mr. Kennedy reported the first steps to repeal Ordinance No. 95-1 would be presented to the Board at the September 18, 2018 meeting for their consideration. He talked about the steps taken by staff regarding this matter. He noted he will be meeting with ABM one more time to review the final numbers.

Mr. Kennedy talked about how the committee may want to consider means for improving the District's credit rating.

Mr. Nelson said he was supportive of what was being done. He wanted to know what steps were necessary should the rates need to be higher than initially forecasted. Mr. Kennedy explained the entire Proposition 218 process would need to be followed. Mr. Nelson asked if a five-year revenue plan would be damaging to the District. Mr. Kennedy explained it would not; however, some may not desire an extended plan as opposed to an annual revenue plan review. Discussion followed.

Mr. Nelson inquired about the logistics of some of the projects and their being on different timeframes. Mr. Kennedy explained the cautious steps planned out. He said once everything has been stabilized, the process will be ramped up over time. Discussion ensued regarding the anticipated timeframes.

13. REVIEW THE FOLLOWING:

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

Ms. Rubio stated she would be confirming the numbers imported were transferred over correctly.

Discussion took place regarding the handouts provided.

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

It was noted the leak policy, capitalization policy, and reserve transfer authorization would be on the next agenda.

Mr. Kennedy announced Mrs. Martinez agreed to continue working for RMWD on a limited basis during the recruitment process for her position.

15. ADJOURNMENT

The meeting adjourned at 1:54 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

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

1. **CALL TO ORDER** – The Communications and Customer Service Committee Meeting of the Rainbow Municipal Water District on September 6, 2018 was called to order by Chairperson Daily at 3:36 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Daily, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Daily, Member Kirby, Member Hamilton, Member Johnson, Alternate Gray.

Also Present: General Manager Kennedy

Absent: Executive Assistant Washburn

No members of the public were present.

4. **SEATING OF ALTERNATES**

It was noted Mrs. Gray would be seated as an alternate.

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

There were no changes to the agenda.

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

There were no comments.

COMMITTEE ACTION ITEMS

*7. **APPROVAL OF MINUTES**

A. August 2, 2018

Motion:

To approve the minutes.

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

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

Ayes: Member Daily, Member Kirby, Member Hamilton, Member Johnson

Abstain: Alternate Gray.

8. VIDEO PRESENTATION UPDATE

Mr. Kennedy announced Bill Hitt spent three hours doing videography during which he provided some great historical stories as a contribution to the presentation. He shared some of Mr. Hitt's experiences.

Mr. Kennedy mentioned staff was going through old pictures and were looking into getting a picture of the one located at San Luis Rey Municipal Water District. Mrs. Gray added LAFCO did not have anything because the organization was not involved at that time as it did not exist at the same level it does today. Mr. Hamilton suggested visiting the Fallbrook Historical Society as well as asking Mr. Hitt if he had any photographs from the period in time he covered in his interview.

9. DISCUSSION REGARDING LEAK POLICY

Mr. Kennedy explained staff has been assembling a variety of local agency policies which have been provided as handouts for review when considering how to address customer leaks. He noted the Marin MWD policy states the maximum two billing periods are limited to one adjustment every three years; however, the customer has to have fixed the leak and show proof of the repair before receiving the adjustment. He pointed out the Palmdale and Olivenhain policies state they will charge the customer at the lowest tier as opposed to the upper tier. He stated Olivenhain allows for an adjustment every five years with the customer coming to the agency time certain to make the claim and Palmdale says they will make an adjustment every twelve months. He noted the leak has to amount to 50% more of the customer's average usage in the Palmdale policy.

Mr. Kennedy mentioned there were other agencies that have procedures that include budget adjustments, household adjustments, and concealed leak adjustments. He stated he does not prefer RMWD utilizing these particular procedures, but rather allow for adjustments every five years after meeting a certain magnitude with the District giving the customer the wholesale cost of the water for whatever is over the customer's "normal" usage.

Mr. Kennedy inquired as to how Vallecitos addresses these types of leaks. Mrs. Kirby stated Vallecitos provides for a one-time adjustment with proof the usage is definitely over the customer average, proof of repair, and approval by the Customer Service Supervisor. She explained if the leak is of a larger amount, the approval must be given by the Finance Manager.

Mr. Kennedy stated this policy needs to be upfront with very specific steps that will be taken by staff including the types of adjustments that will be allowed and how often as well as an appeal process to come before the Communications and Customer Service Committee.

Mr. Kennedy said based on the feedback received today, a policy will be drafted for the Committee to review at their next meeting. He said once the policy is finalized, it will be brought to the Board for approval and inclusion in the Administrative Code after which time forms will be provided on the District website for customer use and staff will start applying the new policy and procedures. He explained some of the steps staff will follow are flagging the account when a customer receives an adjustment and how long until they will be eligible to receive another.

Mr. Daily asked how long before the policy will go into place. Mr. Kennedy stated once the committee approves the policy, it will be brought to the Board for consideration which could be as early as October 23, 2018. Mr. Daily suggested notifying the public of this new policy. Mr. Kennedy offered to put an article in the newsletter once in place.

Mr. Hamilton suggested there be a dollar amount limit as well as approval process included in the internal practices. Mr. Kennedy stated it will state there will be no adjustment exceeding \$750 and if the amount exceeds such, Committee approval of a recommendation to the Board for consideration.

10. METER REPLACEMENT PROJECT COMMUNICATIONS

Mr. Kennedy stated the Board approved moving forward with the project; therefore, staff was in the process on working on the funding and related details which will be finalized over the next couple of months. He noted it was anticipated this project will start later this year.

Mr. Kennedy shared his thoughts on what pertinent information about the project should be shared with the public. He solicited the committee for their input. Mrs. Kirby suggested adding something about who will be paying for the meter itself.

Mr. Hamilton recommended sharing the revenue recovered from water loss will go toward infrastructure that will in turn save having to increase rates. Ms. Johnson agreed this would be very important to get out to the customers. Mr. Hamilton encouraged Mr. Kennedy to keep it simple and focus on the meter stuff.

Mr. Kennedy mentioned the next step would be to create a logo for advanced notifications and postcards.

Mr. Hamilton suggested there be an alerts and notices section for customers to check periodically when they want to know what projects are taking place in their area. Discussion ensued regarding utilizing social media for important messaging.

Mr. Kennedy stated the timeframe for completion was 12-18 months with Concord Utility Services being selected as the labor vendor for installations through the bidding process.

11. FLUME PROJECT UPDATE

Mr. Hamilton stated he was hooked up with the Flume device and that it was working quite nicely. He talked about the distance between the device and the receiver. He mentioned the only basic issue he experienced is that we are dealing with a company still in its infancy that has some big steps to make to be applicable to him in terms of the alarm system allowing for more than 10 gallons per minute as opposed to 50 gallons per minute; however, he found the group to be very responsive and he was ecstatic about the product.

Discussion ensued regarding the leaks that were immediately detected during the onset of the pilot program.

Mr. Kennedy talked about the steps to follow once it is confirmed the software works. Discussion followed.

12. PUBLIC COMMUNICATIONS AND OUTREACH ITEMS

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

- C. Calendar
- D. Snipes Calendar

Mr. Kennedy stated there would be information published on the Ordinance 95-1 repeal including notice of a public hearing should the Board set the date at their September 18, 2018 meeting.

13. REVIEW AND ANALYSIS OF RMWD RELATED MEDIA STORIES

Mr. Kennedy announced he would be on Fox news soon talking about the Flume device program.

14. COMMITTEE MEMBER COMMENTS

Mr. Daily noted there were a couple articles related to Valley Center Municipal Water District having Meadowood added to their sphere of influence. Discussion ensued.

Mr. Daily also noted there was an announcement published FPUD has a new General Manager.

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

It was decided updates from the other committees should be included on future Communications and Customer Service agendas.

It was also noted updates on the video presentation, meter replacement, and flume project as well as the leak policy review should be on the next agenda.

16. ADJOURNMENT

The meeting adjourned at 4:39 p.m.

Mike Daily, Committee Chairperson

Dawn M. Washburn, Board Secretary

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

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on September 5, 2018 was called to order by Chairperson Prince at 3:02 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Prince presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Prince, Member Stitle, Member Taufer, Member Brazier, Member Marnett, Member Nelson (Arrived at 3:03 p.m.)

Also Present: General Manager Kennedy, District Engineer Strapac, Associate Engineer Powers, Acting Operations Manager Gerdes, Administrative Analyst Gray, Right-of-Way and Facilities Coordinator Brown

Absent: Member Robertson, Member Ratican, Alternate Kirby.

Three members of the public were present. Mr. Sorbello, Director Gasca (Arrived at 3:16 p.m.), Julie Johnson (Arrived at 3:27 p.m. and left at 4:26 p.m.).

4. **SEATING OF ALTERNATES**

Alternate Nelson entered at 3:03 p.m. and was invited to take a voting seat.

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

Mr. Kennedy said Item 12 would be moved after the approval of the minutes. Ms. Brazier added and before Item 8.

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

There were no comments.

COMMITTEE ACTION ITEMS

*7. **APPROVAL OF MINUTES**

A. August 1, 2018

Motion: Approve the minutes as written.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 6).

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

Absent: Member Ratican, Member Robertson, Alternate Kirby.

Discussion went to Item 12.

8. TANK FALL PROTECTION UPDATE ON ADDITIONAL BIDDERS

Mr. Strapac provided a copy of Superior Tank Solutions' proposal and pointed out the proposed cost was slightly less than Suez's proposal. He said Superior Tank Solutions informed him that with a 5% difference in cost it would be to the District's advantage to proceed with Suez on the welded tanks and let Superior Tank Solutions handle the bolted tanks. He pointed out that Suez currently has the painting, finishing and warranty contract with the District. He explained the logistics, warranty and financial issues involved if the District contracted the tank fall protection with two companies. Discussion ensued.

Tom stated that this item would be added to next month's committee meeting.

9. DRAFT RIGHT-OF-WAY POLICY REVIEW (PRESENTED BY KIM BROWN, RMWD RIGHT-OF-WAY AND FACILITIES COORDINATOR)

Ms. Brown presented information and handouts for the committee to begin reviewing and provide feedback. She said the handouts consisted of the Right-of-Way policy revision, the current easement policy and the draft revision to the easement policy. She briefly went over the documents and mentioned the use of other district's policies as sources to develop the draft. Discussion regarding current easement issues and regulations ensued.

Mr. Kennedy ask the committee to review the draft policy and provide any comments. He said this item would be added to next month's committee meeting. He asked Mrs. Gray to post the documents on the website and in the monthly newsletter after the second round of reviews.

10. CORROSION PROTECTION REQUEST FOR PROPOSAL UPDATE

Mr. Strapac stated that the District was planning on publishing the Corrosion Protection RFP on September 10, 2018. He said this RFP was for a consultant to provide a Corrosion Protection Program for the District. He mentioned there were not many professionals that specialized in the corrosion protection field. He said when the program was completed the District would begin the implementation of the pipeline priority list for corrosion protection, as part of the CIP. Mr. Kennedy said this item would be brought back to the committee next month.

11. SEWER FLOW MONITORING STATUS

Mr. Kennedy said this item would be brought back next month. Mrs. Gray presented two videos of a sewer blockage before and after cleaning and repairs.

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

Mr. Powers went over the District's policy regarding variances to the admin code and described the application process. Discussion ensued regarding the meter sizes and variance regulations.

Mr. Kennedy mentioned the variance application process would require an agreement between the customer and the District to maintain the water usage to a set limit. He said conditions would be set if the customer went over the set limits. Discussion ensued.

Ms. Brazier asked who would monitor and adjudicate when the set usage limits were reached. Mr. Kennedy stated a note would be placed in the customer's account file and it would be the function of the Engineering Department to track the variances on an annual review. Discussion ensued.

Motion: **Recommend to the Board to approve the variance and have this item added to the September 18, 2018 Regular Board Meeting Agenda for Board action.**

Action: **Approve, Moved by Member Alternate Nelson, Seconded by Member Brazier.**

Vote: **Motion carried by unanimous vote (summary: Ayes = 6).**

Ayes: **Member Price, Member Stille, Member Brazier, Member Taufer, Member Marnett, Alternate Nelson.**

Absent: **Member Ratican, Member Robertson, Alternate Kirby.**

Discussion went to Item 8.

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

The following agenda items were suggested:

- Tank Fall Protection
- Easement Policy
- Sewer Flow Monitoring
- Corrosion Protection Program

14. ADJOURNMENT

The meeting adjourned at 4:48 p.m.

Timothy Prince, Committee Chairperson

Dawn M. Washburn, Board Secretary

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED ORDINANCE NO. 18-23 TO REPEAL EXISTING ORDINANCE NO. 95-1, WHICH CURRENTLY REQUIRES A TWO-THIRDS VOTE OF THE ELECTORATE BEFORE THE DISTRICT CAN INCUR ADDITIONAL PUBLIC DEBT

BACKGROUND

Ordinance No. 95-1 was adopted by the District on April 27, 1995. It prohibits the District from incurring additional public debt without a two-thirds vote of the electorate whenever the District is already carrying cumulative debt in excess of one million dollars. Ordinance No. 95-1 effectively prevents the District from incurring almost any kind of debt, even when prudent and necessary to meet the District's fiscal and business objectives. Legal counsel believes that Ordinance No. 95-1 is invalid and unenforceable, and its repeal is appropriate for that reason, as discussed in the attached memorandum from Nossaman.

This agenda item was discussed in open session at the Board meeting of September 18, 2018. The Board authorized the publication of notice pursuant to Government Code section 6066 and scheduled a public hearing for consideration of proposed Ordinance No. 18-23 for October 23, 2018.

DESCRIPTION

District staff published the official notice in the Fallbrook Village News on two successive weeks September 27, 2018 and October 4, 2018. In addition, the proposed action was included in our regular monthly newsletter and was featured on the front page of the Fallbrook Village News. All requirements for notification pursuant to Government Code Section 6066 have been met.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Our Strategic Plan calls for appropriate funding of capital replacement projects. This action will provide cost effective flexibility to the Board to obtain that funding

Strategic Focus Area Four: Fiscal Responsibility. This action will provide the Board options to fund capital projects in the most cost-effective way in order to avoid water rate spikes.

ENVIRONMENTAL STATEMENT

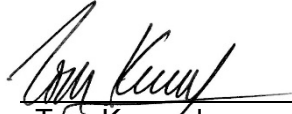
In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

The Board could choose not to adopt Ordinance No. 18-23 which would leave Ordinance 95-1 in place. This would eliminate the possibility to enter into any debt financing agreements.

STAFF RECOMMENDATION

Staff recommends the Board authorize publication of notice and schedule a hearing for consideration of proposed Ordinance No. 18-23 to repeal Ordinance No. 95-1. Proceeding with repeal of Ordinance No. 95-1 will make it possible for the District to incur debt to meet its fiscal and policy objectives.



Tom Kennedy
General Manager

October 23, 2018

Ordinance No. 18-23

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Repealing Ordinance No. 95-1**

WHEREAS, the Rainbow Municipal Water District adopted Ordinance No. 95-1, "An Ordinance of the Rainbow Municipal Water District Enacting the Initiative Entitled 'Two-Thirds Vote Required for Public Debt Initiative' Pursuant to California Elections Code Section 9214," on April 27, 1995; and

WHEREAS, according to Ordinance No. 95-1, it was adopted by the District's Board of Directors as a result of a 1995 ballot initiative, in connection with which fifteen percent of voters within the District signed petitions supporting the initiative, in order to avoid the expense associated with calling a special election; and

WHEREAS, Ordinance No. 95-1 purports to restrict the District's ability to incur additional public debt without first obtaining a two-thirds vote of the electorate whenever the District is already carrying cumulative debt in excess of one million dollars; and

WHEREAS, Ordinance No. 95-1 prevents the District from incurring debt as needed to meet the District's fiscal and policy objectives, in a manner that is consistent with State law; and

WHEREAS, the Board of Directors has determined that that Ordinance No. 95-1 is invalid and unenforceable because it is inconsistent with the District's enabling statute (see Water Code Section 71000 et seq.), it impairs essential government functions through interference with the District's fiscal powers (see, e.g., *City of Atascadero v. Daly* (1982) 135 Cal.App.3d 466; *Geiger v. Board of Supervisors* (1957) 48 Cal.2d 832), and because neither a voter initiative, nor a governing body such as the District's Board of Directors, can legislate in a manner that ties the hands of those who come later to exercise the authority (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 220; see also *Vagim v. Board of Supervisors* (1964) 230 Cal.App.2d 286); and

WHEREAS, this Ordinance No. 18-23 was introduced at the Board of Directors' meeting on September 18, 2018, after which notice of a public hearing to be conducted on October 23, 2018 was published in a local newspaper once a week for two successive weeks pursuant to Government Code section 6066, and thereafter the public hearing was conducted to receive any comments or objections from the public;

NOW, THEREFORE,

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

1. The District's Ordinance No. 95-1 is hereby repealed in its entirety.
2. This Ordinance No. 18-23 shall take effect thirty (30) days after its adoption.
3. The Secretary of the District is hereby authorized and directed to publish a summary of this Ordinance in the newspaper within fifteen (15) days from the date of adoption. Upon written request, the Secretary shall also provide any interested person with a copy of this Ordinance.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 18th day of September 2018 by the following roll call vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

Notice of Public Hearing
Rainbow Municipal Water District – Repeal of Ordinance No. 95-1

NOTICE IS HEREBY GIVEN that on October 23, 2018 at 1:30 p.m. in the meeting room of the Board of Directors of the Rainbow Municipal Water District, located at 3707 Old Highway 395, Fallbrook, California 92028, the Board of Directors will conduct a public hearing to consider and receive comments and input on proposed Ordinance No. 18-23 to repeal existing Ordinance No. 95-1, which is entitled “An Ordinance of the Rainbow Municipal Water District Enacting the Initiative Entitled ‘Two-Thirds Vote Required for Public Debt Initiative’ Pursuant to California Elections Code Section 9214.”

Proposed Ordinance No. 18-23 and existing Ordinance No. 95-1 are available for public review. These documents will be available Monday through Friday during normal business hours at Rainbow Municipal Water District, located at 3707 Old Highway 395, Fallbrook, California 92028. In addition, electronic versions of these documents will be accessible at the District website at www.rainbowmwd.com.

In summary, Ordinance No. 18-23 is being proposed to repeal existing Ordinance No. 95-1, which currently restricts the District’s ability to incur additional public debt without first obtaining a two-thirds vote of the electorate.

Any written comments regarding the proposed Ordinance No. 18-23 to repeal existing Ordinance No. 95-1 should be submitted by the close of business on October 16, 2018 to the address set forth above. Public comments can also be made at the public hearing. Questions regarding the public hearing or the proposed Ordinance should be directed to Dawn Washburn, Board Secretary at (760) 728-1178. If you are disabled in any way and need accommodation to participate in the public hearing, please call Dawn Washburn at (760) 728-1178 Ext. 129 for assistance at least two working days prior to the hearing so the necessary arrangements can be made.

RAINBOW MUNICIPAL WATER DISTRICT

Ordinance No. 18-23

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Repealing Ordinance No. 95-1**

WHEREAS, the Rainbow Municipal Water District adopted Ordinance No. 95-1, “An Ordinance of the Rainbow Municipal Water District Enacting the Initiative Entitled ‘Two-Thirds Vote Required for Public Debt Initiative’ Pursuant to California Elections Code Section 9214,” on April 27, 1995; and

WHEREAS, according to Ordinance No. 95-1, it was adopted by the District’s Board of Directors as a result of a 1995 ballot initiative, in connection with which fifteen percent of voters within the District signed petitions supporting the initiative, in order to avoid the expense associated with calling a special election; and

WHEREAS, Ordinance No. 95-1 purports to restrict the District’s ability to incur additional public debt without first obtaining a two-thirds vote of the electorate whenever the District is already carrying cumulative debt in excess of one million dollars; and

WHEREAS, Ordinance No. 95-1 prevents the District from incurring debt as needed to meet the District’s fiscal and policy objectives, in a manner that is consistent with State law; and

WHEREAS, the Board of Directors has determined that that Ordinance No. 95-1 is invalid and unenforceable because it is inconsistent with the District’s enabling statute (see Water Code Section 71000 et seq.), it impairs essential government functions through interference with the District’s fiscal powers (see, e.g., *City of Atascadero v. Daly* (1982) 135 Cal.App.3d 466; *Geiger v. Board of Supervisors* (1957) 48 Cal.2d 832), and because neither a voter initiative, nor a governing body such as the District’s Board of Directors, can legislate in a manner that ties the hands of those who come later to exercise the authority (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 220; see also *Vagim v. Board of Supervisors* (1964) 230 Cal.App.2d 286); and

WHEREAS, this Ordinance No. 18-23 was introduced at the Board of Directors’ meeting on September 18, 2018, after which notice of a public hearing to be conducted on October 23, 2018 was published in a local newspaper once a week for two successive weeks pursuant to Government Code section 6066, and thereafter the public hearing was conducted to receive any comments or objections from the public;

NOW, THEREFORE,

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

1. The District’s Ordinance No. 95-1 is hereby repealed in its entirety.
2. This Ordinance No. 18-23 shall take effect thirty (30) days after its adoption.
3. The Secretary of the District is hereby authorized and directed to publish a summary of this Ordinance in the newspaper within fifteen (15) days from the date of adoption. Upon written request, the Secretary shall also provide any interested person with a copy of this Ordinance.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 23rd day of October 2018 by the following roll call vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

**AFFIDAVIT OF PUBLICATION FALLBROOK, CALIFORNIA 92028
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA**

I am a citizen of the United States,
over twenty-one years of age, and
the Assistant Editor of said
newspaper The Village News, Inc.,
111 W. Alvarado St., Fallbrook, CA 92028
a newspaper adjudicated by the Superior Court,
County of San Diego GIN013243 is a newspaper
of general circulation, published and is circulated
at least once a week in Fallbrook, County of
San Diego, State of California.

Notice of Public Hearing
Rainbow Municipal Water District -
Repeal of Ordinance No. 95-1

Legal Number: NA
Which the attached is a true printed copy, and
Published in said newspaper for 2 weeks, and
Following days
09/27/18, 10/04/18

in the regular issue of said newspaper,
THE VILLAGE NEWS, INC.,
111 W. Alvarado St., Fallbrook, CA 92028
and not in any other supplement.
I certify and declare under penalty that
this statement is true and correct to the
best of my knowledge.

Dated: October 4, 2018
Fallbrook, California, 92028



Signature
LUCETTE MORAMARCO
ASSISTANT EDITOR

Notice of Public Hearing
Rainbow Municipal Water District – Repeal of Ordinance No. 95-1

NOTICE IS HEREBY GIVEN that on October 23, 2018 at 1:30 p.m. in the meeting room of the Board of Directors of the Rainbow Municipal Water District, located at 3707 Old Highway 395, Fallbrook, California 92028, the Board of Directors will conduct a public hearing to consider and receive comments and input on proposed Ordinance No. 18-23 to repeal existing Ordinance No. 95-1, which is entitled "An Ordinance of the Rainbow Municipal Water District Enacting the Initiative Entitled 'Two-Thirds Vote Required for Public Debt Initiative' Pursuant to California Elections Code Section 9214."

Proposed Ordinance No. 18-23 and existing Ordinance No. 95-1 are available for public review. These documents will be available Monday through Friday during normal business hours at Rainbow Municipal Water District, located at 3707 Old Highway 395, Fallbrook, California 92028. In addition, electronic versions of these documents will be accessible at the District website at www.rainbowmwd.com.

In summary, Ordinance No. 18-23 is being proposed to repeal existing Ordinance No. 95-1, which currently restricts the District's ability to incur additional ~~public debt without first obtaining a two-thirds vote of the electorate.~~

Any written comments regarding the proposed Ordinance No. 18-23 to repeal existing Ordinance No. 95-1 should be submitted by the close of business on October 16, 2018 to the address set forth above. Public comments can also be made at the public hearing. Questions regarding the public hearing or the proposed Ordinance should be directed to Dawn Washburn, Board Secretary at (760) 728-1178 Ext. 129. If you are disabled in any way and need accommodation to participate in the public hearing, please call Dawn Washburn for assistance at least two working days prior to the hearing so the necessary arrangements can be made.

RAINBOW MUNICIPAL WATER DISTRICT



TO: Rainbow Municipal Water District

FROM: Alfred Smith, Gina Nicholls

DATE: September 12, 2018

RE: Ordinance No. 95-1
501668-0002

I. INTRODUCTION

Nossaman has been asked to provide a legal analysis of Rainbow Municipal Water District (“District”) Ordinance No. 95-1. We believe that Ordinance No. 95-1 is invalid and unenforceable for the reasons set forth below.

II. BACKGROUND

According to the recitals of Ordinance No. 95-1, it was adopted by the District’s Board of Directors (“Board”) as a result of a 1995 ballot initiative that sought to restrict the District’s ability to incur public debt. Fifteen percent of voters within the District signed petitions supporting the initiative. In order to avoid the expense associated with calling a special election, the Board adopted Ordinance No. 95-1 to effectuate the initiative.

Ordinance No. 95-1 prohibits the District from incurring additional public debt without a two-thirds vote of the electorate whenever the District is already carrying cumulative debt in excess of one million dollars.¹ Section 7 of the Ordinance purports to require voter approval for any amendment or repeal of the Ordinance.

¹ Ordinance 95-1 applies to all “additional public debt whenever the District is already carrying cumulative debt in excess of one million dollars.” (§ 1.) “Public debt” means “borrowed money which ultimately must or may be paid back by the District, directly or indirectly.” (§ 2.A.) “Borrow” means “to obtain from another person or entity with the understanding that what was borrowed must be returned.” (§ 2.D.) These definitions are written broadly enough to capture almost any kind of indebtedness—including bonds, notes, short-term loans, letters of credit, mortgages, auto loans, credit cards—unless one of the following three exemptions applies:

- A) “Any public debt to provide District funds required by act of war, natural catastrophe or other act of God” (§ 4.A.)
- B) “Short term (less than one year) public debt to be paid off by anticipated tax revenues.” (§ 4.B.)
- C) “Public debt which is used solely to refinance debt existing at the effective date or which has been voted on under Section 3 of this initiative, and where the refinancing is solely to reduce the ultimate cost of the debt.” (§ 4.C.)

III. LEGAL ANALYSIS

We believe that Ordinance No. 95-1 is invalid and unenforceable for multiple reasons. First, special districts such as Municipal Water Districts have only those powers granted under the enabling legislation. (*Turlock Irrigation Dist. v. Hetrick* (1999) 71 Cal.App.4th 948, 952-953.) The power of a district is only to make administrative rules which are called for in the statutory scheme. (*People ex rel. Younger v. County of El Dorado* (1971) 5 Cal.3d 480, 496.) Ordinance No. 95-1 does not effectuate any power granted by the Legislature to the District through its enabling act, the Municipal Water District Act (the "Act"), Water Code Section 71000 et seq. Therefore, the Ordinance constitutes an invalid local amendment to State law.

Similarly, districts cannot adopt ordinances that directly conflict with, or that are implicitly preempted by, the enabling act. (See, e.g., *Water Quality Ass'n v. County of Santa Barbara* (1996) 44 Cal.App.4th 732, 747.) The Act sets forth the specific voter approval requirements that apply in special circumstances when the District authorizes debt. (See, e.g., Wat. Code, § 71725 [voter approval required for certain contracts of indebtedness with other agencies].) The Act otherwise commits such matters to the sound discretion of the District's Board: Water Code sections 71300 and 71312.5 expressly empower the District's Board to "issue bonds, borrow money, and incur indebtedness as authorized by law or this division." By seeking to take away, rather than effectuate, this broad statutory authority of the Board to "incur indebtedness," the Ordinance conflicts with and is preempted by State law.

Finally, initiative ordinances such as Ordinance No. 95-1 are invalid if they impair essential government functions, such as a public entity's fiscal powers. (*City of Atascadero v. Daly* (1982) 135 Cal.App.3d 466; see also *Geiger v. Board of Supervisors* (1957) 48 Cal.2d 832, 839-840.) Ordinance No. 95-1 fundamentally impairs the District's fiscal powers by restricting the Board's general power to incur indebtedness (Wat. Code, § 71312.5) and its specific powers to raise funds through debt issuance. (Wat. Code, § 71800 et seq.) Neither voters, nor an entity's governing board, can adopt enactments such as Ordinance No. 95-1 that tie the hands of those who come later to exercise the same authority. (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 220 [invalidating an initiative that purported to impose a majority-vote requirement]; see also *Vagim v. Board of Supervisors* (1964) 230 Cal.App.2d 286 [discussing limits on the ability of a governing body to "tie the hands of those who come later"].)

IV. CONCLUSION

Ordinance No. 95-1 is invalid and unenforceable. Therefore, its repeal by the Board is appropriate, notwithstanding that Section 7 of the Ordinance purports to require voter approval for such repeal.

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

ACCEPTANCE OF THE BACKBONE INFRASTRUCTURE FOR THE HORSE CREEK RIDGE DEVELOPMENT BY D.R. HORTON

BACKGROUND

The Horse Creek Ridge Development which is located east of I-15 on Horse Ranch Creek Road has installed water and sewer to serve the development which consists 741 residential units and a sports complex. The construction of facilities was designed by three engineering firms and consists of four sets of plans. The improvements were included in a Joint Use Agreement between the County, Rainbow Municipal Water District and the developer, D. R. Horton. The initial construction agreement took effect on November 17, 2016. Since then, construction of the backbone infrastructure has been completed including water, recycled water, and sewer facilities along Horse Ranch Creek Road, Pankey Place, Pankey Road, and Highway 76, and a sewer lift station at Pankey Road.

The improvements represent the major water and sewer infrastructure to serve the development as well as existing and future development in the area. Internal, individual single and multi-family units or subdivisions which require separate water and sewer facilities are in various stages of completion. The improvements for each of those units will be presented to the Board for acceptance when completed.

DESCRIPTION

Facilities completed and ready for acceptance include the water, recycled water, and sewer facilities as depicted in the following improvement plans:

- Public Improvement Plans for Horse Creek Ridge Unit 1, prepared by Hunsaker & Associates, approved 3/6/2014 – includes water and sewer mains in Andalusian Way, Gold Palomino Way, and Friesian Way
- Horse Creek Ridge Recycled Water and Sewer Improvement Plans, prepared by Hunsaker & Associates, approved 3/6/2014 – includes recycled water and sewer mains in Horse Ranch Creek Road
- Horse Creek Ridge 12-inch Water Transmission Pipeline and 12-inch Sewer Force Main in SR-76, prepared by Heden and Associates, approved 6/10/2014 – includes water main and sewer force main in SR 76 between Pankey Road and I-15
- Plans for the Construction of Horse Creek Lift Station (Lift Station #3), prepared by Dexter Wilson Engineering, approved 5/18/2017

The improvements include approximately:

- 14,870 lf of Sewer Main
- 64 Manholes
- 1,147 lf of Sewer Force Main
- 8,911 lf of Water Main with Appurtenances
- 5,620 lf of Recycled Water Main

- 1 - 1,670 gpm capacity Sewer Lift Station

All facilities have been constructed per plans, inspected and tested per specifications, all punch list items have been completed, and as-builts delivered to Engineering. Upon acceptance by the Board, the improvements become part of the District water and sewer system and Staff takes over operation and maintenance. There is a one-year warranty period for all improvements which commences after Board acceptance.

The release of Performance and Payment bonds will be coordinated with/through the County of San Diego in accordance with the Joint Use Agreement between the County, District and Developer.

As of the preparation of this staff report, the Developer was compiling final construction costs for the water and sewer improvements. Those costs will be provided to Staff prior to the Board meeting. The improvements are treated as Donated Capital Assets and the installation costs are added to the District's total valuation.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. In addition to maintaining the physical condition of the District's existing infrastructure, it is important to ensure that all new infrastructure is properly accepted administratively and incorporated into the District's records.

BOARD OPTIONS/FISCAL IMPACTS

The construction costs of the improvements will be added to the District's asset valuation. The County of San Diego will be notified for release of securities and commencement of the warranty period in accordance with the Joint Use Agreement.

1. Accept the backbone water and sewer improvements for the Horse Creek Ridge development and approve filing of a Notice of Completion.
2. Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff Recommends Option 1.



For Steven E. Strapac, P.E., P.L.S.
District Engineer

10/23/2018

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR THE PALOMAR NORTH EDUCATION CENTER

BACKGROUND

Palomar College was responsible for construction of public water and sewer mains to serve the campus property and connect with existing mains in Horse Ranch Creek Road. The sewer main connects to and conveys flow from the west Pala Mesa sewer under I-15 to the recently completed sewer main in Horse Ranch Creek Road. The existing 12" sewer east of, and parallel with, I-15 is no longer required and has been physically abandoned, eliminating a significant source of Inflow & Infiltration to the sewer system in the area served by the recently operational Horse Creek Lift Station.

A construction agreement was approved by Board action on December 5, 2017 and substantial completion of the sewer work was completed in May 2018 in time for the opening of the College's summer session. Because the lift station was not operational at the time, the Pala Mesa area sewer could not be connected through Palomar to Horse Ranch Creek Road until recently.

DESCRIPTION

The above-mentioned sewer tie-in with the Pala Mesa sewer was completed on October 8, 2018 and Palomar College has completed the construction of public water and sewer facilities necessary to serve its North Education Center campus.

The project constructed:

40 lf	8" PVC sewer
36 lf	10" VCP sewer
652 lf	12" PVC sewer
5	manholes
1	rebuilt/lined manhole
55 lf	12" CML&C water main within easement

The easement(s) for the abandoned 12" sewer which parallels I-15 is no longer needed by the District and formal action to Quit Claim the easement to Palomar (property owner) will be brought to the Board for action at a later date.

The construction costs are:

Sewer main	\$ 62,763
Manholes	\$ 64,250
Water main	<u>\$ 8,758</u>
Total	\$135,771

The improvements are treated as Donated Capital Assets and the installation costs will be added to the District's total valuation.

All facilities have been constructed per plans, inspected and tested per specifications, all punch list items have been completed, and as-builts delivered to Engineering. Upon acceptance by the Board, the improvements become part of the District water and sewer system and Staff takes over operation and maintenance. There is a one-year warranty period for all improvements which commences after Board acceptance.

Thirty (30) days after the filing of the Notice of Completion, the Performance and Payment bonds will be released.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. The construction of the new sewer main through the Palomar College campus allowed the District to abandon an older sewer line that is prone to inflow and infiltration, which decreases the peak wet weather flow in the system and allows for more efficient use of the District's sewer infrastructure.

BOARD OPTIONS/FISCAL IMPACTS

The construction costs of the improvements will be added to the District's system valuation.

- 1) Accept the project improvements and approve filing of a Notice of Completion with the County Recorder.
- 2) Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



For Steven E. Strapac, P.E., P.L.S.
District Engineer

10/23/2018

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

CONSIDER ADOPTION OF RESOLUTION NO. 18-17 OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING THE FORM OF A CONVEYANCE AGREEMENT AND AN INSTALLMENT PURCHASE CONTRACT WITH ZMFU II, INC. AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF AND APPROVING THE FORM OF THE FIRST AMENDMENT TO THE DISTRICTWIDE METER REPLACEMENT PROJECT AGREEMENT WITH ABM BUILDING SERVICES LLC AND AUTHORIZING THE GENERAL MANAGER TO SIGN ON THE DISTRICT'S BEHALF

BACKGROUND

Over the last two years the District has been developing a project that will address the issue of inaccurate water meters in our system. The current population of meters has been shown to only record just over 93% of the water that actually passes through the meters. A Public Private Partnership was developed with ABM, Inc that will replace all of our water meters that are over five years old with new, more accurate meters.

A second part of this overall project was developed that would perform certain upgrades to our existing water services at the time of meter replacement. Many of our water services are outdated and were constructed using a variety of construction standards over the years. Many are in poor condition. These upgrades include the following:

- Replacement or installation of new meter box (where needed)
- Installation of a customer side ball valve (where needed)
- Replacement of District owned pressure regulator (where needed)
- Installation of a Neptune R900i drive by AMR radio. For the areas where the meter is being replaced this will be integrated into the meter itself. For existing meters that are not being replaced, this will be in the form of a new dial/register with the new radio.

Details about the estimated quantities of each type of service upgrade are included in the attached First Amendment to the District-wide Meter Replacement Project Agreement.

DESCRIPTION

At the September 18, 2018 Regular Board Meeting, the Board approved the execution of a tax-exempt lease with ZB, N.A. to cover the costs for the meter replacement components of this project. This action is to secure additional municipal debt in the amount of \$5.25 Million with a rate of 3.18% and a term of 10 years. This Resolution is a requirement for the financing of the project which is a not to exceed amount of \$5,249,905. If the project costs are lower than projected, we will return the capital with no prepayment penalty. The total annual debt service payment will be approximately \$615,000 per year.

This action will approve the second tranche of financing for the service upgrades project. District Counsel has identified a financing mechanism that meets the requirements of the Water Code. At the time of this Action Letter being written, there were still a handful of details to be worked out, so there are a few blanks in the attached document. These will all be ironed out prior to Board action and completed copies will be made available as soon as possible.

This type of debt is known as an Installment Purchase Contract financing. Essentially, we are conveying to the bank \$5.25 Million worth of our pipelines, tanks, etc., and they are giving us that amount of money in return. We then agree to buy back our assets from them at a specified rate and term. In this case, it is a 10-year term at 3.18%. These actions will occur simultaneously, so there will never really be any actual change in ownership of our assets.

This type of financing structure is done routinely and is in compliance with all laws related to our agency. There are a few details to note here:

- We will be making some changes to our fund structures to clearly identify funds earmarked for debt service
- We will be promising to establish rates such that we raise sufficient funds to repay the debt
- We will be required to maintain a 3 year average net operating revenue (operating revenue minus operating expenses) of 120% of our debt service. In this case, our net revenues need to be cash flow positive of \$738K per year. Our financial plan has a much higher net revenue forecast than this so this should not be a problem. In addition, the debt payment is not part of the operating expense which eases the burden on expenses.

As part of the issuance of this debt, the bank requires a one-year Debt Service Reserve deposit that could either be added to the issuance of the debt or funded from District reserves. This reserve (\$615,000) would add to the principal if we used proceeds of the debt to cover the reserve which would add to the debt and interest accumulation. Staff has recommended using funds from our own capital reserves to fund this account which will actually earn interest (albeit a small amount) during the term of the debt. This reserve can be used to make the final payment on the debt. The RMWD Budget and Finance Committee considered this option at their October 9, 2018 meeting and voted to recommend to the Board that the District use our reserves to fund the Debt Service Reserve.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management – This action will approve financing for the rehabilitation of one of our most important assets – our water services.

Strategic Focus Area Four: Fiscal Responsibility - This action will provide a low-cost way to finance a project before interest rates increase.

BOARD OPTIONS/FISCAL IMPACTS

This Service Upgrade Project does not have the direct fiscal benefit of the meter replacement project but it is an opportunity to make meaningful upgrades to our water services. The debt service from both the meter replacement and service upgrades portions of this project will be under \$1.3 Million per year with anticipated additional revenue/avoided costs of well over \$1.6 Million per year in water purchase costs alone, not to mention other savings in staff time and ongoing meter replacement costs.

The Board has two primary options:

1. Approve Resolution No. 18-17 and the First Amendment to the District-wide Meter Replacement Project Agreement which would authorize the General Manager to execute the financing and contractual agreements necessary to implement the Service Upgrade portions of the project. In addition, approval of this option would direct staff to use District capital reserves to fund the Debt Service Reserve requirement from the bank.

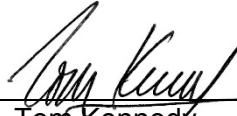
2. Reject Resolution No. 18-17 and approve the First Amendment to the District-wide Meter Replacement Project Agreement which would authorize the General Manager to execute the contractual agreements necessary to implement the Service Upgrade portions of the project. Should this option be selected, the cost of the Service Upgrade portions of the project would need to be drawn from existing reserves. An additional appropriation for \$5.25 Million would be required. This would amount to well over 50% of our capital reserves on hand at this time.
3. Reject both Resolution No. 18-17 and the First Amendment to the District-wide Meter Replacement Project Agreement. This would limit ABMs work to meter replacements only.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



Tom Kennedy
General Manager

October 23, 2018

RESOLUTION NO. 18-17

A RESOLUTION OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING A CONVEYANCE AGREEMENT AND AN INSTALLMENT PURCHASE CONTRACT, MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Rainbow Municipal Water District (the “District”) is a special district duly organized and validly existing under the laws of the State of California; and

WHEREAS, the District is authorized by the laws of the State of California to acquire any real or personal property within or outside the District, to hold, manage, occupy, dispose of, convey, and encumber the property, and to create a leasehold interest in the property for the benefit of the District through the execution of installment purchase contracts; and

WHEREAS, the District desires to enter into a Conveyance Agreement between the District and [ZMFU II, Inc.] (the “Lender”), pursuant to which the District will sell the Enterprise (as defined in the Installment Purchase Contract defined below) to the Lender in return for certain funds, which the District will use to finance construction, acquisitions, and improvements associated with a District-wide water meter replacement program (the “Project”); and

WHEREAS, in order to finance the Project, the District has determined to enter into an Installment Purchase Contract, currently dated as October 1, 2018 (the “Installment Purchase Contract”), between the District and the Lender, pursuant to which the District will repurchase the Enterprise from the Lender; and

WHEREAS, under and pursuant to such Installment Purchase Contract, the District will be obligated to make certain installment payments to the Lender; and

WHEREAS, there have been presented at this meeting forms of the Conveyance Agreement and the Installment Purchase Contract; and

WHEREAS, the District desires to appoint Nossaman LLP, as special counsel (“Special Counsel”), in connection with the financing of the Project; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board of Directors of the District (the “Board”) obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the

fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract; and

WHEREAS, in compliance with SB 450, the Board obtained from the Bank the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE RAINBOW MUNICIPAL WATER DISTRICT AS FOLLOWS:

SECTION 1. Recitals. All of the recitals herein contained are true and correct and the Board of Directors so finds

SECTION 2. Approval of Conveyance Agreement. The form of Conveyance Agreement, currently dated as of October 1, 2018 (the "Conveyance Agreement"), between the District and the Lender, as presented to the District at this meeting, is hereby approved. The General Manager of the District, the Chairman of the Board of Directors, the District Secretary or and other officers of the District as the General Manager of the District may designate (collectively, the "Officers") are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Conveyance Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Nossaman LLP ("Special Counsel"), such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. Approval of Installment Purchase Contract. The form of Installment Purchase Contract as presented to the District at this meeting, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Installment Purchase Contract, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract, so long as at the time of execution of the Installment Purchase Contract, the maturity does not exceed 10 years, the interest rate with respect to the Installment Payments does not initially exceed 3.18%, and the principal amount does not exceed \$ _____.

SECTION 4. SB 450 Information. In accordance with SB 450, good faith estimates of the following have been obtained from the Bank and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract.

SECTION 5. Special Counsel. Section 4. The Board of Directors hereby appoints the firm of Nossaman LLP, as Special Counsel, in connection with the financing of the Project. The Board of Directors hereby authorizes the General Manager to execute and deliver an agreement with said firms for their respective services. Payment of fees and expenses with respect to such agreements shall be contingent upon the execution of the Installment Purchase Contract.

SECTION 6. Other Acts. The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a fee agreement, costs of issuance agreement, custodian agreement or other similar agreements, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

SECTION 4. Effective Date. This Resolution shall take effect upon adoption.

PASSED, ADOPTED AND APPROVED at a public noticed meeting of the Board of Directors of the Rainbow Municipal Water District held on October 23, 2018, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTEST:

Helene Brazier, Board President

Dawn Washburn, Board Secretary

CONVEYANCE AGREEMENT

between the

RAINBOW MUNICIPAL WATER DISTRICT

and

[ZMFU II, INC.]

Dated as of October 1, 2018

CONVEYANCE AGREEMENT

THIS CONVEYANCE AGREEMENT, dated as of October 1, 2018 (this “Conveyance Agreement”), is entered into by and between the RAINBOW MUNICIPAL WATER DISTRICT, a special district duly organized and validly existing under the laws of the State of California (the “District”), and [ZMFU II, INC.], a _____ [state chartered bank], including its successors and assigns (the “Lender”).

RECITALS:

WHEREAS, the District and the Lender desire to provide funds to finance construction, acquisitions, and improvements associated with a District-wide water meter replacement program (the “Project”), to be repaid by installment purchase payments to be made by the District, as purchaser of the Enterprise (as defined herein), to the Lender, as seller, pursuant to that certain installment purchase contract dated as of October 1, 2018 (the “Installment Purchase Contract”).

NOW, THEREFORE, in consideration of receipt of the amount of \$_____ by the District as the purchase price of the Enterprise (as defined in the Installment Purchase Contract), and of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

Section 1. The District hereby sells, conveys and transfers to the Lender all of its right, title and interest in and to the Enterprise but only to the extent the components of the Enterprise may be legally transferred by the District, and the Lender hereby purchases, acquires and accepts from the District all of the District’s right, title and interest in and to the Enterprise, subject to the obligation of the Lender to resell the Enterprise to the District pursuant to the Installment Purchase Contract.

Section 2. The District hereby agrees to cooperate and provide further assurances to the Lender in order to accomplish the purposes of this Conveyance Agreement. The District hereby agrees to indemnify and hold the Lender harmless against any and all claims, losses, costs or damages as a result of the District’s conveyance of the Enterprise to the Lender as provided herein, or the financing of the Project.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Conveyance Agreement by their officers as of the date first above written.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
General Manager

ATTEST:

By _____
Secretary

[ZMFU II, INC.]

By: _____
Title: Vice President

INSTALLMENT PURCHASE CONTRACT

between the

RAINBOW MUNICIPAL WATER DISTRICT

and

[ZMFU II, INC.]

Dated as of October 1, 2018

NON-BANK QUALIFIED

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.01. Definitions.	2
ARTICLE II ACQUISITION OF THE ENTERPRISE AND THE PROJECT	8
Section 2.01. Acquisition of the Enterprise and the Project.	8
Section 2.02. Indemnification and Expenses of the Lender.	9
Section 2.03. [Reserved].	10
Section 2.04. Disclaimer of the Lender.	10
Section 2.05. Project Fund.....	10
ARTICLE III INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS.....	10
Section 3.01. Payment of the Installment Payments.....	10
Section 3.02. Interest Component of the Installment Payments.....	11
Section 3.03. Establishment of Accounts.	11
Section 3.04. Pledge of Gross Revenues and Other Funds; Debt Service Fund.	11
Section 3.05. [Reserved.].....	12
Section 3.06. Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues.	12
Section 3.07. Reserve Fund	13
Section 3.08. Investment of Funds.	14
ARTICLE IV PARITY OBLIGATIONS	14
Section 4.01. Parity Obligations.....	14
ARTICLE V REPRESENTATIONS, COVENANTS AND WARRANTIES	16
Section 5.01. Compliance with Installment Purchase Contract.	16
Section 5.02. Observance of Laws and Regulations.	16
Section 5.03. Prosecution and Defense of Suits.	16
Section 5.04. Accounting Records and Statements.....	16
Section 5.05. Further Assurances.	17
Section 5.06. Against Encumbrances.....	17
Section 5.07. Against Sale or Other Disposition of Property.....	17
Section 5.08. Against Competitive Facilities.	17
Section 5.09. Tax Covenants.....	18
Section 5.10. Maintenance and Operation of the Enterprise; Material Adverse Effect.	18
Section 5.11. Payment of Claims.	18
Section 5.12. Compliance with Contracts.	19
Section 5.13. Insurance.	19
Section 5.14. Books and Accounts; Financial Statements.	20

Section 5.15. Payment of Taxes and Compliance with Governmental Regulations.....	20
Section 5.16. Amount of Rates and Charges.....	21
Section 5.17. Collection of Rates and Charges.....	21
Section 5.18. Eminent Domain Proceeds.....	21
Section 5.19. Release and Indemnification Covenants.....	22
Section 5.20. Further Representations, Covenants and Warranties of the District.....	22
Section 5.21. Representations, Covenants and Warranties of the Lender.....	23
 ARTICLE VI PREPAYMENT OF INSTALLMENT PAYMENTS.....	 24
Section 6.01. Prepayment.....	24
Section 6.02. Method of Prepayment.....	24
Section 6.03. Security Deposit.....	25
 ARTICLE VII EVENTS OF DEFAULT AND REMEDIES.....	 25
Section 7.01. Events of Default Defined.....	25
Section 7.02. Remedies on Default; No Acceleration.....	26
Section 7.03. Application of Funds Upon Default.....	26
Section 7.03. Other Remedies of the Lender.....	27
Section 7.04. Non-Waiver.....	27
Section 7.05. Remedies Not Exclusive.....	28
 ARTICLE VIII MISCELLANEOUS.....	 28
Section 8.01. Liability of District Limited.....	28
Section 8.02. Benefits of Installment Purchase Contract Limited to Parties.....	28
Section 8.03. Successor Is Deemed Included In All References to Predecessor.....	28
Section 8.04. Waiver of Personal Liability.....	29
Section 8.05. Article and Section Headings, Gender and References.....	29
Section 8.06. Partial Invalidity.....	29
Section 8.07. Assignment.....	29
Section 8.08. [Reserved.].....	29
Section 8.09. California Law.....	29
Section 8.10. Notices.....	30
Section 8.11. Effective Date.....	30
Section 8.12. Execution in Counterparts.....	30
Section 8.13. Amendments.....	31
 EXHIBIT A – INSTALLMENT PAYMENT SCHEDULE.....	 A-1

INSTALLMENT PURCHASE CONTRACT

This INSTALLMENT PURCHASE CONTRACT, dated as of October 1, 2018 (this “Installment Purchase Contract”), is entered into by and between the RAINBOW MUNICIPAL WATER DISTRICT, a special district duly organized and validly existing under the laws of the State of California (the “District”), and [ZMFU II, INC.], a _____ [state chartered bank], including its successors and assigns (the “Lender”).

