



RAINBOW MUNICIPAL WATER DISTRICT
Tuesday, January 28, 2020
Closed Session – Time: 11:30 a.m.
Open Session - Time: 1:00 p.m.

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

District Office

3707 Old Highway 395

Fallbrook, CA 92028

Board Agenda Policies

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

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

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

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

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

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

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

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

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

(*) - Asterisk indicates a report is attached.

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 11:30 a.m. and Open Session at 1:00 p.m. Tuesday, January 28, 2020, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
 2. **ROLL CALL: Brazier ___ Hamilton ___ Gasca ___ Mack ___ Rindfleisch ___**
 3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
 4. **ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC
OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING
CLOSED SESSION AGENDA ITEMS (Government Code § 54954.2).**
Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should indicate their desire to speak by filling out and submitting a "Speaker's Slip" to the Board Secretary before the meeting begins. *Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
 5. **CLOSED SESSION**
 - A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
* Four Items
 - B. Conference with Legal Counsel-Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
* Otay Water District v. Rainbow Municipal Water District
 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.*
 11. **COMMENTS FROM THE CITY OF POWAY**

(*) - Asterisk indicates a report is attached.

***12. APPROVAL OF MINUTES**

- A. December 3, 2019 - Regular Board Meeting

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

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

- A. President's Report (Director Brazier)
- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - A. Summary of Board Meeting November 21, 2019
 - 2. CSDA
 - 3. LAFCO
 - A. Special District Advisory Committee Election Results
 - 4. San Luis Rey Watershed Council
 - 5. Santa Margarita River Watershed Watermaster Steering Committee
 - 6. ACWA
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attendance Reports
- D. Directors Comments
- E. Legal Counsel Comments
 - 1. Attorney Report: Employment Law Update (501668-0002)

14. COMMITTEE REPORTS

- A. Budget and Finance Committee
- B. Communications and Customer Service Committee
- C. Engineering and Operations Committee

PRESENTATION WITH ACTION ITEM

***15. PRESENTATION AND ACCEPTANCE OF THE AUDIT REPORT AND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2019**

(The FY 18/19 year end financials for RMWD will be presented by Audit Firm WNDE. The board will be voting on acceptance of the audit.)

PRESENTATION

16. RATE MODEL PRESENTATION

CONSENT CALENDAR ITEMS

17. DISCUSSION AND POSSIBLE REAPPOINTMENT OF TREASURER

(Per the administrative code section 5.03.070 Investment Policy Delegation of Authority – on an annual basis the District's idle funds are delegated to the Treasurer by the Board of Directors who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.)

(*) - Asterisk indicates a report is attached.

- *18. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-02 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 5.05.050.01 – RECORDS RETENTION – DISTRICT RECORDS**
(Upon review of the District's Administrative Code Section 5.05.050.01, rate hearing protests were not included in the updated policy and needs to be added.)
- *19. DISCUSSION AND POSSIBLE ACTION TO APPROVE FIRST AMENDMENT TO THE SEWER SERVICE AGREEMENT REGARDING THE TERMS AND CONDITIONS OF THE SEWER CAPACITY FEES AND CREDIT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND BEAZER HOMES HOLDING CORPORATION. PALA MESA HIGHLANDS, TM 5187-1**
Beazer Homes has requested an amendment to the existing Sewer Agreement for the Pala Mesa Highlands development (TM 5187-1). Subsequent to the original agreement, the size of seven residences in the development were reduced which reduced the totals EDUs and capacity fees due to the District. Accepting the amended sewer service agreement will reduce the remaining 50% sewer capacity fees owed to the District by \$21,190.
- *20. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE DENTRO DE LOMAS STREET IMPROVEMENT PROJECT**
(This project consists of reconstructing 8,328 square feet of pavement and 431 linear feet curb and gutter. Damage to the public residential street was a result of water flow from a main break in early 2019. Only segments of the street and curb damaged by the main break and water flow will be repaired.)
- *21. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-01 — 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 JANUARY 28, 2020 THROUGH JUNE 30, 2020**
(Several positions have been reevaluated due to vacancies and the recommended pay grades have been adjusted accordingly based on the new job classifications.)
- *22. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-01 - AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST**
(As the positions change at the District, a review of the Conflict of Interest Code is conducted to determine whether those positions listed in the Conflict of Interest Code need to be updated accordingly.)

BOARD ACTION ITEMS

- *23. RATEPAYER REQUEST FOR CREDIT**
(Customer Mark Witkower requested a credit for water usage following a meter exchange that resulted in delayed billing.)
- *24. DISCUSSION AND POSSIBLE ACTION TO APPROVE A SEWER SERVICE AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND BONSALL GROUP, LLC. LILAC DEL CIELO, TM 5427**
(Lilac Del Cielo is a subdivision of 73 condominium units located between Camino Del Cielo and West Lilac Road. The project is currently in escrow to be sold to DR Horton. The Developer requested to enter into a sewer service agreement with the District according to the terms of the District's Administrative Code, attached for discussion.)
- *25. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR PIPELINE UPGRADE PROJECT #2**
(The Pipeline Upgrade Project #2 consists of the design of seven (7) pipe replacements or rehabilitations consisting of approximately 7,500 feet of pipeline between 8-inch and 12-inch diameter. These seven projects were identified in the Water Pipeline Condition Assessment. The intent of the design services will be to prepare plans, specifications, and an estimate suitable for bidding by a public agency.)

(*) - Asterisk indicates a report is attached.

- *26. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE PHASE I PRESSURE REDUCING STATIONS PROJECT**
(This project consists of the installation of three pre-manufactured EFI Pressure Reducing Stations at Pala Mesa Resort and Pala Mesa Fairway Villas Association. Installation of pressure reducing stations are based on recommendations in our recent condition assessment study to help protect our pipelines from future breaks.)
- 27. COMMITTEE MEMBER REAPPOINTMENTS**
(After review of Administrative Code Chapter 2.09 – Committees, it was realized all committee members must be reappointed by the Board after four years of service. Those affected were directed to notify the District in writing of their desire to be reappointed from which a list was prepared for Board consideration.)
- *28. LAFCO CALL FOR BALLOTS FOR NOMINATIONS FOR REGULAR SPECIAL DISTRICT MEMBER ELECTION**
(RMWD received notice serving as a call to nominations pursuant to Government Code Section 56332(1) to solicit one regular special district member to serve on the San Diego Local Agency Formation Commission (LAFCO)).
- 29. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

BOARD INFORMATION ITEMS

- *30. BONSALL RESERVOIR UPDATE ON PREVAILING LEASING RATES/ALTERNATIVES**
(The Bonsall Reservoir has not been used as a water impoundment for several decades. The site is currently under a long-term lease which expires in 2020. Staff contracted with a local solar company to evaluate the use of the site for solar power. Currently, staff is evaluating bringing the reservoir back into service.)
- 31. MEMORANDUM OF UNDERSTANDING AMONG RMWD, FPUD, AND EASTERN MUNICIPAL WATER DISTRICT UPDATE**
- *32. CASH RESERVE POLICY 5.03.220 COMPLIANCE REPORT**
(At the end of each fiscal year, compliance with the Reserve Policy will be reported to the District's Board of Directors.)
- 33. SCHEDULING STRATEGIC PLAN AND LESSONS LEARNED WORKSHOP UPDATE**
- *34. 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
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
 - E. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
 - F. Finance Comments**
 - 1. Information Report
 - 2. Monthly Financial Statements

(*) - Asterisk indicates a report is attached.

3. Treasury Report
4. Five Year Demand
5. Credit Card Breakdown
6. Directors' Expense
7. Check Register
8. Water Sales Summary
9. Developer Projections
10. RMWD Properties

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

36. ADJOURNMENT - To Tuesday, February 25, 2020 at 1:00 p.m.

ATTEST TO POSTING:



FOR: Carl Rindfleisch
Secretary of the Board

1-20-2020 @ 12:44 p.m.

Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 3, 2019**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on December 3, 2019 was called to order by President Brazier at 11:06 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Brazier presiding.

2. **ROLL CALL**

Present: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch
(arrived at 11:15 a.m.).

General Manager Kennedy, Legal Counsel Smith, Executive Assistant Washburn, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Administrative Analyst Gray.

Absent: Director Mack.

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

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

Mr. Kennedy requested adding Item #25A to authorize the general manager to make expenditures over the \$50,000 limit to address the damage to the property on Sarah Ann caused by the main line break.

Motion:

Item #25A be added to the agenda.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Rindfleisch

President Brazier requested Item #13D to address an urgent matter concerning the Engineering and Operations Committee before their meeting scheduled for December 4, 2019.

Motion:

Item #13D be added to the agenda.

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

(*) - Asterisk indicates a report is attached.

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

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Rindfleisch.

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

There were no comments.

The meeting adjourned to Closed Session at 11:09 a.m.

Director Rindfleisch joined the meeting at 11:15 a.m.

5. CLOSED SESSION

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

* Three Items

B. Appointment, Employment; Evaluation of Performance – General Manager (Government Code §54957(B)(1))

6. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

The meeting reconvened at 1:13 p.m.

Time Certain: 1:00 p.m.

7. PLEDGE OF ALLEGIANCE

8. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss three anticipated litigation items as well as the evaluation of performance for the General Manager and there was no reportable action. He noted the Board voted to reject the Proposition 218 claim.

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

President Brazier announced Item #25A to address the leak and property damage to a residence on Sarah Ann and Item #26A to address a matter related to the committees (this item was originally added as Item #13D under Item #3 herein).

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).

Mr. Sohrabi introduced himself to the Board noting he has four meters on one of his properties that have been utilized for the last ten years to grow avocados. He said due to hardship with the avocado prices, he has switched to using well water and now has three meters not in use for

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which he is paying fixed meter fees totaling \$400 per month. He said he has been diligent to conserve water and now he is paying \$15,000 per year for the three meters he is not using which is too much money. He also pointed out should he remove these meters it will cost \$100,000 each to reinstall them which is not only costly, but these meters may be needed in the event of an emergency. He asked the Board to do something regarding this matter. President Brazier referred Mr. Sohrabi to the Engineering Department who can assist him with this situation.

***11. APPROVAL OF MINUTES**

A. October 22, 2019 - Regular Board Meeting

Motion:

To approve the minutes.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

***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 (Director Brazier)

President Brazier commented on the new and safe workspace the operations department has to work after the flooding of their previous location.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting October 24, 2019

Mr. Kennedy noted there have been two meetings since the RMWD Board met last. He reported the completion of the pipeline repairs at Moosa Creek have been accepted by the Board and how the fiber repairs should have a ten-year life span. He added the Board also adopted a resolution asking San Diego LAFCO to make any vote related to RMWD's potential detachment countywide. He mentioned FPUD and RMWD and one member of the City of San Diego opposed this resolution; however, it did pass.

2. CSDA

Mr. Kennedy reported on the recent November CSDA Quarterly Dinner meeting in Director Mack's absence.

3. LAFCO

There was no report given.

(*) - Asterisk indicates a report is attached.

4. San Luis Rey Watershed Council

Director Gasca reported the Council anticipates meeting will resume in the near future at which time he will attend.

5. Santa Margarita River Watershed Watermaster Steering Committee

Director Hamilton noted the next meeting will be held in January 2020.

6. ACWA

There were no comments.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Hamilton announced he completed his AB1234 required training.

D. Directors Comments

Director Gasca mentioned he did check in with Director Mack who has provided comments to Mr. Kennedy to share at this meeting in his absence.

E. Legal Counsel Comments

1. Attorney Report: Amendments to Surplus Land Act (501668-0002)

Legal Counsel summarized the information contained in his written report. It was noted this may be applicable to RMWD in the future.

13. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Stitle reported a rate model study presentation will be provided to the Board at their January meeting, the software update was now producing useful reports, and the audit was essentially complete. He complimented Ms. Largent for her work during the audit process; however, he would not recommend the District utilize the same auditing firm. He thanked the Board for giving him the opportunity to serve on the committee over the past ten years and how this was his last meeting.

B. Communications and Customer Service Committee

Director Hamilton reported the committee determined it would be best to have a communication roadmap defining what needs to occur when projects come about requiring communications materials so nothing falls through the cracks. He also noted the committee will develop a plan of action for communications moving forward on which the Board will be kept apprised.

C. Engineering and Operations Committee

Mr. Nelson reported the committee continues its review numerous projects, but most importantly Items #20 and #21 for which the committee recommends Board approval.

(*) - Asterisk indicates a report is attached.

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President Brazier requested that each recommendation voted on by the Committee be brought to the Board's attention in either the oral reports or agenda item Action Letters.

BOARD ACTION ITEMS

***14. CONSIDER APPROVAL OF A MEMORANDUM OF UNDERSTANDING WITH THE FALLBROOK PUBLIC UTILITY DISTRICT FOR WATER RESOURCE DEVELOPMENT AND EMERGENCY WATER SUPPLY**

Mr. Kennedy gave a brief presentation on the Water Resource Development and Emergency Supply MOU noting this matter was in alliance with the RMWD Strategic Plan objectives. He explained the project will cost approximately \$1.4 Million; however, FPUD and Camp Pendleton have jointly applied for and received half of those costs in a grant resulting in RMWD's cost share being \$105,000.

Director Gasca stated there were some areas written very generic which he would like to have appropriately modified to include specifics, i.e., the second to the last paragraph on the first page where it states "pursue alternative supplemental water supplies for the benefit of the public". He said it's a financial benefit RMWD was looking at for its ratepayers; therefore, he would like to see it a little more specific in this regard. Mr. Kennedy said this went through a few renovations with RMWD's legal staff, but Legal Counsel can speak with Ms. De Sousa to see what can be revised. He added it's contemplated there may be other opportunities to pursue with all parties involved having the same interest to developing local supplies. Director Gasca clarified having the appropriate modifications made by Legal Counsel will suffice without bringing this back to the Board for approval.

Director Rindfleisch inquired as to FPUD's contribution amount. Mr. Kennedy answered the remaining amounts on the 50/50 on the base and FPUD was his understanding. Director Rindfleisch factoring in the potential savings to RMWD and its ratepayers would be great to see what type of return on investment the \$105,000 will potentially provide. Mr. Kennedy stated although the exacts costs, but attempts were made to build a cost of source of supply as low or lower than RMWD's wholesale supply. He noted there was a benefit to having a local supply in the case of outages that has a premium over the wholesale costs.

Motion:

Adopt Option 2 - Request language modifications to the MOU without presentation to the Board at a future Board Meeting.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

***15. CONSIDER ADOPTION OF A RESOLUTION OF APPLICATION AUTHORIZING THE GENERAL MANAGER TO PREPARE AND SUBMIT AN APPLICATION TO THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION TO DETACH FROM THE SAN DIEGO COUNTY WATER AUTHORITY AND ANNEX TO EASTERN MUNICIPAL WATER DISTRICT**

Mr. Kennedy gave a presentation noting this item was to authorize the General Manager to prepare an application for submittal as well as modify and provide supplemental information

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materials that San Diego LAFCO may require during the process for the detachment for exclusion of territory for the RMWD from the SDCWA and the subsequent annexation to EMWD. He pointed out there are some small pipeline and pump station improvements needed to be made into RMWD's southern service area to handle its peak summertime demands that are noted in some of the studies attached to the application resolution. He talked about how the impact of this detachment to other SDCWA member agencies will be small; however, RMWD's rate model shows if a change in supplier does not take place, the accumulative rate increases to RMWD customers over the next several years will be 25%. He mentioned FPUD and RMWD have been trying diligently to meet with SDCWA and other SDCWA member agencies to find if there was a way to detach without protracted legal interactions. He concluded with reviewing the steps that would be taken should the Board approve the resolution.

Claire Collins introduced herself as SDCWA's Special Counsel. She noted she provided a letter yesterday, but she was here to address the bigger picture. She stated RMWD is and for the foreseeable future will continue to be one of SDCWA's very important members. She said SDCWA sees their role in the proposed detachment proceeding as facilitating the sharing of information for the benefit of all the SDCWA member agencies, including RMWD and FPUD. She said SDCWA staff was trying to obtain as much information as possible and how the information provided at this meeting today may assist SDCWA understand RMWD's position better.

Ms. Collins shared a few facts surrounding the proposed action from SDCWA's perspective. She said the first would be the known unknowns. She stated this was an unprecedented action to detach from SDCWA; therefore, the known unknowns include; 1) how the process will unfold before LAFCO; 2) what the conditions of detachment will be; and 3) how it will affect customers both within and outside RMWD. She pointed out a notable issue is what amount RMWD will need to pay into SDCWA to compensate for RMWD's share of the contractual and other obligations that have been entered into which SDCWA claims this issue has been relatively ignored in this process and must be an important part of the path forward. She added other significant issues which have been raised are related to infrastructure and environmental matters such as the connection.

Ms. Collins talked about the importance of agricultural users and how important they are to SDCWA and the rate consideration, including TSWAR. She said the final issue was liability being the core consideration with cost and how it compromises reliability which is critical for ensuring continued help with the agricultural sector.

Ms. Collins summarized her comments stating, SDCWA does believe this is premature and the analysis has been done at a programmed level analysis as opposed to project level analysis. She said based on this information, SDCWA would ask for delayed action on this item until SDCWA can review the more detailed analysis and again collaborate on potential paths forward with RMWD and FPUD.

Rodney Smith introduced himself as a new RMWD customer residing on Garrano Lane. He requested all the studies related to water supply reliability and water rates upon which RMWD was relying as it prepares and submits an application to San Diego LAFCO be made available for public review and comment. He expressed why he was concerned the water supplies of MWD are not being as reliable as that of SDCWA and encouraged RMWD to engage in a much better risk assessment and how responsible decision making has to be based on strong analytical and factual foundation. He concluded with stating as the District proceeds with assessing its strategic alternatives, the consequences for water supply reliability and long-term water rates should be thoroughly and publicly vetted.

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Mr. Kennedy pointed out the copy Mr. Smith had from July was a draft RMWD provided to SDCWA's General Counsel for comment which have not yet been received. He told Mr. Smith he would be happy to discuss any comments he has on the report.

Director Gasca addressed some of the comments made by Ms. Collins and Mr. Smith as requested by the Board. He assured Mr. Smith that reliability is and has been one of the most foremost concerns on the mind of the Board as noted by the previous resolution to enhance RMWD's reliability by the interfaces with FPUD. He noted one of the items the RMWD Board must also take into consideration is the financial aspects of running the District. He mentioned after analyzing and looking at the entire system, it was end of life for RMWD's system which has been proven to be accurate with the lines prioritized in the top ten starting to blow out. He reiterated the entire system is end of life at 50 years; therefore, at a fiduciary standpoint, the Board has to look at the best means for providing reliable service to the customers as well as keep the costs down as much as possible. He said with over 60% of the water being purchased by agricultural users, just adding another rate on top of RMWD's current rates is not the solution. He stated RMWD has to either find its own water and go 100% to conserve as much money as possible to replace the system or find another place to get that money. He explained the detachment allows RMWD to find that other money that will allow the District to implement a pipeline replacement system program as well as retain or reduce its current rates. He reiterated the Board would be shirking their fiduciary responsibility if they did not try to find whether this was viable.

Mr. Smith stated he appreciates Director Gasca's perspective as well as the dialog. He clarified he was merely suggesting the Board to look deeper into the analysis that is open for public review and comment. He said as a RMWD customer, he expected the Board to always look at the District's strategic opportunities and how he was not present today to advocate not to do so, but rather to advocate the District conduct a top-drawer job. Director Gasca pointed out this was exactly what this process does in that it is totally transparent with those affected to have an opportunity to comment through the process. He clarified all it really does should there be a positive vote at LAFCO was put a vote before the people so the ratepayers can decide. Mr. Smith suggested more priority on public review and comments in the process of these types of issues

Director Gasca addressed Ms. Collins comments noting in the final analysis, a great deal of what this pertains to is the right of self-determination. He said he has read the SDCWA law and how it gives RMWD the right to exit and that it does not state anywhere an exit fee is required. He mentioned although this may be levied on RMWD by LAFCO which is within their purview and will be accepted by RMWD; however, when looking at the language he saw, there are affected parties and interested parties. He said the affective parties are the agencies who will lose somebody and the agency that will gain somebody. He stated it was pretty clear all the member agencies within SDCWA are interested parties. He reiterated RMWD would be shirking its fiduciary responsibility if a most economical way is found to pay for what is before the District in order to provide reliable water with an intact system and not have it cost so much customers like the one present today goes out of business. He stressed RMWD was painted into a corner effectively by its responsibilities and by the nature of the economy in order to find the best way to help the customers survive in the businesses and livelihoods and get the District's job done responsibly.

Director Gasca continued by noting RMWD had representation at SDCWA as this matter developed. He stated he was appalled SDCWA did not have a general manager, deputy general manager, Board President or Vice President of the Board present today to discuss what RMWD and others consider a significant matter. He reiterated it was self-determination and not someone telling the District what they will and will not do. He pointed out RMWD's 1% was not SDCWA's

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problem, but rather what will happen when all of the other bigger entities such as the City of San Diego roll off and the significant consequences that will have on the remainder of the County. He stated RMWD was fortunate through the efforts of Mr. Kennedy and the analysis conducted by FPUD to have an opportunity to try to work through the District's issues to try and protect its ratepayers. He expressed concern for all the remaining agencies ratepayers going to be stuck in with SDCWA when the big cities start rolling off because they, and possibly RMWD and FPUD should this detachment process fail, will be left in the position of having to pay higher rates. He noted he is convinced there is always a way to find a solution and how other agencies will do the same going forward. He said any potential solutions for spending more to develop infrastructure that may not be needed is myopic when everyone continues to decrease their water use. He pointed out the agencies need to start looking internally at how to do the best they can to get themselves financially sound because what is coming is not good which in turn will affect a great many people throughout this County.

Mr. Kennedy shared the comments Director Mack provided in his absence indicating he wanted it stated he was 100% in support of this action.

Motion:

To approve Option 1 - Approve the Resolution of Application directing the General Manager to prepare and submit an application to San Diego LAFCO for the detachment of the District from the San Diego County Water Authority and annexation into the Eastern Municipal Water District and provide any and all additional or supplemental forms, data, information, plans and documentation as the San Diego Local Agency Formation Commission may request during the processing of the application.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

***16. CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH CONCORD ENVIRONMENTAL ENERGY INC, DBA CONCORD UTILITY SERVICES FOR A DISTRICTWIDE METER REPLACEMENT AND WATER SERVICE UPGRADE PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT ON THE DISTRICT'S BEHALF**

Mr. Kennedy pointed out this contract was to get Concord Utility Services started on the process based on the project scoping staff has been working on with Concord. He noted the total estimated cost was approximately \$7 Million to completion. He cautioned the Board there were numerous unknowns associated with this project. He stated although the costs may go higher, he was extremely confident it will total well below the \$10.7 Million originally contemplated under the previous contractor. He reported this agreement went through a series of revisions with RMWD's Legal Counsel and Concord's Legal Counsel regarding indemnity. He stated it was important to know any failures that are not clearly demonstrably Concord's fault, RMWD will work with the homeowner to resolve those issues. He concluded with noting RMWD's Legal Counsel reviewed the indemnity clause included in the agreement.

Legal Counsel stated the indemnity was not as strong as it would be normally; however, after considering all the fact it was found to be reasonable and quite efficient for protecting RMWD.

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Mr. Kennedy stated staff was ready to move on the project and the Communications and Customer Service Committee was working on rolling out the communications plan.

Motion:

To approve Option 1 – Authorize the General Manager to execute the Professional Service Agreement with Concord Energy Services DBA Concord Utility Services.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

***17. DISCUSSION AND POSSIBLE ACTION TO ADOPT THE RECOMMENDATIONS IN THE MID-YEAR STAFFING ANALYSIS FOR FISCAL YEAR 2019-2020**

Ms. Harp presented the 2019-2020 Mid-Year Staffing Analysis. She recalled how in 2019 she had reviewed some trends in unemployment rates, the turnover RMWD experienced, and how a position was created in late September 2018 which did not allow for much time to evaluate those changes. She explained since that time, RMWD has had a new Finance Manager in place through an entire annual budget cycle which allows for a more in-depth staffing analysis to include issues in the customer service department, some financial controls opportunities for improvement, staffing capacity constraints, and labor use as compared to what had been predicted before creating the new Customer Service Supervisor position as well as some risks and vulnerabilities that have been identified. She noted staff has come up with a proposal for Board consideration that will result in budget reductions.

Ms. Harp made mention of some of the proposed changes to include redesigning the Customer Service Department Supervisor role, restoring the Senior Accountant position, and creating an IT department. She pointed out the benefits to these proposed changes as well as the risks of status quo. She reviewed the fiscal impact and value to the ratepayers.

Director Rindfleisch inquired about incremental expense associated with expanding the current IT position to an IT management position. Ms. Harp explained it would be up one pay grade from its current position and how there is 15% between each pay grade with significant overlap in those pay grades. Mr. Kennedy pointed out there would be additional duties associated with the IT management position including taking on a supervisory and managerial role. Director Rindfleisch said he would anticipate some sort of material pay grade increase for the reclassification and responsibility of the IT Manager position. Ms. Harp acknowledged this was the case, but it would be less than the \$50,000 net budget reduction she shared earlier.

Director Rindfleisch asked about the Senior Accountant position being shown as a line item of \$150,000 incremental expense. He wanted to know how much of that was salary. Ms. Harp said she used a 68% above the base pay for the cost of benefits. He requested the lower and upper bounds of the base pay for this position. Ms. Harp pointed out this was provided in the next agenda item in the list of salary and job titles.

President Brazier noted the information provided shows \$150,000 for the Senior Accountant, but not a reduction in costs from the position previously held by the employee. She asked if the \$150,000 was in addition to what was currently being earned by the employee. Ms. Harp explained the Senior Accountant was a new job classification; therefore, she showed the full cost

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of the Senior Accountant, the difference in cost for the Customer Service Supervisor job redesign. Mr. Kennedy confirmed the Senior Accountant position was on the books for many years but has been inactive. Ms. Harp confirmed the total headcount would increase by one.

Director Gasca asked if the total annual cost on the District budget would be reduced by \$52,000. Mr. Kennedy confirmed this was true.

Discussion ensued.

President Brazier asked after losing customer service responsibilities what new responsibilities will the Senior Accountant take on. Ms. Harp although they will vary, the new responsibilities will include software work, assisting with high call volumes, more finance-related tasks. President Brazier said she gets a great deal of feedback from Division 1 constituents who complain about attitude and lack of knowledge when dealing with RMWD's customer service. Mr. Kennedy explained it was part of the reorganization to have a position focus more directly on customer services matters to get the appropriate training in place. Ms. Harp confirmed the finance responsibilities will be move from Customer Service and Communications Supervisor role to the Senior Accountant.

Director Gasca asked who addresses security matters. Ms. Harp explained the various positions tasked with addressing a variety of security related issues.

Director Hamilton inquired as to whether RMWD had a person to handle facilities. Mr. Kennedy stated Mr. Williams fills this role. Director Hamilton asked Ms. Harp to provide a breakdown of the burden rate she mentioned in the presentation. Ms. Harp agreed to prepare a report for the Board.

Director Rindfleisch clarified the only position open for external recruitment is the Information Systems Specialist. Ms. Harp confirmed this would be true unless there is an internal candidate qualified for this position.

Motion:

Adopt the recommendations in the Mid-Year Staffing Analysis for Fiscal Year 2019/2020.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

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- *18. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 19-13 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE DECEMBER 3, 2019 THROUGH JUNE 30, 2020**

Ms. Harp noted this item allows staff to enact what the Board approved under Item #17. She pointed out this item creates the new job classifications on RMWD's salary grade structure required to maintain by CalPERS. She noted structure adds the IT Manager position, Senior Accountant, Customer Service and Communications Supervisor positions as well as the series classification that shows as three. She noted the Senior Accountant Position can be found in salary range E8. She mentioned she performed compensation analysis for each of these positions to ensure they were placed in the appropriate pay grade.

Director Rindfleisch inquired as to the educational requirements for the Senior Accountant. Ms. Harp explained qualifications commensurate with a master's degree and how this one also asks for Certified Public Accountant as well.

Motion:

Approval of Option 1 - Approve Resolution No. 19-13 as presented and direct staff to finalize job descriptions and fill the new positions.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

- *19. DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION NO. 19-14, APPROVING ADDENDUM C TO THE MEMORANDUMS OF UNDERSTANDING BETWEEN THE RAINBOW MUNICIPAL WATER DISTRICT AND THE RAINBOW EMPLOYEES ASSOCIATION AND THE RAINBOW ASSOCIATION OF SUPERVISORS AND CONFIDENTIAL EMPLOYEES**

Ms. Harp explained this item was to replace the current Addendum in the existing non-exempt unit MOU's per the DREAM Team clause found in those same MOU's. She noted the DREAM team came to agreement with minor changes to include logo apparel for attendance at public events, conferences, or at the District offices. Ms. Harp clarified the District purchases the logo attire and it must be returned upon separation from the District.

Motion:

To approve Option 1 - Approve Resolution No. 19-14 Approving Addendum C.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

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***20. DISCUSSION AND POSSIBLE ACTION TO AWARD THREE PROFESSIONAL SERVICES AGREEMENTS TO PROVIDE AS-NEEDED ENVIRONMENTAL SERVICES**

Mr. Strapac explained this item proposed awarding agreements with three environmental firms for as-needed tasks up to \$100,000. He noted these firms will provide extensive training CEQA laws and other environmental aspects as well as knowledge in how to tailor language in different circumstances.

Mr. Strapac confirmed the Engineering Committee has reviewed and recommended Board approval of this item. President Brazier requested the committee recommendation be included in future Board Action Letters.

Director Rindfleisch asked if the contract includes all three firms or would each have their own contract. Mr. Strapac clarified each of the firms would have their own contract with a cap of \$100,000.

President Brazier requested the Board be informed at the end of the budget year as to how much allocation has been used and what will roll over. Mr. Strapac noted the recurring reports will summarize these services for the Board's reference.

Motion:

To approve Option 1 - Authorize staff to award three Professional Services Agreements in the amount of up to but not to exceed \$100,000 each to Helix, Rincon, and Michael Baker.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

President Brazier called for a break at 3:07 p.m.

The meeting reconvened at 3:16 p.m.

***21. DISCUSSION AND POSSIBLE ACTION TO AWARD TWO PROFESSIONAL SERVICES AGREEMENTS TO PROVIDE AS-NEEDED CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**

Mr. Strapac pointed out this item was for two firms to provide "as-needed" construction management and inspection services.

Director Rindfleisch asked how long it will take to meet the \$150,000 threshold. Mr. Strapac explained with overlapping construction projects could mean expended this amount in one year. Director Rindfleisch inquired as to the approval process. Mr. Strapac talked about the approval process which rests within his responsibility with Mr. Kennedy's review periodically.

Director Hamilton inquired what limits are imposed in these as-needed services contracts. Mr. Kennedy stated the limits under the contract not to exceed \$150,000; therefore, when the monthly as-needed report is prepared, it needs to be reviewed. He added these are all out of the Capital budget as a part of the pipeline work.

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It was confirmed this was the last of the “as-needed” contracts.

Director Rindfleisch asked if any of these as-needed contractors will be called upon in the event RMWD grows beyond staff capacity. Mr. Strapac confirmed this would be correct. Director Rindfleisch requested the as-needed services be watched closely during the evaluation process to ensure work is not offloaded to the contractors unnecessarily. Mr. Kennedy pointed out the District’s EAM software will assist with ensuring this does not happen.

Director Gasca inquired as to the hours of as-needed contractors are tracked. Ms. Gray explained there would be a way to track the as-needed contractor hours, location of the work being conducted, as well as the developer projects that could be reimbursable to RMWD via the EAM program.

Motion:

To approve Option 1 - Authorize staff to award two Professional Services Agreements in the amount of not to exceed \$150,000 each to Harris & Associates and Reilly Construction Management.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

***22. DISCUSSION AND POSSIBLE ACTION ON AGREEMENT TO ASSUME JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION, JOINT LIEN CONTRACT AND HOLDING AGREEMENT**

Mr. Strapac explained this was related to what was formerly known as the Polo Club now named the Bonsall Oaks and how due to the change, there was a need to assume joint agreement, subdivision agreements, and other contracts that need to be resigned by the District. He mentioned the project plans were signed quite some time ago and how he had signed improvements plans not too long ago and have been approved for some time.

It was confirmed the grading permits have already been obtained.

Director Hamilton asked about the 167 lots in the development with 82.3 Equivalent Dwelling Units. Mr. Kennedy noted approximately one-half of the capacity fees were paid previously which explains the difference.

Motion:

To approve Option 1 - Authorize the General Manager to Execute the Agreement to Assume Joint Agreement to Improve Major Subdivision, Joint Lien Contract and Holding Agreement.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

(*) - Asterisk indicates a report is attached.

***23. CONSIDER ESTABLISHING THE 2020 REGULAR BOARD MEETING SCHEDULE**

Ms. Washburn pointed out in the Action Letter for this item it was mentioned there were some conflicts with the current fourth Tuesday of the month schedule due to conferences being held on RMWD meeting dates in August and December.

Director Hamilton recommended moving the August 25, 2020 meeting to August 18, 2020 and the December 1, 2020 meeting to December 8, 2020 to eliminate the conflicts.

President Brazier stated the Board would be considering an amended 2020 Regular Board meeting schedule to include January, February, March, April, May, June, July, September, and October on the fourth Tuesday of each month, August on the third Tuesday of the month, and December on the second Tuesday of the month.

Motion:

To acceptance of the proposed amended agenda as presented by President Brazier.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

***24. ACWA NOMINATION AND ELECTION FOR PRESIDENT AND VICE PRESIDENT FOR THE 2020-2021 TERM**

Mr. Kennedy explained ACWA was holding a floor nomination on December 4, 2019 at the ACWA Fall Conference. He pointed out in order to participate in the process, one of the Board Members in attendance would need to be designated as the RMWD's proxy.

Motion:

Director Hamilton to serve as RMWD's proxy in the ACWA nomination and election with RMWD's vote to be for the recommended slate by ACWA.,

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

Vote: Motion passed (summary: Ayes = 3, Noes = 1, Abstain = 0).

Ayes: Director Brazier, Director Gasca, Director Rindfleisch.

Noes: Director Hamilton.

***25. SAN DIEGO LAFCO ELECTION TO SPECIAL DISTRICTS ADVISORY COMMITTEE**

Mr. Kennedy noted he was selected four years ago to serve on the San Diego LAFCO Special Districts Advisory Committee. He noted Rich Williamson was no longer a candidate.

Motion:

To vote for the five incumbents plus Albert Lau of Santa Fe Irrigation District.

(*) - Asterisk indicates a report is attached.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton, Director Rindfleisch.

25A. EMERGENCY DECLARATION

Mr. Gutierrez presented pictures and information related to the water break that occurred on Sarah Ann Lane. He talked about the steps that took place after following the pulse point alert received by one RMWD operator. He talked about the damage incurred to the residence and vehicles belonging to the homeowners. He walked the Board through the work conducted by the RMWD crews and how bottle water was provided to the other homeowners who experienced interrupted water service. He mentioned since those employees who were on the job worked 18 hours the day before, those employees did not report to work the next day due to safety leave.

Mr. Kennedy mentioned the property owners have a wedding reception planned to be held at this residence which also adds to the urgency of this matter.

Discussion ensued regarding how this broken pipe was to be fixed as part of the Pipeline Upgrade Program.

Mr. Kennedy explained he was seeking authorization to manage the processes related to leak and the damage caused. Mr. Gutierrez pointed out RMWD offered hotel accommodations to the homeowner; however, the homeowner declined the offer.

Discussion followed regarding plans for making repairs to prevent a recurrence.

Director Rindfleisch excused himself from the meeting at 3:52 p.m.

Motion:

To authorize the General Manager to do whatever is necessary.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Rindfleisch, Director Mack.

***26. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

There were no requests made.

(*) - Asterisk indicates a report is attached.

26A. COMMITTEES

President Brazier pointed out this was an item she requested to be on the agenda particularly related to RMWD’s Engineering and Operations Committee. She asked Legal Counsel to please inform the Board of Directors and audience as to what relationship between The Brown Act and the Committees.

Legal Counsel stated under both the Administrative Code and Government Code, committees are subject to the provisions of The Brown Act. He said The Brown Act uses the term legislative bodies which it defines to include committees except for ad hoc committees or a committee for a defined purpose for a defined period of time. He noted the standing regular committees must comply with the provisions of The Brown Act.

President Brazier clarified the reason this item was requested was due to her being inadvertently being included in a chain of a group of unauthorized conversations among members of the RMWD Engineering and Operations Committee. She said she was particularly distressed with some of the items discussed in the chain and as such she requested the Board support her request to suspend the RMWD Engineering and Operations Committee activities for December and January to allow time to educate the members regarding this matter and the policy.

Mr. Kennedy asked for clarification if the Board would be providing direction on how to proceed with this matter. Director Hamilton and President Brazier confirmed this would be addressed by the Board at their January 2020 meeting. It was confirmed this would be an agenda item.

President Brazier said she would take the responsibility of following up on Ms. Washburn’s email to the RMWD Engineering and Operations Committee members notifying them of the temporary suspension.

Motion:

To suspend the activities of the RMWD Engineering and Operations Committee temporarily through December and January.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Rindfleisch, Director Mack.

***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
 - 2. As-Needed Services Expenditures Summary

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E. Human Resource & Safety Comments

1. Human Resources Report
2. Organizational Chart

F. Finance Comments

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

Mr. Gutierrez shared the local news has reported the City of Poway was under a boiled water notice and how SDCWA has asked for RMWD assistance to help with the flushing and testing of the water. He noted four people will be sent from RMWD on Thursday and another four on Friday to assist with the water sampling. He offered to provide an update at the January Board meeting.

Ms. Harp reported RMWD does not provide insurance coverage for projects such as the SDCWA shutdown.

Motion:

To receive and file information and financial items.

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

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

Ayes: Director Brazier, Director Gasca, Director Hamilton.

Absent: Director Rindfleisch, Director Mack.

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

It was noted the committee policy, pressure stations, two engineering projects out for bid, Closed Session, report on the fair market value for the Bonsall Reservoir, audited financial statements presentation, update on the rate model study, and running total of water usage against plan reinstated into the information items.

29. ADJOURNMENT

The meeting was adjourned by President Brazier to a regular meeting on January 28, 2020 at 1:00 p.m.

The meeting was adjourned at 4:01 p.m.

Helene Brazier, Board President

Dawn M. Washburn, Board Secretary

(*) - Asterisk indicates a report is attached.

**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
November 21, 2019**

- 9-1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
- 9-2. Vote Entitlement Resolution for Calendar Year 2020.
The Board adopted Resolution No. 2019-18 establishing the vote and representative entitlements of each member agency effective January 1, 2020.
- 9-3. Fiscal Sustainability Task Force Special Agricultural Water Rate Recommendation.
The Board directed staff to develop a new and permanent Special Agricultural Water Rate (SAWR) program to succeed the Transitional Special Agricultural Water Rate (TSAWR) program.
- 9-4. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2020.
The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2020.
- 9-5. Completion of the Pipeline 4 Repair in Moosa Canyon.
The Board accepted the carbon fiber repair work as complete, will record the notice of completion, and release all funds held in retention to Fibwrap Construction Services, Inc., following expiration of the notice of completion period; ratified Change Order 1 to J.F. Shea Construction, Inc. for a not-to-exceed amount of \$200,000 for the repair of Pipeline 4 in Moosa Canyon; and authorized the General Manager to accept the emergency work as complete, record the notice of completion, and release all funds held in retention to J.F. Shea Construction, Inc., following expiration of the notice of completion period.
- 9-6. Professional services contract to Helix Environmental Planning Inc. to provide As-needed Habitat Restoration Maintenance Services for a five-year period in an amount not to exceed \$1,400,000.
The Board authorized execution of a professional services agreement with Helix Environmental Planning Inc. to provide As-needed Habitat Restoration Maintenance Services for five years in an amount not to exceed \$1,400,000.
- 9-7. Professional services contract to Dudek to provide As-needed Environmental Consulting Services for a four-year period in an amount not to exceed \$3,000,000.
The Board authorized execution of a professional services agreement with Dudek to provide As-needed Environmental Consulting Services for four years in an amount not to exceed \$3,000,000.
- 9-8. Adopt positions on various federal bills.
The Board adopted a position of Support on H.R. 4611 (Peters), relating to discharge permitting requirements.

- 9-9. Proposed 2020 Legislative Policy Guidelines.
The Board adopted the proposed 2020 Legislative Policy Guidelines.
- 9-10. Water Authority Sponsorship of Legislation in the 2020 State Legislative Session.
The Board approved to sponsor or co-sponsor: Legislative Proposal #1 to create a statutory path for pumped hydropower storage to provide renewables integration and grid stability services; Legislative Proposal #2 to pursue opportunities to shape any resources/resiliency/water bond legislation to reflect the San Diego region's needs; and, Legislative Proposal #3 to partner with the City of Escondido to pursue statutory and funding solutions to address issues related to use of Wohlford Dam.
- 9-11. Audit Committee Annual Report.
The Board approved to accept and file the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066, and accept and file the Comprehensive Annual Financial Report (CAFR) for Fiscal Year ended June 30, 2019.
- 9-12. Resolution Regarding LAFCO Part 4 Exemption Request.
The Board adopted Resolution 2019-19 authorizing General Manager and/or General Counsel to apply to LAFCO to exempt Rainbow and/or Fallbrook detachment/annexation proceeding from Part 4 of the Cortese-Knox-Hertzberg Act, and instead have any "Authority Proceedings" conducted under the County Water Authority Act; and in addition to any other LAFCO requirements, request that LAFCO condition approval of any detachment on a majority vote of the entire Water Authority electorate.
- 9-13. CLOSED SESSION: Public Employee Appointment – General Manager.
The Board unanimously approved appointment of Sandra L. Kerl as General Manager, and an employment contract with her with the following key terms:
1. One year contract subject to renewal. \$327,000 annual salary.
 2. Standard executive benefits per Water Authority established policies with following exceptions: \$5,000 per year deferred compensation; 80 hours merit leave this fiscal year only; \$700 monthly car allowance.
 3. Severance pay limited as required in Government Code section 53260.



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

MEMORANDUM

January 13, 2020

TO: Independent Special Districts in San Diego County

FROM: Tameron Luckett, Executive Assistant / Election Official

SUBJECT: **Independent Special Districts Election Results |
 Appointment of Special District Advisory Committee Representatives**

This memorandum serves as notice by the San Diego County Local Agency Formation Commission (LAFCO) of the election results for eight seats on the 16-member Special District Advisory Committee. The election was performed by mail-ballot consistent with adopted policies and concluded on January 6, 2020. A prerequisite quorum for the election was achieved with 30 independent special district casting ballots. The top eight candidates with the most votes are identified below and immediately commence four-year terms on the Advisory Committee.

Special District Advisory Committee Member Election Results		
Nominee	Agency	Votes Received
Kimberly Thorner (incumbent)	Olivenhain Municipal Water District	24
Tom Kennedy (incumbent)	Rainbow Municipal Water District	23
Jack Bebee (incumbent)	Fallbrook Public Utility District	22
James E. Gordon	Deer Springs Fire Protection District	22
Robert Thomas (incumbent)	Pomerado Cemetery District	19
Albert C. Lau	Santa Fe Irrigation District	19
Mark Robak (incumbent)	Otay Water District	19
Michael (Mike) Sims	Bonita-Sunnyside Fire Protection District	18
Brian Boggeln	Alpine Fire Protection District	15
Courtney G. Provo	Mission Resources Conservation District	11
Fred Cox* (incumbent)	Rancho Santa Fe Fire Protection District	8
TOTAL VOTES		200

* Write-In Nominee

A listing of all ballots returned for elections is attached.

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SPECIAL DISTRICTS BALLOT RETURNED

Alpine Fire Protection District
Bonita-Sunnyside Fire Protection District
Deer Springs Fire Protection District
Fallbrook Public Utility District
Fallbrook Regional Health District
Helix Water District
Lakeside Fire Protection District
Lakeside Water District
Leucadia Wastewater District
Lower Sweetwater Fire Protection District
Mootami Municipal Water District
North County Fire Protection District
North County Cemetery District
Olivenhain Municipal Water District
Otay Water District
Padre Dam Municipal Water District
Pomerado Cemetery District
Rainbow Municipal Water District
Rancho Santa Fe Fire Protection District
Resource Conversation District of Greater San Diego County
Rincon del Diablo Municipal Water District
San Miguel Consolidated Fire Protection District
Santa Fe Irrigation District
South Irrigation District
Tri-City Healthcare District
Vallecitos Water District
Valley Center Fire Protection District
Valley Center Municipal Water District
Vista Irrigation District
Wynola Water District

30 Ballots

2019 ACWA FALL CONFERENCE & EXHIBITION

December 3-6, 2019, San Diego, CA

Conference Report – Hayden Hamilton

I attended the conference on December 4-5.

Breakout Sessions Attended

Technology Program: The Cybersecurity Threat – Risks and Responsivities

Moderated by Jacob Margolis, CISO, MWD

Speaker: Lt. Col. James Parsons, CA National Guard Computer Network Defense Team

Mario Garcia, Commander of the Cal-CSIC, CA Office of Emergency Services, Cybersecurity Task Force (absent)

Key Points:

- CA NG CND provides incident responses and vulnerability testing
- CSIC provides daily security reports (email)
- Both could have fees attached, but do have free services.
- Public Safety issue – not just an IT problem
- Most attacks are low level – employee’s name and place of employment (easy as reading a badge at a restaurant/fast food service)
- Public Utilities are high value targets
 - Ransomware attacks
 - Foreign governments
- Use information to shape your defense
 - Knowing threats
 - Knowing what you are going to do
 - Build system to minimize penetration - (multi-layered)
 - Use individual solutions that plug-and-play so components can be replaced as threats change
- **MULTI-LEVEL IDENTIFICATION** (two passwords, password plus one-time keys, “cyber locks”)
- Potential resource for evaluating and testing our security
- Contact info:
 - CALCSIC@caloes.ca.gov
 - <https://www.caloes.ca.gov/cal-oes-divisions/law-enforcement/california-cybersecurity-integration-center>
 - inof@cnd.ca.gov
 - <https://cdt.ca.gov/security/independent-security-assessments-services/>

General Session Luncheon

Keynote Speaker: Alan Lilly, Presiding Hearing Officer, State Water Board’s Administrative Hearing Office.

Zippo: Dullest Keynote I’ve ever heard in years – put me to sleep.

General Session & Election

President was uncontested, Stephen Lamar

Vice-President had a single recommended nominee and one put forth from the floor. Pamela Tobin

Technology Program – Take it to the Cloud

Moderator: Charles Eckstrom, IT, MWD

Panelist: Darren Bennet, Deputy Director – CISSP, City of San Diego

Andrew Levine, Manager Information Services, East Bay MUD

Steven Reese, Account Technology Strategist – State & Local Government, Microsoft

Unfortunately, this was an infomercial for Microsoft's Azure Cloud environment

Key takeaways:

- 95% of all breaches are caused by users
- An 8-character passwords with one capital letter and one number took 152 days to crack 20 years ago. It takes 47 seconds today.
- Design/plan for obsolesce on your hardware, software and applications.
 - Systems should be flexible enough to move your data from one to another
 - Might require some work, but data migration needs to be as flexible as possible and import/export of data into/out of applications should be a requirement

Local Government Committee – Regional Governance: Solving California's Complex Water Challenges

Moderator: Larry McKenney, Director, MDOC

Panelist:

Denise England, Water Resources Program Director, Tulare County

Arthur Hinojosa, Division Chief, Regional Assistance, CA DWR

Mark Stadler, IRWM Program Manager, SDCWA

Consensus of all panelists was the IRWM program needs participation across the board to be effective. That most departments and agencies currently only see this activity as a funding resource because of grant money availability. Where participation has been broad, there have been successes, but these are few and far between. That the general attitude of many of the participants in IRWM today believe that IRWM stands for "I Really Want my Money".

Group had no suggestions for fixing the problem. Needs to be top down driven and without a strong leader or influencer, programs are going to be marginally successful.

Region (10) Issue Forum: A Lively Dialogue – Retail Agency Challenges

Moderator: Paul Schoenburger, GM Mesa Water District

Panelist:

Gary Arant, GM Valley Center MWD

Joone Lopez, GM Moulton Nigel WD

Shauna Lorange, Director of Public Utilities, City of San Diego

Marc Marcantonio, GM, Yorba Linda WD

Key takeaways:

- Valley Center Challenges:
 - Decrease use (54K AF to 16K AF in last 10 years)
 - Too much extra Storage
 - \$80M in pipeline replacement over next 20 years
- Moulton Nigel
 - Change in the environment - climate and economic
- SD PUD
 - Re winning trust after the meter reading debacle
 - Pure Water coming online (2032 completion date)
 - “Pay more to Use Less” challenges with ratepayers
 - Fixed vs variable costs
 - How to balance obligations to CWA in roll off
- Yorba Lindo
 - State mandates could have negative \$\$\$ impact
 - All water collected and reused
 - SELLING WATER AS A SERVICE and not as a commodity
 - See TRUST by ratepayers as essential
 - Moulton Nigel has been developing more predict focus rather than reactive
 - Has developed a number of tools to assist this that are “open source” available
 - Focused on having all employees understand that customer service is a key component of their job
- Teach parent through their children
 - Google “Garbage Trucks” BIG now with small kids
 - Yorba Linda making videos of their big equipment and putting it on YouTube
 - (Opportunity for us with WASUP??)
- *DARK WATER* movie scare move. (see Orange County & Yorba Linda response)

Statewide Issues Forum – Everything Water Agencies Need to Know About the State’s Energy Policies – Wildfires, Climate Change, and More

Moderator: Charley Wilson, Chair, ACWA Energy Committee

Panelists:

Michael Boccadoro, President, Wes Coast Advisors

Mary McDonald, Chief Consultant, Assembly Committee on Utilities and Energy

Michael Wara, Director Climate and Energy Policy Program, Woods Institute for Environment,

Stanford University

Key takeaways:

- Wildfire – 10 year forecast increased power shutoffs
- Backup power sources
- Reliability vs Service
- There is a changing architecture to the Grid
- Conditions over last 3 years indicative of next decade
- If you can’t control ignition, then control availability of fuel
- Need to develop Customer, as well as Grid, resilience
- Quantitative approach to risks

- Small scale hydro
- Approach resources in a more holistic nature
- Water – Energy – Climate
 - 20-30% rate increase are before the PUC
 - “GET OFF THE GRID” is ultimate objective
 - At least minimize dependency on the grid (to avoid higher energy costs)



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: January 28, 2020
RE: Attorney Report: Employment Law Update
501668-0002

I. INTRODUCTION.

This attorney report provides an update on Assembly Bill 5, legislation passed on September 11, 2019, redefining the independent contractor standard for employers in California. Specifically the bill codifies the decision of the California Supreme Court in *Dynamex v. Superior Court* (2018) 4 Cal.5th 903 (“Dyanamex”), redefining the standard for determining whether a person providing labor or services for remuneration may be classified as an independent contractor rather than an employee.

In *Dynamex*, the Court chose to essentially scrap the nearly 30-year old test for determining whether a worker is an employee or an independent contractor. Instead, the Court adopted an “ABC” test for determining whether an individual is an employee or independent contractor.