WITNESSETH:

WHEREAS, the District is authorized by the laws of the State of California, including, but not limited to Section 61060 of the California Government Code, to acquire any real or personal property within or outside the District, to hold, manage, occupy, dispose of, convey, and encumber the property, and to create a leasehold interest in the property for the benefit of the District through the execution of installment purchase contracts; and

WHEREAS, the District has entered into a Conveyance Agreement, dated as of October 1, 2018, pursuant to which the District has sold the Enterprise (as defined herein) to the Lender, but only to the extent the components of the Enterprise could be legally transferred by the District; and

WHEREAS, in order to provide moneys to finance construction, acquisitions, and improvements associated with a District-wide water meter replacement program (the “Project”), the District proposes to purchase the Enterprise pursuant to this Installment Purchase Contract; and

WHEREAS, the District has determined that it is in the best interests of the District, and it is necessary and proper for District purposes, that the District acquire the Enterprise from the Lender in the manner described herein for the purposes of financing the Project as described herein, and that the District pay the Lender for the costs of acquiring the Enterprise in the manner described herein; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Installment Purchase Contract do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Contract.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof, and of any amendment hereof, and of any opinion or report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California and New York.

“Closing Date” means October ____, 2018.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Conveyance Agreement” means that Conveyance Agreement, dated as of October 1, 2018, between the District and the Lender, as amended and supplemented.

“Debt Service” means, for any Fiscal Year, the sum of

(1) the Installment Payments (except to the extent that interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged) required to be paid hereunder during such Fiscal Year,

(2) the interest falling due during such Fiscal Year on all Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued), assuming that all outstanding serial Parity Obligations are retired as scheduled and that all outstanding term Parity Obligations are redeemed from sinking fund payments as scheduled (except to the extent that such interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged),

(3) the principal amount of all serial Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) falling due by their terms during such Fiscal Year,

(4) the minimum amount of term Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) required to be paid or called and redeemed during such Fiscal Year, together with the redemption premiums, if any, thereon; provided that, whenever interest as described herein accrues at other than a fixed rate, such interest shall be assumed to be a rate equal to the greater of (i) the actual rate on the date of

calculation, or if the Parity Obligations are not yet outstanding, the initial rate (if established and binding), (ii) if the Parity Obligations have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Parity Obligations is excludable from gross income under the applicable provisions of the Code, the most recently published The Bond Buyer Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (y) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities, plus fifty (50) basis points; and

(5) amounts required to increase the Reserve Fund to the Reserve Requirement required to be paid hereunder during such period of computation

“Debt Service Fund” means the fund established in Section 3.04 hereof.

“Debt Service Payments” means the payments of Debt Service.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the District or the Lender relating to the financing of the Project, including but not limited to filing costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Lender and its counsel, financing discounts, if any, legal fees and charges, financial and other professional consultant fees, fees of the California Debt and Investment Advisory Commission, and charges and fees in connection with the foregoing.

“Due Date” means the date three (3) Business Days prior to an Interest Payment Date.

“Enterprise” means the District’s water system, including all facilities, works, properties and structures of the District for the treatment, transmission and distribution of potable and non-potable water, including all contractual rights to water supplies, transmission capacity supply, easements, rights-of-way and other works, property or structures necessary or convenient for such facilities, together with all additions, betterments, extension and improvements to such facilities or any part thereof hereafter acquired or constructed (but for purposes of this Agreement only to the extent the components of the Enterprise may be legally transferred by the District).

“Event of Default” means an event of default described in Section 7.01.

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Finance Officer” means the General Manager of the District.

“Fiscal Year” means the twelve calendar month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his successor for water districts in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

“Governmental Authority” means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including, without limitation, the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts “on behalf of” any of the foregoing, whether as an agency or authority of such body.

“Governmental Loan” means a loan or similar arrangement from the State or the United States of America, acting through any of its agencies, to finance improvements to the Enterprise, and the obligation of the District to make payments to the State or the United States of America under the loan agreement memorializing said loan on a parity basis with the payment of Installment Payments.

“Gross Revenues” means all gross income and revenue received or receivable by the District from the ownership and operation of the Enterprise, calculated in accordance with Generally Accepted Accounting Principles, including all rates, fees and charges (including fees for connecting to the Enterprise and any water stand-by or water availability charges or assessments) received by the District for the Enterprise and all other income and revenue howsoever derived by the District from the Enterprise or arising from the Enterprise; provided, however, that (i) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific facilities, (ii) customers’ deposits or any other deposits subject to refund until such deposits have become the property of the District, or (iii) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the District and pledged solely for the purpose of paying special assessment bonds or special tax obligations of the District, are not Gross Revenues and are not subject to the lien of the Installment Purchase Contract. Gross Revenues shall include amounts on deposit in the Revenue Fund which have been previously released from the pledge and lien of this Installment Purchase Contract.

“Installment Payments” means the installment payments of principal and interest scheduled to be paid by the District under this Installment Purchase Contract.

“Interest Payment Date” means each January 1 and July 1, commencing July 1, 2019.

“Law” means the Division 20 of the Water Code of the State of California, commencing with Section 71000, as amended.

“Maintenance and Operation Costs” means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Enterprise, including but not limited to the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including but not limited to administrative costs of the District attributable to the Enterprise and the financing thereof. “Maintenance and Operation Costs” does not include (a) interest expense relating to unsecured, subordinate obligations of the District, (b) depreciation, replacement and obsolescence charges or reserves therefor, (c) amortization of intangibles or other bookkeeping entries of a similar nature, and (d) capital expenditures.

“Material Adverse Effect” means a material adverse change in (a) the ability of the District to perform or comply with any of its material obligations under this Installment Purchase Contract, (b) the validity or priority of the liens on the Gross Revenues and the funds and accounts pledged hereunder in favor of the Lender, or (c) the Lender’s rights or benefits available under this Installment Purchase Contract.

“Maximum Annual Debt Service” means the largest annual Debt Service due hereunder and on any Parity Obligations during the period from the date of such determination through the final Interest Payment Date hereunder or maturity date of such Parity Obligations.

“Net Proceeds” means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“Net Revenues” means, for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

“Outstanding” when used as of any particular time with reference to this Installment Purchase Contract, means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI.

“Parity Obligations” means all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the District, payable from and secured by a pledge of and lien upon any of the Gross Revenues incurred on a parity with the payment of the Installment Payments pursuant to Section 4.01 hereof, including, but not limited to: (i) the Funding Agreement between the State of California Department of Public Health and the District for Project Number 3710016-008C (Morro Reservoir) dated November 16, 2012 (the “Morro SRF Agreement”), (ii) the Funding Agreement between the State of California Department of Public Health and the District for Project Number 3710016-004C (Beck) dated November 16, 2012 (the “Beck SRF Agreement”), and (iii) the Fixed-Rate All Property Non-BQ Lease/Purchase Agreement by and between ZB, N.A. and the District dated September 1, 2018 (the “2018 Lease/Purchase Agreement”).

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, but excluding CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

Farmers Home Administration (FmHA)
Certificates of beneficial ownership

Federal Housing Administration Debentures (FHA)

General Services Administration
Participation certificates

Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA – guaranteed mortgage-backed bonds
GNMA – guaranteed pass-through obligations (participation certificates)
(not acceptable for certain cash-flow sensitive issues.)

U.S. Maritime Administration
Guaranteed Title XI financing

U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local District Bonds
New Communities Debentures – U.S. Government guaranteed debentures
U.S. Public Housing Notes and Bonds – U.S. Government guaranteed
public housing notes and bonds

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

Federal Home Loan Bank Enterprise
Senior debt obligations

Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
Participation certificates
Senior debt obligations

Federal National Mortgage Association (FNMA or “Fannie Mae”)
Mortgage-backed securities and senior debt obligations

Resolution Funding Corp. (REFCORP) obligations

Farm Credit Enterprise
Consolidated system-wide bonds and notes

Federal Agriculture Mortgage Association

Tennessee Valley Authority

4. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of “AAAm-G,” “AAA-m,” or “AA-m” and if rated by Moody’s rated “Aaa,” “Aa1” or “Aa2,” including funds for which the Bank, its parent holding company, if any, or any affiliates or subsidiaries of the Bank provide investment advisory or other management services.

5. Certificates of deposit secured at all times by collateral described in 1 and/or 2 above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks including the Bank and its affiliates. The collateral must be held by a third party and the Bank must have a perfected first security interest in the collateral.

6. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF. In addition to the authority to invest funds in certificates of deposit set forth in this subsection (6), an investment in nonnegotiable certificates of deposit made in accordance with the following conditions is an authorized investment: (i) the financial institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District; (ii) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States of America or an instrumentality of the United States of America; (iii) the financial institution selected by the District acts as custodian for the District with respect to the certificates of deposit issued for the account of the District.

7. Investment agreements, including GIC’s, forward purchase agreements and reserve fund put agreements approved in writing by the Bank.

8. Commercial paper rated, at the time of purchase, “Prime -1” by Moody’s and “A-1” or better by S&P.

9. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

10. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime -1" or "A3" or better by Moody's and "A-1+" by S&P.

11. Medium-term Notes: Corporate notes issued by corporations organized and operating within the United States with a rating of "AAA" or higher at the time of purchase by a nationally recognized rating service and with a maximum remaining maturity of no more than three (3) years after the date of purchase.

12. The Local Agency Investment Fund created pursuant to Section 16429.1 of the California Government Code.

13. Investment Trust of California, doing business as CalTRUST

14. Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended.

"Project Fund" means the fund established and held by the Lender.

"Reserve Fund" means the fund by that name established in Section 3.07 hereof.

"Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the initial offering price of this Installment Purchase Contract to the Lender, (ii) an amount equal to maximum annual Debt Service payable by the District between the date of such calculation and date upon which the final Installment Payment is due, or (iii) 125% of average annual Debt Service payable hereunder.

"Revenue Fund" means the fund maintained by the District into which it deposits Gross Revenues.

ARTICLE II ACQUISITION OF THE ENTERPRISE AND THE PROJECT

Section 2.01. Acquisition of the Enterprise and the Project.

The Lender agrees to use or permit the use of the proceeds received by the District pursuant to the Conveyance Agreement for the payment, as herein provided, of the costs and expenses of the Project and the expenses incidental thereto (including reimbursement to the District for any such costs or expenses paid by it for the account of the Lender, including costs and expenses paid by the District prior to the date hereof). To provide moneys for the Project, the Lender agrees to sell and hereby sells its rights to the Enterprise obtained pursuant to the

Conveyance Agreement to the District, and the District agrees to purchase and hereby purchases the Enterprise from the Lender.

The District hereby covenants to use the proceeds received from the Lender pursuant to the Conveyance Agreement for the costs and expenses of the Project.

The Lender agrees, upon the effective date hereof, to cause to be deposited in the Project Fund the amount of \$ _____. In the event the money so deposited as first above provided is insufficient to pay all the costs of the Project, the Lender shall have no obligation whatsoever to use or provide any funds for the foregoing purposes.

Upon the Closing Date, all of the Lender's remaining interest in the Enterprise, if any, shall be transferred to and vest in the District, without the necessity of any additional document or transfer. Nothing herein shall require the Lender to perform any obligations of any purchaser with respect to any contract or purchase order with respect to the Enterprise.

In the event the Lender fails to observe or perform any agreement, condition, covenant or term contained herein required to be observed or performed by it, the District may institute such action or proceeding against the Lender as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Installment Purchase Contract as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Lender, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Lender agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Lender in any action or proceeding if the District shall so request.

Section 2.02. Indemnification and Expenses of the Lender.

In addition to the provisions of Section 5.19 hereof, to the extent permitted by law, the District does hereby assume liability for, and agrees to defend, indemnify, protect, save and keep harmless the Lender and its directors, officers and employees and its successors and assigns from and against any and all liabilities, obligations, losses, damages (including consequential damages incurred by others), taxes and impositions, penalties, fines, claims, actions, suits, costs and expenses and disbursements (including legal fees and expenses) of whatsoever kind and nature imposed on, asserted against or incurred or suffered by the Lender or its directors, officers or employees or its successors and assigns in any way relating to or arising out of the purchase or acquisition of the Enterprise or the Project or the District's use thereof, the execution and delivery or performance hereof or the assignment hereof (except with respect to any representations and warranties made by the Lender therewith) or any other agreements related thereto, or the enforcement of any of the terms thereof.

Section 2.03. [Reserved].

Section 2.04. Disclaimer of the Lender.

The District acknowledges and agrees that the Lender makes no representation or warranty, express or implied, as to the Enterprise or the Project, except as expressly set forth in this Installment Purchase Contract. The District acknowledges that all risks relating to the Enterprise or the Project or the transactions contemplated hereby or by the Conveyance Agreement, are to be borne by the District, and the benefits of any and all implied warranties and representations of the Lender are hereby waived by the District.

Section 2.05. Project Fund.

The District hereby agrees to establish the Project Fund with the Lender. The Lender covenants that the Project Fund shall be maintained and invested in Permitted Investments. The District hereby grants to the Lender a first priority security interest in the Project Fund.

ARTICLE III

INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS

Section 3.01. Payment of the Installment Payments.

The total principal amount of the Installment Payments owed and to be paid by the District to the Lender hereunder for the acquisition of the Enterprise is \$____, plus interest thereon, calculated at the rate of 3.18% per annum provided that no Event of Default has occurred. The Installment Payments shall, subject to any rights of prepayment of the District provided in Article VI, be due in installments in the amounts and on the dates described in Exhibit A attached hereto.

Each Installment Payment shall be payable to the Lender in accordance with the terms hereof and at the times required by this Section 3.01 in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this Section 3.01, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with the stated interest thereon at the rate set forth in the preceding paragraph.

The obligation of the District to make the Installment Payments is absolute and unconditional and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 3.01 when due, whether or not the Enterprise or any part thereof is operating or operable or has been completed, or whether or not the Enterprise is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement,

suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

Section 3.02. Interest Component of the Installment Payments.

The Installment Payments shall bear interest from the Closing Date until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Installment Payments from the Closing Date and from each Interest Payment Date to, but not including, the next succeeding Interest Payment Date shall be paid on each such succeeding Interest Payment Date and shall be computed on the basis of a year of 360 days and twelve 30-day months.

Section 3.03. Establishment of Accounts.

The funds and accounts and flow of funds set forth in this Article III are hereby established and shall control to the extent inconsistent with any other terms of this Installment Purchase Contract.

Section 3.04. Pledge of Gross Revenues and Other Funds; Debt Service Fund.

The District hereby irrevocably pledges all of the Gross Revenues to the punctual payment of the Installment Payments. This pledge shall constitute a first lien on the Gross Revenues for the payment of the Installment Payments and payments of all Parity Obligations in accordance with the terms hereof and thereof.

All Installment Payments shall be transferred by the District from the Revenue Fund to the Debt Service Fund, which fund the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, on the applicable Due Date. Such payments shall be held in trust by the District under the terms hereof.

Within the Debt Service Fund the District shall establish a Debt Service Account and a Redemption Account. Installment Payments made by the District shall be deposited in the Debt Service Account. Such payments shall be net of amounts already on deposit therein that are in excess of the amount required to accumulate therein pursuant to Section 3.01. The District shall transfer the money contained in the Debt Service Account and the Redemption Account at the following respective times in the following respective accounts in the following order of priority in the manner hereinafter provided, each of which accounts the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(a) Debt Service Account. All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying Installment Payments and principal of and interest on any Parity Obligations on each Interest Payment Date or mandatory redemption dates, as applicable. The District shall be entitled to receive as a credit

against Installment Payments an amount equal to the amount of any balance contained in the Debt Service Account prior to the Due Date for such Installment Payments (excluding money designated or necessary for the payment of Parity Obligations).

(b) Redemption Account. The District, on any optional prepayment date, shall deposit in the Redemption Account moneys to accomplish any such optional prepayment. All money in the Redemption Account shall be used and withdrawn by the District solely for the purpose of paying the Installment Payment to be optionally prepaid on their respective prepayment dates.

Section 3.05. [Reserved.]

Section 3.06. Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust for the benefit of the Lender and payments with respect to Parity Obligations, and will be deposited by the District in the Revenue Fund (which the District hereby covenants and agrees to maintain so long as any Installment Payments are due hereunder) and will be accounted for and held in trust for the benefit of the Lender and for payments with respect to Parity Obligations. All Gross Revenues shall be disbursed, allocated and applied solely to the uses and purposes set forth in this Article III.

All Gross Revenues in the Revenue Fund shall be set aside by the District or deposited by the District with the purchasers, trustee or fiscal agent with respect to Parity Obligations, as the case may be, as follows and in the following order of priority:

(1) Debt Service Funds. Installment Payments payable pursuant to Section 3.01 hereof and all other payments relating to principal and interest on or with respect to Parity Obligations, shall be paid in accordance with the terms hereof and of such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(2) Maintenance and Operation Costs of the Enterprise. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Enterprise (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs of the Enterprise, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable.

(3) Reserve Funds. Payments required to restore the Reserve Fund to the Reserve Requirement and the debt service reserve funds established for Parity Obligations to their reserve requirement levels shall be made in accordance with the terms hereof and such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(4) General Expenditures. All Gross Revenues not required to be withdrawn pursuant to the provisions of (1) through (3) above shall be used for expenditure for any lawful purpose of the District, including payment of any rebate requirement or of any obligation subordinate to the payment of all amounts due hereunder or under Parity Obligations.

Although all Parity Obligations are secured equally and ratably by applicable Gross Revenues, moneys with respect to obligations other than the Installment Payments may be held by trustees under documents and agreements other than this Installment Purchase Contract. The District shall make such transfers from the Revenue Fund necessary to effectuate such obligations' parity claim on such Gross Revenues contemplated hereby.

Section 3.07. Reserve Fund. The District hereby agrees to establish, maintain and hold with the Lender so long as any Installment Payments are Outstanding the Reserve Fund. On the Closing Date, the District cause to be deposited in the Reserve Fund the amount of \$_____, which shall satisfy the Reserve Requirement. The District shall not deposit any credit instrument in lieu of a cash deposit into the Reserve Fund without the prior written consent of the Lender. The Lender shall hold the Reserve Fund in trust on behalf of the District. At the direction of the District, the Lender shall apply moneys in the Reserve Fund in accordance with the following provisions.

If, two (2) Business Days prior to any Interest Payment Date, the money in the Debt Service Fund does not equal the amount required to be paid to the Lender on such Interest Payment Date, the Lender shall transfer from the Reserve Fund to the Debt Service Fund the amount of such insufficiency; provided, if the Reserve Fund is funded with a letter of credit, surety bond, insurance policy or other comparable credit facility as described below, the District shall take such action as is necessary to either (i) make a drawing under the letter of credit or (ii) make a claim under the surety bond or insurance policy, respectively, so that the amount of such insufficiency is paid or available to the Lender on such Interest Payment Date under the terms of such instrument.

If the amount available and contained in the Reserve Fund exceeds the Reserve Requirement and if the Lender does not have actual knowledge of an Event of Default hereunder, the Lender shall withdraw the amount of such excess from the Reserve Fund. The Lender shall transfer such amount to the District. Solely for purposes of determining the amount on deposit in the Reserve Fund, the Lender shall make a valuation of the Reserve Fund as of July 1 and January 1 of each year. All money in the Reserve Fund shall be used and withdrawn by the Lender solely for the purpose of making the payments of principal and interest on the Installment Payments in the event that amounts on deposit in the Debt Service Fund are insufficient for such purposes, or with respect to a prepayment of the Installment Payments in whole.

If amounts on deposit in the Reserve Fund shall, at any time, be less than the applicable Reserve Requirement, such deficiency shall be immediately made up by the District from

available Gross Revenues, and the Reserve Fund shall be valued monthly until amounts on deposit therein equal the Reserve Requirement.

Section 3.08. Investment of Funds.

Amounts on deposit in any fund or account created pursuant to this Installment Purchase Contract shall be invested in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. The Lender and any affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any such investment. Interest or profit received on such investments shall be deposited to the Debt Service Fund. In computing the amount in any fund or account, Permitted Investments shall be valued at market value, exclusive of accrued interest.

If at any time after investment therein a Permitted Investment ceases to meet the criteria set forth in the definition of Permitted Investments and such obligation, aggregated with other non-conforming investments, exceeds five percent (5%) of invested funds, such Permitted Investment shall be sold or liquidated.

ARTICLE IV
PARITY OBLIGATIONS

Section 4.01. Parity Obligations.

(a) So long as any Installment Payments are due hereunder, the District shall not issue or incur any obligations payable from Gross Revenues or the Revenue Fund senior or superior to the Installment Payments. The District may at any time issue Parity Obligations payable from Gross Revenues on a parity with the Installment Payments to provide financing for the Enterprise in such principal amount as shall be determined by the District.

Except for obligations incurred to prepay or post a security deposit for the Installment Payments hereunder or with respect to Parity Obligations, the District may not issue or incur any Parity Obligations unless:

- (a) The District is not then in default under the terms of this Installment Purchase Contract; and
- (b) Either (i) the Net Revenues, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the latest Fiscal Year for which audited financial information is available or as shown by the books of the District for any more recent 12-month period selected by the District in its sole discretion, in either case verified by a certificate or opinion of an independent certified public accountant acceptable to the Lender in its sole discretion, plus, at the option of the District, any or all of the items described in the following subsection (c), at least equal 120% of the amount of Maximum Annual Debt Service; or

- (ii) the average annual Net Revenues for the prior 36-month period, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the three prior Fiscal Years for which audited financial information is available or as shown by the books of the District for any more recent 36-month period selected by the District in its sole discretion, verified by a certificate or opinion of an independent certified public accountant acceptable to the Lender in its sole discretion, plus, at the option of the District, any or all of the items described in the following subsection (c), at least equal 120% of the amount of Maximum Annual Debt Service;
- (c) At the option of the District, there may be added to the Net Revenues for purposes of meeting the requirements of the foregoing subsection (b) an allowance for Net Revenues arising from either of the following:
 - (i) An allowance for Net Revenues from any improvements to the Enterprise to be made with the proceeds of such Parity Obligations and also for Net Revenues from any such improvements which have been made from moneys from any source but in any case which, during all or any part of the period described in the foregoing subsection (b), were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such improvements for the first 36 month period in which each improvement is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer acceptable to the Lender in its sole discretion.
 - (ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has been adopted prior to the incurring of such Parity Obligations but which, during all or any part of the period described in the foregoing subsection (b), was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such period, all as shown by the certificate or opinion of an independent certified public accountant acceptable to the Lender in its sole discretion.

Notwithstanding the above, the District may incur debt payable from Gross Revenues to cause a defeasance of this Installment Purchase Contract pursuant to Article VI hereof or a defeasance of any outstanding Parity Obligations. With the prior written consent of the Lender, the District may also incur debt payable from Gross Revenues which is payable on a basis subordinate to the payment of the Installment Payments.

ARTICLE V
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 5.01. Compliance with Installment Purchase Contract.

The District will not suffer or permit any material default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 5.02. Observance of Laws and Regulations.

(a) The District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

(b) The District has complied with the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Installment Payments, and the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Installment Payments.

Section 5.03. Prosecution and Defense of Suits.

The District will promptly, upon request of the Lender, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Enterprise or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Lender harmless from all cost, damage, expense or loss, including reasonable attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.04. Accounting Records and Statements.

The District will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the District relating to the receipt, deposit and disbursement of the Gross Revenues and Net Revenues, and such accounting records shall be available for inspection by the Lender or its agent duly authorized in writing on any Business Day upon reasonable notice at reasonable hours and under reasonable conditions prescribed by the District.

Section 5.05. Further Assurances.

Whenever and so often as requested to do so by the Lender, the District will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Lender all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Installment Purchase Contract.

Section 5.06. Against Encumbrances.

The District hereby represents that there is no pledge of or lien on Gross Revenues senior to the pledge and lien securing the Installment Payments. The District will not make any pledge of or place any lien on the Gross Revenues, provided that the District may at any time, or from time to time, pledge or encumber the Gross Revenues in connection with the issuance or execution of Parity Obligations in accordance with Section 4.01 or other obligations permitted hereby, or subordinate to the pledge of Gross Revenues herein.

Section 5.07. Against Sale or Other Disposition of Property.

The District will not sell, lease, encumber or otherwise dispose of the Enterprise or any part thereof in excess of one-half of one percent of the book value of the Enterprise in any Fiscal Year, unless a Finance Officer certifies that such sale, lease, encumbrance or disposition will not materially adversely affect the operation of the Enterprise, the Gross Revenues or the Net Revenues; provided however, any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Enterprise, or any material or equipment which has become worn out, may be sold or exchanged at not less than the fair market value thereof and the proceeds (if any) of such sale or exchange shall be deposited in the Revenue Fund.

The District will not enter into any agreement or lease which would impair the ability of the District to meet the covenant set forth in Section 5.16 hereof or which would otherwise impair the rights of the Lender or the operation of the Enterprise.

Section 5.08. Against Competitive Facilities.

Except for any water system existing as of the date hereof, the District will not, to the extent permitted by law, acquire, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, authority, city or political subdivision or any person whomsoever to acquire, maintain or operate within the District any water system competitive with the Enterprise; provided, however, that the District may, with the prior written consent of the Lender, assign all or a portion of the Enterprise to another entity provided such entity assumes the obligations of the District hereunder.

Section 5.09. Tax Covenants.

The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest with respect to the Installment Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Installment Purchase Contract that may cause the Installment Purchase Contract to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Installment Purchase Contract will not be used as to cause the proceeds of the Installment Purchase Contract to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Purchase Contract to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

In furtherance of the covenants stated in this Section, the District shall comply with the requirements of the Tax Certificate executed in connection with this Installment Purchase Contract.

Section 5.10. Maintenance and Operation of the Enterprise; Material Adverse Effect.

The District will maintain and preserve the Enterprise in good repair and working order at all times and will operate the Enterprise in an efficient and economical manner. The District will pay all Maintenance and Operation Costs of the Enterprise as they become due and payable. The District shall, within ten (10) Business Days after the District learns of a Material Adverse Effect or any event that materially effects the District’s ability to operate the Enterprise in an efficient and economic manner give the Bank written notice of such Material Adverse Effect or event.

Section 5.11. Payment of Claims.

The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Gross Revenues or any part thereof or on any funds in the control of the District prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Purchase Contract; provided the District shall not be obligated to make such payment so long as the District contests such payment in good faith.

Section 5.12. Compliance with Contracts.

The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, expressed or implied, required to be performed by it contained in all contracts for the use of the Enterprise and all other contracts affecting or involving the Enterprise to the extent that the District is a party thereto.

Section 5.13. Insurance.

(a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises and consistent with the District's current coverage.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or replacement, the excess shall be applied to the prepayment of Installment Payments as provided in Section 6.01.

Alternatively, if the proceeds of such insurance are sufficient to enable the District to retire all outstanding Parity Obligations and the Installment Payments and all other amounts due hereunder, the District may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Enterprise, and thereupon such proceeds shall be applied to the prepayment of Installment Payments as provided in Section 6.01 and to the payment of all other amounts due hereunder, and as otherwise required by the documents pursuant to which such Parity Obligations were issued.

(b) The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of the Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

(c) The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act hereafter enacted as an amendment or supplement or in lieu thereof, such insurance to cover all persons employed in connection with the Enterprise.

(d) In lieu of obtaining insurance coverage as required by this Section, such coverage may be maintained by the District in the form of self-insurance so long as the District certifies that (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before January 1 of each year in which self-insurance is maintained, in writing that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an independent trustee. The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

(e) All such policies shall provide that the Lender shall be a named insured and loss payee thereunder, and the Lender shall be given thirty (30) days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Lender shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to in good faith by the Lender.

Section 5.14. Books and Accounts; Financial Statements.

The District shall keep proper books of record and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the inspection by the Lender, or its representatives authorized in writing, upon not less than five (5) Business Days' prior notice to the District.

The District shall cause the books and accounts of the Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an independent certified public accountant or firm of certified public accountants. The District shall send a copy of such report and all related financial statements and notes to the Lender not more than two hundred and seventy (270) days after the close of each Fiscal Year. Such audit may be part of an audit of the Enterprise. Upon request by the Lender, the District shall send to the Lender a copy of the annual budget of the Enterprise within thirty (30) days of adoption and any amendment or supplement thereto and any other financial information reasonably requested by the Lender. The District shall provide the Lender with such other information as may be reasonably requested by the Lender from time to time.

Section 5.15. Payment of Taxes and Compliance with Governmental Regulations.

The District will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon the Enterprise or any part thereof or upon the Gross Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Enterprise or any part thereof, but the District shall not be required to make such payments, or to comply with any regulations or requirements, so long as the payment or validity or application thereof shall be contested in good faith.

Section 5.16. Amount of Rates and Charges.

(a) To the fullest extent permitted by law, the District will fix and prescribe rates and charges for the Enterprise which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 120% of Debt Service Payments and Parity Obligations for such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this Section.

(b) So long as the District has complied with its obligations set forth in subsection (a) above, the failure of Net Revenues to meet the threshold set forth in Section 5.16(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with Section 5.16(a) at the commencement of the succeeding Fiscal Year.

Section 5.17. Collection of Rates and Charges.

The District will have in effect at all times rules and regulations requiring all users of the Enterprise to pay the assessments, rates, fees and charges applicable to the Enterprise provided or made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 5.18. Eminent Domain Proceeds.

If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District certifies (i) the estimated loss of annual Gross Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Enterprise proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Gross Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Gross Revenues will sufficiently offset the estimated loss of annual Gross Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such certification and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

Section 5.19. Release and Indemnification Covenants.

To the extent permitted by law, the District shall and hereby agrees to indemnify and save the Lender, its officers, directors, agents, employees, successors or assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Enterprise or the Project by the District, (ii) any breach or default on the part of the District in the performance of any of the District's obligations under the Installment Purchase Contract or the Conveyance Agreement, (iii) any act of negligence of the District or of any of its contractors, servants, employees or licensees with respect to the Enterprise or the Project, (iv) any act of negligence of any assignee or sublessee of the District, or of any agents, contractors, servants, employees or licensees of the assignee or sublessee of the District with respect to the Enterprise or the Project, (v) any environmental claims or issues, or (vi) the acquisition of the Enterprise or the Project or authorization of payment of the costs of the acquisition of the Enterprise or the Project, to the extent permitted by law. Indemnification for any tort mentioned in this Section shall exclude those arising from the willful misconduct or gross negligence hereunder or under the Conveyance Agreement by the Lender, its officers and employees.

To the extent permitted by law, the District further covenants and agrees to indemnify and save the Lender harmless against any claim, loss, expense, advance, and liabilities which it may incur arising out of or in the exercise and performance of their powers and duties hereunder and under the Conveyance Agreement, including the costs and expenses (including attorneys fees and disbursements) of defending against any claim of liability or enforcing any remedies, and which are not due to their negligence or willful misconduct. The District further covenants and agrees to advance to the Lender the amounts requested as the costs and expenses of such defense. Any and all special obligations of the District under this Section shall be and remain valid and binding special obligations of the District notwithstanding the payment in full of the Installment Payments and the termination of this Installment Purchase Contract.

Section 5.20. Further Representations, Covenants and Warranties of the District.

The District represents, covenants and warrants to the Lender as follows:

(a) The District is a duly organized and validly existing special district of the State of California.

(b) The Constitution and the laws of the State of California authorize the District to enter into the Installment Purchase Contract and the Conveyance Agreement and to enter into the transactions contemplated thereby and to carry out its obligations under each of the aforesaid agreements, and the District has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.

(c) Neither the execution and delivery of the Installment Purchase Contract or the Conveyance Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under either of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District.

(d) The District has duly authorized and executed this Installment Purchase Contract and the Conveyance Agreement in accordance with the laws of the State of California.

(e) Subject to the applicable provisions of the California Constitution, the District is empowered to set rates and charges for services provided by the Enterprise provided to the users of the Enterprise without review or approval by any state or local governmental agency.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court or other Governmental Authority, pending, or to the knowledge of the District after reasonable inquiry and investigation, threatened against or affecting the District or the assets, properties or operations of the District that is likely to have a Material Adverse Effect. The District is not in default (and no event has occurred and is continuing that with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any other Governmental Authority, which default would be reasonably likely to have a Material Adverse Effect. If the District becomes aware of any action, suit, proceeding, inquiry or investigation before or by any court or other Governmental Authority, affecting the District or the assets, properties or operations of the District that is likely to have a Material Adverse Effect, the District shall notify the Lender in writing within ten (10) Business Days after the District becomes aware of such action, suit, proceeding, inquiry or investigation.

(g) This Installment Purchase Contract and the pledge of Gross Revenues is a first lien and pledge on Gross Revenues.

Section 5.21. Representations, Covenants and Warranties of the Lender.

The Lender represents, covenants and warrants to the District as follows:

(a) The Lender is a _____ [state chartered bank] duly organized, existing and in good standing under and by virtue of the laws of the United States of America; has power to enter into the Installment Purchase Contract and the Conveyance Agreement; and to sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) The Lender will not assign the Installment Purchase Contract or its right to receive Installment Payments from the District, or its duties and obligations under the Installment Purchase Contract to any other person, firm or corporation, except to affiliates of the

Lender or to banks, insurance companies or other financial institutions or their affiliates, including participation arrangements with such entities; provided, no such assignment shall be made that would cause there to be more than 15 such assignees or any interest in the Installment Payments of less than \$100,000.

ARTICLE VI
PREPAYMENT OF INSTALLMENT PAYMENTS

Section 6.01. Prepayment.

(a) The District may or shall, as the case may be, prepay on any date from the Net Proceeds of insurance or condemnation awards, as provided herein, all or any part, in integral multiples of \$1,000, of the principal amount of the unpaid Installment Payments, pro-rata among the remaining Installments Payments, at a prepayment price equal to the sum of the principal amount prepaid plus accrued and unpaid interest thereon to the date of prepayment, without premium.

(b) The Installment Payments shall be subject to optional prepayment in whole or in part, on any date, from any available source of funds, in a minimum amount of [\$5,000] at a price equal to the principal amount of the Installment Payments to be prepaid, together with accrued interest thereon to the prepayment date, without premium.

In the event that the Installment Payments shall have been prepaid by the District pursuant to subsection (b) above, the total amount of all future payments set forth in the schedules attached hereto as Exhibit A shall be reduced by the aggregate amount of such Installment Payment so prepaid, as agreed to by the Lender. The District shall file a revised schedule of Installment Payments with the Lender.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article III hereof, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Lender, shall have been fully paid and the Installment Payments are no longer due hereunder (or provision for payment thereof shall have been made pursuant to Section 6.03 hereof).

Section 6.02. Method of Prepayment.

Except in connection with a security deposit as set forth in Section 6.03 hereof, before making any prepayment pursuant to Section 6.01(a) or 6.1(b), the District shall, give written notice to the Lender describing such event and specifying the date on which the prepayment will be made, which date shall be not less than thirty (30) days from the date such notice is given.

Section 6.03. Security Deposit.

Notwithstanding any other provision of this Installment Purchase Contract, the District may secure the payment of all or a portion of Installment Payments by a deposit with the Lender or, at the Lender's sole option, a bank or trust company acceptable to the Lender, as escrow holder under an escrow deposit and trust agreement, of either (i) cash in an amount which is sufficient to pay such unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit A attached hereto, or (ii) non-callable Federal Securities or pre-refunded non-callable municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, together with cash if required, in such amount as will, without re-investment, in the opinion of an independent certified public accountant (which opinion shall be addressed to the Lender), together with interest to accrue thereon, be fully sufficient to pay such unpaid Installment Payments on their payment dates so that such Installment Payments shall be defeased. In the event of any shortfall, the District shall deposit from legally available funds such amounts as is necessary to make up such shortfall.

In the event of a deposit pursuant to this Section 6.03, and provided that all other amounts payable by the District hereunder have been paid in full, all obligations of the District under this Installment Purchase Contract shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from the deposit made by District pursuant to this Section 6.03 and the obligation to pay amounts due the Lender. Said deposit shall be deemed to be and shall constitute a special fund that may be used solely for the payment of Installment Payments in accordance with the provisions of this Installment Purchase Contract, and pending such application shall be held in trust and pledged to and for the sole benefit of the Lender and any assignee or transferee of the Lender. The District hereby grants to the Lender a first priority security interest in any amounts so deposited.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default Defined.

The following shall be "Events of Default" under this Installment Purchase Contract and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Installment Purchase Contract, any one or more of the following events:

(a) default shall be made in the due and punctual payment by the District of any Installment Payment when and as the same shall become due and payable;

(b) default shall be made by the District in the performance of any of the warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a) of this Section, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Lender, provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lender shall not unreasonably

withhold their consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected; or

(c) the District shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

Section 7.02. Remedies on Default; No Acceleration.

Whenever any event of default referred to in Section 7.01 hereof shall have happened and be continuing, it shall be lawful for the Lender to exercise any and all remedies available pursuant to law or granted pursuant to this Installment Purchase Contract. Notwithstanding anything herein to the contrary, THERE SHALL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE INSTALLMENT PAYMENTS OR OTHERWISE DECLARE ANY INSTALLMENT PAYMENTS NOT THEN IN DEFAULT TO BE IMMEDIATELY DUE AND PAYABLE.

Section 7.03. Application of Funds Upon Default.

All moneys and investments in the funds and accounts held hereunder upon the date of the declaration of an Event of Default as provided in Section 7.01 and all Gross Revenues thereafter received shall be applied as follows:

First: To the payment to the persons entitled thereto of the interest portion of all Installments Payments, with interest on overdue installments, if lawful, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

Section 7.03. Other Remedies of the Lender.

The Lender may--

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the District, or any board member, officer or employee thereof, and compel the District or any such board member, officer or employee to perform and carry out its or his duties under applicable law and the agreements and covenants contained herein required to be performed by it or him;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Lender;

(c) by suit in equity upon the happening of an Event of Default require the District and its board members, officers and employees to account as the trustee of an express trust; or

(d) by suit in equity, to seek the appointment of a receiver or other third party to operate the Enterprise and collect the Gross Revenues.

Section 7.04. Non-Waiver.

Nothing in this Article VII or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Lender at the respective due dates or upon prepayment from the Gross Revenues, or, except as expressly provided herein, shall affect or impair the right of the Lender, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Lender to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Lender by applicable law or by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Lender.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Lender, the District and the Lender shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Liability of District Limited.

Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Gross Revenues legally available therefor in the Revenue Fund, and the other funds provided herein for the payment of the Installment Payments or for the performance of any agreements or covenants contained herein required to be performed by it. The District may, however, but shall not be required to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Installment Payments and the other amounts due hereunder is a special obligation of the District payable solely from the moneys legally available therefor hereunder, including but not limited to the Gross Revenues and such other funds, and does not constitute a debt or pledge of the faith and credit of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02. Benefits of Installment Purchase Contract Limited to Parties.

Except as provided in Section 8.03, nothing contained herein, express or implied, is intended to give to any person other than the District or the Lender any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Lender shall be for the sole and exclusive benefit of the other party.

Section 8.03. Successor Is Deemed Included In All References to Predecessor.

Whenever the District or the Lender is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Lender, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Lender shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 8.04. Waiver of Personal Liability.

No board member, officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any board member, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05. Article and Section Headings, Gender and References.

The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Installment Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.

Section 8.06. Partial Invalidity.

If any one or more of the agreements or covenants or portions thereof contained herein required to be performed by or on the part of the District or the Lender shall be contrary to the law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Lender hereby declare that they would have executed this Installment Purchase Contract, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07. Assignment.

This Installment Purchase Contract and any rights hereunder, and any participation of the Installment Payments by the Lender, may be assigned by the Lender with notice to the District’s, subject to the provisions of Section 5.21(b) hereof. The District may not assign any of its rights hereunder, except as otherwise provided in Section 5.08 hereof.

Section 8.08. [Reserved.]

Section 8.09. California Law.

This Installment Purchase Contract shall be construed and governed in accordance with the laws of the State of California.

Section 8.10. Notices.

All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time namely:

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

If to the Lender: [ZMFU II, Inc.]
[Address + Contact to come]

Section 8.11. Effective Date.

This Installment Purchase Contract shall become effective upon its execution and delivery, and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Lender pursuant to Article VI hereof); provided, that the obligation of the District to indemnify the Lender shall survive the termination of this Installment Purchase Contract.

Section 8.12. Execution in Counterparts.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 8.13. Amendments.

This Installment Purchase Contract may be amended in writing as may be mutually agreed by the District and the Lender. Any amendment made in violation of this Section 8.12 shall be a nullity and void.

IN WITNESS WHEREOF, the parties hereto have executed and attested the Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
General Manager

ATTEST:

By _____
Secretary

[ZMFU II, INC.]

By: _____
Title: Vice President

EXHIBIT A

INSTALLMENT PAYMENT SCHEDULE

Due Date	Principal	Interest⁽¹⁾	Total
7/1/2019			
1/1/2019			
7/1/2020			
1/1/2020			
7/1/2021			
1/1/2021			
7/1/2022			
1/1/2022			
7/1/2023			
1/1/2023			
7/1/2024			
1/1/2024			
7/1/2025			
1/1/2025			
7/1/2026			
1/1/2026			
7/1/2027			
1/1/2027			
7/1/2028			
Total	\$	\$	\$

⁽¹⁾ Applicable interest rate is 3.18% per annum.

FIRST AMENDMENT TO DISTRICT-WIDE METER REPLACEMENT PROJECT AGREEMENT

THIS FIRST AMENDMENT TO DISTRICT-WIDE METER REPLACEMENT PROJECT AGREEMENT (this “Amendment”) is made and entered into this 28th day of August, 2018, by and between Rainbow Municipal Water District (“Customer”), a Special District organized under Section 71000 of the California Water Code having its office and principal place of business at 3707 Old Highway 395, Fallbrook, CA 92028 and ABM Building Services, LLC (“Contractor”), a Delaware corporation, having its office and principal place of business at 3585 Corporate Ct., San Diego, CA 92123.

WHEREAS, Customer and Contractor entered into a certain District-wide Meter Replacement Project Agreement, Proposal Number ABM 082818-101, on or about August 28, 2018 (the “Agreement”);

WHEREAS, the Parties wish to amend the Agreement;

NOW THEREFORE, the Parties hereby amend the Agreement as follows:

1. **Project Description and Location (Page 1 of 9) shall be amended to read:**

Professional Services for water meter infrastructure improvements for Rainbow Municipal Water District, which are individually listed on Attachment A. Contractor will provide all professional services; engineering; design; procurement; and installation of the infrastructure improvements indicated in Attachment “A”, Scope of Work (the “Work”), to deliver a complete installation. All Work will be subject to the terms and conditions set forth on Exhibits A and B hereto.

The purchase price for the Work will be \$10,773,189.00, and is subject to the payment terms and conditions set forth on Exhibit B hereto. The work performed under this Agreement will be substantially complete and ready for Customer’s beneficial use within 18 months of Customer’s acceptance and Contractor’s approval of this Agreement. Customer’s acceptance and obligations hereunder are contingent upon and subject to the Customer obtaining financing satisfactory to Customer within forty-five (45) days hereof. Upon timely notification by Customer to Contractor of the inability to obtain financing satisfactory to Customer, this Agreement shall be null and void.; Otherwise, if Customer obtains satisfactory financing or fails to notify Contractor, then this Agreement shall become the valid obligations of both Contractor and Customer.

2. **Exhibit A – Terms and Conditions to Project Agreement #2 (Page 3 of 9) shall be amended to read:**

2. Equipment that is to be replaced shall maintain a high standard of quality. The Customer shall review all product and manufacturer cut sheets on new equipment that is to be installed. The following shall be a minimum standard of equipment: Neptune Meters (T-10 meters) with ProCoder R900i, Neptune R900 Retrofit Kit, Ford Ball Isolation Valve, Zurn Wilkins 510XL Pressure Reducing Valve with Integral By-Pass Check Valve, Old Castle HD 1730 Box and Lid.

3. **Exhibit A – Terms and Conditions to Project Agreement #18 (Page 5 of 9) shall be amended to read:**

18. Payment and Performance Bonds. Contractor shall provide a Performance Bond and Payment Bond in the full amount of the contract price which is \$10,773,189.00. The costs for said bonds shall be included in the contract price. The Payment and Performance Bonds shall be issued by a surety company authorized to do business in the State of California having a financial strength rating by A.M Best Company of “A-” or better and shall be delivered to Customer prior to Contractor ordering any materials or requesting any payment under the terms of this contract. Contractors shall cause the suety company to add First Security Finance as co-obligee on each Surety Bond and shall deliver a certified copy of each Surety Bond to First Security Finance.

4. **Attachment A – Scope of Work (Pages 6-8 of 9) shall be amended to read:**

1. The Contractor shall, upon receipt of a written Notice to Proceed from the Customer, procure and implement the replacement of approximately 5,465 individual water meters distributed throughout the Customer's water district in addition to specific service upgrades as specified in this scope of work.
2. The Contractor, through one or more appropriately licensed and bonded subcontractor(s), shall facilitate the installation and replacement of existing water meters, with appropriately sized meters to match the existing meters, or in certain cases where directed to replace existing meters with smaller diameter meters as prescribed by the Customer, in writing prior to the execution of this agreement.
3. The Contractor shall coordinate all communications between the Customer and all vendors, suppliers, contractors, and subcontractors.
4. The Contractor shall have reasonable access to and full logistical support concerning issues related to accounting, IT and operations from the Customer, its staff and employees to coordinate the successful implementation of the work, in a manner where all reasonable efforts shall be made by all parties to this agreement to coordinate the advance notice to affected water meter account clients. The Customer shall provide upon Contractor's request any and all maps, routes, meter locations, client addresses, and if available, GIS mapping layers, in printed and electronic format.
5. The Contractor shall coordinate the shipping, receiving, unloading, warehousing, and inventory of all new equipment, delivered to a pre-determined "lay down" yard location at the Customer's administrative yard, and the Contractor shall maintain temporary office trailers, connex storage containers as needed, and one (1) 40 yard rubbish bin from the period of the Notice to Proceed to the conclusion of the work, solely for the Contractor's packaging waste from the new equipment.
6. The Customer agrees to provide Contractor's Designated Project Manager, and support personnel the necessary keys, cardkeys, access authorization and written permission for Contractor's staff, suppliers, deliverymen, and subcontractors vehicular and delivery/receiving access to the "lay down" yard as needed.
7. The Contractor shall schedule the replacement of the meters in an efficient manner working collaboratively with the Customer's Accounting Department, Meter Department, Operations Department and General Management. Both parties, shall in writing, approve of the implementation schedule and installation routes and locations so as to best coordinate the least interruption to the Meter Department's monthly meter reading activities, and in a timely manner deliver the latest water meter reading data and the new water meter serial number information in an aggregated electronic progress report. The implementation schedules and installation routes and locations may be updated as necessary from time to time, subject to Customer's approval in writing, to allow for inaccessible water meter locations and coordination variables due to the Customer's staff's daily routines. The intent of this Contractor activity is to minimize the delay of the old-meter-to-new-meter transition information to the Customer's Accounting Department, and minimize economic loss of billing data to the Customer. The Contractor will provide, at a minimum, weekly aggregated electronic progress reports to provide the Meter Department the meter installations performed during any given week.
8. The Contractor shall notify the Customer's Meter Department, in writing, of any locations where the meter could not be freely accessed for replacement. The Contractor nor their subcontractor(s) shall be required to linger, loiter or wait for a meter account client's availability. The Contractor will note a lack of access on a daily log, which will aggregate into a weekly report all inaccessible meter locations and provide that information to the Customer's Meter Department for further client coordination and notification of access requirements.
9. The Contractor or their subcontractor(s) shall, in a workmanlike manner, perform the following during the replacement of water meters:

- a) Photograph and record the GPS coordinates of meter locations prior to removing existing meters. Record the water meter reading at the time of removal for the Customer's Accounting Department.
- b) Install one (1) new Neptune T-10 meter with ProCoder R900i as per Tables 1-3 below. Photograph the new meter installation in situ.
- c) Record the existing meter manufacturer, size, and serial number and if legible, record the existing register.
- d) Photograph the new meter installation in situ. Photographs and meter reading, new meter manufacturer, size, and serial number data shall be included in weekly electronic reporting to the Customer.
- e) Remove all rubbish, trash, debris, spoils, packaging and old meter equipment from each installation location. Contractor shall leave the meter location in the least disturbed condition reasonably possible.
- f) Deliver old meter equipment to the Customer's administrative yard collection location. Dispose of all rubbish, trash, debris, spoils, and packaging in Contractor's rubbish container located at the Customer's administrative yard.

10. Contractor shall coordinate the implementation of a data migration software solution to import the necessary water meter readings, new water meter manufacturer, size and serial number (meter data) for each of the Customer's client accounts. Contractor shall deliver the electronic files containing photographs, GPS coordinates, and a backup of the meter data to the Customer's Meter and Accounting Department.

11. New meter counts included in this Contract are limited to 5,465 and are specified as follows by manufacturer, unit count and size. Each meter included in Table 1 below will have (1) Neptune Turbine or Compound Meter with ProCoder R900i.

Table 1

<u>Neptune</u>	<u>Size</u>	<u>Quantity</u>
Compound or Turbine	3"	21
Compound or Turbine	4"	12
	Total	33

12. Each T-10 meter with ProCoder R900i included in Table 2 below will have (1) new Ford Ball Isolation Valve installed.

Table 2

<u>Neptune T-10 + ISO Valve</u>	<u>Size</u>	<u>Quantity</u>
T-10 meter + ISO Valve	5/8"	138
T-10 meter + ISO Valve	3/4"	1,491
T-10 meter + ISO Valve	1"	2,378
T-10 meter + ISO Valve	1-1/2"	324
T-10 meter + ISO Valve	2"	229
	Total	4,560

13. Each new Neptune T-10 meter with ProCoder R900i included in Table 3 below will have (1) new Ford Ball Isolation Valve installed and (1) new Zurn Wilkins 510XL Pressure Reducing Valve with Integral By-Pass Check Valve installed.

Table 3

<u>Neptune T-10 + PRV + ISO</u>	<u>Size</u>	<u>Quantity</u>
T-10 meter + 510 XL + ISO Valve	5/8"	12
T-10 meter + 510XL + ISO Valve	3/4"	284
T-10 meter + 510XL + ISO Valve	1"	451
T-10 meter + 510XL + ISO Valve	1-1/2"	56
T-10 meter + 510XL + ISO Valve	2"	69
	Total	872

14. Each existing meter included in Table 4 below will have (1) new Neptune R900 retrofit kit installed and (1) new Ford Ball Isolation Valve installed.

Table 4

<u>AMR Retrofit + Isolation Valve</u>	<u>Size</u>	<u>Quantity</u>
AMR Retrofit + ISO Valve	5/8"	63
AMR Retrofit + ISO Valve	3/4"	666
AMR Retrofit + ISO Valve	1"	963
AMR Retrofit + ISO Valve	1-1/2"	128
AMR Retrofit + ISO Valve	2"	101
	Total	1,921

15. Each existing meter included in Table 5 below will have (1) new Neptune R900 retrofit kit installed, (1) new Ford Ball Isolation Valve installed, and (1) new Zurn Wilkins 510XL Pressure Reducing Valve.

Table 5

<u>AMR Retrofit + ISO Valve + PRV</u>	<u>Size</u>	<u>Quantity</u>
AMR Retrofit + ISO Valve + PRV Valve	5/8"	6
AMR Retrofit + ISO Valve + PRV Valve	3/4"	131
AMR Retrofit + ISO Valve + PRV Valve	1"	180
AMR Retrofit + ISO Valve + PRV Valve	1-1/2"	21
AMR Retrofit + ISO Valve + PRV Valve	2"	32
	Total	370

16. Meter Box Replacement: The Customer's existing meter boxes and or box lids are in various degrees of remaining useful life, with some missing or damaged. Where necessary, install a new meter box and/or lid on the client water service with (1) Old Castle HD 1730 Box and Lid, up to a maximum number of 4,822 boxes and lids.

ASSUMPTIONS:

1. Contractor pricing includes DIR Special Prevailing Wage Determination, Dated: Nov. 17, 2017, Project: Special Prevailing Wage Determination for Advanced Metering Infrastructure (AMI) project.
2. Includes geo coding accuracy at 3 to 5 meters.
3. A secure staging area, to be provided by the Customer, for materials, waste, and fleet vehicle parking.
4. Contractor will be responsible for final transportation or disposal of any project waste, spoils, or hazardous materials.
5. Contractor will not be responsible for maintenance, repair or replacement of existing materials (except as specified in contract scope of work) including but not limited to: meters, backflow preventers, irrigation valves, pressure regulators, unions, ball valves, or customer side valves
6. Contractor will not be held responsible for any inoperative, damaged, or leaky valves not caused by Contractor.
7. Contractor will repair, to a usable and safe condition, any customer side service line break caused by Contractor, up to 5' on the customer side only.
8. Contractor will not be responsible for repairing breaks/leaks that continue past 5', due to deteriorated infrastructure, such as, but not limited to, rusted galvanized pipe, brittle pvc, etc.
9. Contractor will not be responsible for replacing meters that or obstructed by landscape or excessive tree/plant roots in the boxes.
10. Work will not be performed by Contractor at locations where it is reasonable that damage may occur to customer's property.
11. Contractor will be provided safe access to all locations, as needed, and scheduled.
12. It is expected that all hard to find meters will have location descriptions and assistance from the Customer.
13. Contractor is not responsible for performance if access is not granted.
14. Contractor will not be required to perform work at locations behind locked fences or yards with dogs.
15. Contractor will not be responsible for notifying customer other than knocking on the door at the time of installation.
16. Contractor will not be responsible for any community outreach programs or program materials other than leaving a door hanger, post installation.
17. Any badging requirements will be done prior to the start of the project.
18. Installation of all materials (meters, plumbing, or meter retrofits) will not be in confined spaces, vaults, or manholes U.N.O.
19. Paving or Hard/Solid Surfaces: Excludes removal & replacement of paving or other hard/solid surface locations (concrete, asphalt, etc.). Hard/Solid surfaces are to be removed & replaced by the Customer.
20. The Contractor assumes no responsibility of customer claims in existing high-pressure zones including: residential, irrigation, commercial and industrial services.
21. Excludes re-plumbing of any Customer service side pipe, except as specified in contract scope of work.
22. Excludes removing existing Pressure Regulating Valves (PRV) on Customer service side pipe.
23. During water meter replacement and minor repairs, pipe cleaning techniques consists of purging water, debris, and air through the nearest hose bib (to the work performed) only. Chlorination and sanitation is not applicable.
24. Contractor assumes no performance, replacement, or financial liability for any meters or AMR installed by others after the construction period or that deviate from the material specifications included herein. In the event of a warranty replacement, only those warranty replacement meters replaced will be covered for the term that the "annual service/guarantee period" is in effect. Additionally, ABM assumes no liability for legacy or future compatibility of AMR and/or software components.

Large Meter Exclusions & Assumptions:

1. Any bad or questionable piping to meters will be forwarded on to the Customer for evaluation with pictures before any work is started.
 2. All meter change outs must have isolation valves in place as per standard water works installations.
 3. Contractor will notify customers 48 hours in advance or as required by the contract. Notification cards to be provided by the Customer.
 4. Night work is included as situation warrants.
 5. Any specific requirements not covered under this scope of work will be reviewed by both Contractor and Customer to determine a mutually agreeable course of action.
5. **Exhibit B – Financial Terms and Conditions shall be amended to read:**

Price for all Services

Measures are described in Attachment A - Scope of Work

Mobilization and Equipment	\$ 2,154,637.80
Balance of Purchase Price	\$ 8,618,551.20
Total Purchase Price	\$10,773,189.00

Payment Terms for District-wide Meter Replacement Project

The Work shall include all professional services; engineering; design; procurement; and installation of the infrastructure improvements indicated in Attachment A - Scope of Work. Customer shall pay contractor based on the payment schedule listed below:

Mobilization Costs: This will be 20% of the total project cost due within 30 days of contract execution.

Monthly draw schedule shall be based on Percent Complete per AIA standards.

Final payment of 5% (Retention) due upon customer acceptance.

Annual Service Fees related to Measurement and Verification (M&V)

The Annual Fees shown below reflect:

Annual Measurement and Verification Cost (3% Annual Escalation)	\$100,000.00
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(End of Agreement Amendments)

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

<p>ABM BUILDING SERVICES, LLC</p> <hr/> <p>BY: Tom Bowen</p> <p>ITS: Senior Vice-President</p> <p>DATE:</p>	<p>RAINBOW MUNICIPAL WATER DISTRICT</p> <hr/> <p>BY: Tom Kennedy</p> <p>ITS: General Manager</p> <p>DATE:</p>
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BOARD OF DIRECTORS

10/23/2018

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 17-07 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS B AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT

BACKGROUND

On July 25, 2017 the Board of Directors adopted Ordinance 17-07 which states "Lot size less than 21,788 sqft (0.5 acres) may qualify for a 3/4 inch meter." A property owner has requested a variance from Ordinance 17-07 to install a 3/4 inch meter and pay the capacity charges for capacity class B for a 7.16 acre property. According to the attached variance application, most of the property is undeveloped steep scrub land. In addition, the property owner will be building a new 2 bath, water wise, 1,800 sqft home with minimal landscaping. According to Ordinance 17-07, the property owner qualifies for capacity class C which has a higher capacity charge and results in higher monthly charges.

DESCRIPTION

The capacity charges were developed by Wildan and Raffelis through a comprehensive study and analysis of the value of District assets and the maximum day use patterns of existing customers with particular meter sizes. The reference meter size for capacity class B is 3/4 inch. According to the Raffelis analysis, the maximum allowable usage for capacity class B should be 50 units (one unit equals one hundred cubic feet ["CCF"]) per month, or 1.38 AF/yr. The lot size requirement was included in the ordinance to protect the District from customers over using their intended capacity.

The staff has drafted the attached agreement for Board consideration, whereby District will suspend the requirement to pay any additional water Capacity Fees and/or Fixed Charges beyond those applicable to capacity class B under District Ordinance No. 17-07 provided that the Parcel does not exceed a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle). The agreement further stipulates the following to ensure the customer will be held accountable to comply with the purpose of Ordinance No. 17-07.

In the event the Parcel exceeds a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average, District will notify the Owner of the exceedance. Within 3 months from the date of the notice, the Owner shall bring the Parcel's average monthly water use, based on the 12-month rolling average, below 50 units per month.

In the event Owner does not bring the Parcel's average monthly water use, based on the 12-month rolling average, below 50 units per month within the 3 months immediately following the date of the notice, the Owner shall become obligated to pay District the additional water Capacity Fees, then in affect, corresponding with the capacity class that matches the Parcel's use over the 12-month period. Following the expiration of the 3-month period, Owner will also be subject to an increase in monthly fixed charges corresponding with the capacity class that matches the Parcel's use.

Finally this agreement would become a covenant that runs with the land and be binding to any future owners.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

BOARD OPTIONS/FISCAL IMPACTS

If the Board approves the variance, the customer will save \$6,241 in capacity charges and \$16.46 per month in monthly service charges to Rainbow MWD unless they exceed the intended capacity of 50 units/mo. The customer will also save on capacity fees and monthly charges from San Diego County Water Authority.

- 1) Approve the variance to Ordinance 17-07 to allow a property larger than 0.5 acres to qualify for capacity class B and approve the New Water Service Agreement.
- 2) Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



For Steven E. Strapac, P.E., P.L.S.
District Engineer

10/23/2018



ADMINISTRATIVE CODE VARIANCE APPLICATION

PROPERTY OWNER OR PRIMARY ACCOUNT HOLDER INFORMATION	
Owner Name: Jonathan Sorbello	Telephone No.: 530-601-8459
Address: 13057 RANCHO HEIGHTS RD, PALA	
Email Address: sorbellojuice@yahoo.com	Account No.:
LOCATION OF PROPOSED ADMINISTRATIVE CODE VARIANCE	
Address: 13057 RANCHO HEIGHTS RD, PALA	APN: 109-381-02-00
SUPPORTING INFORMATION	
Specific section(s) of the Admin. Code for which this variance is being requested (<i>attach additional pages if needed</i>):	
<p>Ordinance 17-07, Appendix A. It reads, "Lot size less than 21,7880 sqft (0.5 acres) may qualify for a 3/4 inch meter." to ensure that 3/4" meters are not over used. 3/4" meters correspond to Capacity Class B which allows for a maximum monthly volume of 50 units. 1-unit is 100 cubic feet.</p>	
Reason why the variance should be approved including how the intent of the Admin. Code will be met (<i>attach additional pages if necessary</i>):	
<p>We would like to make a formal request for a 3/4" meter. Although the property is 7.16 gross acres, most of the property is undeveloped steep scrub land. We will be building a new 2 bath, water wise, 1800 sqft home with minimal landscaping. A 3/4" meter will adequately service the home and required fire sprinkler system. With continued drought conditions and strain on water supplies it only makes sense to build with conservation in mind. We have no intention of using more than 50 units a month now or in the future. If that were to change we understand it is our responsibility to upgrade to the appropriate size meter for our usage.</p> <p>Respectfully –Jonathan Sorbello</p>	

Rainbow Municipal Water District (District) Provisions:

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

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

8/29/18

Owner Signature

Date

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

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED MAIL TO:

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

NO FEE REQUIRED PER
GOVERNMENT CODE SECTION 27383

Capacity Class Water Use Agreement

THIS AGREEMENT is made this _____ day of _____, 20__ by and between RAINBOW MUNICIPAL WATER DISTRICT (hereinafter referred to as "District"), a public agency organized, existing and operating under the Municipal Water District Law of 1911, California Water Code §71000, et seq., and _____, owner(s) of APN _____, (hereinafter referred to as the "Owner") (collectively, the "Parties").

RECITALS:

A. Pursuant to the authority cited above, the District provides water and/or sewer service in portions of San Diego County, California.

B. The Owner of real property legally identified as follows:

Assessor's Parcel No.: _____

Site Address: _____

is requesting that the District provide water service to the above-identified real property ("Parcel") pursuant to a variance allowing the Owner to purchase less capacity for the Parcel than is required under the terms of District Ordinance No. 17-07.

C. The Owner represents that he/she/they is/are the sole owner of the Parcel with authority to enter into this Agreement.

D. The Parties desire to enter into an agreement whereby District will suspend the requirement to pay any additional water Capacity Fees and/or Fixed Charges beyond those applicable to capacity class B under District Ordinance No. 17-07 provided that the Parcel does not exceed a maximum of 50 units (one unit equals one hundred cubic feet ["CCF"]) of water use per month on average, for any 12-month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle).

E. As defined by District Ordinance No. 17-07, capacity class B is for 3/4" meters with a maximum of 50 CCF water use per month.

NOW, THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the Parties hereto agree as follows:

1. The foregoing Recitals are hereby incorporated into this Agreement.
2. In the event the Parcel exceeds a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average, District will notify the Owner of the exceedance. Within 3 months from the date of the notice, the Owner shall bring the Parcel's average monthly water use, based on the 12-month rolling average, below 50 units per month.
3. In the event Owner does not bring the Parcel's average monthly water use, based on the 12-month rolling average, below 50 units per month within the 3 months immediately following the date of the notice, the Owner shall become obligated to pay District the additional water Capacity Fees, then in affect, corresponding with the capacity class that matches the Parcel's use over the 12-month period. Following the expiration of the 3-month period, Owner will also be subject to an increase in monthly fixed charges corresponding with the capacity class that matches the Parcel's use.
4. This Agreement shall inure to the benefit of, be binding upon and become a covenant that runs with the land. Every person who now or hereafter owns or acquires any right, title or interest in or to any portions of the Parcel (or any portions thereof) is and shall, by recordation of this Agreement in the Office of the County Recorder, San Diego County, California, be conclusively deemed to be subject to the terms of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquires an interest in the real property.
5. The Owner hereby declares its understanding and intent that the circumstances concerning the capacity class, as set forth herein, touch and concern the land in that the Owner's legal interest in the Parcel has been considered by Owner in Owner's determination of the value of the real property and Owner's establishing the value of the improvements thereon at the time said real property was (or will be) offered for sale to the general public by Owner. The Owner hereby further declares its understanding and intent that the benefit of this Agreement touch and concern the land by enhancing and increasing the value and use of the real property by the Owner.
6. The terms of this Agreement may be enforced by the District or its successors or assigns against the Owner or the Owner's successors entitled to the Parcel (or any portions thereof). In the event of any controversy, claim or dispute relating to this Agreement or the breach thereof, the District shall be entitled to recover from said party the District's reasonable expenses, including attorney's fees and costs, if the District prevails.
7. The Owner does covenant that each individual executing this Agreement on behalf of the Owner is a person duly authorized and empowered to execute Agreement for the Owner. District does covenant that the individual executing this Agreement on behalf of District is a person duly authorized and empowered to execute Agreement for District.

8. All written notices to the Parties hereto shall be sent United States registered mail, postage prepaid, return receipt requested, and addressed as follows:

DISTRICT:

OWNER:

Rainbow Municipal Water District
Attention: Tom Kennedy
3707 Old Highway 395
Fallbrook, California 92028

Changes to the above addresses can be made by the same form of notice.

9. Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver of any right or power contained in this Agreement at any one or more times be deemed a waiver or relinquishment of any right or power at any other time or times.
10. This Agreement contains the entire agreement between the Parties and supersedes all previous or contemporaneous oral and written discussions, agreements, or understandings between the Parties regarding the subject matter of the Agreement.
11. The terms of this Agreement may not be altered, modified, supplemented, amended, or waived except by an instrument in writing executed by all of the Parties and recorded in the Official Records of the County of San Diego, State of California.
12. This Agreement shall be recorded in the Official Records of the County of San Diego, State of California.

[SIGNATURES ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date first hereinabove written.

OWNER BY:

ACCEPTED BY:

Owner / Authorized Agent _____

Rainbow Municipal Water District _____

Date: _____

Date: _____

Name: _____
Please Print

Name: _____
District Representative

Signature: _____

Signature: _____

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH UTILITY SERVICE CO. (SUEZ) FOR THE INSTALLATION OF TANK FALL PROTECTION IMPROVEMENTS

BACKGROUND

Staff has evaluated the need for improved safety mechanisms for the inspection of District water tanks. The biggest safety issue is the ladders and lack of railing at the top. Currently, staff must wear safety harnesses and climb ladders to the top of the steel water tanks. Once on top, they must securely attach a cable to an anchor point in the center of the round roof. This allows them to inspect the roof without falling. With the current setup, two people must be present to inspect the tanks.

There are several problems with this current system of inspection. It requires staff to correctly perform several safety tasks, in the proper order, to prevent accidents. Anchor points corrode and may not be constructed properly. The anchor points may not allow adequate inspection of the edges of tanks. Staff must have proper safety gear with them, which doesn't allow "impromptu" inspections. The ladder system is also difficult to maneuver, particularly while wearing heavy, bulky safety gear. Also, staff requires special training to use these restraints. It would be infeasible to train all staff members in the proper use and implementation of fall protection devices and procedure. Therefore, only a limited number of people can currently access the top of the tanks. Ideally, a new system should be made to be inherently safe, and not require multiple, proactive tasks to be performed.

DESCRIPTION

This project is a multi-year construction project that includes the construction of metal stairways up the sides of the steel water tanks and railing systems around the tops of the tanks. Utility Service Co. (Suez), who is currently under contract to provide tank maintenance, submitted their cost proposal for the project. Since Suez is already under contract to maintain the tanks, the stairs and rails would be maintained, and guaranteed, by Suez. Complications arise if another company does this work, additional funds would have to be expended to guarantee and warrant the work that Suez did not construct. If Suez is awarded the contract, the work schedule will be simplified, since Suez can schedule tank re-painting around the stairway and railing installation. The District would not have to expend resources scheduling and administering conflicting contracts.

Cost proposals were requested from two competing companies known to perform these services, Suez and Superior Tank Solutions. The prices for the services were within 5%, with Superior Tank Solutions being slightly less expensive. Despite being less expensive, Superior Tank recommended going with Suez since Suez has a significant advantage on mobilization, amortization of exterior coatings, painting and touch-up.

This system will negate the need for two staff members; one person will be able to safely complete the monthly inspections. Staff will no longer have to wear safety gear, thereby saving additional time. Inspections can be impromptu, since there will not be a need for safety gear, and there will not be time wasted putting it on and connecting it, then disconnecting it, storing it, and maintaining it.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. By improving the quality of District Facilities, staff will be able to focus solely on the tank inspections and not have to be focused on the safety equipment at all times thereby improving the quality of inspections.

BOARD OPTIONS/FISCAL IMPACTS

1. The Board can accept the Suez proposal for the construction of stairways on District water tanks. This option will cost \$1,528,626 spread out over seven (7) years. Funds for this project are available in the Capital Replacement Fund.
2. The Board can choose to not award the contract to Suez, and direct staff to explore other options. The fiscal impact would be safety equipment, additional staff to perform inspections, lower-quality inspection, and safety issues.

ENVIRONMENTAL

The project is Categorical Exempt as a Class 15 Categorical Exemption from the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the 2018 CEQA Guidelines, in that the project involves a minor alteration of existing facilities.

STAFF RECOMMENDATION

Staff recommends Option 1, approving a contract with Suez for the work described.



Steven E. Strapac
District Engineer

10/4/2018

EXHIBIT: Schedule work from Suez's proposal

are local or neighboring fire departments, some with more practice than other departments. Elevated tanks were designed to store water, not for rescue or retrieval convenience.

One of the serious and oftentimes deadly hazards found in the workplace is falls from elevations. Fall prevention measures can be general, varied, specific, or elaborate; and the recognition, planning, and implementation of a sound fall-prevention program is the first step in reducing falls in the workplace. When fall hazards are recognized, provisions to abate the hazards can be developed, implemented, and reinforced on a timely basis to prevent deaths and injuries resulting from falls in the workplace.

The plan to install a comprehensive fall-prevention system

The Rainbow MWD management and engineering team working with Suez has developed a plan to install a comprehensive fall-prevention system consisting of exterior sidewall stairs and a full roof-perimeter rail system. The system will provide a high-level of fall prevention reducing the risk of accidents and falls by staff and contractors operating and working with the tanks. An additional benefit of the installed stairs is improved access for rescue crews in the case of accident or emergency.

Additional benefits over the current ladder system are:

- Easy access and less employee fatigue for weekly/monthly inspection
- More complete and thorough inspection of roof area and hatch
- Eliminate need for bulky climbing harness for some activities
- Potential insurance savings
- Overall safer work environment for staff and contractors

Design and building system

All design, engineering, and construction will be provided by Suez Advanced Solutions (Utility Service Co., Inc.) your current maintenance provider for the tanks. All costs will be spread over five years, and the work will be performed over the first three years. All workmanship will be covered by the existing Maintenance Program, which includes future renovation and maintenance work.

Tank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Gopher 4MG	27,201	27,201	27,201	27,201	27,201		
Hutton 4MG			28,578	28,578	28,578	28,578	28,578
Rainbow Hts. 4MG	27,180	27,180	27,180	27,180	27,180		
Turner 4MG			28,578	28,578	28,578	28,578	28,578
Rice 4MG		27,870	27,870	27,870	27,870	27,870	
U-2 1.6MG		26,172	26,172	26,172	26,172	26,172	
U-1 500KG		20,666	20,666	20,666	20,666	20,666	
Cantonita 6MG	30,622	30,622	30,622	30,622	30,622		
Gomez 3.5MG	27,084	27,084	27,084	27,084	27,084		
Vallecitos 400KG			34,090	34,090	34,090	34,090	34,090
Magee 3MG		27,684	27,684	27,684	27,684	27,684	

Quarterly Cost	28,021	53,920	76,431	76,431	76,431	48,410	22,812
Annual Cost	112,086	214,479	305,725	305,725	305,725	193,639	91,247

All values in U.S. Dollars

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

DISCUSSION AND ACTION TO APPROVE ORDINANCE NO. 18-24 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 6 – ENGINEERING BY ADDING CHAPTER 6.10 – RIGHTS-OF-WAY

BACKGROUND

The District owns and maintains several facilities and hundreds of miles of water and sewer pipelines and associated infrastructure. Where possible the system infrastructure has been located within public rights of way, however much of the system is constructed within/through private property and within easements/right of way dedicated to the District. New system infrastructure will be added in the future through construction of Capital Improvement Program projects and private development projects.

Maintaining the infrastructure has been and continues to be of utmost importance to the District in order to provide reliable service to its customers. Over the years, encroachments within District rights of way have made routine maintenance and emergency repairs difficult and costly.

While the requirement to provide and dedicate property and rights of way/easements required for water and sewer system facilities is contained in Section 6.05.040 of the Administrative Code, there is no section or policy which establishes regulations, policies and procedures to protect and preserve the District's property and property interests necessary for the construction and maintenance of its pipelines, associated appurtenances and facilities.

Staff reviewed right of way policies and ordinances from several other water districts and prepared the attached draft policy chapter based on the best interests of the District as it pertains to the construction and maintenance of its infrastructure. The draft policy was presented to the Engineering and Operations Committee at its October 3, 2018 meeting and was subsequently reviewed by staff and General Counsel.

DESCRIPTION

The proposed addition of Chapter 6.10 - Rights-Of-Way is intended to establish clearly written regulations, policies and procedures to protect and preserve the District's property, easements, and rights-of-way necessary for construction and maintenance of pipelines, associated appurtenances and facilities.

The Chapter includes definitions of prohibited uses of the District's rights-of-way which interfere with, hinder, delay or obstruct the District's ability to immediately construct, reconstruct, install, repair, maintain, remove, inspect, replace, relocate, and operate its works and facilities that are detrimental to the District, public health, safety and welfare, as well as to the District's regional public water and wastewater conveyance system and supplies. Such uses are incompatible with the District's use and ownership of its property, property interests, works and facilities.

The proposed Chapter also defines and determines that certain uses by other public agencies, public utilities, owners of adjoining, adjacent or underlying property, and the public are compatible (allowed) with

the District's use and ownership of its property, property interests, works and facilities or may be compatible under certain conditions (allowed with encroachment permit) and subject to certain restrictions. This Chapter also establishes regulations and procedures for authorizing compatible uses or uses that may be compatible under certain conditions subject to restrictions.

Nothing in the Chapter is intended to grant, alter, expand, or limit any title or interest in or to any District property or property interest. In other words, the proposed Chapter doesn't change any rights that the District currently holds in its easement documents, nor does it grant or revoke any rights of the underlying property owner/Grantor which are contained in the easement document.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. This policy is intended to establish regulations, policies and procedures to protect and preserve the District's property, property interests necessary for the construction and maintenance of its pipelines, associated appurtenances and facilities.

BOARD OPTIONS/FISCAL IMPACTS

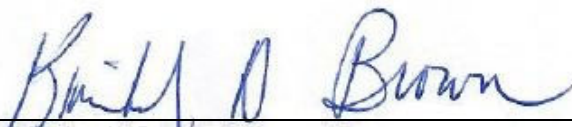
1. Approve Ordinance No. 18-24 amending and updating Administrative Code Title 6 adding Chapter 6.10 Rights-Of-Way.
2. Approve Ordinance No. 18-24 amending and updating Administrative Code Title 6 adding Chapter 6.10 with revisions.
3. Deny approval of Ordinance No. 18-24 and provide direction to staff.
4. Deny approval of Ordinance No. 18-24.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



Kimberly Brown
Right-of-Way and Facilities Coordinator

10/23/18

Ordinance No. 18-24

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code Title 6 – Engineering by
Adding Chapter 6.10 - Rights-Of-Way Policy**

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

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

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

NOW, THEREFORE,

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

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

Chapter 6.10: Rights-Of-Way Policy

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

3. This ordinance shall take effect immediately upon its adoption on this 23rd day of October 2018.

AYES:

NOES:

ABSTAIN:

ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

Chapter 6.10
RIGHTS-OF-WAY

<u>6.10.010</u>	<u>Purpose</u>
<u>6.10.020</u>	<u>General Authorization</u>
<u>6.10.030</u>	<u>Definitions</u>
<u>6.10.040</u>	<u>Prohibited Uses</u>
<u>6.10.050</u>	<u>Uses Allowed Without A Permit – Notification to Rainbow Municipal Water District</u>
<u>6.10.060</u>	<u>Encroachment Permits – Required</u>
<u>6.10.070</u>	<u>District Engineer</u>
<u>6.10.080</u>	<u>Assignment of Encroachment Permit</u>
<u>6.10.090</u>	<u>Encroachment Permits – Revocation – Penalty for Violation of Terms</u>
<u>6.10.100</u>	<u>Nonexclusive Use of Right-Of-Way</u>
<u>6.10.110</u>	<u>Joint Use Agreements</u>
<u>6.10.120</u>	<u>Pothole Procedure – U.S.A. DigAlert</u>
<u>6.10.130</u>	<u>Guidelines for Parallel Encroachments</u>
<u>6.10.140</u>	<u>Violations and Enforcement</u>
<u>6.10.150</u>	<u>Leases for Right-Of-Way Management</u>

Section 6.01.010

Purpose

(a) The Rainbow Municipal Water District (District) exists to provide our customers with reliable, high quality water and water reclamation service in a fiscally sustainable manner. In furtherance of the full exercise of its statutory purpose, the District has acquired and will acquire real property and interests therein and has acquired or constructed and will acquire and construct, and control, operate, maintain and use pipelines, associated appurtenances and facilities necessary or convenient to the full exercise of its powers. This chapter is intended to establish regulations, policies and procedures in order to protect and preserve the District's property, property interests, pipelines, associated appurtenances and facilities of the District.

(b) The District's Board of Directors (Board) finds and determines that the District's property, property interests, works and facilities must be protected and preserved against unauthorized use. The Board further finds and determines that uses of the District's rights of way which interfere with, hinder, delay or obstruct the District's ability to immediately construct, reconstruct, install, repair, maintain, remove, inspect, replace, relocate, and operate its works and facilities are detrimental to the District, to the public health, safety and welfare and to the District's regional public water and wastewater conveyance system and water and wastewater supplies. Such uses are incompatible with the District's use and ownership of its property, property interests, works and facilities. This chapter has been adopted to prohibit such incompatible uses.

(c) The District's Board also finds and determines that certain uses by other public agencies, public utilities, owners of adjoining, adjacent or underlying property, or the public generally are compatible with the District's use and ownership of its property, property interests, works and facilities or may be compatible under certain conditions and subject to certain restrictions. This chapter has been adopted to establish regulations for authorizing compatible uses or uses that may be compatible under certain conditions and subject to certain restrictions.

(d) Nothing in this chapter is intended to grant, alter, expand, or limit any title or interest in or to any District property or property interest.

(e) No permit issued pursuant to this chapter is intended to grant any title or interest in District property or create any District or independent contractor relationship between the District and any person.

Section 6.10.020

General Authorization

Except when authorized by Section 6.10.13, when the District's interest in property is a fee, leasehold or other possessory interest, no person shall use or occupy such property except as specifically authorized by a duly executed deed (including an easement deed), lease, license, contract or other written instrument approved by the Board of Directors.

1. Unless authorized by paragraph 2 of this subdivision, all deeds, leases, licenses, contracts or other written instruments shall be approved by the Board of Directors.
2. Except as otherwise approved by the Board, a deed, lease, license, contract or other written instrument shall be on terms and conditions governing use that are substantially similar to those established by this chapter for encroachment permits and shall include a requirement for consideration based upon fair market value or fair market rent, as appropriate, for the interest conveyed.

Section 6.10.030

Definitions

The following words and phrases whenever used in this chapter shall have the meaning defined in this section.

“Abatement” means action as may be necessary to remove, terminate or alleviate a nuisance, including but not limited to demolition or removal of property.

“Abatement notice” means a notice issued by the General Manager which requires a responsible person to abate a public nuisance.

“Applicant” means the person that has submitted an application to the District for any permit, license, or other authorization to use the District’s right-of-way.

“Board” means the elected Board of the Rainbow Municipal Water District, Fallbrook, California.

“Detrimental use” means any use of right-of-way or property which interferes with, impedes, hinders, delays or obstructs the District’s ability to immediately construct, reconstruct, install, repair, maintain, inspect, remove, replace, relocate, and operate its works and facilities.

“Encroachment” means a physical occupation in, on, over, across, under or upon District right-of-way or property. Encroachment also means any radio or similar telecommunication transmissions that interfere with the operation of District works.

“Engineer” means the District Engineer.

“Facility” means all assets and any other structure necessary or convenient to the full exercise of the District’s rights and purposes.

“Joint Use Agreement” means an agreement between the District and one or more public or governmental agencies or public utilities to use District’s right-of-way or property to install facilities for streets, sewer, water, cable, communications, electric or gas subject to District’s superior rights.

“Owner” means a person having an estate in land encumbered by a District easement or other interest in property. Owner also means a person entitled to exercise a reserved right pursuant to Sections 6.10.050 or 6.10.060.

“Permittee” means a person who holds or has received, pursuant to this chapter, a permit, license or other authorization to use a District right-of-way or property, and includes any agent, contractor or employee of the permittee.

“Person” means any natural person, firm, association, business, trust, organization, corporation, partnership, company, or any other entity, which is recognized by law as the subject of rights or duties. Person includes a public utility or a public or governmental

agency.

“Parallel encroachment” means an encroachment by a surface or subsurface pipeline, conduit, channel, aqueduct or similar structure, overhead electrical or telecommunication wires and surface street improvements, which has an alignment parallel to a District pipeline.

“Public nuisance” means any encroachment caused, maintained or allowed to exist in violation of this Chapter. A public nuisance also has the same meaning as defined in California Civil Code Section 3479.

“Public owned utility (POU)” means a utility subject to local public control and regulation. POUs are organized in various forms including municipal districts, city departments, irrigation districts, or rural cooperatives.

“Reserved right” means a property right owned by others to make joint use of a District right-of-way, existing by virtue of a limitation or condition of the deed, order of condemnation or other instrument by which the District acquired title to a specific right-of-way.

“Responsible person” means the person committing a violation. Responsible person also means an owner or manager of a business or property who directs or permits a violation of this Chapter to be done by any other person in the course or apparent course of business of the owner or manager or on the property of the owner.

“Right-of-way” means and includes any land, easement, franchise, or other interest in real property held, owned, leased or otherwise belonging to the District.

“RMWD” means the Rainbow Municipal Water District of Fallbrook, California.

“Structure” means anything constructed or put together and includes, without limitation, a building, or building part, manufactured or mobile home, fence, gate or chain, post, wall, pipe, foundation, concrete or asphalt foundation, driveway or pad, and other similar physical constructions.

“Use” includes any use of property and placing, causing or permitting an encroachment. Use also includes any structure or thing constructed, placed, or maintained in furtherance of a use. Use includes, without limitation, excavation, grading, filling and similar earth movement activity.

“Works” means any facility or improvement to real property necessary or convenient to the full exercise of the District’s statutory purpose. Works includes, without limitation, improved or unimproved access roads, wetlands, uplands and other lands set aside for habitat or natural resource preservation.

Section 6.10.040

Prohibited Uses

(a) Use of a District right-of-way by any person except the District or the District's officers, employees, agents or contractors for District purposes is prohibited except as otherwise authorized by this chapter. Whenever an exemption or exception from the provisions or requirements of this chapter is claimed by any person under the terms of a franchise, agreement, deed, statute, governmental regulation or legal ground the burden shall be on the person claiming the exemption to establish the authority, scope and extent of the exemption to the reasonable satisfaction of the District. No person shall install, construct, or maintain, or cause to be installed, constructed or maintained any parallel utility in the District's right-of-way except as otherwise specifically authorized pursuant to this chapter.

(b) No person shall trespass on the District's right-of-way or property in violation of any sign prohibiting trespass.

(c) No person shall damage, deface, destroy, modify, alter or mark any District facility or work except as otherwise specifically authorized pursuant to this chapter.

(d) No person shall grade, dig, excavate, fill, or trench any District right-of-way except as otherwise specifically authorized pursuant to this chapter.

(e) Any encroachment or use done, constructed, installed, or maintained in violation of any subdivision of this section is a public nuisance and may be abated pursuant to this chapter or other law. The General Counsel is authorized to enforce this section by civil action to enjoin or abate a public nuisance.

(f) No person shall blast within 400 feet of a District facility, except as specifically permitted by the District and subject to all applicable State and local laws, and Authorities Having Jurisdiction (AHJ's).

(g) The following detrimental uses are prohibited in District's rights of way:

1. Telecommunication antennas or towers, or satellite dishes on permanent foundations;
2. Any use or structure that blocks or restricts free District access to a right-of-way, work or facility;
3. Encroachment by a building, any portion of a building, a building foundation, or any part of a foundation or anything supported by a slab or a footing;
4. Concrete paving of any kind including decorative paving, driveways and walkways;
5. Mobile homes, tractor equipment and greenhouses (except as outlined in Section 6.10.050);

6. Fences constructed of wood, plastic or metal, and pre-fabricated corrals, are not permitted. Fences of concrete, stone, or similar materials, are considered walls and not permitted under this subdivision.

i. The District Engineer may permit a fence that crosses a pipeline if the fence (i) meets the requirements of paragraph (a) of this subdivision, and (ii) has posts that are constructed to minimize interference with the District's works and have a minimum of eighteen inches (18") of vertical separation from bottom of the post hole to the top of pipe. Fences include, without limitation, prefabricated portable corrals.

ii. Any fence that crosses the District's right-of-way shall include a gate within the right-of-way as specified by the District Engineer. Gateposts shall be installed in accordance with the provisions of this chapter governing fence posts. Gates must not swing to the open or closed position uncontrollably, unless constructed with a latching mechanism to control undesired movement of the gate. Gates shall have reflective caution signs or markings easily visible from a distance of one hundred (100) yards. Gate attachment/locking device shall provide space for a District lock that works independently of any lock installed by the permittee. If the gate is an electrically controlled gate with a key pad, the key code shall be provided to the District. Chains may be used as a locking mechanism for gates. If a gate is located adjacent to a public or private roadway that crosses the right-of-way, then the gate shall be set back, whenever feasible, as follows: (i) if the gate opens towards the roadway, the setback shall be a minimum of forty feet (40') from the closest edge of the roadway, (ii) if the gate opens away from the roadway, the setback shall be a minimum of thirty (30') feet from the closest edge of the roadway. Subject to the provisions of this chapter, fencing or other material to deter access around the gate may be placed in the right-of-way as specified by the District Engineer. The District maintains the right to forcible access through any gates or destroy any gates or fencing in District rights-of-way for which the District does not have access. The District will not be responsible for any damage to fencing, walls, gates or any structures which block access to District assets.

7. Fence posts;

8. Electric fencing;

9. Gates or access barriers made of any material including cable, rope, chain, barbed or ribbon wire, metal or wood;

10. Swimming pools, ponds, spas or hot tubs, and other similar structures;

11. Retaining walls, structural walls or walls containing mortar or reinforcement bar;

12. Private sewage treatment systems including septic tank and leach field

systems:

13. Dumping, depositing, casting, placing, or stockpiling any waste, rock, wood, dirt or other materials, including without limitation, abandoned vehicles;
14. Dumping, depositing, casting, placing, handling, stockpiling or storing of hazardous, toxic or explosive materials;
15. Corrals or pens for animals;
16. Permanent agriculture such as vineyards and orchards;
17. Trees of any kind;
18. Water wells;
19. Water tanks of any capacity;
20. Water pipeline valves, thrust blocks, backflow preventers, and flow sensors, except as specifically authorized by the District when no alternate location outside of the District's right-of-way is feasible;
21. Fertilizer injection systems;
22. Apiaries, whether permanent or temporary;
23. Utility pole anchors;
24. Columns made of concrete, concrete block, rock or any combination of these;
25. Solar electrical generation or water heating systems, including solar panels.

Section 6.10.050

Uses Allowed Without a Permit – Notice to Rainbow Municipal Water District

(a) The Board finds and declares that underlying owners of land may have reserved rights to use District rights-of-way under the deed or final order of condemnation pursuant to which the District holds title to its rights-of-way. The purpose of this section is to provide owners having reserved rights with guidelines, terms, and conditions for the exercise of reserved rights in a manner that will not be incompatible with or detrimental to the District's property or property rights. Subject to the provisions of this section, an underlying owner may exercise a reserved right for a use without obtaining a permit from the District, except that owner shall give District a minimum of 10 calendar days' notice before exercising any reserved right. The notice shall be in writing and filed with the District Engineer.

(b) The following is a list of uses and structures generally allowed as an exercise of a reserved right subject to the provisions of this section:

1. Vegetable and flower gardens, lawns and ground cover (such as low growing vegetation, mulch, bark or crushed rock).
2. Bushes and shrubs, but not trees. Bushes and shrubs must be maintained so as not to obstruct visual inspection of the right of way. Hedges shall be trimmed to a height of thirty-six inches (36") or less.
3. Low voltage/decorative lighting (12 volt / 75 watt maximum).
4. Storage or parking of operational vehicles, trailers, or mobile equipment authorized for travel on public streets subject to the following weight and spacing limits. Single vehicles not exceeding sixteen thousand pounds or a combination of adjacent vehicles within a thirty-foot square having a combined weight that does not exceed sixteen thousand pounds. Vehicles weighing more than fourteen thousand pounds shall be spaced not less than sixty feet (60') apart.
5. Water lines to provide potable or non-potable water service (except reclaimed sewage or sewer water) to the property to which the reserved right is attached provided the lines are two inches (2") or less in diameter, have a minimum depth of twenty-four inches (24") at crossings under patrol or access roads, are installed above the District's pipeline and have a minimum vertical separation of twelve inches (12") from bottom of line to top of the District's pipeline, and are installed such that crossings of the District's pipelines are at right angles or as close to a right angle as possible. If pipelines will be installed below ground, the notice required by subdivision (a) shall be accompanied by a plan showing the proposed location of all subsurface facilities. The notice required by subdivision (a) shall be accompanied by a plan showing the location of all shut-off valves. The owner shall file a written update plan showing any changes in location of subsurface facilities or shut-off valves. Shut-off valves shall be located at the edge of the District's right-of-way.

6. Pipes, conduit, wires and cables to provide electric, gas, sewer, and communications service ("utility facilities") to the property to which the reserved right is attached. Subsurface utility facilities shall be installed above the District's pipelines and shall have a minimum vertical separation of twelve inches (12") from bottom of utility to top of the District's pipeline and be installed such that crossings of the District's pipelines are at right angles or as close to a right angle as possible. Conductor clearances for overhead electrical and telephone lines shall conform to California Public Utilities Commission General Order 95 for Overhead Electrical Line Construction or at a greater clearance if required by the District. The clearance shall not be less than thirty-five feet (35'). Overhead lines shall be located a minimum of thirty feet (30'), measured laterally, away from all aboveground facilities on the pipelines. When underground electric lines provide service at 120 volts or greater, conduits shall be encased in a minimum of three inches (3") of red concrete. Aboveground warning signs shall be placed at the right-of-way lines where subsurface utility facilities enter and exit the right-of-way. Non-metallic gas lines shall be placed with a twelve-gauge (12 gauge) tracer wire a minimum of six inches (6") above the buried utility, terminating in a District- approved junction box. If utility facilities will be installed below ground, the notice required by subdivision (a) shall be accompanied by a plan showing the proposed location of all subsurface facilities. The notice required by subdivision (a) shall be accompanied by a plan showing the location of all shut-off switches or valves. The owner shall file a written update plan showing any changes in location of subsurface facilities or shut-off switches or valves. Shut-off switches or valves shall be located to provide easy access by District personnel using the District's right-of-way. Septic systems and leach fields are not permitted. Utility poles are not permitted except pursuant to an encroachment permit or joint use agreement.

7. Storage of boxed landscape trees may be allowed under the following conditions: (a) the boxes must be no larger than 24 inches on each side, (b) the box must have a bottom, (c) the tree, including the box, must not exceed 15 feet in height, and (d) the trees can be stored no closer than 8 feet apart measured from the edges of the boxes. Boxed trees shall be set back at least 10 feet from the closest edge of a District pipeline.

8. Any other use or structure not otherwise prohibited by Section 6.01.040 that the District Engineer determines in writing not to be incompatible with or detrimental to the District's property or property rights. The District Engineer shall keep a log of written determinations made pursuant to this paragraph on file in the Engineering Department and with Secretary to the Board. The log shall be a public record.

(c) The exercise of any reserved right within a District right-of-way as authorized by this section is subject to the following:

1. Any structure or use shall be set back a minimum of twenty (20') feet from the edge of any District surface facility, unless otherwise provided in

subdivisions (b) or (c).

The setback from rights of way used for access or patrol road purposes shall be 10 feet away from the centerline of the road.

2. The District shall not be liable for any damage or injury caused by or attributable to the exercise of a reserved right.
3. Any exercise of a reserved right shall at all times be subject to the paramount right of the District to use its property and property rights as necessary or convenient to the full exercise of the District's powers according to the terms of the District's document of title.
4. No person shall exercise a reserved right in a manner that creates a nuisance or causes a dangerous condition of property.
5. Any structures or uses placed or maintained pursuant to this section are subject to immediate removal by the District as may be necessary or convenient for the District's purposes. The District shall not be liable for costs of damage to or replacement of structures or uses it removes. The District may require the owner to remove or relocate a structure or use at the owner's expense.
6. Excavation over the District's pipelines shall be done with hand tools only.
7. The owner shall be responsible for compliance with all applicable zoning, building, grading and other laws relating to the use of property.

Before performing any excavation in the District's right-of-way the owner shall contact the District Engineer for a determination whether Dig Alert should be called.

Section 6.10.060
Encroachment Permits – Required – Encroachments

(a) The Board finds and declares that underlying owners of land may have reserved rights to use the District's right-of-way under the deed or final order of condemnation pursuant to which the District holds title to its right-of-way. The purpose of this section is to provide owners with an expedited process for obtaining a permit from the District when a proposed use or structure, appropriately located and conditioned, is or may be compatible with the District's property rights or interests. This section is intended to apply to uses proposed by owners that are accessory to or necessary for the owner's primary use of the parcel subject to the District's right-of-way. Except as specifically authorized pursuant to Section 6.10.050 uses of the District's rights of way by persons other than the District are generally incompatible with or detrimental to the District's property or property rights, but, unless otherwise prohibited by Section 6.10.040, such uses may be made compatible and authorized upon compliance with certain requirements and conditions set forth in this section and in the encroachment permit issued by the District Engineer after an evaluation of the facts and circumstances of the use. Subject to the provisions of this section an underlying owner may exercise a reserved right upon obtaining an encroachment permit from the District.