In replacing the decades-old *Borello* control test, which applied multiple factors to the determination of whether a worker qualifies as an independent contractor, the Court adopted the simplified “ABC” Test applied in various other jurisdictions around the country, including Massachusetts and New Jersey. The net effect is that it makes it significantly more difficult for California employers to show workers qualify as independent contractors.

II. Dynamex v. Superior Court.

AB 5 is the legislature’s reaction to the California Supreme Court’s opinion in *Dynamex*. The Supreme Court issued the *Dynamex* opinion on April 30, 2018. At that time, California courts and state agencies had long applied the common-law test the Supreme Court itself adopted in 1989, in the matter of *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (“*Borello*”), to determine whether an individual could be classified as an independent contractor, rather than an employee. Throughout the intervening 29 years, California’s courts, state agencies, and businesses relied on the “*Borello* test” as the applicable standard. *Dynamex* abruptly imposed this *entirely new* standard, the “ABC test,” to wage order decisions from the California Industrial Welfare Commission.

Despite its stated intention to bring more certainty and clarity to worker classification, the California Supreme Court in *Dynamex* expressly declined to address the critical issue of whether the new standard applies retroactively. This open question of retroactivity was recently taken up by the U.S. Court of Appeal for the Ninth Circuit. On May 2, 2019, the Ninth Circuit issued an opinion in *Vazquez v. Jan-Pro Franchising Int'l, Inc.* (“*Vazquez*”). Initially, the Ninth Circuit concluded *Dynamex* applies retroactively. In reaching its decision, the Ninth Circuit relied on the California Supreme Court’s “emphasis in *Dynamex*” that its holding was “a clarification rather than as a departure from established law.” However, the Ninth Circuit withdrew that opinion on July 22, 2019, declaring it would certify to the California Supreme Court the question of whether *Dynamex* applies retroactively. Since the Supreme Court often takes many months and sometimes years to respond to such requests, there is unlikely to be a binding decision on the issue before late 2020. Assembly Bill 5 addresses this retroactivity question and the other elements required for independent contractor classification mandated by the *Dynamex* decision.

III. Assembly Bill 5.

Assemblymember Lorena Gonzalez (D-San Diego) first introduced AB 5 on December 3, 2018. The first version contained no substantive provisions, but only expressed an intent to “include provisions that would codify [*Dynamex*] ... and would clarify the decision’s application in state law.” Legislators subsequently amended AB 5 six times. The final text of the bill is lengthy and complex. Conceptually, it is composed of four basic parts: (1) adopting the ABC test; (2) specifying exceptions that invoke the *Borello* test; (3) delineating retroactive versus prospective liability; and (4) authorizing the Attorney General and other specified public officials to prosecute actions for injunctive relief to prevent continued misclassification.

IV. ABC Test.

AB 5 adopts the ABC test, using the exact language of the *Dynamex* opinion. Specifically, any person providing labor or services for remuneration shall be considered an employee, rather than an independent contractor, unless the “hiring entity” demonstrates that all of the following conditions are satisfied:

- (A) The person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.
- (B) The person performs work that is outside the usual course of the hiring entity’s business.
- (C) The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

As in *Dynamex*, AB 5 imposes this test for purposes of California wage order law. The bill also applies the ABC test to the California Labor Code and Unemployment Insurance Code. As will be explained below, however, the *Borello* test will remain the applicable standard for occupations and relationships that fall within AB 5's various exceptions.

V. Exceptions.

The bulk of AB 5 attempts to define "exceptions" for particular occupations and relationships. These exceptions fall into seven categories. If an exception applies, the bill then specifies what standard, other than the ABC test, will govern. For the vast majority of the exceptions, the bill provides "the determination of employee or independent contractor status ... shall be governed by *Borello*." Therefore, it is not enough that a particular situation falls within one of AB 5's exceptions. The situation must still satisfy the applicable test, which will usually be the *Borello* test.

The seven categories of exceptions and their key characteristics are:

1. Specific occupations.

- Insurance agents, surplus line brokers, and analysts.
- Physicians, dentists, podiatrists, psychologists, and veterinarians.
- Lawyers, architects, engineers, private investigators, and accountants.
- Securities broker-dealers and investment advisors.
- Direct sales salespersons.
- Commercial fishermen.
- Newspaper carriers working under contract with a newspaper publisher.

2. Contracts for professional services between a hiring entity and an individual providing professional services.

This exception is subject to six criteria defined in AB 5. In addition, the (1) scope of "professional services" is limited to specific occupations and activities; and (2) individuals may provide the professional services through "a sole proprietorship or other business entity."

3. Business-to-business contracting relationships between a contracting business and a business service provider.

This exception is subject to 12 criteria defined in AB 5. In addition, this exception "does not apply to an individual worker, as opposed to a business entity, who performs labor or services for a contracting business."

4. Relationships between a contractor and an individual performing work pursuant to a subcontract in the construction industry.

This exception is subject to seven criteria defined in AB 5. In addition, this exception includes a limited carve-out for owner-operator truckers in the construction industry, which will expire on January 1, 2022.

5. Relationships between a referral agency and a service provider that uses the referral agency to connect with clients.

This exception is subject to 10 criteria defined in AB 5. A “referral agency” is defined as “a business that connects clients with service providers that provide [the specific services within the scope of the exception].” A “service provider” is defined as “a person or business who agrees to the referral agency’s contract and uses the referral agency to connect with clients.”

6. Real estate licensees and repossession agencies; and
7. “Motor club” services.

VI. Retroactive Versus Prospective Liability.

Despite the importance of retroactive liability, early versions of AB 5 contained no provisions whatsoever regarding retroactive versus prospective liability. Legislators first added language addressing this issue to the bill’s fifth version, published August 30, 2019. The final text of the bill parses retroactive and prospective liability into three parts:

1. *Dynamex* and the ABC test apply retroactively “with regard to wage orders of the Industrial Welfare Commission and violations of the Labor Code relating to wage orders.”
2. All exceptions apply retroactively to the maximum extent permitted by law, to the extent they would relieve an employer from liability.
3. On and after January 1, 2020, *Dynamex* and the ABC test will apply for purposes of the Unemployment Insurance Code and all other provisions of the Labor Code.
4. On July 1, 2020, *Dynamex* and the ABC test will apply for purposes of workers’ compensation.

Unfortunately, the first of these three provisions exacerbates the uncertainty and potential retroactive liability inherent in the *Dynamex* opinion. *Dynamex* was expressly limited to wage orders. Now, AB 5 declares that its legislative adoption of *Dynamex* is “declaratory of existing law with regard to wage orders of the Industrial Welfare Commission and violations of the Labor Code relating to wage orders.” The italicized words appear to impose new retroactive liability on California businesses for “violations of the Labor Code relating to wage orders” stemming from alleged misclassification of

an employee as an independent contractor rather than an employee. Worse, it is far from clear which of the thousands of provisions of the California Labor Code are sufficiently “related to” the wage orders to give rise to retroactive liability.

VII. Injunctive Relief.

In a last-minute amendment to AB 5, legislators added an entirely new subdivision authorizing the Attorney General and specified public officials to prosecute civil actions for injunctive relief “to prevent the continued misclassification of employees.” The entire provision provides:

“(j) In addition to any other remedies available, an action for injunctive relief to prevent the continued misclassification of employees as independent contractors may be prosecuted against the putative employer in a court of competent jurisdiction by the Attorney General or by a city attorney of a city having a population in excess of 750,000, or by a city attorney in a city and county or, with the consent of the district attorney, by a city prosecutor in a city having a full-time city prosecutor in the name of the people of the State of California upon their own complaint or upon the complaint of a board, officer, person, corporation, or association.”

VIII. CONCLUSION.

Although AB 5’s stated purpose was to bring more “certainty and clarity” to the worker classification issue after the *Dynamex* decision, the bill went through six iterations, becoming quite lengthy, complex and ambiguous.

For example, the question of retroactivity is unresolved and pending a determination from the United States Supreme Court. Also, *Dynamex* was specifically limited to wage orders. However, AB 5 extends the rationale to unspecified provisions of the Labor Code, Unemployment Code, and creates seven new categories of exceptions, with separate criteria for each classification. In addition, many agencies and businesses are unclear what is meant by hiring someone to perform work “outside the usual course” of the entity’s business.

As a result, lobbyists are preparing for a battle during the 2020 legislative session, including a “clean up” bill to address other industries that sought, but did not get, exemptions under AB 5.

Some major gig economy companies have already announced that they have pledged substantial resources to a potential campaign for a California ballot initiative to exempt the industry from AB 5. Worker advocacy groups are gearing up in other states as well, including New York, Washington, and Oregon for similar legislative efforts.

Gig economy companies in California have reported they are already feeling the impact of AB 5. Attorneys representing workers recently filed a wage-hour class action citing the ABC test as the legal standard for determining whether drivers for the company should be classified as employees. Notably, the San Diego City Attorney filed a lawsuit seeking to force reclassification of drivers as employees under the ABC test. Rideshare company Uber stated it has set aside several millions of dollars to challenge AB 5 all the way up to the Supreme Court and to support a ballot initiative exempting rideshare companies from this new legislation.

AES/AES

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

PRESENTATION AND ACCEPTANCE OF THE AUDIT REPORT AND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2019

BACKGROUND

Annually, the District contracts for the preparation of an independent audit and compilation of the year-end financial statements with a Certified Public Accountant (CPA) firm. This year the District authorized for the third year with White Nelson Diehl Evans LLP to conduct the fiscal year 2018-19 annual audit.

The Budget & Finance Committee considered and recommended the audited financial statements for acceptance for the year ended June 30, 2019 at the Board's November meeting.

DESCRIPTION

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

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

The statements present a picture of the District's financial condition. The following are highlights of the District's financial condition that are depicted within the Fiscal Year 2018-19 audit.

- The District's ending net position was \$83,572,163. The District had a decrease in net position of \$637,644 in the current year compared to \$192,411 in the previous year.
- Operating revenues were down 12.3% in the current year due to a rainy winter and spring, however, staff was able to also keep operating expenses down 7.9% compared to the previous year.
- Nonoperating income for the current year was \$1,707,817 compared to \$603,878 for the prior year.
- The District had a net increase in cash and investments of \$15,861,269 compared to an increase of \$962,017 in the previous year. The increase in the current year is from financing activities. The District secured Capital Lease financing and Installment Purchase Contract financing for \$5.52M and \$5.25M at 3.09% and 3.18% respectfully. The district also entered a Community Facilities District (CFD) that provided an additional \$2.75M for sewer capital projects and \$1.6M for water capital projects. The remaining additions were a result of interest earned on the unspent funds.

- This year the District had \$1,609,595 worth of net additions to capital assets compared to \$3,066,497 last year.

Audit adjustments – The District, in conjunction with the District’s external audit firm, made several adjustments and improvements to reporting during the audit this year, in addition to the diligent data quality cleanup done throughout the year. Many of the underlying issues were discovered and addressed by staff, including an increase to prior year revenue of \$1,329,829.

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

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

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

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

BOARD OPTIONS/FISCAL IMPACTS

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

ATTACHMENTS

- Audited Financial Report FY 19
- Management Letter
- Communication with those Charged with Governance Letter
- Other Comments Letter

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 the Board of Directors accept the June 30, 2019 audit of the District by the CPA firm of White Nelson Diehl Evans LLP.


Tracy Largent, CPA
Finance Manager

January 28, 2020



Rainbow Municipal Water District

Annual Financial Report

**For the Fiscal Year Ended
June 30, 2019**

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	<u>Page</u>
Independent Auditors' Report.....	1 - 2
Management's Discussion and Analysis.....	3 - 8
Basic Financial Statements:	
Statement of Net Position.....	9 - 10
Statement of Revenues, Expenses and Change in Net Position	11
Statement of Cash Flows.....	12 - 13
Notes to Basic Financial Statements.....	14 - 37
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability - Defined Benefit Pension Plans	38
Schedule of Contributions - Defined Benefit Pension Plans.....	39
Schedule of Changes in the Net OPEB Liability and Related Ratios	40
Schedule of Contributions - OPEB	41

INDEPENDENT AUDITORS' REPORT

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

We have audited the accompanying financial statements of Rainbow Municipal Water District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rainbow Municipal Water District as of June 30, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 11 to the basic financial statements, the District recorded a prior period adjustment resulting in a \$1,329,829 increase of previously reported net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

White Nelson Dick Evans LLP

Carlsbad, California
November 27, 2019

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

As management of the Rainbow Municipal Water District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Required Supplemental Information.

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

FINANCIAL HIGHLIGHTS

The District's ending net position was \$83,572,163.

The change in net position for the fiscal year was a decrease of \$637,644.

The District had a loss from operations in the amount of \$5,286,522 in the current year compared to a loss from operations of \$3,769,252 in the previous year. The current year included an additional write-off of \$1M in bad debt expense as a result of in-depth accounts receivable analysis leading up to our billing software implementation. Fortunately, nonoperating income for the current year was \$1,707,817 compared to \$603,878 for the prior year.

This year the District had \$1,609,595 worth of net additions to capital assets compared to \$3,066,497 last year.

The District secured Capital Lease financing and Installment Purchase Contract financing for \$5.52M and \$5.25M at 3.09% and 3.18% respectfully. The capital lease financing will be used to replace all of the district meters with new, more accurate meters. This project is projected to have a net positive financial impact by either reducing our cost of unsold water due to water loss or increasing revenue from meters. The forecast is for an increase in revenue of over \$1Million per year at a cost of approximately \$650,000 per year. The Installment Purchase Contract financing will be used for the second part of the overall project. This part of the project was added to perform upgrades to our existing water services at the time of meter replacement.

OVERVIEW OF FINANCIAL STATEMENTS

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

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

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

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

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

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

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

DISTRICT'S FINANCIAL ANALYSIS

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

The District's net position from the prior fiscal year increased by \$692,185 or 0.8%. Operating revenue for this fiscal year decreased \$5,102,641 or 12.3% compared to the prior year.

Operating expenses decreased by \$3,585,341 or 7.9% from the prior year as a result of the decrease in water sales. Non-operating revenue increased by \$1,304,614 due mainly to Investment income. Non-operating expenses increased by \$200,680 due to Interest expense.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

DISTRICT'S FINANCIAL ANALYSIS (continued)

Statement of Net Position

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

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

Net position may serve over time, as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$83,572,163 as of June 30, 2019.

Total liabilities increased as a result of the increase to the District's Capital Water Service Upgrade (WSUP) capital project financing. The District secured Capital Lease financing and Installment Purchase Contract financing for \$5.52M and \$5.25M at 3.09% and 3.18%, respectfully. The capital lease financing will be used to replace all of the district meters with new, more accurate meters. This project is projected to have a net positive financial impact by either reducing our cost of unsold water due to water loss or increasing revenue from meters. The forecast is for an increase in revenue of over \$1Million per year at a cost of approximately \$650,000 per year. The Installment Purchase Contract financing will be used for the second part of the overall project. This part of the project was added to perform upgrades to our existing water services at the time of meter replacement

The fiscal year 2019 Net Pension Liability had a decrease of \$131,877 compared to fiscal year 2018. Net Pension Liability is reported at \$6,899,648 for fiscal year 2019 and it is based on the District's proportionate share of the net pension liability for the Miscellaneous Classic and PEPRAs plans under the CalPERS retirement program. The District's Net Pension Liability was \$7,031,525 and \$6,009,026 for fiscal years 2018 and 2017, respectively.

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

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

DISTRICT'S FINANCIAL ANALYSIS (continued)

**Table 1
Condensed Statement of Net Position**

Assets	2019	2018	\$ Change	% Change
Current Assets	\$ 48,460,270	\$ 35,910,134	\$ 12,550,136	34.9%
Noncurrent Assets	79,088,261	81,135,315	(2,047,054)	-2.5%
Total Assets	127,548,531	117,045,449	10,503,082	9.0%
Deferred Outflows of Resources	2,121,387	2,605,346	(483,959)	-18.6%
Liabilities				
Current Liabilities	7,217,595	6,965,292	252,303	3.6%
Noncurrent Liabilities	38,445,392	29,370,060	9,075,332	30.9%
Total Liabilities	45,662,987	36,335,352	9,327,635	25.7%
Deferred Inflows of Resources	434,768	435,465	(697)	-0.2%
Net Position				
Net Investment in Capital Assets	63,739,648	65,399,076	(1,659,428)	-2.5%
Restricted for Future Capacity	3,321,531	894,491	2,427,040	271.3%
Unrestricted	16,510,984	17,916,240	(1,405,256)	-7.8%
Total Net Position	\$ 83,572,163	\$ 84,209,807	\$ (637,644)	-0.8%

Statement of Revenues, Expenses and Changes in Net Position

The District's total operating revenues for the fiscal year ended June 30, 2019, excluding inter-fund transfers, decreased by \$5,102,641 to \$36,515,083. This was primarily due to reduced demand during a wetter than usual winter and spring.

The District's total operating expenses decreased by \$3,585,341 to \$41,801,635 as a result of the decrease in water sales.

The loss from operations was \$5,286,522. The current year included an additional write-off of \$1M in bad debt expense as a result of in-depth accounts receivable analysis leading up to our billing software implementation. Fortunately, nonoperating income for the current year was \$1,707,817 compared to \$603,878 for the prior year.

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

DISTRICT'S FINANCIAL ANALYSIS (continued)

The following table presents a summary of the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2019:

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

	2019	2018	\$ Change	% Change
Operating Revenues	\$ 36,515,083	\$ 41,617,724	\$ (5,102,641)	-12.3%
Operating Expenses	(41,801,635)	(45,386,976)	3,585,341	-7.9%
Non-operating Revenues	2,278,672	974,058	1,304,614	133.9%
Non-operating Expenses	(570,855)	(370,175)	(200,680)	54.2%
Loss Before Capital Cont	(3,578,735)	(3,165,374)	(413,361)	13.1%
Capital Contributions	2,941,091	2,972,963	(31,872)	-1.1%
Change in Net Position	(637,644)	(192,411)	(445,233)	231.4%
Total Net Position (Beg)	82,879,978	83,286,070	(406,092)	-0.5%
Prior Period Adjustment	1,329,829	(213,681)	1,543,510	-722.3%
Net Position (Beg) Restated	84,209,807	83,072,389	1,137,418	1.4%
Total Net Position, End	\$ 83,572,163	\$ 82,879,978	\$ 692,185	0.8%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

**Table 3
Changes in Capital Assets**

	2019	2018	\$ Change	% Change
Land	\$ 1,977,490	\$ 1,977,490	-	0.0%
Construction in Progress	3,894,165	3,187,889	706,276	22.2%
Buildings & Improvements	1,026,247	1,026,247	-	0.0%
Reservoirs, Pipelines, & Tanks	143,218,563	142,994,055	224,508	0.2%
Meters	1,300,613	1,074,936	225,677	21.0%
Equipment	4,579,015	4,335,822	243,193	5.6%
Invest in Sewer Rights	8,321,043	8,111,102	209,941	2.6%
Less: Accumulated Depreciation	(85,228,874)	(81,572,225)	(3,656,649)	4.5%
Total Capital Assets	\$ 79,088,261	\$ 81,135,315	\$ (2,047,054)	-2.5%

**RAINBOW MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

DISTRICT'S FINANCIAL ANALYSIS (continued)

Debt

**Table 4
Changes in Debt**

	2019	2018	\$ Change	% Change
Loan Payable Morro	\$ 8,747,804	\$ 8,968,676	(220,872)	-2.5%
Loan Payable Beck	6,600,809	6,767,563	(166,754)	-2.5%
Lease Purchase Agreement	5,523,284	-	5,523,284	100.0%
Installment Purchase Contract	5,249,905	-	5,249,905	100.0%
Total Debt	\$ 26,121,802	\$ 15,736,239	\$ 10,385,563	66.0%

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's Board of Directors and management considered many factors when setting the fiscal year 2019 budget, user fees, and charges. These indicators were taken into consideration when adopting the District's budget for year 2020.

CONTACTING THE DISTRICT

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

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF NET POSITION June 30, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$ 14,559,801
Restricted cash and cash equivalents	14,094,720
Investments	13,514,207
Accounts receivable - water and sewer, net	4,756,918
Interest receivable	184,105
Taxes and assessments receivable	13,076
Other receivables	213,367
Inventories	1,039,373
Prepaid expenses	84,703
Total Current Assets	<u>48,460,270</u>

Noncurrent Assets:

Capital assets:

Land	1,977,490
Construction in progress	3,894,165
Buildings and improvements	1,026,246
Reservoir, pipelines, and tanks	143,218,563
Meters	1,300,613
Equipment	4,579,015
Investment in sewer rights	8,321,043
Less: accumulated depreciation	<u>(85,228,874)</u>
Total Noncurrent Assets	<u>79,088,261</u>
Total Assets	<u>127,548,531</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts from pension	<u>2,121,387</u>
Total Deferred Outflows of Resources	<u>2,121,387</u>

(Continued)

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

9

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF NET POSITION (Continued)
June 30, 2019

LIABILITIES

Current liabilities:

Accounts payable	\$ 4,695,441
Accrued expenses	250,290
Construction meter deposits	21,863
Developer deposits	5,654
Interest Payable	405,152
Compensated absences, current portion	43,842
Current portion of notes payable	1,795,353
Total Current Liabilities	<u>7,217,595</u>

Noncurrent Liabilities:

Net OPEB liability	665,632
Compensated absences, net of current portion	394,576
Net pension liability	6,899,648
Prepaid capacity fees	6,159,087
Notes payable, net of current portion	24,326,449
Total Noncurrent Liabilities	<u>38,445,392</u>
Total Liabilities	<u>45,662,987</u>

DEFERRED INFLOWS OF RESOURCES

Deferred amounts on pension	434,768
Total Deferred Inflows of Resources	<u>434,768</u>

NET POSITION

Net investment in capital assets	63,739,648
Restricted	3,321,531
Unrestricted	16,510,984
Total Net Position	<u>\$ 83,572,163</u>

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION For the year ended June 30, 2019

OPERATING REVENUES

Water sales	\$ 32,810,988
Wastewater revenue	2,843,256
Other operating revenue	860,839
Total Operating Revenues	<u>36,515,083</u>

OPERATING EXPENSES

Cost of purchased water sold	22,449,449
Water pumping	558,989
Transmission and distribution	4,421,571
Meter services	868,927
Sewer collection services	1,738,948
General and administrative	4,467,521
Engineering	1,551,506
Finance	568,091
Customer service	1,519,984
Depreciation	3,656,649
Total Operating Expenses	<u>41,801,635</u>
Operating Income (Loss)	<u>(5,286,552)</u>

NONOPERATING REVENUES (EXPENSES)

Property tax revenue	638,539
Investment income	1,134,118
Other nonoperating revenue	506,015
Interest expense	(570,855)
Total Nonoperating Revenues (Expenses)	<u>1,707,817</u>
Income Before Capital Contributions	(3,578,735)
Capital Contributions	<u>2,941,091</u>
Change in Net Position	<u>(637,644)</u>
Net Position, Beginning of Year, As Originally Stated	82,879,978
Prior Period Adjustment	<u>1,329,829</u>
Net Position, Beginning of Year, As Restated	<u>84,209,807</u>
Net Position, End of year	<u>\$ 83,572,163</u>

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

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers for water sales and service	\$ 39,399,638
Payments for the purchase of water	(24,169,393)
Payments to vendors and suppliers for materials and services	(6,683,204)
Payments for employee wages, benefits and related costs	(7,956,093)
	<hr/>
Net Cash Provided (Used) by Operating Activities	590,948

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from property taxes	<hr/> 636,674
Net Cash Provided (Used) by Noncapital Financing Activities	<hr/> 636,674

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(1,609,595)
Proceeds from capital contributions	4,599,769
Other nonoperating revenue	506,015
Proceeds from issuance of notes payable	10,773,189
Principal paid on notes payable	(387,626)
Interest paid on notes payable	(165,703)
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	<hr/> 13,716,049

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(3,147,128)
Proceeds from sales and maturities of investments	3,455,475
Interest received	609,251
	<hr/>
Net Cash Provided (Used) by Investing Activities	<hr/> 917,598

Net Increase (Decrease) in Cash and Cash Equivalents	15,861,269
Cash and Cash Equivalents, Beginning of Year	<hr/> 12,793,252
Cash and Cash Equivalents, End of Year	<hr/> <hr/> \$ 28,654,521

(Continued)

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

12

RAINBOW MUNICIPAL WATER DISTRICT

STATEMENT OF CASH FLOWS (Continued) For the year ended June 30, 2019

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

Operating Income (Loss)	\$ (5,286,552)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation and amortization	3,656,649
GASB 68 pension and GASB 75 OPEB adjustments	297,416
Changes in operating assets and liabilities:	
(Increase) Decrease in operating assets:	
Accounts receivable	2,881,002
Other receivables	3,553
Inventory	439,481
Prepaid expenses	205,482
Increase (Decrease) in operating liabilities:	
Accounts payable	(1,584,214)
Accrued expenses	48,345
Compensated absences	(1,785)
Construction meter deposits	(68,429)
Net Cash Provided (Used) by Operating Activities	<u>\$ 590,948</u>

Reconciliation to Statement of Net Position

Cash and cash equivalents	\$ 14,559,801
Restricted cash and cash equivalents	<u>14,094,720</u>
Total cash and cash equivalents	<u>\$ 28,654,521</u>

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization**

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

The District services and maintains approximately 315 miles of water main, 7 pump stations, 4 reservoirs, and 13 storage tanks to deliver water to its customers. It also provides sewer services to parts of the District and maintains 6 lift stations and 60 miles of sewer main located in northern San Diego County.

The District is governed by a Board of Directors made up of five members elected by the voters within the District.

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Under the economic measurement focus all assets and liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District’s principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Position.

When both restricted and unrestricted resources are available for use, it is the District’s practice to use restricted resources first, then unrestricted resources as they are needed.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The basic financial statements of the Rainbow Municipal Water District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowings that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position

This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component of net position consists of net position that does not meet the definition of “net investment in capital assets,” or “restricted net position”.

c. New Accounting Pronouncements:Current Year Standards:

- GASB Statement No. 83 – “*Certain Asset Retirement Obligations*,” effective for periods beginning after June 15, 2018, and did not impact the District.
- GASB Statement No. 88 – “*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*,” effective for periods beginning after June 15, 2018, and did not impact the District.

Pending Accounting Standards:

GASB has issued the following statements which may impact the District’s financial reporting requirements in the future:

- GASB 84 – “*Fiduciary Activities*,” effective for periods beginning after December 15, 2018.
- GASB 87- “*Leases*,” effective for periods beginning after December 15, 2019.
- GASB 89 – “*Accounting For Interest Cost Incurred before the End of a Construction Period*,” effective for periods beginning after December 15, 2019.
- GASB 90 – “*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*,” effective for periods beginning after December 15, 2018.
- GASB 91 – “*Conduit Debt Obligations*,” effective for periods beginning after December 15, 2020.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**d. Deferred Outflows/Inflows of Resources:**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.
- Deferred outflow related to pensions for changes in proportion. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2018.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2018.
- Deferred outflows from pensions resulting from the changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following that will qualify for reporting in this category:

- Deferred inflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2018.
- Deferred inflows from pensions resulting from the changes in assumptions and differences between employer contributions and proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Cash, Cash Equivalents and Investments

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include petty cash, demand deposits with financial institutions, deposits in money market mutual funds (SEC registered), and deposits in external investment pools, and marketable securities that mature within 90 days of purchase. Such marketable securities and deposits in money market funds are carried at fair value. Investment pool deposits are carried at the District's proportionate share of the fair value of each pool's underlying portfolio.

State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment Valuation

Investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

f. Water Sales

Water sales revenue is recorded when water is delivered and service is rendered, including an estimated amount for unbilled service.

g. Allowance for Doubtful Accounts

The District recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. Water and sewer accounts receivable at June 30, 2019 have been reduced by an allowance for doubtful accounts of \$134,138.

h. Inventories

Materials inventory is stated at the lower of current average cost or market. Water inventory is stated at its purchase cost using the first-in, first-out method.

i. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

j. Restricted Assets

Amounts shown as restricted assets have been restricted by debt agreements, by law or regulations, or by contractual obligations to be used for specified purposes, such as service of debt and construction of capital assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Capital Assets and Depreciation

Capital assets are valued at cost when constructed or purchased. Donated assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are valued at their estimated fair market value on the date accepted. The District capitalizes all assets with a historical cost of at least \$5,000 and a useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

Buildings	10-50 years
Water Systems	10-50 years
Improvement of Sites	7-25 years
Equipment	5-10 years
Capacity Rights	17 years

l. Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Changes in compensated absences for the year ended June 30, 2019, were as follows:

Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
\$ 440,203	\$ 157,984	\$ (159,769)	\$ 438,418	\$ 43,842

m. Capital Contributions and Capacity Fee Liability

Capital contributions are recorded when the District receives cash contributions or accepts contributions of capital assets in kind or when governmental construction grants are earned. Capital contributions are reported as a separate line item on the Statement of Revenues, Expenses, and Changes in Net Position. Capacity fees are paid by new customers prior to connecting to the District’s system. Such charges are periodically adjusted based upon changes in construction costs and other factors and are intended to compensate the District for a new customer’s equitable share of current and future system capacity. Capacity fees are reflected as a liability and are recorded as Capital Contributions on the Statement of Revenues, Expenses, and Changes in Net Position when the customer connects to the District’s system.

n. Property Taxes

The County of San Diego (the “County”) bills and collects property taxes on behalf of the District. The County’s tax calendar year is July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. As of June 30, 2019, the following timeframes are used:

Valuation Date (VD): June 30, 2017

Measurement Date (MD): June 30, 2018

Measurement Period (MP): July 1, 2017 to June 30, 2018

p. Other Postemployment Benefits

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s OPEB Plan and additions to/deductions from the OPEB Plans’ fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the District’s OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

q. Interest Expense

The District incurs interest charges on long-term debt. Interest expense for the year ended June 30, 2019 was \$570,855 and was reflected as nonoperating on the Statement of Revenues, Expenses and Changes in Net Position. The District did not capitalize any interest during the year ended June 30, 2019.

r. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and investments at June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Current Assets:	
Cash and cash equivalents	\$ 14,559,801
Restricted cash and cash equivalents	14,094,720
Investments	<u>13,514,207</u>
Total cash and investments	<u>\$ 42,168,728</u>

Cash and investments consist of the following:

Cash on hand	\$ 500
Deposits with financial institutions	20,214,008
Investments	<u>21,954,220</u>
Total cash and investments	<u>\$ 42,168,728</u>

Investments Authorized by the California Government Code and the District’s Investment policy:

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Entities	5 years	None	None
U.S. Government Agency Callable	5 years	75%	None
Banker’s Acceptances	180 days	40%	None
Commercial Paper	270 days	15%	None
Negotiable Certificates of Deposit	5 years	30%	None
Time Certificates of Deposit	5 years	25%	None
Repurchase Agreements	1 year	None	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund	N/A	100%	\$30,000,000

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. Investments authorized for funds held by bond trustees include US Treasury Bills, Notes and Bonds, US Treasury Obligations, Resolution Funding Corp (REFCORP), Prefunded Municipal Bonds, US Government-Sponsored Agency Securities, Commercial Paper, Money Market Mutual Funds, Certificates of Deposits, Guaranteed Investment Contracts, Banker’s Acceptance, Repurchase Agreements, and Local Agency Investment Funds. There are no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed, or the maximum maturity of an investment, except for the maturity of Banker’s Acceptances, which are limited to one year and Repurchase Agreements, which are limited to 30 days.

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity at June 30, 2019.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Local Agency Investment Fund (LAIF)	\$ 7,798,809	\$ 7,798,809	\$ -	\$ -	\$ -
Money Market Mutual Funds	641,204	641,204	-	-	-
Negotiable Certificates of Deposit	3,673,619	230,718	742,183	2,700,718	-
Medium-Term Notes	3,971,551	-	500,125	3,471,426	-
U.S. Sponsored Entities	5,869,037	1,490,210	500,590	3,878,237	-
Total	\$ 21,954,220	\$ 10,160,941	\$ 1,742,898	\$ 10,050,381	\$ -

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s Investment Policy, or debt agreements, and the Moody’s rating for each investment type at June 30, 2019.

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year End			
				AAA	AA	A	Not Rated
Local Agency Investment Fund (LAIF)	\$ 7,798,809	N/A	\$ -	\$ -	\$ -	\$ -	\$ 7,798,809
Money Market Mutual Funds	641,204	N/A	-	-	-	-	641,204
Negotiable Certificates of Deposit	3,673,619	N/A	-	-	-	-	3,673,619
Medium-Term Notes	3,971,551	A2	-	-	1,989,535	1,982,016	-
U.S. Sponsored Entities	<u>5,869,037</u>	N/A	-	<u>5,869,037</u>	-	-	-
Total	<u>\$ 21,954,220</u>		<u>\$ -</u>	<u>\$ 5,869,037</u>	<u>\$ 1,989,535</u>	<u>\$ 1,982,016</u>	<u>\$ 12,113,632</u>

Concentration of Credit Risk:

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. Investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments is as follows:

Issuer	Investment Type	2019
Federal National Mortgage Association	U.S. Govt Sponsored Entities	\$ 2,505,789
Federal Home Loan Banks	U.S. Govt Sponsored Entities	\$ 2,005,410
Federal Home Loan Mortgage Corporation	U.S. Govt Sponsored Entities	\$ 1,157,397

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2019, \$3,132,614 of the District’s deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value Measurements:

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

	<u>Quoted Prices Level 1</u>	<u>Observable Inputs Level 2</u>	<u>Unobservable Inputs Level 3</u>	<u>June 30, 2019</u>
Investments by Fair Value Level				
U.S. Government Sponsored				
Entity Securities				
FFCB	\$ -	\$ 200,442	\$ -	\$ 200,442
FHLB	-	2,005,410	-	2,005,410
FHLMC	-	1,157,397	-	1,157,397
FNMA	-	2,505,788	-	2,505,788
Negotiable Certificates of Deposit	-	3,673,619	-	3,673,619
Medium Term Notes	-	3,971,551	-	3,971,551
Total Investments by Fair Value Level	<u>\$ -</u>	<u>\$ 13,514,207</u>	<u>\$ -</u>	<u>13,514,207</u>
Investments measured at Cost or Net Asset Value (NAV)				
Local Agency Investment Fund (LAIF)				7,798,809
Money Market Mutual Funds				641,204
Total Investments at Cost or Net Assets Value (NAV)				<u>8,440,013</u>
Total Investments				<u>\$ 21,954,220</u>

NOTE 3 - CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2019, were as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 1,977,490	\$ -	\$ -	\$ 1,977,490
Construction in progress	3,187,889	925,500	(219,224)	3,894,165
Total capital assets, not being depreciated	<u>5,165,379</u>	<u>925,500</u>	<u>(219,224)</u>	<u>5,871,655</u>
Capital assets, being depreciated:				
Buildings and improvements	1,026,246	-	-	1,026,246
Reservoirs pipelines, and tanks	142,994,055	224,508	-	143,218,563
Meters	1,074,936	225,677	-	1,300,613
Equipment	4,335,822	243,193	-	4,579,015
Investment in sewer rights	8,111,102	209,941	-	8,321,043
Total capital assets, being depreciated	<u>157,542,161</u>	<u>903,319</u>	<u>-</u>	<u>158,445,480</u>
Accumulated depreciation:				
Buildings and improvements	(919,707)	(14,575)	-	(934,282)
Reservoirs pipelines, and tanks	(75,711,033)	(3,209,444)	-	(78,920,477)
Meters	(392,198)	(78,021)	-	(470,219)
Equipment	(3,291,904)	(190,623)	-	(3,482,527)
Investment in sewer rights	(1,257,383)	(163,986)	-	(1,421,369)
Total accumulated depreciation	<u>(81,572,225)</u>	<u>(3,656,649)</u>	<u>-</u>	<u>(85,228,874)</u>
Total capital assets, being depreciated, net	<u>75,969,936</u>	<u>(2,753,330)</u>	<u>-</u>	<u>73,216,606</u>
Total capital assets, net	<u>\$ 81,135,315</u>	<u>\$(1,827,830)</u>	<u>\$ (219,224)</u>	<u>\$ 79,088,261</u>

Depreciation expense for depreciable capital assets was \$3,656,649 for the year ended June 30, 2019.

NOTE 4 - LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2019 were as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Loan Payable SRF Morro	\$ 8,968,676	\$ -	\$ (220,872)	\$ 8,747,804	\$ 448,945
Loan Payable SRF Beck	6,767,563	-	(166,754)	6,600,809	338,764
Lease Purchase Agreement	-	5,523,284	-	5,523,284	506,260
Installment Purchase Contract	-	5,249,905	-	5,249,905	501,384
Total	\$ 15,736,239	\$ 10,773,189	\$ (387,626)	\$ 26,121,802	\$ 1,795,353

a. SRF Morro Loan Payable

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$10,246,413 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. At June 30, 2019, the amount outstanding was \$8,747,804.

Future debt service requirements for the above note payable based on the initial loan rate is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 448,945	\$ 180,778	\$ 629,723
2021	458,392	171,331	629,723
2022	468,038	161,685	629,723
2023	477,886	151,837	629,723
2024	487,942	141,781	629,723
2025-2029	2,598,114	550,501	3,148,615
2030-2034	2,883,217	265,397	3,148,614
2035	925,270	19,433	944,703
Total	\$ 8,747,804	\$ 1,642,743	\$ 10,390,547

b. SRF Beck Loan Payable

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$7,731,716 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. At June 30, 2019, the amount outstanding was \$6,600,809.

NOTE 4 - LONG-TERM DEBT (CONTINUED)

b. SRF Beck Loan Payable (Continued)

Future debt service requirements for the above note payable based on the initial loan rate is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 338,764	\$ 136,411	\$ 475,175
2021	345,892	129,283	475,175
2022	353,171	122,004	475,175
2023	360,602	114,573	475,175
2024	368,190	106,985	475,175
2025-2029	1,960,479	415,396	2,375,875
2030-2034	2,175,612	200,263	2,375,875
2035	698,099	14,664	712,763
Total	\$ 6,600,809	\$ 1,239,579	\$ 7,840,388

c. Lease Purchase Agreement

On September 21, 2018, the District entered into a lease/purchase agreement with Zion Bank as lessor in the amount of \$5,523,284 to finance water meters. Payments of principal and interest are due annually on July 1st. The rate of interest to be paid on the principal amount of the lease is 3.090%. At June 30, 2019, the amount outstanding was \$5,523,284.

Future debt service requirements on the lease payable above are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 506,260	\$ 132,743	\$ 639,003
2021	492,037	155,026	647,063
2022	507,241	139,822	647,063
2023	522,914	124,148	647,062
2024	539,073	107,990	647,063
2025-2029	2,955,759	279,556	3,235,315
Total	\$ 5,523,284	\$ 939,285	\$ 6,462,569

NOTE 4 - LONG-TERM DEBT (CONTINUED)

d. Installment Purchase Contract

On October 1, 2018 the District entered into an Installment Purchase Contract with ZMFU II, Inc. in the amount of \$5,249,905 to finance the construction, acquisition, and improvements associated with a District-wide water meter replacement program. Principal payments are due annually on July 1st, and interest payments are due semi-annually on July 1st and January 1st. The rate of interest to be paid on the principal amount of the lease is 3.180%. At June 30, 2019, the amount outstanding was \$5,249,905.

Future debt service requirements for the above note payable based on the initial loan rate is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 501,384	\$ 187,263	\$ 688,647
2021	463,998	143,625	607,623
2022	478,753	128,636	607,389
2023	493,977	113,169	607,146
2024	509,686	97,211	606,897
2025-2029	<u>2,802,107</u>	<u>228,344</u>	<u>3,030,451</u>
Total	<u>\$ 5,249,905</u>	<u>\$ 898,248</u>	<u>\$ 6,148,153</u>

NOTE 5 – INVENTORIES

Inventories at June 30, 2019 consisted of the following:

Water inventory	\$ 149,051
Materials inventory	<u>890,322</u>
	<u>\$ 1,039,373</u>

NOTE 6 - DEFINED BENEFIT PENSION PLANS

a. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees’ Retirement System (CalPERS). The Plan’s benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

a. General Information about the Pension Plan (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 63 with statutorily reduced benefits. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Classic Miscellaneous Plan	PEPRA Miscellaneous Plan
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	1.0% to 2.5%
Required employee contribution rates	7.948%	6.250%
Required employer contribution rates:	10.609%	6.842%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are identified by the pension plan terms.

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, Rainbow Municipal Water District reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	Proportionate Share of the Net Pension Liability
Classic and PEPRA Miscellaneous Plan	\$ 6,899,648

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District’ proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Rainbow Municipal Water District’s proportionate share of the net pension liability as of the measurement date ended June 30, 2017 and 2018 was as follows:

	Classic & PEPRA Plans
Proportion - June 30, 2017	0.178370%
Proportion - June 30, 2018	0.183080%
Change - Increase (Decrease)	0.004710%

For the year ended June 30, 2019, the District recognized pension expense of \$1,216,627. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 865,241	\$ -
Differences between actual and expected experience	248,565	(82,423)
Change in assumptions	719,913	(181,006)
Change in employer’s proportion and differences between the employer’s contributions and the employer’s proportionate share of contributions	238,487	(171,339)
Net differences between projected and actual earnings on plan investments	49,181	-
Total	<u>\$ 2,121,387</u>	<u>\$ (434,768)</u>

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$865,241 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2020	\$ 668,582
2021	383,724
2022	(173,749)
2023	(57,179)
2024	-
Thereafter	-

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The total pension liability was based on the following assumptions:

	Classic & PEPR Plans
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.
- (3) Contract COLA up to 2.00% until Purchasing Power Protection Allowances Floor on Purchasing Power applies, 2.50% thereafter.

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (b) An expected inflation of 2.00% used for this period
- (c) An expected inflation of 2.92% used for this period

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability of the each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Classic & PEPRA Plans
1% Decrease	6.15%
Net Pension Liability	\$ 10,827,368
Current Discount Rate	7.15%
Net Pension Liability	\$ 6,899,648
1% Increase	8.15%
Net Pension Liability	\$ 3,657,381

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan:

At June 30, 2019, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description – Benefits

The District administers its Other Post-Employment Benefits (OPEB), a single employer defined benefit plan, to provide medical, prescription drugs, and dental benefits, in accordance with a resolution approved by the board of Directors. Medical insurance is provided through a choice of a Blue Cross HMO or Blue Cross Classic PPO, both offered through the Association of California Water Agencies Joint Powers Insurance Authority. Dental insurance is provided through Assurant Employee Benefits.

Employees of the District hired before July 1, 2012, retiring after the later of age 50 with 10 consecutive years of District service are eligible to receive a monthly District contribution towards the purchase of health insurance if they have not opted out. The District contribution ends after ten (10) years of benefit payments have been made, even if retiree or spouse are still under age 65 at the time.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Measurement Date	June 30, 2019
Total eligible active employees	25
Inactive employees currently receiving benefit payments	6
Total	31

Net OPEB Liability

The District’s net OPEB liability of \$665,632 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.50%
Inflation	2.50%
Projected Salary Increase	3.50%
Expected long term investment rate of return	N/A
Healthcare Cost Trend Rates	Varies
Pre-retirement Turnover	Derived from the July 1, 2015 Rainbow Municipal Water District Actuarial Valuation Report
Mortality	Derived from the RP-2014 Study, with Blue Collar Adjustment, improved generationally using MP-2016 Improvement Rates

The discount rate of 3.50% was based on The Bond Buyer 20-Bond GO Index and was updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2018	\$ 719,601	\$ -	\$ 719,601
Changes in the Year:			
Service cost	5,027	-	5,027
Interest on the total OPEB liability	24,801	-	24,801
Differences between actual and expected experience	(108,804)	-	(108,804)
Changes in assumptions	68,033	-	68,033
Contribution - employer	-	43,026	(43,026)
Benefit payments, including refunds of employee contributions	(43,026)	(43,026)	-
Net Changes	(53,969)	-	(53,969)
Balance at June 30, 2019	\$ 665,632	\$ -	\$ 665,632

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, calculated using the discount rate for the Plan, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability	\$ 714,514	\$ 665,632	\$ 622,800

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 610,189	\$ 665,632	\$ 728,418

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

The District elected to use the Alternative Measurement Method for reporting GASB 74/75 for fiscal year 2019. According to the implementation guide for GASB 74/75, the changes in the total OPEB liability resulting from differences between expected and actual experience and changes in assumptions or other inputs should be recognized in OPEB expense in the periods in which the effects are first reported in the OPEB liability. Due to this, the District has recognized its deferrals arising from expected and actual experience, as well as changes of assumptions in OPEB expense. For the year ended June 30, 2019, the District recognized OPEB income of \$10,943.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The District purchases commercial insurance for its exposure to risk other than those under the workers’ compensation laws. Commercial insurance expense amounted to \$234,052 for the years ended June 30, 2019.

The District’s workers’ compensation risk exposure is handled by the District’s participation in the Special District Risk Management Authority (SDRMA) established by the California Special Districts Association. SDRMA is a risk pooling joint powers authority formed under the California Government Code to provide workers’ compensation coverage for SDRMA’s member districts. SDRMA purchases excess insurance from commercial carriers to reduce its exposure to large losses. Workers’ compensation expense amounted to \$119,736 for the year ended June 30, 2019.

There were no instances in the past three years where a settlement exceeded the District’s coverage provided through SDRMA or through the District’s commercial carriers.

NOTE 8 - RISK MANAGEMENT (CONTINUED)

General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability: Total risk financing limits of \$10 Million combined with single limit at \$10 Million per occurrence, subject to the following deductibles:

- \$100,000 per occurrence for third party general liability property damage;
- \$1,000 per occurrence for third party auto liability property damage;
- 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000, per occurrence.

Employee Dishonesty Coverage: \$1,000,000 million per loss includes Public Employee Dishonesty, Forgery or Alteration and Theft, Disappearance and Destruction coverage's effective July 1, 2018.

Property Loss: Replacement cost, for property on file, if replaced, and if not replaced within two years after the loss, paid on an actual cash value basis, to a combined total of \$1 Billion per occurrence, subject to a \$1,000 deductible per occurrence, effective July 1, 2018.

Boiler and Machinery: \$100 Million per occurrence, subject to a \$1,000 deductible per occurrence, effective July 1, 2018.

Public Officials Personal Liability: \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, deductible of \$1000 per claim, effective July 1, 2018.

Comprehensive and Collision: Comprehensive and Collision limits are the actual cash value or cost of repair with deductibles of \$250/\$500 or \$500/\$1,000, as elected, for comprehensive and collision.

Workers' Compensation Coverage and Employer's Liability: Statutory limits per occurrence for Workers' Compensation and \$5 Million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Certificate of Coverage, effective July 1, 2018.

NOTE 9 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plans, administered by Aspire and Lincoln Financial Group, are available to all regular employees, permits deferment of a portion of current salary to future years. Benefits from the plans are not available to employees until termination, retirement, disability, death, or unforeseeable emergencies.

All assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries. The District does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or perform the investment function. Therefore, the fair market value of the plan assets at June 30, 2019, in the amount of \$4,141,601, is not included in the District's financial statements.

NOTE 10 - COMMITMENTS AND CONTINGENCIESTank Maintenance Commitments

On April 22, 2015, the District entered into a ten (10) year contract with Utility Service Co., Inc. to maintain twelve water tanks. The contract was updated on July 1, 2011 to maintain the tanks at an annual cost of \$615,585. The contract can be cancelled annually if intent to cancel is received with ninety (90) days prior to the anniversary date. Any outstanding balance for completed work would be due and payable within thirty (30) days of cancellation.

Capacity Rights for Sewage Treatment

On February 13, 2002, Rainbow Municipal Water District (the District) entered into a contract with the City of Oceanside, California (the City) to provide for the construction, operation, maintenance, and replacement of a wastewater system to service the needs of both the City and the District. The City owns the wastewater conveyance, treatment, and disposal facilities and the District has the contractual right to discharge wastewater into the City's System. The City and the District have previously entered into agreements on January 2, 1973, September 10, 1989, and February 16, 2019. This agreement reflects the planned expansion and rehabilitation of facilities built from those previous agreements. Under the agreement, the District's share of cost for planned expansion and rehabilitation of the facilities would be 10% of the total cost of expansion.

NOTE 11 - RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The District recorded a prior period adjustment in the amount of \$1,329,829. This adjustment was result of the District understating capacity fee revenue in prior fiscal years, which resulted in a corresponding increase to Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

RAINBOW MUNICIPAL WATER DISTRICT REQUIRED SUPPLEMENTARY INFORMATION

1. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – DEFINED BENEFIT PENSION PLANS

LAST TEN FISCAL YEARS*

	2019	2018	2017	2016	2015
Miscellaneous & PEPR Plan					
Plan's Proportion of the Net Pension Liability	0.071600%	0.070900%	0.069440%	0.066790%	0.055960%
Plan's Proportionate Share of the Net Pension Liability	\$ 6,899,648	\$ 7,031,525	\$ 6,009,026	\$ 4,584,303	\$ 3,435,302
Plan's Covered Payroll	\$ 3,887,469	\$ 4,118,123	\$ 3,679,407	\$ 3,829,237	\$ 3,873,095
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	177.48%	170.75%	163.32%	119.72%	88.70%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	73.31%	74.53%	79.29%	83.26%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 843,193	\$ 749,380	\$ 654,919	\$ 509,468	\$ 460,700

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

*-Fiscal year 2015 was the 1st year of implementation; therefore, only five years are shown.

RAINBOW MUNICIPAL WATER DISTRICT REQUIRED SUPPLEMENTARY INFORMATION

2. SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLANS

*LAST TEN FISCAL YEARS**

	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 865,241	\$ 743,649	\$ 656,639	\$ 369,170	\$ 570,649
Contributions in relation to the actuarially determined contributions	<u>865,241</u>	<u>743,649</u>	<u>656,639</u>	<u>369,170</u>	<u>570,649</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,212,648	\$ 3,887,469	\$ 4,118,123	\$ 3,679,407	\$ 3,829,237
Contributions as a percentage of covered payroll	16.60%	19.13%	15.95%	10.03%	14.90%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2015
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	Market value***
Inflation	2.75%
Salary increases	Depending on age, service, and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years (2.5%@55), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study

*- Fiscal year 2015 was the 1st year of implementation; therefore, only five years are shown.

** - The valuation for June 30, 2012, 2013, and 2014 (applicable to fiscal years ended June 30, 2015, 2016, and 2017 respectively) included the same actuarial assumptions.

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013, 2014, and 2015 valuations (applicable to fiscal years ended June 30, 2016, 2017, and 2018 respectively)

RAINBOW MUNICIPAL WATER DISTRICT REQUIRED SUPPLEMENTARY INFORMATION

3. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS*

Fiscal year end	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement date	<u>6/30/2019</u>	<u>6/30/2018</u>
Total Pension Liability:		
Service cost	\$ 5,027	\$ 7,607
Interest on total OPEB liability	24,801	26,991
Changes of assumptions	68,033	-
Difference between expected and actual experience	(108,804)	-
Benefit payments	<u>(43,026)</u>	<u>(24,866)</u>
Net Change in Total OPEB Liability	(53,969)	9,732
Total OPEB Liability - Beginning of Year	<u>719,601</u>	<u>709,869</u>
Total OPEB Liability - End of Year (a)	<u>665,632</u>	<u>719,601</u>
Plan Fiduciary Net Position:		
Contributions - employer	43,026	24,866
Benefit payments	<u>(43,026)</u>	<u>(24,866)</u>
Net Change in Plan Fiduciary Net Position	-	-
Plan Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - End of Year (b)	<u>-</u>	<u>-</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 665,632</u>	<u>\$ 719,601</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered payroll	\$ 5,212,648	\$ 4,346,367
Net OPEB liability as percentage of covered payroll covered - employee payroll	12.77%	16.56%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate was decreased by 0.37% from 3.87% in fiscal year 2018 to 3.50% in fiscal year 2019 due to changes in market conditions.

* Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.

RAINBOW MUNICIPAL WATER DISTRICT REQUIRED SUPPLEMENTARY INFORMATION

4. SCHEDULE OF CONTRIBUTIONS – NET OPEB LIABILITY

*LAST TEN FISCAL YEARS**

	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution (1)	N/A	N/A
Contributions in relation to the actuarially determined contributions	<u>-</u>	<u>-</u>
Contribution deficiency (excess) (1)	<u>N/A</u>	<u>N/A</u>
Covered payroll	\$ 5,212,648	\$ 4,346,367
Contributions as a percentage of covered payroll	0.00%	0.00%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation; therefore, two years are shown.

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

In planning and performing our audit of the financial statements of the Rainbow Municipal Water District as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Rainbow Municipal Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rainbow Municipal Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rainbow Municipal Water District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

- 1) During the course of auditing cash and investments it was determined that the District made journal entries to remove \$342,153 of restricted cash held at Wells Fargo bank related to the SRF loans, calling the resulting cash decrease current year interest expense.

We recommend that the District does not remove cash or investments from their books unless the District no longer has rights to the assets.

Management's Response:

This issue came up as a result of two bank accounts being assigned to one general ledger account. This is not an accepted practice, was not documented anywhere, and the second statement was not received by the district. Shortly after starting with the district, I identified major deficiencies in the general ledger structure and finance software and as a result began the implementation of new finance software and a restructuring of the general ledger that is in line with GFOA best practices. Finance has also drafted a list of all cash accounts and their related general ledger object number so that there are not any cash accounts omitted.

- 2) During the course of auditing interest expense on the District's long term debt, it was determined that \$405,152 of interest expense incurred in the fiscal 2019 year, but not paid as of June 30, 2019 was not recorded on the District's accounting records. As a result both interest expense and accrued interest payable were understated.

We recommend that interest expense is accrued at year end so that it is reported in the fiscal period that the District becomes liable for the interest payment.

Management's Response:

This year-end journal entry was omitted as a result of not having a documented year end close checklist. A year end checklist with links to specific processes was created by finance during the year end audit this year. A monthly checklist was also created to manage the monthly finance close process that has not historically been done at the district due to staffing constraints in finance. The interest expense paid in July was reviewed by Finance, but initially considered applicable to FY 20, not FY 19. Significant strides have been made to improve closing procedures this year.

- 3) During the course of auditing capacity fee revenue and pre-paid capacity fee liabilities, it was determined that these balances were misstated. Capacity fee revenue was overstated by \$2,287,111, prepaid capacity fee liabilities were understated by \$957,282, and prior year revenue had been understated by \$1,329,829 (which resulted in recording a prior period adjustment).

We recommend that the District reconciles what capacity fees have been collected, and what connections have been made to the system, and report the District's revenue is the period the connection is made.

Management's Response:

The capacity fee reports for FY 18 (prior year) were not properly completed or reviewed despite ongoing prior year issues in this area. During year end this year, the Auditors felt the initial capacity fee revenue recognized for the year was high and asked me to take another look at the data. After further analysis, I found significant errors in the data that I received from Engineering for year-end. These reports were built to be used as a communication tool from Engineering to let Finance know what connections are made throughout the year against deposits paid or Community Facility District (CFD) type agreements. When a developer gives us funds for a connection, accounting rules require that we record the payment as a liability on our balance sheet until the work has been completed (Unearned Capacity Fee Liability). When Engineering communicates to finance that a connection has been made, Finance does a journal entry (JE) to Debit Capacity Fee Liability and Credit Revenue to recognize the revenue on the financial statements; this JE adjusts the Unearned Capacity Fee Liability account to be equal to the balance on the report provided by Engineering. That balance represents the total amount that Developers have paid but have not yet received a connection for. Revenue is NOT recognized if the connection is made using CFD credits; this revenue is recorded in a different process. I had multiple meetings with Engineering throughout the year to stress the importance of the accuracy of the information and the prior audit issues. Unfortunately, the extra work they put in caused additional data issues.

I was able to discern that Engineering updated the sheets incorrectly for at least FY 18 & FY 19, entering connection dates on the sheets for prior years this, changing the balances that would roll forward, without letting anyone know. This changed the revenue that should have been recorded in prior years which I pointed out to the auditors. This was tricky to catch as tying out prior year reports is not usually part of a year-end close; I found it after asking multiple follow-up questions. Engineering also added additional connection lines, doubling them up in the current year which grossly overstated revenue. I found this error by asking if they had specific developer tracking sheets that the balances could be tied to on the yearend reports. Once these were provided, I could see that the balances did not match. I spent numerous hours correcting the reports by validating against source documents and updated the sheets for year-end. This process obviously needs more oversight.

While this is a reportable audit finding in the current year, this issue was continued as a result of deficiency in the prior year analysis due to the finance manager position being vacant and covered by an interim finance manager not familiar with the district's operations. After an in-depth review, I offered suggested current and prior year journal entries to fix the issue and walked the Auditors through staff's findings. I worked diligently to identify the issues with these reports and to ultimately identify what the underlying issues were.

Currently this reconciliation process is done annually. Ideally, the process should be done monthly, but we don't have adequate staffing in finance to do the reconciliations monthly that need to be done in order to avoid audit findings. I reported my concerns with Finance being understaffed to HR and Administration this past July and requested the addition of a senior accountant. This is part of a staffing request going to the board Dec 3. I have recommended to Engineering that this report's maintenance be moved to a monthly process and be performed by a new staff member in the department with additional oversight. This report tracks connections made throughout the year against both deposits paid and CFD agreement connections and is appropriate to remain an Engineering department function. However, there will be extensive validation and oversight by finance on this report and process going forward.

- 4) During the course of the audit of investment earnings and interest receivable it was determined that the accrual for investment income earned but not received as of June 30, 2019 had been overstated by \$491,983. Investment earnings for the year were also overstated by the same amount.

We recommend that only the investment amounts earned but not received as of yearend be recorded as a receivable at year end.

Management's Response:

This was a result of a journal entry error at year end that booked the entire year of interest rather than just the current month. Errors like this should be easily identified with proper separation of duties provided there is separate staffing available to draft journal entries and review them. The staffing plan going to the board addresses this issue.

Rainbow Municipal Water District's written responses to the material weaknesses identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of Management, the Board of Directors, and others within Rainbow Municipal Water District, and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Carlsbad, California
November 27, 2019

Board of Directors
Rainbow Municipal Water District
Fallbrook, California

We have audited the financial statements of Rainbow Municipal Water District (the District) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 20, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of other existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

The most sensitive estimates affecting the District's financial statements were:

- a. Management's estimate of the fair market value of investments which is based on market values by outside sources.
- b. Management's estimate of useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- c. Management's estimate of the allowance for doubtful accounts is based on historical water revenues, historical loss levels, and an analysis of the collectability of individual accounts.
- d. The actuarially determined contribution, Other Postemployment Benefit (OPEB) expense, net OPEB liability, and corresponding deferred outflows of resources for the District's OPEB plan are based on actuarial valuations by an independent third party actuary.
- e. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

- f. The disclosure regarding depreciation expense reported in Note 1.k.
- g. The disclosure of net pension liability reported in Note 6.
- h. The disclosure regarding Other Post-Employment Benefits reported in Note 7.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Significant Audit Findings (Continued)

Corrected and Uncorrected Misstatements (Continued)

The following misstatements detected as a result of audit procedures were corrected by management:

Cash and cash equivalents increased, and interest expense decreased by \$342,153.

Accrued interest payable and interest expense increased by \$405,152.

Prepaid capacity fee liability increased by \$957,282, capacity fee revenue was decreased by \$2,287,111, and a prior period adjustment was recorded to increase net position by \$1,392,829.

Accounts payable increased by \$209,941 and capital assets increased by \$209,941.

Investment income and investment receivables were both decreased by \$491,983.

Allowance for doubtful accounts asset account and water sales were increased by \$237,675.

Long-term debt decreased and interest expense decreased by \$166,423.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 27, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

A letter addressed to the Board of Directors dated November 27, 2019 was issued which described audit findings encountered during the course of this audit.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability – Defined Benefit Pension Plans, the Schedule of Contributions - Defined Benefit Pension Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions - OPEB, which are required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Carlsbad, California
November 27, 2019

Mr. Tom Kennedy and Ms. Tracy Largent
Rainbow Municipal Water District
Fallbrook, CA

In planning and performing our audit of the financial statements of the Rainbow Municipal Water District (the District) for the year ended June 30, 2019, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole and, accordingly, we do not express such an opinion.

The Management of the District is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly.

During our audit, we noted certain other matters involving the internal control structure and its operation that we wish to call to your attention. These matters are set forth below with our recommendations for improvement.

Accrual of Fiscal Year 2019 Expenses

During the audit of accounts payable, it was determined that \$209,941 of payments due to the City of Oceanside for fiscal year ended June 2019 were not accrued.

We recommend that all expenses made after the end of the fiscal year be reviewed to determine what fiscal period they should be reported in.

Management's Response:

Expenses paid in the current year for the prior year should be accrued to the prior year if they are material. This accrual was missed. Additional staffing in finance would greatly reduce the chance of missing prior year accruals because finance would have the available staffing to review all payments made within 90 days of year end for possible prior year accrual.

Recording of Allowance for Uncollectible Accounts

During the course of the audit of water sales income and receivable, it was determined that the allowance for uncollectible accounts was incorrectly reported at June 30, 2019. The District determined that the allowance for uncollectible accounts contra- asset account was too high by \$118,837 and made a journal entry meant to lower the allowance to the computed amount. The journal entry recorded by the District however increased the allowance. As a result, revenue and receivables were understated by \$237,675.

We recommend that the allowances for uncollectible accounts be determined and recorded at year end to properly reflect the portion of the receivable that the District determines will likely not be collected.

Management's Response:

This was a result of a journal entry error at year end. Errors like this should be easily identified with review of year end entries and analysis against expected results and separation of duties. The staffing plan going to the board addresses this issue.

Misstatement of Balance of Long-Term Debt

During the audit of long-term debt relating to the Beck Safe Water State Revolving Fund Loan, it was determined that the District had overstated the balance of the debt due at June 30, 2019 by \$165,888 compared to the balance provided by California State Water Resources Control Board.

We recommend that the District reconcile long-term debt to balances provided by entity carrying the debt.

Management's Response:

All debt was reconciled to the amortization schedules that are kept in the District's Debt schedules. The schedule for this debt differed from the more current version the auditors had from the prior year.

Fair Market Value Adjustment for Investment in LAIF

In the course of auditing cash and investment balances at June 30, 2019, WNDE noted that the District is not reporting a fair market value adjustment for their investment in LAIF, as a result understating the LAIF balance on the general ledger by \$13,327.

We recommend the District report the fair market value of LAIF on the General Ledger.

Management's Response:

The District reported the market value of LAIF on the yearend Treasury statement. The issue was pointed out at interim and corrected on the Treasury report for year end.

Treasurer's Report

In the course of auditing FY 19 Treasurer's reports, WNDE noted that the District was not reporting the PAR value of investments as required by California Government code. WNDE also noted that the District is not reporting the Fair Value of LAIF, and on the October 2018 Treasurer's Report, the District reported the October 1st balance in an investment rather than the October 31st balance in the investment.

We recommend the District add the PAR value of investments to the District's monthly treasurer's report, report LAIF at fair value and report month end balances for all investments on the Treasurer's Report.

Management's Response:

The District reported the par value and market value of LAIF on the yearend Treasury statement. The issue was pointed out at interim and corrected on the Treasury report for year end.

Information Technology

In review of IT related items at the District, WNDE noted that password changes are not periodically required. WNDE also noted that the District does not written disaster recovery processes.

We recommend the District require password changes at least once per year to better safeguard the District's financial records, and we recommend that the District create written disaster recovery processes.

Management's Response:

Password changes are now required with the new finance and utility billing software. The remaining items will be implemented by IT this FY.

These matters were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the District's financial statements and this letter does not affect our report on these financial statements dated November 27, 2019.

Rainbow Municipal Water District's written responses to the items above have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Carlsbad, California
November 27, 2019

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE REAPPOINTMENT OF TREASURER

BACKGROUND

Per the administrative code section 5.03.070 Investment Policy Delegation of Authority – on an annual basis the District’s idle funds are delegated to the Treasurer by the Board of Directors who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

The delegation of investment authority is limited to one year and will be reviewed annually by the Board of Directors. (California Government Code 53600)

Further, in section 3.01.020.01 – The Board of Directors shall hold an organizational meeting at its regular meeting in January of the odd numbered year or as determined by the Board. At this meeting the Board will elect a President and Vice President from among its members to serve until the next biannual meeting and may appoint the Executive Assistant as the Board’s secretary and the Finance Manager as its Treasurer.

DESCRIPTION

The last delegation of authority occurred at September’s 2019 Board’s meeting. The delegation authorized the Finance Manager as the Treasurer of the District.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility – adhering to the investment policy of the District.

BOARD OPTIONS/FISCAL IMPACTS

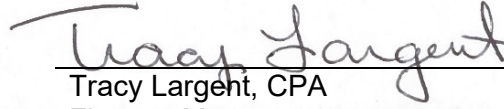
The Board may appoint new officer and/or make Committee assignments.

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 delegating the authority to the Finance Manager as the Treasurer of the District.



Tracy Largent, CPA
Finance Manager

January 28, 2020

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-02 AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 5.05.050.01 – RECORDS RETENTION – DISTRICT RECORDS

BACKGROUND

In December 2018, the Board approved an updated Record Retention policy to include Administrative Code Section 5.05.050.01 for District records. As part of the ongoing records management program, there may be occurrences when specific documents were not included in the updated policy.

DESCRIPTION

According to information provided at the CSDA 2019 Board Secretary/Clerk Conference related to Propositions 218 and 26, all rate hearing protests letters must be retained for two years from the date of the hearing to discuss protests per Government Code Section 53755. Upon review of the District's Administrative Code Section 5.05.050.01, rate hearing protests were not included in the updated policy and needs to be added.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility
Strategic Focus Area Six: Communication

BOARD OPTIONS/FISCAL IMPACTS

- 1) Approve Ordinance No. 20-02 amending and updating Administrative Code Section 5.05.050.01 as presented.
- 2) Approve Ordinance No. 20-02 amending and updating Administrative Code Section 5.05.050.01 with revisions.
- 3) Deny approval of Ordinance No. 20-20 and provide staff with direction.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends the Board approve Ordinance No. 20-02 amending and updating Administrative Code Section 5.05.050.01.



Tom Kennedy, General Manager

January 28, 2020

Ordinance No. 20-02

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending the Administrative Code
Section 5.05.050.01 – Records Retention – Districts Records**

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:

Section 5.05.050.01: Records Retention – District Records

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

3. This ordinance shall take effect immediately upon its adoption on this 28th day of January 2020.

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

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

**Section 5.05.050.01
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.

5.05.050.01.1 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

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
<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
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
<u>Public Hearing Protest Letters</u>	<u>2</u> <u>From Date of Hearing to Consider Protests</u>	<u>Govt. Code 53755</u>	<u>Board Secretary</u>	<u>P,E</u>
Newsletter	CU + 2 Unless Kept for Historical Data		Administration	P,E

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
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
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

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
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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Records Retention - District Records**

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BOARD ACTION

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE FIRST AMENDMENT TO THE SEWER SERVICE AGREEMENT REGARDING THE TERMS AND CONDITIONS OF THE SEWER CAPACITY FEES AND CREDIT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND BEAZER HOMES HOLDING CORPORATION. PALA MESA HIGHLANDS, TM 5187-1

BACKGROUND

Pala Mesa Highlands is a development located on Old Highway 395, consisting of 124 lots, which is currently under construction. On May 10, 2018 the District and Beazer entered into a Sewer Service Agreement (the "Agreement") regarding the terms and conditions of sewer capacity fees and credit and the Parties' rights and obligations related thereto in connection with the property more particularly described in the Agreement.

DESCRIPTION

The Developer has requested a credit of \$21,190 towards the remaining 50% of the sewer fees based on the recent home size replots. Beazer, subsequent to the original agreement, replotted, and reduced the size of seven residences in the development. Since the planned home sizes were reduced, this reduced the total sewer EDUs and capacity fees due the District. The developer has already paid a percentage of the sewer capacity fees prior to this replotting, based on the original home sizes. The residence downsize, therefore results in a reduction of the remaining 50% sewer capacity fees owed to the District. The resized residences are more particularly described in Exhibit 1 attached hereto and incorporated herein by this reference.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility. One of the main purposes of amending the Sewer Service Agreement for the development is to ensure the agreement reflects the appropriate amount of capacity paid for the existing facilities.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA.

BOARD OPTIONS/FISCAL IMPACTS

1) Option 1:

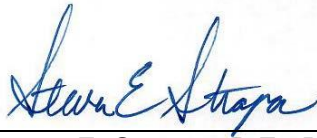
- Approve the Amendment to the Sewer Service Agreement accepting the variance to the remaining 50% sewer capacity fees owed to the District.
- Make a finding that the action does not constitute a “project” as defined by CEQA.
- Authorize the General Manager to execute the amendment

2) Option 2:

Provide other direction to the staff.

STAFF RECOMMENDATION

Staff Recommends Option 1



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

1/28/2020

**FIRST AMENDMENT TO THE SEWER SERVICE AGREEMENT
BY AND BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND
BEAZER HOMES HOLDINGS, LLC**

THIS FIRST AMENDMENT TO SEWER SERVICE AGREEMENT (“**First Amendment**”) is dated for reference purposes as of October 8, 2019, by and among Rainbow Municipal Water District (the “**District**”), and Beazer Homes Holdings, LLC, a Delaware limited liability company, successor by conversion to Beazer Homes Holdings Corp., a Delaware corporation (“**Developer**” or “**Beazer**”). Each of District and Developer are interchangeably referred to as a “Party” to the Agreement herein, and are collectively referred to as the “Parties.”

RECITALS

A. On May 10, 2018 the District and Beazer entered into a Sewer Service Agreement, (the “**Agreement**”), regarding the terms and conditions of sewer capacity fees and credit and the Parties’ rights and obligations related thereto in connection with the Property more particularly described in the Agreement.

B. Beazer subsequently replotted seven parcels resulting in a variance of the remaining 50% sewer capacity fees owed to the District. The replots are more particularly described in Exhibit 1 attached hereto and incorporated herein by this reference.

C. The Parties desire to enter into this First Amendment to amend the AGREEMENT upon the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby amend the Agreement as follows:

1. Capacity Credit of Sewer Capacity Fees. Section 2 of the Agreement is amended to read as follows:

The District hereby acknowledges \$965,007 previously paid for sewer capacity in addition to \$160,120 payment to achieve the first 50% lump sum payment in connection with Pala Mesa Highlands as Beazer reported replotting seven parcels resulting in a credit of \$21,190 as described in Exhibit 1. In accordance with District Administrative Code sections 9.05.080.4.3 and 9.05.080.4.4, this service commitment and Agreement will expire and amounts previously paid will not be credited if sewer connection fees are not brought current by the expiration date. The fees paid in exchange for the amount of EDUs and sewer capacity allocated to the Developer are non-refundable, per the District’s policy, pursuant to District Administrative Code section 9.05.080.4.4.

2. Capacity Fees. Section 3 of the Agreement is amended to read as follows:

In accordance with District Administrative Code section 9.05.080.4.2, Developer shall pay to the District a fee in the amount of 50% of the connection fees required to serve the entire project in order to ensure sewer capacity is available. The amount due upon approval of this Sewer Service Agreement shall be 50% of the total connection fees due at current rates minus the \$965,007 previously paid and credited to Develop and minus the \$160, 120 more recently credited to the Developer. The credit of \$21,190 for the replots may be applied towards the remaining 50%. The Developer is responsible for payment of District sewer connection fee increases prior to receipt of the remaining 50% payment.

3. Conflict. To the extent that any conflict shall result from this First Amendment and the previous Agreement the provisions of this First Amendment shall supersede and control over any contrary provisions of the Agreement. Except as expressly set forth herein, the terms and conditions of the Agreement shall remain in full force and effect. All terms with initial capital letters used herein but not otherwise defined shall have the respective meanings set forth in the Agreement.

IN WITNESS WHEREOF, the parties have executed this First Amendment to be executed by their duly-authorized representatives on the date and year set forth below.

RAINBOW MUNICIPAL WATER DISTRICT

DEVELOPER: BEAZER HOMES HOLDINGS, LLC

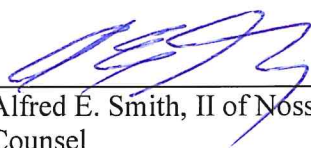


Tom Kennedy, General Manager

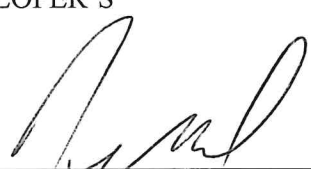
Kimberly N. Molina, Sr. Director of Planning
Authorized Signatory-West Region

APPROVED AS TO FORM
DISTRICT'S GENERAL COUNSEL

APPROVED AS TO FORM
DEVELOPER'S



Alfred E. Smith, II of Nossaman LLP, General Counsel



Troy Wood, Vice President, Land Development

EXHIBIT 1

Pala Mesa Highland Replots

SUMMARY OF REPLOTS					
Lot #	From Plan Sqft	Current Fee	To Plan Sqft	Current Fee Revised	Variance
27	3,199	\$ 21,189	2,429	\$ 16,951	\$ 4,238
37	3,199	\$ 21,189	2,429	\$ 16,951	\$ 4,238
44	3,199	\$ 21,189	2,429	\$ 16,951	\$ 4,238
81	3,199	\$ 21,189	2,429	\$ 16,951	\$ 4,238
119	3,199	\$ 21,189	2,429	\$ 16,951	\$ 4,238
122	3,199	\$ 21,189	2,429	\$ 16,951	\$ 4,238
96	2,429	\$ 16,951	3,199	\$ 21,189	\$ (4,238)
					\$ 21,190



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

**SEWER SERVICE AGREEMENT
BY AND BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND BEAZER
HOMES HOLDINGS, LLC**

**PALA MESA HIGHLANDS, TM 5187-1/Map 16124
RMWD PROJECT NO. 700-700012
CONTRACT NO. 18-04**

This Sewer Service Agreement (“SSA”) is made and entered into this 10th day of May, 2018 (“Commencement Date”) by and between Rainbow Municipal Water District (“District”), a municipal water district organized under the Municipal Water District Law of 1911, and Beazer Homes Holdings, LLC, a Delaware limited liability company, successor by conversion to Beazer Homes Holdings Corp., a Delaware corporation (“Developer” or “Beazer”). Each of District and Developer are interchangeably referred to as a “Party” to the Agreement herein, and are collectively referred to as the “Parties.”

RECITALS

- A. Developer, successor-in-interest to Pala Mesa LLC, is the legal owner of real property located in Fallbrook, San Diego County, State of California, which real property lies within the jurisdictional service area of the District, identified as Assessor’s Parcel Numbers 125-050-70 and 71 (“Pala Mesa Highlands”), and more particularly described as San Diego County TM 5187-1 (Map 16124), which is incorporated into this SSA by reference. Said Map 16124, Pala Mesa Highlands, consists of 124 lots/parcels.
- B. On April 14, 1999, the District and Pala Mesa LLC entered into an Agreement Consenting to Sewer Connection Fee Charges and the Reimbursement of Charges in Excess of Actual Project Costs in connection with the Pala Mesa development (“Agreement”), made a part of this SSA and incorporated herein by reference. By the Agreement, Pala Mesa LLC agreed to pay the District \$1,331,200 for a Sewer Availability Letter for 200 Equivalent Dwelling Units (“EDUs”) and to join the District’s Sewer Allocation Plan, which required that Pala Mesa LLC use the EDUs during an allocation plan year or the EDUs would be forfeited.
- C. On August 27, 2003, the District and Developer, as the assignee of Pala Mesa LLC’s rights concerning the original real property and as the legal owner of said real property, entered into an Amendment to Agreement (“First Amended Agreement”), made a part of this SSA and incorporated herein by reference. By the First Amended Agreement, the District acknowledged the allocation of 200 EDUs to Developer, although the rights to those EDUs had expired and had been forfeited under the original Agreement. In exchange, Developer agreed to pay the full amount of then-current sewer connection fees for each EDU used

prior to connection. Developer further agreed to irrevocably tender to District 55 EDUs subject to reimbursement by the District. In addition, the rights to EDUs and to reimbursement were to expire on January 1, 2008, and all related sewer connection fees would be forfeited at that time.

- D. On December 19, 2013, Developer submitted to the District a Sewer Permit Application (“Application”), made a part of this SSA and incorporated herein by reference. The Application sought to confirm that Developer had previously paid to the District \$965,007 for a total of 55 EDUs of sewer capacity which expired on January 1, 2008 (per the First Amended Agreement), and were not renewed or otherwise extended. However, Developer had continued to pay unconnected fees to ensure that sewer service was immediately available to Pala Mesa Highlands. The Application was issued for a term of two years, expiring on December 19, 2015.
- E. On December 14, 2015, the District and Developer entered in an Agreement to Acknowledge and Defer Sewer Connection Fee Charges (“Deferral Agreement”), made a part of this SSA and incorporated herein by reference. By the Deferral Agreement, the District honored the \$965,007 in sewer service charges previously paid for 55 EDUs of sewer capacity that had otherwise expired, and credited Developer with same. The credit was to expire two (2) years from the Commencement Date and would not be credited if sewer connection fees were not brought current within those two (2) years. In addition, the District deferred Developer payment of outstanding sewer connection fees necessary to bring current all fees for Pala Mesa Highlands, as required by then-current District Administrative Code Sections 9.04.060.3 and 9.05.170.3, up to and until building permits for Pala Mesa Highlands are issued by the County of San Diego, or until the Deferral Agreement expired, whichever came first. The Deferral Agreement expiration date was December 15, 2017.
- F. The District Board of Directors approved a six month extension of the Deferral Agreement at the December 5, 2017 Board meeting. Section 9.05 of the Administrative Code was amended and approved by Ordinance No. 17-10 on August 22, 2017. The conditions of approval for a Service Commitment Letter were revised such that the then-current Sewer Permit Application form was inadequate for large projects or subdivisions requiring more than five EDUs. The extension provided time to prepare a Sewer Service Agreement, which is used in lieu of a Sewer Permit Application.
- G. District Administrative Code sections 9.05.080.4 and 9.05.080.5 address terms and conditions of the sewer commitment which must be satisfied for service. Those terms include payment of 50% of the total connection fees to ensure that sewer capacity is available, the length of the service commitment is for a 5-year term which may be renewed for one, 5-year extension, and that all sewer connection fees for Pala Mesa Highlands be brought current by payment of the difference between the fees originally paid and the now-current fee rates.
- H. District acknowledges that standard industry practice provides for payment of all outstanding sewer charges for a development prior to issuance of building permits. However, the District’s Administrative Code and rules and regulations require payment of connection (capacity) fees (or percentage thereof) prior to commitment of service. All fees are payable prior to District’s signoff of Utility Clearance for Building Permits.

- I. District further acknowledges that it currently has sufficient sewer capacity to serve Pala Mesa Highlands.

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

AGREEMENT

1. **Warranties.** The foregoing recitals are true and correct. The undersigned, for themselves and the Party on whose behalf they execute this Agreement, warrant and represent that they have full power and authority to bind said Party to the obligations and benefits set forth in this Agreement.
2. **Credit of Sewer Capacity Fees.** District hereby acknowledges \$965,007 previously paid for sewer capacity in connection with Pala Mesa Highlands and credits Developer with same. In accordance with District Administrative Code sections 9.05.080.4.3 and 9.05.080.4.4, this service commitment and Agreement will expire and amounts previously paid will not be credited if sewer connection fees are not brought current by the expiration date. The fees paid in exchange for the amount of EDUs and sewer capacity allocated to Developer are non-refundable, per the District's policy, pursuant to District Administrative Code section 9.05.080.4.4.
3. **Capacity Fees.** In accordance with District Administrative Code section 9.05.080.4.2, Developer shall pay to the District a fee in the amount of 50% of the connection fees required to serve the entire project in order to ensure sewer capacity is available. The amount due upon approval of this SSA shall be 50% of the total connection fees due at current rates minus the \$965,007 previously paid and credited to Developer. The remaining connection fees shall be paid prior to issuance of building permits.
4. **Term.** **As provided by District Administrative Code section 9.05.080.4.3, this (service commitment) Agreement shall become effective on the date of mutual execution by the Parties, and shall terminate five years from that date. The service commitment may be renewed for one additional five-year term upon application and payment to the District of a fee equal to the difference between fees previously paid and the current fee rates in effect at the time of renewal.**
5. **Developer's Obligations.**
 - a) Developer agrees to defend, indemnify and hold District harmless from any and all claims, demands, actions, damages, attorneys' fees, costs, expenses, compensation, causes of action and rights, in law or in equity, in the nature of an administrative procedure or otherwise (known, unknown, contingent, accrued, inchoate, or otherwise) that Developer may have against the District, related to, arising from and/or pertaining in any way to this Agreement, including without limitation, the payments made to the District for sewer service fees for Pala Mesa Highlands.
 - b) Developer further agrees to pay the District the full amount of sewer fees required by the District to serve Pala Mesa Highlands, at the rates then in existence, at the time building permits are issued by the County of San Diego

and prior to connecting to the sewer system, unless the District seeks payment after this Agreement expires but before permits are issued, as provided herein.

6. Subject to Approval. This Agreement is subject to the approval of the District Board of Directors, and District shall not be bound to any terms of this Agreement absent such approval.
7. Non-Assignment. This Agreement shall not be assigned or transferred, nor shall any of the Developer's rights hereunder be delegated or subcontracted. Any attempt to assign or delegate this Agreement shall render this Agreement void and of no force or effect.
8. Notice. All notices, demands, payments, requests, consents, or other communications which this Agreement either contemplates, authorizes, requires, or permits any Party to give to the other Party, shall be in writing and shall be personally delivered, sent by registered or certified mail, postage pre-paid, return receipt requested, or by email, addressed to the respective parties as follows:

To District: Rainbow Municipal Water District
 Attn: General Manager
 3707 Old Highway 395
 P.O. Box 2500
 Fallbrook, California 92088
 Tel.: (760) 728-1178
 Fax: (760) 728-2575
 Email: mpowers@rainbowmwd.com

With a Copy to: Alfred Smith, II, General Counsel
 Nossaman LLP
 777 South Figueroa Street
 34th Floor
 Los Angeles, California 90017
 Tel.: (213) 612-7831
 Fax.: (213) 612-7801
 Email: asmith@nossaman.com

To Developer: Beazer Homes Holdings, LLC
 310 Commerce, Suite 150
 Irvine, CA 92062
 Attn: Kimberly N. Molina, Authorized Signatory – West Region
 Tel.: (714) 782-4271
 Fax.:
 Email: kim.molina@beazer.com

With a Copy to: Beazer Homes
 1000 Abernathy Road, Suite 260
 Atlanta, GA 30004
 Attn: Andrew Devin

Tel.: (770) 829-3770
Fax.: (770) 481-7579
Email: Andrew.devin@beazer.com

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

9. Defense Costs on Third Party Challenge. In the event of a third-party challenge to the project, or the implementation and/or administration of the project, the Developer shall pay defense costs as a cost of the project, and may make calls on Letters of Credit or other security therefor. Notwithstanding the above, litigation regarding rate setting by the District is not a cost of the project.
10. Agreement Controlling. With respect to the District's allocation of EDUs to Developer, as described within this Agreement, in the event of any conflict or ambiguity between this Agreement, Developer's Application, or any other document attached hereto or incorporated by reference herein, this Agreement shall control as between the Parties.
11. Governing Law/Venue. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the laws of the State of California. The appropriate venue for any action brought to enforce or declare its terms shall be brought in the appropriate state or federal court in or nearest to the North County Judicial District for the County of San Diego.
12. Severability. Should any provisions herein be found or deemed invalid or in contravention of California law, such provision shall be deemed not a part of this Agreement. All other provisions of this Agreement shall remain valid and enforceable, and shall remain in full force and effect.
13. Modification. This Agreement may only be modified by written agreement signed by the Parties.
14. No Third-Party Beneficiary. This Agreement shall inure to the benefit of and be binding upon the Parties. This Agreement is not intended to and shall not be for the benefit of third parties who are not expressly included herein.
15. Attorneys' Fees and Costs. In the event any legal action or proceeding to interpret or enforce the terms of, or obligations arising from, this Agreement – including mediation or arbitration – or to recover damages for breach of this Agreement, the Party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing Party all reasonable attorneys' fees, costs, and expenses incurred by the prevailing Party.
16. Further Assurances. The Parties hereby covenant and agree that the Parties will execute such other and further documents and instruments as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

17. Headings. The headings contained in this Agreement have been inserted for convenience only and in no way define or limit the scope or interpretation of this Agreement.
18. Entire Agreement. This Agreement, together with all attachments hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are superseded.
19. Attachments. All attachments referred to herein are hereby incorporated by reference into this Agreement as though fully set forth in the body of this Agreement.
20. Waiver. No covenant, term or condition, or the breach thereof, shall be deemed waived except by written consent of the Party against whom the waiver is claimed. Any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition. Acceptance by District of any performance by Developer after such time that the performance is due shall not be deemed a waiver of any preceding breach by Developer other than the failure of performance expressly accepted, regardless of the District's knowledge of such preceding breach at the time of acceptance. No delay or omission by either Party in exercising any relief or power accruing upon non-compliance or failure of performance by the other Party shall impair or be construed as a waiver thereof, unless an intention to waive is expressly set forth in a writing signed by the waiving Party.
21. Warranties. District and Developer covenant and represent that each respective Party has the full authority to execute, deliver, and perform this Agreement, and that each Party has fully complied with all requirements imposed by law as necessary for the Party to create a lawful and binding Agreement for the term of this Agreement. Each individual signing this Agreement for the District represents and warrants that he or she has the full power and authority, and legal right, to execute this Agreement on behalf of the District, and that the District has taken all necessary actions to authorize the individual signing on behalf of the District's behalf to do. Each individual signing this Agreement on behalf of Developer represents and warrants that he or she has the full power and authority, and the legal right, to execute this Agreement on behalf of Developer, and that Developer has taken all necessary actions to authorize the individual signing on Developer's behalf to do so.
22. Force Majeure. If either Party, except as otherwise herein specifically provided, shall be delayed or prevented from performing any act required hereunder, by reason of strikes, lock-outs, labor problems, inability to procure materials, fire, unusual weather conditions, failure of power or other utilities, applicable governmental laws or regulations (other than those reasonably foreseeable in connection with the uses contemplated by this Agreement), riots, insurrection, war or other reason of a like nature, not the fault of the Party so delayed, then performance of such act shall be excused for the period necessary to accommodate such delay.
23. Understanding. Each Party hereto acknowledges that the Party has reviewed this Agreement and has had an opportunity to consult legal counsel, and that the normal rule of construction that ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any subsequent amendments hereto.

24. Counterparts. This Agreement may be executed in counterparts, which, taken together, shall be construed as a single, complete Agreement.

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

RAINBOW MUNICIPAL WATER
DISTRICT

DEVELOPER: BEAZER HOMES
HOLDINGS, LLC

Name: Tom Kennedy
Title: General Manager

Name: Kimberly N. Molina
Title: Sr. Director of Planning
Authorized Signatory-West Region

APPROVED AS TO FORM
DISTRICT'S GENERAL COUNSEL

APPROVED AS TO FORM
DEVELOPER'S COUNSEL

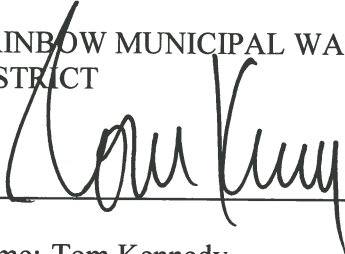
Name: Alfred E. Smith, II of Nossaman LLP
Title: General Counsel

Name: Andrew Devin
Title: Assistant General Counsel

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RAINBOW MUNICIPAL WATER
DISTRICT



Name: Tom Kennedy
Title: General Manager

DEVELOPER: BEAZER HOMES
HOLDINGS, LLC

Name: Kimberly N. Molina
Title: Sr. Director of Planning
Authorized Signatory-West Region

APPROVED AS TO FORM
DISTRICT'S GENERAL COUNSEL



Name: Alfred E. Smith, II of Nossaman LLP
Title: General Counsel

APPROVED AS TO FORM
DEVELOPER'S COUNSEL



Name: Andrew Devin
Title: Assistant General Counsel

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE DENTRO DE LOMAS STREET IMPROVEMENT PROJECT

BACKGROUND

An unanticipated water main failure occurred in January 2019 on Dentro De Lomas Road located just off Gopher Canyon Road within Rainbow Municipal Water District (District). The resultant water flow from the break caused substantial damage to large segments of the pavement on the subject public residential street. The water main was repaired; however, the street was only temporarily repaired with non-permanent materials. The District was required to prepare engineering design plans and specifications to apply for County of San Diego permits and to publicly bid out the proposed construction work to a qualified contractor for the permanent street improvements.

The project scope includes saw-cutting, removing, and reconstructing 8,328 square feet of asphalt concrete pavement, 431 lineal feet of asphalt concrete curb, raising of one (1) water valve well cover to grade and locating and raising one (1) survey well cover to grade. It also includes acquiring County of San Diego Excavation and Traffic Control permits as well as project status coordination and notification of residents on Dentro De Lomas Road and Felicia Way.

See the attached Exhibit 1 of the proposed street improvement work.

DESCRIPTION

Staff prepared a bid package and advertised for a formal bid, which consists of advertisement in the newspaper, submittal to bid boards, and posting on the District website. Documents were available on November 22, 2019, and the bid opening was held on December 17, 2019. The results were as follows:

- | | |
|--|-----------|
| 1. Eagle Paving Company, Inc. DBA Toro Engineering | \$69,500 |
| 2. Hardy & Harper, Inc. | \$90,000 |
| 3. Rap Engineering, Inc. | \$108,385 |

Staff has evaluated bids and there were no irregularities with the lowest bidder Eagle Paving Company, Inc., DBA Toro Engineering. The bid was complete, and the licenses and bonding were correct and in place. Staff recommends award to the lowest bidder, Eagle Paving Company, Inc., DBA Toro Engineering. Legal counsel has reviewed and concurs with staff's recommendation.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Repair of the water main break on Dentro De Lomas Road is a part of our asset management. The repair of the main break also includes reconstructing segments of the street that was damaged by the break.

ENVIRONMENTAL

The action before the Board qualifies for a Class 1 Categorical Exemption from CEQA, per State CEQA Guidelines Section 15301, which describes the repair or maintenance of existing facilities, involving negligible or no expansion of existing or former use.

BOARD OPTIONS/FISCAL IMPACTS

The project is an unanticipated expense of a minimum of \$69,500 and will be paid through the District's Operations Fund. Sufficient funds currently exist in operations budget under account number 01-34-72000, which currently has a budget of \$650,000.

Option 1:

- Allocate funding and award the construction contract for the Dentro De Lomas Street Improvement Project to Eagle Paving Company, Inc., DBA Toro Engineering in accordance with the California Public Contracting Code for a not to exceed amount of \$69,500
- Make a finding that the project is Categorically Exempt from CEQA
- Authorize General Manager to execute contract for the construction of the Dentro De Lomas Street Improvement Project to Eagle Paving Company, Inc., DBA Toro Engineering

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends Option 1.



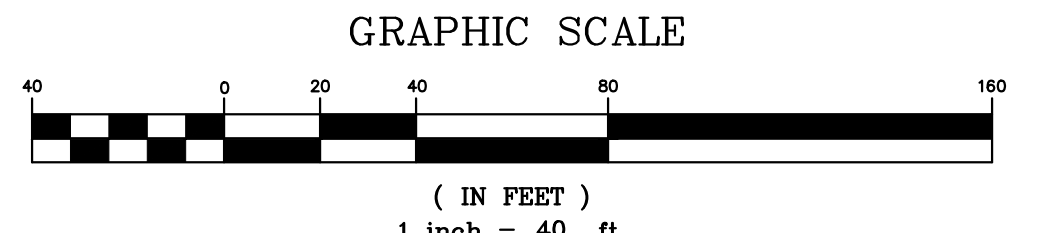
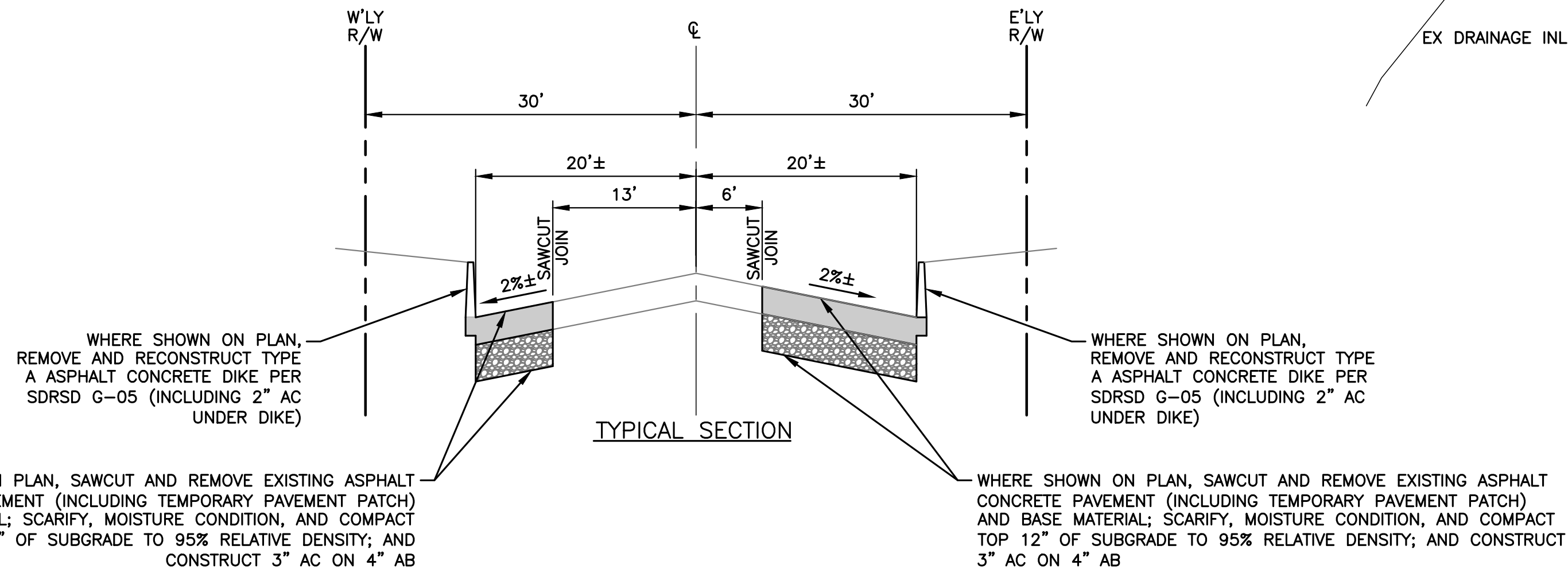
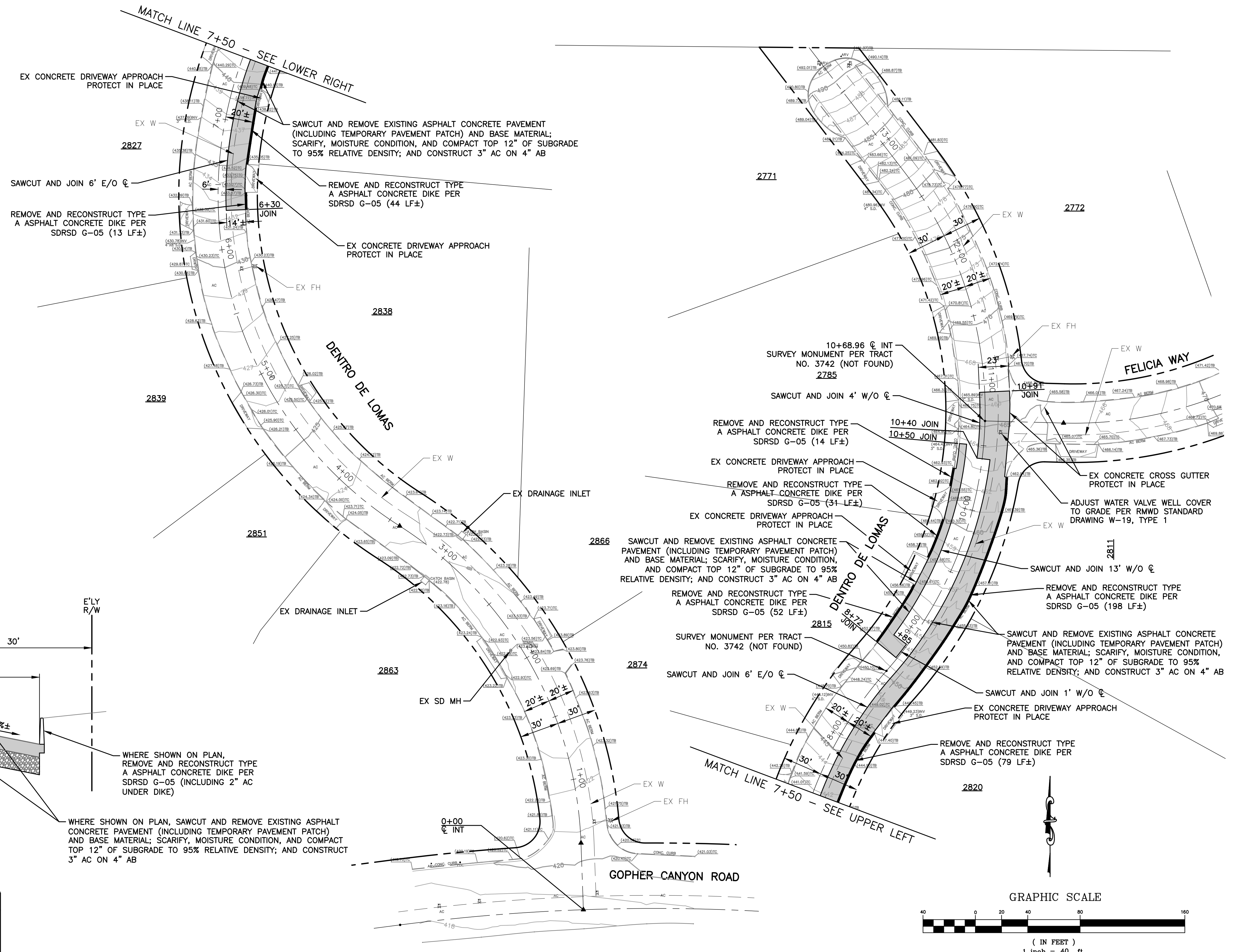
Steven E. Strapac, P.E., P.L.S.
District Engineer

January 28, 2020

Exhibit 1 Project Plans

STREET IMPROVEMENT PLAN GENERAL NOTES

1. THE CONTRACTOR SHALL OBTAIN A PERMIT FROM THE COUNTY DEPARTMENT OF PUBLIC WORKS FOR ANY WORK WITHIN THE STREET RIGHT-OF-WAY.
2. APPROVAL OF THESE IMPROVEMENT PLANS AS SHOWN DOES NOT CONSTITUTE APPROVAL OF ANY CONSTRUCTION OUTSIDE THE PROJECT BOUNDARY.
3. THE EXISTENCE AND LOCATION OF EXISTING UNDERGROUND FACILITIES SHOWN ON THESE PLANS WERE OBTAINED BY A SEARCH OF THE AVAILABLE RECORDS. TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO OTHER EXISTING FACILITIES EXCEPT AS SHOWN ON THESE PLANS. HOWEVER, THE CONTRACTOR IS REQUIRED TO TAKE PRECAUTIONARY MEASURES TO PROTECT ANY EXISTING FACILITY SHOWN HEREON AND ANY OTHER WHICH IS NOT OF RECORD OR NOT SHOWN ON THESE PLANS.
4. THE CONTRACTOR SHALL NOTIFY THE SAN DIEGO GAS & ELECTRIC COMPANY PRIOR TO STARTING WORK NEAR COMPANY FACILITIES AND SHALL COORDINATE HIS/HER WORK WITH COMPANY REPRESENTATIVES.
NOTICE:
ALL ELECTRICAL AND GAS SERVICES WITHIN THIS PROJECT ARE 'UNDERGROUND INSTALLATIONS'. FOR LOCATION OF ELECTRICAL CABLES AND GAS PIPING AND APPURTENANCES CONTACT THE SAN DIEGO GAS & ELECTRIC COMPANY.
5. THE CONTRACTOR SHALL NOTIFY THE PACIFIC TELEPHONE COMPANY PRIOR TO STARTING WORK NEAR COMPANY FACILITIES AND SHALL COORDINATE HIS/HER WORK WITH COMPANY REPRESENTATIVES.
NOTICE:
ALL TELEPHONE SERVICES WITHIN THIS PROJECT BOUNDARY ARE 'UNDERGROUND INSTALLATIONS'. FOR LOCATION OF CABLES AND APPURTENANCES CONTACT THE PACIFIC TELEPHONE COMPANY.
6. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO CONTACT THE UTILITY AGENCIES, ADVISE THEM OF THE PROPOSED IMPROVEMENTS, AND BEAR THE COST OR RELOCATIONS, IF NEEDED.
7. ALL TELEVISION SERVICES WITHIN THIS PROJECT ARE 'UNDERGROUND INSTALLATIONS'. FOR LOCATION OF CABLES AND APPURTENANCES CONTACT APPROPRIATE COMPANY.
8. PRIVATE ROAD IMPROVEMENTS SHOWN HEREON ARE FOR INFORMATION ONLY. COUNTY OFFICIALS SIGNATURE HEREON DOES NOT CONSTITUTE APPROVAL OR RESPONSIBILITY OF ANY KIND FOR THE DESIGN OR CONSTRUCTION OF THESE PRIVATE IMPROVEMENTS.
9. CONTRACTOR WILL BE RESPONSIBLE FOR THE REPLACEMENT OF ANY STRIPING, PAVEMENT MARKERS, OR LEGENDS OBLITERATED BY THE CONSTRUCTION OF THIS PROJECT.
10. ALL NEW STRIPING AND SANDBLASTING OF REDUNDANT STRIPING SHALL BE DONE BY CONTRACTOR.
11. THE CONTRACTOR SHALL PROTECT ALL EXISTING DRIVEWAYS IN PLACE.
12. THE CONTRACTOR SHALL COMPLY WITH ALL FEDERAL, STATE, AND COUNTY ENVIRONMENTAL REGULATIONS.
13. THE CONTRACTOR SHALL DEVELOP AND IMPLEMENT A STORMWATER POLLUTION PREVENTION PLAN (SWPPP) AND IMPLEMENT BEST MANAGEMENT PRACTICES.
14. THE CONTRACTOR SHALL TRIM TREE BRANCHES THAT EXTEND INTO THE STREET RIGHT-OF-WAY THAT IMPEDE THE STREET REHABILITATION WORK. BEARERS SHALL BE PROPERLY NOTIFIED IN ADVANCE OF ANY TREE TRIMMING ACTIVITIES.
15. ALL REQUIRED MATERIAL TESTING INCLUDING COMPACTION OF SUBGRADE, BASE, AND ASPHALT CONCRETE SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.