(b) The following requirements apply to uses authorized pursuant to this section:

1. Addition, alteration, modification or demolition of a permitted use is itself a use subject to permit.
2. The District Engineer may establish conditions limiting the time, duration and method of construction. In addition to any other condition authorized by this section, the District Engineer may establish conditions for use that are consistent with the requirements for use established by Section 6.10.050.
3. Any use or structure shall be set back a minimum of twenty feet (20') from the edge of any District surface facility unless otherwise provided in this section. The District Engineer may reduce or eliminate the setback requirement for a use if the District Engineer finds that the reduction will not be detrimental to the District. The reasons for and conditions of the reduction or elimination shall be stated in the permit issued for the use.
4. No use shall be permitted that would create an unacceptable load on a pipeline or subsurface structure as determined by the District Engineer.
5. Grading, including both excavation and fill, shall be permitted only if the District Engineer determines that the proposed grading will not pose a hazard to the integrity of the pipeline, cause an impediment to its maintenance, result in an unacceptable increase or reduction in cover, or cause ponding or erosion within the easement. Grading requiring a permit from another government agency is not allowed unless both the permit of the other agency and the permit of the District are obtained.

6. Conductor clearances for overhead electrical and telephone lines shall conform to the California State Public Utilities Commission, General Order 95, for Overhead Electrical Line Construction or at a greater clearance if required by the District. Clearance shall not be less than thirty-five feet (35'). Overhead lines shall be located at least thirty feet (30'), measured laterally, away from all aboveground structures on the pipelines. Utility poles are not permitted except pursuant to a major encroachment permit or joint use agreement.
7. When underground electric lines provide service at one hundred twenty (120) volts or greater, conduits shall be encased in a minimum of three inches (3") of red concrete. Above-ground warning signs shall be placed at the right-of-way lines where the conduits enter and exit the right-of-way.
8. Hard-surface, sports courts shall be of asphalt or unreinforced concrete, six inches (6") or less in thickness. Setback from centerline of pipeline shall be at least 10- feet.
9. Unreinforced, paved driveways, walkways and parking lots may be approved subject to conditions controlling loading to pipelines, landscaping, type of light standards, depth and location of light standard foundations, drainage, access and other aspects of design and improvement. Grandfather conditions may apply.
10. The District Engineer shall not approve a permit for a reclaimed or recycled water line unless the applicant has obtained Department of Health approval.

(c) Encroachment permits issued under this section shall be processed as provided in this subdivision.

1. An owner may file an application for an encroachment permit with the District Engineer. The District Engineer may establish and make available guidelines for submission of applications.
2. The application shall contain such information as the District Engineer deems appropriate for complete review of the application and shall include the address to which correspondence regarding the application shall be mailed.
3. Within thirty calendar days following submission of an application, the District Engineer shall notify the applicant that the application is complete or the nature and extent of additional information that is required to make the application complete.
4. If the applicant submits additional information, the District Engineer shall have thirty calendar working days to notify the applicant that the application is complete or whether further additional information is required.
5. Within thirty calendar days after the District Engineer has determined and

notified the applicant that the application is complete, the District Engineer shall approve, conditionally approve or deny a permit. In addition to the information contained in the application, the District Engineer may consider any of the following: topography, soils, drainage, access or other characteristics of the property and adjacent property; community characteristics; location, condition, or nature of existing or reasonably foreseeable future works of District. The District Engineer's determination shall be in writing delivered to the applicant by personal delivery or first-class mail.

6. An applicant may appeal the denial of a permit or any condition imposed on a permit to the Board by filing a written notice of appeal with the District Engineer within thirty calendar days after the date of mailing or of personal service. The notice shall specify the particular reasons for the appeal. The Engineering and Operations Committee may play an advisory role to the Board based on the application, the written determination of the District Engineer, the notice of appeal and any written response to the notice of appeal submitted by the District Engineer. The decision of the Board shall be made in writing and delivered to the applicant by personal delivery or first-class mail. The decision of the Board is final, except for judicial review.
7. Applications, correspondence, decisions and other permit records are public records and shall be kept in the Engineering Department.

(d) The following provisions apply to all uses and structures authorized by an encroachment permit issued pursuant to this section:

1. Any use shall be located, constructed and maintained according to the terms and conditions of the use permit issued pursuant to this section. The District may (i) charge a processing fee, (ii) require a security deposit, and (iii) charge market value rent for the encroachment. The Owner shall indemnify, defend and hold the District harmless from any claims arising out of or related to the encroachment. The Owner shall add the District as additionally insured for claims related to the encroachment.
2. The District shall not be liable for any damage or injury caused by or attributable to the use or structure. The Owner will be responsible for all taxes assessed as a result of the encroachment and the Owner shall be responsible for all maintenance and repairs of the encroaching structure.
3. Any use shall at all times be subject to the paramount right of the District to use its property and property rights as necessary or convenient to the full exercise of the District's rights according to the terms of the District's document of title.
4. The Owner shall not allow the use or structure to create a nuisance or cause a dangerous condition of property. The Owner shall comply with all hazardous materials and environmental laws, and indemnify, defend and hold the District harmless from any such claims arising out of or related to the encroachment.

5. Any structures or uses placed or maintained pursuant to this section are subject to immediate removal by the District as may be necessary or convenient for the District's purposes. The District shall not be liable for costs of damage to or replacement of structures or uses it removes. District may require the owner to remove or relocate a structure or use at the Owner's expense. The Owner waives any rights to compensation or relocation benefits in the event of a termination by the District of the encroachment permit or request to remove or relocate the encroachment.
6. The District may, at the Owner's expense, cause the encroachment permit to be recorded in the Office of the County Recorder. The Owner shall not use the encroachment area to satisfy the requirements of any governmental agency or authority, including, but not limited to, zoning and/or building or other code requirements.
7. The owner shall be responsible for compliance with all applicable zoning, building, grading and other laws relating to the use of property.

The District and its officers and employees shall not be liable for any damages resulting from the issuance, denial, revocation or enforcement of an encroachment permit. The owner shall be responsible for the accuracy and completeness of the permit application and any plans, specifications or other information required by the Director pursuant to this Chapter.

Section 6.10.070
District Engineer

(a) The Board, on an appeal, shall deny an application for an encroachment permit unless the District Engineer finds that the encroachment as proposed or subject to terms and requirements imposed as a condition of approval meets all the following:

1. The proposed encroachment will not be detrimental to the District's facilities or works, or to the general public;
2. The proposed encroachment will not materially interfere with the District's use of right-of-way;
3. The applicant has complied with the requirements of this chapter and all applicable local, state and federal laws;
4. The applicant has agreed to abide by all requirements, terms and conditions of the permit, including without limitation the provision requirement that the permittee indemnify, defend and hold harmless the District, its officers, agents, and employees from all liability occasioned from or caused by the issuance of the encroachment permit or by the construction, installation, maintenance or operation of the encroachment.

(b) In addition to other requirements, the District Engineer may impose conditions for approval of encroachment permit as follows:

1. Traffic and pedestrian safety measures;
2. Environmental impact mitigation measures;
3. Full Topographic survey including field staking of existing and proposed easements and any encroachments in easement;
4. Limits on construction times, noise, duration and method;
5. Limits on duration and requirements for removal of an encroachment; and
6. Other requirements deemed necessary by the District Engineer.

Coordination of construction with other existing encroachments or reasonably anticipated encroachments, other existing or reasonably anticipated construction pursuant to encroachment permits issued to others, and existing or reasonably anticipated District projects.

Section 6.10.080

Assignment of Encroachment Permit

A permittee shall not assign rights or delegate obligations of an encroachment permit without the prior written consent of the District. Any assignment or delegation in violation of this section shall constitute abandonment of the permit and relinquishment of any rights thereunder. The District may condition any assignment or delegation as necessary to protect the District's interests, including without limitations, imposition of conditions to assure faithful performance of the obligations imposed by the permit by the person assuming responsibility under the assignment or delegation.

Section 6.10.090

Encroachment Permits – Revocation – Penalty for Violation of Terms

(a) The District Engineer is authorized to revoke an encroachment permit upon determining that the permittee has failed to comply with one or more of the material terms, conditions or restrictions incorporated in the permit or has provided materially false or misleading information regarding the encroachment or its installation. Upon the revocation of an encroachment permit, the permittee shall immediately discontinue any work and cease and desist from further encroaching upon the District's right-of-way or property. The permittee shall restore the site to an as-near original condition as shall be feasible under the supervision and direction of the District in accordance with code and legal requirements in effect at the time of restoration. Installed encroachments shall be removed, unless authorized to be disabled and abandoned in place when determined to be feasible by the District. Except in cases where immediate revocation is necessary to protect District works or facilities, the District Engineer shall not revoke a permit except upon fifteen-calendar days written notice to the permittee. Such notice may be given by first class mail to the permittee at the address stated in the permit application or such other more recent address as provided by the permittee and on file with the District Engineer. The notice shall advise the permittee of the permittee's right to file a written statement of good cause why the permit should not be revoked within ten days following the date of the notice. A determination of revocation shall be in writing and shall state the grounds for the revocation. The determination shall be delivered to the permittee by personal delivery or mailed to the permittee by first-class mail.

(b) Any permittee who violates any of the terms, conditions or restrictions of an encroachment permit and thereby materially and adversely affects the public health and safety shall be ineligible to receive another encroachment permit from the District for a period of one year following the date of such determination, unless this restriction is waived by the Board.

(c) Any person who has received a determination of revocation of an encroachment permit may appeal the revocation to the Board. The appeal shall be in writing and filed within ten days following the date of the determination of revocation. The appeal shall state grounds upon which the appeal is based. Within twenty working days after filing, the Board of Directors shall decide the appeal. The Engineering and Operations Committee may play an advisory role to the Board based on the application, the written determination of the District Engineer, the notice of appeal and any written response to the notice of appeal submitted by the District Engineer. The decision of Board shall be made in writing and delivered to the applicant by personal delivery or first-class mail. The decision of the Board is final, except for judicial review.

Section 6.10.100
Nonexclusive Use of Right-of-Way

(a) Encroachment permits are nonexclusive. Any permit issued by the District pursuant to this Chapter which permits the applicant to excavate, construct or remove improvements or encroachments, or grade or encroach within any public right-of-way also permits the District or other District permittee to utilize the right-of-way for its own public purposes during the same time period as the applicant's use. The District may extend the time period of the applicant's proposed use of the right-of-way to suit the District's own public purposes.

(b) Permittees shall not interfere with encroachments installed under prior permits, unless arrangements satisfactory to the District and the prior permittee are made to protect or relocate the prior encroachments at the expense of the subsequent permittee. Notwithstanding, the District shall have the right to remove, relocate or displace any previously allowed or permitted encroachment without liability to a permittee when necessitated by public emergency or the District's exercise of its rights.

Section 6.10.110
Joint Use Agreements

(a) In lieu of an encroachment permit, public agencies and public utilities desiring to use District's rights of way and property for construction, operation and maintenance of compatible public facilities may apply to the District for a Joint Use Agreement. The District Engineer is authorized to execute Joint Use Agreements on behalf of the District.

(b) Application for Joint Use Agreements shall be submitted to the District Engineer and shall be evaluated on a case-by-case basis to determine whether such joint use is compatible with the work of the District. The applicant shall be advised of the type of joint use, if any, which will be authorized. If it is determined that joint use will not be authorized, a notice of denial shall be mailed to the applicant which explains the reason for the denial.

(c) The Joint Use Agreement shall specify the requirements, terms and conditions of construction, operation and maintenance of the compatible public facilities. Except as otherwise specifically authorized by the Board, a Joint Use Agreement shall include the following requirements:

1. The public agency or public utility shall defend, indemnify and hold the District harmless from any damage or injury to District works or facilities. The public agency or public utility shall defend, indemnify and hold the District harmless from any claim, cause of action, suit, proceeding, or liability of or to any person resulting from the construction, reconstruction, repair, maintenance, operation, condition or existence of any work or facility of the public agency or public utility, or from the acts or omissions of the public agency or public utility or its officers, employees, agents or contractors, except for liabilities resulting from the sole negligence of the District or the District's officers, employees or agents.
2. Any compatible public agency or public utility use shall at all times be subject to the paramount right of the District to use its property and property rights as necessary or convenient to the full exercise of the District's statutory purposes and rights according to the terms of the District's documents of title.
3. Any structures or uses placed or maintained pursuant to a Joint Use Agreement are subject to removal or relocation by the permittee upon reasonable demand by the District, or by the District at the permittee's cost, as may be necessary or convenient for District purposes. The District shall not be liable for costs of damage to or replacement of structures or uses it removes. The District may require the permittee to remove or relocate a structure or use at the permittee's expense. A permittee shall also be required to pay for the cost of relocating other previously permitted encroachments when necessary to accommodate the work of the District.
4. Performance of the requirements, terms or conditions of a Joint Use Agreement by a contractor shall be secured by one or more of the following, at the discretion of the permittee, subject to approval of the District:

- (A) A bond or bonds by one or more duly authorized corporate sureties authorized to do business in the State of California;
- (B) A deposit with the District of money or negotiable bonds of the kind approved for securing deposits of public moneys;
- (C) An irrevocable letter of credit from one or more financial institutions subject to regulation by the State of California or federal government and authorized to do business in the State.

5. A Joint Use Agreement shall not constitute a representation by the District that subsurface conditions are accurately reflected in the records of the District. The party requesting the agreement assumes the risk and responsibility for damage to previously installed permitted encroachments and facilities.

(d) Plans for installation of joint user's facilities including protection of District's facilities shall be approved by the District in advance of construction. Notice of construction of such facilities shall be provided to District at least two weeks in advance.

(e) An applicant denied an agreement may, within 60 days after a notice of denial is mailed, appeal in writing to the Board of Directors. The Board shall consider the information presented in the appeal, comments from the General Manager, and other such data considered appropriate. The denial will be upheld unless it is determined by the Board of Directors that it was arbitrary, or inconsistent with this Chapter.

Section 6.10.120
Pothole Procedure – U.S.A. DigAlert

Before commencing any excavation work, except work using hand-tools, in District's rights-of-way or on District's property, a person shall obtain approval from the District and through the U.S.A. DigAlert procedure and guidelines.

Section 6.10.130
Guidelines for Parallel Encroachments

(a) Public agencies and public utilities may request authorization to place a parallel encroachment in the District's right-of-way. A permit or approval for a parallel encroachment shall be issued only if the applicant has demonstrated good cause for the parallel encroachment to the satisfaction of the District official authorized to permit or approve the encroachment.

(b) An applicant for a parallel encroachment may demonstrate good cause based on any of the following grounds:

1. Other possible alignments would have a severe economic impact on the applicant which impact would be substantially reduced or avoided by the parallel encroachment.
2. Other feasible alignments would result in significant environmental impacts which cannot be feasibly mitigated to a level of insignificance and which would be avoided by the parallel encroachment.
3. Other feasible alignments would require the relocation of a substantial number of businesses or residences or have a severe and extended negative impact on business operations or residents.
4. Other feasible alignments would have severe economic or operational impact, or both, on the applicant which impact or impacts would be substantially reduced or avoided by the parallel encroachment.
5. The parallel encroachment will provide a direct and substantial benefit to the District that outweighs the adverse impact of the encroachment.

(c) The following facilities are prohibited as parallel encroachments:

1. Sewer, storm water or non-potable water pipelines except that on a case-by-case basis the following facilities may be authorized:
 - (A) Pipelines which transport recycled water meeting at a minimum Title 22 of the California Code of Regulations tertiary standards and which satisfy the pipeline separation requirements set forth in the American Water Works Association Guidelines for the Distribution of Non-Potable Water, and is approved by the California Department of Health Services;
 - (B) Pipelines which transport brine from a water treatment plant;
 - (C) Storm drain pipes 18 inches in diameter or less.
2. Electric transmission lines.
3. Gas transmission pipelines.

4. Petroleum transmission pipelines.

(d) Parallel encroachments shall be subject to the following requirements:

1. Except street pavement, they shall not be located within an area designated by the District Engineer as the probable trench zone in event of an emergency. The probable trench zone is generally an area along the path of the pipeline determined using a slope ratio of two feet horizontal to one foot vertical (2:1 slope), starting at point five feet from the outside edge and at the bottom of the District pipeline and ending at a point on the surface of the right-of-way. Parallel encroachments, except street pavement, shall be installed in a location as close to the edge of the right-of-way as possible, and it must be demonstrated that the District can excavate its pipelines without disruption to the encroachment;
2. They shall not be located between or over District pipelines;
3. Isolation or other shut-off valves or switches shall be located at the entry and exit points of the District's right-of-way and at such other locations as may be determined appropriate by the District. Valves or switches shall be readily accessible to the District;
4. All the requirements applicable to encroachment permits or joint use agreements;
5. A property use payment shall be made to the District in an amount to be determined by the District for use or injury to property or property rights, increased maintenance and repair costs, and all other costs or expense associated with the parallel use;
6. The District reserves the right, but not the obligation, to repair, restore service and backfill prior to the encroaching utility undertaking similar efforts for the interrupted parallel encroachment in the event of a simultaneous interruption to the operation of a District work and a parallel encroachment;
7. The applicant is to be responsible for obtaining, providing and authenticating all necessary plans, profile, and other drawings from the District's Engineering Department and shall be responsible to make all the necessary calculations prior to submittal for review by the District;

Such other terms and conditions as may be imposed on issuance of the encroachment permit or joint use agreement for the parallel encroachment.

Section 6.10.140
Violations and Enforcement

(a) The District reserves all rights to enforce a violation of this chapter, including without limitation, specific performance and all legal and equitable remedies allowed by state, local and federal law. Each day a violation of this chapter exists is a separate violation, and each violation may be charged as a separate offense. Violations may be enforced by civil or administrative measures, or a combination thereof in the District's sole discretion, as provided for in this Chapter, the California Water Code, and applicable laws, including without limitation, California Civil Code sections 3479 et. seq.

(b) Notwithstanding subdivision (a), violations of this chapter constitute a public nuisance and may be enjoined or abated as provided in California Civil Code sections 3479 et. seq.

Section 6.10.150

Leases for Right-Of-Way Management

The Board may execute a lease for right-of-way management purposes when all the following circumstances exist:

1. The lessee is the record owner of land that adjoins the District property;
2. The lease establishes terms and conditions for use of the leased property consistent with the provisions of this chapter;
3. The rent is not less than the fair market rent as determined by the District Engineer;
4. The lease term does not exceed ten years.

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE MISCELLANEOUS PIPE RELOCATION DESIGN PROJECT

BACKGROUND

The Rainbow Municipal Water District (District) has a great deal of infrastructure that was originally constructed in easements, alleys, and other less-than ideal locations, that make maintenance extremely difficult, and pipe failures much more costly. The District is relocating pipelines from difficult to access areas to more “typical” locations, such as roadways. The District is also working on managing the very high water pressure in the system that negatively impacts many ratepayers. Some of the pressure issues can be rectified with new pipe configurations connecting to different pressure zones.

This project consists of the design of four (4) pipe relocations, and the installation of two pipe segments connecting a housing tract to a lower pressure zone. One pipe relocation on Via Vera has two design goals; an “interim” location, and an “ultimate” location. The construction of the ultimate location may have to wait on funding availability. The design efforts for these projects were combined into one request for proposal (RFP) to both entice companies to propose and increase the efficiency of completing the design work. The following tasks are included in this professional services agreement:

1. Analysis and preparation of plans, specifications, and estimates (PS&E) of the relocation/installation of four (4) pipe segments (see attached exhibits):
 - a. Disney Lane
 - b. Eagles Perch
 - c. Via Vera north of West Lilac Rd.
 - i. PS&E for the “interim” improvements
 - ii. PS&E for the “ultimate” improvements
 - d. Sagewood Rd – from private property to Sagewood Drive to Dentro De Lomas.
2. Analysis and preparation of PS&E for the design of two (or more) pipe segments, and other appurtenances in the vicinity of Sarah Ann, crossing Gird Road to provide water service to the tract east of Gird Road from a higher-pressure zone to a lower-pressure zone, and disconnection from the high pressure zone.

The intent of the design services will be to prepare full sets of plans and specifications suitable for bidding by a public agency.

DESCRIPTION

The District conducted a search of interested area design firms and issued a Request for Proposal on August 22, 2018. Four firms responded with a proposal by September 28, 2018. Staff reviewed the proposals and evaluated them based on the executive summary, project description, identification of the consultant, project organization and experience, past performance, firms local experience, and creative

alternatives. The staff evaluation determined that OMNIS was the most qualified to perform the specified work and recommend them for this project with a Not-To-Exceed project design cost of \$258,130.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. This project will relocate several pipelines out of hard to reach and impractical locations into roadways. In addition, the Sarah Ann loop is one of the top twenty pipelines identified by the Condition Assessment. Connecting Sarah Ann to the lower pressure zone will benefit 40 customers and reduce the occurrence of leaks and mainline breaks.

BOARD OPTIONS/FISCAL IMPACTS

The District's CIP Budget included \$280,000 associated with design of three of the five projects included in this contract. The proposed fee estimate is \$258,130. The 5-year CIP Budget included funding for construction of three of the five projects, thus, additional funding may be necessary to complete all construction.

- 1) Award a Professional Services Agreement to OMNIS to provide design services for the Miscellaneous Pipe Relocation Design Project not to exceed \$258,130.
- 2) Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff Recommends Option 1.



For Steven E. Strapac, P.E., P.L.S. 10/23/2018
District Engineer



**OMNIS
CONSULTING
INC.**

PROPOSAL TO PROVIDE ENGINEERING SERVICES

FOR

MISCELLANEOUS PIPE RELOCATION DESIGN

SEPTEMBER 28, 2018



September 28, 2018

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

**Subject: PROPOSAL TO PROVIDE ENGINEERING SERVICES FOR
MISCELLANEOUS PIPE RELOCATION DESIGN**

Dear Ms. Rubio:

Omnis Consulting Inc. (OCI) is pleased to present this proposal for engineering and design services for the subject water main improvements. OCI is uniquely qualified to meet the District's needs for this pipe relocation project. Our team has extensive experience with similar water pipeline relocations and we are well-versed in designing around existing physical constraints similar to those found on this project. As required by the Request for Proposals (RFP) for this project, OCI attests to the following statements:

The RFP issued by the District for this project shall be incorporated in its entirety as part of OCI's proposal.

The RFP issued by the District for this project shall will jointly become part of the Agreement for Professional Consultant Services for this project when said Agreement is fully executed by the Consultant and the President of the Board of Directors of the Rainbow Municipal Water District.

We look forward to opportunity of working with you and the District on this vital and multifaceted project. We have the resources in place to meet the District's needs and we are ready to begin work immediately with your authorization. I can be reached directly at 909-631-1537, or nzemla@omnis-consulting.com, should you have any questions or require additional information regarding this proposal.

Sincerely,

Omnis Consulting Inc.

Noel Zemla, PE
President

TABLE OF CONTENTS

EXECUTIVE SUMMARY1

PROJECT DESCRIPTION 2 - 15

IDENTIFICATION OF PRIME CONSULTANT.....16

IDENTIFICATION OF SUBCONSULTANTS16

PROJECT ORGANIZATION AND PROJECT TEAM EXPERIENCE 17 - 19

STATEMENT OF QUALIFICATIONS..... 20 - 22

RESOURCE ALLOCATION MATRIX23

FIRM’S LOCAL EXPERIENCE24

CREATIVE ALTERNATIVES24

ADDITIONS OR EXCEPTIONS TO THE DISTRICT’S RFP25

APPENDIX – RESUMES

EXECUTIVE SUMMARY

Omnis Consulting Inc. (OCI) is pleased to present this proposal to Rainbow Municipal Water District for the analysis and design of the four (4) water main relocations (Disney Lane, Eagles Perch, Via Vera north of West Lilac Road, and Sagewood Road) and the analysis and design of water main improvements on Gird Road at the Fallbrook Oaks subdivision (Gird Road at Mary Lewis Drive and at Sarah Ann Drive) to connect the subdivision to a lower pressure zone.

Our proposal contains OCI's understanding of the District's intended project scope for each of the five (5) water main improvement locations. Our understanding of the project scope at each location was derived from closely evaluating the information provided in the District's RFP, our field reconnaissance, research of the District's available as-built plans, and discussions with District staff. Our proposed scope of work includes meeting and coordinating with District staff; research and data gathering; coordination with affected utility owners; aerial and ground survey of each project site; property research and title reports and coordination with the District's Right-of-Way Coordinator; field reviews and identifying physical constraints; utility potholing; geotechnical investigations at each project site to evaluate soil corrosivity; preliminary and final improvement plans and specifications; and design services during construction.

OCI's team includes three (3) subconsultants. KDM Meridian will provide aerial surveys of each location along with detailed ground survey along proposed pipeline alignments and points of connection. KDM Meridian will also perform all property research, including providing preliminary title reports, and prepare legal descriptions and plats for easements required by the project. LOR Geotechnical Group will perform borings at selected locations for each project location and will provide an analysis of the soil corrosivity and recommendations for corrosion protection of the new pipelines. LOR will also provide pavement and soil characteristics at each boring. Ultra Engineering Contractors, Inc. will perform potholing of existing utilities that cross the proposed pipeline alignments for use in the design of the pipeline profiles and coordination with affected utility owners.

Our proposal provides a detailed approach to each step in the design process. At OCI, we firmly believe that the initial step in the successful design of any improvement project is listening and understanding what the owner's expectations are for the project. Although we feel we have performed a thorough preliminary investigation of the five (5) project sites and have developed our understanding of the project goals and objective, we know there are always special conditions unique to each project. We have found that the staff that is charged with operating and maintaining the improvements inevitably has invaluable insight into potential project issues and practical solutions to current and potential maintenance and reliability problems with the system. In the case of a water main relocation project such as this one, the knowledge and history of the water maintenance crews are irreplaceable.

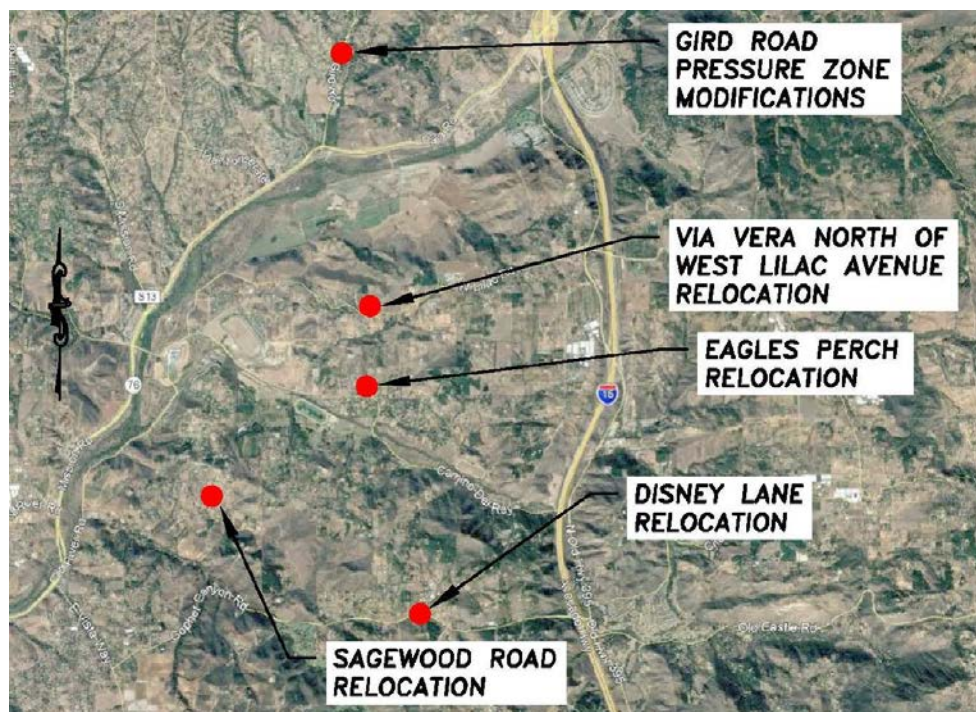
As demonstrated in our proposal, OCI has extensive experience in analyzing and designing water main relocations and improvements of similar complexity to this project. OCI's team has a long and successful professional history of meeting and exceeding our client's expectations.

PROJECT DESCRIPTION

Our proposal demonstrates OCI's clear understanding of the District's objectives in relocating the four (4) water mains from poorly accessible private drives, across fields, and adjacent to private residential structures. The water mains will be relocated to public roadways and private drives where the District will have proper access for operation and maintenance of their facilities. Separate from the four (4) water main locations, the water mains serving the Fallbrook Oaks subdivision along the easterly side of Gird Road will be disconnected from the current higher pressure zone and reconnected to a lower pressure zone west of Gird Road.

OCI is uniquely qualified to design these improvements for the District because of our extensive experience in the design of water main relocations. We have developed a Scope of Services that will achieve what we understand to be the District's goals for each project location. However, from our experience in the design of improvements similar to this project, we know constraints and unusual situations will arise during design development that will require unique solutions and details. We pride ourselves in developing practical and permanent solutions and working closely with the staff that take over the operation and maintenance of the improvements after construction is complete.

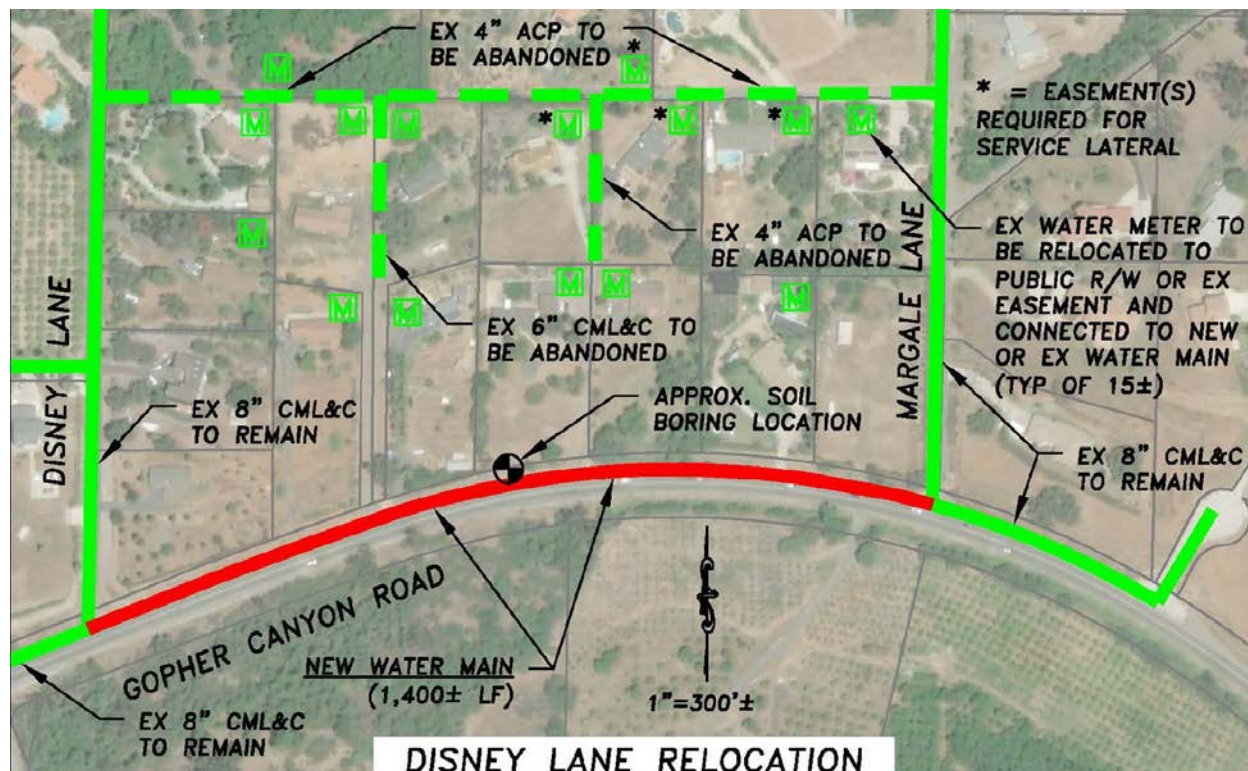
Below is a very general overall vicinity map of the Bonsall/Fallbrook area showing the proximity of the five (5) project locations.



On the following pages are brief descriptions and our understanding of the goals and objectives for each of the five (5) project locations followed by our proposed Scope of Services. We modeled our Scope of Services from the "Project Scope of Services" found in the District's RFP.

DISNEY LANE RELOCATION

This project location will include the construction of approximately 1,400 LF of new water main along Gopher Canyon Road between Disney Lane and Margale Lane and the abandonment of existing 4-inch ACP and 6-inch CML&C water mains located on private drive and between private structures. The new water main will connect to the existing 8-inch CML&C pipes along Gopher Canyon Road.

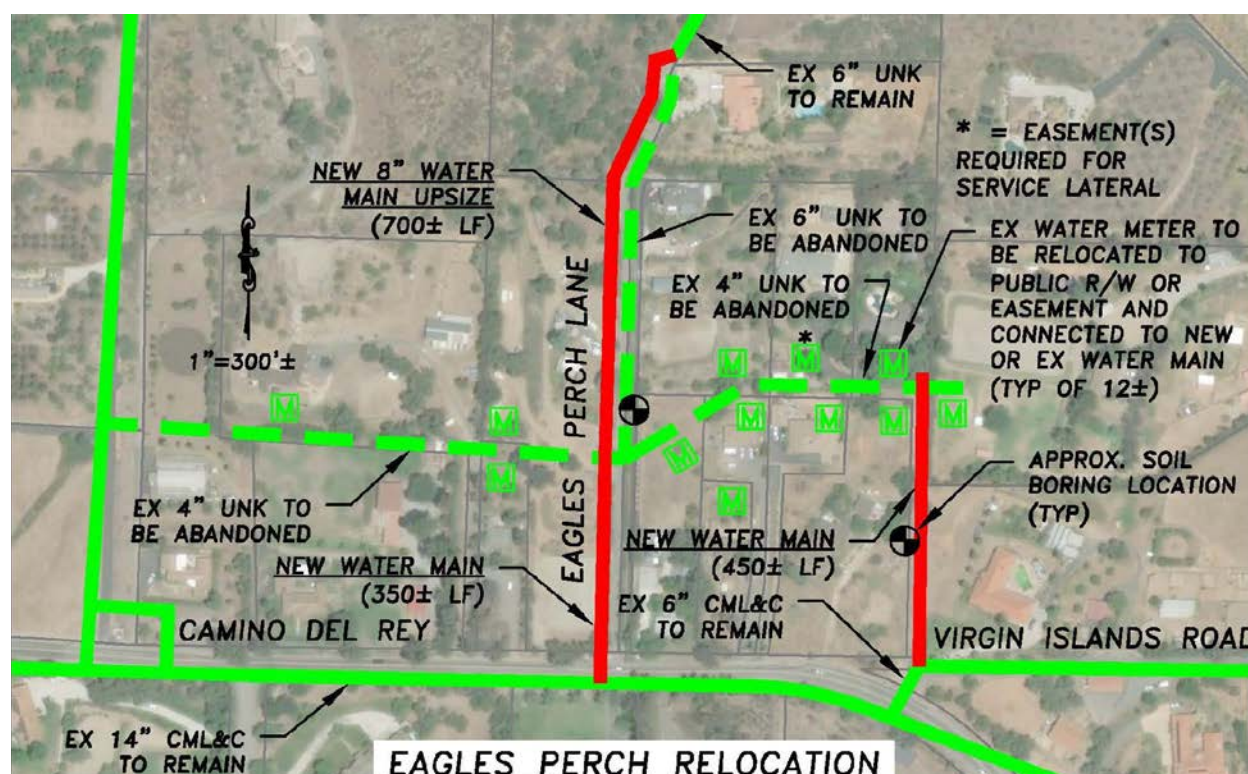


We propose one (1) soil boring along the new water main alignment to assess the soil corrosivity, record the existing pavement section thickness(es), and determine other soil parameters. Since Gopher Canyon Road is a public roadway, an encroachment permit from the County will be required for our soil boring and utility potholing activities.

Since the new water main will be constructed in the public right-of-way, we do not anticipate needing any easements granted to the District. However, we do anticipate easements being required between property owners for the new service laterals. The water meters should be relocated to the public right-of-way, or within an existing District easement on Disney Lane or Margale Lane. In this configuration, the new service laterals would become the property of the homeowners from the backside of the meters to the homes. We anticipate a minimum of four (4) landlocked parcels will require easements for the service laterals. Depending on the routing of the service laterals four (4) to six (6) private easements may be required. For the purpose of preparing the scope for this proposal, we have assumed eight (8) preliminary title reports will be required and legal descriptions and plats for six (6) private easements will be prepared.

EAGLES PERCH RELOCATION

This project location will include the construction of approximately 1,050 LF of new water main within an easement along Eagles Perch Lane north of Camino del Rey (approximately 350 LF of new pipeline and approximately 700 LF of upsizing from 6-inch to 8-inch pipe) and approximately 450 LF within an easement along a private drive north of the Camino del Rey/Virgin Islands Road intersection. The existing 4-inch water mains that traverse the project area in the east-west direction will be abandoned. The new water main in Eagles Perch Lane will connect to the existing 14-inch CML&C water main in Camino del Rey. The new water main in the easement east of Eagles Perch Lane may connect to the existing 6-inch CML&C pipe at Virgin Islands Road, or connect directly to the existing 14-inch CML&C in Camino del Rey.

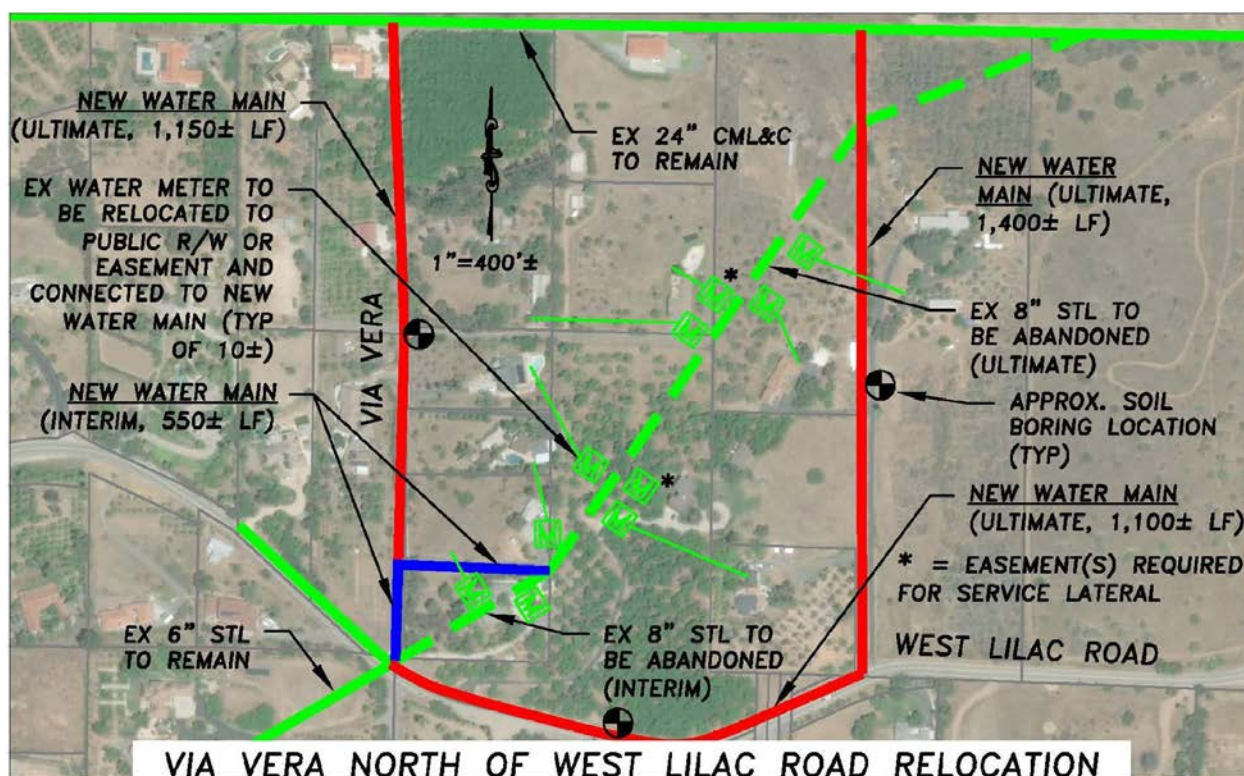


We propose two (2) soil boring along the new water main alignments to assess the soil corrosivity, record the existing pavement section thickness(es), and determine other soil parameters. An encroachment permit from the County will be required for our utility potholing activities at the proposed tie-in(s) to the existing 14-inch CML&C pipe in Camino del Rey.

We anticipate three (3) easements to the District being required for the construction of the water main on private property and one (1) easement being required between property owners for the routing of a service lateral to one landlocked parcel. For the purpose of preparing the scope for this proposal, we have assumed five (5) preliminary title reports will be required and legal descriptions and plats for four (4) easements will be prepared.

VIA VERA NORTH OF WEST LILAC ROAD RELOCATION

This project location will likely be constructed in two phases; and “interim” phase and an “ultimate” phase due to available construction funds. The interim phase will include constructing approximately 550 LF of new water main in easements and abandoning an existing 8-inch steel water main that traverses the property at the northwest corner of West Lilac Road and Via Vera. The ultimate phase will include the construction of approximately 1,100 LF on new water main in West Lilac Road and the construction of approximately 2,550 LF (1,150 LF + 1,400 LF) of new water mains in easements that will connect to the existing 24-inch CML&C water main north of West Lilac Road. The entirety of the existing 8-inch steel water main north of West Lilac Road will be abandoned with the construction of the ultimate improvements.

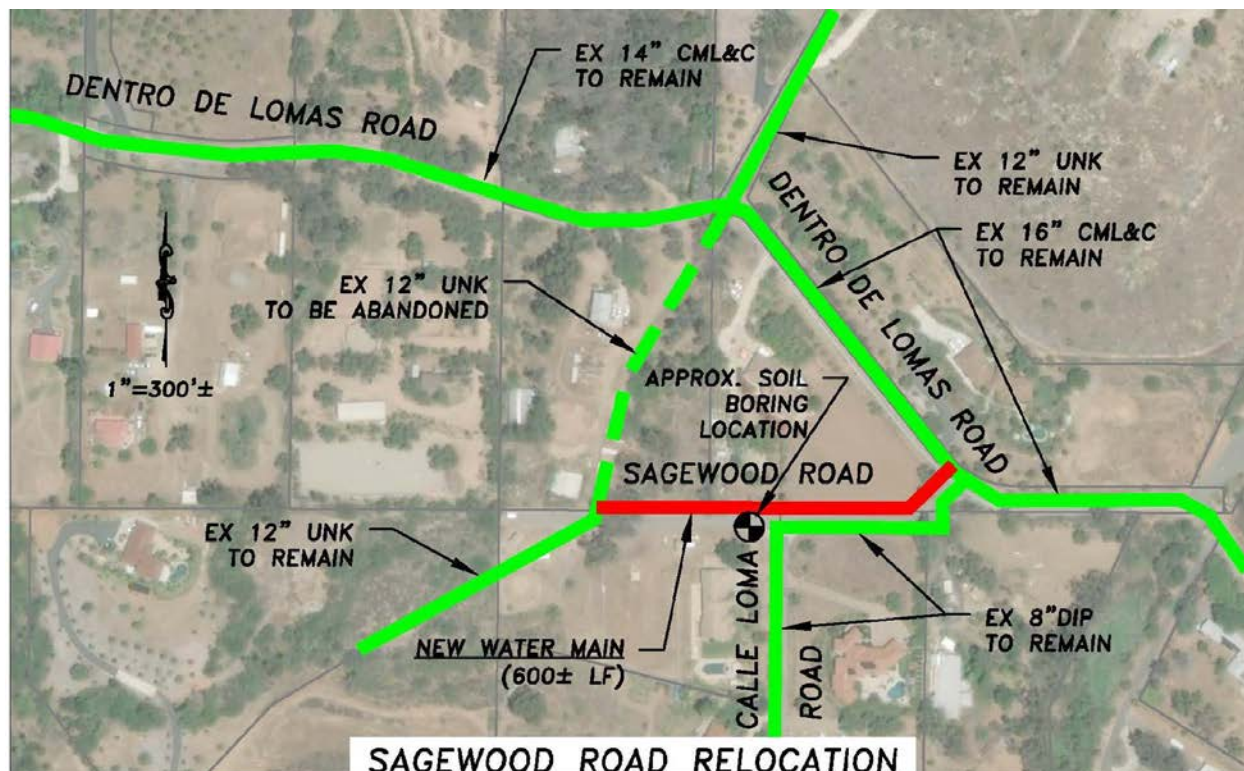


We propose three (3) soil borings along the new water main alignments to assess the soil corrosivity, record the existing pavement section thickness(es), and determine other soil parameters. Since West Lilac Road is a public roadway, an encroachment permit from the County will be required for our soil boring and utility potholing activities.

We anticipate twelve (12) easements to the District being required for the construction of the water main on private property and two (2) easements being required between property owners for the routing of a service laterals to two landlocked parcels. For the purpose of preparing the scope for this proposal, we have assumed fifteen (15) preliminary title reports will be required and legal descriptions and plats for fourteen (14) easements will be prepared.

SAGEWOOD ROAD RELOCATION

This project location will include the construction of approximately 600 LF of new water main along Sagewood Road and the abandonment of existing 12-inch water main located on private property between Dentro de Lomas Road and Sagewood Road. The new water main will connect to the existing 16-inch CML&C pipe along Dentro de Lomas Road and to the existing 12-inch water main west of Calle Loma Road.



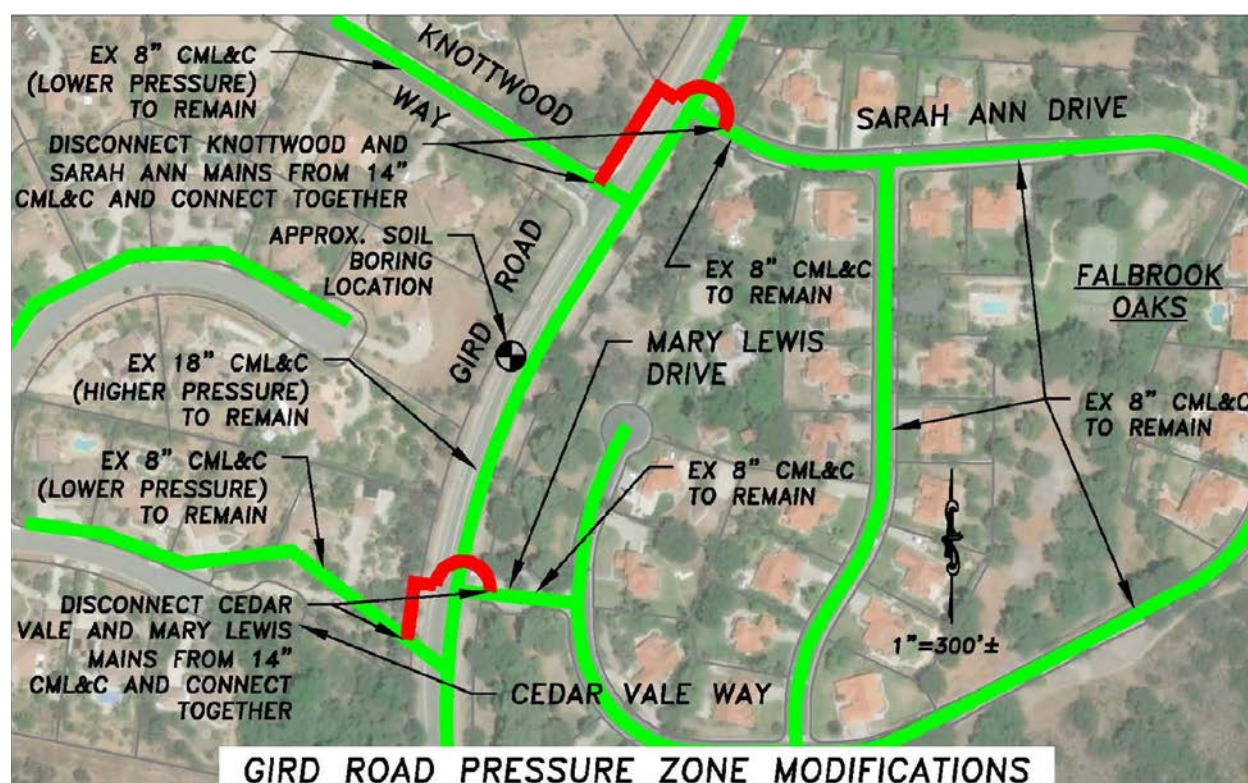
We propose one (1) soil boring along the new water main alignment to assess the soil corrosivity, record the existing pavement section thickness(es), and determine other soil parameters. An encroachment permit from the County will be required for our utility potholing activities at the proposed tie-in to the existing 16-inch CML&C pipe in Dentro de Lomas Road.