THESE PLANS ARE PRELIMINARY UNLESS SIGNED

<p>Underground Service Alert</p> <p>Call: TOLL FREE 1-800 227-2600</p> <p>TWO WORKING DAYS BEFORE YOU DIG</p>	<p>BENCHMARK</p> <p>ELEVATIONS SHOWN HEREON ARE BASED ON NAVD88 ELLIPSOID HEIGHTS AND GEOID12B. ELEVATIONS ARE: P474=183.653 P478=372.326</p>	<p>VERIFY SCALES</p> <p>BAR IS ONE INCH ON ORIGINAL DRAWING</p> <p>IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY</p>
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<p>3707 OLD HWY 395 FALLBROOK, CA 92028 (760) 728-1178 WWW.RAINBOWMWD.COM</p> <p>WATER/SEWER REVIEWED BY: RAINBOW MUNICIPAL WATER DISTRICT</p>	<p>DISTRICT ENGINEER, STEVEN E. STRAPAC, P.E., P.L.S. DATE</p>
--	--

REV	BY	DATE	REVISIONS	APPR. DATE

DESIGNED BY: JG DRAWN BY: AZ CHECKED BY: NZ

ENGINEER OF RECORD:

NOEL A. ZEMLA P.E. 57047 EXP. 6/30/21

123 01/1998

DATE:

PLANS PREPARED BY:

Omnis Consulting Inc.
405 S. STATE COLLEGE BLVD., SUITE 204 BREA, CA 92821 (909) 631-1537

RAINBOW MUNICIPAL WATER DISTRICT

DENTRO DE LOMAS NORTH OF GOPHER CANYON ROAD ROADWAY REPAIRS

PRESSURE ZONE: . HWL= . FT / FL= . FT

SHEET NO. 1 OF 1 SHTS FILE NO. .

ENG. JOB.#

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-01 — 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 JANUARY 28, 2020 THROUGH JUNE 30, 2020.

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.

Several positions have been reevaluated due to vacancies and the recommended pay grades have been adjusted accordingly based on the new job classifications:

- Construction and Maintenance Superintendent has been reclassified to Construction and Maintenance Supervisor, and the recommended pay grade had been changed from E9 to E8, which is more aligned with the labor market for the position.
- The Meter Services Supervisor position has been reevaluated and determined that the job duties currently being performed do qualify for FLSA exemption. Therefore, the recommended pay grade is moving from N6 to E8.
- The Administrative Analyst position has been eliminated according to the staffing plan approved by the Board in December 2019.
- The title of the Development Services Representative has changed to District Services Representative to more accurately reflect the job duties.

Approving Resolution No. 20-01 will add the new positions to the salary grade structure and allow staff to meet and confer with the bargaining units on the impacts of the changes.

DESCRIPTION

The grade structure included in Resolution No. 20-01 changes and relocates several job titles within the salary grade structure. Resolution No. 20-01 rescinds Resolution No. 19-13.

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

Resolution 20-01 allows the District to comply with CalPERS requirements and meet the District’s operational needs.

There is no direct fiscal impact of this change.

- 1. Option 1: Approve Resolution No. 20-01 as presented.
- 2. Option 2: Do not approve Resolution No. 20-01. No staffing changes will take place as a result of this action.

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 20-01



Karleen Harp, COSM
Human Resources Manager

01/28/2020

RESOLUTION NO. ~~19-1320-01~~

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE ~~DECEMBER 3, 2019~~ JANUARY 28, 2020 THROUGH JUNE 30, 2020

Exempt Salary Grade	Monthly Salary Range/ Biweekly Rate / Hourly Equivalent	Job Titles
GM	\$15,069- \$21,700/ \$6,955.20 - \$10,015.20 \$86.94 - \$125.19	General Manager
E11	\$10,678.83 - \$15,377.08 / \$4,928.80 - \$7,096.80 / \$61.61- \$88.71	District Engineer Finance Manager Operations Manager
E10	\$9,285.47- \$13,462.80 / \$4,285.60 - \$6,213.60 / \$53.57 – \$77.67	Human Resources Manager Information Technology Manager
E9	\$8,075.60 - \$11,708.67 / \$3,727.20 - \$5,404.00 / \$46.59 - \$67.55	Associate Engineer Construction and Maintenance Superintendent Project Manager Senior IT and Applications Analyst Water Operations Superintendent
E8	\$7,021.73 - \$10,179.87 / \$3,240.80 - \$4,698.40 / \$40.51 - \$58.73	Construction and Maintenance Supervisor Information Technology and Applications Analyst Meter Services Supervisor Risk Management Officer Senior Accountant Wastewater Superintendent

Non-Exempt Salary Grade	Monthly Salary Range/ Hourly Range	Job Titles
N7	\$6,701.07 - \$9,717.07 / \$38.66 - \$56.06	Customer Service and Communications Supervisor Executive Assistant/Board Secretary Lead Operator Senior Engineering Inspector Technical Services Team Lead
N6	\$5,827.47 - \$8,450.00 / \$33.62 - \$48.75	Administrative Analyst Crew Leader – Valve Maintenance Crew Leader – Construction & Maintenance Customer Service Supervisor Electronic / Electrical Technician II Information Systems Specialist III Meter Services Supervisor System Operator III
N5	\$5,066.53 - \$7,345.87 / \$29.23 - \$42.38	Accounting Specialist II Electrical / Electronics Technician I Engineering Technician II

		Information Systems Specialist II Mechanic II Senior Meter Services Technician System Operator II Utility Worker III – Construction Utility Worker III – Valve Maintenance Utility Worker III – Wastewater Services
N4	\$4,406.13 - \$6,387.33 / \$25.42 - \$36.85	Accounting Specialist I Administrative Assistant II Cross Connection Control and Backflow Technician Engineering Inspector I Engineering Technician I Information Systems Specialist 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
N3	\$3,830.67 - \$5,555.33 / \$22.10 - \$32.05	Administrative Assistant I Customer Service Representative II Development District Services Representative 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	\$3,329.73 - \$4,830.80 / \$19.21- \$27.87	Customer Service Representative I Human Resources Assistant
N1	\$2,813.20 - \$4,080.27 / \$16.72 - \$24.25	Interns

Legacy Salary Grade	Monthly Salary Range/ Hourly Range	Job Titles
L5/L6	\$4,884-\$6,408 / \$28.18 - \$37.71	Utility Worker II/III – Meter Services

Resolution No. ~~19-1320-01~~ rescinds Resolution No. 19-~~132~~.

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the ~~3RD day of December 2019~~ 28th day of January by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

RESOLUTION NO. 20-01

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JANUARY 28, 2020 THROUGH JUNE 30, 2020

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Legacy Salary Grade	Monthly Salary Range/ Hourly Range	Job Titles
L5/L6	\$4,884-\$6,408 / \$28.18 - \$37.71	Utility Worker II/III – Meter Services

Resolution No. 20-01 rescinds Resolution No. 19-13.

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28th day of January by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-01 - AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 1.02.020 – CONFLICT OF INTEREST

BACKGROUND

As the positions change at the District, a review of the Conflict of Interest Code is conducted to determine whether those positions listed in the Conflict of Interest Code need to be updated accordingly.

DESCRIPTION

The proposed changes to Administrative Code Section 1.02.020 include the following updates as approved by the Board of Directors at their December 3, 2019 meeting:

- Redesigning of the Customer Service Supervisor position as a Customer Service and Communications Supervisor.
- Adding a Senior Accountant position.
- Reclassification of the Administrative Analyst position that was not designated to an Information Systems Specialist series that is designated.
- Adding Information Technology Manager classification.

Additional proposed updates to Administrative Code Section 1.02.020 are as follows:

- Updates to the Water Operations Superintendent responsibilities to accurately reflect the reporting structure of SCADA and electrical to the newly classified Information Technology Manager.
- Minor grammatical changes and formatting updates.

Should the Board of Directors approve Resolution No. 20-01 at this meeting, the following proposed revision will also be included in the amended and updated Administrative Code Section 1.02.020:

- Reclassification of the Construction and Maintenance Superintendent to Construction and Maintenance Supervisor.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Section 1.02.020 – Conflict of Interest

Strategic Focus Area Three: Workforce Development

BOARD OPTIONS/FISCAL IMPACTS

- 1) Approve Ordinance No. 20-01 amending and updating Administrative Code Section 1.02.020.
- 2) Approve Ordinance No. 20-01 amending and updating Administrative Code Section 1.02.020 with revisions.
- 3) Provide staff with further direction.
- 4) Do not approve Ordinance No. 20-01 amending and updating Administrative Code Section 1.02.020.

Any fiscal impacts were discussed at the December 3, 2019 Board meeting.

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

Approve Ordinance No. 20-01 amending and updating Administrative Code Section 1.02.020.



Tom Kennedy, General Manager

1/28/20

Ordinance No. 20-01

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

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:

Section 1.02.020: Conflict of Interest

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

3. This ordinance shall take effect immediately upon its adoption on this 28th day of January 2020.

AYES:
NOES:
ABSTAIN:
ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

Section 1.02.020
Conflict of Interest

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

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

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

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

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Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

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

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

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Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
District Engineer	All
Operations Manager	All
Human Resources Manager	All
<u>Information Technology Manager</u>	<u>All</u>
Construction/Maintenance Supervisor intendent	All
Water Operations Superintendent	All
Wastewater Superintendent	All
Associate Engineer	All
<u>Senior Accountant</u>	<u>All</u>
Purchasing & Inventory Control Specialist I/II	All
Risk Management Officer	All
Senior Engineering Inspector	All

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Cross Connection Control and Backflow Technician	All
Information Technology and Applications Analyst and Senior Information Technology and Applications Analyst	All
<u>Information Systems Specialist I/II/III</u>	<u>All</u>
Project Manager	All
Meter Services Supervisor	All
Customer Service <u>and Communications</u> Supervisor	All
¹ Consultants	2

Part II – Non-Designated Positions

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

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

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Part II - Disclosure Categories

Category 1.

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

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

Category 2.

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

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

Members of the Board of Directors

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

General Manager

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

General Counsel

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

Financial Manager

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

District Engineer

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

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Operations Manager

The Operations Manager oversees the operation and maintenance of the water and wastewater lines and structures, participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

Human Resources Manager

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

Information Technology Manager

The Information Technology Manager manages Rainbow Municipal Water District's information technology staff, services and systems, user support, specific applications support, hardware and software installation, troubleshooting and maintaining computer systems, telephony, and mobile services. This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.

Construction/Maintenance Supervisorintendent

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

Water Operations Superintendent

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

Wastewater Superintendent

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

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Associate Engineer

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

Senior Accountant

The Senior Accountant performs highly complex and professional accounting and financial analysis to provide accurate and timely financial statements and reports to management, the Board, other government agencies, and the public and serves as a subject matter expert and is therefore designated.

Purchasing & Inventory Control Specialist I/II

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

Risk Management Officer

The Risk Management Officer has responsibility for the planning and administration of the District programs and services related to safety, security, emergency preparedness, environmental compliance functions, and processing claims and is therefore designated.

Senior Engineering Inspector

The Senior Engineering Inspector performs highly specialized and complex public works construction inspection work. This position acts as the District's representative on the construction site for the expressed intent of enforcement of District construction standards and regulations and is therefore designated.

Cross-Connection Control and Backflow Technician

The Cross-Connection Control and Backflow Technician performs a variety of work in connection with implementing and enforcing the cross-connection control programs including the Backflow Prevention Program, inspects, tests, and repairs backflow devices, and creates and submits results, records, and related documentation and is therefore designated.

Information Technology and Applications Analyst /Senior IT and Applications Analyst

The Senior Information Technology and Applications Analyst/Senior Information and Applications Analyst position monitors, maintains, troubleshoots, and diagnoses hardware, software, database and network problems and identifies courses of action and is therefore designated.

Information Systems Specialist I/II/III

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The Information Systems Specialist I/II/III provides technical assistance to end users of computer hardware, software, printers, and mobile devices and assists in configuring and administering Rainbow Municipal Water District's electronic records management system and is therefore designated.

~~This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.~~

Project Manager

The Project Manager manages Capital Improvement Projects (CIP) and development projects related to the design and construction of water and wastewater distribution and collection systems. Manages projects from start to finish, from project planning to final inspection. Coordinates with District staff, contractors, and other agencies to deliver projects and is therefore designated.

Meter Services Supervisor

The Meters Services Supervisor supervises and participates in work related to water services, oversees the cross-connection control and backflow testing programs, tests water services including pressure regulators, water meters, meter boxes, backflow devices and associated appurtenances, and responds to escalated customer service inquiries regarding customer water use and water service issues and is therefore designated.

Customer Service and Communications Supervisor

The Customer Service and Communications Supervisor oversees activities and staff in the Customer Service Department, handles complex and escalated customer service issues, administrative and professional activities in support of public relations, community outreach, and educational programs and is therefore designated.~~performs a variety of technical financial and accounting duties, including overseeing activities and staff in the Customer Service Department, handles complex and escalated customer service issues and delinquencies, and prepares financial reports, account reconciliations, and budget documents and is therefore designated.~~

Auditor

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

Standing District Committee Members

A member or alternate committee member of a Rainbow Municipal Water District standing committee serves at the pleasure of the Board. These committees are advisory to the Board with regard

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

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Section 1.02.020
Conflict of Interest

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

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

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

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

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Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

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

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

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Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
District Engineer	All
Operations Manager	All
Human Resources Manager	All
Information Technology Manager	All
Construction/Maintenance Supervisor	All
Water Operations Superintendent	All
Wastewater Superintendent	All
Associate Engineer	All
Senior Accountant	All
Purchasing & Inventory Control Specialist I/II	All
Risk Management Officer	All
Senior Engineering Inspector	All

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Cross Connection Control and Backflow Technician	All
Information Technology and Applications Analyst and Senior Information Technology and Applications Analyst	All
Information Systems Specialist I/II/III	All
Project Manager	All
Meter Services Supervisor	All
Customer Service and Communications Supervisor	All
¹ Consultants	2

Part II – Non-Designated Positions

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

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

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Part II - Disclosure Categories

Category 1.

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

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

Category 2.

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

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

Members of the Board of Directors

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

General Manager

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

General Counsel

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

Financial Manager

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

District Engineer

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

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Operations Manager

The Operations Manager oversees the operation and maintenance of the water and wastewater lines and structures, participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

Human Resources Manager

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

Information Technology Manager

The Information Technology Manager manages Rainbow Municipal Water District's information technology staff, services and systems, user support, specific applications support, hardware and software installation, troubleshooting and maintaining computer systems, telephony, and mobile services. This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.

Construction/Maintenance Supervisor

The Construction/Maintenance Supervisor has supervisory responsibilities to direct and oversee the Construction Division. This position coordinates and manages the installation, maintenance and repair of water mains, service lines, fire hydrants and other related appurtenances used in the District water distribution, treatment and storage facilities and is therefore designated.

Water Operations Superintendent

The Water Operations Superintendent has managerial responsibilities to direct and oversee the Water Operations Division. This position will coordinate and manage the installation, maintenance, repair and operation of District water distribution, treatment, pumping and storage facilities and is therefore designated.

Wastewater Superintendent

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

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Associate Engineer

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

Senior Accountant

The Senior Accountant performs highly complex and professional accounting and financial analysis to provide accurate and timely financial statements and reports to management, the Board, other government agencies, and the public and serves as a subject matter expert and is therefore designated.

Purchasing & Inventory Control Specialist I/II

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

Risk Management Officer

The Risk Management Officer has responsibility for the planning and administration of the District programs and services related to safety, security, emergency preparedness, environmental compliance functions, and processing claims and is therefore designated.

Senior Engineering Inspector

The Senior Engineering Inspector performs highly specialized and complex public works construction inspection work. This position acts as the District's representative on the construction site for the expressed intent of enforcement of District construction standards and regulations and is therefore designated.

Cross-Connection Control and Backflow Technician

The Cross-Connection Control and Backflow Technician performs a variety of work in connection with implementing and enforcing the cross-connection control programs including the Backflow Prevention Program, inspects, tests, and repairs backflow devices, and creates and submits results, records, and related documentation and is therefore designated.

Information Technology and Applications Analyst /Senior IT and Applications Analyst

The Senior Information Technology and Applications Analyst/Senior Information and Applications Analyst position monitors, maintains, troubleshoots, and diagnoses hardware, software, database and network problems and identifies courses of action and is therefore designated.

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Information Systems Specialist I/II/III

The Information Systems Specialist I/II/III provides technical assistance to end users of computer hardware, software, printers, and mobile devices and assists in configuring and administering Rainbow Municipal Water District's electronic records management system and is therefore designated.

Project Manager

The Project Manager manages Capital Improvement Projects (CIP) and development projects related to the design and construction of water and wastewater distribution and collection systems. Manages projects from start to finish, from project planning to final inspection. Coordinates with District staff, contractors, and other agencies to deliver projects and is therefore designated.

Meter Services Supervisor

The Meters Services Supervisor supervises and participates in work related to water services, oversees the cross-connection control and backflow testing programs, tests water services including pressure regulators, water meters, meter boxes, backflow devices and associated appurtenances, and responds to escalated customer service inquiries regarding customer water use and water service issues and is therefore designated.

Customer Service and Communications Supervisor

The Customer Service and Communications Supervisor oversees activities and staff in the Customer Service Department, handles complex and escalated customer service issues, administrative and professional activities in support of public relations, community outreach, and educational programs and is therefore designated.

Auditor

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

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Standing District Committee Members

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

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BOARD OF DIRECTORS

January 28, 2020

SUBJECT

RATEPAYER REQUEST FOR CREDIT

BACKGROUND

Customer Mark Witkower requested a credit for water usage following a meter exchange that resulted in delayed billing.

DESCRIPTION

A new meter was installed for Mr. Witkower's July 24, 2019 and entered into the billing software August 27, 2019. The exchange in the new software was delayed as staff was working through the exchange process in the new utility billing software. As a result, Mr. Witkower's bill did not have a charge for consumption on the September bill. The October bill then charged for September and October's consumption. In addition, the usage was significantly more than the customer was accustomed due the new meter accurately registering usage. The customer disputed the high usage, which initiated a review of the account, a service call to the residence, and testing of the exchanged meter. After testing the exchanged meter, staff discovered it was significantly under registering water. The meter tested at 88.4% accuracy at high flow levels, in the 90% range at medium flow and fluctuated from 0% - 92% accuracy at low flow levels, frequently locking up and not registering any flow on the meter. Based on our review of the account, it is likely the meter stopped functioning correctly in late 2013, causing the customer to be under billed for the past 6 years.

Staff is not authorized to credit a customer's bill in this situation and as such, staff directed Mr. Witkower to his options of the committee meetings and contacting his board representative. He contacted Director Hamilton who then worked closely with staff throughout the review. Attached is a letter from Director Hamilton to Mr. Witkower summarizing the issue and the Director's opinion.

Staff does not recommend issuing a credit to Mr. Witkower. Staff also asks the board to consider the precedence that issuing a credit would set; with the WSUP project starting this month, we expect to receive many more complaints of this nature.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

BOARD OPTIONS/FISCAL IMPACTS

1. Decline Credit Request (Staff Recommendation)
2. Grant Credit to Customer

ATTACHMENTS

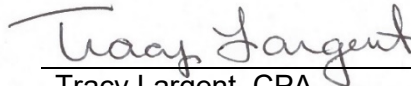
- Hayden Hamilton Letter

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 the Board of Directors decline Mr. Witkower's request for a credit on his bill.



Tracy Largent, CPA
Finance Manager

January 28, 2020



January 10, 2020

Mr. Mark Witkower
2411 Via Oeste Drive
Fallbrook, CA 92028

Mr. Witkower,

Let me first take the opportunity to thank you for your cooperation in resolving the issues associated with your situation.

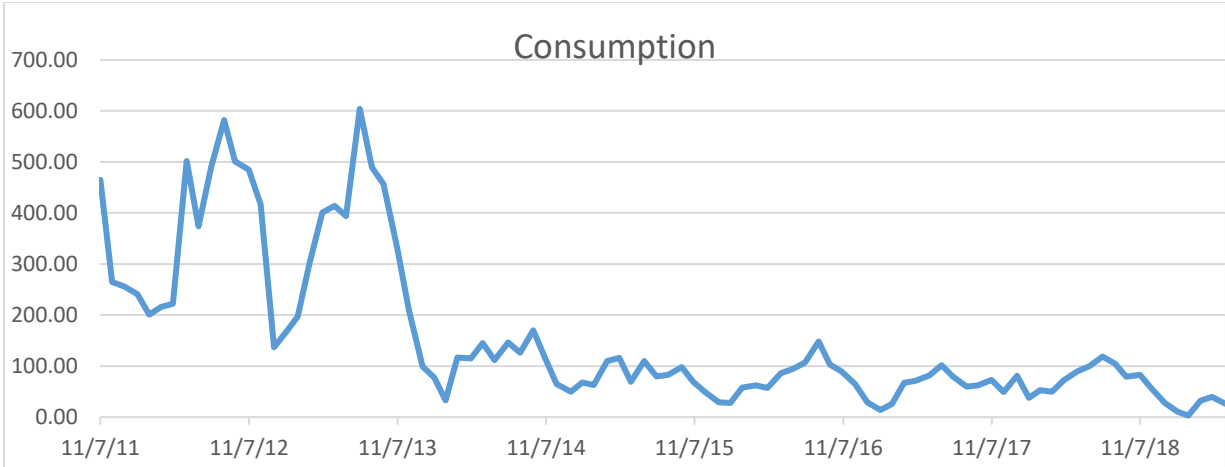
Based on your detailed documentation, and our conversation, it is evident that you are a good steward of water management and use.

I have had the opportunity to review this information along with additional information regarding your account. As Mrs. Largent pointed out, the Rainbow Board of Directors are the only authority that can consider and grant any refunds or credits associated with water usage. Per your request for consideration of a partial refund or credit for water usage, your request has been added to the January Board meeting (January 28, 2020; 1:00PM). Staff will present the Board with a summary of your situation and request for the Board's consideration. They will be recommending that this request not be granted, which I concur with.

It is regrettable that your particular situation uncovered a number of issues that made it difficult for you to have a clear perspective on what was happening, but our conclusion is that:

- The actual water usage you experienced was not excessive
- That the billing inconsistency encountered when spread over two months is within the typical range we see for similar customers
- That you have benefitted for a number of years from a malfunctioning meter that has been substantially under recording your actual water consumption.

Following our conversation, I requested that Rainbow retrieve the historical billing data for your account and test the meter we replaced (the district has a practice of retaining replaced meters for a period of time to be able to test them). This meter was initially installed around November 2011. From the chart below, it appears to have begun to substantially under measure the amount of water passing through it in the first quarter of 2014. While we see typical annual usage trends after 2014, they represent about one third the values prior to 2014 (peak around 500 units are now being reported in 150 unit ranges). Even when considering conservation measures that you may have taken, we believe it unlikely that those, by themselves, could attribute to the magnitude of the differential.



With suspicions raised by the Consumption chart, we pulled and tested the meter. The second Figure attached shows that the meter, indeed, has malfunctioned and is substantially under recording the flow through it.

The meter was tested at number of flow rates to simulate a typical usage range. The testing showed that at flow rates under about 7 GPM, the meter is essentially recording no flow, and at high flow rates it has about a 12% low reading error.

Test Flow (GPM)	Meter (GPM)	Accuracy
66.6	58.9	88.40%
33.9	32.5	96.00%
11.7	11	94.50%
8.2	7.6	92.70%
4.1	0	0%

Based on the available data, granting a refund or credit does not seem to me to be advisable for resolving this situation. What other board members conclude will be determined at the meeting at the end of this month.

As a reminder, Rainbow Municipal Water District is owned by the ratepayers that include you. The Board’s obligation is to try to assure an equitable and fair treatment for all our ratepayers.

Again, I appreciate the opportunity to investigate your situation and thank you for the professional manner in which you approached it.

Respectfully,

Rainbow Municipal Water District

Hayden Hamilton
Board of Directors, Division 2

cc: Director Gasca, Division 1
Tom Kennedy, General Manager



BOARD ACTION

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A SEWER SERVICE AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND BONSALL GROUP, LLC.
LILAC DEL CIELO, TM 5427

BACKGROUND

Lilac Del Cielo, TM 5427, is owned jointly by Bonsall Group, LLC and Santa Maria Group, LLC, collectively referred to as "Developer." Lilac Del Cielo is a subdivision of 73 condominium units located between Camino Del Cielo and West Lilac Road. The project is currently in escrow to be sold to DR Horton VEN, Inc. in 2020. The Developer requested to enter into a sewer service agreement with the District according to the terms of the District's Administrative Code. Those terms include the payment of 50% of the total connection fees to ensure that sewer capacity is available. The length of the service commitment is for a 5-year term which may be renewed for one 5-year extension, and all sewer connection fees must be brought current by payment of the difference between the fees originally paid and the now-current fee rates.

DESCRIPTION

The Agreement consenting to sewer connection fee charges by and between Rainbow Municipal Water District and Bonsall Group, LLC and Santa Maria Group, LLC ("Agreement") issues sewer connection rights from the District (attachment 1). Developer agrees to pay \$549,499 for the 50% payment on sewer capacity fees for 77.8 EDUs. In accordance to the administrative code section 9.05.080.4.3, this credit will expire five years from the commencement date and will not be credited as amounts previously paid if sewer connection fees are not brought current within five years of the commencement date.

Living Area (SqFt)	Equivalent Dwelling Unit	Sewer Capacity Fee	Number of Residences	Total Sewer Capacity
1,251 to 2,000	1.0	\$ 14,126.00	49	\$ 692,174.00
2,001 to 3,000	1.2	\$ 16,951.00	24	\$ 406,824.00
				\$ 1,098,998.00

\$1,098,998.00	Total Sewer Capacity for Residences and Other.
<u>\$(549,499.00)</u>	<u>Less 50% of connection fee. To be paid upon approval of the Agreement.</u>
\$549,499.00	Balance due prior to any connection to the District Sewer System.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Plan Focus Area Four: Fiscal Responsibility. By entering clearly stated agreements with potential developers, the District ensures that developers pay their fair share for utilizing existing District assets. The agreement also sets clear directions for the expiration or extension of the agreement to ensure that the capacity fee payments are appropriate at the time of connection.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

If the Agreement is approved, the Developer will pay \$549,499 as a 50% payment for 77.8 EDUs of sewer capacity. Also, the Developer agrees to pay the District the full amount of sewer capacity fees required by the District to serve Lilac Del Cielo, at the rates then in existence prior to connecting to the system.

Option 1:

- Approve the Sewer Service Agreement By and Between Rainbow Municipal Water District and Bonsall Group, LLC.
- Make a finding that the action does not constitute a “project” as defined by CEQA.
- Authorize the General Manager to execute the agreement

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1



Steven E. Strapac, PE, PLS
District Engineer

January 28, 2020



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

**SEWER SERVICE AGREEMENT
BY AND BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND
BONSALL GROUP, LLC**

**LILAC DEL CIELO (PROJECT), TM 5427
RMWD PROJECT NO. 700034
CONTRACT NO. 19-42**

This Sewer Service Agreement ("SSA") is made and entered into this **31st** day of **December 2019** ("Commencement Date") by and between **Rainbow Municipal Water District** ("District"), a municipal water district organized under the Municipal Water District Law of 1911, and **Bonsall Group, LLC**, a California limited liability company. This Project is owned jointly by Bonsall Group, LLC and Santa Maria Group, LLC an Arizona limited liability company. Bonsall Group, LLC and Santa Maria Group, LLC are collectively referred to hereinafter as ("**Developer**"). Each of District and Developer are interchangeably referred to as a "Party" to the Agreement herein, and are collectively referred to as the "Parties."

RECITALS

- A. The Developer is the owner of County of San Diego VTM 5427 a subdivision of 73 units within the District's service area (commonly referred to as "Lilac Del Cielo" or "Project"). The Project is currently in escrow to be sold to DR Horton VEN, Inc. (" Horton") in 2020.
- B. District Administrative Code sections 9.05.080.4 and 9.05.080.5 address terms and conditions of the sewer commitment which must be satisfied for service. Those terms include payment of 50% of the total connection fees to ensure that sewer capacity is available, the length of the service commitment is for a 5-year term which may be renewed for one, 5-year extension, and that all sewer connection fees for Lilac Del Cielo be brought current by payment of the difference between the fees originally paid and the now-current fee rates.
- C. District acknowledges that standard industry practice provides for payment of all outstanding sewer charges for a development prior to issuance of building permits. However, the District's Administrative Code and rules and regulations require payment of connection (capacity) fees (or percentage thereof) prior to commitment of service. All fees are payable prior to District's signoff of Utility Clearance for Building Permits.
- D. District further acknowledges that it currently has sufficient sewer capacity to serve the Project.

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

AGREEMENT

1. Warranties. The foregoing recitals are true and correct. The undersigned, for themselves and the Party on whose behalf they execute this Agreement, warrant and represent that they have full power and authority to bind said Party to the obligations and benefits set forth in this Agreement.
2. Credit of Sewer Capacity Fees. In accordance with District Administrative Code sections 9.05.080.4.3 and 9.05.080.4.4, this service commitment and Agreement will expire and amounts previously paid will not be credited if sewer connection fees are not brought current by the expiration date. The fees paid in exchange for the amount of EDUs and sewer capacity allocated to Developer are non-refundable, per the District's policy, pursuant to District Administrative Code section 9.05.080.4.4.
3. Capacity Fees. In accordance with District Administrative Code section 9.05.080.4.2, Developer shall pay to the District a fee in the amount of 50% of the connection fees required to serve the entire project in order to ensure sewer capacity is available. The amount due upon approval of this SSA shall be 50% of the total connection fees due at current rates. The capacity fees for Lilac Del Cielo are more particularly described in Exhibit 1. The remaining total balance of the connection fees shall be paid prior to any connection to the District Sewer System. Upon the payment of the fees described in this Section and compliance with the District's Administrative Code, District agrees to provide sewer capacity to the Project for the term hereof.
4. Term. **As provided by District Administrative Code section 9.05.080.4.3, this (service commitment) Agreement shall become effective on the date of mutual execution by the Parties and shall terminate five years from that date. The service commitment may be renewed for one additional five-year term upon application and payment to the District of a fee equal to the difference between fees previously paid and the current fee rates in effect at the time of renewal.**
5. Developer's Obligations.
 - a) Developer agrees to defend, indemnify and hold District harmless from any and all claims, demands, actions, damages, attorneys' fees, costs, expenses, compensation, causes of action and rights, in law or in equity, in the nature of an administrative procedure or otherwise (known, unknown, contingent, accrued, inchoate, or otherwise) that Developer may have against the District, related to, arising from and/or pertaining in any way to this Agreement, including without limitation, the payments made to the District for sewer service fees for Lilac Del Cielo.
 - b) Developer further agrees to pay the District the full amount of sewer fees required by the District to serve Lilac Del Cielo, or other charges or fees, at the rates then in existence, at the time building permits are issued by the County of San Diego and prior to connecting to the sewer system, unless the District seeks payment after this Agreement expires but before permits are issued, as provided herein. Developer shall receive a credit against the fees payable under this Section 5 in the amount of fees prepaid under Section 3 above, such that there shall be no double payment by Developer for sewer capacity fees.
6. Subject to Approval. This Agreement is subject to the approval of the District Board of Directors, and District shall not be bound to any terms of this Agreement absent such approval.

7. Non-Assignment.

- a) Except as provided in (b) below, this Agreement shall not be assigned or transferred, nor shall any of the Developer's rights hereunder be delegated or subcontracted. Any attempt to assign or delegate this Agreement shall render this Agreement void and of no force or effect.
- b) This Agreement shall not be assigned or transferred, nor shall any of the Developers rights hereunder be delegated or subcontracted, except to Horton or other owner of the project upon its acquisition of the Project, to the then owner of the Project.

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

To District: Rainbow Municipal Water District
 Attn: General Manager
 3707 Old Highway 395
 Fallbrook, California 92028
 Tel.: (760) 728-1178
 Fax: (760) 728-2575
 Email: mpowers@rainbowmwd.com

With a Copy to: Alfred Smith, II, General Counsel
 Nossaman LLP
 777 South Figueroa Street
 34th Floor
 Los Angeles, California 90017
 Tel.: (213) 612-7831
 Fax.: (213) 612-7801
 Email: asmith@nossaman.com

To Developer: Bonsall Group, LLC
 31061 Corte Aurora
 San Juan Capistrano, CA 92675
 Attn: Santa Maria Group, LLC, Its Manager,
 by Gregory N. Weiler Its Manager
 Tel.: (949) 300-4581
 Email: gweiler@dcslaw.com

With a Copy to: Gregory N. Weiler
 3 Park Plaza #750
 Irvine, CA 92614
 Tel.: (949) 399-0364
 Email: gweiler@dcslaw.com

Any party may change its address and contact information by notice to the others as provided herein. Any such change shall be incorporated into this Agreement as if fully set forth herein. Notices shall be deemed effective when delivered if personally served or if sent by mail. If served or sent by email or facsimile, notices shall be deemed effective on

the same business day that the notices are sent, or if received after 5:00 p.m., then the notice shall be deemed effective on the next business day.

9. Defense Costs on Third Party Challenge. In the event of a third-party challenge to the project, or the implementation and/or administration of the project, the Developer shall pay defense costs as a cost of the project, and may make calls on Letters of Credit or other security therefor. Notwithstanding the above, litigation regarding rate setting by the District is not a cost of the project.
10. Agreement Controlling. With respect to the District's allocation of EDUs to Developer, as described within this Agreement, in the event of any conflict or ambiguity between this Agreement, Developer's Application, or any other document attached hereto or incorporated by reference herein, this Agreement shall control as between the Parties.
11. Governing Law/Venue. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the laws of the State of California. The appropriate venue for any action brought to enforce or declare its terms shall be brought in the appropriate state or federal court in or nearest to the North County Judicial District for the County of San Diego.
12. Severability. Should any provisions herein be found or deemed invalid or in contravention of California law, such provision shall be deemed not a part of this Agreement. All other provisions of this Agreement shall remain valid and enforceable, and shall remain in full force and effect.
13. Modification. This Agreement may only be modified by written agreement signed by the Parties.
14. No Third-Party Beneficiary. This Agreement shall inure to the benefit of and be binding upon the Parties. This Agreement is not intended to and shall not be for the benefit of third parties who are not expressly included herein.
15. Attorneys' Fees and Costs. In the event any legal action or proceeding to interpret or enforce the terms of, or obligations arising from, this Agreement – including mediation or arbitration – or to recover damages for breach of this Agreement, the Party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing Party all reasonable attorneys' fees, costs, and expenses incurred by the prevailing Party.
16. Further Assurances. The Parties hereby covenant and agree that the Parties will execute such other and further documents and instruments as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.
17. Headings. The headings contained in this Agreement have been inserted for convenience only and in no way define or limit the scope or interpretation of this Agreement.
18. Entire Agreement. This Agreement, together with all attachments hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are superseded.
19. Attachments. All attachments referred to herein are hereby incorporated by reference into this Agreement as though fully set forth in the body of this Agreement.

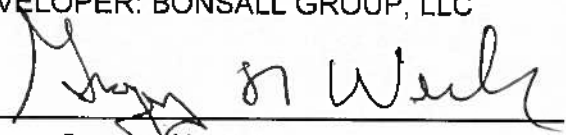
20. Waiver. No covenant, term or condition, or the breach thereof, shall be deemed waived except by written consent of the Party against whom the waiver is claimed. Any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition. Acceptance by District of any performance by Developer after such time that the performance is due shall not be deemed a waiver of any preceding breach by Developer other than the failure of performance expressly accepted, regardless of the District's knowledge of such preceding breach at the time of acceptance. No delay or omission by either Party in exercising any relief or power accruing upon non-compliance or failure of performance by the other Party shall impair or be construed as a waiver thereof, unless an intention to waive is expressly set forth in a writing signed by the waiving Party.
21. Warranties. District and Developer covenant and represent that each respective Party has the full authority to execute, deliver, and perform this Agreement, and that each Party has fully complied with all requirements imposed by law as necessary for the Party to create a lawful and binding Agreement for the term of this Agreement. Each individual signing this Agreement for the District represents and warrants that he or she has the full power and authority, and legal right, to execute this Agreement on behalf of the District, and that the District has taken all necessary actions to authorize the individual signing on behalf of the District's behalf to do. Each individual signing this Agreement on behalf of Developer represents and warrants that he or she has the full power and authority, and the legal right, to execute this Agreement on behalf of Developer, and that Developer has taken all necessary actions to authorize the individual signing on Developer's behalf to do so.
22. Force Majeure. If either Party, except as otherwise herein specifically provided, shall be delayed or prevented from performing any act required hereunder, by reason of strikes, lock-outs, labor problems, inability to procure materials, fire, unusual weather conditions, failure of power or other utilities, applicable governmental laws or regulations (other than those reasonably foreseeable in connection with the uses contemplated by this Agreement), riots, insurrection, war or other reason of a like nature, not the fault of the Party so delayed, then performance of such act shall be excused for the period necessary to accommodate such delay.
23. Understanding. Each Party hereto acknowledges that the Party has reviewed this Agreement and has had an opportunity to consult legal counsel, and that the normal rule of construction that ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any subsequent amendments hereto.
24. Counterparts. This Agreement may be executed in counterparts, which, taken together, shall be construed as a single, complete Agreement.

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

RAINBOW MUNICIPAL WATER DISTRICT

By _____
Name: Tom Kennedy
Title: General Manager

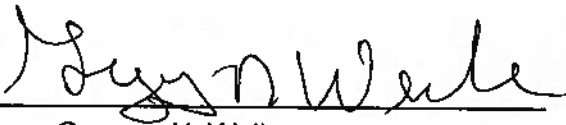
DEVELOPER: BONSALL GROUP, LLC

By 
Name: Gregory N. Weiler
Title: Santa Maria Group, LLC, Its Manager

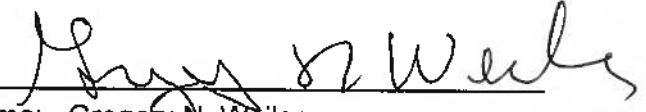
APPROVED AS TO FORM
DISTRICT'S GENERAL COUNSEL

By _____
Name: Alfred E. Smith, II of Nossaman LLP
Title: General Counsel

DEVELOPER: SANTA MARIA GROUP, LLC

By 
Name: Gregory N. Weiler
Title: Santa Maria Group, LLC, Its Manager

APPROVED AS TO FORM DEVELOPER'S
COUNSEL

By 
Name: Gregory N. Weiler
Title: Attorney

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR PIPELINE UPGRADE PROJECT #2

BACKGROUND

The Rainbow Municipal Water District (District) completed the Water Pipeline Condition Assessment in January 2018 which resulted in a model to prioritize existing pipelines for rehabilitation and replacement based on likelihood and consequence of failure. The Board had previously approved a contract for design of Pipeline Upgrade Project #1 (PUP #1) and that project design is nearing completion and will be bid out for construction in the next month or two. The pipelines in PUP #1 included several that were among the high priority in the Condition Assessment report. The pipelines included in the Pipeline Upgrade Project #2 (PUP 2) are the next cohort of high priority pipelines for replacement or rehabilitation when the condition assessment model was run with the most up to date data.

This project consists of the design of seven (7) pipe replacements or rehabilitations consisting of approximately 7,500 feet of pipeline between 8-inch and 12-inch diameter. 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 project will include analysis and preparation of plans, specifications, and estimates (PS&E) of the rehabilitation or replacement of seven (7) pipe segments (see attached exhibits).

1. Via Monserate: approximately 140 feet, 8-inch diameter (Gaines Line Extension)
2. Rice Canyon Road: approximately 2,160 feet, 8-inch diameter (Pipe 2333)
3. Tecalote Drive: approximately 200 feet, 8-inch diameter (Millagra Drive)
4. North River Road: approximately 2,600 feet, 10-inch diameter (Line A 628)
5. Nella Lane: approximately 670 feet, 8-inch diameter
6. Rainbow Glen: approximately 739 feet, 12-inch diameter
7. Thibodo Line (connected to Little Gopher Canyon Road line, running south): approximately 930 feet, 8-inch diameter

The intent of the design services will be to prepare plans, specifications, and an estimate suitable for bidding by a public agency.

DESCRIPTION

The District conducted a search of interested design firms and issued a Request for Proposal on September 19, 2019. Two firms responded with a proposal by October 24, 2019. Staff reviewed the proposals and evaluated them based on the executive summary, project description, ability to meet district schedule, identification of the consultant, project organization and experience, past performance, firms local experience, and creative alternatives. This item was not brought to the Engineering and Operations Committee due to the lack of meetings in December and January. The staff evaluation

determined that Harris & Associates was the most qualified to perform the specified work and recommend them for this project with a Not-To-Exceed project design cost of \$399,540.

The following firms submitted proposals (shown ranked according to their proposal score):

1. Harris & Associates
2. Michael Baker

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. This project will provide for the design of rehabilitation and replacement projects for several pipelines identified in the Water Pipeline Condition Assessment. This will reduce the number of breaks and outages on these waterlines and increase our level of service. In addition, new pipelines will result in lower costs for operation and maintenance.

ENVIRONMENTAL

In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA. Further environmental review will be completed in the process of design.

BOARD OPTIONS/FISCAL IMPACTS

The District’s CIP included estimated future spending of \$3,250,000 for FY20/21 through FY22/23 associated with design and construction of the seven projects included in this contract; however, specific funding for design on this project was not appropriated in the current Fiscal Year budget. The proposed fee estimate for design is \$399,540. These seven projects fall within the Pipeline Upgrade Project #2, project #600036. The 5-year CIP Budget included funding for construction of the projects, but construction costs have increased and additional funding may be necessary to complete all construction.

Option 1:

- Appropriate funding and award a Professional Services Agreement to Harris & Associates to provide design services for Pipeline Upgrade Project #2 not to exceed \$399,540
- Make a finding that this action does not constitute a “project” as defined by CEQA
- Authorize the General Manager to execute a contract for the design of the Pipeline Upgrade Project #2 with Harris & Associates

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

Staff Recommends Option 1.



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

January 28, 2020

Via Monserate (Gaines Line Extension)



1" = 141 ft

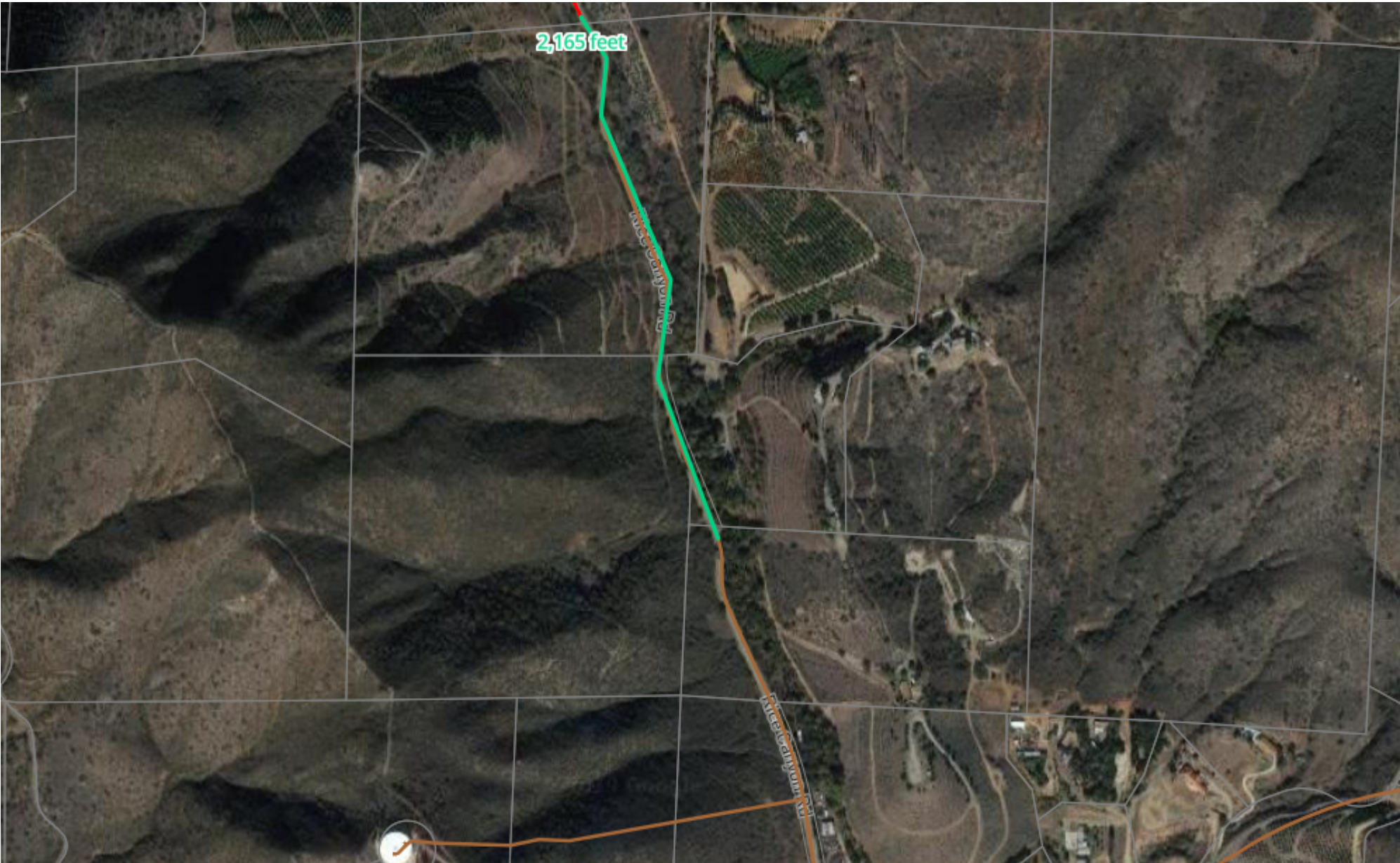
Complete segment

09/12/2019



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

Rice Canyon Pipe Rehab/Replacement



1" = 644 ft

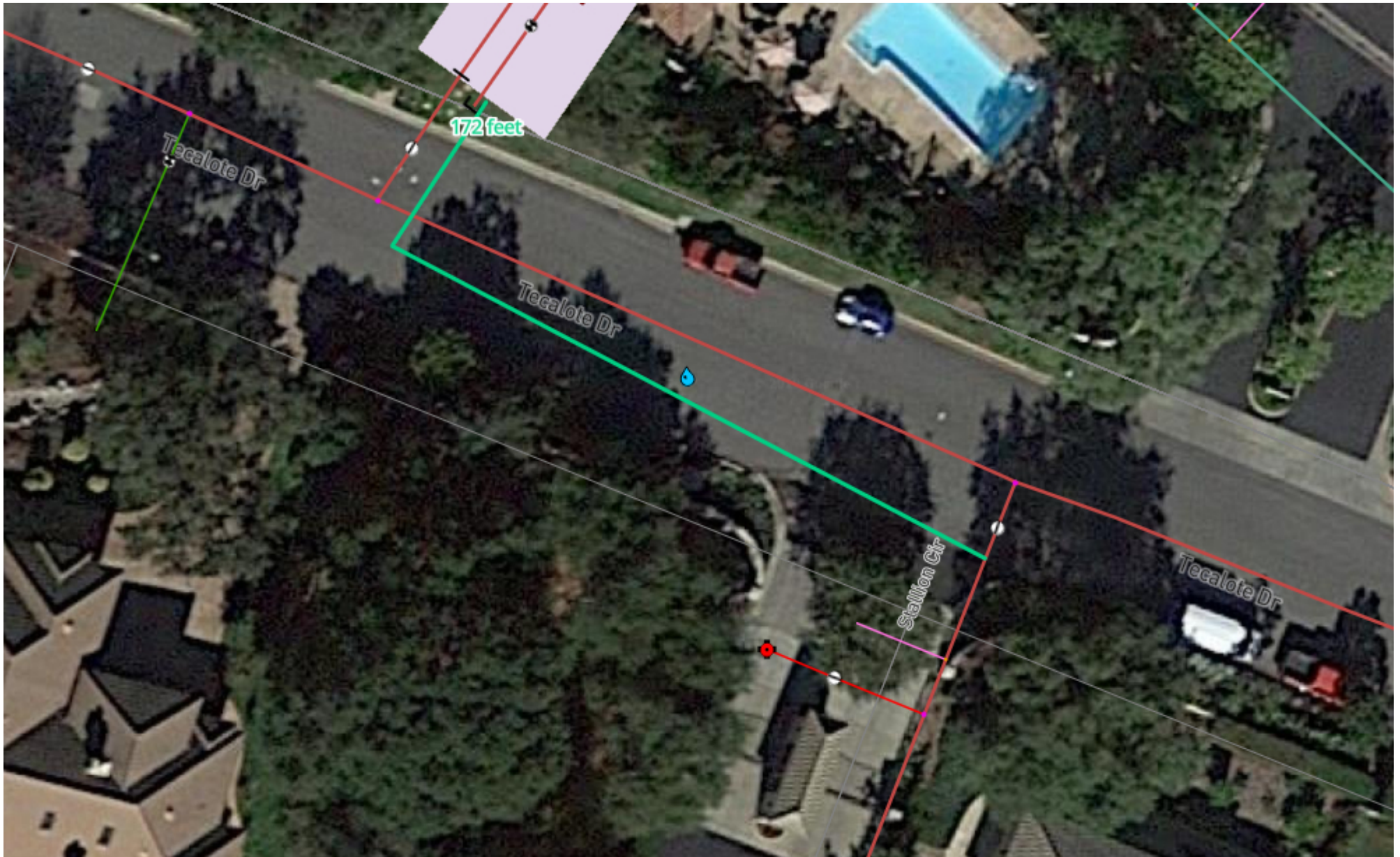
All Segments combined

09/03/2019



This map may represents a visual display of related geographic information. Data provided here on is not guarantee of acutual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

Tecalote Dr. - Stallion Connection to PR Station



1" = 33 ft

Complete Run

09/12/2019



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North River Road



1" = 334 ft

Complete run

09/12/2019



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Nella Lane



1" = 182 ft

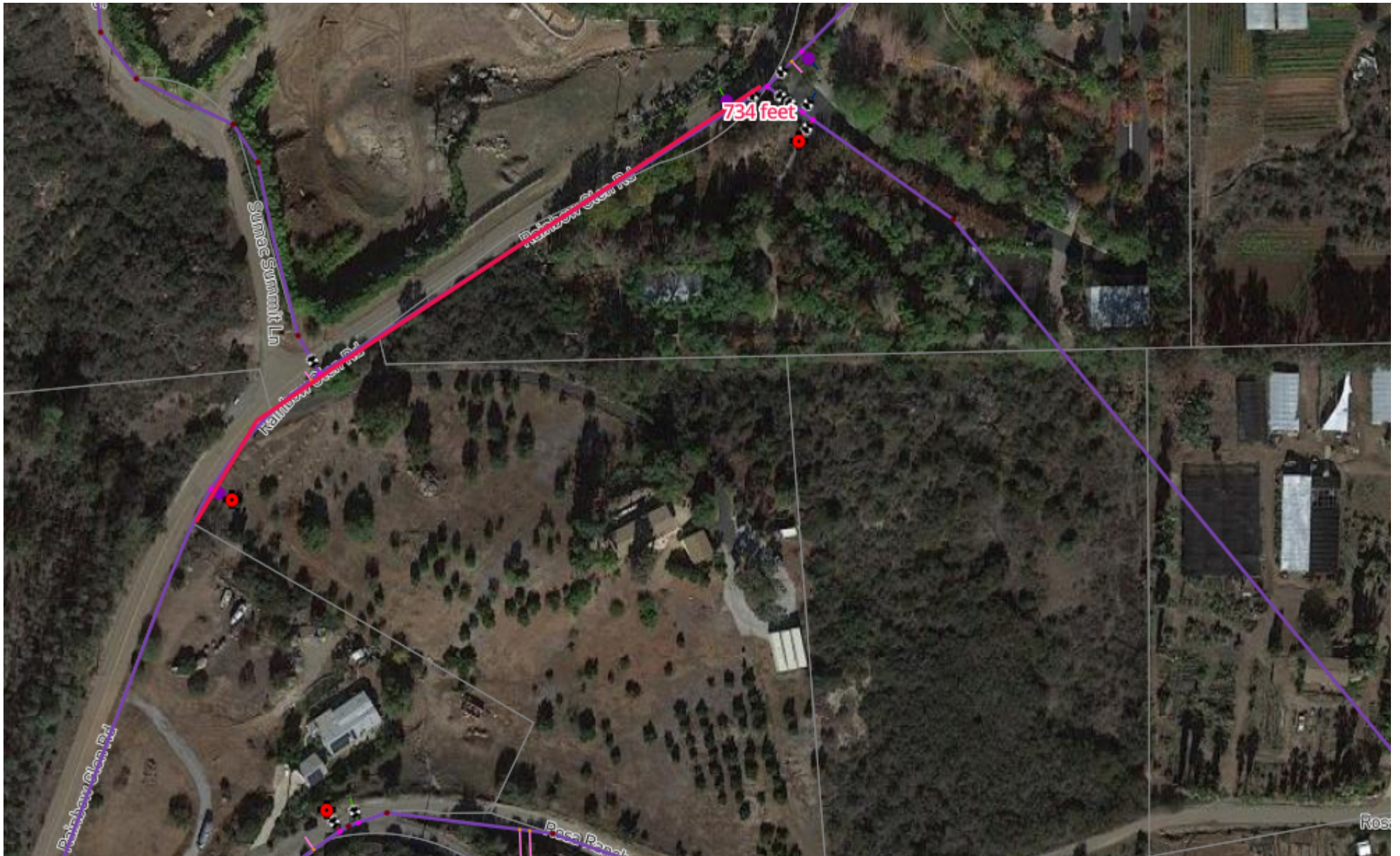
Complete Run

09/12/2019



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

Rainbow Glen



1" = 165 ft

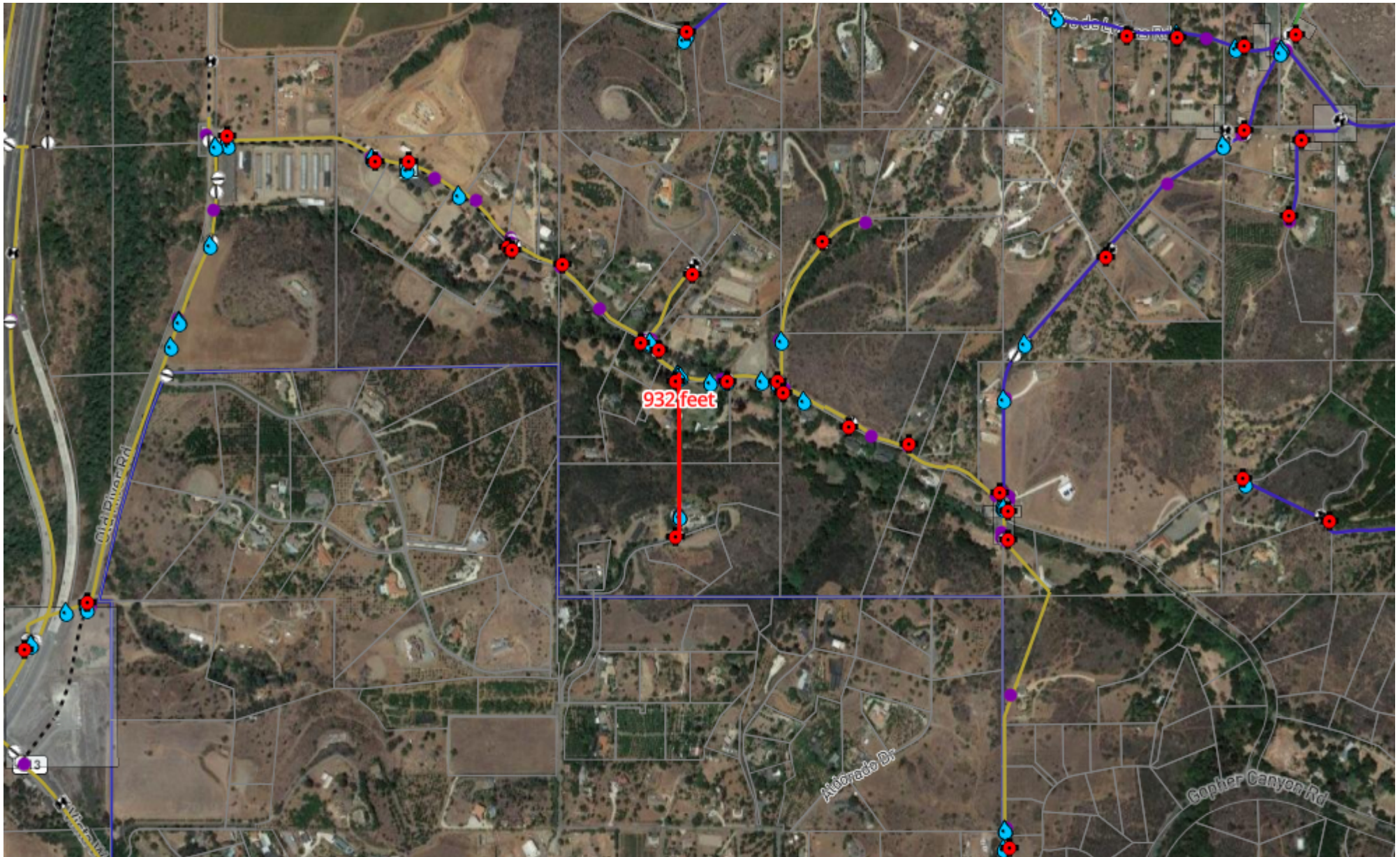
Complete run

09/12/2019



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

Thibodo



1" = 953 ft

Complete stretch

09/12/2019



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.



Via Monserate (Site 1)



Rice Canyon Road (Site 2)



Tecalote Drive (Site 3)



North River Road (Site 4)



Nella Lane (Site 5)



Rainbow Glen (Site 6)



“Thibodo” Line (Site 7)

PROFESSIONAL SERVICES FOR
**FY20/21 DISTRICT-WIDE WATER MAIN
UPGRADE PROJECT**

RAINBOW MUNICIPAL WATER DISTRICT

October 24, 2019



Harris & Associates.

October 24, 2019

Rainbow Municipal Water
District
Engineering Department
3707 Old Highway 395
Fallbrook, CA 92028

FY20/21 District-wide Water Main Upgrade Project

Dear Evaluation Committee:

Aging infrastructure, rising costs, increasing regulations, and security concerns require proper guidance of funding to maintain Rainbow Municipal Water District's (District's) assets. Asset management is a Strategic Focus Area for the District to maintain a high level of service to rate payers. The recent Pipeline Assessment Study supports this Strategic Focus Area and the FY20/21 District-wide Water Main Upgrade project will further progress your objectives.

Your project's six-month schedule requires a trusted partner with multidisciplinary services and the expertise to deliver the project successfully. Harris & Associates (Harris) believes we have the team to deliver these upgrades for the District and the communities you serve. Here is why:

A Rigorous Project Approach. The foundation of Harris' project approach aligns with the District's Strategic Focus Areas, specifically fiscal responsibility, customer service, and communication. These core business areas are critical to the District's continued success in the eyes of your customers and they are the cornerstone of Harris' approach. With this in mind, we have started developing solutions for the major constraints on the projects, such as site constraints, utilities, environmental permitting, stakeholder coordination, and traffic control. Our solutions, combined with Harris' disciplined approach to monitoring and controlling costs, schedule, scope, and quality will result in a quality design and an efficient project delivery.


Lessons Learned Bring Added Value. Harris has conducted a detailed review of the seven sites and understands each site's unique environment. From our 27 years of experience providing pipeline design for clients throughout San Diego County, we have observed that successful projects share common themes—early planning, minimizing community impacts, proactively addressing utility and environmental challenges, and a well-vetted design that is constructible. Utilizing these lessons learned will allow us to mitigate potential impacts to the project schedule and reduce project costs in design and construction.

Local Relationships Will Streamline Processes. Our local experience has yielded positive relationships with the very same stakeholders that will be actively involved in this project—San Diego Gas & Electric (SDG&E), Caltrans District 11, United States Army Corps of Engineers (USACE), Regional Water Quality Control Board (RWQCB), California Department of Fish and Wildlife (CDFW), to name a few. We will leverage these relationships to streamline the permitting process and design reviews. For example, on the City of San Diego AC Water and Sewer Group 1024 project, our strong relationship with SWRCB Division of Drinking Water resulted in our ability to fast-track the design schedule. We were able to obtain approvals and waivers for our City-wide programmatic water main replacement work, saving months by avoiding re-work and multiple design iteration reviews.

Simple Solutions for a Quality Design. Our goal is to find innovative ways to improve service, lower costs, and protect the District's interests. We bring value to the District through our design-build experience and our trenchless technology advancements in local water and sewer markets. In partnership with Orion Construction, Harris has delivered dozens of design-build projects throughout the City of San Diego that have included trenchless technologies such as pipe bursting. Our staff includes industry-recognized experts who regularly present trenchless solutions at conferences and guide other municipalities on best practices. This benefits the District and your project with a unique perspective that balances both the designer and contractor's priorities to reach a common goal. We have learned what to look for, what to be flexible with, and how to avoid construction change orders. This mindset will provide the District with practical and efficient solutions.

Just as it is important for you to provide excellent customer service, based on the foundations of responsiveness and transparency, our proposed Harris team has made an art of being responsive to our clients and supporting their goals. The District's customers expect reliability and quality—and we believe that it is our responsibility to help you uphold this reputation. We look forward to partnering with you on this important step towards advancing your mission.

Sincerely,
Harris & Associates, Inc.



Ehab Gerges, PE
Principal-in-Charge
 949.683.2011
 Ehab.Gerges@weareharris.com



Jason Caprio, PE, PMP
Project Manager
 661.319.9251
 Jason.Caprio@weareharris.com

RFP Requirements. The District's RFP shall be incorporated in its entirety as a part of Harris' proposal. The District's RFP and Harris' proposal will jointly become part of the Agreement for Professional Consultant Services for this project when said Agreement is fully executed by Harris and the President of the Board of Directors of the Rainbow Municipal Water District. Ehab Gerges is authorized to execute legal documents on behalf of the firm.

TABLE OF CONTENTS

Executive Summary	1
Project Description	3
Identification of Prime Consultant.....	11
Identification of Subconsultants	12
Project Organization and Experience of the Project Team.....	13
Statement of Qualifications	18
Resource Allocation Matrix	22
Firm's Local Experience	23
Creative Alternatives	24
Additions or Exceptions to the District's Request for Proposal	25
Appendix: Resumes	A-1
Proposed Total Professional Fee and Fee Schedules.....	Separate Envelope

EXECUTIVE SUMMARY

The following section demonstrates our ability to meet the District's specific needs through cost-effective solutions. We have summarized the value we bring to the 20/21 Water Main Upgrade, structured around your evaluation criteria.

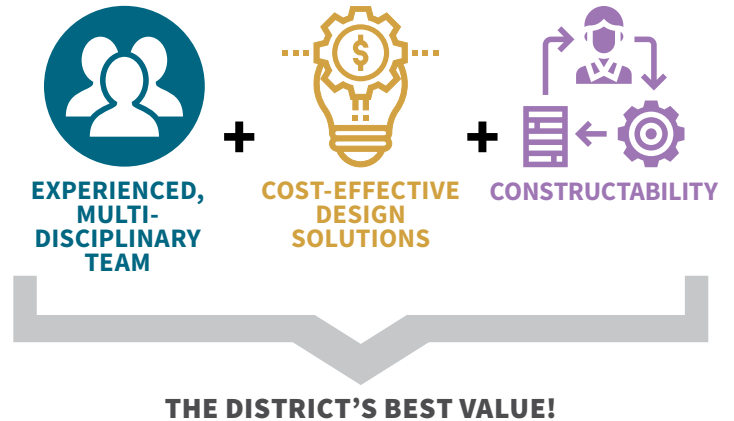
Project Description

OBJECTIVE AND APPROACH TO MEETING GOALS

The FY20/21 Water Main Upgrade will improve the way distribution infrastructure is managed and sustain desired levels of service to ensure ratepayers realize the greatest return on their investment.

Harris' approach to meeting the District's goals is straightforward: we will focus on providing a practical and efficient solution that adds value for the District and satisfies the intent of the project. Key elements of our approach include early planning focused around utilities and permits, effective communication amongst our experienced multi-disciplinary team and innovative solutions that are not only permit-able but constructible.

THE HARRIS VALUE



Ability to Meet District Schedule and Past Performance, Including Cost Control and Schedule Control

Our experience providing design-build delivery method in San Diego for water facilities will bring your project a number of benefits. We know how to place utility alignments that work within the public right-of-way, avoid construction impacts, and add features that make facilities efficient for maintenance. Harris is a leader in trenchless technology and can recommend and design alternative construction methods that resolve complex challenges.

Harris is ready to meet your six-month design schedule by developing a critical path schedule that highlights items that can cause delays so that we can apply focus and initiate project tasks at the appropriate time. We will consistently compare the progress along the critical path to determine that we are on track with meeting your schedule requirement.

Our approach to controlling cost and schedule for your project is to be nimble in our design by identifying parallel efforts for all seven projects and mindful of how our design impacts construction. Our critical path schedule will account for design duration and contractor mobilization.

Identification of Consultant

Harris is a California S Corporation with 230 employees and a local office in San Diego, California. Our team also includes four specialty subconsultants: KDM Meridian for surveying, AirX Utility Surveyors for potholing, SCST for geotechnical/geologic, and RF Yeager Engineering for corrosion protection.



Project Organization and Experience

Jason Caprio, PE, PMP will serve as your project manager and single point-of-contact. With nearly 15 years of experience providing engineering design, project management, and construction management and administration for water and sewer public works projects, you will benefit from Jason's ability to balance the perspectives of all team members. His ability to align the designer's mindset with the contractor's methodology for delivering the project will benefit your project with practical and cost-effective solutions. His experience with design and construction of capital infrastructure projects for water districts, sanitation districts, small and large cities, and private water purveyors gives him the ability to "zoom out" and assess your program as a whole and its overall impact.

Your project will benefit from a partner who keeps your goals and vision at the forefront of each decision. Jason's commitment to the District's success is demonstrated through his proactive approach to identifying solutions for your project—he has already walked and studied the sites, analyzed your challenges, and thoughtfully assembled the right team to deliver this project successfully.

What is so remarkable about Jason is his organized and disciplined approach to managing projects. This is certainly demonstrated through his Project Management Professional certification and the tools he has in place to monitor and control scope, budget, schedule, and quality.

QA/QC Manager and Trenchless Lead Vern Phillips, PE is a nationally recognized expert in trenchless technology, and regularly publishes technical papers, speaks at professional forums, and participates in professional associations. He developed the first specifications for cured-in-place pipe lining and pipe bursting as a member of the APWA Greenbook Committee. Vern will work with Jason to analyze the seven segments and recommend the technologies that will bring the most value to your project. Our goal for your project is to make rehabilitation improvements simple, cost-effective, long-lasting, with minimal impacts.

Nearly all of the work will be performed out of the San Diego office, while utilizing expert resources throughout California. Harris' team includes in-house environmental permitting and construction management staff, as well as specialty subconsultants out of San Diego and Orange Counties.

Firm's Local Experience

Harris' has significant experience providing water system design for local clients including the cities of San Diego, Vista, and Oceanside; the County and Port of San Diego; and Padre Dam Municipal Water District and Otay Water District. We have developed a cadre of lessons learned to bring to your projects—the District will benefit from practical and innovative solutions that will create cost and schedule efficiencies and minimize impacts to the communities. Our understanding of local design standards means we design water system projects that are practical and sensible.

Creative Alternatives

After several site walks and field visits, as well as the written RFP and our approach to the project, we have the following ideas for consideration:

- 1. Reduce Length of "Thibodo" Water Main Upgrade, Eliminate Construction Activities Beneath Creek and Roadway.** There is an existing 125-foot section of the "Thibodo" Water Main Upgrade made of ductile iron and aged less than 20 years. This segment of the proposed alignment happens to be within Little Gopher Canyon Road and beneath the active creek. If we simply let this 20-year-old section remain as-is and remove it from the Scope of Work, we will eliminate three potential regulatory agency permits, save time in design and construction, and save tens of thousands of dollars.
- 2. Potholing During Construction Instead of Design.** We recommend allowing the contractor to pothole only what is absolutely necessary in an effort to save tens of thousands of dollars.
- 3. Parallel Alignment Design Over Replace-in-Place.** Parallel alignment significantly eliminates highlining requirements, difficult operational shutdowns, and allows the Contractor to begin water main installation immediately (field production increased dramatically with this approach). Rice Canyon Road, North River Road, Rainbow Glen, and "Thibodo" are ideal candidates for parallel alignments with minimum offset of trench walls by 3 feet to avoid lack of stability and adjacent soil caving conditions.
- 4. Separate Bid Package for "Thibodo" Water Main Upgrade.** Our approach could be to design everything concurrently as if we were bidding all seven locations, and simply separate the drawings, technical specifications, and Bid Form/Schedule for the "Thibodo" Line. Given that we're dealing with private properties, narrow 20-foot-wide easements, trenchless means and methods, an active creek crossing, and potential regulatory agencies and permitting at this site, this approach could provide a more competitive bidding environment.



PROJECT DESCRIPTION

i. Project Objectives and Plans to Accomplish the Goals

PROJECT UNDERSTANDING

District-Wide Water Main Upgrades by Location (In Order of Difficulty)

“Thibodo” Line Water Main Upgrade (Site 7)

The “Thibodo” Line Water Main Upgrade consists of removing and/or replacing the existing 8-inch-diameter PVC water main with new water main. There will be approximately 930 linear feet (at least) of upgraded water main and the specific material and class of the pipe will be a decision based upon our analysis of trenchless technology and installation methods. We are anticipating horizontal directional drilling (HDD) and pulling high-density polyethylene (HDPE) pipe.

Potholing and geotechnical investigations will be required for the “Thibodo” Line and will require County of San Diego Encroachment Permits. The design and construction will also require right-of-entry to work on private property, community outreach, and traffic control given the narrow, windy geometry of Little Gopher Canyon Road.

Harris will conduct an early habitat assessment with gnatcatcher field survey and other habitat surveys to identify permitting requirements. We anticipate an Initial Study/Mitigated Negative Declaration in compliance with CEQA documentation.

North River Road Water Main Upgrade (Site 4)

The North River Road Water Main Upgrade consists of removing and replacing (replace-in-place or parallel alignment potentially) the existing 10-inch-diameter cement mortar-lined and -coated (CML&C) water main with a new 10-inch-diameter CML&C water main. There will be nearly a half of a mile of upgraded water main along North River Road from Via Puerta Del Sol to State Route (SR) 76 (Mission Road).

North River Road will be important to properly and accurately pothole and survey. Geotechnical investigations and corrosivity assessments will be critical as well. These activities will require

County of San Diego, City of Oceanside, and Caltrans Encroachment Permits. The design and construction will also require sophisticated traffic control plans in accordance with Caltrans standards, 18-inch welded steel casing (in SR-76 right-of-way), and recommended night-time work activities to limit traffic disruptions.

Rice Canyon Road Water Main Upgrade (Site 2)

The Rice Canyon Road Water Main Upgrade consists of removing and replacing (replace-in-place) the existing 10-inch-diameter cement-mortar lined and coated (CML&C) water main with a new 10-inch-diameter CML&C water main. There will be 2,160 feet of proposed 10-inch-diameter CML&C water main ½-mile north of Huntley Road. Rice Canyon Road is an “open,” non-utility-congested roadway in a rural setting with large properties and a handful of large water services on the east-side of the County roadway. There are a few CMP culverts crossing Rice Canyon Road from west to east, but appears wide open aside from those conflicts. The County of San Diego has been planning a roadway straightening project for Rice Canyon Road for years now, but remains unfunded (although it is still listed in the County Department of Public Works’ CIP).

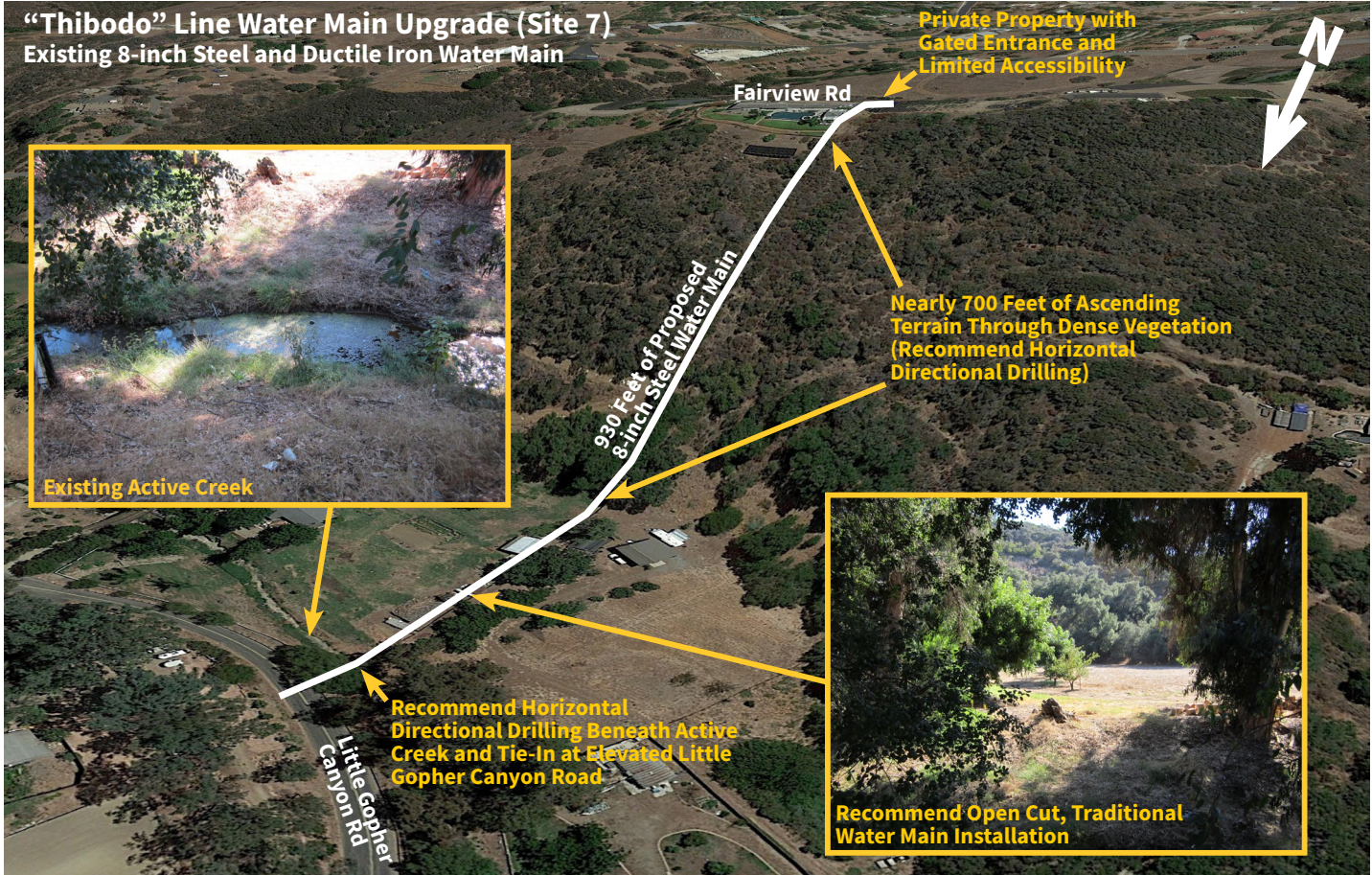
Geotechnical investigations and corrosivity assessments will be planned for on Rice Canyon Road. These activities will require a County of San Diego Encroachment Permit. The RFP suggests “lining or bursting,” but it is our recommendation that trenchless technology may not be appropriate or viable for this location. Instead, we propose open-cut installation for the following reasons:

- The alignment is located in the existing roadway with light traffic.
- The site has no environmental challenges.
- The road is windy, which means the water main must have bends, and bends present several challenges to lining and bursting and may require several launching pits and receiving bends.

Via Monserate Water Main Upgrade (Site 1)

The Via Monserate Water Main Upgrade consists of removing and replacing (replace-in-place) the existing 8-inch-diameter PVC water main with a new 8-inch-diameter C900 PVC water main. This site only includes design and construction of 138 feet of water main upgrade serving just two residential properties. Via Monserate is a narrow residential street off of South Mission Road with few surface utilities, but there is overhead electrical on power poles. It

“Thibodo” Line Water Main Upgrade (Site 7)
Existing 8-inch Steel and Ductile Iron Water Main



is our recommendation that no support services are required other than survey and contractor-developed traffic control.

Nella Lane Water Main Upgrade (Site 5)

The Nella Lane Water Main Upgrade consists of removing and replacing (replace-in-place) the existing 8-inch-diameter PVC water main with a new 8-inch-diameter C900 PVC water main. Nella Lane is a relatively short cul-de-sac branching from Gopher Canyon Road and includes just less than 700 feet of proposed water main improvements. It is our recommendation that no support services are required other than survey and Contractor-developed traffic control.

Rainbow Glen Water Main Upgrade (Site 6)

The Rainbow Glen Water Main Upgrade is located the furthest north of any other site and is only accessible by a very narrow, isolated roadway. The design and construction consists of removing and replacing (replace-in-place) the existing 12-inch-diameter PVC water main with a new 12-inch-diameter C900 PVC water main. The water main upgrade includes 739 feet of proposed improvements. Rainbow Glen has light traffic and adequate physical space for construction operations. There is overhead electrical (SDG&E) on the west-side of the roadway, but should present no potential utility conflicts. There are also only a handful of services along Rainbow Glen, but there are fire hydrant assemblies, wharf hydrants, and air-release valves within the proposed alignment. It is our recommendation that no support services are required other than survey.

Tecalote Drive Water Main Upgrade (Site 3)

The Tecalote Water Main Upgrade consists of less than 200 feet of new 8-inch-diameter PVC water main to facilitate a connection between the Tecalote Oaks gated residential community with the

Pala Mesa Green Pressure Reducing Station (PRS). There will be no water services connected to the water main upgrade (technically, just new/proposed), but given the alignment crossing the street, there will be potential conflicts with sewer, electrical, gas, storm drain, and communications, so potholing will be important at this location. Tecalote Drive is a wide, unencumbered residential street within the country club atmosphere of Pala Mesa Resort Golf Course.

PROJECT APPROACH

The following outlines the project’s top three challenges. Please see “Table 1. Project Challenges by Site” on page 6 for a comprehensive list of design challenges.

Challenge No. 1: “Thibodo” Line Water Main Upgrade: Selection of Trenchless Technology

The “Thibodo” Line Water Main Upgrade will be the most complicated and sophisticated design. With the majority of the existing ground surface sloping between 35% and 50% towards Fairview Drive and spanning more than two-thirds of the entire proposed water main improvement, pipe bursting will be challenging. The specific challenges include:

- Burst lengths (more than 350 feet)
- Insertion and pulling shaft considerations (with steep terrain of more than 350 feet)
- Investigation of the existing water main (i.e., steel, ductile iron)
- Maximum allow operating pressures for specific materials
- Flow bypassing during construction (highlining/temporary piping)
- Dewatering of insertion and pulling shafts near active creek
- Physical space for construction equipment to perform trenchless installations



We recommend considering the following solutions:

- Parallel water main design and installation with abandonment of existing main
- Horizontal direction drilling (HDD) along steep terrain and beneath the active creek
- Open trench cut and cover between HDD installations
- Complete re-routing/re-alignment

One of the advantages to HDD will be the steering capabilities given the geotechnical conditions and existing soil characteristics. HDD launches from the ground surface so entry pits are much smaller than microtunneling, which is an advantage given the connection locations and physical space limitations.

Harris encountered similar challenges on our 16-inch and Larger Cast Iron Water Main and Sewer Replacement Project. The City of San Diego initially selected an alignment on Balboa Avenue/Garnet Avenue to traverse up extremely steep terrain (to Mount Laurence Drive) through an environmentally sensitive habitat, which also required trenchless installation, but triggered more environmental permitting and community concerns from impacted private property owners. As a creative alternative, we re-routed and re-aligned the proposed 12-inch-diameter C900 PVC water main through existing roadways within public right-of-way to avoid the extremely steep vegetated terrain and abandon the existing water main in place.

Challenge No. 2: North River Road Water Main Upgrade: Congestion – Heavy Traffic, Caltrans Encroachment Permit, and Utilities

During our field investigation and site walk of the proposed 10-inch-diameter water main alignment from Via Puerta Del Sol to Mission Road/SR-76, we recognized the volume of traffic on North River Road in both directions. MCI Communications has recently installed their communications in the east bound lane along the North River Road in a narrow trench (12-inch wide) pinning the existing water main against the edge of pavement near the dirt or vegetated shoulder of the roadway. The specific challenges include:

- Heavy bi-directional traffic with business ingress/egress impacts
- Caltrans Encroachment Permit for SR-76
- Non-potable separation clearances for the State Water Resources Control Board’s Division of Drinking Water (DDW)
- Potential bracing of SDG&E power poles

Regarding the regulation of traffic during construction (vehicles and pedestrians), we plan to have our in-house traffic engineer, Lynne Filson, PE, TE, PLS, procure a detailed and strategic traffic control plan that provides safety to the community and organization to the traffic. Lynne will also work closely with Caltrans District 11 to facilitate a fast-tracked Encroachment Permit process for the Contractor to piggy-back upon (i.e. Double Permit) immediately following the Notice to Proceed. In addition to preparing Traffic Control Plans in-house and during design, we intend to address the

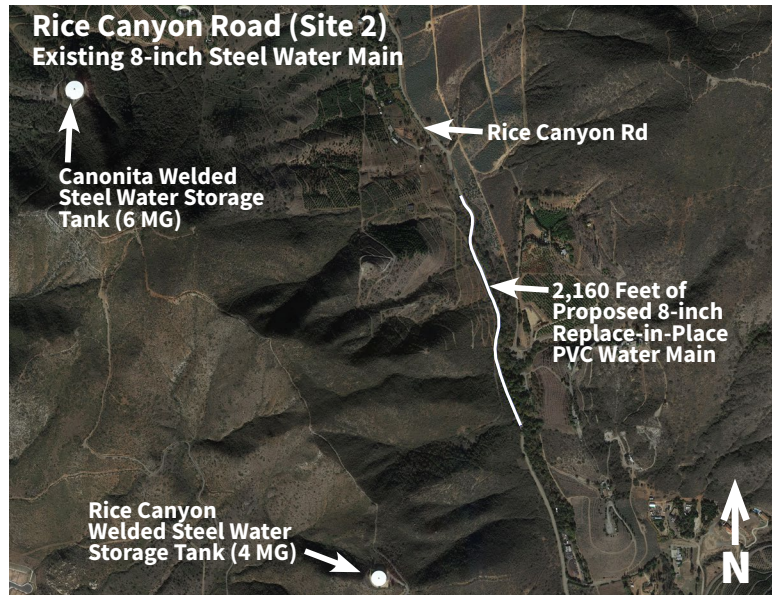


Table 1. Project Challenges by Site

Project Challenges	Via Monserate	Rice Canyon Rd	Tecalote Drive	North River Rd	Nella Lane	Rainbow Glen	"Thibodo" Line
Heavy Traffic				●	●		
Residential	●	●	●		●	●	●
Commercial/Industrial		●		●			●
Underground Utilities	●		●	●	●	●	●
Overhead Utilities	●			●		●	
County Encroachment Permit	●	●	●			●	●
City Encroachment Permit				●	●		●
Caltrans Encroachment Permit				●			
Physical Constraints (Narrow)	●	●		●			●
Environmental Constraints							●
Replace-in-Place Construction	●	●	●	●			●
Parallel Alignment Installation		●		●			●
Trenchless Opportunity							●

site specific challenges by:

- Consideration of night work in intersection to reduce traffic disruptions
- Re-use the existing 19-inch-diameter, 3/8-inch-thick wall, welded steel casing
- Horizontal alignment selection with 10-foot separation between non-potable and minimum 45° crossings
- Early coordination with SDG&E and SCST for power pole undermining potential

Project Manager Jason Caprio consults with Caltrans for a variety of encroachment permit needs on a similar water main replacement program. This includes supporting the permitting process that allows both a traditional open-cut means and methods and secondly, a trenchless bid alternative geared specifically towards pipe bursting with 12-inch and 15-inch high-density polyethylene (HDPE).

Additionally, our relationship with SWRCB Division of Drinking Water has allowed us to fast-track our design schedule for our AC Water and Sewer Group 1024 Project. Through our collaboration with William (Bill) DiBiase, Sanitary Engineer for the Field Operations Branch within the San Diego District, Harris, Orion Construction, and the City of San Diego were able to obtain approvals and waivers for our City-wide programmatic water main replacement work, saving weeks or months by avoiding re-work and multiple design iteration reviews.

Challenge 3: Avoidance of Regulatory Agency Permit(s) at the “Thibodo” Site: CDFW, RWQCB, and USACE

To minimize or eliminate disruptive environmental permitting through the regulatory agencies, we will utilize horizontal directional drilling as a requirement beneath the adjacent creek and beneath the coastal sage scrub on the side of the “hill” ascending towards Fairview Road. The middle portion of the proposed alignment does not appear to be classified as a natural resource and may be constructed via cut and cover methods. Identifying specifically what the terrain consists of is also challenging. The specific challenges include:

- Limiting construction activities and staging areas to non-sensitive habitats
- Planning for non-sensitive habitats to fall within existing District easements
- Crafting technical specifications to restrict and mitigate noise, vibration, working hours

We recommend the following be implemented as part of our Scope of Work:

- Habitat assessment and mapping
- Gnatcatcher survey (coastal sage scrub habitat)
- CEQA Initial Study/Mitigated Negative Declaration (IS/MND)
- Intentional sensitive habitat avoidance in the construction contract documents

Our in-house environmental team is currently working with the City of Chula Vista/HomeFed Corporation’s Otay Pipeline 2 Segment A6, where similar avoidance have been achieved through trenchless technologies. In fact, our environmental technical studies had direct influence on the design and construction methodology of the water transmission main to avoid and/or minimize impacts. Using this collaborative strategy, our approach

for the project will avoid the following regulatory permits:

- CDFW 1602 Permit
- USACE 401 Permit
- RWQCB 404 Permit

ii. Scope of Services and Deliverables

PHASE 100 – PROJECT MANAGEMENT AND INFORMATION COLLECTION PHASE SERVICES

Project Manager Jason Caprio, PE, PMP will be managing the Fiscal Year 2020/2021 District-Wide Water Main Upgrade Project from the Notice to Award until the submission of Record Drawings. Harris will work with the District and each subconsultant partner to lead the Project Kickoff Meeting immediately following the Notice to Proceed. In accordance with the proposed Project Design Schedule and Resource Allocation Matrix, we will perform the following steps in managing the project:

- Accurately execute the plan each week.
- Review and confirm responsibilities internally and amongst the whole team.
- Define necessary progress related to the Scope of Work.
- Allocate and meet labor hours committed to each task and subtask.
- Actively monitor and control labor, expenses, and progress on a weekly basis.

Related to the satisfaction of the terms and conditions of the Agreement, Harris will implement our “Harris Way to Quality” at each deliverable along the project delivery cycle.

Formal Deliverables: Project Design Schedule (as Baseline Schedule), Resource Allocation Matrix, Kickoff Meeting Agenda and Minutes, and Progress Meetings and Minutes (assumed bi-weekly).

Task 101 – Submittals

In addition to listed requirements for submittals from the RFP, Harris has identified the utility companies within the vicinity of the project (see Table 2) and has already reached out for consultation.

Formal Deliverables: Initial Consultation and Project Notification Letters, Additional Transmittals/Submittals/Letters, and Distribution of the 60%, and Final Design Drawings (90% Design Drawings will not be submitted to utility owners).

Task 102 – Estimates

There are seven (7) fairly well defined sites with specific improvements and unless warranted, replace-in-place appurtenances along the proposed alignments. Harris will breakout and breakdown each site for isolated quantities and the Bid Form or Bid Schedule should be detailed by location as well.

Formal Deliverables: Engineer’s Opinion of Probable Construction Cost (EOPCC), Matching Bid Form or Bid Schedule, and Computations to Substantiate Quantities (as necessary).

Task 103 – Utilities

Harris will build upon our work performed in *Task 101 – Submittals* as part of the initial consultation and utilizing the information received from utility owners (i.e., record drawings, as-builts, utility plats, etc.) to develop a detailed, comprehensive,

and accurate base map for each of the seven (7) sites (dovetailed with our topographic survey from *Task 109 – Surveying*). Following the completion of the base mapping, horizontal alignment will be selected for the District’s concurrence if there are opportunities in moving away from replace-in-place (i.e. DDW clearance violations, creative alternatives for parallel alignment like on “Thibodo” Line). Any utility issues of significance that may affect the selection of the horizontal and/or vertical alignment, will be potholed as described below in *Task 104 – Potholing*.

Formal Deliverables: None (formal deliverables containing this information will come in *Phase 200 – Design Phase Services*).

Task 104 – Potholing

Harris’ subconsultant, AirX Utility Surveyors, will be available to perform potholing activities as necessary and as requested following our detailed field visits and base mapping efforts. The challenges with potholing activities as written in the RFP is that a large amount of potholing is requested and, given the narrowness of the roadways, this will require significant man-hours for traffic flagging during traffic control operations as required by the County. Our subconsultant has identified an estimated thirty-six (36) potholing locations derived mostly from the length of the proposed alignments as follows:

- Via Monserate: 3
- Rice Canyon Road: 5
- Tecalote Drive: 3
- North River Road: 15
- Nella Lane: 3
- Rainbow Glen: 4
- “Thibodo” Line: 3

Following Task 101, Task 103, and during Task 200’s 60% design drawings milestone, Harris will arrange and coordinate a utility meeting with the District and the utility owners to discuss the horizontal and vertical alignments, potential conflicts, and ways to avoid such conflicts. If the design is such that certain conflicts are inevitable, we will collaboratively identify “must-have” potholing locations. Also, we will be selective during design, pull valve can lids and measure to the nut to estimate depth, and, as our Creative Alternatives section explains, let the awarded contractor be responsible for or share responsibilities for potholing necessities on the C900 PVC Water Main Upgrades since traffic control will be employed as part of the water main installations (to avoid paying twice!). With this tactic, we will also write specific language in our technical specifications to protect the District from construction change orders by requiring reasonable vertical adjustment inclusions (i.e. 12”± up or down) at all potential conflicts in the bid and by including line items for more significant adjustments. We recognize that potholing activities for CML&C steel water main will be more important, but Rice Canyon Road is fairly open and North River Road can be designed for replace-in-replace. Even Tecalote Drive as a new alignment may have to be completely opened up to install its new 8-inch diameter C900 PVC as more of a large plumbing project. All potholing activities will require County encroachment permits and traffic control plans. For purposes of this proposal, we have instead selected to include an allowance in lieu of the thirty-six (36) potholing locations. This allowance will be used in a way agreeable to AirX Utility Surveyors, Harris, and the District following our meeting with the utilities and discussions amongst the team.

Formal Deliverables: Subsurface Investigation and Potholing Report.

Table 2. Utility Companies within the Project Vicinity

Utility Owners	Via Monserate (Site 1)	Rice Canyon Road (Site 2)	Tecalote Drive (Site 3)	North River Road (Site 4)	Nella Lane (Site 5)	Rainbow Glen (Site 6)	“Thibodo” Line (Site 7)
Rainbow Municipal Water District	●	●	●	●	●	●	●
AT&T Transmission and Distribution	●	●	●	●	●	●	●
SDG&E Gas Facilities	●	●	●	●	●	●	●
Spectrum (Cable)	●	●	●				
UtiliQuest (Communications)	●		●	●		●	
Mediacom		●					
San Diego County Department of Public Works, Special Districts			●		●		
HP Communications				●	●		
MCI Verizon				●			
City of Oceanside				●			
Cox Communications					●		●
Metropolitan Water District						●	
Southern California Edison						●	
Vista Irrigation District							●
Vallecitos Water District							●

Task 105 – Environmental

Harris will further evaluate each individual site as it relates to the environmental work, but at the moment, only the “Thibodo” Water Main Upgrade will require jurisdictional delineation, biological resources survey, and cultural resources survey. The work will also require CEQA documentation and we are presuming a Mitigated Negative Declaration (MND) in accordance with the County of San Diego Guidelines for Determining Significance and Report Format and Content Requirements. As requested in the District’s RFP, Harris also believes there are additional studies and reports, such as Jurisdictional Delineation, Biological Resources Letter Report, Coastal California Gnatcatcher Letter Report, Archaeological Resources Management Report, Initial Study/Mitigated Negative Declaration (IS/MND), and Mitigation Monitoring and Reporting Program (MMRP).

Depending on the feasibility and agreeance by the District as it relates to the installation of the “Thibodo” water main beneath the active creek south of Little Gopher Canyon Road, the following permits may be required, but we are endeavoring in design to avoid these altogether (which is reflected in our fee):

- Section 401 Permit (RWQCB)
- Section 1602 Permit (CDFW)
- Section 404 Permit (USACE)

Task 106 – Meetings

As part of a key process for project management and administration, Harris will schedule, lead, attend, and participate in project meetings (project kick-off meeting defined in *Phase 100 – Project Management and Information Collection*) throughout the duration of the contract. Progress meetings at milestone deliverables (60%, and 90%) will be our featured face-to-face meetings with periodic ad hoc sessions for momentum and decision making. Jason will also prepare meeting agendas and distribute meeting minutes to attendees within three (3) business days.

Formal Deliverables: Meeting Agendas and Meeting Minutes.

Task 107 – Project Schedule

Please see the draft Project Design Schedule on page 17. Our solution to successfully delivering this project within 180 calendar days of Notice to Proceed will be our foundational Baseline Project Design Schedule, coupled with the Resource Allocation Matrix and executed accordingly.

Formal Deliverables: Project Design Schedule and Resource Allocation Matrix (submitted separately and as part of this Proposal).

Task 108 – Research of Record Information

Harris will blend a portion of *Task 101 – Submittals* and *Task 103 – Utilities* in its entirety, while overlaying these efforts alongside our subconsultant KDM Meridian (discussed below in *Task 109 – Surveying*) to comprehensively present base mapping and design drawings that, to the best of our ability, accurately and completely reflect that which exists in the field and the conditions in which a contractor will find this project.

Formal Deliverables: As-Requested Record Information of Value to the District (not previously provided as part of a separate task).

Task 109 – Surveying

KDM Meridian, Harris’ partner for surveying work activities, will perform research, obtain record maps, and other pertinent data from the County of San Diego and the District. Record centerline, easements, right-of-way (R/W) lines, and portions of property lines intersecting the R/W will be compiled and included in the base mapping files. KDM Meridian will establish horizontal and vertical control datum, control survey, and additional topographic field survey for each location, right-of-way to right-of-way.

1" = 40' aerial mapping (where utilized) with 1' contours will be completed and enhanced with additional topographic field survey, which will extend 200 feet beyond existing and future curb returns (appropriate limits considered as well). Cross sections will be provided where pertinent and appropriate for design.

Task 110 – Right-of-Way

As part of the work to be performed by KDM Meridian, we will review and incorporate any title reports provided by the District related to the “Thibodo” Line (Site 7). The other six (6) installations are within existing County or City rights-of-way.

Formal Deliverables: None.

Task 111 – Geotechnical/Geologic

Harris’ subconsultant SCST will perform geotechnical and geologic work, including an assessment of the corrosivity of the soil conditions at each of the seven (7) locations. In an effort to address the geotechnical considerations, SCST will complete the following tasks:

- Obtain USA Southern California mark-outs for exploratory borings
- Obtaining County of San Diego Encroachment Permits and Traffic Control Permits
- Drill one (1) 8-inch-diameter exploratory boring at:
 - Via Monserate
 - Tecalote Drive
 - Nella Lane
 - Rainbow Glen
 - “Thibodo” Line

- Drill two (2) 8-inch-diameter exploratory borings at:
 - Rice Canyon Road
 - North River Road
- Backfill the exploratory borings with rapid setting concrete
- Explore, note, and prepare Geotechnical Investigation and Report with Recommendations for Design

The subject Geotechnical Investigation and Report will then be submitted to RF Yeager Engineering for purposes of designing corrosion control and cathodic protection, while understanding the District would prefer to reduce and eliminate these features, if possible. There may be opportunities to coordinate potholing activities with geotechnical exploratory borings, including encroachment permits and traffic control challenges.

PHASE 200 – DESIGN PHASE SERVICES

Harris will design the Fiscal Year 2020/2021 District-Wide Water Main Upgrades Project to include front-end documents (provided by the District), design drawings/plans, traffic control plans, and technical specifications, including known planned appendices such as the subsurface utility locating and potholing report, and geotechnical information. We will develop our design and assess progress at the 60%, 90%, and final deliverable stages. Although requested in the RFP, we feel that a 30% design deliverable stage is unnecessary given the nature of the work, but are open to discussions around “Thibodo” Line (Site 7) if an alternative alignment is pursued. While all percent complete milestones may vary in definition, our intentions are as follows:

- 60% = base mapping, horizontal alignment, and vertical alignment (profiles).
- 90% = +utility crossings, details, incorporation of District comments, etc.
- Final = Issued For Bid (IFB).

The design will incorporate the District’s Standard Drawings and Standard Specifications, unless otherwise noted or requested.

The Project Design Drawings are anticipated to be as follows:

No.	Type	Scale
1	Title Sheet	--
1	General Notes and Requirements, Water Notes and Requirements	--
1	Via Monserate Plan and Profile Sheet	1" = 40'
3	Rice Canyon Road Plan and Profile Sheets	1" = 40'
1	Tecalote Drive Plan and Profile Sheets	1" = 40'
4	North River Road Plan and Profile Sheets	1" = 40'
1	Nella Lane Plan and Profile Sheet	1" = 40'
1	Rainbow Glen Plan and Profile Sheet	1" = 40'
2	“Thibodo” Line Plan and Profile Sheets	1" = 40'
2	Steel Piping Details	--
4	Miscellaneous Details	--
TOTAL OF 21 SHEETS		

Formal Deliverables: Opinion of Probable Construction Cost (OPCC), 60% Design Drawings with Technical Specifications Table of Contents, Design Calculations, 90% Design Drawings with Technical Specifications, and Final Construction Contract Documents (Issued for Bid).

Task 201 – Analysis

Harris will be considering and evaluating the following under the umbrella of “analysis”:

- Preliminary and creative alternative alignments
- Consideration of service life and extensions of service life
- Consideration of materials: Steel, PVC, Ductile Iron, HDPE
- Consideration of diameters and pressure classes
- Consideration of trenchless technology
- Consideration of operations and maintenance (O&M) and increased functionality
- Constructability

Formal Deliverables: Basis of Design Memorandum

Task 202 – Water Main Replacements

Please refer back to the 100s series of tasks (Tasks 101 – 111), *Phase 200 – Design Phase Services*, and *Task 201 – Analysis* for details. Harris will work in accordance with these listed requirements. The District-Wide Water Main Upgrades are as follows:

No.	Site	Description
1	Via Monserate	138 feet of 8-inch C900 PVC water main
2	Rice Canyon Road	2,160 feet of 8-inch CML&C water main
3	Tecalote Drive	200 feet of 8-inch C900 PVC water main
4	North River Road	2,600 feet of 10-inch CML&C water main
5	Nella Lane	670 feet of 8-inch C900 PVC water main
6	Rainbow Glen	739 feet of 12-inch C900 PVC water main
7	“Thibodo” Line	930 feet of 8-inch HDPE water main

Formal Deliverables: See other Phases and Tasks for deliverables.

Task 203 – Format Submission (Milestone Deliverables)

Please refer back to *Phase 100 – Project Management and Information Collection*, *Task 101 – Submittals*, *Phase 200 – Design Phase Services*, and *Task 201 – Analysis* for details. Harris will work in accordance with these listed requirements.

Formal Deliverables: See other Phases and Tasks for deliverables.

PHASE 300 – DESIGN SERVICES DURING CONSTRUCTION (DSDC)

Harris will assist the District and support the project during construction (during advertisement, solicitation, and bidding timeframes as well) as the construction activities commence and develop. We will be available, at the District’s request, for pre-bid conference and site visit/walk, pre-construction conference and site visit/walk, progress meetings, Requests for Information (RFIs, see *Task 301 – Questions During Construction*), contract change orders and claims support, progress pay estimates, submittal and shop drawing review, and other traditional engineering support services during construction.

Formal Deliverables: Pre-Bid Conference Agenda, Minutes, and Sign-In Sheet, Pre-Construction Conference Agenda, Minutes, and Sign-In Sheet, Addenda, and Other Documentation (as requested).

Task 301 – Questions during Construction

Harris will work with the contractor to provide clarity, context, and design intention when bringing the contractor “up to speed.” In the event that Harris recognizes that it is our sole responsibility to resolve an error or omission, we will endeavor to do so at no additional cost to the District.

Formal Deliverables: Responses to RFIs.

Task 302 – Preparation of As-Built Drawings

Following receipt of redlined drawings from the contractor and/or construction manager or inspector, Harris will produce record drawings for the District’s reference and record. We will incorporate RFIs, contractor change orders, submittals/shop drawings, and other pertinent documentation that can be properly drawn to reflect a true “as-built”.

Formal Deliverables: Record Drawings (full-size mylar).

Task 303 – Owner of Original Drawings, Documents, and Other Information

Please refer back to each individual phase and task for details. Harris will work in accordance with these listed requirements.

Formal Deliverables: Thumb Drive.

iii. Unique Qualifications

Harris’ **multi-disciplined team** is comprised of public works engineering leaders — water main, design-build, trenchless, and environmental specialists who possess decades of experience within San Diego County and remain abreast of industry best practices and water regulations. Yet what truly differentiates this Harris team is our passionate commitment to advancing your mission and protecting your interests. This is demonstrated through Jason Caprio’s proactive approach to developing solutions for your seven project sites. His leadership will benefit your project with:

Cost-Effective Design. Our design-build partnerships and regional work experience in the local water and sewer markets offer the District a unique perspective, a comprehensive design philosophy, and a tendency towards cost-driven solutions versus easier engineering solutions. We have learned what to define, what to look for, what to be flexible with, and how to avoid construction change orders.