We anticipate three (3) easements to the District being required for the construction of the water main on private property. For the purpose of preparing the scope for this proposal, we have assumed five (5) preliminary title reports will be required and legal descriptions and plats for three (3) easements will be prepared.

GIRD ROAD PRESSURE ZONE MODIFICATIONS

Currently the water mains serving the Falbrook Oaks subdivision along the easterly side of Gird Road are fed from a high pressure 18-inch CML&C water main in Gird Road. There is an existing Pressure Reducing Station west of Gird Road along Knottwood Way that can be easily adjusted to provide a lower water pressure to Falbrook Oaks west of Gird Road.

The goal at this project location is to disconnect the two water mains serving Falbrook Oaks and the water mains on Knottwood Lane and the Cedar Vale Way cul-de-sac from the higher pressure line in Gird Road, and connect these lines together in Gird Road to create a lower pressure zone for the surrounding residential area, including Falbrook Oaks.



We propose one (1) soil boring in Gird Road between the two tie-in points to assess the soil corrosivity, record the existing pavement section thickness(es), and determine other soil parameters. Since Gird Road is a public roadway, an encroachment permit from the County will be required for our soil boring and utility potholing activities.

Since all construction will occur in the public right-of-way on Gird Road, we do not anticipate the need for any preliminary title reports or easements for this project location.

PROJECT SCOPE OF SERVICES

We based our Project Scope of Services from the Project Scope of Services provided in the RFP for the District's ease of review. We made minor modifications to the Task titles and descriptions as necessary to more accurately describe how we intend to complete the District's project.

TASK 100 – PROJECT MANAGEMENT AND INFORMATION COLLECTION

OCI will provide overall project management including contract administration, budget and schedule tracking, subconsultant management, kick-off and progress meetings. OCI's project manager will provide internal quality control and quality assurance.

TASK 101 – Submittals

- a. OCI will submit three (3) sets of bond copies of the design drawings with each submittal for checking by the District along with an electronic PDF version and a hard copy of the previous red lined check prints. The design drawings will be as complete, accurate, and error-free as possible before submitting for Plan Checking in order to reduce the number of Plan checks required and related costs therefore to the District and OCI. We understand that the District is currently in the process of implementing Bluebeam for plan review and anticipates the availability of Bluebeam within the timeframe of this project. OCI's staff is well-versed in using Bluebeam.
- b. OCI will, at no additional cost to the District, correct errors, omissions, and unworkable and/or improper design/drafting on the original drawings, which are discovered subsequent to the completion of the Plan checking process.
- c. OCI will submit directly to each utility company a preliminary set of Plans that provide the location, elevation of the utility, and the elevation of the improvement with the conflict area clouded to show the utility companies the areas that conflict. The District shall supply the Consultant with the required format for the utility notice in a Microsoft Word format.
- d. OCI will forward to the District copies of all transmittals, submittals, and letters sent to utilities and agencies regarding the project.

TASK 102 – Estimates

- a. OCI will estimate construction quantities including but not be limited to: itemizing all removals, relocations, water pollution control, trenching and bedding, trench backfill, water pipe and fittings, water valves, fire hydrants, air and vacuum relief valves, blow-offs, meters, service laterals, connections to existing pipelines, pipeline abandonment, cathodic protection, subgrade preparation, aggregate base, asphalt concrete (AC) paving, driveway approaches, survey monument wells, raising manhole covers to grade (if necessary), water valve lids, painting of pavement legends and striping, signs, traffic control, raised pavement markers, and project signs.

The estimated quantities shall be arranged in chronological order of construction and shall contain all the information needed to prepare the Engineer's Estimate of Construction Costs.

b. OCI will prepare computations showing estimated quantities and costs for each location of work, as well as the sum totals and OCI shall be submit to the District for review. Submission of computations does not relieve the Consultant's responsibility of submitting an accurate estimate of quantities.

TASK 103 – Utilities

OCI will perform detailed research to identify all utilities that may be impacted by the water improvement projects, including research of Prior Rights to clearly identify parties responsible for relocation of applicable utilities. OCI will clearly outline any utility relocation costs that may be incurred by the District, as well as impacts to the project schedule for any utility relocations.

TASK 104 – Potholing

OCI's subconsultant, Ultra Engineering Contractors, Inc., will pothole all underground utilities crossing or adjacent to the proposed water main improvements to determine the depth for clearance or conflicts for any underground improvements such as gas lines, telephone lines, electrical lines, sewer lines, other water lines, storm drain lines, etc. OCI will submit to each utility company a preliminary set of Plans that provide the location, elevation of the utility, and the elevation of the improvement with the conflict area clouded to show the utility companies the areas of conflict with the proposed improvement. The potholing information and plan will be submitted to the District after completion of that task. If an area of possible conflict was not potholed, the OCI's subconsultant will pothole the area to verify no conflicts at no additional cost to the District. Based on our site reviews, review of available record plans, and our experience with similar projects, we have estimated the number of utility potholes that may be required for the five (5) project locations:

Disney Lane Relocation	6 potholes
Eagle Perch Relocation	8 potholes
Via Vera N/O West Lilac Road Relocation	10 potholes
Sagewood Road Relocation	6 potholes
Gird Road Pressure Zone Modifications	8 potholes
<u>Total Estimated Number of potholes</u>	<u>38 potholes</u>

Potholing activities on public roadways (Gopher Canyon Road, Camino del Rey, West Lilac Road, Dentro de Lomas, and Gird Road) will require encroachment permits from the County and possibly the preparation of stamped and signed traffic control plans and we have considered these costs in preparing our fee proposal. After the potholes are complete and backfilled, OCI's survey subconsultant, KDM Meridian, will perform field survey to collect the location and elevation of potholes and this information, combined with the measured depth from the ground surface to the found utility, will be plotted on the project plans and profiles.

TASK 105 – Environmental

OCI will bring to the District’s attention any environmental concerns before beginning design. We understand that the District anticipates that the projects will be Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA). We are in agreement with the District view that the activities associated with these projects will fall under a Categorical Exempt class in accordance with CEQA and RWQCB guidelines. From our experience, constructing a water pipeline less than 16 inches in diameter and less than one mile in length is a Class 3 Exemption as set forth in Sections 15300 et seq. of Title 14 of the California Administrative Code. OCI will coordinate with the County of San Diego Planning & Development Services Department for any forms or applications required if a Notice of Exemption is required.

TASK 106 – Meetings

OCI’s Project Manager will schedule and attend meetings in the planning phase as follows:

- Kickoff meeting including subconsultants
- Progress meeting
- Other meetings as necessary such as, but not limited to, agencies, field reviews, utilities, and meetings with individuals

OCI’s Project Manager will prepare meeting agendas and minutes for all meetings. The minutes will be distributed to all attendees, invitees, and the District’s project manager within seven (7) working days after the meeting. The minutes will include, but not be limited to, list of attendees with phone numbers and e-mail, synopsis of discussion items, any pertinent information, action items, and follow-up to the action items.

OCI’s Project Manager will coordinate with the County of San Diego and the construction projects adjacent to the project area. OCI will also coordinate with all applicable County personnel related to Right-of-Way, Permitting, etc., to ensure the successful completion of the project. OCI will keep the District informed of any and all communications with the County of San Diego.

TASK 107 – Project Schedule

OCI will provide a digital version of the project schedule in Microsoft Project format and hard copy. The project schedule will be updated monthly or as required.

TASK 108 – Research of Record Information

a. OCI will perform all research of utility company, and other agency records as necessary to secure all the information, clearances, and/or plan review services required to identify, locate,

and accurately layout all underground improvements and easements, centerline, right-of-way, and private property lines.

b. The District will provide copies of available pertinent District records, such as survey ties, benchmarks, and improvement plans that the District knowingly has in its possession. OCI will dispatch staff to research plans at the District's office and provide the District a list of requested documents.

c. OCI's subconsultant, KDM Meridian, will perform the following research required for the survey and preparation of base maps project:

- Perform research of District and County records for maps and documents to identify easements, centerlines, rights-of-way, and private property lines

d. OCI's subconsultant, KDM Meridian will perform the following surveying necessary for the preparation of base maps and establishment right-of-way, property lines, and existing easements for the five (5) project sites:

- Establish project datums as CCS83, Zone VI, 2017.5 Epoch and GPS NAVD88
- Generate 1"=40' scale aerial mapping with 1-foot interval contours and color orthophotos over the properties and public rights-of-way impacted by pipeline abandonments and installations
- Collect sufficient survey monumentation to layout easements, centerlines, rights-of-way, and private property lines in base mapping drawings
- Review research material and surveyed monumentation and generate easements, centerlines, rights-of-way, and private property lines in base mapping drawings
- Compile aerial mapping, survey, and easements, centerlines, rights-of-way, and private property lines into a single base map in AutoCAD format for each specific area
- After new pipeline alignments are established, collect grade over proposed pipeline alignments by conventional (ground) survey
- On paved surfaces, place a nail and tin along proposed pipeline alignments every one hundred feet (100') on station with the station number painted next to it and at fifty feet (50') painted in between the stations

The survey topography will be submitted to the District on diskette, and a hard copy plot provided, using AutoCAD Land Development or compatible software approved by the District. Survey points with coordinates, elevations, and description key will be AutoCAD Land Development Standard Survey Descriptions. The data will be submitted to the District in ASCII format on CDRW diskette with a hard copy print out.

TASK 109 – Right-of-Way

a. OCI will identify any utilities that may have prior rights.

b. OCI will coordinate with the District Right-of-Way Coordinator and will determine where easements for the project. OCI's subconsultant, KDM Meridian, will order and obtain up to thirty-five (35) preliminary title reports (including all referenced easements and documents). Electronic copies of the title reports will be furnished to the District. KDM Meridian will prepare up to thirty (30) legal descriptions with accompanying exhibits after receiving geometry of new easements for main lines and private service laterals from OCI. The District will review and comment on the legal descriptions and exhibits. OCI will provide the District final signed and sealed legal descriptions and exhibits.

c. We understand that the District Right-of-Way Coordinator will work with property owners to obtain the easements.

TASK 110 – Geotechnical/Geologic

OCI's subconsultant, LOR Geotechnical Group, will perform a total of eight (8) soil borings throughout the five (5) project locations. The approximate boring locations are shown on the exhibits in the Project Descriptions. Three (3) of the borings are anticipated to be with the public right-of-way and the remaining five (5) will be on private property within existing or future easements. The borings performed within the public roadways (Gopher Canyon Road, West Lilac Road, and Gird Road) will require encroachment permits from the County and possibly the preparation of stamped and signed traffic control plans and we have considered these costs in preparing our fee proposal.

OCI's subconsultant, LOR Geotechnical Group, will perform the following geotechnical services:

- a. Review of available geologic and geotechnical documents relating to the site and vicinity.
- b. Obtain a permit from the County for work in the public right-of-way. Underground Service Alert will be notified.
- c. Provide traffic control during field exploration services.
- d. Conduct a subsurface investigation at the requested locations utilizing a hollow-stem auger drill rig. The investigation will include a total of 8 exploratory borings advanced to depths of approximately 6.5 feet or refusal, whichever occurs first. The borings will be backfilled with cuttings and topped with cold patch asphalt concrete.
- e. Bulk and ring samples of the native earth materials encountered within the exploratory borings will be obtained.
- f. Laboratory testing of soil samples obtained during the field investigation.

- g. Perform corrosion testing (resistivity, pH, soluble sulfates, and chloride) on select soil samples obtained during our field operations (a minimum of 1 for each project location).
- h. Development of geotechnical conclusions and recommendations for project.
- i. Prepare a preliminary soil investigation report for the project. The report will include an evaluation of the subsurface conditions along the alignments, soil characteristics, and other geotechnical design criteria, including recommendations to mitigate any unusual soil conditions.

The findings and recommendations from the preliminary soils report will be incorporated into the design of the improvements and into the project specifications. Corrosion protection of the new pipelines, if recommended or required, will be incorporated into the design of the new pipelines at each of the project sites.

TASK 200 – DESIGN

The design by OCI will include, but not be limited to, the preparation and submittal of plans, specifications, and estimates (PS&E) for each location of construction. This will include submittals at the following stages:

- Preliminary Design
- 60% Design
- 90% Design
- Final Design

OCI will provide recommendations for the appropriate pipeline relocations based on the District's initial determination.

TASK 201 – Analysis

OCI will review of the potable water system network in the immediate area of the proposed relocations to confirm proposed layout or develop an alternative layout that meets the goals of the District. Those goals include:

- Relocating pipelines out of residential yards, alleys, etc. to streets.
- Upsizing pipes to current standards, acceptable for fire flow.
- Increased fire hydrant “density”.
- Evaluation of pressure, and pressure management.
- Assess the inclusion of additional appurtenances such as hydrants, pressure reducing stations, stations, blow-offs, etc.

TASK 202 – Various Pipe Relocations

OCI will perform analyses and will prepare plans, specifications, and estimates (PS&E) of the relocation/installation of four (4) pipe runs located on or near the following streets (see exhibits in Project Description):

- Disney Lane
- Eagles Perch
- Via Vera north of West Lilac Road (interim and ultimate improvements)
- Sagewood Road

TASK 203 – Gird Road Pipe Relocations

OCI will perform analyses and will prepare PS&E for the design of two (or more) pipe segments, and other appurtenances in the vicinity of Sarah Ann Drive, crossing Gird Road to provide water service to the tract east of Gird Road (Fallbrook Oaks) from a higher pressure zone to a lower pressure zone, and disconnection from the high pressure zone.

Format Submission

The plans, specifications, and estimates (PS&E) will conform to the District's standards and practices. OCI will provide clear, concise, and complete Plans which shall include, but are not limited to: project title; vicinity (location) map; title blocks; north arrows; scales (1"=40' for plan and profile sheets, larger scales for details); general notes; construction notes; construction legend; telephone numbers of utilities and other affected agencies; details; pipeline profile; existing improvements; building locations; power poles; driveway approaches; edge of pavement; water service relocation and/or installation; sewer manhole lid; cross gutters; pedestrian ramps; painted traffic stripes and legends; signs; traffic signals; traffic loops; curb returns; details of private improvements to be constructed, reconstructed, or relocated, such as driveways, fences, gates, irrigation systems, mailboxes, trees and landscaping; and other details that are of benefit to the design of the project.

All drawings will be prepared with AutoCAD software, or design software that is compatible with AutoCAD and approved by the District. The final design will be plotted using permanent drafting ink on Mylar, and drafted on twenty-four inch by thirty-six inch (24" x 36") Mylar sheets. The final plans will be signed by a Civil Engineer licensed in the state of California. No "stick-ons" will be used. The originals and the electronic data of these drawings are considered to be the property of the District at all times, and shall be submitted to the District, along with a thumb drive in AutoCAD format upon completion or as otherwise requested by the District. The electronic data will also include all survey data and point information.

TASK 300 – DESIGN SERVICES DURING CONSTRUCTION (DSDC)

TASK 301 – Questions During Construction

OCI will be available to answer questions regarding the Technical Provisions, the design drawings or conflicts in the design during construction, and assist the District in issuing Contract Change Orders regarding omissions or conflicts in the design at no additional charge to the District.

TASK 302 - Preparation of As-Built Drawings

OCI will incorporate all redline comments prepared by the Contractor and project inspector on the design plans. The as-built drawings will be provided to the District and approved prior to the release of the final progress payment. OCI will attach hanging file tabs provided by the District to the Mylar as-built drawings.

TASK 303 – Owner of Original Drawings, Documents and Other Information

The District will be the owner of all original drawings, documents, and digital information. All digital and or computer-generated drawings shall be the property of the District and a copy shall be submitted to the District on a thumb drive. OCI will provide the District the complete project files on a thumb drive after construction is complete and as-built drawings are accepted.

IDENTIFICATION OF PRIME CONSULTANT

Legal Name:Omnis Consulting Inc.
Legal Address:P.O. Box 955 Chino Hills, CA 91709
Legal form of Company:Corporation
Contact Person:Noel Zemla, PE, President (use legal address)
909-631-1537

Number/Discipline of staff assigned to this project: Project Manager/Engineer1
Project Designer.....2
Technician.....1

IDENTIFICATION OF SUBCONSULTANTS

Legal Name:KDM Meridian
Legal Address:22541 Aspan Street, Suite C, Lake Forest, CA 92630
Legal form of Company:Corporation
Contact Person:Richard C. Maher, PLS, Principal (use legal address)
949-768-0734

Number/Discipline of staff assigned to this project: Project Surveyor.....1
Survey Technician1
Survey Crewman.....2

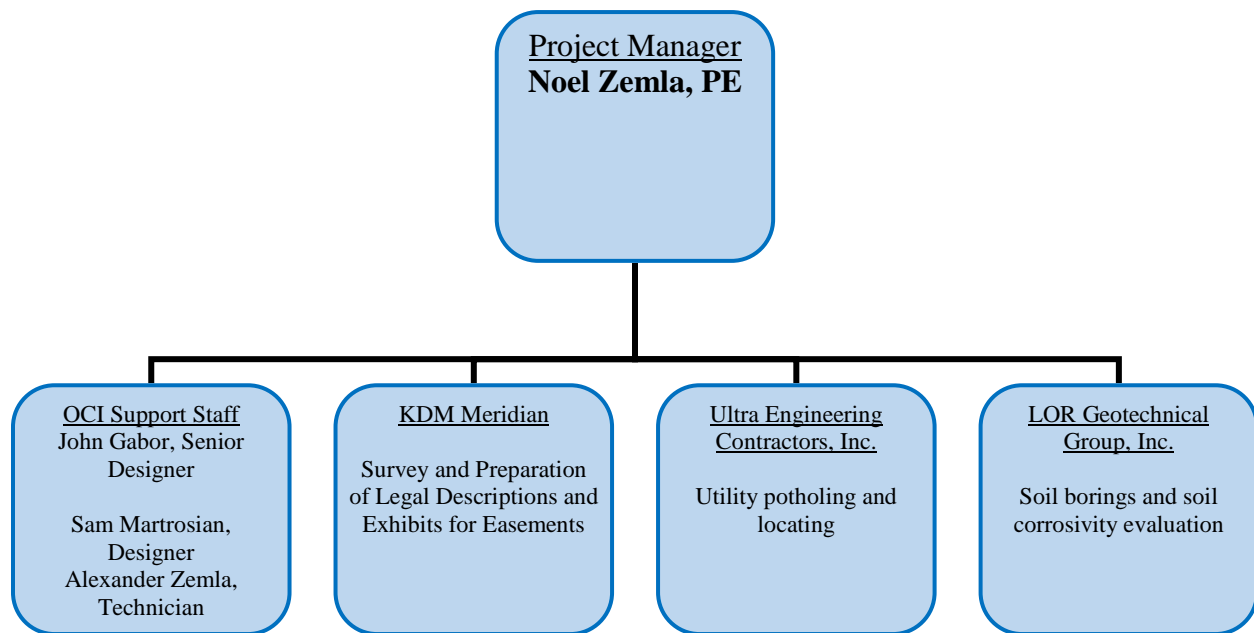
Legal Name:Ultra Engineering Contractors, Inc.
Legal Address:36806 Pebley Ct. Winchester, CA 92596
Legal form of Company:Corporation
Contact Person:Leah S. West, President (use legal address)
951-223-3552

Number/Discipline of staff assigned to this project: Project Manager1
Field Crew.....2

Legal Name:LOR Geotechnical Group, Inc.
Legal Address:6121 Quail Valley Court, Riverside CA 92507
Legal form of Company:Corporation
Contact Person:John P. Leuer, PE, GE, President (use legal address)
951-653-1760

Number/Discipline of staff assigned to this project: Project Engineer1
Geologist.....1
Field Crewman.....2
Lab Technician.....1

PROJECT ORGANIZATION AND PROJECT TEAM EXPERIENCE



Due to the page limitation in the RFP, resumes for key project members are included as an Appendix to this proposal.

OCI acknowledges and understands that OCI will not be allowed to change the subconsultants without written permission from the District.

Our project team will be led by **Noel Zemla, PE**. Mr. Zemla has over 25 years of experience in managing and designing water improvements for public agencies throughout southern California. Mr. Zemla will serve as Project Manager and will oversee the design of the water main improvements. Mr. Zemla is a licensed Civil Engineer in the State of California and will stamp and sign all final project plans and documents. Mr. Zemla will be the point of contact for District and Mr. Zemla will manage and direct OCI’s subconsultants with the assistance of OCI support staff.

OCI support staff assigned to this project include two designers and a field and drafting technician, all with several years of experience preparing plans and specifications for public improvements similar to this project. **John Gabor**, Senior Designer, will lead the plan preparation and will oversee and direct the work of our designer and technician. Mr. Gabor has over 20 years of experience in managing and designing public improvements for public agencies throughout Southern California. Mr. Gabor and Mr. Zemla have worked together for over 20 years and have an excellent track record with our clients.

KDM Meridian is a professional Land Surveying consulting firm specializing in GPS, LiDAR scanning, conventional land surveying, and project mapping. **Richard C. Maher, PLS**, and

principal of the firm, has extensive experience with public works surveying. Mr. Maher has over 27 years of experience providing surveying to public agencies. Mr. Maher and Mr. Zemla have worked together for over 18 years and have successfully collaborated on well over 30 public works design projects throughout southern California.

Ultra Engineering Contractors, Inc. is focused on the collection and depiction of subsurface utility data. Ultra's services include locating, designating, documenting and mapping utilities for highway/utility design, construction and renovation projects headed by many of the leading engineering and construction firms in the Southwest as well as many municipalities, public works and utility companies. Ultra is a Subsurface Utility Engineering company providing quality levels QL-D through QL-A.

LOR Geotechnical Group, Inc. is a provider of geotechnical engineering and geo-environmental consulting services clients in the industrial, municipal, and private business sectors. **John Leuer, PE, GE**, has gained a high-level of expertise with over 30 years of experience on literally hundreds of geotechnical projects. Mr. Leuer has an extensive knowledge of the many geotechnical considerations involved in construction in the southern California area. Mr. Leuer is highly experienced in all aspects of soil and foundation engineering for a wide variety of projects. Mr. Leuer has substantial experience coordinating projects for many City, County and State agencies as well as in the public sector, gaining a reputation for being responsive to client's needs while providing strong technical expertise. Mr. Leuer and Mr. Zemla have worked together for over 15 years and have collaborated on the design of several pipeline projects throughout southern California.

PROJECT MANAGEMENT APPROACH

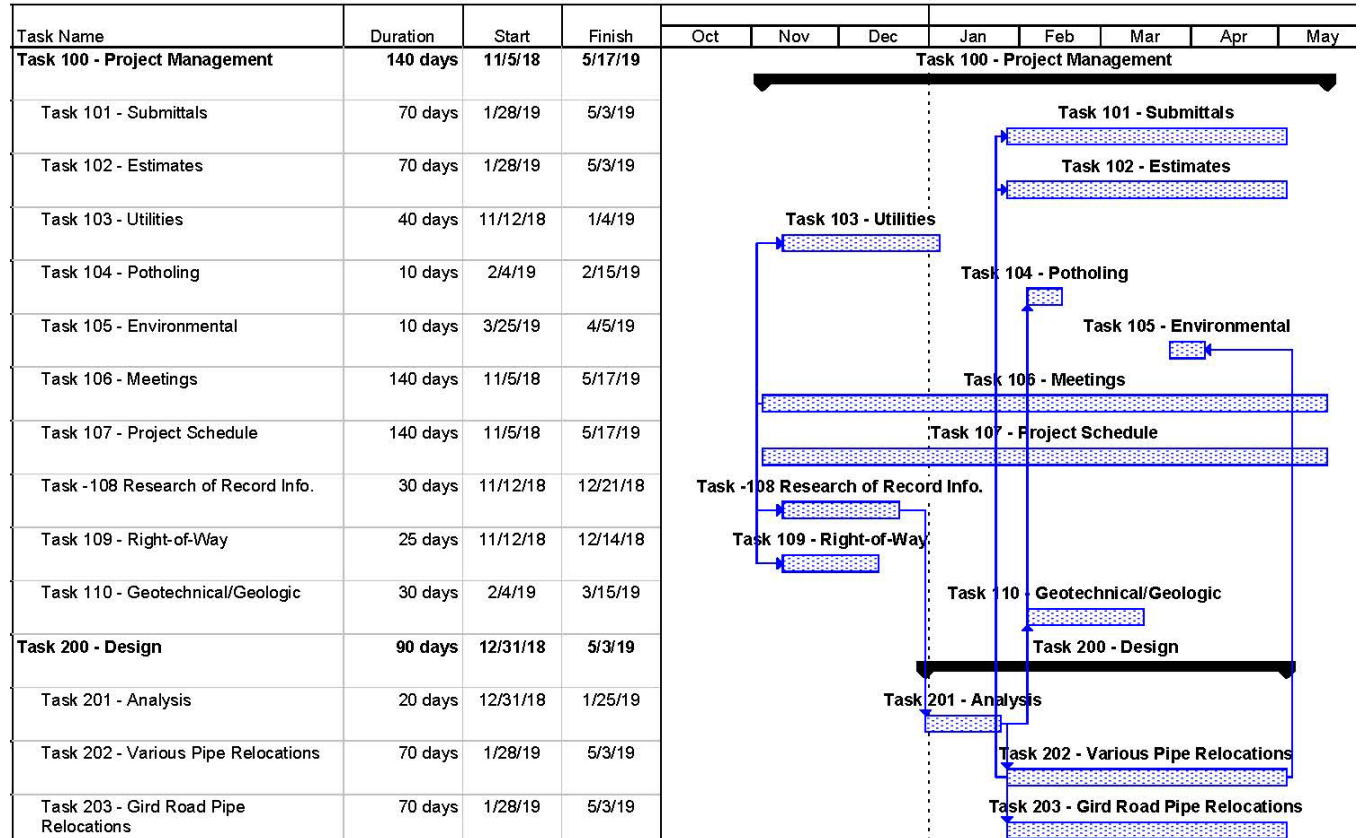
All office work on this project will be performed locally in southern California in our design office in Chino Hills, KDM Meridian's survey office in Lake Forest, and LOR Geotechnical Group's lab in Riverside.

One of our biggest strengths at OCI is our ability to listen, learn, and evolve to provide a design that meets or exceeds our client's expectations and meets the needs of the project and the stakeholders. Our project manager, **Noel Zemla, PE**, will communicate directly with District staff and keep District staff apprised of all issues and developments with the design of the project in a timely manner. Any issues that may affect the project delivery schedule will be brought to the District's attention immediately.

Our project manager will closely monitor the project schedule and regularly meet with OCI staff and our subconsultants to ensure that critical and time-sensitive tasks are completed in a timely manner so as not to delay the project.

PROPOSED SCHEDULE

Below is our proposed schedule to complete the design of the project. OCI and our subconsultants are committed to the timeframes in this schedule and have considered our current and planned workloads and our current and planned workforces.



The above schedule was created using Microsoft Projects and will be used as a template during the design process. The RFP stated that the design contract is tentatively scheduled to go to the RMWD Board from approval on October 23, 2018. The above schedule assumes a start date of November 5, 2018, but this can be easily modified to match the District’s actual Notice to Proceed date after the Board’s approval of the design contract.

STATEMENT OF QUALIFICATIONS

Our project team will be led by **Noel Zemla, PE**. Mr. Zemla has over 25 years of experience in managing and designing water improvements for public agencies throughout southern California. Mr. Zemla will serve as Project Manager and will oversee the design of the water main improvements. Mr. Zemla is a licensed Civil Engineer in the State of California and will stamp and sign all final project plans and documents. Mr. Zemla will be the point of contact for District and Mr. Zemla will manage and direct OCI's subconsultants with the assistance of OCI support staff.

OCI support staff assigned to this project include two designers and a field and drafting technician, all with several years of experience preparing plans and specifications for public improvements similar to this project. **John Gabor**, Senior Designer, will lead the plan preparation and will oversee and direct the work of our designer and technician. Mr. Gabor has over 20 years of experience in managing and designing public improvements for public agencies throughout Southern California. Mr. Gabor and Mr. Zemla have worked together for over 20 years and have an excellent track record with our clients.

We understand that if one or more of our staff should become unavailable, OCI may substitute other staff of at least equal competence only after prior written approval by the District.

Below and on the following pages are examples of recent water main projects designed by Noel Zemla, PE, in southern California to demonstrate our extensive experience in water main systems design.

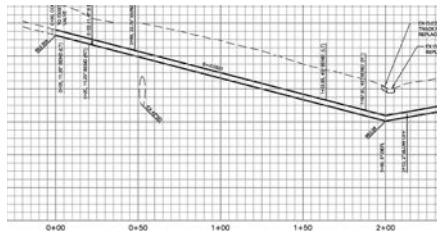
City of El Segundo Replacement of 24-inch Water Line in Rosecrans Avenue



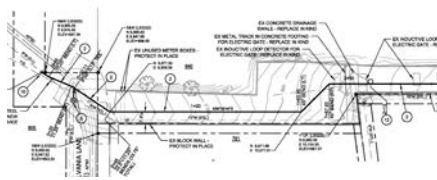
This project includes the replacement of an existing aging 24-inch water main in Rosecrans Avenue from Douglas Street to approximately 1,000 feet west of Sepulveda Boulevard. The prestressed concrete pipeline was constructed in the 1968 has leak and maintenance history and is in need of replacement. The 24-inch water main is fed from a 27-inch steel cylinder concrete pipe (SCCP) in Douglas Street and delivers water to the Chevron Refinery west of Sepulveda Boulevard, a total distance of approximately 5,000 lineal feet. There are also several services and hydrants on the 24-inch water main along the alignment. The new main line will be CML&C steel pipe.

Reference: Mr. Lifan Xu, City Engineer, (310) 524-2368

***City of Glendora
Brown Sage Water Main Replacement***



NOTES:
 1. ALL NEW MAIN LINE WITH POLYETHYLENE ENCASUREMENT. SAME SIZES AND TRENCH DEPTHS FOR ALL MAINS 1.0'.
 2. EXISTING CURBING, WITH REMOVAL OF SAND BEDDING. TRENCH EXISTING METERS SHALL BE CONNECTED TO EXISTING OR NEW MAINS.
 3. ALL VALVES SHALL BE 1/2" GATE VALVES AND VALVE BOX ASSEMBLY TO BE 24" DIA. AND CONNECT TO NEW 8" DUCTILE IRON MAINS WITH 1/2" GATE VALVE BOX.
 4. TO BE INSTALLED AT 10' DEPTH. VALVE AND TRENCH TO BE PLATE INSTALLATION PER S&P 2.0'.
 5. TO BE INSTALLED AT 10' DEPTH. WITH 6" AT 10' DEPTH AND 8" DUCTILE IRON MAINS AT 10' DEPTH.
 6. S&P 1.0 PER S&P 1.0.



This project included the abandonment of a leaking steel water main in the backyard on a hillside that was constant maintenance issue and liability for the City. The new water main was constructed in an easement along a private drive that was accessible to the water maintenance crews. Water meters were relocated to the new easement and new customer service laterals were installed to the residences. The new main line is 8-inch ductile iron with polyethylene encasement for corrosion protection. The project also included temporary bypasses to provide service to customers during the construction and tie-in of the new water main.

Reference: Mr. Jerry Burke, PE, former City Engineer, (909) 393-1056 (now Deputy Manager of Engineering, Inland Empire Utility Agency)

***City of El Segundo
Center Street and Grand Avenue Water Main Replacements***



This project included the replacement of existing 6-inch 8-inch water mains on Center Street and Grand Avenue, a total distance of approximately 4,900 lineal feet. The existing water mains were abandoned in place after the new water mains were put into service and the services were switched over to the new water mains. The old water mains were constructed in the 1930's and 1950's and had an extensive leak and maintenance history. The new water mains in Center Street and Grand Avenue were 10-inch diameter ductile iron pipe.

Reference: Mr. Lifan Xu, City Engineer, (310) 524-2368

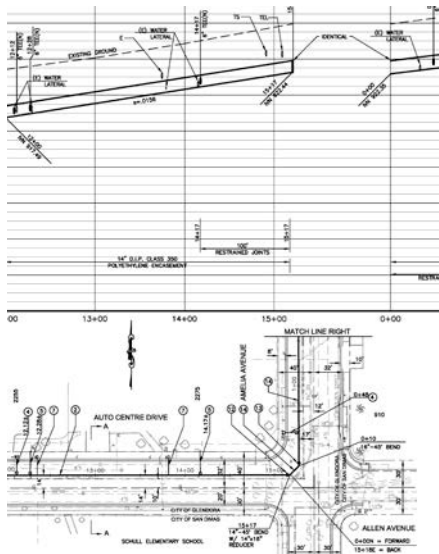
***Camrosa Water District/Leisure Village Association, Camarillo
Leisure Village Reclaimed Water Project***



This project included the design of approximately 8,000 lineal feet of 8-inch PVC reclaimed water main to serve golf course and landscaping in the City of Camarillo with the largest customer being Leisure Village Association. The project included flow modeling to size the new water mains and pressure reducing valves to lower the pressure to be compatible with existing irrigation systems. OCI not only designed the project, we provided construction management and inspection services through the multiple construction phases. OCI also managed the installation of over 2,200 backflow devices at homes along the new reclaimed water pipeline alignment to comply with DHS cross-connection prevention requirements.

Reference: Mr. Bob Scheaffer, General Manager, (805) 484-2861

***City of Glendora
Amelia Avenue Water Main Replacement***



This project included the replacement of existing 12-inch and 16-inch steel water mains on Amelia Avenue and on Auto Centre Drive, a total distance of approximately 7,000 lineal feet. The existing water mains were abandoned in place after the new water mains were put into service and the services were switched over to the new water mains. The old water mains were constructed in the 1950's and had an extensive leak and maintenance history. The new water mains were 14-inch and 16-inch diameter ductile iron pipe. Multiple shutdowns were required during construction due to inoperable valve on the City's aging system. Temporary high lines were installed to maintain service to commercial customers during portions of the pipe laying and during extended duration tie-ins.

Reference: Mr. Jerry Burke, PE, former City Engineer, (909) 393-1056 (now Deputy Manager of Engineering, Inland Empire Utility Agency)

RESOURCE ALLOCATION MATRIX

Omnis Consulting Inc.				KDM Meridian			Ultra Engineering			LOR Geotechnical Group			
Project Manager	Senior Designer	Designer	Technician	Project Surveyor	Survey Technician	Field Crew 2-person	Project Manager	Field Crew 2-person	Project Engineer	Project Geologist	Field Crew 2-person	Lab Technician	

TASK 100 – PROJECT MANAGEMENT AND INFORMATION COLLECTION

TASK 101 – Submittals	24	24										
TASK 102 – Estimates	8		8									
TASK 103 – Utilities	8	16	16									
TASK 104 – Potholing		8		0.5	4	10	16	76				
TASK 105 – Environmental	8	4										
TASK 106 – Meetings	48											
TASK 107 – Project Schedule	16											
TASK 108 – Research of Record Information		8		8	12	104	100					
TASK 109 – Right-of-Way	16	8	24	45	270							
TASK 110 – Geotechnical/Geologic	4	8							15	10	10	27

TASK 200 – DESIGN

TASK 201 – Analysis	24	40										
TASK 202 – Various Pipe Relocations	40	80	60	60								
TASK 203 – Gird Road Pipe Relocations	16	16	32									

TASK 300 – DESIGN SERVICES DURING CONSTRUCTION (DSDC)

TASK 301 – Questions During Construction	16											
TASK 302 - Preparation of As-Built Drawings	4	16	24									
TASK 303 – Owner of Original Drawings, Docs., etc.			4									

FIRM'S LOCAL EXPERIENCE

OCI has extensive experience in the design water systems for many agencies throughout southern California as demonstrated in the Statement of Qualifications section of this proposal. We have successfully designed many water main relocation projects very similar to this project and fully understand and consider the issues that may and arise during construction. The design issues that we have tackled on past water main relocation projects include, but are not limited to:

- Constructability and maintenance of new main line alignment considering traffic control and other physical constraints
- Clearances to existing utilities and cover over new and existing pipelines
- Future extensions of the main lines
- Tie-ins to existing main line to minimize service disruptions
- Existing and proposed valve locations to facilitate shutdowns and maintenance
- Coupling adapters and isolation kits for joining different existing and new pipe materials
- Temporary bypassing (high lining) to maintain service to customers during construction
- Relocating and/or upgrading customer service laterals and meters
- Soil corrosivity and corrosion protection measures

We are well-versed in the design and application of many different pipe materials used in the construction of water mains. We have designed and monitored the construction of water systems using CML&C, ductile iron, and PVC pipe materials and we have dealt with soil corrosivity issues by implementing a cathodic protection system, polyethylene sleeves, and epoxy coating of the pipe exterior.

CREATIVE ALTERNATIVES

We understand from interviewing District staff that CML&C steel is likely the preferred pipe material for the District's new water main, primarily due to the high pressure of the District's system and past and present corrosion protection issues. We agree that CML&C is an excellent product when constructed properly. However, since the pipe joints are field welded together, the cement-mortar lining and coating must be repaired after the welding is complete. If a pipeline is going to leak or fail in the future it is almost always at a joint, particularly a field-assembled joint. To properly repair the cement-mortar lining of a CML&C steel pipe, you either need to enter the pipe for the repair and inspection in the case of larger pipes (typically larger than 18-inches) or "hand holes" need to be provided through the pipe next the joints to allow the Contractor access to repair the cement-mortar lining. On smaller diameter CML&C pipes this can be difficult to inspect due to the limited access and tight space. Further, the final closure at the hand holes are not able to be inspected. One method we have had success with in the past is to require the Contractor to deploy a CCTV camera through the newly constructed pipelines after the lining repair is complete but before the pipe is filled to allow a visual inspection of the joints.

We feel it would be prudent to evaluate the use of ductile iron, for the main lines to be installed in the public roadways, particularly West Lilac Road. This public roadway is narrow, curvy, and well traveled and not ideal for an extended construction project. Ductile iron pipe is more readily available (CML&L pipe is fabricated only after ordered) and ductile iron pipe alignments (horizontal and vertical) can be fairly easily modified in the field to avoid unknown obstacles, thus speeding up construction in the public right-of-way. Joint welding of CML&C and then the lining and coating repairs are typically more time consuming than laying ductile iron pipe. We would of course have to consider the pressure rating and of the ductile iron and any corrosion resistance concerns that arise from the corrosivity report.

We recommend that the District relocate the water meters to the public right-of-way or to the easement that the new water main will be installed in. This will allow the District's maintenance crews proper access to the meters. On past projects, we reconstructed the service lateral from the new meter location to a sound tie-in point on the customer's property and removed the old meter and box. The new piping from the backside of the relocated meter to the customers home would become the property of the property owner. The District could warranty the new lateral for typically one (1) year and then it would become the customer's responsibility to maintain.

ADDITIONS OR EXCEPTIONS TO THE DISTRICT'S RFP

The District issued answers to questions asked by potential proposers on September 20, 2018. In accordance to the answers to these questions, OCI implemented the following additions or exceptions in preparing our proposal:

- Resumes are included as an appendix to the proposal to meet the 25 page limit.
- In preparing out level of effort, we have assumed that only one (1) PS&E will be required to be prepared that includes all five (5) project locations.
- We kept the same general tasks as described in the RFP, but modified and expanded on task descriptions where prudent.
- We will not provide surveyed cross-sections of the roadways since this is a pipeline project and not a street improvement project. We will provide an aerial survey of the project sites flown for a scale of 1"=40'. After the new water main alignments are established in the design, our surveyor will return to the field and survey the existing ground elevations along the proposed water main alignments.

OCI has no additions or exceptions to the District's Professional Services Agreement included in the RFP.

APPENDIX A - RESUMES

Noel Zemla, PE Project Manager

Mr. Zemla has over 25 years of experience in managing and designing public improvements for public agencies throughout southern California. Mr. Zemla's design experience includes potable water systems, recycled water systems, sanitary sewers, drainage studies and hydrology, storm drains, street improvements, retaining walls, traffic signals and street lighting. In addition to his vast design experience, Mr. Zemla has also served as a Construction Manager, Construction Inspector, a Project Engineer for an international contractor, and has worked for a public agency as a Principal Engineer managing a design staff and an annual Capital Improvement Budget. Mr. Zemla is a member of both APWA and AWWA.

Below are representative water system design projects in which Mr. Zemla was in responsible charge and intimately involved in the design of:

City of El Segundo

Replacement of 24-inch Water Line in Rosecrans Avenue

This project includes the replacement of an existing aging 24-inch water main in Rosecrans Avenue from Douglas Street to approximately 1,000 feet west of Sepulveda Boulevard. The prestressed concrete pipeline was constructed in the 1968 has leak and maintenance history and is in need of replacement. The 24-inch water main is fed from a 27-inch steel cylinder concrete pipe (SCCP) in Douglas Street and delivers water to the Chevron Refinery west of Sepulveda Boulevard, a total distance of approximately 5,000 lineal feet. There are also several services and hydrants on the 24-inch water main along the alignment. The new main line will be CML&C steel pipe.

City of Glendora

Brown Sage Water Main Replacement

This project included the abandonment of a leaking steel water main in the backyard on a hillside that was constant maintenance issue and liability for the City. The new water main was constructed in an easement along a private drive that was accessible to the water maintenance crews. Water meters were relocated to the new easement and new customer service laterals were installed to the residences. The new main line is 8-inch ductile iron with polyethylene encasement for corrosion protection. The project also included temporary bypasses to provide service to customers during the construction and tie-in of the new water main.

City of El Segundo

Center Street and Grand Avenue Water Main Replacements

This project included the replacement of existing 6-inch 8-inch water mains on Center Street and Grand Avenue, a total distance of approximately 4,900 lineal feet. The existing water mains were abandoned in place after the new water mains were put into service and the services were switched over to the new water mains. The old water mains were constructed in the 1930's and

1950's and had an extensive leak and maintenance history. The new water mains in Center Street and Grand Avenue were 10-inch diameter ductile iron pipe.

***Camrosa Water District/Leisure Village Association, Camarillo
Leisure Village Reclaimed Water Project***

This project included the design of approximately 8,000 lineal feet of 8-inch PVC reclaimed water main to serve golf course and landscaping in the City of Camarillo with the largest customer being Leisure Village Association. The project included flow modeling to size the new water mains and pressure reducing valves to lower the pressure to be compatible with existing irrigation systems. OCI not only designed the project, we provided construction management and inspection services through the multiple construction phases. OCI also managed the installation of over 2,200 backflow devices at homes along the new reclaimed water pipeline alignment to comply with DHS cross-connection prevention requirements.

***City of Glendora
Amelia Avenue Water Main Replacement***

This project included the replacement of existing 12-inch and 16-inch steel water mains on Amelia Avenue and on Auto Centre Drive, a total distance of approximately 7,000 lineal feet. The existing water mains were abandoned in place after the new water mains were put into service and the services were switched over to the new water mains. The old water mains were constructed in the 1950's and had an extensive leak and maintenance history. The new water mains were 14-inch and 16-inch diameter ductile iron pipe. Multiple shutdowns were required during construction due to inoperable valve on the City's aging system. Temporary high lines were installed to maintain service to commercial customers during portions of the pipe laying and during extended duration tie-ins.

***City of El Segundo
Mariposa Water Main Replacement***

This project included the replacement of the existing 10-inch water main on Mariposa Avenue from Lairport Street/Continental Boulevard to Nash Street that were constructed in the 1950's, had leak and maintenance history, and was in need of replacement. The new water main in Mariposa Avenue was a 10-inch ductile iron pipe. The new water main was designed parallel to the existing water main, a total distance of approximately 1,600 lineal feet, and the existing water main was abandoned in place after the new water main was put into service and the services were all switched over to the new water main. Due to soil corrosivity at this location, the outside diameter of the new ductile iron pipe was epoxy coated in lieu of utilizing a polyethylene encasement.

John Gabor

Senior Designer

Mr. Gabor has over 20 years of experience in managing and designing public improvements for public agencies throughout Southern California. Mr. Gabor's design experience includes potable water systems, street improvements, traffic signals and street lighting. In addition to his design experience, Mr. Gabor has also served as a Project Manager, Construction Manager, Construction Inspector, and as a union contractor.

Below are representative water system design projects in which Mr. Gabor was responsible for the design of:

City of El Segundo

Center Street and Grand Avenue Water Main Replacements

This project included the replacement of existing 6-inch 8-inch water mains on Center Street and Grand Avenue, a total distance of approximately 4,900 lineal feet. The existing water mains were abandoned in place after the new water mains were put into service and the services were switched over to the new water mains. The old water mains were constructed in the 1930's and 1950's and had an extensive leak and maintenance history. The new water mains in Center Street and Grand Avenue were 10-inch diameter ductile iron pipe.

Camrosa Water District/Leisure Village Association, Camarillo

Leisure Village Reclaimed Water Project

This project included the design of approximately 8,000 lineal feet of 8-inch PVC reclaimed water main to serve golf course and landscaping in the City of Camarillo with the largest customer being Leisure Village Association. The project included flow modeling to size the new water mains and pressure reducing valves to lower the pressure to be compatible with existing irrigation systems. OCI not only designed the project, we provided construction management and inspection services through the multiple construction phases. OCI also managed the installation of over 2,200 backflow devices at homes along the new reclaimed water pipeline alignment to comply with DHS cross-connection prevention requirements.

City of El Segundo

Mariposa Water Main Replacement

This project included the replacement of the existing 10-inch water main on Mariposa Avenue from Lairport Street/Continental Boulevard to Nash Street that were constructed in the 1950's, had leak and maintenance history, and was in need of replacement. The new water main in Mariposa Avenue was a 10-inch ductile iron pipe. The new water main was designed parallel to the existing water main, a total distance of approximately 1,600 lineal feet, and the existing water main was abandoned in place after the new water main was put into service and the services were all switched over to the new water main. Due to soil corrosivity at this location, the outside diameter of the new ductile iron pipe was epoxy coated in lieu of utilizing a polyethylene encasement.



OWNER & PROJECT OVERSIGHT



RICHARD MAHER, PLS



rmaher@kdmmeridian.com



Office: 949-768-0734

Mr. Richard C. Maher, a Professional Land Surveyor (PLS) registered in the State of California, and principal of the firm, has extensive experience with public works surveying. Prior to founding KDM Meridian, Mr. Maher worked for 10 years at a versatile Southern California civil engineering firm that provided public works engineering and surveying to City and County agencies.

Rich Maher has over thirty years of experience in the land surveying and civil engineering industries. As principal of KDM Meridian and project manager, Mr. Maher will serve in the capacity of project oversight for this contract. As a founding owner of KDM Meridian, he provides the driving force behind the excellence of service demanded of his entire staff. He will ensure each project's requirements are met, oversee the application of proper quality control and assurance procedures, and commit corporate resources to meet the City's objectives and schedule.

Mr. Maher has extensive experience in all facets of land surveying, participating on a consulting basis, as part of a project team, or in the management of projects with over one hundred different local, county, and state agencies and utilities districts. In that capacity, he has been responsible in whole or in part for project development, right-of-way engineering, annexations, heavy and light construction, design topographic surveys, aerial control networks, legal descriptions, boundary surveys, records of survey, and parcel and tract map preparation. His continuing involvement in the details of daily survey department operations has provided him with extensive knowledge of state-of-the-art technology, hardware, and software used industry-wide. In doing so, Mr. Maher continues to be successful in providing services tailored to each client, acting as their staff, understanding their needs, anticipating issues, and providing solutions.