Constructability Solutions. Harris offers a thorough constructability review during the QA/QC process. Harris’ construction management team will identify potential construction challenges and offer practical constructability comments that lead to reduced change orders, improved buildability, and best long-term value.



IDENTIFICATION OF PRIME CONSULTANT

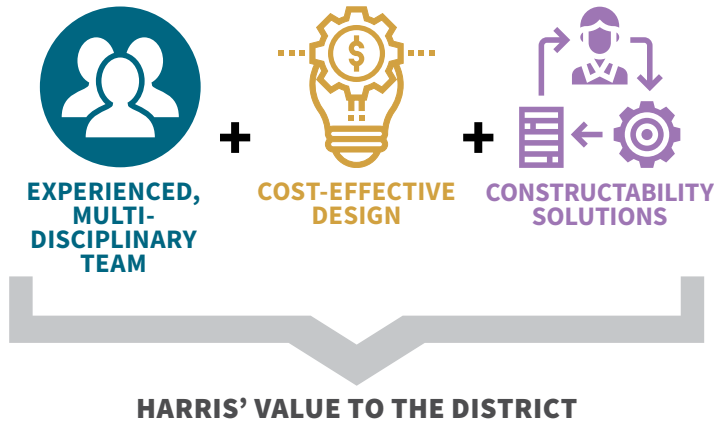
i. Legal Name and Address:	Harris & Associates, Inc. 600 B Street, Suite 2000, San Diego, CA 92101
ii. Legal Form of Company:	California S Corporation
iii. Parent Company:	None
iv. Contact Person for Response Submittal:	Jason Caprio, PE, PMP Project Manager 600 B Street, Suite 2000, San Diego, CA 92101 661.319.9251 Jason.Caprio@weareharris.com
v. Number of Staff and Discipline/Job Title of Staff:	Project Manager50 Civil Engineer21 CADD Technician11 Technician/Analyst31 Environmental Engineer6 Construction Manager31 Construction Inspector19 Computer Programmer2 Risk Assessor1 Administrative58 Total Staff 230



Firm Profile

Harris has served public agencies in San Diego County for more than 25 years. We have developed a robust program of services that includes engineering, strategic advisory, public finance, environmental, and program and construction management services.

Harris has performed successful engineering services for public agencies throughout California, including San Diego, Vista, National City, Del Mar, and San Marcos. As a 100% employee-owned firm, our staff is personally vested in the success of your project. Outstanding people join Harris and stay because we nurture their talents and invest in their growth. The return is a team who is passionate about their work, has strong working relationships, and delivers high quality work products.



IDENTIFICATION OF SUBCONSULTANTS

i. Legal Name and Address	ii. Contact Person	iii. Number of Staff and Discipline/Job Title of Staff
RF Yeager Engineering, Inc. 1016 Broadway, Suite A El Cajon, CA 92021	Richard Yeager, Jr, PE President 1016 Broadway, Suite A, El Cajon, CA 92021 619.312.0195	Administrative..... 1 CADD Technician..... 1 Civil Engineer 1 Corrosion Engineer 1 Total Staff 4
SCST, LLC, an Atlas Company 6280 Riverdale Street San Diego, CA 92120	Andrew Neuhaus, PG, CEG Senior Geologist 6280 Riverdale Street, San Diego, CA 92120 619.280.4321	Geotechnical Engineer 2 Geologist 5 Civil Engineer 10 Technicians..... 31 Construction Inspectors 57 Environmental Engineers..... 6 Other..... 81 Total Staff 192
KDM Meridian 22541 Aspan St., Suite C Lake Forest, CA 92630	Michael Simon, PLS Director of Marketing 22541 Aspan St., Suite C, Lake Forest, CA 92630 949.768.0731	Project Manager..... 3 Project Surveyor 4 Survey Technician..... 5 Clerical/Administrative 3 Total Staff 15
AirX Utility Surveyors, Inc. 2534 E. El Norte Parkway, Suite C Escondido, CA 92027	Gail McMorrان President 2534 E. El Norte Pkwy, Suite C, Escondido, CA 92027 760.480.2347	Principal 2 General Manager..... 1 Operations Manager 1 Project Manager..... 3 Utility Locator 20 Potholing Laborer..... 18 Drafter..... 6 Permit Processor 1 Administrative..... 7 Estimator..... 3 Total Staff 62

Replacing Subconsultants

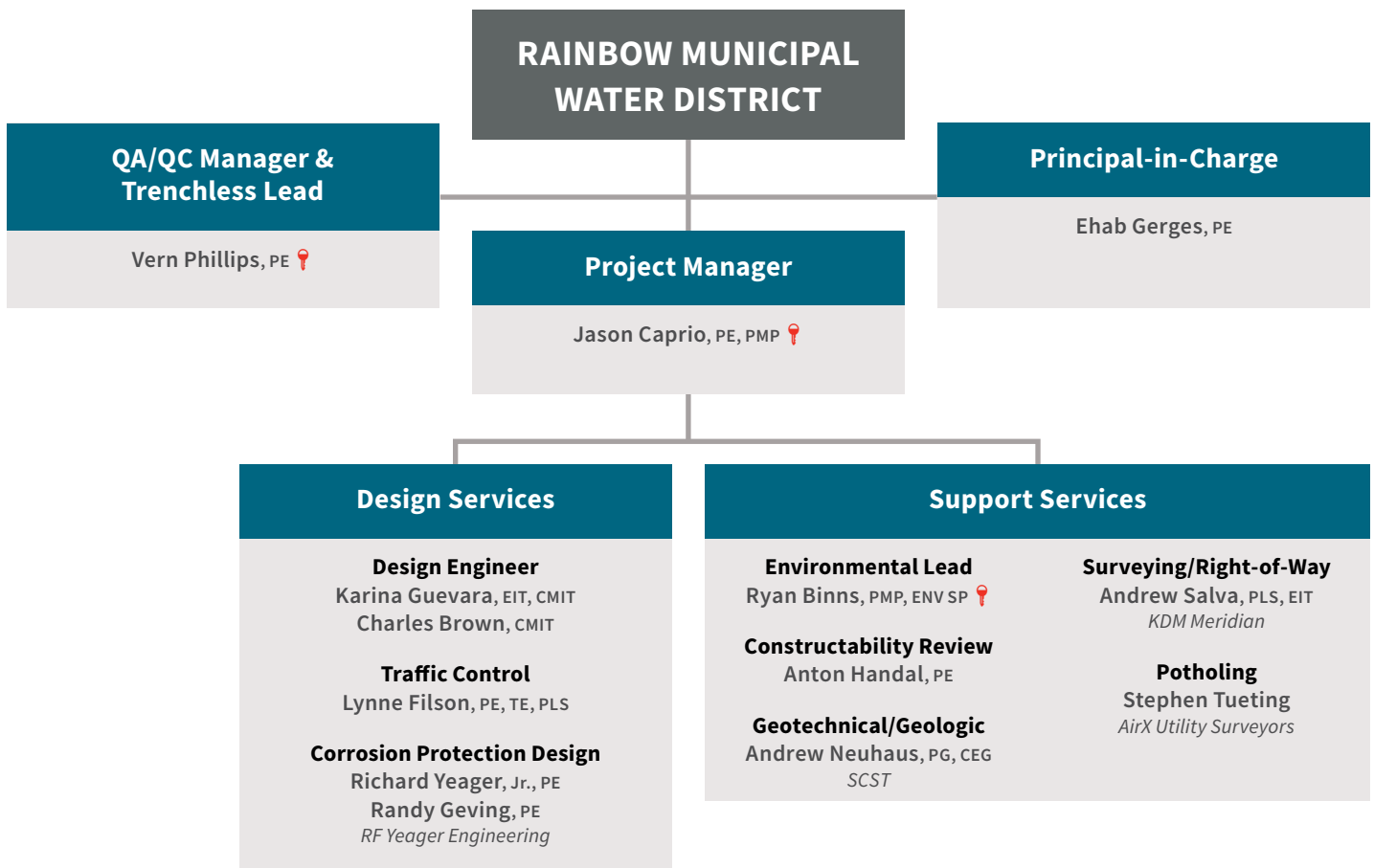
Harris acknowledges and understands that no subconsultant provided in this proposal can be substituted without written permission from the District prior to the substitution.



PROJECT ORGANIZATION AND EXPERIENCE OF THE PROJECT TEAM

i. Project Organization

The FY20/21 District-wide Water Main Upgrade Project will be led by Project Manager Jason Caprio and supported by our core team of project engineers. Our team includes subconsultants who will perform specialty services and pre-design investigations, and internal resources for design, quality control, and environmental compliance. Resumes of our proposed team members are included in the Appendix.



Key Personnel

RESPONSIBILITIES OF KEY PERSONNEL

Key Personnel	Role	Responsibilities
Jason Caprio, PE, PMP	Project Manager	Responsible for overall project delivery, schedule control, and client satisfaction, and serves as the primary point of contact.
Vern Phillips, PE	QA/QC Manager & Trenchless Lead	Responsible for trenchless analysis and design, and overall QA/QC and contract compliance.
Ryan Binns, PMP, ENV SP	Environmental Lead	Responsible for environmental compliance and support.

ii. Project Manager

Project Manager **Jason Caprio** has nearly 15 years of experience performing engineering design, construction, and project management and administration of water and sewer public works projects. His ability to align the designer’s mindset with the contractor’s methodology for delivering the project will benefit your project with practical and cost-effective solutions. His experience with design and construction of capital infrastructure projects for water districts, sanitation districts, small and large cities, and private water purveyors gives him the ability to “zoom out” and assess your program as a whole and its overall impact. Your project will also benefit from Jason’s organized and disciplined approach to managing projects. This is demonstrated through his Project Management Professional certification and the tools he has in place to monitor and control scope, budget, schedule, and quality.



COLLABORATIVE TEAM EXPERIENCE

The following table describes the experience that Jason and our proposed personnel have working on past projects as a team.

Client/Project	Little	Good	Excellent
City of San Diego, 16-inch and Larger Cast Iron Water Main and Sewer Replacement	→		
City of San Diego, AC Water and Sewer Group 1024 Encanto Neighborhood	→		
City of San Diego, Catalina Cast Iron Water Mains and Sewer Mains	→		
City of San Diego, Meadow Lark Drive/Health Center Drive Water Main Replacement	→		
City of San Diego, AC Water Group 1010 and 1005	→		
City of San Diego, Water Group Job 921 (Encanto) and Pressure Reducing Station	→		
City of Glendale, Cañada Boulevard Water Main Rehabilitation	→		
City of San Diego, La Jolla Country Club Pump Station and Reservoir Replacement	→		
City of National City, Paradise Valley Creek Water Quality and Community Enhancement Project	→		
City of El Cajon, Broadway Earthen Channel Repairs Project Phase 1	→		
City of Coronado, Rotary Plaza	→		
City of Chula Vista, G Street Force Main	→		
City of Del Mar, Group 1 Sewer Design	→		
Port of San Diego, Lockheed Martin Marine Terminal Demolition and Offshore Remediation Project	→		

iii. Project Management Approach

Harris' approach to project management is based on the Project Management Institute's PMBOK® Guide and Standards. We have tailored our methodology to address your project's constraints (scope, schedule, cost, quality, resources, and risk) based on our understanding of District priorities, RFP requirements, the nature of the project and its environment, and stakeholder needs. This places emphasis on fully understanding project requirements, considering needs of stakeholders, establishing clear communication between Harris and the District, managing our team's resources, and balancing competing priorities to achieve your overall objective: improve aging infrastructure to sustain reliable operations for current customers and future growth.

WORK LOCATION

Project Manager Jason Caprio and the majority of our proposed engineering and environmental planning and compliance staff will provide services to the District directly from our local office in downtown San Diego. Our trenchless lead Vern Phillips and traffic control lead Lynne Filson are based out of our corporate headquarters in Concord, CA, and make routine visits for clients and projects all over the state of California.

RESPONSIBILITIES FOR COORDINATION WITH THE DISTRICT

As your partner, we strive to serve as an extension of your staff. In fact, staff augmentation is a service Harris provides to various agencies throughout the State and in San Diego County. This experience provides great insight into the complexities of delivering public infrastructure projects and the challenges agency staff encounter. District staff's time is valuable and you can trust that our team will take complete ownership of the project to unburden your resources. We communicate early and often, but after initial developments and core decision making are complete, we take over the leadership role and move the project forward. Project Manager Jason Caprio will lead the Harris team to meet the project's objectives and District's expectations.

LINES OF COMMUNICATION TO MAINTAIN DESIGN ON SCHEDULE

The District will benefit from clear lines of communication within the Harris team structure. As your project Manager, Jason Caprio will serve as the District's single point-of-contact. Following a Notice of Award and coordinating with the District, Jason will organize, plan, attend, and participate in the Project Kick-Off Meeting, alongside our subconsultants for surveying, potholing, geotechnical, and corrosion contacts. Jason will be in regular contact with you to confirm that Harris delivers services in line with your expectations and our proposed six-month design schedule. Initially and depending on the District's preferences, the communication with Jason will be on a biweekly basis so that the initial startup is smooth and decisions on the most critical items can be made; including obtaining supporting data needs from the District. Throughout the project, he will keep District staff apprised of our team's progress, findings of the subconsultants, creative ideas, and critical thought process. This will help the District understand immediate and anticipated challenges, and make sure our work is developed in collaboration with your staff. For example,

we see the need to collaborate closely on the "Thibodo" Water Main Upgrade, because the existing alignment intersects a creek and various permitting activities may be required depending on design and installation procedures. Our in-house regulatory permitting team will guide the design process based on coordination with regulatory agencies and Jason will present the pros and cons to the District, including those critical to maintaining the 6-month design schedule.

Principal-in-Charge Ehab Gerges will provide an additional layer of leadership to confirm that you are receiving dedicated resources throughout the entire project and your experience with the Harris team is as expected.

Jason will develop a Critical Path Schedule (CPS) to identify potential tasks that may impact the project schedule. The CPS will drive the communication plan so project decisions are made on a timely basis and the District is informed on the project status. Our approach to communication is to provide meaningful updates that are concise and specific to:

- WHY you are receiving this communication
- WHAT the communication is about
- HOW the Harris team intends to address the item
- WHEN the item must be addressed

We believe in effective communication and encourage face-to-face discussions when appropriate.

Communication with stakeholders can be approached in a similar manner but with less technical content. Jason and the Harris team are available to attend District Board Meetings and community outreach meetings to assist District staff with public outreach.

SCOPE MANAGEMENT

Defining the Scope of Work in a way that identifies individual task activities that must be accomplished to satisfy the District's objectives is a critical first step in understanding the project's Scope Baseline. Without a proper baseline understanding of the work required to deliver the project, managing the Scope of Work will be difficult and frustrating. A clear and agreed upon understanding of what we are to do and what we are not to do is a fundamental element of Scope Management and will represent of true north for moving forward.

Upon receipt of the Notice to Proceed (NTP), Jason will have delineated resources that fully understand the Scope of Work. Due diligence will start with a well-run kickoff meeting with District staff, Harris staff, and subconsultant partners to collectively review the project and our understanding of the work to be performed. Jason will work with the District's Project Manager (Michael Powers) to verify that potential areas of concern are discussed with stakeholder departments, permitting agencies, outside utility agencies, and other governmental agencies such as the County of San Diego and Caltrans. Once the kickoff meeting has occurred and common ground has been reached, Jason will confirm with all team members that the project goals and objectives are clearly understood. Establishing a clear definition of the project in agreeable terms helps Harris deliver the project properly and meet or exceed the District's expectations.

Development of a Work Breakdown Structure

Following the clear understanding of the project itself, the next and equally critical step is developing a Work Breakdown Structure (WBS). This means:

- Delineating the different manageable work tasks.
- Identifying the project's phases, resultant milestone, and contract deliverables.
- Identifying the task activities required to be performed in order to produce the milestones and deliverables
- Determining the associated number of hours for accomplishing each work task activity.

SCHEDULE MANAGEMENT

Harris uses different scheduling platforms and can set up the design schedule based on the District Project Manager's preferences. For this Proposal, we set up the six-month design schedule using Microsoft Project, but we are skilled at developing WBS and Critical Path Schedule (CPS) using both Microsoft Project and Primavera P6.

Schedule

We have developed a detailed and RFP-compliant project design schedule included on page 17. Project milestones are identified and compared to our labor hour requirements for each task activity (resource allocation matrix) to confirm the appropriateness of the developed schedule to avoid any logistical challenges associated with successful project delivery. Included in the schedule are critical path items with the potential to delay the project. These critical path items include regulatory permits that we may encounter on the "Thibodo" pipeline and the Caltrans Encroachment Permit at SR-76 for the North River Road site.

COST MANAGEMENT

Harris utilizes Deltek Vision as its primary accounting software and dashboards for strong cost management. On a weekly basis, Jason Caprio will review any and all labor hours that were recognized as billed, confirm the phase and task were appropriately billed, confirm the labor hours were consistent with weekly assignments for supporting the project, and confirm all of those were consistent with the Baseline Plans. For purposes of this Proposal (assuming the Scope of Work and Schedule remains unchanged), Cost Management will largely be an important responsibility internal to Harris.

QUALITY ASSURANCE/QUALITY CONTROL (QA/QC)

The Harris approach to quality goes above incorporating quality into planning and design. As an organization, we have developed a culture where all employee-owners are aware of and committed to quality in our processes and deliverables. We utilize a comprehensive in-house QA/QC program modeled after the U.S. Navy's Quality Control Program. Core attributes of Harris' QA/QC approach for your project includes:

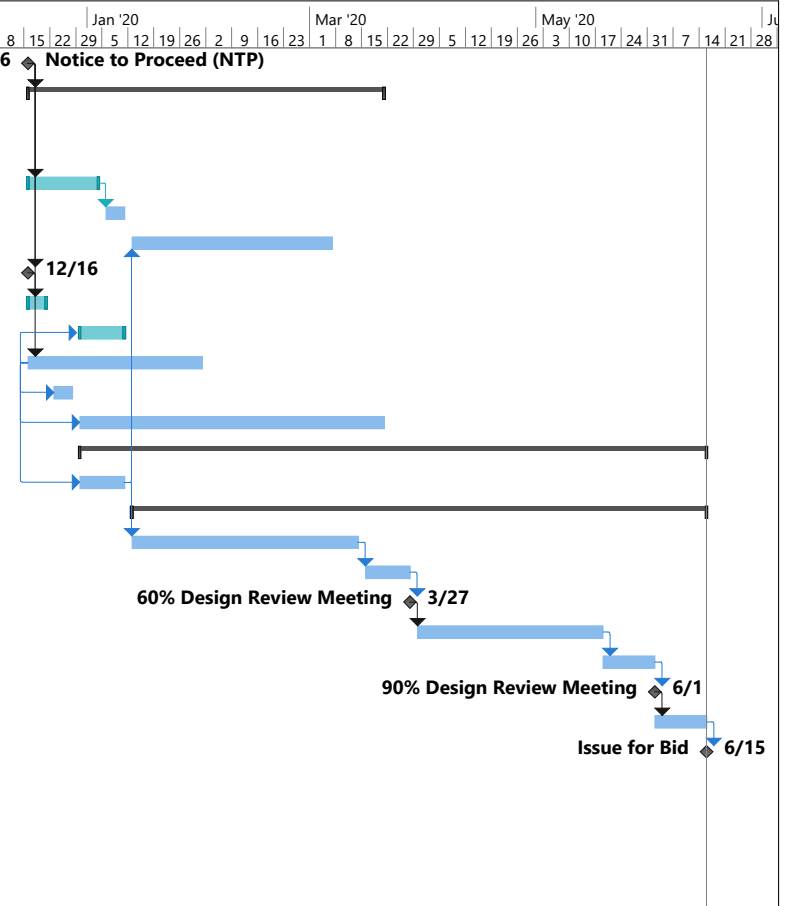
- **Continuous and Detailed Reviews.** We strive to understand, evaluate, define, and manage requirements to meet District expectations. QA/QC is a continuous process from start to finish. QA/QC Manager Vern Phillips will provide an objective review of our work in an effort to produce a higher quality deliverable. All reviews will be documented and the documentation will be included in the project files. The project is reviewed to verify that it meets its established technical goals and the District's needs and that the design is appropriate, constructible, and operable.
- **Early Planning and Prevention.** We develop a very detailed project scope, broken into phases, which lists all of the required tasks in their anticipated chronological order. This not only serves as a guide for the project team, it also communicates to the District all of the project expectations, and is tied to the project schedule. The more specific they are the better, right down to details that will be included on every deliverable.
- **Management and Accountability.** Success requires the participation of all members of the team. As your Project Manager, Jason Caprio will be responsible for confirming the activities and resources necessary for the Harris team to achieve the quality objectives set for your project. All Harris projects go through an independent quality assurance audit commissioned by our executive leadership team and carried out by Harris' Quality Committee.
- **Quality Control.** QA/QC Manager Vern Phillips will be responsible for reviewing all of our team's deliverables prior to each design submittal to the District. These reviews conform to our formal QA/QC program using forms, check lists, procedures and minimum standards for all work.

iv – v. Proposed Schedule and Capacity to Perform the Work

Our proposed schedule to complete the design of this project is included on the following page. Harris 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.

PROJECT DESIGN SCHEDULE

ID	Task Name	Duration	Start	Finish
1	Notice to Proceed (NTP)	0 days	Mon 12/16/19	Mon 12/16/19
2	Task 100 Project Management and Information Collection	70 days	Mon 12/16/19	Fri 3/20/20
3	Task 101 Submittals (Included in Task 202 as part of the design)	0 days	Mon 1/13/20	Mon 1/13/20
4	Task 102 Estimates (Included in Task 202 as part of design)	0 days	Mon 1/13/20	Mon 1/13/20
5	Task 103 Utilities	15 days	Mon 12/16/19	Fri 1/3/20
6	Task 104 Potholing	5 days	Mon 1/6/20	Fri 1/10/20
7	Task 105 Environmental	40 days	Mon 1/13/20	Fri 3/6/20
8	Task 106 Meetings - Kickoff (see Task 202 for design meetings)	0 days	Mon 12/16/19	Mon 12/16/19
9	Task 107 Project Schedule	5 days	Mon 12/16/19	Fri 12/20/19
10	Task 108 Research of Record Information	10 days	Mon 12/30/19	Fri 1/10/20
11	Task 109 Surveying	35 days	Mon 12/16/19	Fri 1/31/20
12	Task 110 Right-of-Way	5 days	Mon 12/23/19	Fri 12/27/19
13	Task 111 Geotechnical/Geologic	60 days	Mon 12/30/19	Fri 3/20/20
14	Task 200 Design	121 days	Mon 12/30/19	Mon 6/15/20
15	Task 201 Analysis	10 days	Mon 12/30/19	Fri 1/10/20
16	Task 202 Format Submission	111 days	Mon 1/13/20	Mon 6/15/20
17	60% Design Deliverable	45 days	Mon 1/13/20	Fri 3/13/20
18	RMWD Review	10 days	Mon 3/16/20	Fri 3/27/20
19	60% Design Review Meeting	0 days	Fri 3/27/20	Fri 3/27/20
20	90% Design Deliverable	36 days	Mon 3/30/20	Mon 5/18/20
21	RMWD Review	10 days	Tue 5/19/20	Mon 6/1/20
22	90% Design Review Meeting	0 days	Mon 6/1/20	Mon 6/1/20
23	100% PSE	10 days	Tue 6/2/20	Mon 6/15/20
24	Issue for Bid	0 days	Mon 6/15/20	Mon 6/15/20
25	Task 300 Design Services During Construction (DSDC)			
26	Task 301 Questions During Construction			
27	Task 302 Preparation of As-Built Drawings			
28	Task 303 Owner of Original Drawings, Documents, and Other Information			



Project: Project Design Schedule Date: Tue 10/22/19	Task		Inactive Task		Manual Summary Rollup		External Milestone	
	Split		Inactive Milestone		Manual Summary		Deadline	
	Milestone		Inactive Summary		Start-only		Progress	
	Summary		Manual Task		Finish-only		Manual Progress	
	Project Summary		Duration-only		External Tasks			

STATEMENT OF QUALIFICATIONS

Team Qualifications

The following table provides an overview of the qualifications and proposed duties of our staff. Harris understands that should one or more of our proposed staff become unavailable, we may substitute other staff of at least equal competence only after prior written approval by the District.

Team Member	Proposed Duties	Years of Experience	Project Management & Administration	Utility Coordination & Base Mapping	Hydraulics & Potable Water Conveyance Systems	Pipeline Repair/Rehabilitation Method Selection	Water Main Design	PS&E	CEQA Documentation/Compliance	Material Take-Offs/Cost Estimation	Traffic Control Plans	Subsurface Utility Location/Potholing	Surveying/Right-of-Way	Geotechnical/Geologic	Corrosion/Cathodic Protection
Jason Caprio Project Manager	Responsible for overall project delivery, schedule control, and client satisfaction, and serves as the primary point of contact.	14	●	●	●	●	●	●	●	●					
Vern Phillips QA/QC Manager & Trenchless Lead	Responsible for trenchless analysis and design, and overall QA/QC and contract compliance.	40	●	●	●	●	●	●	●	●					
Ryan Binns Environmental Lead	Responsible for environmental documentation and compliance support.	18	●						●						
Karina Guevara Design Engineer	Responsible for production of construction contract documents.	7	●	●	●		●	●	●	●					
Charles Brown Design Engineer	Responsible for production of construction contract documents.	40	●	●	●		●	●		●					
Lynne Filson Traffic Control	Responsible for traffic control plans.	25	●	●				●		●	●				
Anton Handal Constructability Review	Responsible for constructability review of plans and specifications.	42	●	●	●	●	●	●		●	●	●			●
Ehab Gerges Principal-in-Charge	Responsible for high-level client communication and resource allocation commitment.	25	●	●	●	●	●	●		●					
Richard Yeager Corrosion Protection	Responsible for corrosion control and cathodic protection.	22	●												●
Randy Geving Corrosion Protection	Responsible for corrosion control and cathodic protection.	31	●												●
Andrew Neuhaus Geotechnical/Geologic	Responsible for geotechnical investigation, assessment, and related design.	16	●											●	
Andrew Salva Surveying/Right-of-Way	Responsible for surveying, rights-of-way, and legal descriptions (if necessary).	13	●										●		
Stephen Tueting Potholing	Responsible for subsurface utility location and physical potholing.	28	●									●			

Harris & Associates' Recent Similar Projects



AC WATER AND SEWER GROUP 1024 (ENCANTO NEIGHBORHOOD) City of San Diego/Orion Construction

This design-build project consists of design and construction of “new alignment,” replace-in-place, and abandonment of existing water and sewer mains at **three locations** throughout the City of San Diego. For the water improvements, more than 27,000 LF of water main consisting of existing 4-, 6-, 8-, and 12-inch diameter asbestos cement (AC) water mains was designed for replacement with **8- and 12-inch diameter polyvinyl chloride (PVC) water mains**. For the sewer improvements, the work included approximately 4,200 LF of sewer main; more than 2,200 LF of existing 6-inch vitrified clay pipe (VCP) and 560 LF of existing 8-inch VCP was replaced with 8-inch diameter PVC sewer mains. Nearly 1,400 LF of new 8-inch diameter sewer main was designed in order to re-plumb residential sewer flow towards and into public right-of-way. The work also includes a nearly 25-foot deep, 20-inch diameter jack and bore (**trenchless**) installation within a very busy, large intersection and beneath a dual-cell concrete channel (County of San Diego) and Metropolitan Transit System (MTS) multi-track railroad.

The scope of work included accelerated schedules (design-build), geotechnical investigations, potholing, coordination with utilities, coordination with the Division of Drinking Water, coordination with MTS, public and community outreach, butterfly and gate isolation valves, combination air vacuum/air release valves, blow-off assemblies, water services, sewer laterals, sewer manholes, construction support services, and record drawings.

SCHEDULE AND BUDGET PERFORMANCE

The project was completed within budget and faster than initially scheduled.

Design Fee: \$678,000

Design Schedule: 16 months

REFERENCE

Jason Danks, Operations Manager, Orion Construction
2185 La Miranda Drive, Vista, CA 92081
760.597.9660



16-INCH AND LARGER CAST IRON WATER MAIN AND SEWER REPLACEMENT GROUP A City of San Diego/Orion Construction

This design-build project consists of the design and construction of “new alignment,” replace-in-place, and abandonment of existing water and sewer mains at **six locations** throughout the City of San Diego. For the water improvements, there were more than 600 LF of “new alignment” 12-inch diameter PVC water main, 125 LF of “new alignment” 36-inch diameter cement mortar-lined and tape-and mortar-coated (CML&TCMC) water main, nearly 6,000 LF of existing 8-, 10-, 12-, 16-, and 18-inch diameter cast iron (CI) and AC water mains to be replaced with **new PVC water main**, and nearly 700 LF of existing water main to be abandoned-in-place (by slurry cement fill). For the sewer improvements, the work included the replacement-in-place and cured-in-place (liner-type) of more than 1,300 LF of existing 6-, 8-, 12-, and 15-inch concrete pipe (CP) and VCP sewer mains at the same or similar depths with new PVC sewer pipeline.

The work also included accelerated schedules (design-build), topographic survey, geotechnical investigations, potholing, coordination with utilities, coordination with the Division of Drinking Water, coordination with Caltrans and MTS, public and community outreach, pavement condition assessment, butterfly and gate isolation valves, combination air vacuum/air release valves, blow-off assemblies, water services, deep sewer manholes with CIPP, construction support services, and record drawings.

SCHEDULE AND BUDGET PERFORMANCE

The project was completed on time and within budget.

Design Fee: \$338,000

Design Schedule: 9 months

REFERENCE

Jason Danks, Operations Manager, Orion Construction
2185 La Miranda Drive, Vista, CA 92081
760.597.9660



CATALINA CAST IRON WATER MAINS AND SEWER MAINS City of San Diego/Orion Construction

The water portion of this design-build project consists of installing 8,700 LF of 24-inch CML&C pipe, 10,160 LF of 16-inch PVC, and 250 LF of 16-inch CML&C water transmission pipe which replaces 4-, 6- and 12-inch cast iron pipe. The sewer portion of the project consists of replacing 18,000 LF of sewer main with 8- and 10-inch PVC pipe, relocating approximately 500 LF of sewer main from easement to right-of-way with 8-inch PVC pipe, relining approximately 900 LF with CIPP, and installing over 60 sewer re-plumbs.

Overflow from the Catalina Standpipe will be directed to a new 18-inch reinforced concrete pipe main (1,330 LF) that will connect to the existing storm drain system. This project involves coordination with the San Diego Unified Port District for installation of a three-inch fiber-optic conduit (7,000 LF).

Sewers located in backyards were relocated to within the street right-of-way for ease of maintenance. The existing easements will be vacated after the sewers have been moved. To facilitate the reconnection of laterals, a unique exhibit was developed for each lot to show the point of connection to the existing lateral and the path of the new lateral that included proximity to existing utilities. The Orion/Harris team conducted site visits to each affected homeowner to determine the new sewer alignment, reviewed the unique exhibit for their property, and addressed their concerns.

SCHEDULE AND BUDGET PERFORMANCE

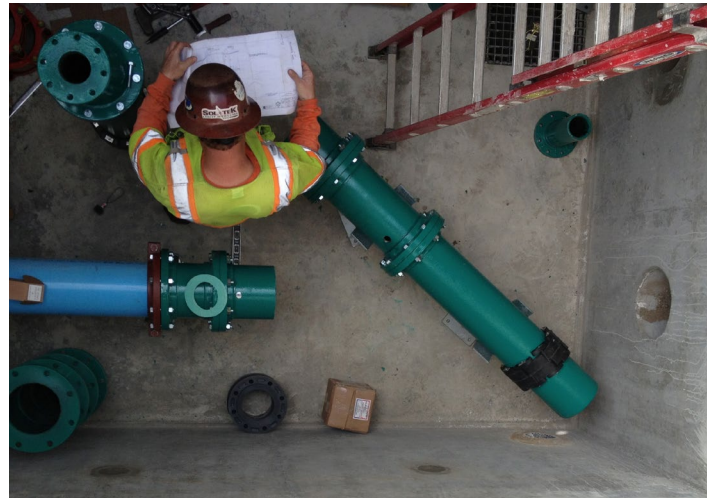
Design challenges extended the design period, but the project was delivered within budget.

Design Fee: \$760,475

Design Schedule: 14 months

REFERENCE

Jason Danks, Operations Manager, Orion Construction
2185 La Miranda Drive, Vista, CA 92081
760.597.9660



WATER GROUP JOB 921 (ENCANTO) AND PRESSURE REDUCING STATION (PRS) City of San Diego/Orion Construction

Harris' design included approximately 1.12 miles of **upsized and upgraded PVC pipelines** to replace 6- to 8-inch-diameter asbestos cement water mains and 6- to 12-inch-diameter cast iron water mains. Challenges included design within a **heavily congested utility corridor** along Imperial Avenue with improvements adjacent to and within the Metropolitan Transit System right-of-way.

The work included road resurfacing, ADA ramp improvements, cut and plug plans, highlining of water services, site restoration, relocation of an existing PRS, and a phased interconnection to 36-inch-diameter regional transmission supply lines across three pressure zones. A carefully phased cut and plug plan and transmission line draining plan were coordinated with water operations to avoid service disruptions.

Harris designed **phased traffic control plans**, including alternate lane flagging to accommodate a meandering alignment along Woodman, which carries up to 9,000 trips per day, and to maintain at least one lane in each direction on Imperial Avenue, which carries traffic volumes of 29,000 trips per day. The alignment and traffic approach developed in the proposal phase was ultimately constructed, **making this project an example of doing things right the first time**. Additionally, Harris quickly responded to address City-initiated changes that expanded the work to include contractor highlining, additional valve replacements, and ramp replacements.

SCHEDULE AND BUDGET PERFORMANCE

The project was completed on time and within budget.

Design Fee: \$202,685

Design Schedule: 7 months

REFERENCE

Jason Danks, Operations Manager, Orion Construction
2185 La Miranda Drive, Vista, CA 92081
760.597.9660



**MEADOW LARK DRIVE/HEALTH CENTER DRIVE
WATER MAIN REPLACEMENT
City of San Diego/Orion Construction**

This design-build project replaces and partially realigns approximately 9,300 LF of existing 18- and 20-inch cast-iron Cabrillo Palisades Pipeline with **new 12- and 16-inch PVC water main and appurtenances**. The project also will abandon approximately 3,400 LF of pipeline. The project includes pavement replacement and ADA ramp improvements. Harris designed a parallel water main along Health Center Drive to allow for uninterrupted water service to nearby hospitals. Design along Linda Vista Road required the team to take the water main alignment and traverse across a private business and jack-and-bore under SR-163. The **jack-and-bore** under SR-163 involved **encroachment permit** coordination and evaluations with Caltrans District 11. **This alternative method provided a substantial cost savings to the City.**

SCHEDULE AND BUDGET PERFORMANCE

The project was completed on time and within budget.

Design Fee: \$288,880

Design Schedule: 10 months

REFERENCE

Jericho Gallardo, Project Manager
525 B Street, Suite 750, MS 908A, San Diego, CA 92101
619.533.7523

**AC WATER GROUP 1010 AND 1005
City of San Diego/Orion Construction**

This design-build project involved replacing approximately 7,900 LF of **8-inch AC water mains** (1005), and approximately 8,300 LF of **8-inch AC water mains** (1010).

AC Water Group 1005 is located in Point Loma and straddles the Catalina 462 and Point Loma 260 Pressure Zones. AC Water Group 1010 is located in La Jolla within the Soledad Muirlands 725 Pressure Zone. The project included water appurtenances, pavement improvements, and ADA ramp replacement and upgrades.

Project challenges on AC Water Group 1005 were the narrow alleys for waterline placement and construction. With 15-foot alleys, the **10-foot water/sewer separation requirement** by the Department of Health Services was met by increasing the PVC pipe class from Pressure Class 235 to Pressure Class 305. Furthermore, the City required that the higher pressure class pipe be installed from gate valve to gate valve, resulting in full coverage.

Water/sewer separation issues also occurred on Water Group 1010 due to the straight sewer and meandering waterlines that followed the street alignments. This issue was similarly solved with the use of higher pressure class PVC pipe.

SCHEDULE AND BUDGET PERFORMANCE

The project was completed on time and within budget.

Design Fee: \$251,000

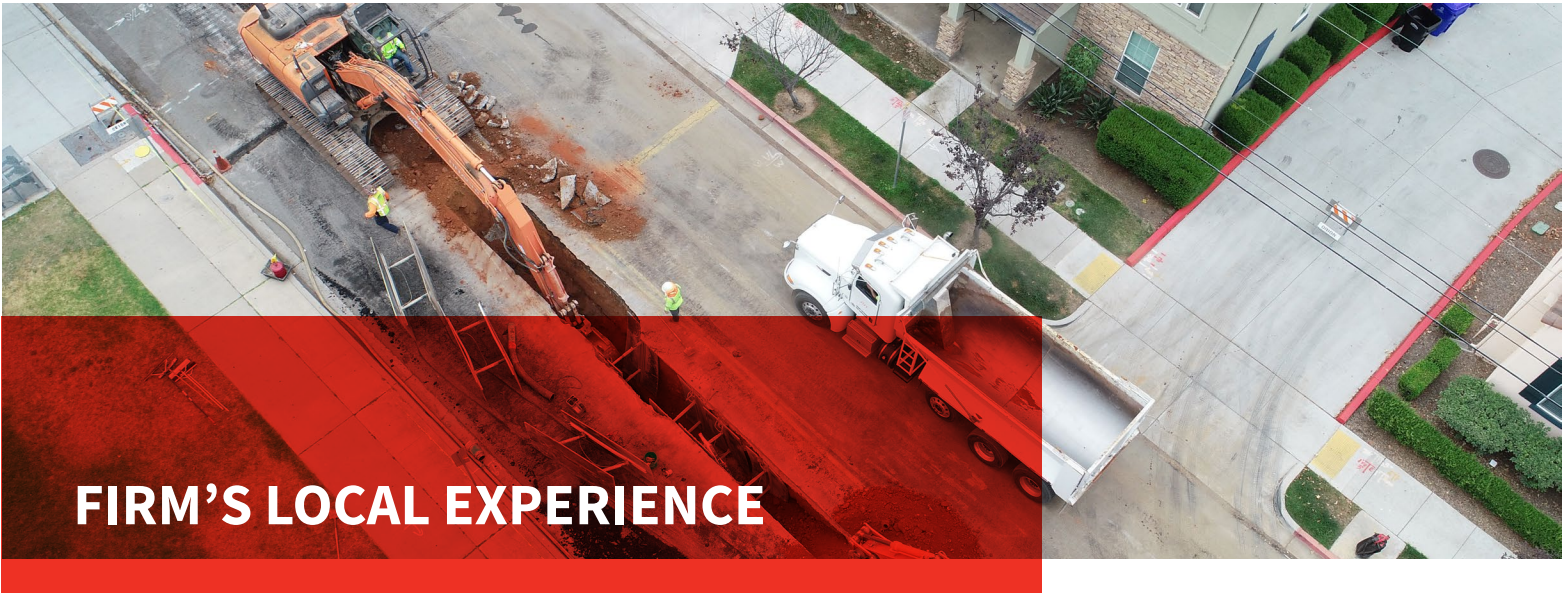
Design Schedule: 9 months

REFERENCE

Jason Danks, Operations Manager, Orion Construction
2185 La Miranda Drive, Vista, CA 92081
760.597.9660

RESOURCE ALLOCATION MATRIX

TEAM	HARRIS & ASSOCIATES							SUBCONSULTANTS									TOTALS	
	Project Director	Project Manager	Trenchless Lead, QA/QC Manager	Traffic Engineer	Constructability Review	Environmental Support(s)	Design (s) Engineer	AirX Utility Surveyors		KDM Meridian		SCST			R.F. Yeager Engineering			
	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	Project Manager	Field Technician	Survey Technician	Field Crew (2-Person)	Senior Project Manager	Project Professional	Staff Professional	Senior Project Manager	Administrative Assistant		Senior CADD Technician
TASK, PHASE, DESCRIPTION																		
Task 100 - Project Management and Information Collection																		
100.a		26	4															
100.b	2	2	2				2	2										
100.c		8																
100.d			16					8										
SUBTOTAL HOURS																		
	2	36	22	0	0	2	10	0	0	0	0	0	0	0	0	0	0	72
Task 101 - Submittals [of Preliminary Design Drawings]																		
101.a		8						8										
101.c		8						8										
101.d		4						4										
SUBTOTAL HOURS																		
	0	20	0	0	0	0	20	0	0	0	0	0	0	0	0	0	0	40
Task 102 - Estimates																		
102.a		8	8	8	8	8	8											
SUBTOTAL HOURS																		
	0	8	8	8	8	8	8	0	0	0	0	0	0	0	0	0	0	32
Task 103 - Utilities																		
103.a		4						32										
103.b		2						8										
103.c		6						8										
SUBTOTAL HOURS																		
	0	12	0	0	0	0	48	0	0	0	0	0	0	0	0	0	0	60
Task 104 - Potholing																		
104.a		8						4	98	98								
SUBTOTAL HOURS																		
	0	8	0	0	0	0	4	98	98	0	0	0	0	0	0	0	0	208
Task 105 - Environmental																		
105.a						10												
105.b						42												
105.c						45												
105.d						18												
105.e						112												
SUBTOTAL HOURS																		
	0	0	0	0	0	227	0	0	0	0	0	0	0	0	0	0	0	227
Task 106 - Meetings [Mandatory]																		
106.a																		
106.b			4	4	4	4	4											
106.c		4	2	2	2	2	2											
106.d		4	2	2	2	2	2											
106.e		4	2	2	2	2	2											
SUBTOTAL HOURS																		
	0	12	8	8	8	8	12	0	0	0	0	0	0	0	0	0	0	44
Task 107 - Project Schedule																		
107.a		4																
107.b		8																
SUBTOTAL HOURS																		
	0	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12
Task 108 - Research of Record Information																		
108.a																		
108.b																		
108.c		4																
SUBTOTAL HOURS																		
	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Task 109 - Surveying																		
109.a		4						8		24	24							
109.b																		
SUBTOTAL HOURS																		
	0	4	0	0	0	0	8	0	0	24	24	0	0	0	0	0	0	60
Task 110 - Right-of-Way																		
110.a																		
110.b																		
SUBTOTAL HOURS																		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Task 111 - Geotechnical/Geologic																		
111.a		4	2					4				30	28	76	34	2		
111.b		4	2					4							120	56	36	
SUBTOTAL HOURS																		
	0	8	4	0	0	0	8	0	0	0	0	30	28	76	120	56	36	402
Task 200 - Design																		
200.a.1																		
200.a.2	4	16	24	24	16	2	80											
200.a.3	4	16	16	16	16		80											
200.a.4		16	8	8			60											
200.b	4	8	4	4	8		16											
200.c	4	8	4	12			24											
SUBTOTAL HOURS																		
	16	64	56	60	40	2	260	0	0	0	0	0	0	0	0	0	0	498
Task 201 - Analysis																		
201.a		12	4				8											
201.b		8	4				16											
201.c		4	6															
201.d		8	12			4	4											
SUBTOTAL HOURS																		
	0	32	26	0	0	4	28	0	0	0	0	0	0	0	0	0	0	90
Task 202 - Water Main Replacements																		
202.a																		
SUBTOTAL HOURS																		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Task 203 - Format Submission [of Deliverables]																		
203.a		4					4											
203.b																		
203.c		2					4											
SUBTOTAL HOURS																		
	0	6	0	0	0	0	8	0	0	0	0	0	0	0	0	0	0	14
Task 301 - Questions During Construction																		
301.a		16	4			2	16											
301.b		16	4			2	8											
SUBTOTAL HOURS																		
	0	32	8	0	0	4	24	0	0	0	0	0	0	0	0	0	0	68
Task 302 - Preparation of As-Built Drawings																		
302.a		16	4				48							6				
302.b		2					4							8	8	2		
SUBTOTAL HOURS																		
	0	16	6	0	0	0	52	0	0	0	0	0	0	14	8	2	0	98
HOURS PER POSITION																		
	18	274	138	76	40	243	490	98	98	24	24	30	28	76	168	66	38	1,929



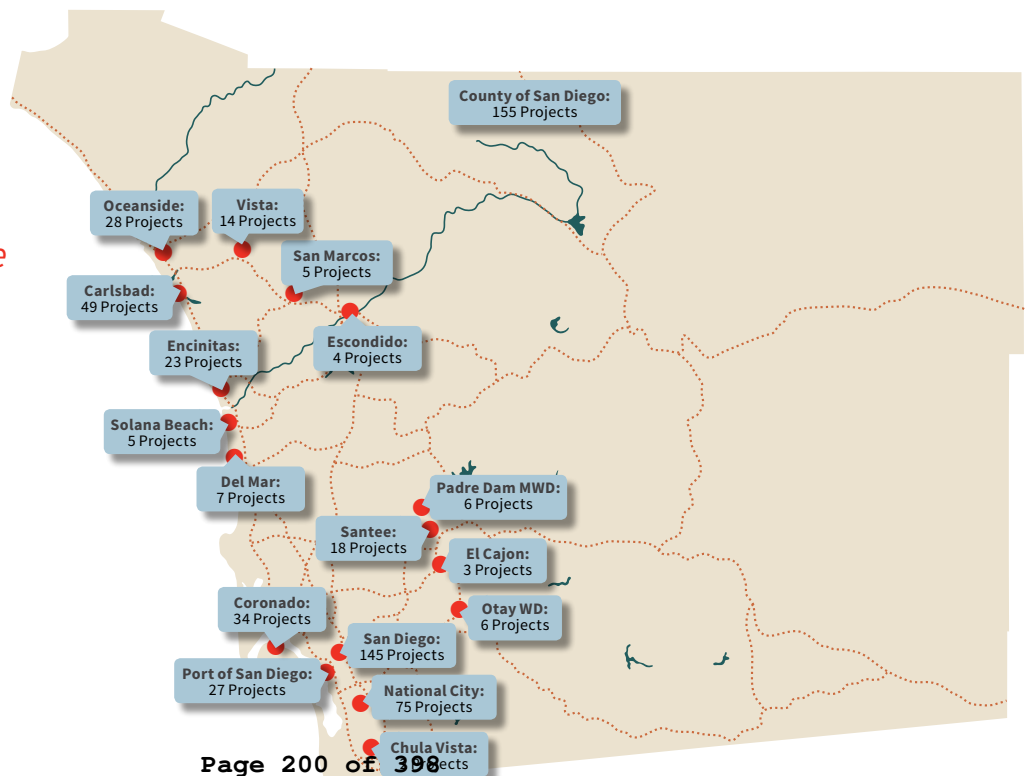
FIRM'S LOCAL EXPERIENCE

Harris is equipped with seasoned professional engineers who understand how water systems are planned, designed, operated, and maintained. Our Pipeline Design Checklist covers the following elements:

- Pipeline hydraulics
- Alignment geometry
- Material selection
- Shell sizing for internal pressure scenarios
- Minimum thicknesses
- Trench geometry
- Earth-loading analysis
- Buckling analysis
- Backfill material requirements
- Joint design
- Stability analysis for slopes
- Air release and vacuum relief design
- Blow-off sizing for drainage
- Ventilation criteria for vaults
- Test and permanent bulkhead calculations
- Outlet reinforcement calculations
- Pipe support design
- Appurtenance analysis and design

It is this very thorough, systematic approach to design that affords our team the knowledge and understanding on each component of concern for a deeper understanding of water system design.

The Harris team brings a wealth of local experience and knowledge to the FY20/21 District-wide Water Main Upgrade Project



CREATIVE ALTERNATIVES

Alternative Solutions to Meet Project Objectives

REDUCE LENGTH OF “THIBODO” WATER MAIN UPGRADE BY 125 FEET; CONNECT SOUTH OF CREEK

Based on the as-built drawings provided by the District for the “Thibodo” Water Main Upgrade, Harris recommends reducing the length of the alignment by approximately 125 LF. The “Thibodo” Water Line Repair As-Built Drawing C-1 indicates that in early 2000, a sizable segment of the water main was replaced with 8-inch diameter ductile iron pipe from Little Gopher Canyon Road south to approximately 50 linear feet beyond the top of the southerly creek embankment. Unless there are current failures and/or deficiencies with this previous installation, we would leave this untouched and propose our northerly connection point for the “Thibodo” Water Main Upgrade be at this transition (i.e., ductile iron to steel) instead. **Harris would expect the 20-year-old installation to have a few more decades of service-life remaining** and that replacing this would be an unwise use of time and money. Additionally, **this would eliminate trenchless technology beneath the active creek and remove the possibility of the 401, 404, and 1602 regulatory permits.**

POTHOLING ACTIVITIES AS THE CONTRACTOR’S RESPONSIBILITY (EXCEPT WITH CML&C STEEL PIPE)

For subsurface utility investigation and physical potholing work, we understand the importance of locating exactly where existing utilities are and what the contractor will expect. However, we don’t want to overdo it in the name of perfection. For this project, collaborating with the District on potholing for Rice Canyon Road and North River Road makes sense (i.e., CML&C requires shop fabrication and special fittings), but for the other locations, there is flexibility in utilizing C900 PVC water main. For example, our subconsultant Air-X Utility Surveyors estimated 40 potholes, all of which require traffic control and flagging given the narrowness and lack of visibility on Rice Canyon Road, North River Road, Rainbow Glen Road, and Little Gopher Canyon Road. If the District agrees that potholing can be a responsibility of the contractor during construction as part of the Construction Contract Documents, the traffic control will already be in place and potholing activities can be more selective, **which will save tens of thousands of dollars in up-front engineering costs.**

PARALLEL ALIGNMENT DESIGN OVER REPLACE-IN-PLACE

The project locations that would benefit from parallel alignment include the following:

- Rice Canyon Road
- North River Road
- Rainbow Glen
- “Thibodo” Line

When designing and installing water main replacements, offsetting the trench walls by three feet to avoid lack of stability and adjacent soil caving conditions. **Parallel alignment eliminates highlining requirements, difficult operational shutdowns, and allows the contractor to begin immediately** (field production is increased dramatically with this approach). A “less desirable” construction aspect with parallel alignment is hop-scotching over the existing water services, but with so few to deal with (i.e., large properties, limited number of service connections), it remains a very opportunistic approach to increase linear footage production and decrease construction costs. Via Monserate and Nella Lane should remain replace-in-place and Tecalote Drive is a new alignment completely.

ISOLATING THE “THIBODO” WATER MAIN UPGRADE AS SEPARATE BID PACKAGE

The “Thibodo” Water Main Upgrade is unique to the other water main upgrades. “Thibodo” deals with private properties, narrow 20-foot-wide easements, trenchless means and methods, an active creek crossing, potential regulatory agencies and permitting, different “market” of contractors (will likely be performed by a subcontractor), different technical specifications, and other variables that may or may not impact cost and schedule. For these reasons, our approach could be to design everything concurrently as if we were bidding all seven locations, and simply separate the drawings, technical specifications, and Bid Form/Schedule for **ample flexibility and strengthening the competitive bidding climate.**

ADDITIONS OR EXCEPTIONS TO THE DISTRICT'S REQUEST FOR PROPOSAL

Suggested Changes to the District's Professional Services Agreement

Harris has reviewed the District's professional services agreement and our suggested changes are included below for consideration and discussion.

6. INDEMNIFICATION, HOLD HARMLESS AND DEFENSE.

Paragraph 6.1

- Please delete "sole" because any exception to sole negligence can be onerous.

Paragraph 6.3

- Please delete "of every kind" because the phrase can be construed to mean absolutely without any exceptions.
- Please add at the end of the first sentence: "to the extent such claims, suit, actions or other legal proceedings are caused by the negligence, recklessness or willful misconduct of CONSULTANT". This will help with the insurability of such defense costs tied to our negligence.
- Please change the last sentence to "Defense counsel shall be reasonably acceptable to the District". Our insurance policies include a provision that reserves the right of our insurer to select and approve our counsel, including the counsel's hourly rates.

Paragraph 6.4

- Please add at the end of the first sentence: "to the extent caused by the negligence, recklessness or willful misconduct of CONSULTANT as determined by the court". If we are being obligated to pay and satisfy any judgment rendered against any of the indemnified parties, such payments should be to the extent caused by our negligence as determined by the court.

7. LAWS, REGULATIONS AND PERMITS.

Paragraph 7.1

- Please change "law" and "laws" to "applicable law" and "applicable laws". We can only comply with laws that apply to our profession or to our services.

9. INSURANCE.

9.1 INSURANCE COVERAGE AND LIMITS.

- At the end of the first paragraph, please add "except for Professional Liability". Professional Liability insurance is usually written on a per-claim basis. The District's requirement for Professional Liability within this section is on a per-claim basis.

9.8 LIABILITY OF CONSULTANT.

- We are proposing the addition of Section 9.8 that reads as follows:
"9.8 LIABILITY OF CONSULTANT. To the extent permitted by law, CONSULTANT's total aggregate liability arising out of or relating to this Agreement shall not exceed \$1,000,000 or the total compensation received by CONSULTANT under this Agreement, whichever is greater."

14. TERMINATION OF AGREEMENT.

- We are proposing the addition of Paragraph 14.5 that reads as follows:
"14.5 CONSULTANT may terminate this Agreement with ten (10) days prior written notice should the DISTRICT fail to perform in accordance with its terms through no fault of the party initiating the termination. The DISTRICT shall pay CONSULTANT for all services performed in accordance with this Agreement up to and including the effective date of termination."

APPENDIX: RESUMES

Jason Caprio, PE, PMP

PROJECT MANAGER

Jason has over 14 years of experience performing engineering design, construction, and project management and administration of sewer, water, storm drain, and roadway/grading infrastructure projects. His primary experience lies with design and construction of capital infrastructure projects for water districts, sanitation districts, small and large cities, and private water purveyors.

Jason's attention to detail and proactive approach will confirm that designs, construction documents, and schedules meet District standards. He will provide the District with a wealth of knowledge of alternative solutions that reduce impacts to the community, mitigate utility and other conflicts, and deliver a quality design that maximizes funding.

RELEVANT EXPERIENCE

- **City of San Diego/Orion Construction, AC Water and Sewer Group 1024.** Project Manager. Jason is responsible for managing and executing the engineering design of the project, including coordination with the client, financial and cost control, and delegation of work with staff. The \$15.5 million design-build project includes design and replacement of approximately 27,000 LF of **4-, 6-, 8-, and 12-inch diameter AC water pipeline** and replacement of approximately 4,100 linear feet of 6- and 8-inch diameter VC sewer main.
- **City of San Diego/Orion Construction, 16-inch and Larger Cast Iron Water Main and Sewer Replacement Group A.** Project Manager. Jason is responsible for managing and executing the engineering design of the project, including coordination with the client, financial and cost control, and delegation of work with staff. The \$6.4 million design-build project includes design and replacement of approximately 6,800 LF of **8-, 10-, 12-, 16-, and 18-inch diameter cast iron (CI) and asbestos cement (AC) water pipeline** and replacement of approximately 1,400 LF of 6-, 8-, 12-, and 15-inch diameter concrete pipe (CP) and vitrified clay (VC) sewer main.
- **City of San Diego, Otay 2nd Pipeline Phase I.** Project Manager/Project Engineer. Jason was responsible for managing and executing the engineering design of the project, including coordination with the client, financial and cost control, and delegation of work with staff and subconsultants. The project included **48-inch cement mortar-lined and -coated steel pipeline** and appurtenances design, hydraulic calculations, technical specifications, and an engineer's opinion of probable construction cost.
- **City of San Diego/Ortiz Corporation, AC Water and Sewer Group Job 1001.** Project Manager/Project Engineer. Jason was responsible for the managing and executing the engineering design of the project, including coordination with the client, financial and cost control, and delegation of work with staff and subconsultants. The project included the design of several miles of **replace-in-place water and sewer pipelines**, technical specifications, and an engineer's opinion of probable construction cost.
- **East Niles Community Services District, Morning Drive Pipeline System Expansion.** Project Engineer. Jason was responsible for the engineering design, bid, and construction support services. The project allowed for additional development and incorporated previously struggling smaller water communities. The project included design of new **16-inch PVC water pipeline, pressure reducing stations, service connections, and related appurtenances.**
- **Lakeside Union School District, Water Supply.** Project Engineer. Jason was responsible for the engineering design for this project, which allowed the campus to convert groundwater supply wells to exclusively irrigation and to provide potable water demand via a new water pipeline. The project included design of new **14-inch PVC water pipeline, jack and bore crossing of feeder canals, system configuration and conversions, service connections, and related appurtenances.**
- **City of San Diego, Below-Grade Investigation and Sewer Lateral Replumb Design.** Project Manager/Project Engineer. Jason was responsible for the planning and design phases of the City



EDUCATION

BS, Civil Engineering

REGISTRATION

Professional Civil Engineer, CA #74783

CERTIFICATIONS

Project Management Institute, Project Management Professional

National Association of Sewer Service Companies (NASSCO), Pipeline Assessment Certification Program (PACP)

NASSCO, Manhole Assessment and Certification Program (MACP)

NASSCO, Lateral Assessment and Certification Program (LACP)

Sewer and Water Group Job 701 in the Midtown and Mission Hills neighborhoods. The project included planning, community outreach, below-grade investigations, and design of **new water mains**, sewer pipelines, and gravity and pump system sewer laterals within **public and private rights-of-way**.

- **City of National City, Paradise Creek Sewer Main.** Project Manager. Jason is managing the design of an 8-inch sewer line along Paradise Creek, from West 19th Street to West 22nd Street. The first section of the sewer line is approximately 365 LF and will be rehabilitated by slip-lining. The second section is approximately 980 feet in length and will be a new sewer main from the existing manhole at Paradise Creek to 22nd Street.
- **City of Del Mar, Group 1 Sewer Design.** Project Manager. Jason managed the design services for the Group 1 Sewer projects, as identified in prioritized Citywide CCTV program. This \$2 million project involved preparing PS&E of prioritized citywide sewer infrastructure identified with recent CCTV sewer inspection and assessment work also performed by Harris. Design included open-cut replacement of 5,200 LF of 6- and 8-inch defective sewer main pipelines; **trenchless rehabilitation** of 2,300 LF of sewer main; points repairs of four sewers; rehabilitation of 205 LF of 6-inch water main, numerous sewer manholes, and sewer lateral connections; and decommissioning of a sewer lift station. Implemented phasing plan to minimize public impacts during summer months. He was responsible for engineering and design support during construction, including scope development with the City, locating affected utilities, utility coordination with owners' representatives, site visits, private property owner outreach, and utilization of in-house construction managers.
- **City of Del Mar, Emergency Sewer Improvements.** Project Manager/Project Engineer. Engineering and design for emergency sewer improvements, including the Santa Fe Avenue Sewer Forcemain Piping and Vault Modifications project and the Alleyway at 28th Street and Coast Boulevard at 22nd Street Sewer Improvements project. Jason's responsibilities included coordination with subsurface utility locating and CCTV subconsultant firms, emergency-level scope development and prioritization with the City, utility coordination with owners' representatives, site visits, and coordination with the on-call contractor (hybrid design-build approach). Project included planning, below-grade investigations, sewer forcemain piping modifications, sewer bypass planning, concrete vault modifications and improvements, design of new sewer mains (various diameters), and rehabilitation of sewer mains and manholes.
- **City of San Diego, Evans Pond Reclaimed Water Retrofit Project.** Project Manager and Project Engineer. Responsible for the engineering design for the project, which reconfigured the means of supplying a City of San Diego water feature with reclaimed water in lieu of potable water. The project included hydraulic calculations, storm event calculations and reporting, design of new 2.5-inch PVC recycled water pipeline, abandonment of storm drain infrastructure, and related appurtenances.
- **City of Tehachapi, Downtown Sewer Trunk Main Phase II Design.** Project Engineer. Responsible for the engineering design, bid, and construction support services for the Downtown Improvements Project. The project included design of new sewer mains, manholes, connections to existing system, and new storm drain improvements.
- **City of Tehachapi, Tucker Road Sewer Lift Station.** Project Engineer. Responsible for the engineering design, bid, and construction support services for the Tucker Road Sewer Lift Station, an associated project related to development of the Love's Travel Store and adjacent properties. The Project included design of gravity sewer mains, force mains, wet well caisson, submersible pumping system, and connection to existing sewer system.

Vern Phillips, PE

QA/QC MANAGER & TRENCHLESS LEAD

Vern has 40 years of experience in providing civil design for public agencies' improvement projects. He has extensive pipeline and pump station experience for potable and reclaimed water forcemains, sewer and storm drain facilities, saltwater, and dredging pipelines. Vern is a nationally recognized expert in trenchless technology for pipe construction and experienced in the usage of all pipe materials, from plastic pipe to welded steel pipe to ductile iron pipe. He takes an active role in advancing the practice of trenchless technology through regularly publishing technical papers, speaking at professional forums, and participating in numerous professional associations. He has been responsible for creating design solutions for more than 100 trenchless projects, helping his clients save money and mitigate challenges during both design and construction. He developed the first specifications for cured-in-place pipe (CIPP) lining, microtunneling, and pipe bursting as a member of the APWA Greenbook Committee in 1998.

RELEVANT EXPERIENCE

- **City of Huntington Beach, Slip-Lining 42-Inch Water Transmission Main.** Trenchless Technology Expert. Vern's extensive experience in **trenchless technology** was used to analyze 3,500 LF of 42-inch **steel water transmission main** that experienced frequent leaks. Vern prepared plans, specifications, and cost estimates for the \$1.2 million repair. The 50-year-old steel pipe had repeatedly required expensive repairs/maintenance and disrupted adjacent neighborhoods. A hydraulic analysis showed a 30-inch-diameter DIP pipe would be sufficient to supply the required flow rate. Restrained joint ductile iron pipe with cathodic protection was selected.
- **City of Santa Rosa, Bonavita Heights Water and Sewer Infrastructure.** Project Director. This project included replacement of **potable water pipe** (7,000 LF) and collection system sewer pipe (10,000 LF) in a hilly, 60-year-old subdivision. **Pipe bursting** technology was performed on some sewers next to the public cemetery and in difficult backyard alignments. The water and sewer construction were staged to minimize the impacts to the residents. The sewer construction started first since it was deepest and was pipe burst or removed and replaced in the same alignment. Service interruptions were minimized by having strict limits and monetary penalties on the time the contractor could have the sewer laterals out of service. The water pipeline was constructed in a new alignment so residents had minimal water service interruptions.
- **City of Concord, Downtown Water, Sewer, Storm Drain, and Streetscape Improvements.** Project Director. The \$6.2 million project involved rehabilitation of the City's aging downtown infrastructure and improvements to sidewalks and medians. To minimize construction costs and impacts, trenchless technology was used extensively. The project included replacement of 3,000 feet of 8- and 12-inch water pipe, pipe bursting or replacement of 18,000 feet of 6- to 18-inch sanitary sewer pipe, and upgrade of streetscape elements in roadways affected by construction. The Harris team proposed the use of pipe bursting to rehabilitate sewer mains that were good candidates for this method. **This saved the City as much as \$200,000 in construction costs while greatly minimizing construction impacts to the community.**
- **City of Carson City, Silver Saddle Reclaimed Waterline.** Project Manager. The \$1.5 million project consisted of 10,000 feet of 12- to 16-inch **PVC pressure pipe that transported the water** to the designated wetlands area. The pipeline began with a new pressure-reducing valve station at the 16-inch-diameter connection point to the City's major reclaimed water trunk lines. The pipeline crossed busy SR 513, requiring close coordination with the Nevada DOT. Crossing a major irrigation canal at the south end of the alignment required **trenchless** bore and jacking operations under the canal to deliver the water at the wetlands. A **routing analysis and pipe material analysis** was performed as part of the Basis of Design Report to find the most economical alignment and pipe material. Vern determined that using joint-restrained PVC was the best pipe material, **saving thousands of dollars** by avoiding the need for cathodic protection in the harsh, acidic soil. The route along Carson River Road was determined to be the best option, because it avoided impacting



EDUCATION

BS, Civil Engineering

REGISTRATION

Professional Civil Engineer, CA
#33439

PUBLICATIONS

"Good Practices in Trenchless Design and Construction Inspection," *Trenchless Technology Magazine*

"Trenchless Pipeline Point Repair Techniques," WESTT Annual Conference Proceedings

an environmentally sensitive area with stringent permitting and regulatory requirements and stayed in the public right of way. It was also the most direct route of the two alternatives considered, which saved considerable costs in construction.

- **City of Concord, Downtown Point Repair and Holbrook Creek/Grant Street Sanitary Sewer Replacement.** Project Director. This fast-track project rehabilitated seriously deficient sewer pipelines in very sensitive downtown and creek environments. These repairs were urgent since CCTV videos showed multiple pipe segments missing, along with voids created in soil above the pipe which could have caused street collapse if not immediately addressed. The main challenge was to repair the deteriorated pipelines but avoid impacts to traffic and pedestrians in the downtown business district. Vern evaluated different methods for doing the repairs on the 6- to 12-inch diameter sewer including robotically installed mechanical inserts, CIPP spot repairs using felt and fiberglass liner, and open cut replacement. **Vern proposed to repair the pipelines using trenchless point repair techniques, which not only avoided the impacts, but saved the City approximately \$20,000.** These projects used CIPP lining for spot repair and full pipeline rehabilitation for six areas in the downtown plaza area and two other areas near Holbrook Creek at Grant Avenue.
- **North Tahoe Public Utility District, Brook Avenue Sewer.** Project Manager. This project included installation of approximately 1,700 LF of new 8-inch sewer line. The project abandoned a sewer in an easement which was difficult to maintain, so all the service laterals needed to be redirected to the pipeline in the street right-of-way. This was a challenge to maintain adequate slope for functionality of the sewer. Also, crossing SR-28 required close coordination with Caltrans. Vern made presentations to the District's Board of Directors to demonstrate how pipe bursting would minimize impacts to the neighborhoods and save costs. **Pipe bursting saved \$32,500 of construction costs over conventional open-cut construction.**
- **Ross Valley Sanitary District, FY 2014 Group A and B Gravity Sewer Rehabilitation.** Project Director and QA/QC. The District was under a strict cease-and-desist order from the Regional Water Quality Control Board and need to finish construction on over 16,000 feet of deficient sewers by December 15, 2014. Harris mobilized two teams to do field work and design and accelerate the production of plans and specifications for the sewer pipelines and successfully met the deadline. The \$3.5 million project included rehabilitation of 6-, 8-, and 10-inch gravity sewer segments by pipe bursting, CIPP and open cut construction. Projects sites were in difficult easement areas with sensitive riparian and Native American habitat constraints. Traffic control was critically important on major arterials including Sir Francis Drake Boulevard.
- **City of Albany, 2012 Sewer Rehabilitation.** Project Director. This project included replacement and rehabilitation of approximately 12,000 LF of 6- to 8-inch diameter sanitary sewer mains, including manholes and lower laterals in two separate locations, Hillcrest Avenue and Albany Hill. Methods included pipe bursting technology, horizontal direction drilling (HDD), pilot tube guided auger boring, and conventional open trenching. The Hillcrest Avenue alignment involved threading a new sewer through a narrow, non-linear easement to avoid building foundations and homeowner facilities. HDD was used extensively to avoid trenching in backyards. The Albany Hill sewers included rerouting existing backyard pipelines to public easements. **HDD and pipe bursting was used to minimize homeowner impacts and save construction costs.** The costs to abandon a mid-block sewer that ran under homes and apartment buildings and reroute it in the public right-of-way proved to be too expensive for the City's budget. Vern devised a method and an alignment that replaced the deteriorated sewer and made it more accessible for maintenance while keeping the construction costs within budget.
- **Veolia Water North America/City of Richmond, 2011 Sewer Lining.** Project Director. Near the end of 2012, Veolia and the City had a \$2 million budget to rehabilitate as much of the most seriously distressed pipeline in the City as possible, before the onset of winter rains. Working collaboratively with the Harris team, a fast-track delivery method was devised which accelerated the design and bidding and got construction underway early. By getting the analysis and design packages completed, and getting firm bids for various standard bid items, Harris was able to start on construction with initial packages while analysis and design of the succeeding packages was underway. This method saved as much as three months, allowing more pipelines to be rehabilitated before the rainy season started. Vern was in charge of the preliminary study and alternatives analysis, technical quality control, and oversight of all deliverables including project plans, specifications, construction cost and schedule. Trenchless technology was used extensively on this project. By specifying cured-in-place liners, the City saved at least \$50/foot on what open-cut construction would have cost. **The total savings for the 16,000 feet rehabilitated was \$800,000. In addition, construction impacts to residents and vehicles were greatly reduced.**

Ryan Binns, PMP, ENV SP

ENVIRONMENTAL LEAD

Ryan has more than 18 years of experience managing environmental projects and on-call contracts. He has experience in all aspects of project management from preparing and reviewing technical reports and environmental assessment documentation, to budget and schedule compliance and invoicing. Ryan is well-versed in managing diverse teams of specialists for complex projects, including a mix of both in-house and subconsultant staff, to prepare CEQA and NEPA documentation and supporting technical reports. He has worked with numerous federal, state, and local agencies including the California Coastal Commission, California Department of Fish and Wildlife, Native American organizations, Regional Water Quality Control Boards, US Army Corps of Engineers, and US Fish and Wildlife Service. With a solid background in environmental analysis and documentation, Ryan brings a balanced perspective to both public and private projects.



EDUCATION

MA, International Environmental Policy
BS, Zoology

RELEVANT EXPERIENCE

- **Otay Water District/Otay Land Company, Chula Vista Otay Pipeline 2 Segment A6 Replacement.** Project Manager. Segment A6 of Otay Pipeline 2 is currently a 40-inch pipe and is proposed to be replaced with an increased diameter 54-inch pipe. The design and construction methodology for the pipeline replacement is still in development by the designer. Ryan and his team are preparing environmental documentation including an Air Quality and Greenhouse Gas (GHG) Emissions Report, draft and final biological and cultural technical reports, an Initial Study/Mitigated Negative Declaration (IS/MND), and a Mitigation Monitoring and Reporting Program (MMRP). The work also includes conducting a jurisdictional delineation, and biological and cultural surveys; coordinating with regulatory agencies; preparing permit applications; and attending meetings and two public hearings.
- **City of Vista, Green Oak Trunk Sewer Replacement.** Project Manager. Prepared an IS/MND; prepared air quality, greenhouse gas emissions, and noise technical reports; and conducted Phase II cultural resources testing. The project will replace approximately 5,000 feet of vitrified clay pipe sewer mains with new polyvinyl chloride sewer mains and associated services and manholes. The project area is set along Agua Hedionda Creek. Approximately half of project area is located within City-owned open space park (Buena Vista Open Space Park), and other approximate half is within a privately held camp (Green Oak Ranch).
- **Westlands Water District, Groundwater Pumping and Conveyance.** Project Manager. Prepared an IS/MND under an extremely expedited schedule. The proposed project involved pumping and conveying up to 30,000 acre-feet per year of groundwater into the San Luis Canal for distribution to farmers throughout District's service area. Analysis included groundwater quality and subsidence. Ryan prepared the environmental document and the IS/MND. The IS/MND was out for public review within four weeks of receiving notice to proceed. No comments were received on the IS/MND and it was adopted by the District just two months after starting the project.
- **County of San Diego, Alpine Creek Storm Drain Facility Improvements.** Project Manager. Ryan assisted the County with storm drain facility improvements in the unincorporated community of Alpine. This flood control project involved construction of a parallel storm drain to supplement the existing, undersized storm drain system that runs under Arnold Way. The existing storm drain system collected run-off from a large basin to the northeast of the project impact area. The existing storm drain pipe ranges from 42 to 60 inches, which accommodates a flow of 145 cubic feet per second. The upgrade upsized the pipe from 48 to 72 inches, which accommodated the 100-year flow of approximately 255 cubic feet per second. Ryan conducted a habitat assessment and jurisdictional delineation, and prepared the IS/MND.
- **Sweetwater Authority, On-Call Environmental Services.** Program Manager and CEQA/NEPA Lead. Ryan managed the as-needed environmental services contract for the Sweetwater Authority for three years. He oversaw species surveys, habitat assessments, and environmental documentation

CERTIFICATIONS

Project Management Institute, Project Management Professional
Institute for Sustainable Infrastructure, Envision Sustainability Professional
County of San Diego, Approved EIR Preparer
CISEC, Inc., Certified Inspector of Sediment and Erosion Control (CISEC)

in compliance with CEQA. He managed schedules and budgets, and produced quality on-time deliverables.

- **Sweetwater Authority, Urban Run-off Diversion System Phase I Maintenance.** Project Manager. Ryan and his staff prepared a CEQA Addendum and Biological Resources Report for this project. The Authority certified an EIR in 1987 for construction of the project. Construction was completed in 1992, and now, more than 20 years later, maintenance of the facility is required. Ryan and his staff prepared a CEQA Addendum to conduct maintenance on the urban run-off diversion system detention ponds and diversion ponds. The team also conducted a habitat assessment and jurisdictional delineation for the project. Ryan worked closely with Authority staff and legal counsel to draft a legally defensible CEQA Addendum, given that the original EIR was more than 25 years old.
- **County of San Diego, On-Call Environmental Services.** Program Manager and CEQA/NEPA Lead. Ryan managed multiple as-needed environmental services contracts for more than seven years. Ryan managed more than 100 task orders to maintain projects' compliance with CEQA; NEPA; California and Federal Endangered Species Acts; Section 404 and 401 of the Clean Water Act; California Fish and Wildlife Code; County Guidelines of Significance and Report Format and Content Requirements; and all other applicable statutes, regulations, and policies. Ryan managed schedules and budgets, and produced quality on-time deliverables.
- **County of San Diego/Caltrans, Jamacha Landfill Flood Control Improvements.** Project Manager. Ryan conducted preliminary scoping of environmental opportunities and constraints of project design and made recommendations to avoid and minimize impacts. Ryan held site meetings with jurisdictional agencies to discuss permit application and mitigation requirements. Ryan wrote the IS/MND, submitted it to the Board of Supervisors for adoption and completed the CEQA requirements. Ryan also obtained necessary permits from CDFW, USFWS, USACE, and RWQCB, and supervised construction monitoring for permit compliance.
- **City of San Diego, New Storm Water Municipal Permit Planning Documents.** Project Manager. Ryan prepared an IS/MND. This project involved implementation of several planning documents, which were updated pursuant to new water quality regulatory requirements. Potential impacts from implementation of the planning documents were analyzed in the IS/MND. The IS/MND analyzed implementation of the City's updated Jurisdictional Runoff Management Plan, six associated Water Quality Improvement Plans, updates to Minimum Best Management Practices standards, updates to the Storm Water Standards Manual, associated amendments to the City's Storm Water Management and Discharge Control Ordinance, and changes to the Land Development Code.
- **County of San Diego, Central Avenue Flood Control.** Project Manager. Ryan worked closely with County engineers to design the project to minimize environmental impacts while achieving maximum homeowner relief from recurring flood issues. Ryan supervised the completion of technical studies and completed the MND process. Ryan wrote jurisdictional resource agency permits, negotiated their terms, and implemented the provisions. Ryan also monitored construction of the project for environmental compliance.

Karina Guevara, EIT, CMIT

DESIGN ENGINEER

Karina has seven years of experience in engineering and environmental services. She has extensive experience related to hydrology/water quality issues, including preparation of Stormwater Pollution Prevention Plan (SWPPP) checklists and drainage studies; facilitation of public education and outreach; and verification of compliance with stormwater permits. She is an expert with data analysis and research, and possesses excellent writing skills. She also is skilled with the use of ArcGIS.

RELEVANT EXPERIENCE

- **City of San Diego, Meadow Lark/Health Center Drive Water Main.** Design Engineer. \$4.6 million replacement and partial realignment of approximately 9,300 LF of existing 18-inch and 24-inch cast iron pipe with new **12-inch and 16-inch PVC water main**. Project will abandon approximately 3,400 LF of pipeline. Project consists of 325 LF of **jack-and-bore** of the water main under the SR-163.
- **City of San Diego, Catalina Cast Iron Mains and Catalina Sewer Mains.** Design Engineer. \$18 million project includes the **upsizing of cast-iron and asbestos cement water main** between Point Loma Reservoir and Catalina Standpipe in the Point Loma area of San Diego County. The mains have reached their useful life and additional capacity is required to serve surrounding communities.
- **City of San Diego, AC Water Group 1010 and AC Water Group 1005.** Design Engineer. The 6- and 8-inch AC water mains are being **replaced-in-place by 8-inch PVC pipe**. Water Group 1010 is located in La Jolla within the Soledad Muirlands 725 Pressure Zone. The 4- to 8-inch AC water mains are being **replaced-in-place with 8-inch PVC**. The work also includes paving and ADA ramp upgrades/replacement.
- **City of San Diego, Sewer Group Job 743.** Design Engineer. This project involves sewer rehabilitation at 15 sites. Four sites involve replumbing backyard laterals into new sewers in street right-of-way and the remaining 11 sites involve sewer relining.
- **City of Del Mar, Group 1 Sewer Design.** Project Engineer. \$2 million project included preparing PS&E of the prioritized citywide sewer infrastructure identified with recent CCTV sewer inspection and assessment work. Design included open cut replacement of 5,200 LF of six-inch and eight-inch defective sewer main pipelines, four sewer point repairs, numerous sewer manholes and lateral connections rehabilitation, 2,300 LF of sewer main trenchless rehabilitation, 205 LF of six-inch water main and decommissioning of sewer pump station.
- **City of Del Mar, Citywide Sewer Condition Assessment.** Project Engineer. \$350,000 project included a citywide sewer inspection and assessment with repair recommendations. Project deliverables included sewer and manhole inspection and assessment reports and a GIS integrated prioritized repair program that can be coordinated with other infrastructure CIP. The inspection work was broken into work zones as to accommodate for beach moratorium, sewer spill and root intrusion history.
- **City of National City, Paradise Valley Creek Water Quality and Community Enhancement.** Design Engineer. This project will involve a dual process that will treat and direct stormwater runoff along Paradise Valley Road from Paradise Avenue to 700 feet east of East Plaza Boulevard. The system will address pollutants and direct stormwater runoff towards a dry extended basin located along Paradise Valley Road. Runoff will be collected in the basin that will eventually discharge through an outflow tying back into an existing storm drain basin. Harris will develop complete PS&E, environmental documentation, and management of two subs (geotech and surveying).



EDUCATION

BS, Environmental Engineering

REGISTRATION

Engineer-in-Training, CA
#151679

CERTIFICATIONS

Construction Management
Association of America,
Construction Manager-in-
Training

Charles Brown, CMIT

DESIGN ENGINEER

Charles has over 40 years of experience in all aspects of civil engineering, plus a thorough knowledge of traffic control. He applies his experience to innovative solutions that are in the best interest for his clients. His commitment to providing high quality designs are demonstrated through his work on some of his client's most critical projects.

RELEVANT EXPERIENCE

- **City of San Diego/Orion Construction, AC Water and Sewer Group 1024.** Design Engineer. The \$15.5 million design-build project includes design and replacement of approximately 27,000 LF of **4-, 6-, 8-, and 12-inch diameter AC water pipeline** and replacement of approximately 4,100 LF of 6- and 8-inch diameter VC sewer main. Charles' responsibilities included a field walk to locate hazards and existing utility locations for smooth pipeline installation; street resurfacing layout; analysis of pedestrian ramps for replacement, relocation or new installation; and integration of fire hydrant relocation into the overall water main design, following current distance requirements.
- **City of San Diego/Orion Construction, 16-inch and Larger Cast Iron Water Main and Sewer Replacement Group A.** Design Engineer. The \$6.4 million design-build project includes design and replacement of approximately 6,800 LF of **8-, 10-, 12-, 16-, and 18-inch diameter cast iron (CI) and asbestos cement (AC) water pipeline** and replacement of approximately 1,400 LF of 6-, 8-, 12-, and 15-inch diameter concrete pipe (CP) and vitrified clay (VC) sewer main. Charles' responsibilities included MTS railway encroachment permitting for work beneath railroad overcrossing; a field walk to locate conditions that could cause delays and also establish locations of utilities not shown on survey; street resurfacing layout for type and size; and design of pedestrian ramps throughout the project for ADA compliance.
- **City of San Diego/Orion Construction, Water Group 921.** Design Engineer. This design-build project included approximately 1.12 miles of **upsized and upgraded PVC pipelines to replace 6- to 8-inch-diameter AC water mains and 6- to 12-inch-diameter cast iron water mains.** Charles' responsibilities included general pipeline layout design and phasing of water connections to minimize impacts to residences.
- **City of San Diego/Orion Construction, Catalina Cast Iron Water Mains and Sewer Mains.** Design Engineer. The water portion of this design-build project consists of installing 8,700 LF of 24-inch CML&C pipe, 10,160 LF of 16-inch PVC, and 250 LF of 16-inch **CML&C water transmission pipe** which replaces 4-, 6- and 12-inch cast iron pipe. The sewer portion of the project consists of replacing 18,000 LF of sewer main with 8- and 10-inch PVC pipe, relocating approximately 500 LF of sewer main from easement to right-of-way with 8-inch PVC pipe, relining approximately 900 LF with CIPP, and installing over 60 sewer re-plumbs. Charles' responsibilities included design of five parallel pipelines (three water mains, one sewer main and one storm drain) within a major thoroughfare, connection to and replacement of many side street water and sewer lines, and replumbing water and sewer to the majority of residences. He also prepared traffic control plans that minimized impacts to residences, businesses and National Monument; updated the fire hydrant relocation design to current distance requirements; and redesigned existing non-compliant pedestrian ramps and designed additional ramps to current ADA standards.
- **City of San Diego/Orion Construction, Meadow Lark Drive/Health Center Drive Water Main Replacement.** Design Engineer. This design-build project replaces and partially realigns approximately 9,300 LF of **existing 18- and 20-inch cast-iron Cabrillo Palisades Pipeline with new 12- and 16-inch PVC water main and appurtenances.** The project also will abandon approximately 3,400 LF of pipeline. The project includes pavement replacement and ADA ramp improvements. Harris designed a parallel water main along Health Center Drive to allow for uninterrupted water service to nearby hospitals. Design along Linda Vista Road required the team to take the water main alignment and traverse across a private business and jack-and-bore under SR-163. The jack-and-bore involved encroachment permit coordination and evaluations



EDUCATION

BS, Renewable Resources

CERTIFICATIONS

Construction Management Association of America, Construction Manager-in-Training

with Caltrans District 11. **This alternative method provided a substantial cost savings to the City.** Charles' responsibilities included the redesign of existing non-compliant pedestrian ramps and design of additional ramps to current ADA standards.

- **City of San Diego/Orion Construction, AC Water Group 1010 and 1005.** Design Engineer. This design-build project involved replacing a total of approximately 16,200 LF of **8-inch AC water mains**. AC Water Group 1005 is located in Point Loma and straddles the Catalina 462 and Point Loma 260 Pressure Zones. AC Water Group 1010 is located in La Jolla within the Soledad Muirlands 725 Pressure Zone. The project included water appurtenances, pavement improvements, and ADA ramp replacement and upgrades. Charles' responsibilities included the design of water mains within major streets; design of reconnections to residences; relocation of fire hydrants to meet current standards; redesign of existing non-compliant pedestrian ramps and design of additional ramps to meet ADA and City standards.
- **City of San Diego/Orion Construction, Water Group 959.** Design Engineer. This design-build project included **replacement of a 16-inch cast iron pipe with ductile iron pipe** within the bridge structure. Charles prepared construction documents. The design used existing pipeline as the casting for the replacement pipe to deliver cost savings. Charles implemented the use of flexible water coupling devices to allow the freeway overpass and water pipeline to flex independently. He also designed the coupling vault at each end of the freeway overpass.
- **City of San Diego/Orion Construction, Water Group Job 790.** Design Engineer. This \$6.3 million design-build project consisted of 4.5 miles of **water main replacement**, overlay and slurry seal, and curb ramp improvements for ADA compliance at 111 locations. Water Group 790 was located within two separate planned communities. The first site is located within the Paradise Hills/Skyline Community Plan area, which consisted of the replacement of 14,137 LF of water mains ranging from 2 to 12 inches in diameter and modification of 84 curb ramps to add compliance. The majority of water mains replaced were constructed within existing paved City right-of-way. The second site was located within the La Jolla Community Plan and consisted of the replacement and addition of a total of 9,184 LF of water mains ranging from 6 to 12 inches in diameter and modification of 27 curb ramps for ADA compliance. Charles' responsibilities included the design of the water main plan and profile to allow for minimal impact, ease of installation, and flexibility for crossing utilities.
- **City of National City, Sewer Design and Environmental Constraints Study (Group 2).** Project Designer. Environmental analysis consisting of a constraints report that identified potential environmental challenges, and the appropriate level of CEQA evaluation for each project. Many sewer lines identified for replacement were realigned from residential backyards to within the street right-of-way. Charles was responsible for the redesign of the residential sewer connections to the sewer mainline.
- **City of Carlsbad, State Street Storm Drain Improvements.** Project Designer. Services included preparation of a hydrology study to determine proposed system tributary area and required pipe size. The hydraulic capacity mandated a 36-inch storm drain system, installation of three new catch basin inlets, replacement of two existing inlets with larger sized basins, and preparation of project estimates of probable construction costs, and preparation of storm drain construction documents. Charles was responsible for the design of this major storm drain system to upsize capacity and minimize impacts to surrounding businesses and major streets.

Lynne Filson, PE, TE, PLS

TRAFFIC CONTROL

Lynne has more than 25 years of engineering experience with a focus in traffic engineering. She expanded on her traffic knowledge by also learning utility and roadway design in order to understand the whole picture of the public realm. With the breadth of knowledge she has acquired, she enjoys assisting agencies with their engineering needs, especially traffic engineering.

Lynne's experience falls in both public and private sectors. On the public side, she has been the Assistant City Engineer overseeing the traffic engineering, capital improvement, development engineering, clean water, and inspection sections for various cities. While working in the private sector, Lynne prepared tentative maps, final maps, and subdivision improvement plans for development projects.

RELEVANT EXPERIENCE

- **City of Antioch, On-Call Traffic Engineering On-Call Services.** Project Manager. Although the City has a population in excess of 100,000, they do not have a staff traffic engineer. In addition to providing the anticipated tasks and acting as a sounding board for traffic engineering issues, Lynne has historical knowledge of traffic issues in the City with her previous nine years as the City Traffic Engineer and five years as the Assistant City Engineer. At the request of the Project Manager for Engineering Development Services and Director of Public Works, one of her tasks included a **“workshop” on the nuances of Traffic Impact Analyses (TIA)**. The workshop was very successful and exposed them to CEQA and CCTA technical procedures requirements as well as an understanding of what else could be required in a TIA and gleaned from the TIA.
- **City of Clayton, Various Projects.** Assistant to the City Engineer. Lynne has gained the praise of the Police Department with a quick response to their concerns about the lack of signing of right-turn-only lanes. Lynne shared her knowledge of the California Vehicle Code and California Manual of Uniform Traffic Control Devices sections that state that the additional signage is not needed. She was quick to respond to a citizen request regarding signal timing at an intersection on Clayton Road. She went to the intersection the following day, reviewed the timing card, made adjustment on the controller, signed the event log and called Contra Costa County Signal Maintenance (who provides signal maintenance to Clayton) to inform them of the situation. These are just two examples of services she has provided to the City.
- **City of Dixon, Staff Augmentation.** Senior Engineer/Traffic Engineer. With her knowledge of traffic engineering and municipal processes, she was able to “hit the ground running” with staff augmentation services for the City of Dixon who lost their Senior Engineer to Solano County. Tasks included the review of development and CIP plans, **researching and analyzing traffic issues** and preparing staff reports to the Transportation Advisory Committee and the City Council. Their new engineer (from out of state) started recently and Lynne is providing assistance bringing her up to speed with City of Dixon, Solano County, and State of California standards and requirements.
- **City of Santa Cruz, Wharf and Depot Roundabouts.** Project Manager/Project Engineer. This was two of the City's highest profile and busiest intersections. Lynne was responsible for taking conceptual geometric designs for the wharf and depot roundabouts into **full construction plans, specifications, and cost estimates**. The wharf roundabout had complexities including a railroad line running through the project, a two directional bike lane, adjacent parking lots with driveway conflicts (including one with pay kiosks), and major unmapped drainage facilities. The depot roundabout included steep grades requiring the modification of a major retaining wall and creative ADA design, relocation of the entry arch into the depot parking lot, and overhead utility conflicts. **The project won the Outstanding Local Streets and Roads Project from the League of California Cities in 2016.**
- **Shea Homes, Mountain House Development.** Traffic Engineer/Civil Engineer. Mountain House is a master planned community in San Joaquin County. After approval of the conceptual layout of the project and determination of the needed infrastructure, the next step was the actual design of



EDUCATION

BS, Civil Engineering

REGISTRATION

Professional Civil Engineer, CA
#45681

Professional Traffic Engineer, CA
#1570

Professional Land Surveyor, CA
#7719

the community. Lynne was actively involved in this step of the project. Lynne **prepared/reviewed all of the traffic engineering design** for many of the phases of the Mountain House development. The plans included signing and striping, traffic signals, and lighting. She also prepared timing cards for the traffic signals and provided signal turn-on support. She assisted on tentative and final maps, improvement plans, and estimates.

- **Stations Casino, Thunder Valley Casino Expansion Off-site Improvements.** Project Engineer. **Traffic mitigation** was required to widen a half mile of Athens Avenue and approximately one-third of a mile of Industrial Avenue in the project's vicinity. The project also included signal modifications at the intersection of Athens and Industrial, installation of two new signals on Athens Avenue at the project entrances, and construction of Thunder Valley Court. Plan elements included modifying railroad crossing, drainage improvements, wetlands avoidance/mitigation, and construction staging with high volumes of casino patron traffic and casino expansion construction traffic.
- **City of Tracy, Grant Line Road Widening and Improvement Project.** Project Manager. At one time, Grant Line Road was a two-lane rural road. As the City of Tracy grew, development along the roadway was required to construct frontage improvements consistent with a four-lane divided road. The mile-long stretch between Bessie Avenue and MacArthur Drive had a wide variety of cross-sections. The project widened the road to a consistent four-lane road with two-way left-turn lanes transitioning into landscaped medians with left turn lanes at the intersections. The entire project included bike lanes, curb, gutter, 10-foot sidewalks, and street lighting. **Upgrades were needed for a number of traffic signals and the railroad crossing. In addition, the water and sewer lines in this stretch were very old and undersized. Improvements to these utilities were included in the project.** Lynne was responsible for coordinating the various disciplines working on the project as well as providing stakeholder coordination to the City, Southern Pacific Railroad, the commercial businesses, day cares, churches, apartment managers along the route, and the franchise utilities.
- **City of Antioch, Wild Horse Road/Folsom Drive Signal Installation and L Street/W, Tenth Street Signal Modification.** Project Manager/Project Engineer. The new signal at the intersection of Wild Horse Road/Folsom Drive was at an existing location near a school with high pedestrian and bicycle volumes, old curb ramps, and some (undocumented) signal conduits. The intersection of West 10th Street/L Street was an existing intersection with limited right-of-way and no immediate plans for widening. The east/west directions have one-lane approaches with heavy left-turn traffic. The modification was to add permissive/protective phasing in the peak directions based on time of day. **The two-intersection project included field reconnaissance, conceptual design, PS&E, bid coordination, contract management, signal timing, and project close-out.**
- **City of Cupertino, Signal Designs for the New Apple Headquarters.** Signal Project Manager/Project Engineer. Lynne was the **signal designer** for two City of Cupertino signal modifications, two signals in the tunnels into the underground parking structure, two signals in the underground parking structure, and two signals on the access road to the exterior parking lot. At many of these locations, the signals were located on the only way into or out of the underground parking structure—it was critical to minimize the potential for a collision. Since the ceiling in the tunnel and parking structure were low and there were concrete walls blocking the sight distance of conflicting traffic, Lynne felt it was essential to provide both near- and far-side signal indication for each lane. The project had some other interesting quirks, such as no logical location for signal controllers (she was finally able to convince the architect that it would not work without them), no place to put poles (all heads attached to the ceiling), and providing video surveillance to the security office. Lynne added to her value on the project by discussing the ongoing need for maintenance and persuading the team that an electrician knowledgeable in signal maintenance would be required in the future (a building electrician would not be able to do the job).

Anton Handal, PE

CONSTRUCTABILITY REVIEW

Anton has over 42 years of experience in construction management for capital improvements and annual water, sewer, drainage, road, bridge, and building programs. He has a working knowledge of federal, state, and local construction codes and regulations, including the Uniform Building Code, Greenbook, FHWA, and Caltrans standard drawings and standard specifications.



RELEVANT EXPERIENCE

- **City of San Diego, Remaining Small Diameter Cast Iron Water Main Phase 1.** Resident Engineer. This project included the **replace-in-place** of approximately 7,400 LF of existing 4-, 6-, 8-, 10-, and 12-inch **CI water main with new 8- and 12-inch PVC pipes at 13 locations** throughout the city. Anton's responsibilities included planning and specification review, submittal/RFI review, scheduling review, field inspection, daily and monthly project reporting, coordinating project stakeholder meetings, construction changes, billing and phase funding monitoring, contractor bi-weekly meetings, punch list inspection, and project close-out.
- **City of San Diego, J2 Laterals Phases I and II.** Resident Engineer. This \$7.8 million project included 3,209 sewer laterals ranging from 4 to 8 inches in diameter. The work included installation of new cleanouts, relining of laterals, and point repairs. Anton's responsibilities included planning and specification review, submittal/RFI review, scheduling review, field inspection, daily and monthly project reporting, coordinating project stakeholder meetings, construction changes, billing and phase funding monitoring, contractor bi-weekly meetings, punch list inspection, and project close-out.
- **City of San Diego, Pipeline Rehabilitation AP-1.** Resident Engineer. This project consists of rehabilitation of approximately 4.24 miles of existing 6- and 8-inch deteriorated VC sewer mains and 0.12 miles of VC sewer main point repairs and rehabilitation. The project includes rehabilitation, repair, and installation of manholes. Additionally, the project includes installation of new cleanouts in some locations, and rehabilitation of sewer laterals. Anton's responsibilities include planning and specification review, submittal/RFI review, scheduling review, field inspection, daily and monthly project reporting, coordinating project stakeholder meetings, construction changes, billing and phase funding monitoring, contractor bi-weekly meetings, punch list inspection, and project close-out.
- **City of San Diego, Engineering and Capital Projects Department.** Resident Engineer. As a member of City staff, Anton's responsibilities included the following:
 - Management of various phases of planning and construction of capital improvement projects and public works projects including site surveys, scheduling, construction, plan and specifications preparation, bidding, and on-site observation.
 - Participation in pre-bid conferences, contract award, pre-construction, field observations, construction progress meetings, final walk through and acceptance of work.
 - Reviewed and processed requests for payment, requests for information and change order requests; maintained accurate, complete and well organized project documentation records.
 - Coordination of traffic-related issues including studies for proposed Caltrans analysis projects and traffic control plans.
 - Prepared quantities of construction for monthly progress statements as work progresses.
 - Evaluated plans, specifications and construction elements in the field to the City's Standard Drawings.
 - Prepared quantity calculations on the job site, construction schedules, written and oral reports on the status, quality and conformity of projects.
 - Provided and maintained detailed reports on the status, quality and conformity of projects under construction.

EDUCATION

BS, Civil Engineering

REGISTRATION

Professional Civil Engineer, CA
#52333

Rick Yeager, Jr., PE

CORROSION PROTECTION

Rick has a broad background in corrosion engineering, inspections, and construction support services. He has extensive experience in water and wastewater corrosion control and cathodic protection system designs, corrosivity assessments, pipe and coating materials of construction, and inspection and monitoring of installed piping systems. The NACE certification meets the definition of "Corrosion Expert" as defined by the United States Environmental Protection Agency and under 40 CFR 280.12 of the Code of Federal Regulations.

RELEVANT EXPERIENCE

- **Various Clients, Corrosion Control Evaluation and Cathodic Protection Design.** Corrosion Expert. Responsible for designing new and retrofit cathodic protection systems for buried metallic pipelines and aboveground water storage tanks. Designs, galvanic anode and impressed current, taking into account soil conditions, coating options, power availability and other parameters in order to achieve the most cost-effective means of long-term corrosion protection in accordance with nationally accepted standards. A partial project list includes the following:
 - Helix Water District, *36-inch CML&C Pipeline Cathodic Protection.*
 - Otay Water District, *Heritage Road Pressure Reducing Station Cathodic Protection.*
 - Otay Water District, *680/944 Pipeline.*
 - Padre Dam Municipal Water District, *ESA Secondary Connection.*
 - Padre Dam Municipal Water District, *Sky Ranch Pipeline, Pump Station and Reservoir.*
 - Eastern Municipal Water District, *Cactus II Feeder Transmission Pipeline.*
 - Eastern Municipal Water District, *Desalter Pipelines Phase II.*
 - Eastern Municipal Water District, *Reach 16-2 RW Pipeline.*
 - Eastern Municipal Water District, *Nuevo Road I-215 Pipeline.*
 - Eastern Municipal Water District, *Menifee Valley Reservoir.*
 - Eastern Municipal Water District, *Bridge Raw Water Pipeline Cathodic Protection Design.*
 - Eastern Municipal Water District, *AMR North Goetz Road Cathodic Protection.*
 - Coachella Valley Water District, *Salton Sea SCH Pump Station and Pipeline Cathodic Protection.*
 - Vista Irrigation District, *HP Tank Cathodic Protection Design.*
 - City of San Diego, *30th Street Pipeline Replacement.*
 - City of San Diego, *Pacific Beach Pipeline.*
 - City of San Diego, *Otay 2nd Pipeline Phase I.*
 - City of San Diego, *Del Mar Heights Pipeline ICCP Design.*
 - City of San Diego, *Upas Street Pipeline Cathodic Protection Design.*
 - City of San Diego, *I-15 DAR/City 66: Pipeline Cathodic Protection Design.*
 - City of San Diego, *Caltrans I-905 Crossing Cathodic Protection Design.*
 - City of San Diego, *Sloane Pressure Reducing Station Cathodic Protection Design.*
 - City of San Diego, *Morena Pump Station and Conveyance System.*
 - City of San Diego, *Tierra Santa Pump Station and Pipeline.*
 - City of San Diego, *69th and Mohawk Pump Station.*
 - City of San Diego, *North City Water Reclamation Facility.*
 - City of San Diego, *North City Pure Water Facility Expansion.*
 - City of San Diego, *Cielo & Woodman Pump Station Cathodic Protection.*
 - City of San Diego, *Sewer Pump Station 79 Cathodic Protection Design and CSS.*
 - City of San Diego, *Otay Mesa Trunk Sewer Casing Cathodic Protection.*



EDUCATION

BS, Civil Engineering

REGISTRATION

Professional Civil Engineer, CA
70686

CERTIFICATIONS

National Association of
Corrosion Engineers (NACE
International), Cathodic
Protection Specialist # 6321
Confined Space Entrant/
Attendee

Rick Yeager, Jr., PE

- City of Del Mar, 21st Street and 7th Street Pump Station Cathodic Protection.
- County of San Diego, Harbison Canyon SLS Corrosion Assessment.
- **Various Clients, As-Needed Corrosion Engineering Services and Annual Surveys.** Corrosion Expert. Responsible for cathodic protection surveys and performance testing of installed pipelines and reservoirs. The work includes monitoring, testing and troubleshooting all existing corrosion control facilities for corrosion; performing coating assessments on process facilities, water treatment plants, and buried piping systems; and then assessing system damage and evaluating cathodic protection system performance and identifying repair or refurbishment requirements. A summary report listing all observations, conclusions, and recommendations is submitted at the completion of each annual survey. A partial client list includes the following:
 - Ramona Municipal Water District
 - Olivenhain Municipal Water District
 - Santa Fe Irrigation District
 - Leucadia Wastewater District
 - Otay Water District
 - San Dieguito Water District
 - City of San Diego
 - Padre Dam Municipal Water District
 - Vallecitos Water District

Randy Geving, PE

CORROSION PROTECTION

Randy has over 31 years of corrosion engineering experience in the water, wastewater, and oil & gas industries. Randy is a Registered Corrosion Engineer and has served as engineering manager and lead project corrosion engineer for numerous water infrastructure projects. He has extensive experience in the design and installation of cathodic protection systems, condition assessment of metallic pipelines and concrete reinforced structures, metallic component failure analysis, and metallurgical materials selection for hydro processing and water/wastewater facilities.