Professional Licenses

- California Professional Land Surveyor: PLS 7564

Affiliations

- California Land Surveyors Association (CLSA): Member, Director
- CLSA – Orange County (OC) Chapter: Member, Chapter Representative, Technology Chair
- CLSA OC Joint Professional Practices Committee (JPPC): Secretary
- League of California Survey Organizations (LCSO): Member
- California Spatial Reference Center (CSRC): Past-Chairman of Executive Committee (EC)
- CSRC Coordinating Council (CC): Member
- American Association for Geodetic Surveying (AAGS): Member

Professional Experience

- President/Owner: KDM Meridian, Lake Forest, CA 2000-Present
- Survey Manager: Norris-Repke, Inc., Santa Ana, CA 1990-2000

Education

- California State University, Fullerton: Civil Engineering 1990-1992
- University of California, Riverside Extension: GPS Technology 2010-2012
- CLSA Seminars/Conferences, Continuing Education: Various 1996-Present

Speaking Engagements

- CLSA/NALS State Conference:
- CA Real Time GPS Network 2013
- LCSO Geospatial Symposium:
- CA Spatial Reference System 2013
- CLSA/NALS State Conference:
- CA Spatial Reference System 2014
- Fresno State University Conference:
- Least Squares Adjustments 2015
- CLSA State Conference: Joint Professional Practices Committee Panel (Moderator)2017



SURVEY MANAGER



PATRICK EARL, PLS



pearl@kdmmeridian.com



Office: 949-768-0734

Patrick Earl is a professional land surveyor (PLS) registered in the state of California with more than fifteen years of experience in field and office surveying. His previous employment allowed him to learn under a land surveyor with vast experience in the land title business. This gives him a unique understanding of the underpinnings of real property boundary issues. To compliment his field experience in topographic, boundary, and construction surveying, he has exceptional office surveying skills in mapping and the production of legal descriptions and exhibits for the wide variety of documents associated with real property.

Mr. Earl joined KDM Meridian in 2008 as a party chief. He now fills the role of Survey Manager and is responsible for the daily supervision of the office staff's data reduction and mapping processes. He also oversees topographic mapping, boundary analysis, map checking, and survey calculations for the survey department.

Professional Licenses

- California Professional Land Surveyor: PLS 8873

Affiliations

- California Land Surveyors Association (CLSA): Member
- CLSA – Orange County (OC) Chapter: Member

Professional Experience

- Survey Manager:
KDM Meridian, Lake Forest, CA 2000-Present
- Party Chief:
KDM Meridian, Lake Forest, CA 2000-Present
- Party Chief:
Combs Land Surveying, Cerritos, CA 2006-2007
- Chainman:
Combs Land Surveying, Cerritos, CA 2001-2006

Education

- University of California, Santa Barbara: Mechanical Engineering
2000-2004

Ultra Engineering Contractors, Inc.

Focused on the collection and depiction of subsurface utility data, Ultra Engineering's services include locating, designating, documenting and mapping utilities for highway/utility design, construction and renovation projects headed by many of the leading engineering and construction firms in the Southwest as well as many municipalities, public works and utility companies. Ultra is a Subsurface Utility Engineering company providing quality levels QL-D through QL-A.

Our goal is to provide timely, precise utility location information as part of an overall effort to ensure project constructability and control costs. We are sensitive to the fact that utility records may be misleading, incomplete or non-existent, because of this we stand by our commitment to provide the most accurate, reliable and clear utility location and documentation possible through our experience, knowledge, innovative techniques and use of the most advanced technologies available.

Our Air/Vacuum excavating systems are designed to ensure the operator can dig with air 95% of the time; however all have water on board as a backup. With our system, the dry spoils that are produced while digging with air are vacuumed up for easy backfilling when the job is done, eliminating the time and expense associated with mud disposal. For underground utility locating, deep soil sampling, or pipeline maintenance using keyhole technology, with no disturbance to the road base, there is no more economical, safer, faster, or cleaner way to expose underground utilities.

Ultra Engineering offers full service utility locating. We offer Ground Penetrating Radar (GPR), Electromagnetic Induction (EMI), Radio Detection (RD), CCTV/Sonde, Deep Electromagnetic (EM) Profiling, Magnetic locating, Acoustic detection and more. All of our technicians have gone through extensive training and have years of experience locating known and unknown subsurface utilities and objects.

At Ultra Engineering safety is at the core of our existence. Our main purpose in the industry is to safely identify underground utilities, so safety is paramount at Ultra. Our dedication to being the industry leader in every aspect of the Subsurface Utility Engineering profession starts with our safety program. We have one of the most comprehensive safety programs in the industry combined with having all of the proper safety equipment to ensure that these guidelines are adhered to. At Ultra Engineering, safety is the rule not the exception. Federal and State Regulations are the foundation of our program. All of our personnel are taught, retrained and refreshed with the safety policies that relate to their specific job. Only one outcome is acceptable, ZERO accidents.

Ultra Engineering Contractors, Inc. is a member of the American General Contractors Association, Common Ground Alliance, American Public Works Association and a signatory to the IBEW Local 47. Ultra carries WBE, SDB, VSDB and WOSB certifications.

STAFF RESUMES

John P. Leuer, President: CE, GE

jleuer@lorgeo.com

CE-34996, Issued: August 18, 1982

GE-2030, Issued: September 9, 1987

John P. Leuer, President, CE, GE, President

Mr. Leuer will be the principal in charge of assessing the project goals and establishing and implementing the procedures to obtain these goals.

Mr. Leuer holds a B.S. in Civil Engineering from Cal State University at Northridge, graduating in 1979. He is a registered Geotechnical and Civil Engineer in the State of California. Mr. Leuer is a member of the American Society of Civil Engineers, Building Industry of Southern California (BIASC), and the National Groundwater Association. Mr. Leuer believes in continuing education and completed a nine-month soils engineering course at the California State Polytechnical University in Pomona. In addition, Mr. Leuer has instructed evening Soils Technology courses at Riverside Community College for Inspection Certifications.

Mr. Leuer has over 32 years of professional experience in the geotechnical and civil engineering field. In this time, Mr. Leuer has developed an extensive knowledge of the many geotechnical considerations involved in construction in the southern California area. Mr. Leuer is highly experienced in all aspects of soil and foundation engineering for a wide variety of projects ranging from multi-story commercial and industrial structures to several thousand acre planned community developments. Mr. Leuer has substantial experience coordinating projects for many City, County, and State agencies as well as in the public sector, gaining a reputation for being responsive to clients needs while providing strong technical expertise.

Andrew A. Tardie, Staff Geologist

atardie@lorgeo.com

As a staff geologist for LOR Geotechnical Group, Inc., since 1999, Andrew Tardie has been involved in all phases of geotechnical projects, ranging from initial site investigations to inspection and testing of soils/materials within the field and laboratory during construction for both the public and private sectors. Mr. Tardie

has performed hundreds of geotechnical, geologic, and environmental investigations throughout the Inland Empire. This work has included geophysical surveys, slope investigations, liquefaction analysis, seismic hazard analysis, including fault surface rupture, and rock fall analysis. He has proposed on, planned, supervised, and conducted geotechnical projects including hillside investigations, flat land explorations, and earthwork monitoring projects in Riverside, San Bernardino, Orange, Los Angeles, and San Diego Counties. Specialized detail in Mr. Tardie's experience has included logging exploratory borings and trenches, obtaining and documenting field samples, percolation and infiltration feasibility testing, pavement evaluation, and subsequent geotechnical report writing. Mr. Tardie holds a B.A. degree in Geology from California State University, San Bernardino.

Mr. Tardie is a member of the Geological Society of America (GSA), the Association of Environmental and Engineering Geologists (AEG), South Coast Geological Society (SCGS) and the Inland Geological Society (IGS).

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

CONSIDER APPROVAL OF RAINBOW MUNICIPAL WATER DISTRICT UPDATED STRATEGIC PLAN OBJECTIVES

BACKGROUND

On January 26, 2015, the Board approved the Strategic Plan after months of RMWD Board, staff, and committees working diligently on the preparation. The Strategic Plan documented the District's Mission Statement, Core Values, and Key Focus Areas and included goals and objectives for the staff to follow in our day to day work. It was a long effort, but the resulting plan was concise and usable.

DESCRIPTION

Over the last several months, the District Board, Committees, and staff have engaged in a thorough and thoughtful process for updating the RMWD Strategic Plan objectives. These updates bring the plan approved in 2015 current with the District's needs.

Today's action is to provide the updated Strategic Plan objectives for Board consideration.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources
Strategic Focus Area Two: Asset Management
Strategic Focus Area Three: Workforce Development
Strategic Focus Area Four: Fiscal Responsibility
Strategic Focus Area Five: Customer Service
Strategic Focus Area Six: Communication

BOARD OPTIONS/FISCAL IMPACTS

There is no specific fiscal impact of approving the updated Strategic Plan objectives, but the goals and objectives outlined here will be reflected in future spending. The FY2018-2019 budget will be tied closely to the Strategic Plan with all major spending associated with one or more objectives outlined in the Strategic Plan.

- 1) Approve the Strategic Plan objectives as presented.
- 2) Approve the Strategic Plan objectives with revisions.
- 3) Deny approval of the Strategic Plan objectives and provide staff with further direction.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends approval of the Strategic Plan objectives.



Tom Kennedy, General Manager

10/23/18

1	Water Resources
1A	Promote and participate in the development of sensible direct or indirect potable reuse regulations
1A.1	Participate in WaterReuse legislative/regulatory efforts
1A.2	Monitor regulatory process
1.B	Identify and obtain water rights in the San Luis Rey Valley and develop feasible water production strategies
1B.1	Identify water rights holders and make contact regarding potential transfer of rights
1B.2	Identify legal issues surrounding water rights transfer and develop appropriate legal framework for acquisition of rights
1B.3	Develop a method to determine safe yield for groundwater extraction
1B.4	Identify potential location of groundwater treatment facility including brine disposal
1.C	Participate fully and actively in the San Luis Rey Groundwater Sustainability Agency (SLRGSA)
1C.1	Negotiate and enter into an MOU with SLRGSA agencies for initial groundwater studies
1C.2	Participate in all SLRGSA meetings and workshops

2	Asset Management
2A	Implement proactive system-wide pressure management
2A.1	Identify and prioritize high pressure areas to receive additional pressure mitigation strategies
2A.2	Develop standard plans for pressure regulation stations as well as cost effective contracting/construction methods
2A.3	Commence installation of high priority pressure regulation stations
2B	Perform Continuous Condition Assessment
2B.1	Recalibrate condition assessment model annually using "fresh" condition data
2B.2	Integrate condition assessment data collection seamlessly into EAM workflows for field crews
2B.3	Continue development of in-pipe data gathering using video inspection
2B.4	Identify potential methods for pipeline rehabilitation using point repairs or in-situ methods

2.C	Develop a System-wide Corrosion Protection System
2C.1	Commence corrosion protection study to evaluate current status and prescribe remedies
2C.2	Begin implementation of mitigation strategies when they are identified
2D	Develop a Programmatic EIR for Pipeline Replacement Work
2D.1	Issue an RFP for consultant to develop Programmatic EIR
2D.2	Award contract for Programmatic EIR
2D.3	Identify possible real property for acquisition to meet mitigation requirements
2E	Execute Proactive Right-of-Way Management
2E.1	Develop cost effective mechanisms to survey and stake right-of-way boundaries
2E.2	Enhance Right-of-Way policies in Administrative Code
2E.3	Develop mechanisms for efficient identification of encroachments and a method to issue encroachment permits
2F	Commence meter/service replacement and upgrade program
2F.1	Obtain financing for meter/service replacement and upgrade program

3	Workforce Management
3A	Maintain education and training opportunities to ensure continuous improvement and learning for all staff
3A.1	Continue ACWA/JPIA Professional Development Training for Managers, Crew Leaders, UWIII's and Superintendents. Staff to attend quarterly education days to receive credit towards PDP program until complete
3A.2	Conduct on-site computer skills training
3B	Implement performance management module of NEOGOV system
3B.1	Configure NEOGOV with new appraisals, train managers and employees and go-live
3B.2	Implement NEOGOV performance and training of all staff
3C	Conduct annual staff analysis to identify succession planning use of labor and projected labor demands
3C.1	Develop annual assessment of high-priority positions for succession planning through five-year staffing analysis
3C.2	Develop and implement survey of culture employee engagement

3D	Continue cost-effective employee recognition program to acknowledge performance, encourage development and improve morale
3D.1	Solicit continuous nominations for the Excellence Coin program and award coins to employees monthly
3D.2	Hold annual employee recognition event to recognize employees for cumulative nominations and honorable mentions.
3E	Create a safety culture for the District workforce and promote safe work practices
3E.1	Include safety in employee culture survey
3E.2	Develop and implement a new safety incentive program
3E.3	Update Emergency Response Plan and conduct staff training
3F	Revisions of job descriptions as needed
3G	Establish Employment Branding for Recruitment
3G.1	Continue to promote Rainbow career opportunities on social media
3G.2	Maintain at least 1500 subscriptions to interest list on NEOGOV

4	Fiscal Responsibility
4A	Receive GFOA award for budgeting
4A.1	Create a GFOA compliant budget document
4B	CAFR - Submit for consideration for award
4B.1	If no award given this year, take feedback to prepare for next year
4C	Develop Cost-Effective contracting methods for pipeline replacement
4C.1	Develop contractor prequalification system
4C.2	Develop streamlined contracting package that will encourage better pricing by the District assuming certain risks
4C.3	Recruit and retain high quality inspectors, both in house and contract
4D	Complete conversion of UB software
4E	Convert payroll system to 3rd party vendor
4F	Commence implementation of financial software conversion
4G	Obtain District of Distinction Accreditation

4H	Identify and obtain grant funding for various projects
4H.1	Identify requirements for successful grant applications
4H.2	Adapt current and proposed projects to grant requirements to ensure likelihood of approval
4H.3	Identify requirements for reporting to grant agency on progress of projects and develop systems to facilitate this reporting
4I	Establish a Rate Structure That is Less Reliant on Volumetric Sales
4I.1	Conduct a study that shows what the optimum level of fixed revenues would be
4I.2	Develop a financial plan and water rate forecast to reach the optimal level of fixed revenues over time
4J	Identify Opportunities for Stable Revenue Streams Apart from Volumetric Sales
4J.1	Develop a range of options for Board consideration related to possible expansion of property tax assessments

5	Customer Service
5A	Complete integration of UB software to iPad application/GeoViewer
5B	Create a Customer Service Based Culture
5B.1	Identify traits of great customer service organizations and bring those traits into the RMWD organization
5B.2	Enhance training for staff on customer service excellence
5B.3	Create an annual recognition program for customer service excellence
5C	Develop a System for Documenting All Customer Contacts
5C.1	Identify range of customer contact types
5C.2	Identify appropriate method to document each of these contacts
5D	Develop Opportunities for Improved Customer Water Use Information
5D.1	Ensure that water meter data logging systems are capable of providing data during customer interactions
5D.2	Complete Flume pilot project and evaluate performance of the Flume System
5D.3	Bring options to Board to consider once Flume pilot is completed

6	Public Communications / Outreach
6A	Develop Consistent Messaging Throughout the Organization
6A.1	Create a regular employee communications newsletter to provide background information on topics that may come up in customer contacts
6A.2	Install digital employee information panels in key areas to reinforce messaging
6B	Upgrade Printed Collateral to Enhance Readability and Impact
6B.1	Identify cost effective ways to obtain graphic arts services
6B.2	Work with Communications and Customer Service Committee to develop ways to improve look/feel/impact of regular communications
6C	Enhance Community Outreach Methods
6C.1	Participate in as many local community events as possible
6C.2	Develop branded outreach systems with logos for major projects (water service upgrades, PR station installations, Pipeline replacements, etc)
6D	Develop Improved Methods for Delivering Information About Field Operations on Website
6D.1	Identify technical and financial requirements to include information from EAM on public website
6E.2	Provide options for consideration to Communications and Customer Service Committee and Board
6E.3	Implement selected option on website

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 18-16 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE OCTOBER 23, 2018 THROUGH JUNE 30, 2019

BACKGROUND

In compliance with state and CalPERS regulations, the District maintains a Salary Grade structure that includes all job titles, salary grade levels, and monthly salary ranges for each grade. The table is available for public review, accessible from the Rainbow MWD website, and is published on a website hosted by the California State Controller.

On August 28, 2018, the Board approved the current salary grades in Resolution No. 18-13. That resolution included a new Senior Inspector position that was placed in the N5 Grade structure after an analysis of the labor market for the position.

The labor market overlaps two grades, N5 and N6. The N5 grade maximum is 94% of the top of the labor market, and the top of the N6 grade is 108% of the top of the labor market. Both are within 10% of the labor market, which would be considered “in range.” However, the current very low unemployment rate will impact the District’s ability to recruit highly qualified candidates. While it would be unusual to hire in at the top end of a pay range, it is a factor that applicants would consider when deciding whether to apply. Additionally, other agencies have reported to staff that recruiting Inspectors has been particularly challenging lately. Therefore, staff is modifying the recommended salary grade for the Senior Inspector position to move it to the N6 grade in order to give the District a competitive advantage when recruiting for this position.

DESCRIPTION

The grade structure included in Resolution No. 18-16 is revised to reflect change in pay grade for the Senior Inspector position. Resolution No. 18-16 rescinds Resolution No. 18-13.

Resolution No. 18-13 does not change the dollar amounts of the pay ranges in each grade.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Updating this document with current information allows the District to comply with CalPERS requirements and California Code of Regulations 570.5 and 571.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

There is no direct fiscal impact to this action. The indirect cost of the additional wages for updated positions are already reflected in the approved 2018-2019 budget.

This resolution allows the District to comply with CalPERS requirements.

- 1. Option 1: Approve Resolution No. 18-16 as presented.
- 2. Option 2: Do not approve Resolution No. 18-16.

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 18-16.



Karleen Harp, COSM
Human Resources Manager

10/23/2018

RESOLUTION NO. 18-16

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE OCTOBER 23, 2018 THROUGH JUNE 30, 2019

Exempt Salary Grade	Monthly Salary Range/ Hourly Equivalent	Job Titles
GM	\$15,069- \$21,700/ \$86.94 - \$125.19	General Manager
E11	\$10,367.80 - \$14,929.20 / \$59.82 - \$86.13	Engineering Manager Finance Manager Operations Manager
E10	\$9,015.07 - \$13,071.07 / \$52.01 – \$75.41	Human Resources Manager
E9	\$7,839.87 - \$11,367.20 / \$45.23 - \$65.58	Associate Engineer Construction and Maintenance Superintendent Senior IT and Applications Analyst Water Operations Superintendent
E8	\$6,817.20 - \$9,883.47 / \$39.33 - \$57.02	Information Technology and Applications Analyst Environmental Health and Safety Officer Project Manager Wastewater Superintendent

Non-Exempt Salary Grade	Monthly Salary Range/ Hourly Range	Job Titles
N7	\$6,505.20 - \$9,434.53 / \$37.53 - \$54.43	Executive Assistant/Board Secretary Lead Operator Technical Services Team Lead
N6	\$5,657.60 - \$8,203.87 / \$32.64 - \$47.33	Administrative Analyst Crew Leader – Valve Maintenance Crew Leader – Construction & Maintenance Customer Service Supervisor Electronic / Electrical Technician II Right of Way and Facilities Coordinator Senior Engineering Inspector System Operator III
N5	\$4,919.20 - \$7,132.67 / \$28.38 - \$41.15	Accounting Specialist II Crew Leader – Meter Services Electrical / Electronics Technician I Engineering Technician II Mechanic II System Operator II Utility Worker III – Construction Utility Worker III – Valve Maintenance Utility Worker III – Wastewater Services Water Quality Technician II

N4	\$4,277.87 - \$6,201.87 / \$24.68 - \$35.78	Accounting Specialist I Administrative Assistant II Backflow Technician Engineering Inspector I Engineering Technician I Purchasing & Inventory Control Specialist II System Operator I Utility Worker II – Construction Utility Worker II/III – Meter Services Utility Worker II – Valve Maintenance Utility Worker II – Wastewater Services Water Quality Technician I
N3	\$3,719.73 - \$5,394.13 / \$21.46 - \$31.12	Administrative Assistant I Customer Service Representative II Purchasing / Inventory Control Specialist I Utility Worker I – Construction Utility Worker I – Meter Services Utility Worker I – Valve Maintenance Utility Worker I – Wastewater Services
N2	\$3,232.67 - \$4,690.40 / \$18.65 - \$27.06	Customer Service Representative I
N1	\$2,813.20 - \$4,080.27 / \$16.23 - \$23.54	Interns

Legacy Salary Grade	Monthly Salary Range/ Hourly Range	Job Titles
L6	\$4,982-\$6,536 / \$28.74 - \$37.71	Engineering Inspector I
L5	\$4,884-\$6,408 / \$28.18 - \$36.97	Utility Worker III – Meter Services

Resolution No. 18-16 rescinds Resolution No. 18-13.

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 23rd day of October 2018 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary



SEMINAR / CONFERENCE / WORKSHOP TRAINING ATTENDANCE REQUEST

Board Member	Mig Gasca
Name of Conference	2018 AAEEES West Coast Conference (Event)
Date(s) / Time(s)	October 18, 2018
Location	Los Angeles, CA
Employee Contact Phone Number at Conference	Phone No. (<u>909</u>) <u>844-3802</u>
Vehicle	Mileage Reimbursement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Registration	\$60.00
Hotel Accommodations	
Compensation for How Many Days	
Other Costs (List Details)	
Total Cost	\$200.00 (w/Mileage)
Budgeted in GL Acct No.	03-20-75300

Brief Summary of Content – In this era of climate uncertainty; Is SoCal Ready to Invest in Sustainable Local Water Resources? Historically, water purchased from outside the region provided a reliable source. Reduction in imported water supplies, combined with recurring droughts & population growth, indicate that demand for water will overwhelm supply unless new regional sources are developed.
Benefit to RMWD – Employee Will Learn – Progress on Regional Recycled Water Program. Vulnerability of water resources to politics, drought, climate change and crumbling infrastructure. What it would take to capture all LA countywide stormwater for local beneficial reuse.

Attach Seminar, Conference or Workshop Description

 Board Member Signature

 Date 10/09/2018

 GM Approval
 (After approval: Original to Manager. Copy to Supervisor and Employee)

 Date

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

ADMINISTRATIVE CODE SECTION 5.05.050.01 - RECORD RETENTION POLICY AND RELATED SUB-SECTIONS REVIEW AND UPDATE

DESCRIPTION

The District has been working diligently on executing a Records Management Program to lessen the District's liability or risk as well as start the process of implementing an electronic filing system for records to be retained.

One of the first steps in this implementation process was to conduct a thorough review of the District's current record retention policy adopted by the Board as a whole in 2005. It was found since the policy was adopted, only minor revisions have been made to simply reflect decisions made by the Board throughout the years and the sections related to record retention were found to be outdated, unorganized, and difficult to reference when determining record retention and disposition.

Based on this information, staff determined it would be more prudent to dissect Section 5.05.050.01 in its entirety and create a more effective policy by categorizing the records for which each department is responsible. In doing so together we researched government and regulatory codes, examined several other agencies policies for comparison, and reached out to other agencies to get input and direction.

Staff has prepared a draft policy update to Section 5.05.050.01 that is being presented to the Board for review and consideration at this time.



Tom Kennedy, General Manager

10/23/18

Section 5.05.050.01 Records Retention Policy

The purpose of this policy is to provide guidelines to staff regarding the retention or disposal of Rainbow Municipal Water District records; to provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business; to ensure prompt and accurate retrieval of records; and to ensure compliance with legal and regulatory requirements.

For the purposes of this policy, “record” means any record consisting of a “writing” as defined by the Government Code Section 6252(g).

5.05.050.01.1 Authorization

The Board of Directors may by ordinance, adopt a record retention schedule that complies with guidelines provided by the Secretary of State pursuant to Government Code Section 12236 that classifies all the district’s records by category as well as establishes a standard protocol for destruction or disposition of records. Upon adoption, the Board thereby authorizes the General Manager to interpret and implement this policy and directs staff to destroy any and all records, papers and documents that meet the specifications in accordance with the provisions of this policy.

The retention policy shall at all times be subject to the document destruction law for special districts as it may be amended from time to time, and if there is any conflict between that law and this policy, the law shall prevail.

The General Manager may authorize the destruction or disposition of any record that will not adversely affect any interest of the district or public that is not expressly required by law to be filed and preserved.

The General Manager may authorize the destruction or disposition of any duplicate records, paper, or document (original or permanent) which is in the file of any officer or department of the district.

5.05.050.01.2 Guidelines

Any record not expressly required by law to be filed and preserved in original form may be destroyed at any time after it is electronically stored in conformance with the requirements of RMWD Record Retention Policy.

So long as the original or a photographic copy remains on file at Rainbow MWD, other duplicates of that record, paper or document may be destroyed.

In addition to any of the document retention time limits described in the Record Retention Policy, RMWD shall retain documents for a longer period of time under two circumstances:

- A. When the administrative, legal, or financial purpose for the document’s creation has not been fulfilled. For example, planning documents shall be kept until the plan is completed.

- B. When a state or federal law not referenced in "RMWD Records Retention Policy establishes a longer, more specific retention period.

The District is not required to photograph, reproduce or make a copy of any record that is destroyed or disposed of pursuant to this section.

A list of the types of records destroyed or disposed of that reasonably identifies the information contained in the records in each category will be maintained and approved by the General Manager prior to any record destruction or disposition.

5.05.050.01.3 Records, Papers, or Documents Not Required to be Filed

Notwithstanding RMWD Retention Policy, Section 5.050.2, the legislative body of a district may authorize the destruction of any record, paper, or document which is not expressly required by law to be filed and preserved if all of the following conditions are complied with:

5.05.050.01.3.1 The record, paper, or document is photographed, micro photographed reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disks, reproduced on film or any other medium that is a trusted system and that does not permit additions, deletions, or changes to the original document in compliance with the minimum standards or guidelines, or both, as recommended by the American National Standards Institute or the Association for Information and Image Management for recording of permanent records.

5.05.050.01.3.2 The device used to reproduce the record, paper, or document on film, optical disk or any other medium is one which accurately reproduces the original thereof in all details and which does not permit additions, deletions, or changes to the original document images.

5.05.050.01.3.3 The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are placed in conveniently accessible files and provision is made for preserving, examining, and using the files.

5.05.050.01.3.3.1 Every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy of any reproduction shall be deemed to be a transcript, exemplification, or certified copy, as the case may be, of the original.

**Section 5.05.050.02
Records Retention - District Records**

District records must be retained and destroyed according to the schedule provided herein. The Administration department is responsible for the record retention and destruction of records covered in this section.

5.05.050.02.1 District Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
<u>FORMATION DOCUMENTS</u>				
Annexation Documents	PERM	Govt. Code 34090/ 60201		P,E
Deannexation Documents	PERM	Govt. Code 34090/ 60201		P,E
Incorporation Documents	PERM	Govt. Code 60201(d)		P,E
<u>MEETING RECORDS</u>				
Agenda Packets	PERM	Govt. Code 34090		P,E
Agendas	PERM	Govt. Code 34090		P,E
Audio Recordings	A	Govt. Code 54953.5		DB
Minutes	PERM	Govt. Code 60201 (d)		P,E
<u>POLICIES</u>				
Administrative Code	PERM	Govt. Code 60201		P,E
District Policies	PERM	Govt. Code 60201		P,E
Ordinances	PERM	Govt. Code 60201(d)		P,E
Resolutions	PERM	Govt. Code 60201(d)		P,E
<u>PUBLIC-RELATED DOCUMENTS</u>				
Conflict of Interest Code Documents (Not Including Admin. Code C.O.I.)	CU + 7	Govt. Code 81009	Board Secretary	P,E

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
Ethics Training Records (Unless Kept in Personnel Files for Board and Staff)	5	Govt. Code 53235.2	Board Secretary	P,E
Form 700's	CU + 7	Govt. Code 81009	Board Secretary	P,E
Form 801	CU + 7 (On Website for 4 Yrs.)	Regulation 18944; 18944.1; 18950	Board Secretary	P,E
Form 802	CU + 7	Regulation 18944.1	Board Secretary	P,E
Form 803	CU + 7	Govt. Code 82015	Board Secretary	P,E
Form 804	CU + 7 (Same as Conflict of Interest Code)	Regulation 18734	Board Secretary	P,E
Form 805	CU + 7 (Same as Conflict of Interest Code)	Regulation 18734	Board Secretary	P,E
Form 806	CU + 2 (On Website 2 Years)	FPPC 18702.5(b)(3) Govt. Code 60201(d)(10)	Board Secretary	P,E
Legal Notices for Public Hearings/Publication of Ordinances	2	Govt. Code 34090	Board Secretary	P,E
Newsletter	CU + 2 Unless Kept for Historical Data		Administration	P,E
Press Releases	CU + 2 Unless Kept for Historical Data		Administration	P,E
Public Records Act Requests (CPRA's)	CL + 2	Govt. Code 60201(d)(5)	Board Secretary	P,E
<u>MISCELLANEOUS</u>				
Contracts – Non-Construction	L + 7	State Department	All	
General Correspondence (emails, memos, letters, facsimiles)	AU + 7		All	P,E
Internal Committee/Group Records (ESG, ROC, etc.)	CU + 10			
Litigation (Pending Claim/Litigation or Any Settlement of Litigation)	S + 5	Gov. Code 6254	All	P,E

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
Other Records	Per GM Consistent with Record Retention Program			P,E
Outside Organization Documents (RSVP's, Agendas)	CU + 1		Board Secretary	P,E
Strategic Plans	CU + 25	Govt. Code 60201		P,E
Unaccepted Bids	CL + 2	Govt. Code 34090	All	P,E
<u>BOARD-RELATED DOCUMENTS</u>				
Board Appointment Lists	CU + 7		Board Secretary	P,E
Campaign Statements (Original and Copies)	7	FPPC	Board Secretary	P,E
Campaign Statements and Reports	C + 7	Political Reform Act Retention Policy (Gov. Code 81009(f))	Board Secretary	P,E
Compensation Forms	AU + 7		Paper – Board Sec. Electronic - Finance	P,E
Expense Reports (Traveling)	AU + 7		Finance	P,E
North County Joint Powers Authority (FPUD/LAFCO Matter)	PERM			P, E
Personnel Files	CU _ 7	Govt. Code 81009	Board Secretary	P, E

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**Section 5.05.050.03
Records Retention - Legal Records**

District legal records must be retained and destroyed according to the schedule provided herein. The Administration department is responsible for the record retention and destruction of records covered in this section.

5.05.050.03.1 Legal Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	DEPARTMENT RESPONSIBLE	MEDIA TYPE
Original Contracts	L + 7	Administration	P,E
Pending Claim, Litigation, Settlement, or Disposition of Litigation	S + 5	Administration	P,E
Unaccepted Bid or Proposal	CL + 2	Administration	P,E

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Section 5.05.050.04

Records Retention - Human Resources Records

District human resources records must be retained and destroyed according the schedule provided herein. The Human resources department is responsible for the record retention and destruction of records covered in this section.

5.05.050.04.1 Human Resources Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	MEDIA TYPE
<u>JOB APPLICATIONS</u>		
Applications for Vacancies (To Include Pre-Employment Skills Testing and Interview Notes)	A + 3	P,E
Successful	Reference "Personnel Files"	P
Unsuccessful	2	P,E
<u>MISCELLANEOUS</u>		
Contracts	<u>L + 7</u>	<u>P,E</u>
Litigation (Pending Claim/Litigation Or Any Settlement of Litigation)	<u>S + 5</u>	<u>P,E</u>
Unaccepted Bids	<u>CL + 2</u>	<u>P,E</u>
<u>PERSONNEL FILES*</u>		
Benefits Forms	New + 3	DB,E,P
Electronic Copies	T + 20	DB,E
Hard Copies	T + 4	P
Retiree Personnel Files	Retiree or Retiree Spouse Death + 5	DB,E,P

**Personnel Files Include the Following:*

- Applications, Changes and Termination of Employees
- Insurance Enrollment Records of Employees
- Job Descriptions
- Performance Records
- Retirements
- Agreements and Acknowledgements
- Licenses Certification Verifications
- Employee Discipline

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**Section 5.05.050.05
Records Retention - Finance Records**

District financial records must be retained and destroyed according to the schedule provided herein. The Finance department is responsible for the record retention and destruction of records covered in this section.

5.05.050.05.1 Finance Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	DEPARTMENT RESPONSIBLE	MEDIA TYPE
<u>ACCOUNTS PAYABLE</u>			
Accounts Payable Invoices	AU + 7	Finance	P,E
Accounts Payable Ledger	AU + 7	Finance	P,E
Accounts Payable Register	AU + 7	Finance	P,E
Accounts Payable Reports	AU + 7	Finance	P,E
Accounts Payable Supporting Docs (Invoice, PO)	AU + 7	Finance	P,E
Cancelled/Voided Checks	AU + 7	Finance	P
Cash Disbursement Requests	AU + 7	Finance	P,E
Petty Cash Records	AU + 7	Finance	P,E
Tax Reports (1099 Tax Info>Returns)	AU + 7	Finance	P,E
Tuition Reimbursement Records	AU + 7	Finance	P,E
<u>ACCOUNTS RECEIVABLE</u>			
Accounts Receivable Invoices	AU + 7	Finance	P,E
Accounts Receivable Ledger	AU + 7	Finance	P,E
Accounts Receivable Register	AU + 7	Finance	P,E
Assessment Pay-Offs	AU + 7	Finance	P,E
Bank Deposits	AU + 7	Finance	P,E
Journal Entries	AU + 7	Finance	P,E
Refunds	AU + 7	Finance	P,E
Revenue Backup	AU + 7	Finance	P,E
Taxes Receivable	AU + 7	Finance	P,E
<u>BANKING</u>			
Bank Reconciliation	AU + 7	Finance	P,E

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RECORD	RETENTION PERIOD	DEPARTMENT RESPONSIBLE	MEDIA TYPE
Bank Statements	AU + 7	Finance	P,E
<u>CASH RECEIPTS</u>			
Cash Receipts	AU + 7	Customer Service	P,E
Deposit Register	AU + 7	Customer Service	P,E
Deposits	AU + 7	Customer Service	P,E
<u>COLLECTIONS</u>			
Demand Letters	AU + 7	Customer Service	P,E
Liens	AU + 10	Customer Service	P,E
Release of Liens	AU + 7	Customer Service	P,E
Tax Roll Delinquencies	AU + 7	Customer Service	P,E
<u>CUSTOMER RECORDS</u>			
Direct Debit Forms	PERM	Customer Service	P,E
General Correspondence	PERM	Customer Service	P,E
Initial Service Orders	PERM	Customer Service	P,E
Owner/Tenant Authorizations	PERM	Customer Service	P,E
PEP Forms	PERM	Customer Service	P,E
<u>FINANCIAL RECORDS</u>			
Adjusting Entries	AU + 7	Finance	P,E
Audited Financial Statements	Permanent	Finance	P,E
Balance Sheet	AU + 7	Finance	P,E
Bonds Payable and Other Long-Term Indebtedness	AU + 7	Finance	P,E
Budgets	AU + 7	Finance	P,E
Capital Asset Records	AU + 7	Finance	P,E
Changes in Fixed Assets	AU + 7	Finance	P,E
Closing Entries	AU + 7	Finance	P,E
Construction	AU + 7	Finance	P,E
Depreciation Schedule	AU + 7	Finance	P,E
Fixed Asset Subsidiary Ledger	AU + 7	Finance	P,E

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RECORD	RETENTION PERIOD	DEPARTMENT RESPONSIBLE	MEDIA TYPE
(Includes Inventory)			
General Ledger	AU + 7	Finance	P,E
Journals	AU + 7	Finance	P,E
Lease-Purchase Records	AU + 7	Finance	P,E
Monthly Financial Statements	AU + 7	Finance	P,E
Note Register	AU + 7	Finance	P,E
Other Financial Reports	AU + 7	Finance	P,E
Profit and Loss	AU + 7	Finance	P,E
Reversing Entries	AU + 7	Finance	P,E
Schedule of Investments	AU + 7	Finance	P,E
Special Event/Action Accounting Record	AU + 7	Finance	P,E
State Controller Reports	AU + 7	Finance	P,E
Surplus Property List	AU + 7	Finance	P,E
Trial Balance	AU + 7	Finance	P,E
Vehicle Titles and Records	AU + 7	Finance	P,E
<u>GRANTS</u>			
Federal Grants, Including FEMA / Other Emergencies (applications, reports, contracts, supporting documents)	AU + 7	Finance	P,E
Grants-In-Aid (applications, reports, contracts, supporting documents)	AU + 7	Finance	P,E
Long-Term Debt Records	AU + 7	Finance	P,E
State Grants (applications, reports, Contracts, supporting documents)	AU + 7	Finance	P,E
<u>MISCELLANEOUS</u>			
Contracts (bids, proposals)	L + 7	All	P,E
General Correspondence (emails, memos, letters, facsimiles)	AU + 7	All	P,E
Litigation (Pending Claim/Litigation Or Any Settlement of Litigation)	S + 5	All	P,E
Special Event/Action Accounting Record	AU + 7	Finance	P,E
Unaccepted Bids	CL + 2	All	P,E

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RECORD	RETENTION PERIOD	DEPARTMENT RESPONSIBLE	MEDIA TYPE
<u>PAYROLL</u>			
Payroll Authorization Forms	New + 3	Finance	P,E
Payroll Deductions	AU + 7	Finance	P
Payroll Journal	AU + 7	Finance	E
Payroll Reports (registers, statements, etc.)	AU + 7	Finance	E
Tax Reports (W2's, W3's, W4's, DE9's, 941's)	AU + 7	Finance	P,E
Timesheets	AU + 7	Finance	P,E,DB
Wage Garnishments	AU + 7	Finance	P
<u>PURCHASING</u>			
Inventory Records	AU + 7	Purchasing	P,E
Purchase Orders	AU + 7	Purchasing	P,E
Requisitions	AU + 7	Purchasing	P,E
<u>UTILITY BILLING</u>			
Meter Reports	AU + 7	Customer Service	P,E
Payment Stubs & Tapes	AU + 7	Customer Service	P
Refunds	AU + 7	Customer Service	P,E
Service Requests	AU + 7	Customer Service	P,E,DB
Utility Billing Adjustments	AU + 7	Customer Service	P,E
Utility Billing Register	AU + 7	Customer Service	P,E

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Section 5.05.050.06

Records Retention - Engineering Records

District engineering records must be retained and destroyed according to the schedule provided herein. The Engineering Department is responsible for the record retention and destruction of records covered in this section.

5.05.050.06.1 Engineering Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	POSITION RESPONSIBLE	MEDIA TYPE
<u>CAPITAL IMPROVEMENT PROGRAM (CIP)</u>			
As Builts	PERM	Engineering Tech.	P,E
Fireflow Analysis	CU + 2	Engineering Tech.	P,E
Inspection	PERM	Engineering Tech.	P,E
Pipeline Inspection Videos	CU + 3	Engineering Tech.	P,E
Plans	PERM	Engineering Tech.	P,E
Preliminary Plans	CL + 3	Engineering Tech.	P,E
Project Files	L + 10	Engineering Tech.	P,E
Reports	PERM	Engineering Tech.	P,E
Sewer Applications	PERM	Engineering Tech.	P,E
Sewer Availability Documents	CU + 5	Engineering Tech.	P,E
Water Applications	PERM	Engineering Tech.	P,E
Water Availability Documents	CU + 5	Engineering Tech.	P,E
<u>LAND DEVELOPMENT</u>			
Inspection	PERM	Engineering Tech.	P,E
Pipeline Inspection Videos	CU + 3	Engineering Tech.	P,E
Plans	PERM	Engineering Tech.	P,E
Preliminary Plans	CL + 3	Engineering Tech.	P,E
Project Files	L + 10	Engineering Tech.	P,E
Reports	PERM	Engineering Tech.	P,E
Request for Proposals/Proposals	CL + 7	Engineering Tech.	P,E
Statement of Qualifications	CL + 7	Engineering Tech.	P,E
<u>MISCELLANEOUS</u>			
Contracts (bids, proposals)	L + 7	All	P,E

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RECORD	RETENTION PERIOD	POSITION RESPONSIBLE	MEDIA TYPE
General Correspondence (emails, memos, letters, facsimiles)	AU + 7	All	P,E
Litigation (Pending Claim/Litigation Or Any Settlement of Litigation)	S + 5	All	P,E
Unaccepted Bids	CL + 2	All	P,E
<u>OTHER</u>			
Annexations	PERM	Engineering Tech.	P,E
Claims	CL + 7	Engineering Tech.	P,E
Easements and Right-Of-Ways	PERM	Engineering Tech.	P,E
Encroachments	PERM	Engineering Tech.	P,E
General Correspondence (See CIP or Land Development Record Retention for correspondence associated with these categories.)	CU + 7	Engineering Tech.	P,E
Hydraulic Models	CU	Engineering Tech.	P,E
Maps	PERM	Engineering Tech.	
Master Plan/Management Plans	PERM	Engineering Tech.	P,E
Standard Drawings/Specifications	PERM	Engineering Tech.	P,E
Water Rights	PERM	Engineering Tech.	

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Section 5.05.050.07

Records Retention - Operations Records

District operations records must be retained and destroyed according to the schedule provided herein. The Operations department is responsible for the record retention and destruction of records covered in this section.

5.05.050.07.1 Operations Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
<u>CONSTRUCTION & MAINTENANCE</u>				
Potable Water Discharges	CU + 5	RWQCB SWRCB	Superintendent	E
Service Requests	PERM		Superintendent	P
Work Orders	PERM		Superintendent	P,E
<u>METERS</u>				
Downsize/Upsize Documentation	CU +7		Meter Crew Leader	P
Meter Exchanges	CU + 9	AWWA	Meter Crew Leader	E
Meter Testing	CU + 5		Meter Crew Leader	E
<u>MISCELLANEOUS</u>				
Contracts - Copies	L + 7	State Department	Operations Manager	P,E
Litigation (Pending Claim/Litigation or Any Settlement of Litigation)	S + 5	Govt. Code 6254	Operations Manager	P,E
Unaccepted Bids	CL + 2	Govt. Code 34090	Operations Manager	P,E
<u>TECHNICAL SERVICES</u>				
FLEET				

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
BIT Inspections	2		Mechanic	E,DB
Daily Vehicle Inspection Reports (Commercial Vehicles)	2	D.O.T.	Mechanic	P
Daily/Weekly Vehicle Inspection Reports	1		Mechanic	P
D.O.T. Records	3		Mechanic	P
Equipment Titles and Registration	PERM w/Equipment		Mechanic	P
Fuel Usage Reports	PERM		Purchasing	DB
Generator/Mobile Equipment Maintenance Records	PERM w/Equipment		Mechanic	P
Generator/Mobile Equipment Permits and Records	5		Mechanic	P
Recycling Records	PERM		Mechanic	P,DB
Repair Records	PERM w/ Vehicle		Mechanic	DB
SMOG Certificates Including Test Results	PERM w/ Vehicle		Mechanic	DB
SMOG Checks	3		Mechanic	DB
Vehicle Titles and Registration (Originals In Vault & Copies in Vehicles)	PERM w/Vehicle		Mechanic	P
MECHANICAL/ELECTRICAL				
FCC Licenses and Certificates	PERM w/Facility		Electrical/Electronic Technician	P
Inspection Sheets (Motor Control & Electrical Maintenance)	PERM		Electrical/Electronic Technician	P,E
Inspection Sheets (SCADA Maintenance)	PERM		Electrical/Electronic Technician	P,E
Project Sheets	PERM w/Project		Electrical/Electronic Technician	P
WATER QUALITY & TREATMENT				
		SWRCB		
Backflow Reports	CU + 3		Water Quality Technician	P,E

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
Bacteriological Analysis (Original & Tabular Summary)	CU + 5		Water Quality Technician	P,E
Chemical Analysis	CU + 10		Water Quality Technician	P,E
Chlorine Residual/Monthly Reports	CU + 10		Water Quality Technician	P,E
Consumer Confidence Reports	CU + 2		Operations Manager	E
General Physical Samples	CU + 10		Water Quality Technician	P
Lead & Copper Sampling	CL + 12		Water Quality Technician	P,E
Potable Water Discharges - Samples	CU + 5		Water Quality Technician	E
Sanitary Surveys	CU + 10		Water Quality Technician	P,E
TTHM and HAAS Samples	CU + 10		Water Quality Technician	P,E
Violation & Corrective Actions	CU + 10		Water Quality Technician	P,E
Water Quality Complaint Reports	CU + 10		Water Quality Technician	P,E
<u>WASTEWATER</u>				
		State Water Resource Control Board/WDR/SSMP		
CCTV Inspection Logs	PERM		Superintendent	DB
CCTV Videos	CL + 5		Superintendent	V
Confined Space Records	CU + 5		Superintendent	P
FOG Program	PERM w/Facility		Superintendent	P,E
Generator (Stationary) Records/Permits	PERM w/Equipment		Superintendent	P
High Frequency Cleaning Logs	CL + 5		Superintendent	P,E
Lift Station Preventative Maintenance	PERM w/Equipment		Superintendent	P,E
Monthly Call-Out/Reports	CU + 5		Superintendent	P,E
Non-Hazardous Special Waste & Asbestos Manifest	PERM		Superintendent	P

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
Oak Crest Estates WWTP	PERM w/Facility		Superintendent	P,E
SCADA Flow Data	PERM		Superintendent	DB
Spill Logs/Reports	PERM		Superintendent	P,E
SSMP WDR Annual Audit (Internal)	2		Superintendent	E
SSMP WDR Update	CU + 5		Superintendent	P,E
Stallion Calibration Records	PERM		Superintendent	P
Stallion Outfall Samples	PERM		Superintendent	E
Vactor Cleaning Logs	CU		Superintendent	E
<u>WATER OPERATIONS</u>				
		CDHS		
Beck Reservoir	PERM	Division of Safety of Dams	Superintendent	P
Chlorine Stations Maintenance Records	CU + 3		Superintendent	P
CO2 Daily Station Log Sheets	CU + 2		Superintendent	P
Confined Space	CU + 5		Superintendent	P
Cover Inspections (Covered Reservoirs)	CU + 5		Superintendent	P,E
Daily Operator Logs/Flow Change Logs	CU + 5		Superintendent	P
Dive Inspection Sheets (Covered Reservoirs)	CU + 6		Superintendent	P,V
Generator (Stationary) Records	CU + 2		Superintendent	P
Meter Calibrations	CU + 5		Superintendent	E
Pump Station Inspection Log Book	CU + 5		Superintendent	P
Pump Station Maintenance Records	PERM w/Equipment		Superintendent	P,E
SCADA Flow Data	PERM			DB
Tank Inspections (Monthly)	CU + 2		Superintendent	P,E
Tank Maintenance Contractor Records	CU + 5		Superintendent	P,E
Work Orders	CL + 3		Superintendent	P,E

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**Section 5.05.050.08
Records Retention - IT Records**

District information technology (IT) records must be retained and destroyed according to the schedule provided herein. The IT department is responsible for the record retention and destruction of records covered in this section.

5.05.050.08.1 IT Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	MEDIA TYPE
<u>EMAILS</u>		
Emails	15 Years	E
<u>MISCELLANEOUS</u>		
Contracts	<u>L + 7</u>	<u>P, E</u>
Litigation (Pending Claim/Litigation Or Any Settlement of Litigation)	<u>S + 5</u>	<u>P, E</u>
Unaccepted Bids	<u>CL + 2</u>	<u>P, E</u>

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Section 5.05.050.09

Records Retention – Risk Management Records

District risk management records must be retained and destroyed according the schedule provided herein. The Risk Management department is responsible for the record retention and destruction of records covered in this section.

5.05.050.09.1 Risk Management Retention Management Reference Guide

RECORD	RETENTION PERIOD	REGULATORY INFO	RECORD LOCATION	MEDIA TYPE
<u>ENVIRONMENTAL</u>				
Air Pollution Control District Inspections (Including tanks/generators)	PERM	3 Yrs. Per Permit	Safety Files On Site	P
Asbestos Records (Including identification and disposal manifests)	PERM	3 Yrs. Per Permit	Safety Files	P
Compliance Inspection Reports (External agency re: regs/hazardous materials/pesticides, etc.)	3	Gov. Code 60200	Safety Files	P
Hazardous Material (Including material safety data sheets/inventory list & handling procedures)	CU + 10	Cal OSHA	Online, On-Site Common Areas	P,E
Hazardous Waste Compliance Inspections (Including internal/external (County Environmental Health)	CU + 10	Cal OSHA	Safety Files	P
Hazardous Waste Disposal Manifests	CU + 10	Cal OSHA		
Pesticide Records (inventory/use/disposal)	CU + 2	Gov. Code 60200	Safety Files	P
<u>INSURANCE</u>				
Claims (Not Litigated)	CU + 6	Gov. Code 60200	Online/Safety Files	
Coverage (Including Policies/JPIA MOU's)	PERM	Gov. Code 60200	Online	P,E

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RECORD	RETENTION PERIOD	REGULATORY INFO	RECORD LOCATION	MEDIA TYPE
Terminal Safety Inspection & Compliance Records (BIT Program – DMV Pulls)	CL + 3	Gov. Code 60200	Safety Office	P
Training Records (Including attendance, new employee orientation, scheduled, certification, tailgate rosters)	CU + 7	Gov. Code 60200	Safety Office/ Network	P,E
Workers Compensation Files	I + 5 Or CL + 2	CCR 15400.2	Safety Office/ Online	P,E
Workplace Assessments (Including ergonomic studies/job hazard analysis)	CU + 2	Gov. Code 60200		

*A=Active AU=Audit CL=Closed or Completed CU=Current DB=Database
E=Electronic I=Injury L=Life O=Open P=Paper PERM=Permanent S=Settled
T=Termination or Term of Document V=Videos*

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2018	MEETING	LOCATION	ATTENDEES	POST
November	8	SDCWA Special Board Meeting	SDCWA	GM	N/A
November	15	CSDA – San Diego Chapter	(Location to be Announced) 6:00 p.m.	Mack	N/A
November	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
November	*	Santa Margarita River Watershed Watermaster Steering Committee	Rancho California Water District	Hamilton	N/A

* To Be Announced

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING					
DATE	2018	MEETING	LOCATION	ATTENDEES	POST
November	1	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	10/26
November	5	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
November	7	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	10/26
November	13	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	10/26
November	13	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
November	20	Council of Water Utilities	Hotel Karlan 14455 Penasquitos Drive San Diego 7:15 a.m. Poway	All Directors, General Manager	N/A
November	28	San Luis Rey Watershed Council	Pala Administration Building 1:00 p.m.	Stewart	N/A
December	3	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
December	4	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	11/27
December	4	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
December	5	North County Water Group	Rincon Del Diablo, Escondido 7:30 a.m.	All Directors on a Rotating Schedule, General Manager	N/A
December	5	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	11/27
December	6	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
December	6	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A
December	6	Communications and Customer Service Committee Meeting	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	11/27
December	11	Budget and Finance Committee Meeting	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	11/27



STAFF TRAINING REPORT

ATTENDEES NAME(S):	27 Employees (See List Below)
TITLE OF TRAINING/CONFERENCE/WORKSHOP/CLASS:	Association of California Water Agencies JPIA
DATE(S) ATTENDED:	September 26 & 27, 2018
AGENCY HOSTING TRAINING/CONFERENCE/WORKSHOP/CLASS:	ACWA-JPIA
LOCATION:	Hilton San Diego Del Mar
<p>BRIEF DESCRIPTION:</p> <p>A group of District employees attended the ACWA-JPIA training conference to complete coursework towards certification in the ACWA-JPIA Professional Development Program in one of three concentrations: Human Resources, Supervisor Basics, or Operations.</p> <p>Coursework at the conference included:</p> <p>HUMAN RESOURCES AND SUPERVISION Onboarding Staff, Nuts and Bolts of Supervision, Effective Performance Feedback, Job Descriptions, Workplace Violence Prevention, Documentation, and Managing Generations.</p> <p>OPERATIONS AND SAFETY Traffic Control and Flagger, Injury and Illness Prevention Program, Competent Person Roles & Responsibilities, Hazard Communication, Accident Investigation, Fall Protection, Hazard Identification, Customer Service, Trenching and Excavation, Personal Protective Equipment, Respiratory Protection, Lockout/Tagout, CalOSHA Inspections, and Ergonomics.</p> <p>ATTENDEES: Karleen Harp, Charmaine Esnard, Dawn Washburn, John Maccarrone, Armando Lopez, Wayne Nault, Ed Bradley, Steve Coffey, Renee Rubio, Bryan Rose, Gerardo Cancino, Carlos Ramos, Justin Demary, Scott Simpson, Chris Hand, Chris Heincy, Chuck Faust, Ruben Lopez, Ricardo Zaragoza, Jerry Kraft, Thomas Sjuneson, Jesus Hernandez, Kyle Schilling, Marc Walker, Mark Cline, Michael Gonzalez</p>	

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

Operations Report for September 2018

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

The Construction crews repaired twelve (12) leaks, five (5) water mains and five (5) service leaks. The crew performed seven (7) planned/emergency shutdowns. They also installed and/or repaired four (4) appurtenances, one (1) 6" plug valve and two (2) new 6" gate valves. The crews maintained District easements as well as completed work at the District Yard. Through their efforts, the pressure station at Rancho Amigos is functioning now. In addition, the crews assisted with the SCADA at Lookout Mountain Tanks 1 & 2. Some of the C&M staff also assisted the Meter and Wastewater crews.

WATER OPERATIONS and VALVE MAINTENANCE DEPARTMENT:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Appurtenances
Exercised	48	86	N/A
Inoperable	1	1	0
Repaired	0	0	0
Replaced	0	0	0
Installed	0	0	0

Water Operations completed and/or oversaw the following:

- 13 monthly tank inspections and 3 reservoir cover inspections completed
- Collected all 4 sets of routine samples for the lab
- Collected UCMR4 samples for the lab
- Completed nitrification tests on all tanks and reservoirs
- Canonita Tank still offline for re-coating of inside
- Maintenance performed on Atkins Pressure Station, both 8" and 4" pressure valves
- Replaced 4" gate valve at Atkins Pressure Station
- Maintenance performed on Pala Mesa Pressure Station
- Maintenance performed on Canonita Pressure Station

- Maintenance and testing performed on 4 pressure relief stations in the Morro Zone
- Modified the Morro Reservoir and Gopher Tank Zones to reduce pressure on Dentro De Lomas

Valve Maintenance completed and/or oversaw the following:

- 143 locates completed
- Assisted with three (3) shutdowns
- Replaced two (2) air vacs / (1) wharfhead
- Replaced one (1) 2" regulator
- Painted 86 appurtenances

WASTEWATER DEPARTMENT:

Monthly, Semi Annual and Annual Reports:

California Integrated Water Quality System (CIWQS): Confirmation # 2526385 Reported "No Spill Report" for September 2018.

Lift Stations Pumps / Preventative Maintenance:

September 4, 2018 – Cure in place repair: 1046 Little Gopher Canyon Road, RMWD 8" PVC to 3" PVC sewer lateral repair

September 11, 2018 – Quarterly electrical megging: Old River Road Lift Station, School House Lift Station; Lift Station #6 Fallbrook Oaks, Lift Station #4 Rancho Monserate, Lift Station #5 Rancho Viejo and B-Plant Lift Station #3.

September 12, 2018 – Lift Station # 5: Rancho Viejo annual preventative maintenance service Pump #s 1 and 2.

September 25, 2018 – Monthly sewage sample: Stallion Flow Metering Station per City of Oceanside.

September 26, 2018 – Raised buried manhole in backyard at Serranos Court.

September 27 - 28, 2018 – Wastewater personnel assisted Meter Department.

Sewer Line Cleaning:

August 30, 2018 - September 5, 2018 = 678'

September 13 - 19, 2018 = 1,638"

September 27 - October 3, 2018 = 3,100'

Total footage cleaned = 5,416'

High frequency line cleaning:

September 6 – 12, 2018 = 2,264"

September 13 – 19, 2018 = 2,307"

September 20 – 26 ,2018 = 1,410'

Total footage cleaned = 5,981'

Manholes Inspected:

August 30, 2018 - September 5, 2018 = 1 manhole inspected
September 06, 2018 - September 12, 2018 = 10 manholes inspected
September 13, 2018 - September 19, 2018 = 24 manholes inspected
September 20, 2018 - September 26, 2018 = 5 manholes inspected

Total manholes inspected: 40

CCTV/Contractor:

September 6 - 12, 2018 = 576'
September 13 - 19, 2018 = 295'

Total CCTV inspected: 871'

SmartCover:

September 7, 2018 – High level alarm Siphon: Due to Horse Ranch Creek development adding water to sewer system flushing

September 16, 2018 – High level alarm Siphon – Rags in channel removed

October 3, 2018 – High level alarm – Rags in channel removed

TECHNICAL SERVICES DEPARTMENT:

Fleet/Garage:

Repairs, maintenance, priority inspections and/or training for the month of August 2018:

Vehicle Maintenance (12)
Vehicles with Emergency Repairs (6)
Small Equipment Repairs (5)
New Vehicles or Equipment Prep. (2)
Off-Road Equipment / Trailer Repairs & Maintenance (0)
Off-Road / Trailer Emergency Repairs (0)
Large Vehicle Maintenance / Repairs (3)
Diesel Particulate Filter (DPF) Troubleshoot, Maintenance or Repairs (0)
Dealer Safety Recalls or Customer Service Warranty (0)
BIT Inspections (0)
Decommission of Vehicles or Equipment and Prep for GOV Deals Auction (0)
GAS BOY Fuel Cube Installation, Maintenance, Fuel Report, Troubleshoot (3)
Schedule Crane Inspections (3)
Emergency Equipment Monthly Inspections (7)
Target Safety (1)
Class "C" Dump Truck Training (0)
GPS Troubleshoot or Repairs/Installation (0)
Install, Repair or Remove Equipment on Vehicles (1)
Schedule Yearly PSIP (Periodic Smoke Inspections) and DPF (Diesel Particulate Filter Cleanings) (0)
Training for Emissions CCDET (California Council on Diesel Education) (0)
Performance Development Training (5)
Pump Station Troubleshoot or Maintenance (1)
Assist Technical Services Electrical (1)

Electrical/SCADA:

Status update provided below on District-wide projects supported by Electrical/SCADA Staff:

- Work with Freedom Automation on implementing the site name changes on SCADA: Ongoing
- Remove obsolete SCADA equipment from the Cement Tank Repeater site: Complete
- Water Authority Connection 11 SCADA upgrade: Ongoing
- Oversee contractor installing new light fixtures in Mechanic Shop: Complete
- Perform MEG testing on lift stations with Wastewater: Complete
- Work with Operations on monthly Water Quality Report: Complete
- Install buried conduit and pull in new cable at Lookout Mountain Tank for level transmitter: Nearly complete, small section to be backfilled
- Troubleshoot research and replace relays on North Reservoir cover pump control panels: Complete
- Meet with Engineering on upcoming projects: Ongoing
- Attended training on generator at Horse Creek Lift Station: Complete
- Coordinate with Engineering on corrections for Horse Creek Lift Station SCADA monitoring and equipment: Ongoing
- Coordinate with Nobel on Total Dissolved Solids metering: Ongoing
- Attend JPIA training classes
- Electrical maintenance at District Yard and various facilities: Ongoing

EMPLOYEE RECOGNITION – OPERATIONS & MAINTENANCE DIVISION

New Certifications

- * Ruben Lopez received his CWEA Collection System Maintenance Grade III certification.



Robert Gutierrez
Operations Manager

10/23/18

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

Engineering Report for September 2018

DESCRIPTION

CAPITAL PROJECTS:

Condition Assessment of Water Facilities: The Consultant has submitted a final draft of the technical memorandum.

Corrosion Protection: Advertised the RFP to complete a study identifying the highest priority pipelines for implementation of cathodic protection projects. Proposals are due on October 9, 2018.

Gird to Monserate Hill: Final plans, specs and environmental documents reviewed by staff. Pursuing alternative design with lower construction cost.

Pankey Lift Station: The Lift Station has been constructed and tested. Acceptance is under Board consideration.

Lift Station 1 Replacement: New design underway with equalization basin at Thoroughbred Lift Station site and Schoolhouse Lift Station. CEQA public review is in progress.

Pipeline Relocations - Misc: Four proposal were received, staff is conducting the reviews.

Pressure Management: Staff are working on hiring a contractor to install two pressure reducing stations on Vista Valley Drive. This will allow the reduction of pressure for roughly 150 customers. As part of the Pipeline Relocation project, The Sarah Ann Drive loop will be tied into the Sycamore Ranch pressure zone, reducing pressures for 40 customers and one of the top 20 priority pipelines identified by the condition assessment. Staff is evaluating the transition of 60 homes from the Hutton to the Morro Pressure zone along Dentro De Lomas.

Rainbow Height's Pump Station Rehabilitation: Metropolitan Water District has approved the redesign for the smaller station outside of their easement. Expecting change order for installation of pre-manufactured pump station.

Weese Filtration Plant Interconnect: Final design underway. Expected completion in October 2018.

DEVELOPER PROJECTS:

Golf Green Estates (Development Solutions): 94 SFR / 102.46 EDUs - Planned across from Bonsall Elementary School on Old River Road. Staff working with the developer on easement issues. Models completed, and 43 water meters have been purchased to date. Onsite punch list will be compiled after all the homes have been built.

Horse Creek Ridge (HCR), (D.R. Horton): 627 WMs (Reduced by 124 WMs) / 754 EDUs - Off of Highway 76 and Horse Ranch Creek Road. Models completed, and 295 water meters have been purchased to date.

Horse Creek Ridge Unit 6R5 Promontory (Richmond American Homes): 124 WMs / 124 EDUs - Off of Highway 76 and Horse Ranch Creek Road. D.R. Horton, master developer of HCR sold Unit 6-R5, 124 lots, Promontory Subdivision to Richmond American Homes. Currently the sewer EDUs are covered under an agreement with D.R. Horton. Models completed, and 30 water meters have been purchased to date. Acceptance of backbone facilities for Board consideration.

Malabar Ranch (Davidson Communities): 31 SFR / 29 EDUs - Off of Via Monserate/La Canada. There are 17 out of 31 homes built. Developer needs to complete the waterline relocation and punch list items.

Nessy Burger: Owner is responsible for upgrading the existing private lift station or construct a lateral to the new private manhole.

Pala Mesa Highlands (Beazer Homes): 124 SFR / 124 EDUs - On Old Highway 395. Models are being constructed and 8 water meters have been purchased to date. 99% of the water mains have been tested. Sewer mains need to be CCTV.

Palomar College: 1 WM / 100 EDUs - Connection to existing sewer is completed. Acceptance of facilities for Board consideration.

Topa Topa Place (Frulla Inc.): Waterline relocation. Construction and testing of the 8" CMLC water main is being conducted. Contractor is installing appurtenances.

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	0	Water Meters Purchased	10
Sewer Availability Letters	0	Sewer EDUs Purchased	0
Water Commitment Letters	0	Developer Shutdowns	0
Sewer Commitment Letters	0	Jobs Closed:	0

for 

Steve Strapac, P.E., P.L.S.
District Engineer

10/23/18

BOARD OF DIRECTORS

 September 17, 2018

SUBJECT

 August: Customer Service & Meter Services

DESCRIPTION

METER SERVICES:

Meter Services completed 925 service orders. Here is a summary of the most pertinent service orders shown by category.

SERVICE ORDERS	COMPLETED
Check Reads	453
Transfers	83
Locked	46
Unlocked	41
Pressure Calls	26
Leaks	47
Drought	0

CUSTOMER SERVICE & METER SERVICES:

Nothing to report.



 Vanessa Martinez
 Finance Manager

09/17/2018



 Kenny Diaz
 Meter Services Crew Leader

09/17/2018



BOARD INFORMATION

BOARD OF DIRECTORS

October 23, 2018

SUBJECT

HUMAN RESOURCES REPORT FOR SEPTEMBER/OCTOBER 2018

DESCRIPTION

Personnel changes, human resources activities, and safety report for September/October 2018

RECRUITMENT:

Human Resources Assistant (part-time): Panel interviews with five candidates were conducted on August 30 and September 13th. An offer has been made to a candidate.

Project Manager: An offer was made to a candidate who is expected to start on October 22nd.

Finance Manager: The position generated 1275 views and 9 applications in the 17 days it was open. Qualified candidates were interviewed on October 2, and an offer was made to a candidate who is expected to start on October 29th.

BENEFITS:

2019 Renewal Rates are Very Low

Open enrollment for the 2019 plan year is from October 15th to November 2nd. Plan rate increases were extremely modest this year with some tiers decreasing and some having modest increases. The Anthem HMO premium had no increase, and the PPO and CDHP family coverage premiums *went down by 3.1%*. All plans combined had an average increase of 1.62%, which should result in an annual increase to benefits costs of less than \$7,000 depending on the actual changes during open enrollment.

EMPLOYEE RECOGNITION:

Excellence Coin Awards

One nomination was received, but due to the earlier than usual Board meeting and all-hands meeting in September, the selection committee did not meet. The nomination will be considered in October.

NEOGOV:

Perform Module

The DREAM team continues testing the system, as well as reviewing core competencies for each position to integrate into the performance reviews. Current discussions include the possibility shifting the review dates so that all employees receive reviews at the same time of year.

Insight Module

We currently have 1,929 active email subscriptions for notifications of job openings.

LILAC FIRE UPDATE:

CDA: We received payment for the \$64,611 from FEMA for the CDA grant.

FMAG: Final supporting documentation has been submitted to FEMA, through the California Office of Emergency Services (CalOES) for the Fire Management Assistance Grant (FMAG) in the amount of \$39,311.21 The timing of the payment is unknown.

SAFETY:

Incidents

There were no lost time or modified duty due to a work-related incident.

Safety Training

Target Solutions online training: 28 completions for September 2018

Future planning to increase safety awareness throughout the district to include:

- Tank climbing class rescheduled for 7 November 2018 to instruct employees on use of climbing equipment and safe climbing techniques (Class was rescheduled due weather, equipment availability and trainer obligations)
- The EHS Officer will take the OSHA 511 - Course in Occupational Safety and Health Standards for the General Industry and OSHA 501 – Train the Trainer Course in Occupational Safety and Health Standards for General Industry. This will enable the EHS Officer to teach and certify other employees in the OSHA 10 and 30-hour programs.
- Confined Space Recue training with 9 Rainbow and North County Fire department scheduled for October 17, planning meeting scheduled for October 10.
- Improved waste management program underway at the District to control the flow of hazardous materials and waste. Working with Safety-Kleen the District will be clearing accumulated waste and make arrangements for CalEPA compliant hazardous waste disposal.



Karleen Harp, COSM
Human Resources Manager

10/23/2018

Interim Financials
Period: August 2018



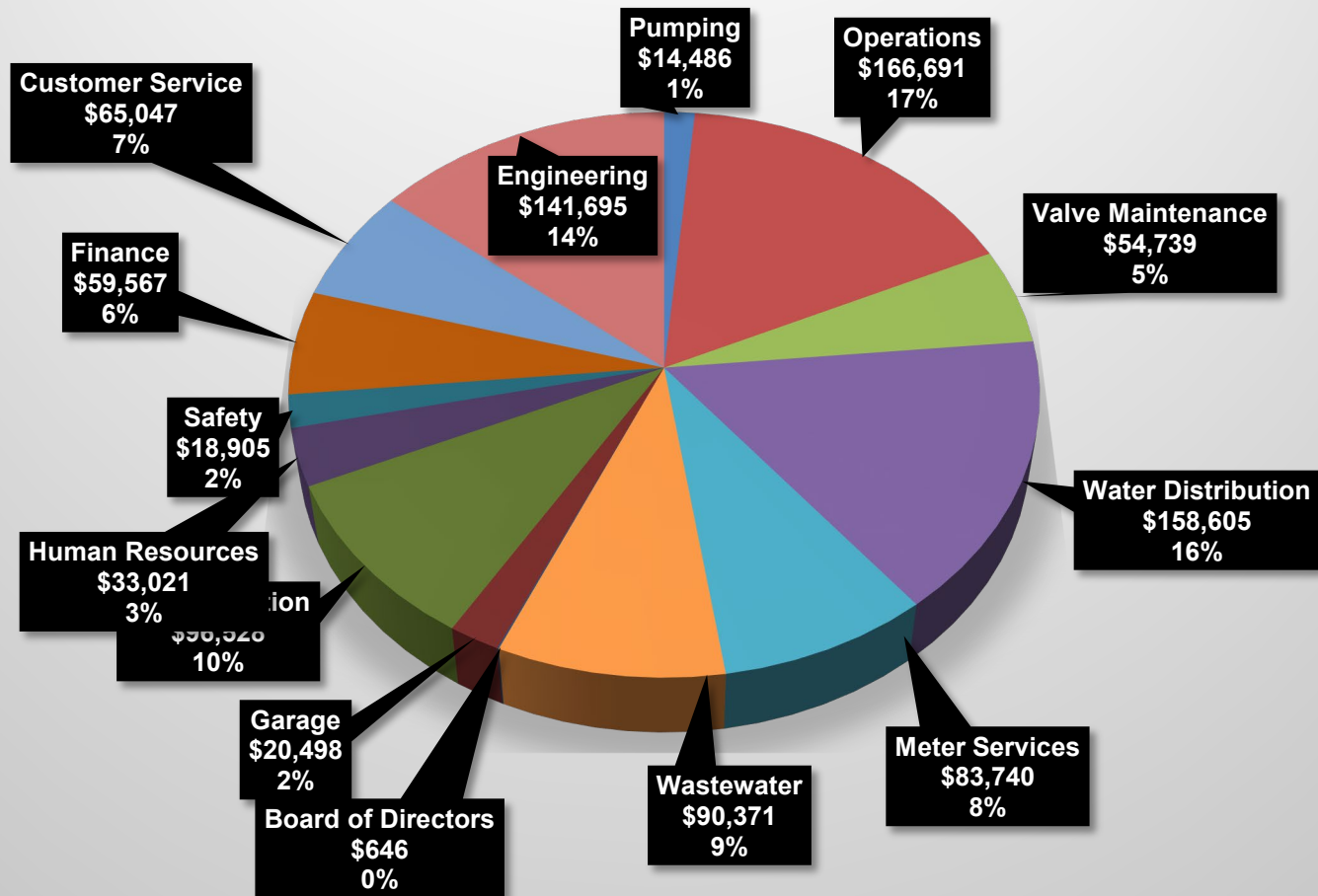
		Budget Amount	Period Amount	YTD Amount	YTD Variance	% Available
Fund 01: Water						
Operating Revenues:						
	Water Revenues	\$39,465,553	\$4,554,620	\$8,599,079	\$30,866,474	78%
	Other Revenues	\$486,000	\$6,097	\$6,307	\$479,693	99%
Total Revenues:		\$39,951,553	\$4,560,717	\$8,605,386	\$31,346,167	78%
Operating Expenses:						
	Cost of Water Sold	\$26,223,844	\$3,176,812	\$6,249,962	\$19,973,882	76%
	Labor	\$0	\$1,998	\$10,262	(\$10,262)	0%
	Overhead Transfer to General	\$5,111,289	\$0	\$0	\$5,111,289	100%
	Debt Service	\$1,120,142	\$0	\$0	\$1,120,142	100%
Department Expenses						
	Pumping					
	31 Labor	\$72,985	\$11,094	\$14,486	\$58,499	80%
	Expenses	\$592,000	\$52,943	\$54,173	\$537,827	91%
	Operations					
	32 Labor	\$1,139,429	\$122,251	\$166,691	\$972,738	85%
	Expenses	\$960,300	\$155,767	\$158,288	\$802,012	84%
	Valve Maintenance					
	33 Labor	\$517,515	\$39,203	\$54,739	\$462,776	89%
	Expenses	\$69,000	\$22,275	\$28,328	\$40,672	59%
	Capital	\$50,000	\$4,260	\$6,667	\$43,333	87%
	Water Distribution					
	34 Labor	\$1,582,452	\$115,534	\$158,605	\$1,423,847	90%
	Expenses	\$640,500	\$38,830	\$57,908	\$582,592	91%
	Meter Services					
	35 Labor	\$738,166	\$63,884	\$83,740	\$654,426	89%
	Expenses	\$509,000	\$6,247	\$9,083	\$499,917	98%
	Capital	\$200,000	\$27,816	\$49,846	\$150,154	75%
Total Operating Expenses:		\$39,526,622	\$3,838,914	\$7,102,779	\$32,423,843	82%
Water Fund Totals:		\$424,931	\$721,803	\$1,502,607	\$1,077,676	
Fund 02: Wastewater						
Operating Revenues:						
	Wastewater Revenues	\$3,065,959	\$223,893	\$486,141	\$2,579,818	84%
	Other Revenues	\$45,000	\$812	\$812	\$44,188	98%
Total Revenues:		\$3,110,959	\$224,705	\$486,954	\$2,624,005	84%
Operating Expenses:						
	Overhead Transfer to General	\$1,198,944	\$0	\$0	\$1,198,944	100%
Department Expenses						
	Wastewater					
	61 Labor	\$592,326	\$68,639	\$90,371	\$501,955	85%
	Expenses	\$1,414,800	\$11,158	\$26,455	\$1,388,345	98%
	Capital	\$185,000	\$0	\$0	\$185,000	100%
Total Operating Expenses:		\$3,391,070	\$79,797	\$116,826	\$3,274,244	97%
Wastewater Fund Totals:		(\$280,111)	\$144,908	\$370,128	\$650,239	

Interim Financials
Period: August 2018

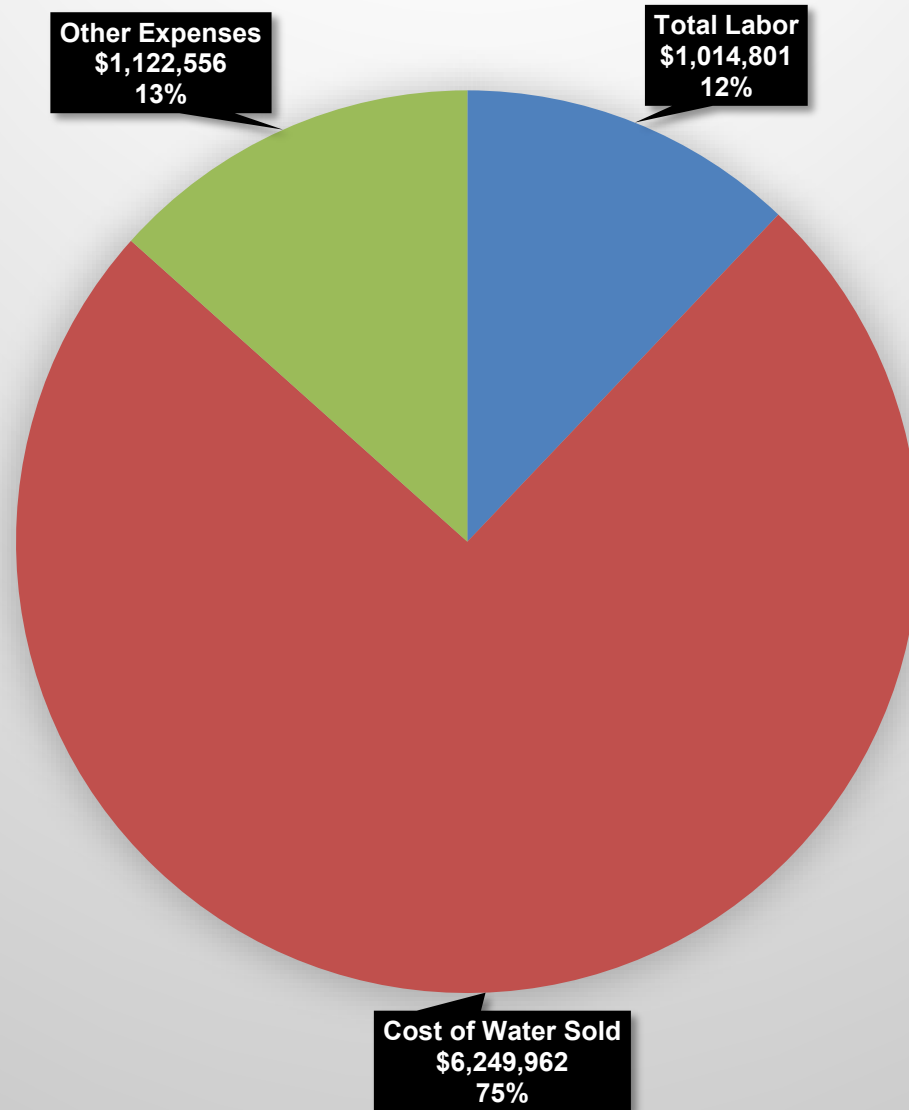


		Budget Amount	Period Amount	YTD Amount	YTD Variance	% Available
Fund 03: General						
Operating Revenues:						
	Overhead Transfers	\$6,310,233	\$0	\$0	\$6,310,233	100%
	Other Revenues	\$500,000	\$44,988	\$99,467	\$400,533	80%
	Total Revenues:	\$6,810,233	\$44,988	\$99,467	\$6,710,766	99%
Operating Expenses:						
	Other Expenses	\$419,911	\$35,409	\$70,402	\$349,509	83%
Department Expenses						
	Board of Directors					
	20 Labor	\$19,672	\$646	\$646	\$19,026	97%
	Expenses	\$19,790	\$2,484	\$2,541	\$17,249	87%
	Garage					
	36 Labor	\$135,455	\$15,874	\$20,498	\$114,957	85%
	Expenses	\$262,500	\$12,733	\$20,543	\$241,957	92%
	Capital	\$235,500	\$0	\$4,971	\$230,529	98%
	Administration					
	41 Labor	\$808,234	\$76,639	\$96,528	\$711,706	88%
	Expenses	\$1,933,522	\$128,717	\$525,624	\$1,407,898	73%
	Capital	\$35,000	\$0	\$0	\$35,000	100%
	Human Resources					
	42 Labor	\$224,849	\$24,570	\$33,021	\$191,828	85%
	Expenses	\$148,850	\$2,700	\$4,516	\$144,334	97%
	Safety					
	43 Labor	\$151,941	\$14,099	\$18,905	\$133,036	88%
	Expenses	\$78,700	\$7,820	\$8,120	\$70,580	90%
	Finance					
	51 Labor	\$513,887	\$44,218	\$59,567	\$454,320	88%
	Expenses	\$136,500	\$9,613	\$23,114	\$113,386	83%
	Customer Service					
	52 Labor	\$275,338	\$43,870	\$65,047	\$210,291	76%
	Expenses	\$278,000	\$23,404	\$41,144	\$236,856	85%
	Engineering					
	91 Labor	\$682,434	\$105,325	\$141,695	\$540,739	79%
	Expenses	\$450,150	\$4,972	\$30,834	\$419,316	93%
	Total Operating Expenses:	\$6,810,233	\$553,093	\$1,167,715	\$5,642,518	83%
	General Fund Totals:	\$0	(\$508,105)	(\$1,068,248)	(\$1,068,248)	
	Net Income	\$144,820	\$358,606	\$804,487	\$659,667	

YTD Labor Costs (August 2018)



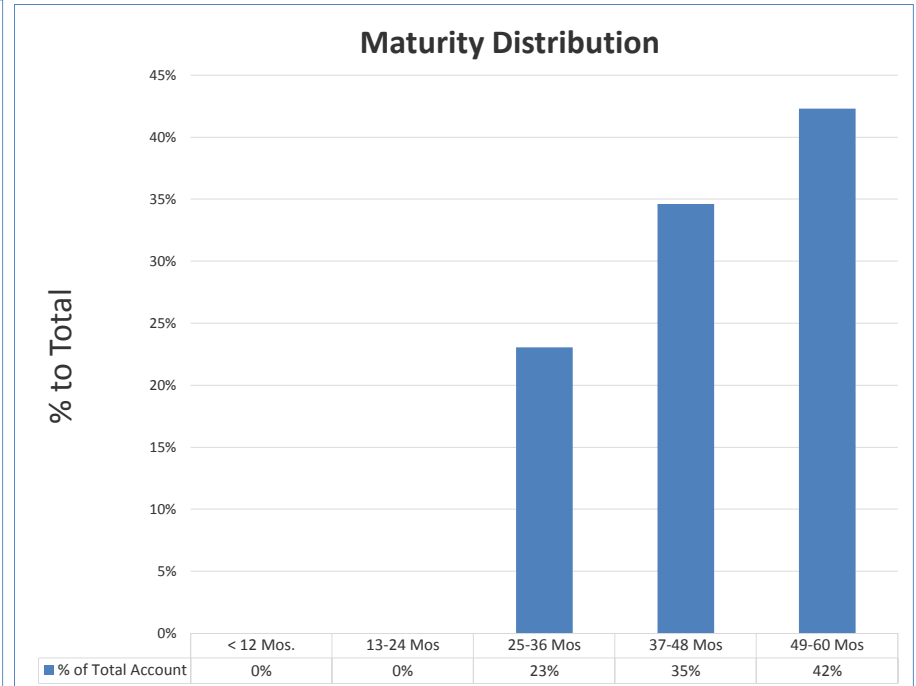
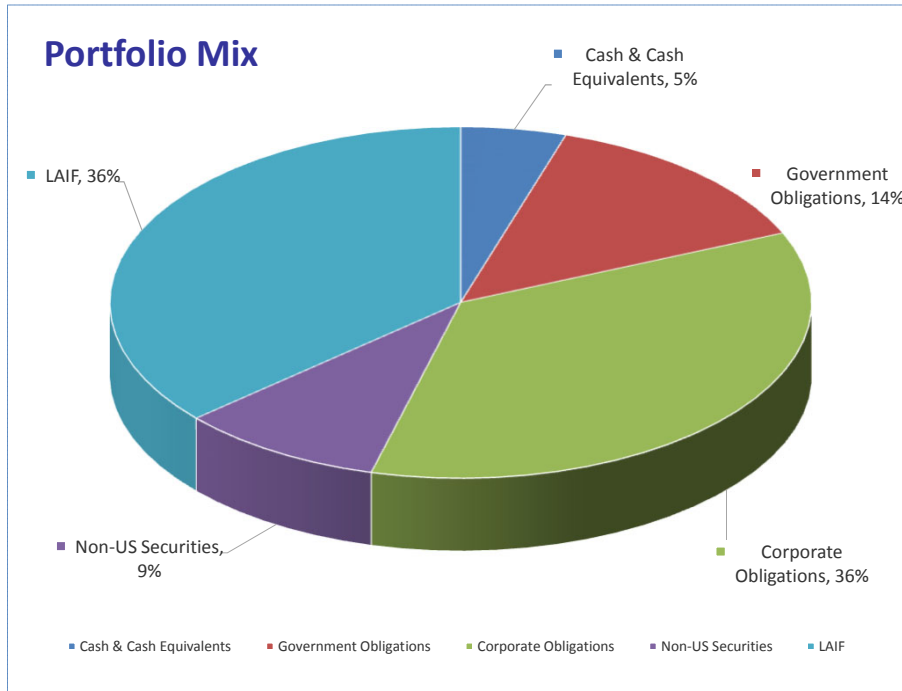
YTD Expense Allocation (August 2018)



RAINBOW MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
PORTFOLIO SUMMARY
8/31/2018



TYPE	ISSUER	CUSIP	Bond Rating	Date of Maturity	Cost Basis	Market Value	Interest Rate	Yield to Maturity	Next Interest Payment Date	Semi-Annual Interest	Days to Maturity	Fund
Money Market Funds	JP MORGAN MONEY MARKET	48125C068S	N/A		\$ 161,929	\$ 161,929						
Total Cash & Cash Equivalents					\$ 161,929	\$ 161,929						
Non-Callable	FEDERAL HOME LN MTG CORP	3134G3QR4	Aaa	03/05/20	\$ 498,168	\$ 495,270	2.000%	2.200%	09/05/18	\$ 4,982	552	13 13108
Non-Callable	FEDERAL HOME LOAN BANKS CONS BD	3130AECJ7	Aaa	05/28/20	\$ 987,906	\$ 984,882	2.625%	2.453%	11/28/18	\$ 12,966	636	53 13108
Non-Callable	FEDERAL HOME LOAN BANK BONDS	3130AD4X7	Aaa	12/11/20	\$ 494,905	\$ 492,210	2.000%	2.400%	06/11/18	\$ 4,949	833	60 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T45	Aaa	04/05/22	\$ 1,002,910	\$ 968,650	1.875%	1.810%	04/05/18	\$ 9,402	1313	60 13108
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,938	\$ 193,142	1.900%	1.800%	01/19/18	\$ 1,909	1418	53 13108
1X Callable	FEDERAL HOME LN MTG CORP	3134GBS94	Aaa	10/26/22	\$ 651,918	\$ 632,723	2.100%	1.800%	04/26/18	\$ 6,845	1517	53 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 515,226	\$ 511,256	2.375%	2.410%	07/19/18	\$ 6,118	1602	13 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 480,034	\$ 476,335	2.375%	2.600%	07/19/18	\$ 5,700	1602	53 13108
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 465,211	\$ 461,626	2.375%	2.600%	07/19/18	\$ 5,524	1602	13 13108
Non-Callable	FEDERAL HOME LOAN BANKS	3130ADRG9	Aaa	03/10/23	\$ 501,990	\$ 498,495	2.750%	2.660%	09/10/18	\$ 6,902	1652	53 13108
Total Government Obligations					\$ 5,799,203	\$ 5,714,589						
Make Whole	ORACLE CORP	68389XBKO	A1	09/15/21	\$ 1,011,470	\$ 967,990	1.910%	1.900%	03/15/18	\$ 9,660	1111	13 13108
FDIC Ins. CD	WELLS FARGO	95000U2B8	A2	07/22/22	\$ 989,232	\$ 948,816	2.625%	2.410%	01/22/18	\$ 12,984	1421	13 13108
FDIC Ins. CD	BARCLAYS BK DEL	06740KJK4	Aaa	09/16/20	\$ 245,000	\$ 242,266	2.210%	2.200%	03/16/18	\$ 2,707	747	60 13108
FDIC Ins. CD	AMERICAN EXPRESS CENTRN	02587DB64	Aaa	09/23/20	\$ 250,000	\$ 246,478	2.310%	2.300%	03/23/18	\$ 2,888	754	53 13108
FDIC Ins. CD	DISCOVER BANK	254672F29	N/A	08/10/21	\$ 248,000	\$ 237,604	1.500%	1.500%	02/10/18	\$ 1,860	1075	53 13108
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 98,000	\$ 93,982	1.550%	1.550%	02/17/18	\$ 760	1082	53 13108
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 150,000	\$ 143,850	1.550%	1.550%	02/17/18	\$ 1,163	1082	13 13108
FDIC Ins. CD	MB FINL BK NA CHIC IL	55266CZJ8	N/A	11/18/21	\$ 247,000	\$ 245,624	2.850%	2.850%	11/18/18	\$ 3,520	1175	60 13108
FDIC Ins. CD	STATE BK INDIA NEW YORK NY	8562846U3	Aaa	03/14/22	\$ 250,000	\$ 243,160	2.250%	2.250%	03/14/18	\$ 2,813	1291	13 13108
FDIC Ins. CD	SYNCHRONY BK RETAIL	87165EMKO	N/A	05/26/22	\$ 240,000	\$ 234,130	2.400%	2.400%	05/26/18	\$ 2,880	1364	53 13108
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3	N/A	06/14/22	\$ 245,000	\$ 238,441	2.350%	2.350%	12/14/18	\$ 2,879	1383	53 13108
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RRL4	N/A	11/22/22	\$ 250,000	\$ 242,400	2.400%	2.400%	05/22/18	\$ 3,000	1544	53 13108
FDIC Ins. CD	MORGAN STANLEY	61747MF63	N/A	01/11/23	\$ 246,000	\$ 240,529	2.650%	2.650%	07/11/18	\$ 3,260	1594	53 13108
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7	N/A	03/29/23	\$ 240,000	\$ 236,561	2.900%	2.900%	09/29/18	\$ 3,480	1671	53 13108
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 236,978	2.950%	2.950%	10/11/18	\$ 3,540	1684	60 13108
Total Corporate Obligations					\$ 4,949,702	\$ 4,798,809						
Non-Callable	HSBC HLDGS PLC	404280AY5	Aaa	05/25/21	\$ 947,473	\$ 940,101	2.950%	3.050%	11/25/18	\$ 13,975	998	53 13108
Non-Callable	AUSTRALIA & NEW ZEALA BKG	05253JAM3	Aaa	06/01/21	\$ 517,228	\$ 487,060	2.300%	1.550%	12/01/18	\$ 5,948	1005	53 13108
Non-Callable	NATIONAL AUSTRALIA BK NY	63254AAR9	Aaa	07/12/21	\$ 508,870	\$ 479,440	1.875%	1.880%	01/12/18	\$ 4,771	1046	53 13108
Non-Callable	BANK OF MONTREAL	06367TJX90	Aaa	08/27/21	\$ 1,011,840	\$ 963,720	1.900%	1.900%	02/27/18	\$ 9,612	1092	60 13108
Total Non-US Securities					\$ 2,985,411	\$ 2,870,321						
Subtotal Long Term Pooled Investment	Local Agency Investment Fund (LAIF)				\$ 13,896,245	\$ 13,545,648						
					\$ 7,612,795	\$ 7,648,918	1.172%					
Portfolio Totals					\$ 21,509,040	\$ 21,194,566						



This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. The District has sufficient cash flow to meet six months of obligations. This is in effect in compliance with the current Investment Policy.

Vanessa Martinez, Treasurer

10/4/2018

Accounts Payable

August American Express



Check Number	Check Date		Amount
245 - ABCANA INDUSTRIES Line Item Account			
9101801	09/10/2018		
Inv	1029817		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	HYPOCHLORITE SOLUTION	01-32-72000	1,150.36
Inv 1029817 Total			1,150.36
9101801 Total:			1,150.36
245 - ABCANA INDUSTRIES Total:			1,150.36
315 - ACWA/JPIA Line Item Account			
9101802	09/10/2018		
Inv	1F0CE54D		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/24/2018	SAFETY AND PROFESSIONAL DEVELOPMENT TRAINING - I	03-42-56512	190.00
Inv 1F0CE54D Total			190.00
Inv	D16D186A		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/24/2018	SAFETY AND PROFESSIONAL DEVELOPMENT TRAINING - C	03-43-56512	190.00
Inv D16D186A Total			190.00
9101802 Total:			380.00
315 - ACWA/JPIA Total:			380.00
280 - AMAZON.COM Line Item Account			
9101803	09/10/2018		
Inv	0367494-0800240		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/09/2018	Duramont Ergonomic Adjustable Office Chair With Lumbar Support	03-43-72500	239.99
Inv 0367494-0800240 Total			239.99
Inv	0492126-9837027		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	

Check Number	Check Date		Amount
08/09/2018	5050 Ergo Kneel Handy Mat II 14" x 21" x 1"	03-43-72500	297.36
Inv 0492126-9837027 Total			297.36
Inv 1150819-0268234			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/20/2018	Petzl Pro Vertex Best CSA Professional Helmet	03-43-72000	122.61
08/20/2018	Petzl Petzl Pro Vertex Best CSA Professional Helmet	03-43-72000	124.64
Inv 1150819-0268234 Total			247.25
Inv 3202205-9905833			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/24/2018	Water powered pump	01-32-72000	179.91
Inv 3202205-9905833 Total			179.91
Inv 4130401-2922614			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/09/2018	TRIPP LITE PS615 6-Outlet Power Strip Accessories Electronics	03-41-60100	40.70
Inv 4130401-2922614 Total			40.70
Inv 4204801-6586608			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	IGLOO 400 SERIES COOLER	03-41-63400	77.54
Inv 4204801-6586608 Total			77.54
Inv 5401504-7537029			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/09/2018	OLIVA BRANCH BUNDLE SENSORY FIDGET TOYS SET	03-41-72000	24.52
Inv 5401504-7537029 Total			24.52
Inv 5675006-6554624			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	RMP RoseRack Vertical Wall Mount 4U	03-41-60100	95.57
08/08/2018	Sound Town Professional UHF Handheld Wireless Microphone Syst	03-41-60100	207.10
08/08/2018	BEHRINGER CT200	03-41-60100	43.09
08/08/2018	Brand New Shure High-Performance 18-inch Microflex Standard C	03-41-60100	2,482.56
08/08/2018	On Stage Microphone 19-inch Gooseneck, Black	03-41-60100	10.57
Inv 5675006-6554624 Total			2,838.89
Inv 5691079-3399449			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	SMALL FOOD TRAYS	03-41-63400	63.92
Inv 5691079-3399449 Total			63.92

Check Number	Check Date		Amount
Inv	5855875-4633820		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	Miracool Neck Bandana	03-43-72500	92.50
Inv	5855875-4633820 Total		92.50
Inv	6625680-4710621		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	GLS Audio XLR FEMALE Plugs Connectors XLR-F Plug - 20 Pack	03-41-60100	32.33
08/08/2018	On Stage TMO2B Microphone Table Mount (Black)	03-41-60100	7.49
08/08/2018	Shure WA371 Mic Clip for all Handheld Transmitters	03-41-60100	8.64
08/08/2018	GLS Audio XLR MALE Plugs Connectors XLR-M Plug - 20 Pack	03-41-60100	32.33
08/08/2018	Audio 2000s E02103P2 XLR Male to Female 3 Feet Microphone Ca	03-41-60100	11.65
08/08/2018	AmazonBasics 16-Gauge Speaker Wire - 100 Feet	03-41-60100	12.94
08/08/2018	AmazonBasics USB 2.0 Cable - A-Male to B-Male - 10 Feet (3 Met	03-41-60100	5.71
Inv	6625680-4710621 Total		111.09
Inv	6731199-9608200		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/09/2018	131A Toner Black 2 Pack by Hobbyunion Replacement for CF210A	03-41-60100	31.61
Inv	6731199-9608200 Total		31.61
Inv	6788524-9109858		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/20/2018	Alfa APOE03 Redundancy Industrial POE	60-00-11172	51.51
Inv	6788524-9109858 Total		51.51
Inv	6954904-6096220		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/02/2018	DELL 900GB HARD DRIVE CREDIT	03-41-60100	-120.00
Inv	6954904-6096220 Total		-120.00
Inv	7455655-1732247		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	D-2"Low Profile" Rubber Duct Cord Cover - Length: 5FT - Color: C	03-41-60100	27.29
Inv	7455655-1732247 Total		27.29
Inv	7816588-1475405		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	NinjaBatt Laptop Battery for HP 776622-001 728460-001 TPN-Q13	03-41-60100	27.15
Inv	7816588-1475405 Total		27.15
Inv	7938502-7779419		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/30/2018	Petzl Pro Vertex Best CSA Professional Helmet	03-43-72500	560.50

Check Number	Check Date	Amount
Inv 7938502-7779419	Total	560.50
Inv 8346898-7368231		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>
08/08/2018	Silverback Screamer Bulk XLR Cable, 300 ft, All Copper Conducto	03-41-60100
		107.40
Inv 8346898-7368231	Total	107.40
Inv 8551746-6309043		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>
08/20/2018	Chanzon (10 x Male) DC Power Connector 5.5mm x 2.1mm 12v 2-	60-00-11172
		8.99
Inv 8551746-6309043	Total	8.99
Inv 8579631-0259425		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>
08/09/2018	SD Card Reader, Lightning Adapter for iPhone (Support iOS 11.4 a	03-41-60100
		26.73
08/09/2018	UGREEN RJ45 Coupler 5 Pack In Line Coupler Cat7 Cat6 Cat5e Et	03-41-60100
		37.58
08/09/2018	Dripstone CAT6 Solid UTP Cable 23AWG 1000ft LAN Network Et	03-41-60100
		62.67
08/09/2018	SanDisk 32GB Ultra Class 10 SDHC UHS-I Memory Card Up to 80	03-41-60100
		24.69
08/15/2018	SHD RJ45 CONNECTORS CREDIT	03-41-60100
		-19.00
08/09/2018	HDMI Cable - 1FT (2 Pack), FosPower 4K Latest Standard 2.0 HDM	03-41-60100
		9.92
08/09/2018	Pass-Thru Modular Wire Crimper, All-in-One Tool Cuts, Strips, Cr	03-41-60100
		46.98
08/09/2018	Apple TV 4K - 32GB	03-41-60100
		187.00
08/09/2018	UGREEN SD Card Reader USB 3.0 Card Hub Adapter 5Gbps Read	03-41-60100
		33.41
08/09/2018	SHD RJ45 Connectors Golden Shielded RJ45 Ends 8P8C FTP STP 1	03-41-60100
		26.10
08/09/2018	Fintie iPad 9.7 inch 2018 2017/iPad Air 2/iPad Air Keyboard Case	03-41-60100
		73.10
08/09/2018	[USB Flash Drive Case / Hard Drive Case] - GUANHE Universal F	03-41-60100
		15.26
08/09/2018	TotalMount Apple TV Mount - Compatible with all Apple TVs inclu	03-41-60100
		18.79
08/09/2018	elago R1 Intelli Case [Black]-[Magnet Technology][Heavy Shock Al	03-41-60100
		8.35
08/09/2018	Cisco SYSTEMS 8-Port PoE Gigabit Desktop Switch (4 Reg and 4 I	03-41-60100
		162.95
08/09/2018	Cable Matters 2-Pack 10W 2A Mini Dual USB Car Charger for iPho	03-41-60100
		46.96
Inv 8579631-0259425	Total	761.49
Inv 8802181-9944223		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>
08/09/2018	VARIDESK-Standing Desk Anti-Fatigue Comfort Floor Mat - Mat 3	03-43-72500
		323.25
Inv 8802181-9944223	Total	323.25
Inv 9204224-1701020		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>
07/31/2018	OccuNomix 968B-01 Miracool Hard Hat Pad	03-43-72500
		65.43
Inv 9204224-1701020	Total	65.43
9101803	Total:	6,058.29
280 - AMAZON.COM	Total:	6,058.29
4970 - BRADY SAND & MATERIAL, INC.	Line Item Account	

Check Number	Check Date		Amount
9101804	09/10/2018		
Inv	201807-18		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/17/2018	CLASS 2 BASE	01-34-72000	1,191.64
Inv 201807-18 Total			1,191.64
Inv	201807-21		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/26/2018	CLASS 2 BASE & COLD MIX	01-34-72000	3,731.43
Inv 201807-21 Total			3,731.43
9101804 Total:			4,923.07
4970 - BRADY SAND & MATERIAL, INC. Total:			4,923.07
603218 - BROWN & CALDWELL, BC WATER Line Item Account			
9101805	09/10/2018		
Inv	293579		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/17/2018	RECRUITMENT SERVICES DUES	03-42-75500	200.00
Inv 293579 Total			200.00
9101805 Total:			200.00
603218 - BROWN & CALDWELL, BC WATER Total:			200.00
2885 - CORELOGIC INFORMATION Line Item Account			
9101806	09/10/2018		
Inv	81907725		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	REALQUEST MONTHLY SERVICE - JULY	03-91-63102	192.50
Inv 81907725 Total			192.50
9101806 Total:			192.50
2885 - CORELOGIC INFORMATION Total:			192.50
1895 - COUNTY OF SAN DIEGO CLERK Line Item Account			
9101807	09/10/2018		
Inv	3293949		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/15/2018	VITALCHEK PAYMENT - 2018364623	03-91-72000	86.50
Inv 3293949 Total			86.50

Check Number	Check Date		Amount
Inv	3306920		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/22/2018	VITALCHEK PAYMENT - 2018376538	03-91-72000	58.50
Inv 3306920 Total			58.50
9101807 Total:			145.00
1895 - COUNTY OF SAN DIEGO CLERK Total:			145.00
2027 - CULLIGAN OF ESCONDIDO Line Item Account			
9101808	09/10/2018		
Inv	07312018		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	WATER SOFTENER 8/1/18 - 8/31/18	03-41-63401	73.03
Inv 07312018 Total			73.03
9101808 Total:			73.03
2027 - CULLIGAN OF ESCONDIDO Total:			73.03
603530 - GOOGLE, LLC. Line Item Account			
9101809	09/10/2018		
Inv	153331147597300		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/03/2018	RAINBOWMD.COM REGISTRATION	03-41-60100	12.00
Inv 153331147597300 Total			12.00
9101809 Total:			12.00
603530 - GOOGLE, LLC. Total:			12.00
603256 - GOVERNMENT FINANCE OFFICERS ASSOCIATION Line Item Account			
9101810	09/10/2018		
Inv	0119634		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/30/2018	MEMBERSHIP RENEWAL FOR 10/01/2018 - 9/30/2019	03-41-72400	160.00
Inv 0119634 Total			160.00
Inv	08012018		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/01/2018	DISTINGUISHED BUDGET PRESENTATION AWARDS PROGR	03-41-72400	425.00

Check Number	Check Date		Amount
Inv 08012018	Total		425.00
9101810	Total:		585.00
603256 - GOVERNMENT FINANCE OFFICERS ASSOCIATION Total:			585.00
3325 - GRAINGER, W.W. INC. Line Item Account			
9101811	09/10/2018		
Inv	9851623521		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/19/2018	20KP41 BRASS HOSE CONNECTOR	01-34-72000	14.66
Inv 9851623521	Total		14.66
Inv	9851623539		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/19/2018	Air compressors for bubbler system	02-61-72000	1,262.23
Inv 9851623539	Total		1,262.23
Inv	9858918908		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/27/2018	WHITE MARKING PAINT	01-00-14610	43.44
07/27/2018	LARGE WIRE BRUSH	01-00-14610	55.73
Inv 9858918908	Total		99.17
Inv	9861186568		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/30/2018	Heavy Duty Combination Vise, 4-1/2" Jaw Width, 4-1/2" Max. Oper	01-34-73000	472.27
Inv 9861186568	Total		472.27
9101811	Total:		1,848.33
3325 - GRAINGER, W.W. INC. Total:			1,848.33
603528 - HARRY & DAVID Line Item Account			
9101812	09/10/2018		
Inv	W00835436818888		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/21/2018	GIFT BASKET FOR SHERI KENNEDY	03-42-56513	105.57
Inv W00835436818888	Total		105.57
9101812	Total:		105.57

Check Number	Check Date		Amount
603528 - HARRY & DAVID Total:			105.57
603531 - MISAC Line Item Account			
9101813	09/10/2018		
Inv	300002608		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	SOUTHERN CHAPTER FULL MEMBER - AHMED	03-41-72400	130.00
Inv	300002608 Total		130.00
Inv	300002620		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/13/2018	SOUTHERN CHAPTER ASSOCIATE MEMBER - KARLEEN	03-41-72400	130.00
Inv	300002620 Total		130.00
9101813 Total:			260.00
603531 - MISAC Total:			260.00
603404 - NATUREBOX Line Item Account			
9101814	09/10/2018		
Inv	2234		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/19/2018	UNLIMITED SUBSCRIPTION	03-41-63400	750.00
Inv	2234 Total		750.00
9101814 Total:			750.00
603404 - NATUREBOX Total:			750.00
5286 - NOSSAMAN, LLP Line Item Account			
9101815	09/10/2018		
Inv	483436		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/12/2018	SPECIAL COUNSIL SERVICES THROUGH 6/30/18	03-41-70300	12,425.00
Inv	483436 Total		12,425.00
Inv	483437		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/12/2018	SPECIAL COUNSIL SERVICES THROUGH 6/30/18	03-91-70000	4,050.00
Inv	483437 Total		4,050.00
Inv	483438		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	

Check Number	Check Date		Amount
07/12/2018	SPECIAL COUNSIL SERVICES THROUGH 6/30/18	03-41-70300	10,042.50
07/12/2018	SPECIAL COUNSIL SERVICES THROUGH 6/30/18	03-41-70300	162.50
Inv 483438 Total			10,205.00
9101815 Total:			26,680.00
5286 - NOSSAMAN, LLP Total:			26,680.00
5425 - OFFICE DEPOT Line Item Account			
9101816	09/10/2018		
Inv 162993758001			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/13/2018	Staedtler® Engineering Computation Pad, 5 x 5 Grid, 100 Sheets	03-41-72900	54.49
Inv 162993758001 Total			54.49
Inv 164859012001			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/18/2018	HIGHMARK CAN LINERS	03-41-63401	71.79
Inv 164859012001 Total			71.79
Inv 165251138001			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/17/2018	CANON MP11DX-2 PRINTING CALCULATOR ITEM #123371	03-41-72900	128.96
Inv 165251138001 Total			128.96
Inv 165251936001			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/18/2018	OFFICE DEPOT BRAND SINGLE-PLY PAPER ROLLS 1/4" X 13	03-41-72900	4.89
07/18/2018	CASIO FR-2650 TM PRINTING CALCULATOR (ITEM #410181)	03-41-72900	48.62
Inv 165251936001 Total			53.51
Inv 166331698001			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/20/2018	308478 OFFICE DEPOT PAPER CLIPS	03-41-72900	2.00
07/20/2018	305466 OFFICE DEPOT PERFORATED WRITING PADS	03-41-72900	12.50
07/20/2018	911220 OFFICE DEPOT CLEANING DUSTER	03-41-72900	32.00
07/20/2018	617206 OFFICE DEPOT MULTIUSE PAPER	03-41-72900	126.13
Inv 166331698001 Total			172.63
Inv 174530842001			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/01/2018	HP 202A (CF500A) Black Laserjet Toner Cartridge Item 927071	03-91-72000	70.03
08/01/2018	HP 202A (CF503A) Magenta Laserjet Toner Cartridge Item 569597	03-91-72000	86.19
08/01/2018	HP 202A (CF502A) Yellow Laserjet Toner Cartridge Item 952036	03-91-72000	86.18
08/01/2018	HP 202A (CF501A) Cyan Laserjet Cartridge Item 987956	03-91-72000	86.19

Check Number	Check Date		Amount
Inv 174530842001		Total	328.59
Inv 174914944001			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/01/2018	FILE FOLDERS FOR PAYROLL PERSONNEL FILES	03-41-72900	226.28
Inv 174914944001		Total	226.28
9101816 Total:			1,036.25
5425 - OFFICE DEPOT Total:			1,036.25
5635 - PALA MESA RESORT Line Item Account			
9101817	09/10/2018		
Inv R3B7C7-4			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	MANAGERS MEETING	03-42-56513	552.11
Inv R3B7C7-4		Total	552.11
9101817 Total:			552.11
5635 - PALA MESA RESORT Total:			552.11
603143 - PROFLOWERS Line Item Account			
9101818	09/10/2018		
Inv 111455400138			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/14/2018	CONDOLENCE GIFT FOR JUSTIN CHANDLER	03-42-56513	88.96
Inv 111455400138		Total	88.96
9101818 Total:			88.96
603143 - PROFLOWERS Total:			88.96
603529 - PROJECT MANAGEMENT INSTITUTE Line Item Account			
9101819	09/10/2018		
Inv 1926124			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/17/2018	ENGINEERING PROJECT MANAGER JOB LISTING	03-42-75500	545.00
Inv 1926124		Total	545.00
9101819 Total:			545.00

603529 - PROJECT MANAGEMENT INSTITUTE Total: 545.00

5976 - PRUDENTIAL OVERALL SUPPLY Line Item Account

9101820 09/10/2018

Inv 130842632

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/24/2018	MATS & MISC	03-41-63401	7.30
07/24/2018	MONTHLY UNIFORMS	03-41-56511	132.35

Inv 130842632 Total 139.65

Inv 130842633

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/24/2018	MONTHLY UNIFORMS	03-41-56511	90.92

Inv 130842633 Total 90.92

Inv 130844138

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	MONTHLY UNIFORMS	03-41-56511	139.20
07/31/2018	MATS & MISC	03-41-63401	167.97

Inv 130844138 Total 307.17

Inv 130844139

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	MONTHLY UNIFORMS	03-41-56511	90.92

Inv 130844139 Total 90.92

9101820 Total: 628.66

5976 - PRUDENTIAL OVERALL SUPPLY Total: 628.66

603175 - RODRIGUEZ, MANDY Line Item Account

9101821 09/10/2018

Inv 022197

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/27/2018	PAYMENT FOR DISTRICT EVENTS / EMPLOYEE RELATIONS	03-42-56513	575.00

Inv 022197 Total 575.00

9101821 Total: 575.00

603175 - RODRIGUEZ, MANDY Total: 575.00

603522 - SOUTH TAHOE AIRPORTER Line Item Account

9101822 09/10/2018

Inv A6SST7 MHR5FW

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/21/2018	CONFERERNC E TRANSPORTATION	03-41-75300	53.00

Inv A6SST7 MHR5FW Total 53.00

9101822 Total: 53.00

603522 - SOUTH TAHOE AIRPORTER Total: 53.00

603407 - STAPLES Line Item Account

9101823 09/10/2018

Inv 9789934105

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/09/2018	STAPLES OFFICE SUPPLIES	03-41-72900	38.05

Inv 9789934105 Total 38.05

9101823 Total: 38.05

603407 - STAPLES Total: 38.05

603406 - THE FRUIT GUYS Line Item Account

9101824 09/10/2018

Inv 5270692

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	SMALL HARVEST FRUIT SUBSCRIPTION	03-41-63400	76.50

Inv 5270692 Total 76.50

Inv 5273332

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/07/2018	SMALL HARVEST FRUIT SUBSCRIPTION	03-41-63400	38.25

Inv 5273332 Total 38.25

Inv 5276177

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/14/2018	SMALL HARVEST FRUIT SUBSCRIPTION	03-41-63400	76.50

Inv 5276177 Total 76.50

Inv 5279081

<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/21/2018	SMALL HARVEST FRUIT SUBSCRIPTION	03-41-63400	38.25

Inv 5279081 Total 38.25

Check Number	Check Date		Amount
9101824 Total:			229.50
603406 - THE FRUIT GUYS Total:			229.50
7770 - U.S. POSTAL SERVICE Line Item Account			
9101825	09/10/2018		
Inv	2069816272		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/14/2018	48 HOUR POSTAGE NOTICE	03-51-69000	300.00
Inv 2069816272 Total			300.00
Inv	2078861464		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/21/2018	48 HOUR POSTAGE NOTICE	03-51-69000	300.00
Inv 2078861464 Total			300.00
9101825 Total:			600.00
7770 - U.S. POSTALSERVICE Total:			600.00
603174 - VILLAGE PIZZA Line Item Account			
9101826	09/10/2018		
Inv	014194		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/16/2018	RECRUITMENT LUNCH	03-42-75500	38.06
Inv 014194 Total			38.06
Inv	2660		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/27/2018	MEETING LUNCH	03-20-75300	30.95
08/27/2018	MEETING LUNCH	03-41-75300	55.79
Inv 2660 Total			86.74
9101826 Total:			124.80
603174 - VILLAGE PIZZA Total:			124.80
8155 - WESTERN WATER WORKS SUPPLY Line Item Account			
9101827	09/10/2018		
Inv	499256-00		
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
07/31/2018	68372C# 3/8" STRAINER NEEDLE VALVE	01-00-14610	1,455.17
07/31/2018	429-007 3/4" PVC COUP SLPXSLP	01-00-14610	6.46
07/31/2018	36T 1003L# 3/8" BRASS TEE	01-00-14610	48.49

Check Number	Check Date		Amount
07/31/2018	37048G# 8" COVER SS STUDS (CH037048G)	01-00-14610	176.17
Inv 499256-00 Total			1,686.29
Inv 500331-00			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/01/2018	8FP50 - 8 FLGXPE X 5'-0" SPOOL	01-34-72000	326.11
08/01/2018	AVKPOXFLGVHF-08# - 8" PO X FL AVK GV HF W/ SS STEM	01-34-72000	1,412.10
08/01/2018	RTC900-08 - 8 ACXDI TRANSITION GASKET	01-34-72000	18.03
08/01/2018	XR501-08 - 8 EXT RANGE CPLG 840-975 304SS B/N EPOXY	01-34-72000	258.54
08/01/2018	FBD9008PB# - 8x90 DI FLG BEND-BLK(IN/OUT)	01-34-72000	337.04
Inv 500331-00 Total			2,351.82
9101827 Total:			4,038.11
8155 - WESTERN WATER WORKS SUPPLY Total:			4,038.11
603437 - ZIPRECRUITER Line Item Account			
9101828	09/10/2018		
Inv 3620406			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/14/2018	3 MONTH RECRUITMENT STARTER PLAN	03-42-75500	249.00
Inv 3620406 Total			249.00
9101828 Total:			249.00
603437 - ZIPRECRUITER Total:			249.00
603451 - ZOHO CORP Line Item Account			
9101829	09/10/2018		
Inv 63997077			
<u>Line Item Date</u>	<u>Line Item Description</u>	<u>Line Item Account</u>	
08/08/2018	ZOHO MONTHLY SERVICE	01-35-72000	25.00
Inv 63997077 Total			25.00
9101829 Total:			25.00
603451 - ZOHO CORP Total:			25.00
Total:			52,146.59

**Director's Expenses
FY 2018-2019**

Disbursement Date	Description	Miguel Gasca	Helene Brazier	Claude Hamilton	Michael Mack	William Stewart	Retiree
07/31/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00			\$ 150.00	
	TRAVEL EXPENSES MILEAGE EXPENSE			\$ 23.98		\$ 56.68	
	REIMBURSEMENT FROM DIRECTORS						
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 23.98</u>	<u>\$ -</u>	<u>\$ 206.68</u>	<u>\$ -</u>
08/31/18	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS		\$ 30.00		\$ 30.00	\$ 25.00	
	TRAVEL EXPENSES MILEAGE EXPENSE	\$ 300.00	\$ 300.00	\$ 300.00	\$ 450.00	\$ 450.00	
	REIMBURSEMENT FROM DIRECTORS				\$ 52.32	\$ 68.12	
	Monthly Totals	<u>\$ 300.00</u>	<u>\$ 330.00</u>	<u>\$ 300.00</u>	<u>\$ 532.32</u>	<u>\$ 543.12</u>	<u>\$ -</u>

Bank Reconciliation

August Check Register



Check No. Vendor/Employee

Transaction Description

Date Amount

Fund: 01 WATER FUND

Department: 00

ACH	ACWA-JPIA	MONTHLY HEAL AND VISION INSURANCE - SEP 2018	08/28/2018	77,627.12
ACH	HEALTH EQUITY	HSA Anthem/Kaiser - 2018 ER Contribution (SS)	08/07/2018	3,000.00
ACH	NATIONAL METER & AUTOMATION	Itron 100W+ ERT w/Integral Connector & Antenna Port ERW-1300-402	08/09/2018	9,387.18
ACH	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - AUG 2018	08/09/2018	6,499.04
ACH	RENE BUSH	REIMBURSE RETIRED EMPLOYEE HEALTH INS - SEP 2018	08/28/2018	726.00
ACH	SAN DIEGO COUNTY WATER AUTH	WIRE TRANSFER FOR WATER PURCHASE - JUL 2018	08/08/2018	2,760,401.04
ACH	ANDREW ECHOLS	REIMBURSE RETIRED EMPLOYEE HEALTH INS - JUL 2018	08/28/2018	363.00
ACH	CHARLES C. SNEED	REIMBURSE RETIRED EMPLOYEE HEALTH INS - AUG 2018	08/09/2018	363.00
ACH	KEVIN MILLER	REIMBURSE RETIRED EMPLOYEE HEALTH INS - SEP 2018	08/28/2018	726.00
54997	CHARLES & VICTORIA DAVIS	Refund Check	08/08/2018	3,771.42
55004	CORE & MAIN LP	6" AVK GATE VALVE	08/09/2018	2,149.99
55010	FERGUSON WATERWORKS #1083	C20309801C REPAIR KIT CRL-18	08/09/2018	452.55
55011	GERARDO CANCINO	EMPLOYEE COMPUTER ASSISTANCE PROGRAM	08/09/2018	2,000.00
55030	WHITE CAP CONSTRUCTION SUPPLY	50 LB PAIL SPEEDCRETE REDLINE	08/09/2018	1,278.13
55034	CORE & MAIN LP	CPLG FCTSXPJ CTS NO LEAD	08/17/2018	181.21
55041	FREEDOM AUTOMATION, INC.	INV DATE-6/25/18, ENGINEERING SERVICES	08/17/2018	18,500.00
55056	KAMTLAS INVESTMENTS LLC	Refund Check	08/17/2018	311.98
55059	JOE'S PAVING COMPANY	Refund Check	08/17/2018	1,347.52
55060	PALOMAR COMMUNITY COLLEGE	Refund Check	08/17/2018	1,776.28
55061	TC CONSTRUCTION	Refund Check	08/17/2018	612.15
55062	AAAFFORDABLE MH CONSTRUCTION	Refund Check	08/20/2018	1,498.49
55063	DENNIS & DARLEEN BYRD	Refund Check	08/20/2018	78.85
55064	FAIN DRILLING & PUMP	Refund Check	08/20/2018	1,396.22
55065	MLA GENERAL CONTRACTOR, INC.	Refund Check	08/20/2018	1,254.99
55066	RONALD & TRACEY SORRIC	Refund Check	08/20/2018	1,123.27
55067	WEKA INC.	Refund Check	08/20/2018	918.96
55070	HELIX ENVIRONMENTAL PLANNING	Refund Check	08/23/2018	1,766.52
55071	S E PIPELINE CONSTRUCTION	Refund Check	08/23/2018	2,409.83
55075	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - SEP 2018	08/28/2018	1,880.55
55079	TRAVIS WAGNER	Refund Check	08/28/2018	29.35

Total for Department: 00 2,903,830.64

Department: 31 PUMPING

55014	HOME DEPOT	BUSHING, CLAMP, TESTER, 1 IN T CON	08/09/2018	30.35
55024	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #1065 087 935 1	08/09/2018	52,912.61

Total for Department: 31 PUMPING 52,942.96

Department: 32 OPERATIONS

ACH	AIRGAS USA, LLC	CYLINDER RENTAL: NITROGEN	08/17/2018	20.40
ACH	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	08/17/2018	718.00
ACH	UNION BANK (VISA)	AFTER HOUR MEALS FOR EE'S	08/10/2018	205.15
ACH	UNION BANK (VISA)	AFTER HOUR MEALS FOR EE'S	08/10/2018	39.30
55008	FALLBROOK PRINTING CO	Postage for CCR mailed to customers	08/09/2018	6,716.09
55014	HOME DEPOT	SOLARSPOTLIT	08/09/2018	346.15
55024	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #1065 087 935 1	08/09/2018	1,004.26
55036	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL HAZ MAT PERMIT FOR BECK	08/17/2018	469.00
55052	UTILITY SERVICE CO.	QUARTERLY TANK SERVICE - MORRO	08/17/2018	137,130.71

Total for Department: 32 OPERATIONS 146,649.06

Department: 33 VALVE MAINTENANCE

ACH	PALOMAR BACKFLOW	CLEANED DEBRIS FROM BACKFLOW PREVENTION ASSEMBLY - JOE P	08/08/2018	300.00
55002	BRYAN ROSE	REIMB FOR CA-NV-AWWA CROSS-CONNECTION SPECIALIST CERT RENEW FEE	08/09/2018	80.00

Total for Department: 33 VALVE MAINTENANCE 380.00

Department: 34 WATER DISTRIBUTION

ACH	AIRGAS USA, LLC	CYLINDER RENTAL: ARGON, ACETYLENE, CARBON DIOXIDE, OXYGEN	08/17/2018	83.76
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(5) 10' K-RAIL AND (1) TJ 5 CUSHION ON RENT-CALLEY JOYA	08/09/2018	750.00
ACH	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	(2) 8X12 NON SKID TRENCH PLATE RENTAL, RECHE RD @ SCOOTER LN	08/17/2018	350.00
ACH	SCW CONTRACTING CORPORATION	Main Line Repair	08/09/2018	16,078.00
ACH	TRAFFIC SAFETY SOLUTIONS, LLC	TRAFFIC CONTROL 7/26/18, W LILAC ROAD	08/09/2018	2,100.00
ACH	UNDERGROUND SERVICE ALERT	RAI88 NEW TICKET CHARGES	08/09/2018	161.80
ACH	UNION BANK (VISA)	LATE FEE	08/10/2018	32.02
55014	HOME DEPOT	CASTER, BLADES, CHISEL, CHISEL KIT, PLIERS, 12IN FILE	08/09/2018	399.44
55039	DOUBLE D PIPELINE, INC.	Main Line Repair	08/17/2018	5,798.51
55047	PERRAULT CORPORATION	FILL DIRT, TICKET 72574, 72475, 72576	08/17/2018	95.81

Total for Department: 34 WATER DISTRIBUTION 25,849.34

Department: 35 METER SERVICES

54998	BAVCO	Watts 009 RPR Kit	08/09/2018	4,562.36
55014	HOME DEPOT	05GLHD2 HOME DEPOT 5 GAL. BUCKET	08/09/2018	122.04

Total for Department: 35 METER SERVICES 4,684.40

Total for Fund:01 WATER FUND 3,134,336.40

Fund: 02 SEWER FUND

Department: 00

55063	DENNIS & DARLEEN BYRD	Refund Check	08/20/2018	37.07
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Total for Department: 00 37.07

Department: 61 WASTEWATER

ACH	ATLAS PUMPING SERVICE	MONTHLY BIN RENTAL	08/09/2018	210.00
ACH	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	08/17/2018	425.00

ACH	O'REILLY AUTO PARTS	AIR FILTER, COOLANT FLTR, FUEL FILTER, OIL FILTER	08/17/2018	129.86
ACH	UNION BANK (VISA)	OVERLIMIT FEE	08/10/2018	564.18
55014	HOME DEPOT	RAPDSET CONR, MASONBRUSH, WOOD FLOAT, KNEELER	08/09/2018	90.79
55016	RUBEN LOPEZ	REIMB FOR CWEA COLLECTION SYSTEM MAINT TECH GRADE 1 CERT RENEWAL	08/09/2018	87.00
55022	RHO MONSERATE C.C.H.A.	ELECTRIC CHARGE	08/09/2018	379.71
55024	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #1065 087 935 1	08/09/2018	5,492.62
55029	WATER QUALITY SPECIALISTS	MONTHLY OPERATIONS AND MAINTENANCE SERVICE - JUL 2018	08/09/2018	1,950.00
55036	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL HAZ MAT PERMIT FOR L/S 1	08/17/2018	938.00
55055	INTEGRITY ELECTRIC	Budgeted item: Capitol Equipment Lift Station # 3 Emergency gene	08/17/2018	12,240.00
55074	CHRIS HAND	REIMB FOR CWEA COLLECTION SYSTEM MAINT TECH GRADE 1 RENEWAL CERT	08/28/2018	87.00

Total for Department: 61 WASTEWATER 22,594.16

Total for Fund:02 SEWER FUND 22,631.23

Fund: 03 GENERAL FUND

Department: 00

ACH	ACWA-JPIA	MONTHLY HEAL AND VISION INSURANCE - SEP 2018 (TERRELL & KIARA)	08/28/2018	-4,663.42
ACH	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - AUG 2018	08/09/2018	202.96
ACH	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - SEP 2018	08/28/2018	8,326.16
ACH	PUBLIC EMPLOYEES RETIREMENT	ANNUAL UNFUNDED ACCRUED LIABILITY, PEPRA 26407	08/07/2018	35,755.78

Total for Department: 00 39,621.48

Department: 36 GARAGE

ACH	ALL STAR GLASS	Windshield Replacement Labor	08/09/2018	632.12
ACH	ANELLE MANAGEMENT SERVICES	Hazmat Disposal Fee (ASH Removal)	08/17/2018	1,909.85
ACH	FALLBROOK EQUIPMENT RENTAL	CONCRETE, 1/2 YARD 6 SACK MIX, CEMENT, CONCRETE, 3/4" ROCK	08/09/2018	161.63
ACH	FLYERS ENERGY LLC	ORDER 1533651-18, CARB REG 10% ETH 550 UNITS/DSL 180 UNITS	08/09/2018	3,912.60
ACH	FLYERS ENERGY LLC	ORDER 1538619-18, CARB REG 10% ETH 400 UNITS/DSL 220 UNITS	08/17/2018	2,006.06
ACH	NAUMANN HOBBS MATERIAL HANDLING CORPORATION II INC	Flat Rate Labor to remove and rebuild left & right Hi Lift Ram	08/09/2018	777.09
ACH	O'REILLY AUTO PARTS	OIL FILTER, QTMOTORFLUSH, GL-WIPER FLD	08/09/2018	123.50
ACH	PARKHOUSE TIRE, INC.	ST205/75R14 C MILESTAR/FREESTAR	08/09/2018	118.04
ACH	SAFETY-KLEEN	5G BRAKE CLEANER, 30G PARTS WASHER	08/09/2018	517.54
ACH	UNION BANK (VISA)	EREPLACEMENTPARTS-PRIMER BULB, LEVER, GRIP, SPRING,LEVER ASSY	08/10/2018	540.08
55005	RAMON FRANCISCO COTE	RMWD VEHICLE WASH	08/09/2018	338.50
55007	FALLBROOK AUTO PARTS	TAILGATE HANDLE	08/09/2018	62.00
55014	HOME DEPOT	VP Small Engine Fuel 4-Cycle 94 Octane Ethanol Free (8-Pack)	08/09/2018	418.50
55035	RAMON FRANCISCO COTE	RMWD VEHICLE WASH	08/17/2018	680.00
55043	HEAVY VEHICLE ELECTRONIC LICENSE PLATE	MONTHLY SERVICE - JUL	08/17/2018	27.65
55046	NETWORK FLEET, INC.	MONTHLY AIRTIME CHARGES FOR GPS TRACKING - AUG 2018	08/17/2018	780.00
55051	TRANSWEST SAN DIEGO, INC.	DUMP TRUCK REPAIR	08/17/2018	618.83
55053	WINZER	M6 X 1.0 X 16 10.9 HHCS ZP FT Product # 064.6.16	08/17/2018	1,001.54

Total for Department: 36 GARAGE 14,625.53

Department: 41 ADMINISTRATION/HR

ACH	ACCELA, INC. #774375	WEB PAYMENTS TRANSACTION FEE	08/09/2018	2,497.00
ACH	HEALTH EQUITY	MONTHLY ADMINISTRATION FEES - JUL 2018	08/02/2018	64.90
ACH	HEALTH EQUITY	MONTHLY ADMINISTRATION FEES - AUG 2018	08/30/2018	70.80
ACH	IMAGE SOURCE	LEASE AGREEMENT - CONTRACT AMOUNT	08/09/2018	399.00
ACH	INFOR PUBLIC SECTOR, INC.	INFOR PUBLIC SECTOR SUITE	08/28/2018	44,366.40

ACH	REM MECHANICAL, INC	WATER LEAK MAINTENANCE BUILDING REPAIR	08/09/2018	188.00
ACH	UNION BANK (VISA)	GO TO MY PC LOGIN MONTHLY CHARGE	08/10/2018	1,042.73
ACH	UNION BANK (VISA)	LATE FEE	08/10/2018	10.00
ACH	XEROX CORP.	MONTHLY LEASE	08/09/2018	1,479.80
54999	BONSALL PEST CONTROL	MONTHLY PEST CONTROL	08/09/2018	100.00
55003	COPY 2 COPY	BUSINESS CARDS FOR TOM KENNEDY	08/09/2018	106.67
55006	COVERALL NORTH AMERICA, INC.	MONTHLY CLEANING SERVICES	08/09/2018	995.00
55009	FALLBROOK WASTE AND RECYCLING	MONTHLY REFUSE AND RECYCLE	08/09/2018	1,402.00
55012	GRANGETTO'S-FALLBROOK	OWL BOX	08/09/2018	59.53
55014	HOME DEPOT	SOLAR LED SPOT LIGHT, WHITE CUBE TAP	08/09/2018	73.37
55015	HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC.	STAFFING: MHIEBERT (CS CLERK)	08/09/2018	466.52
55017	MITEL LEASING, INC.	CREATE A NEW TEST IVR SET UP	08/09/2018	1,958.61
55021	RBC SERVICES, LLC	NEED REPAIR AND LOCKS CHANGED	08/09/2018	277.53
55024	SAN DIEGO GAS & ELECTRIC	MONTHLY ELECTRIC SERVICE #4065 592 756 6	08/09/2018	5,451.20
55025	CRAIG SHOBE	Plumbing Services Building 3	08/09/2018	1,800.56
55026	SHRED-IT USA LLC	MONTHLY SERVICE AGREEMENT	08/09/2018	146.74
55028	ULINE	S-21114 SHELF BIN LABELS	08/09/2018	574.38
55032	WILLDAN FINANCIAL SERVICES	LOCAL IMPROVEMENT DISTRICT ADMINISTRATION FOR FY1819	08/09/2018	2,500.00
55037	CSDA, SAN DIEGO CHAPTER	CSDA QUARTERLY DINNET MEETING 8/16/18 WASHBURN & KENNEDY	08/17/2018	60.00
55038	DELL BUSINESS CREDIT	Dell 24 Monitor	08/17/2018	5,231.26
55040	FEDEX	DELIVERY SERVICE	08/17/2018	23.68
55044	INFOR (US), INC.	RMWD - UB REQUIREMENT AND AD HOC SERVICES	08/17/2018	990.00
55045	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	08/17/2018	1,998.14
55048	XEROX FINANCIAL SERVICES	MONTHLY LEASE	08/17/2018	565.83
55049	SHRED-IT USA LLC	MONTHLY SERVICE AGREEMENT	08/17/2018	146.74
55050	TIME WARNER CABLE	MONTHLY INTERNET CONNECTION - AUG	08/17/2018	1,250.00
55068	COLIN CHAPPELLE	PHOTOGRAPHY & VIDEO FOR "HISTORY OF RMWD" - 50% ADVANCE	08/23/2018	3,500.00
55069	OMAR GUTIERREZ	SETTLEMENT FOR DAMAGES DONE TO VEHICLE	08/23/2018	406.00
55073	CYNTHIA GRAY	TRAVEL EXPENSE REIMB - FUNDAMENTALS OF SUCCESSFUL PROJECT MNGMNT	08/28/2018	109.15
55078	VERIZON WIRELESS	MONTHLY CELLULAR SERVICE	08/28/2018	9,554.03
Total for Department: 41 ADMINISTRATION/HR				89,865.57

Department: 42 HUMAN RESOURCES

ACH	UNION BANK (VISA)	EE RECOGNITION LUNCH W/ GM	08/10/2018	183.17
ACH	UNION BANK (VISA)	EE RECOGNITION LUNCH WITH GM	08/10/2018	75.74
ACH	UNION BANK (VISA)	LATE FEE	08/10/2018	830.70
55001	KIMBERLY BROWN	MOVING EXPENSE REIMBURSEMENT	08/09/2018	2,358.41
55019	NATIONAL BENEFIT SERVICES, LLC	COBRA ADMINISTRATION FEE - JUL 2018	08/09/2018	50.00
55020	OCCUPATIONAL HEALTH CENTERS OF CA, A MEDICAL CORP	SERVICES PERFORMED AT CMC	08/09/2018	237.00
55027	THE ASSESSMENT SPECIALISTS, INC.	PROFILEXT METER	08/09/2018	2,000.00
55037	CSDA, SAN DIEGO CHAPTER	CSDA QUARTERLY DINNET MEETING 8/16/18 HARP	08/17/2018	30.00
55054	ASPIRE FINANCIAL SERVICES, LLC	ADMINISTRATION SERVICES, PERIOD 4/1/18-6/30/18	08/17/2018	300.00
Total for Department: 42 HUMAN RESOURCES				6,065.02

Department: 43 SAFETY

ACH	AIRGAS USA, LLC	MSA Hi-Viz Orange Polyester Mesh Sunshade With Reflective Stripe	08/17/2018	651.09
ACH	ALL THINGS FALLBROOK	NE1020 Navy Blue New Era Ballcaps S/M	08/09/2018	1,125.63
ACH	KNIGHT SECURITY & FIRE SYSTEMS	SECURITY AND MONITORING	08/09/2018	1,848.00
ACH	T.R.Y. ENTERPRISES, INC.	PATROL SERVICES 7/1/18 TO 7/31/18 FOR DISTRICT YARD & HUNTLEY	08/17/2018	985.00
ACH	TNG SECURITY INC.	SERVICE AND MAINTENANCE OF SECURITY EQUIPMENT	08/09/2018	368.04
55000	BOOT BARN INC	SAFETY BOOTS - CWAITE & GCANCINO	08/09/2018	360.48
55014	HOME DEPOT	Sterilite30 Qt. Latch Storage Box	08/09/2018	64.46

55033	BOOT BARN INC	SAFETY BOOTS - CHAND & MGONZALEZ	08/17/2018	291.89
55057	OCCUPATIONAL HEALTH CENTERS OF CA, A MEDICAL CORP	SERVICES PERFORMED AT CMC	08/17/2018	131.00
55077	THOMAS SJUNESON	REIMB FOR PURCHASE OF SAFETY BOOTS	08/28/2018	200.00
Total for Department: 43 SAFETY				6,025.59
Department: 51 FINANCE				
55031	WHITE NELSON DIEHL EVANS LLP	PROFESSIONAL SERVICES RENDERED FOR THE PERIOD ENDING 7/31/18	08/09/2018	6,319.00
55045	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	08/17/2018	2,993.54
Total for Department: 51 FINANCE				9,312.54
Department: 52 CUSTOMER SERVICE				
ACH	MISSION RESOURCE CONSERVATION DISTRICT	HOME WATER USE EVALUATIONS - JUL 2018	08/09/2018	64.00
ACH	TCN, INC	MONTHLY 48 HOUR NOTICE CALLS	08/09/2018	24.86
55023	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES FOR - MARCH 2018	08/09/2018	730.31
55045	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	08/17/2018	948.90
55058	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES FOR - JUL 2018	08/17/2018	2,270.50
Total for Department: 52 CUSTOMER SERVICE				4,038.57
Department: 91 ENGINEERING				
55018	MODULAR BUILDING CONCEPTS, INC	RENTAL AGREEMENT	08/09/2018	1,127.05
55040	FEDEX	DELIVERY SERVICE	08/17/2018	50.61
55076	MICHAEL POWERS	TUITION REIMBURSEMENT - LEADERSHIP FOR WATER MANAGERS	08/28/2018	833.50
Total for Department: 91 ENGINEERING				2,011.16
Total for Fund:03 GENERAL FUND				171,565.46
Fund: 39 SRF LOAN MORRO				
Department: 00				
55080	WELLS FARGO BANK	ADMINISTRATIVE CHARGE FOR CORP TRUST SERVICES - BECK	08/28/2018	1,000.00
Total for Department: 00				1,000.00
Total for Fund:39 SRF LOAN MORRO				1,000.00
Fund: 60 WTR CAP EXPANSION/REPLACEMENT				
Department: 00				
ACH	WILMINGTON TRUST, NATIONAL ASSOCIATION	TRANSFER FUNDS TO ACQUISITION AND CONSTRUCTION FUND CFD	08/15/2018	1,654,197.70
Total for Department: 00				1,654,197.70
Total for Fund:60 WTR CAP EXPANSION/REPLAC				1,654,197.70
Grand Total				4,982,730.79

Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2018-2019

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	34,636	47,313											188
403	AG	129,354	148,627											638
231	CM	51,490	67,258											273
30	CN	3,982	4,388											19
24	IS	4,964	3,824											20
88	MF	11,653	12,856											56
326	SC	165,088	203,887											847
1034	SD	228,710	263,815											1,131
5122	SF	168,864	192,438											829
7849	Total	798,741	944,406	-	-	-	-	-	-	-	-	-	-	4,002

FISCAL YEAR 2017-2018

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	33,310	29,712											145
403	AG	144,066	131,474											633
231	CM	33,715	42,488											175
30	CN	2,447	3,983											15
24	IS	2,320	2,440											11
88	MF	11,472	10,002											49
326	SC	179,822	156,120											771
1034	SD	244,799	223,157											1,074
5122	SF	174,946	165,760											782
7849	Total	826,897	765,136	-	-	-	-	-	-	-	-	-	-	3,655

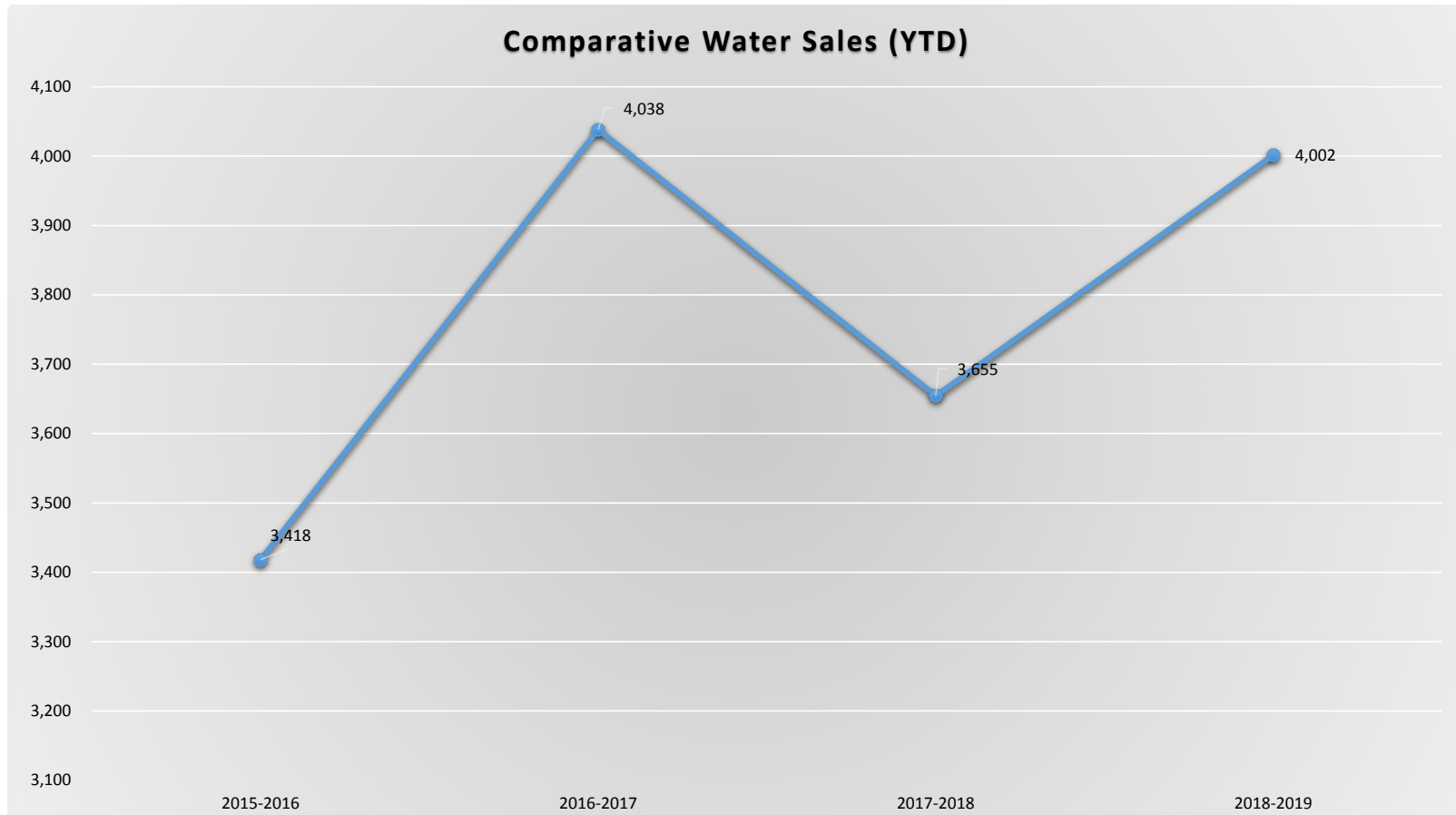
FISCAL YEAR 2016-2017

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	36,216	34134											162
403	AG	156,957	152359											710
231	CM	47,830	45043											213
30	CN	4,900	4950											23
24	IS	3,806	3701											17
88	MF	11,307	11657											53
326	SC	183,744	166212											803
1034	SD	279,246	253718											1,224
5122	SF	187,516	175736											834
7849	Total	911,522	847,510	-	-	-	-	-	-	-	-	-	-	4,038

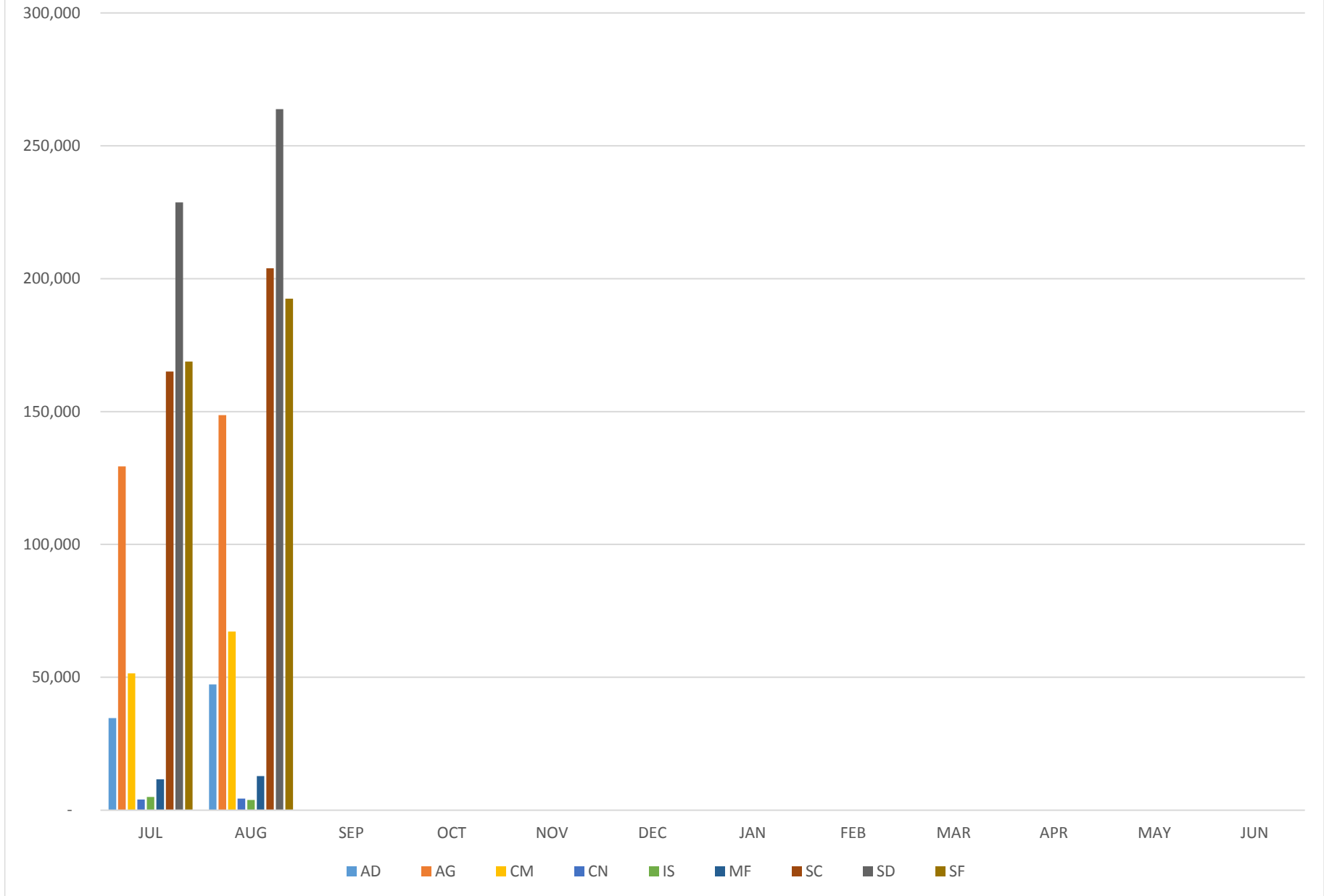
FISCAL YEAR 2015-2016

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
601	AD	29,891	26212											129
404	AG	143,174	124130											614
6	C	4,342	0											10
221	CM	28,620	33259											142
37	CN	6,680	7040											31
24	IS	2,773	2779											13
88	MF	11,351	10279											50
326	SC	162,756	144892											706
1038	SD	245,736	213120											1,053
5092	SF	148,573	143404											670
7837	Total	783,896	705,115	-	-	-	-	-	-	-	-	-	-	3,418

Comparative Water Sales YTD from Prior Years



USAGE BY CUSTOMER CLASS FY 18-19





**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
SEPTEMBER 2018**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333.33
Less 5% Contractual Allowance	416.67
EDUs Set Aside by Board for Emergencies	60.00
EDUs Connected	4,601.30 *
EDUs Unconnected/Committed	420.20
Total EDUs Available for Purchase:	2,835.17

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES PAID
Golf Green Estates (Dev. Solutions) - 102.46	51.16	\$ 1,053,042
Horse Creek Ridge (DR Horton/RAH) - 754	149.20	\$ -
Passarelle (HRC Commercial) - 96.57	96.57	\$ -
Polo Club (Vista Valley Dev.) - 165 Lots	59.85	\$ 1,022,775 **
Pala Mesa Highlands (Beazer Homes) - 159.3	50.22	\$ 1,048,847 ***
Others (5 or less)	13.20	\$ 204,156
TOTAL UNCONNECTED:	420.20	\$ 3,328,820

*There is a delay between connections and new account activations.

**Deferred total payment until building permits are issued.

***PMH paid additional funds to cover the initial 50% of sewer installment.