RELEVANT EXPERIENCE

- **Various Clients, Corrosion Program Management/Program Review.** Senior Corrosion Engineer. Responsible for defining, implementing and maintaining municipality cathodic protection programs. Work includes reviewing and evaluating all existing corrosion control facilities for both piping and reservoirs, as well as defining and prioritizing future corrosion protection and monitoring needs to preserve the integrity of the systems. A partial client list includes the following:
 - Rainbow Municipal Water District
 - Olivenhain Municipal Water District
 - Leucadia Wastewater District
 - Otay Water District
 - Ramona Municipal Water District
 - San Dieguito Water District
 - Santa Fe Irrigation
 - Vallecitos Water District
 - City of Sunnyvale
 - Santa Margarita Water District
- **Various Clients, Cathodic Protection Design.** Senior Corrosion Engineer. Responsible for designing new and retrofit cathodic protection systems for buried metallic pipelines and aboveground water storage tanks. Designs, galvanic anode and impressed current, take into account soil conditions, coating options, power availability and other parameters in order to achieve the most cost-effective means of long-term corrosion protection in accordance with nationally accepted standards. A partial project list includes the following:
 - South Coast Water District, *Submersible Pump Cathodic Protection Design.*
 - Olivenhain Municipal Water District, *Rancho Santa Fe Road Cathodic Protection Retrofit.*
 - City of San Diego, *North City Water Reclamation Plant Expansion.*
 - City of San Diego, *North City Pure Water Facility.*
 - City of San Juan Capistrano, *Calle Pinon Pressure Reducing Station Replacement Project.*
- **Various Clients, Soil Corrosivity Assessment.** Senior Corrosion Engineer. Responsible for conducting in-situ soil testing along pipeline alignment or project site to determine aggressiveness of soil to buried metallic utilities. The work includes assessing stray current interference risk from foreign utilities; reviewing project geotechnical data, including soil sample analysis data pertaining to soluble salt content, pH and resistivity; and providing a summary technical memo which includes all pertinent data, conclusions and recommendations in order to minimize the risk of future leaks on utilities due to external corrosion. A partial project list includes the following:
 - Marine Corps Base Camp Pendleton, *P-111 and P-1037 Warehouse Project.*
 - City of Corona, *Home Gardens Water Transmission Pipeline.*
 - Cities of Ontario and Upland, *Pipeline Project.*
 - City of Poway, *Liguori Reservoir.*
 - Jurupa Community Services District, *24-inch Force Main Project.*
 - City of San Diego, *Catalina Standpipe Replacement Project.*
 - Villages of La Costa, *Neighborhood 1.03 Residential Project.*



EDUCATION

BS, Metallurgical Engineering

REGISTRATION

Registered Corrosion Engineer,
CA #CR-1060

CERTIFICATIONS

NACE International, CIP Level 1,
#28714

Confined Space Entrant/
Attendee

Randy Geving, PE

- **Various Clients, Failure Analysis/Condition Assessment.** Senior Corrosion Engineer. Responsible for assessing condition and/or cause of failure of pipelines, tanks, steel reinforced concrete and other components. The analysis consists of field inspections and tests ranging from ultrasonic thickness measurements, pit depth readings, soil analysis, cathodic protection measurements, and coating assessment. All test data, observations, conclusions and recommendations to prevent future failures are provided to the client in a technical memorandum. A partial project list includes the following:
 - City of San Diego, *31 Potable Water Pipelines.*
 - Coachella Valley Water District, *Corrosion Assessment Of Ductile Iron Water Mains.*
 - City of Oceanside, *Morro Hills No. 2 Reservoir.*
 - Jurupa Community Services District, *18-inch Steel Force Main.*
 - City of San Diego, *Programmatic Sewer Force Main.*
 - City of San Diego, *North City to San Vicente Pipeline.*
 - City of Vista, *Buena Vista Pump Station/Jefferson Street Bridge.*
 - Eastern Municipal Water District, *TVRWRF Rotary Drum.*
 - Goleta Water District, *El Camino Well Downhole.*
- **Various Clients, Cathodic Protection System Surveys/ Corrosion Construction Support.** Senior Corrosion Engineer. Responsible for conducting surveys of new and existing cathodic protection systems on buried metallic pipelines and steel storage tanks. Newly installed facilities are inspected and tested to verify compliance with project design documents. Testing on existing facilities identifies areas which require remedial measure in order to achieve or maintain the desired level of corrosion protection. Follow-up testing is often required to troubleshoot areas of low protection. This testing includes electrical continuity testing and stray current interference testing along selected reaches of pipeline. A partial project list includes the following:
 - City of Escondido, *36-inch Sewer Outfall.*
 - City of Oceanside, *Guajome Reservoir Waterproofing Project.*
 - City of Oceanside, *Mesa Drive 24-inch Pipeline.*
 - City of San Diego, *Catalina Standpipe Replacement Project.*
 - City of San Diego, *Cathodic Protection of Critical Mains.*
 - City of San Diego, *Pacific Highlands Ranch PRS.*
- **Various Clients, Soil Thermal Resistivity Assessment.** Senior Corrosion Engineer. Responsible for conducting soil thermal resistivity assessments. Testing is conducted in the field or in a laboratory of samples of varying densities and moisture contents. Testing is conducted in general accordance with the standard method ASTM D5334-08, which calculates thermal resistivity by monitoring the dissipation of heat from a line heat source. Data and conclusions are provided in a summary technical memo. A partial project list includes the following:
 - Imperial Valley Solar Company 2, *Solar Farm Project.*
 - Imperial Irrigation District, *Highline Substation Project.*
 - SEPV Imperial LLC, *Dixieland Solar East and West Projects.*

Andrew Neuhaus, PG, CEG

GEOTECHNICAL/GEOLOGIC

Andrew has 16 years of experience as an engineering geologist and is well versed in the planning and coordination of geotechnical investigations and implementation of project work plans, safety plans, and permit acquisition. He produces soil exploration logs in accordance with USCS standards utilizing his deep comprehension of subsurface soil conditions. He is skilled in geologic records research for site investigations and reconnaissance, and compiles complex geologic data sets for presentation. During construction, Andrew advises on grading cleanouts, keyway, construction, slope reinforcement, backfill operations, and deep foundation operations. His other duties include review of construction plans and specifications, attending jobsite meetings, preparation of engineering reports and proposals, and reviewing and reporting test results.

RELEVANT EXPERIENCE

- **City of San Diego/Orion Construction, Catalina Cast Iron Water Main and Sewer Main.** Senior Geologist. The \$20.8 million project for the City of San Diego consisted of the replacement of 16,000 linear feet of cast iron water main of various sizes with new 24-inch Cement-Mortar Lined and Coated Steel (SMLCS) pipe and 16-inch PVC; replacement of 14,500 linear feet of sewer main; relocation of 5,000 linear feet of sewer main from the easement to the right-of-way; re-plumbs; abandonment of 1,500 linear feet of existing sewer main; and construction of 1,200 linear feet of 18-inch RCP storm drain. The project also included installation of three inches of fiber optic conduit 18 inches deep with pull stations in Catalina Boulevard from the reservoir to the standpipe. Andrew provided peer review of technical report to confirm geotechnical recommendations before report publication.
- **City of San Diego/Orion Construction, Meadow Lark Drive and Health Center Drive Water Main.** Geotechnical Project Manager. Geotechnical investigation for this City of San Diego project for the design of the replacement and partial realignment of approximately 2.3 miles of existing 18-inch and 24-inch cast iron Cabrillo Palisades Pipeline with 16-inch and 12-inch PVC water main. Andrew coordinated document and background review of previous geotechnical projects, coordinated client and subcontractor logistics for execution of fieldwork, guided junior staff in the field for logging and sampling borings, assigned geotechnical laboratory testing program, and used field and lab data to provide site specific geotechnical recommendations.
- **City of San Diego, Otay 2nd Pipeline Phase 2 and AC Woodman Street Pipeline Replacement.** Geotechnical Project Manager. Geotechnical investigation for this \$16 million design-build project consisting of 1.5 miles (7,913 linear feet) of new 48-inch CMLCS pipe. The new pipeline will replace and abandon the existing 36-inch steel pipe and 48-inch CMLCS pipe. Additional work will include the replacement of 1.3 miles (6,913 linear feet) of 8-inch to 16-inch diameter AC pipeline along South Woodman Street and Paradise Valley Road. Andrew coordinated client and subcontractor logistics for execution of fieldwork, guided junior staff in the field for logging and sampling borings, assigned geotechnical laboratory testing program, and used field and lab data to provide site specific geotechnical recommendations.
- **Olivenhain Municipal Water District, El Camino Real Pipeline Replacement.** Project Manager. Geotechnical investigation for the installation of a new \$4 million project including the design of approximately 4,700 LF of pipeline along El Camino Real. Additional features will include fire hydrant valves, water main connections, water service laterals, replacement of 700 LF of 12-inch DI water from the District water easement to Mountain Vista Road, and reconnections with sizes up to 10-inch will be replaced or relocated. Andrew was responsible for oversight and performance of geotechnical investigation. He assessed subsurface conditions encountered in the exploratory borings and provided appropriate recommendations for shallow groundwater and groundwater analytical testing.



EDUCATION

BS, Geology

REGISTRATION

Professional Geologist, CA
#8398

Certified Engineering Geologist,
CA #2591

Andrew Salva, PLS, EIT

SURVEYING/RIGHT-OF-WAY

Andrew has over 13 years of varied experience in the surveying and civil engineering industry. He is a project manager at KDM Meridian and has been with the firm for his entire career. Andrew has worked both in the office and the field in his capacity as a party chief, survey technician, and project manager, increasing his knowledge and skills in the surveying and engineering field by first obtaining his EIT, followed by earning his PLS license.

His work in project management and field survey, including subdivision map checking work, has afforded him with a balanced expertise in the day-to-day services KDM provides to clients. Andrew has also been an integral part of the implementation of Terrestrial LiDAR Scanning into the topographic map workflow in a quick and productive manner.

RELEVANT EXPERIENCE

- **Rainbow Municipal Water District (RMWD), *Waterline Easement Staking and Topographic Survey*.** Project Manager. This project included a topographic survey and staking of an existing easement containing a ruptured waterline. Andrew oversaw all phases of the project, which included record data research, locating monumentation to establish the easement limits, locating existing improvements and encroachments, and preparing an exhibit showing existing conditions and encroachments.
- **RMWD, *District Headquarters Boundary and Topographic Surveys*.** Senior Project Surveyor. This project facilitated the redevelopment of the existing District headquarters property. The work included a topographic survey, a boundary survey, and an ALTA survey. Andrew performed the record data research, compiled the record data base map, reviewed all field work, assisted with the boundary analysis, and prepared the Record of Survey.
- **City of Yorba Linda, *Yorba Linda Town Center*.** Survey Technician. This project included the redevelopment of a five-block region of downtown Yorba Linda. KDM was a subconsultant to Harris & Associates for this project. Andrew worked on various portions of the topographic mapping, boundary surveys, and preparation of an ALTA survey, Record of Survey, and legal descriptions and plats.
- **Orange County Sanitation District, *Plants 1 & 2 Modernization*.** Project Manager. Services included aerial mapping, supplemental ground surveying, and scanning utility tunnels. Andrew was responsible for all facets of this project. Work included recovering existing plant control, establishing aerial mapping ground control, performing detailed surveys, and using LiDAR scanning to survey existing improvements in hundreds of feet of utility tunnels and one building.
- **City of Laguna Beach, *Tree Top Lane Drainage Study*.** Project Manager. This project included a detailed topographic survey using LiDAR scanning to facilitate the design of drainage issue corrections. Andrew directed all phases of work on this project. He performed the scanning in the field and directed the data extraction and prepared the final exhibits.
- **City of La Quinta, *Fred Waring Drive/Washington Street Intersection Rehabilitation*.** Project Manager. This project involved design topography to facilitate the design of this intersection widening, which included adding turn lanes that required additional right-of-way. The topography was completed using LiDAR scanning and conventional means. Andrew performed the field work and directed the record data research and data extraction. He reviewed and signed the final exhibits.



EDUCATION

BS, Civil Engineering

REGISTRATION

Professional Land Surveyor, CA
#9383

Engineer-in-Training, CA
#126984

Stephen (Steve) Tueting

POTHOLING

Steve has over 30 years of locating, project management and engineering experience in the public and private sector. Steve's progressive expertise, leadership and problem-solving ability in the field of Subsurface Utility Engineering is invaluable to AirX. He has a keen understanding of business priorities and is committed to managing operations and projects with an intelligent and systematic approach. He is also a cross-functional communicator, easily interfaces with high-profile staff, vendors and customers. Steve is a versatile, innovative professional who is able to see the 'big picture' while staying on top of project details. He participates in project estimation and intake, office and field support for ongoing projects, scheduling and supervision of pothole crews and locating crews.

RELEVANT EXPERIENCE

- **City of San Diego, Mid-City Pipeline Phase 2.** Project Manager. Project included a new 6,000 LF (1.14 miles) of 66-inch diameter cement mortar-lined and -coated (CML&C) steel water pipeline to connect the Alvarado clearwells to the existing 48-inch Mid-City Pipeline. The pipeline provides backup supply for the aging 54-inch Trojan Pipeline that supplies the Mid-City Pipeline west of the 63rd Street inter-tie. AirX performed utility locating and ultimately excavated 40 potholes along an approximately one-mile stretch of road along 69th Street, 70th Street, and Lake Murray Blvd in the Lake Murray/SDSU neighborhoods of San Diego. Steve provided project management, utility locating, markout and pothole supervision on the project.
- **Santa Clarita Water, LARC Ranch Pipeline Improvement.** Project Manager. Utility locating and markout on a project to provide a new 9000-foot water pipeline to connect LARC Ranch, a nonprofit community for disabled adults, to the Santa Clarita Water Division's water supply. A total of 30 potholes were excavated, AirX provided traffic control plans and applied for the appropriate permits required by Santa Clarita Water. In addition, AirX supplied traffic control personnel, equipment set up and teardown. Steve provided project management, utility locating and markout.
- **Vallecitos Water District, San Marcos Interceptor Phase 2.** Project Manager. Phase 2 consisted of replacing the existing 21-inch sewer interceptor with approximately 3,960 LF of 36- and 42-inch-diameter sewer pipes between Via Vera Cruz and Lift Station No. 1. AirX excavated six potholes and located utility conflicts for the design of the sewer. AirX also located existing rebar in the foundation slab of a reinforced concrete culvert under San Marcos Boulevard at the Pacific Street intersection. Steve provided supervision of night-work core drilling of three locations, performed a structure scan of the triple box culvert, markout, project management, and pothole supervision.
- **Helix Water District, University Avenue Storm Drain Filtration System.** Project Manager. This project created a unique storm drain filtration system under the median of University Avenue in La Mesa. Steve marked out dig locations and called in for USA. AirX excavated seven potholes along a 1.25-mile stretch of University Avenue. AirX provided traffic control plans and applied for the appropriate permits. In addition, AirX supplied traffic control personnel, equipment set up and teardown. Steve provided project management, utility locating, markout and pothole supervision.
- **City of San Diego, Market & Euclid Complete Streets Project.** Project Manager. The project included new and expanded sidewalks, bicycle facilities, crosswalks, medians, and curb extensions to calm traffic. A total of 14 potholes were excavated to establish conflicts and connection points on a variety of utilities. Steve provided project management, utility markout, and pothole supervision.
- **Scripps Health, American Land Title Association (ALTA) Survey.** Project Manager. This project included utility locating markout for an ALTA survey to map existing subsurface utilities at three Scripps Health Campus locations in San Diego. AirX provided electromagnetic locating, GPR and CCTV. CCTV video inspection was performed by both tractor and push cameras to identify the location and condition of the pipes. Steve provided project management and project budgeting.



EDUCATION

BS, Geophysics
BS, Geological Engineering
BS, Civil Engineering

REGISTRATION

Engineer in Training, CA
#t-12978

CERTIFICATIONS

SWPPP/WPCP Caltrans
Certification
Competent Person
Confined Space
HAZWOPPER
Contractor Safety Training:
NCTD, MTS, Metrolink
First Aid/CPR
Traffic Control Technician

Ehab Geroges, PE

PRINCIPAL-IN-CHARGE

Ehab has over 25 years of professional experience in public works design. He has managed and designed a wide variety of public works projects including water and sewer improvements, storm drains, site development, pavement rehabilitation, and street widenings. He has also been responsible for the preparation of studies and master plan reports for water, sewer, and drainage infrastructure.

RELEVANT EXPERIENCE

- **City of San Diego/Orion Construction, AC Water Group 1010 and 1005.** Project Director.
- **City of San Diego/Orion Construction, Water Group Job 921 (Encanto) and Pressure Reducing Station.** Project Director.
- **City of San Diego, Design-Build Water Group Jobs 790 and 922.** Project Director.
- **City of San Diego, La Jolla Country Club Pump Station and Reservoir Replacement.** Project Director.
- **City of Glendale, Cañada Boulevard Water Main Rehabilitation.** Project Director.
- **Otay Water District, Value Engineering Study for Otay Mesa Recycled Water System.** Project Engineer.
- **Valley Sanitary District, Collection System Infrastructure Project.** Program Manager.
- **City of Coronado, Glorietta Bay Pump Station Improvements.** Project Director.
- **City of Tustin, Hewes Avenue Water Main Replacement.** QA/QC Manager.
- **City of Lomita, Pennsylvania Avenue Water Main Replacement.** Program Manager.
- **City of Fullerton, Water Main System Replacement and Upgrade.** Project Manager.
- **City of Bell Gardens, Water System Infrastructure Improvements.** Program Manager.
- **City of Lomita, Water Master Plan and Urban Water Management Plan.** Project Manager.
- **City of Paramount, Water Main Replacement at Motz, Marcelle Allen, and Texaco.** Project Manager.
- **City of Cerritos, Water Main Extension in Norwalk Blvd.** Project Manager.
- **City of Lake Elsinore, Main Street, Water and Sewer Improvements.** Project Manager.
- **City of Del Mar, Citywide Sewer Condition Assessment and Design.** Project Director.
- **City of Coronado, Coronado Cays Force Main Assessment Phases 1 and 2.** Program Manager.



EDUCATION

BS, Civil Engineering

REGISTRATION

Professional Civil Engineer, CA
#59991

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE PHASE I PRESSURE REDUCING STATIONS PROJECT

BACKGROUND

Rainbow Municipal Water District (District) has significant pressure issues with its water system stemming from the topography of the District. The recent condition assessment study indicated that system pressure is one of the key causal factors in pipeline failures. In recent years, the District has been developing better ways to both replace old pressure reducing (PR) stations and install new ones in key areas of the system. One of the most cost effective methods has been to install pre-manufactured PR stations that are housed in fiberglass “dog-house” structures, manufactured by Engineered Fluid, Inc. (EFI). The District has had positive experiences installing these PR stations and recently ordered ten pre-manufactured PR stations from EFI to be installed in various strategic locations throughout the District.

This project includes the installation of three (3) EFI pre-manufactured PR stations provided by the District, connection into existing pipelines and abandoning three existing PR station vaults. All four locations were previously identified and briefly described in the August 27, 2019 Board Report requesting approval to purchase ten pre-manufactured EFI PR stations and are listed below.

1. Tecalote Drive (Pala Mesa Condos) Add one pre-manufactured PR station to replace underground PR station
2. Tecalote Drive (Pala Lake South) Abandon one underground PR station and add new pipe connections
3. Tecalote Drive (Pala Lake North) Add one pre-manufactured PR station to replace underground PR station
4. Pala Mesa Drive (Almendra Court) Add one new pre-manufactured PR station

Exhibit 1 of this report shows the location of the proposed projects.

It is worth noting that the Pala Mesa Condos site within the golf course will require a three-foot high chain link fence around three sides of the station excluding the front access point. This PR station will be installed partially below grade. Also, the Pala Lake South site initially was slated to include installation of a pre-manufactured EFI PR station but with some reconfiguration of pipes, it was determined that it would not be needed

Lastly, three of the four project sites require acquisition of easements. This includes the Pala Mesa Condos, Pala Lake North, and Almendra Court sites. The Pala Mesa Condos and Pala Lake North easements have been acquired by the District; however, the Almendra Court site is currently being negotiated with the Pala Mesa Fairway Villas HOA and their legal counsel.

DESCRIPTION

Staff prepared a bid package and advertised for a formal bid, which consists of advertisement in the newspaper, submittal to bid boards, and posting on the District website. Documents were available on November 21, 2019, and the bid opening was held on December 16, 2019. The results were as follows:

Contractor	Bid Amount
1. M-RAE ENGINEERING, INC.	\$265,826
2. H7 CONTRACTING & ENGINEERING	\$278,250
3. ROBERTS, INC.	\$307,330
4. GENESIS CONSTRUCTION	\$314,271
5. TRANSTAR PIPELINE, INC.	\$329,750
6. SCW CONTRACTING	\$344,070
7. CHARLES KING CO.	\$491,500
8. PIPERIN CORPORATION	\$974,750

Staff has evaluated bids and there were no irregularities with the lowest bidder M-Rae Engineering, Inc. The bid was complete, and the licenses and bonding were correct and in place. Staff recommends award to the lowest bidder, M-Rae Engineering, Inc. Legal counsel has reviewed these items and concurs with staff's recommendation.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Installation of pressure reducing stations will reduce pressure related breaks. It will also provide District staff with easy access for maintenance compared to accessing the existing underground PR stations.

Strategic Focus Area Five: Customer Service. Installation of pressure reducing stations will reduce pressure related breaks for District customers.

ENVIRONMENTAL

The action before the Board qualifies for Class 2 and Class 3 Categorical Exemptions from CEQA. State CEQA Guidelines Section 15302 (Class 2) describes replacement or reconstruction of existing structures and facilities where the new structure would be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including existing utility facilities involving negligible or no expansion of capacity. State CEQA Guidelines Section 15303 (Class 3) describes installation of small new equipment and facilities in small structures and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.

BOARD OPTIONS/FISCAL IMPACTS

This project has been identified and budgeted in the 5-Year Capital Fund and sufficient funds currently exist in the Water Capital Fund Budget.

Option 1:

- Allocate funding and award the construction contract for the Phase I Pressure Reducing Stations Project to M-Rae Engineering, Inc. in accordance with the California Public Contracting Code for a not to exceed amount of \$265,826
- Make a finding that the project is Categorical Exempt from CEQA
- Authorize General Manager to execute contract for the construction of the Phase I Pressure Reducing Stations Project to M-Rae Engineering, Inc.

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

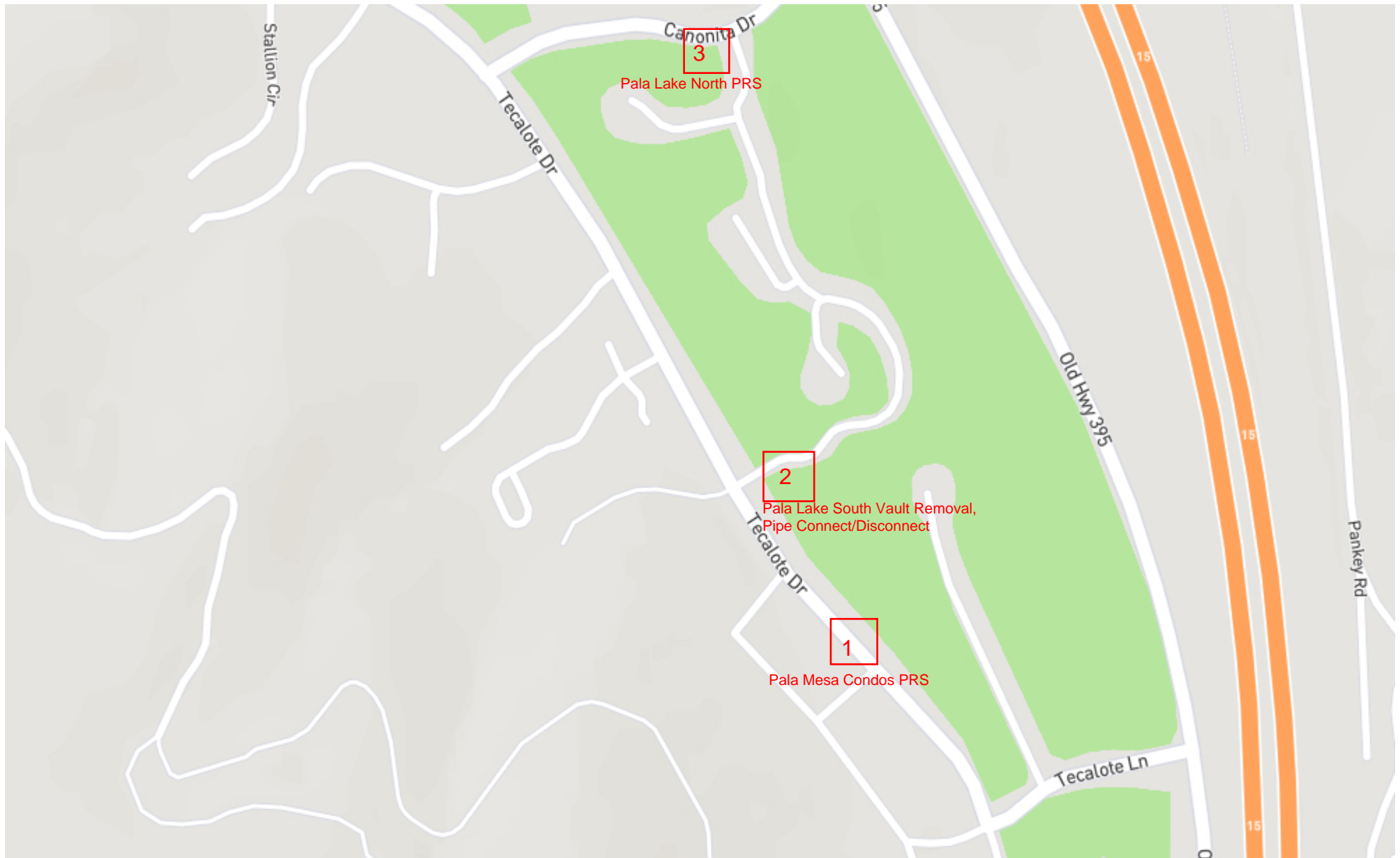
Staff recommends Option 1.



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

January 28, 2020

Pala Mesa/Pala Lake PRS



1" = 545 ft

Pala Mesa Condos & Pala Lake South/North PRS

09/04/2019



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

Almendra Crt NEW PRS



1" = 179 ft

Almendra Crt NEW PRS

09/04/2019



This map may represents a visual display of related geographic information. Data provided here on is not guarantee of acutual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

CONSIDER COMMITTEE MEMBER REAPPOINTMENTS

BACKGROUND

During a review of Administrative Code Chapter 2.09, it was realized committee members were to be reappointed by the Board after four years of service. At both the Engineering and Operations Committee and Budget and Finance respective committee meetings in September 2019, committee members who have served more than four years were asked to notify the District of their desire to be considered for reappointment by the Board of Directors.

The following committee members have been confirmed to have served on their respective committees for more than four years and have notified the District in writing (copies on file) of their desire to be reappointed by the Board:

Budget and Finance Committee:

Pam Moss
Peter Hensley
Randy Ross

Engineering and Operations Committee:

Mick Ratican
Tim Prince
Helene Brazier
Tom Taufer

On October 8, 2019, Harry Stitle announced he would no longer serve on the Budget and Finance or the Engineering and Operations committees effective January 1, 2020; therefore, he would not be seeking reappointment.

All remaining committee members not listed herein have served less than four years and do not require reappointment at this time.

DESCRIPTION

At their October 22, 2019 Board meeting, the Board took action to defer this item until the review of Administrative Code Chapter 2.09 had been completed. A thorough review of the policy has been conducted by the committees; therefore, this item is being presented again to provide the Board with an opportunity to consider reappointment of some or all the committee members listed.

Harry Stitle reconfirmed his resignation from the committees in December 2019.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Chapter 2.09 – Committees

Strategic Focus Area One: Water Resources
Strategic Focus Area Two: Asset Management
Strategic Focus Area Four: Fiscal Responsibility

BOARD OPTIONS/FISCAL IMPACTS

1. Reappoint all the committee members seeking reappointment.
2. Reappoint some of the committee members seeking reappointment.
3. Reappoint none of the committee members seeking reappointment.
4. Consider reappointments after the current review of Administrative Chapter 2.09 is complete.

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 reappointment of Pam Moss, Peter Hensley, and Randy Moss to the Budget and Finance Committee and Mick Ratican and Helene Brazier to the Engineering and Operations Committee.



Tom Kennedy, General Manager

January 28, 2020

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

LAFCO CALL FOR BALLOTS FOR NOMINATIONS FOR REGULAR SPECIAL DISTRICT MEMBER ELECTION

BACKGROUND

RMWD received notice serving as a call to nominations pursuant to Government Code Section 56332(1) to solicit one regular special district member to serve on the San Diego Local Agency Formation Commission (LAFCO). The term is for four years and commences on May 4, 2020. The incumbent holder, Jo MacKenzie with Vista Irrigation District, is expected to seek nomination and run for a new term.

- Eligibility: Candidates eligible for election must be members of the legislative body of an independent special district who reside within San Diego County but may not be members of the legislative body of a city or county.

DESCRIPTION

State Law specifies only the presiding officer or their alternate as designated by the governing board must sign the nomination form which has been provided.

Signed nominations and a limited two-page resume indicating the candidate's District and LAFCO experience must be returned to San Diego LAFCO **no later than Friday, February 7, 2020**. Nominations received after this date will be invalid.

After nominations and resumes are received it is anticipated a candidate's forum will be held in conjunction with the California Special District Association Quarterly Dinner with confirmation being provided under separate/future cover.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

BOARD OPTIONS/FISCAL IMPACTS


- 1) Nominate a Special District Representative for the San Diego LAFCO Regular Member and direct staff to complete the required nomination form to be signed by the presiding officer or their alternate as designed by the governing board.
- 2) Do not make a nomination a Special District Representative for the San Diego LAFCO Regular Member.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff supports direction.



Tom Kennedy, General Manager

January 28, 2020



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

CALL FOR NOMINATIONS

December 6, 2019

TO: Independent Special Districts in San Diego County

FROM: Tamaron Luckett, Executive Assistant

SUBJECT: **Call for Nominations | Regular Special District Member Election on LAFCO**

This notice serves as a call to nominations pursuant to Government Code Section 56332(1) to solicit one regular special district member to serve on the San Diego Local Agency Formation Commission (LAFCO). The term is four years and commences on May 4, 2020. The incumbent holder – Jo MacKenzie with Vista Irrigation District – is expected to seek nomination and run for a new term. Additional details follow.

- Eligibility**
 Candidates eligible for election must be members of the legislative body of an independent special district who reside within San Diego County but may not be members of the legislative body of a city or county.
- Authorized Nominations**
 State Law specifies only the presiding officer or their alternate as designated by the governing board must sign the nomination form. Attached is nomination form for the LAFCO regular special district member (**Attachment A**).
- Submittal Process and Deadline**
 Signed nominations and a limited **two-page** resume indicating the candidate’s District and LAFCO experience must be returned to San Diego LAFCO **no later than Friday, February 7, 2020**. Nominations received after this date will be invalid. Nominations and resumes may be mailed to San Diego LAFCO Office at 9335 Hazard Way, Suite 200, San Diego, CA 92123 or email to tamaron.luckett@sdcounty.ca.gov, if necessary to meet the submission deadline, but the original form must be submitted.

Administration
 Keene Simonds, Executive Officer
 County Operations Center
 9335 Hazard Way, Suite 200
 San Diego, California 92123
 T 858.614.7755 F 858.614.7766
www.sdlafco.org

Jim Desmond
 County of San Diego

Dianne Jacob, Vice Chair
 County of San Diego

Greg Cox, Alternate
 County of San Diego

Mary Casillas Salas
 City of Chula Vista

Bill Wells
 City of El Cajon

Patricia...
 City of Escondido

Mark Kersey
 City of San Diego

Chris Cate, Alternate
 City of San Diego

Jo MacKenzie, Chair
 Vista Irrigation

Barry Willis
 Alpine Fire Protection

Erin Lump, Alternate
 Rincon del Diablo MWD

Andy Vanderlaan
 General Public

Harry Mathis, Alternate
 General Public

After nominations and resumes are received it is anticipated a candidate's forum will be held in conjunction with the California Special Districts Association Quarterly Dinner with confirmation being provided under separate/future cover. Election materials will be mailed out **no later** than **Friday, February 14, 2020** unless otherwise communicated by the LAFCO Executive Officer. Should you have any questions, please contact me at 858.614.7755.

Attachment:

- 1) Nomination form – LAFCO regular special district member

ATTACHMENT A

**NOMINATION OF THE SPECIAL DISTRICT REPRESENTATIVE
FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
REGULAR MEMBER**

The _____ is pleased to nominate _____ as a
(Name of Independent Special District) (Name of Candidate)

Candidate for the San Diego Local Agency Formation Commission as a regular special district member with a term expiring 2024.

As presiding officer or his/her delegated alternate as provided by the governing board, I hereby certify that:

- The nominee is a member of a legislative body of an independent special district whom resides in San Diego County.

(Presiding Officer Signature)

(Print name)

(Print Title)

(Date)

PLEASE ATTACH RESUME FOR NOMINEE

- Limit two-pages
- Must be submitted with Nomination Form

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

BONSALL RESERVOIR UPDATE ON PREVAILING LEASING RATES/ALTERNATIVES

DESCRIPTION

The Bonsall Reservoir located west of Old Highway 395; South of West Lilac off Aqueduct Road on Via Urner Rd. (Exhibit "A") has not been utilized as a water impoundment structure for several decades. Nor has it been used as a part of the District's potable water distribution system for many years. The Board has been interested in understanding the current situation with the site, and exploring other, more beneficial, uses. The Board has been requesting information regarding the site, and Staff has recently had a professional appraisal completed (Exhibit "B"). According to the appraisal, the property is currently valued at \$154,000. The amended appraisal email (Exhibit "E") states that the lease value of the site is \$1,200/per acre/per year, or \$619/month for the site.

The site is currently under a long-term lease to Mr. Don Dabbs (Lessee), a nursery operator (Exhibit "C"). The most recent five-year extension for \$7500 expires in 2020 (Exhibit "D"). The site has been out of use for decades and would require extensive reconstruction to be brought back into service. Staff is evaluating whether it would be cost effective to bring the reservoir back into service for additional storage in the southern zone, to help offset demands from the Morro Reservoir.

At the direction of the Board, staff has been evaluating the installation of a solar facility at the site, instead of leasing to agricultural tenants. Staff contracted with Cosmic Solar, Inc., a local solar company, to perform a preliminary investigation and evaluation of the site for solar applications, and the adjacent SDG&E infrastructure.

The report provided by Cosmic Solar (Exhibit "F") indicated that the site would support a 502.2 kWdc system comprised of approximately 1,500 panels, with a total panel area of 31,323 square feet. The estimated price would be approximately \$1,000,000. This system could be used to offset electric pumping costs borne by the District.

A solar system this size would generate approximately 779,430 kWh, equivalent to roughly 20% of the District's total annual electric use. At current rates, the Cashflow Payback period is 5.6 years for a system at his price, 6.2 for a Modified Cashflow Payback. The savings in the electrical utility costs of \$163,680 in the first year only exceed the appraised value of the land itself. The cost savings also far exceed the value of rental payments from any tenants on the property.

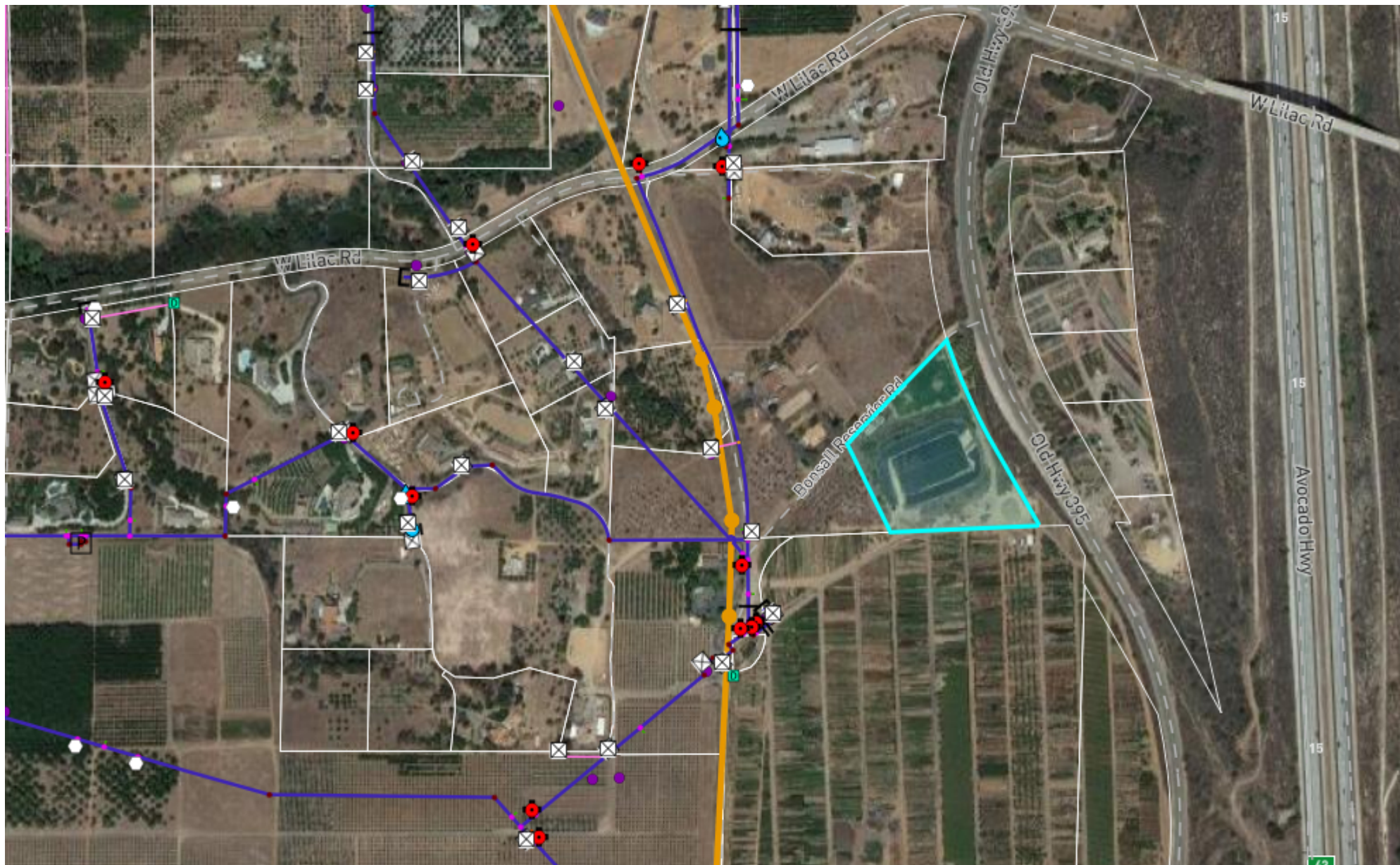
If the District decides to proceed with a solar project, the Board could choose to authorize a project, and add it to the approved CIP list. Like most other public works projects, the District would have to comply with the California Public Contract Code. The District would have plans, specifications and estimates for a complete solar system prepared by appropriate professionals, selected by the RFP process, then proceed with public bidding of the construction of a solar project at the reservoir site.



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

1/28/2020

Abandoned Bonsall Reservoir



1" = 592 ft

Possible Solar Site

10/28/2019



This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

**Appraisal of Agricultural Land known as
Bonsall Reservoir**

Old Highway 395/Via Urner Road
Bonsall, CA 92003
APN 127-071-05

Prepared For

Mr. Steve Strapac, PE, PLS
District Engineer
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

Date of Report: August 16, 2019

Date of Value: July 18, 2019



1938 Kellogg Avenue
Carlsbad, CA 92008
Phone: 760-444-6230
Fax: 760-444-6242
www.arensgroup.com

 **ARENS
GROUP, INC.**
Real Estate Appraisal and Consultation



August 16, 2019

Mr. Steve Strapac, PE, PLS
District Engineer
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

Property: Old Highway 395/Via Uerner Road
Bonsall, CA 92003
APN: 127-071-05
Arens Group File No.: 19-158

Dear Mr. Strapac:

This Appraisal Report is provided based on your recent request. Its purpose is to estimate the market value of the subject property. The following conclusions are based on our investigation and examination of the property, data gathered by us, data provided by various parties, and on our experience and judgment as real estate appraisers.

The subject property is 6.19 acre (269,636 SF) site, a portion of which was formally used as a water reservoir. The reservoir was created by the now-defunct "Bonsall Mutual Water Corp.," which has folded into Rainbow Municipal Water District. The water reservoir has been abandoned and the site is currently leased by an adjacent plant nursery. They are using the former reservoir area to house plants.

The area of the site previously used for the water reservoir has been dug out and covered with plastic coating, as shown in the following photograph:



Despite this, the highest and best use of the site is for residential development. Thus, typical buyers would convert the site to residential use which would require significant grading work to level out the area formally used as a reservoir. Once level, the resulting pad would have excellent views in virtually all directions.

Appraisers contacted general contractor, Eric Kalabat to help obtain an approximate cost for this grading work. It was stipulated that the work should be done such that the dirt from the outer walls of the reservoir would be pushed into the center until it was basically a level pad. Further, no dirt is assumed to be needed to be imported or removed from this site.

In addition to estimating the value of the site, the client has requested an estimated market rental rate. The purpose of this appraisal is to estimate the market value and the market rental rate of the property to aid the client with in the decision making process. Based on the analysis that follows, the estimated market value of the fee simple¹ interest in the subject property, subject to the assumptions and limiting conditions, certifications, extraordinary assumptions and hypothetical conditions, if any, "as is" as of July 18, 2019, is:

\$154,000
(One Hundred Fifty Four Thousand Dollars)

¹ There is reportedly a lease in place; however, the client has requested a fee simple value.

The estimated exposure time for the subject property is five to nine months, which includes a typical escrow period.

Additionally, the subject's market rental rate is estimated at **\$1,683/month NNN**.

To the best of our knowledge, statements contained in this Appraisal Report are accurate; however, all conclusions are made subject to the Limiting Conditions and Assumptions. This Appraisal Report complies with the *Uniform Standards of Professional Appraisal Practice* (USPAP) adopted by the Appraisal Foundation, and Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA)(12 U.S. C. 3331 et seq.).

Extraordinary Assumptions²

1. Direct access is not available to the subject from Old Highway 395 or Via Urner Road. Appraisers accessed the property from the east via Aqueduct Road. Though there were functional gravel roads to the property there was signage indicating this was private property. This analysis assumes that the subject has functional and legal access.
2. This analysis assumes that the costs for grading work and leveling out the area formally used as a reservoir are accurate.

Hypothetical Conditions³

1. None.⁴

This Appraisal Report is made for the sole and exclusive use of the appraisers' client. No third parties are authorized to rely on this report without the expressed written consent of the appraisers.

Enclosed is the Appraisal Report containing information on which the conclusions of value are based. This letter of transmittal is part of the Appraisal Report and is not intended to be separated from the report. Relevant documents and support information are in the Addenda.

² Extraordinary assumptions may have an impact on the assignment results.

³ Hypothetical Condition may impact assignment results.

⁴ The report contains an "as though grading work is complete" estimate of value which is hypothetical as the subject is not graded. Despite this, the "as is" value is not hypothetical.

Thank you for the opportunity of submitting this report.

Sincerely,



Scott B. Arens, MAI, SRA Appraiser
CA Certificate No. AG003035
scott.arensgroup.com

TABLE OF CONTENTS

Cover1
 Cover Letter3
 Table of Contents7
 Summary of Salient Facts and Conclusions8
 Certifications9
 Assumptions and Limiting Conditions10
 Scope of Work.....15
 Regional Analysis18
 Market Area27
 Site Analysis.....30
 Subject Photographs35
 Highest and Best Use.....37
 Sales Comparison Approach: “As Though Grading is Complete”38
 “As Is” Valuation49
 Exposure Time.....50
 Estimated Market Rent.....51

Addendum A

Plat Map53
 Qualifications.....54

Addendum B

Glossary56

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Name	Bonsall Reservoir
Location	Old Highway 395/Via Urner Road Bonsall, CA 92003
APN	127-071-05
Property Type	Agricultural/residential land
Owner of Record	Rainbow Municipal Water District
Census Tract	188.03

ASSIGNMENT

Arens Group File No.	19-158-GV-SEH
Interest Appraised	Fee Simple Interest
Purpose of Appraisal	To estimate the market value and the market rental rate of the subject property
Intended Use	To be used by the client to help in the decision making process
Client	Rainbow Municipal Water District
Intended User	Rainbow Municipal Water District
Date of Report	August 16, 2019
Date of Inspection	July 18, 2019
Date of Value	July 18, 2019

SITE

Site Size (SF)	269,636 SF
Site Size (Acre)	6.19 acres
Zoning	A70: Limited Agricultural (county of San Diego)
Tax Rate	Not applicable
Fixed Taxes	Not applicable
Environmental Issues	None known

HIGHEST AND BEST USE	For immediate development
-----------------------------	---------------------------

VALUE CONCLUSION

Date of Value	July 18, 2019
Estimated "As Is" Value	\$404,000
Estimated Market Rental Rate	\$1,683/month

CERTIFICATION: SCOTT B. ARENS, MAI, SRA

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
9. I have personally inspected the property that is the subject of this report.
10. Susan Hardman provided significant professional assistance in the preparation of this Appraisal Report, including the identification of the appraisal problem, data collection, the inspection of the subject property, and researching and inspecting the comparables. She was involved in the analysis of the data and provided assistance in estimating the final value. Overall, she aided the appraiser in the entire appraisal process.
11. As of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
14. As of the date of this report, I have completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
15. I have not performed any services regarding the subject property within the prior three years of accepting this assignment, as an appraiser or in any other capacity.



Scott B. Arens, MAI, SRA

CA Certified General Real Estate Appraiser No. AG003035

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made using the following assumptions, except when noted otherwise:

1. That title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions and that the property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect its value.
3. There are no hidden or undisclosed conditions of the land or of the improvements that impact its value (e.g. contamination, asbestos, etc.).
4. The revenue stamps placed on any deed referenced to indicate the sale price are in correct and represent the actual dollar amount of the transaction.
5. The appraisal is based on the premise there is full compliance with all applicable federal, state, and local environmental regulations and laws. It also assumes full compliance with all applicable zoning, licensing, building, and use regulations/restrictions including fire, building, safety, earthquake, occupancy codes, etc.
6. That information provided by outside parties is accurate. Though data used was obtained from sources considered reliable, no responsibility for accuracy of such items can be assured.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. Appraisals are inherently subjective and represent our opinion of value of the property appraised.
2. The opinions expressed in this report apply only to the date of value stated. Appraisers assume no responsibility for economic or physical factors occurring later which affect these opinions and conclusions. Further, the right is reserved by appraisers to make adjustments to the analyses, opinions, and conclusions based on additional or more reliable data.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the internal revenue code) are anticipated.
4. No environmental impact studies were requested or made in conjunction with this appraisal and appraisers reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, appraisers are not required to provide testimony, respond to any subpoena or attend any court, governmental or

- other hearing with reference to the property without competitive compensation.
6. Appraisers have made no survey of the property and assume no responsibility in connection with such matters. Sketches, surveys and diagrams of the property included in this report are for illustrative purposes only and should not be considered to scale. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
 7. No opinion is expressed as to the value of any subsurface oil, gas or mineral rights, if any, and appraisers have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. Appraisers accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
 9. The Appraisal Report must be considered only in its entirety. No part of it may be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Income and expense estimates are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 12. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 13. The current purchasing power of the dollar is the basis for the value stated in our appraisal; appraisers have assumed that no extreme fluctuations in economic cycles will occur.
 14. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 15. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions however inevitably will not materialize, and anticipated events and circumstances may occur; therefore, actual results achieved during the

- period covered by our analysis will vary from our estimates, and the variations may be material.
16. The American with Disabilities Act of 1990 (ADA) sets specific standards for handicapped access. Determination of compliance with these standards is beyond appraisal expertise and has not been attempted. Any improvements are assumed to be in full compliance.
 17. The Appraisal Report is prepared for the exclusive benefit of the client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 18. No studies have been provided to appraisers indicating the presence or absence of hazardous materials on the subject property or in the improvements, and this valuation is predicated upon the assumption that the subject property is free and clear of any environmental hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because appraisers are not experts in the field of environmental conditions, the Appraisal Report cannot and should not be considered as an environmental assessment of the subject property.
 19. The person(s) signing the report may have reviewed available flood maps and may have noted in the Appraisal Report whether the subject is in an identified Special Flood Hazard Area. Appraisers are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 20. Appraisers are not building or environmental inspectors and do not guarantee the subject property is free of defects or environmental problems. Mold may be present in the subject and a professional inspection is recommended.
 21. The Appraisal Report and its value conclusions assume the satisfactory completion of any construction, repairs or alterations in workmanlike manner.
 22. Arens Group, Inc is an independently owned and operated company, has prepared the appraisal for the specific purpose stated and for the specific client/user. Accordingly, the Appraisal Report is addressed to and shall be solely for the client's use and benefit unless appraisers provide prior written consent. Appraisers expressly reserve the unrestricted right to withhold our consent to your disclosure of the Appraisal Report (or any part thereof including, without limitation, conclusion of value and our identity), to any third parties without prior written consent of the appraisers. Stated again for

- clarification, unless our prior written consent is obtained, no third party may rely on the Appraisal Report (even if their reliance was foreseeable).
23. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Appraisers are not responsible for these and other future occurrences that could have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While appraisers are of the opinion that our findings are reasonable and based on current market conditions, appraisers do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, appraisers assume competent and effective management and marketing.
 24. Any prospective value estimates presented in this report are estimates and forecasts and are in subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to, changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in the title or conveyances of easements and deed restrictions, etc.
 25. In the event of a claim against Arens Group, Inc. or its affiliates or their respective officers or employees or the appraisers in connection with or in any way relating to this report or this engagement, the maximum damages recoverable are the amount of money actually collected by Arens Group, Inc. or its affiliates for this report.

Extraordinary Assumptions⁵

1. Direct access is not available to the subject from Old Highway 395 or Via Urner Road. Appraisers accessed the property from the east via Aqueduct Road. Though there were functional gravel roads to the property there was signage indicating this was private property. This analysis assumes that the subject has functional and legal access.
2. This analysis assumes that the costs for grading work and leveling out the area formally used as a reservoir are accurate.

⁵ Extraordinary assumptions may have an impact on the assignment results.

Hypothetical Conditions⁶

1. None.⁷

⁶ Hypothetical Condition may impact assignment results.

⁷ The report contains an “as though grading work is complete” estimate of value which is hypothetical as the subject is not graded. Despite this, the “as is” value is not hypothetical.

SCOPE OF WORK

This Appraisal Report complies with the *Uniform Standards of Professional Appraisal Practice* (USPAP) adopted by the Appraisal Foundation and Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA)(12 U.S. C. 3331 et seq.). The appraisers are competent to complete the assignment in accordance with the competency provision in the USPAP.

The subject property was inspected July 18, 2019 (the date of value) at which time the site was viewed and photographs were taken. The subject was inspected by Scott B. Arens, MAI, SRA. Appraisers contacted general contractor, Eric Kalabat, to estimate an approximate cost for the grading work.

Appraisers gathered current, relevant, data related to demographic, economic, governmental, and environmental forces. A visual observation of the market area or neighborhood was made including driving the adjacent roadways and major thoroughfares in the area, noting convenience to area shopping, retail, entertainment, employment, and major arterial roadways. The subject's current zoning information was obtained.

Searches were made for comparable transactions in the subject's and competing areas using various data sources, including MLS, CoStar, Loopnet, newspapers, public record, and broker surveys. Each property was analyzed to determine comparability and was confirmed by a principal (i.e., buyer, seller, agent, etc.), if possible. The subject was analyzed to determine its highest and best use.

Purpose of Assignment

The purpose of this appraisal is to estimate the market value and the market rental rate of the subject property.

Intended Use of Appraisal

This appraisal will be used to aid the client in the decision making process.

Client

Rainbow Municipal Water District

Intended User

Rainbow Municipal Water District

Property Rights Appraised

The property rights appraised in this analysis are fee simple⁸ interest.

Date of Report

August 16, 2019

Date of Value

July 18, 2019

Date of Inspection

July 18, 2019

Extraordinary Assumptions⁹

1. Direct access is not available to the subject from Old Highway 395 or Via Urner Road. Appraisers accessed the property from the east via Aqueduct Road. Though there were functional gravel roads to the property there was signage indicating this was private property. This analysis assumes that the subject has functional and legal access.
2. This analysis assumes that the costs for grading work and leveling out the area formally used as a reservoir are accurate.

Hypothetical Conditions¹⁰

4. None.¹¹

Valuation Methodology**As Though Grading Work is Complete**

The subject is first appraised “as though grading work is complete.” For this, all three traditional approaches to value are considered. They are the cost, sales comparison, and income approaches (refer to Addendum B: Glossary for

⁸ There is reportedly a lease in place; however, the client has requested a fee simple value.

⁹ Extraordinary assumptions may have an impact on the assignment results.

¹⁰ Hypothetical Condition may impact assignment results.

¹¹ The report contains an “as though grading work is complete” estimate of value which is hypothetical as the subject is not graded. Despite this, the “as is” value is not hypothetical.

definitions). As the subject property is vacant land, only the sales comparison approach is used in this report.

“As Is” Value

The “as is” estimate begins with the “as though grading work is complete” estimate and adjusts for the cost of grading the site.

Market Rental Rate

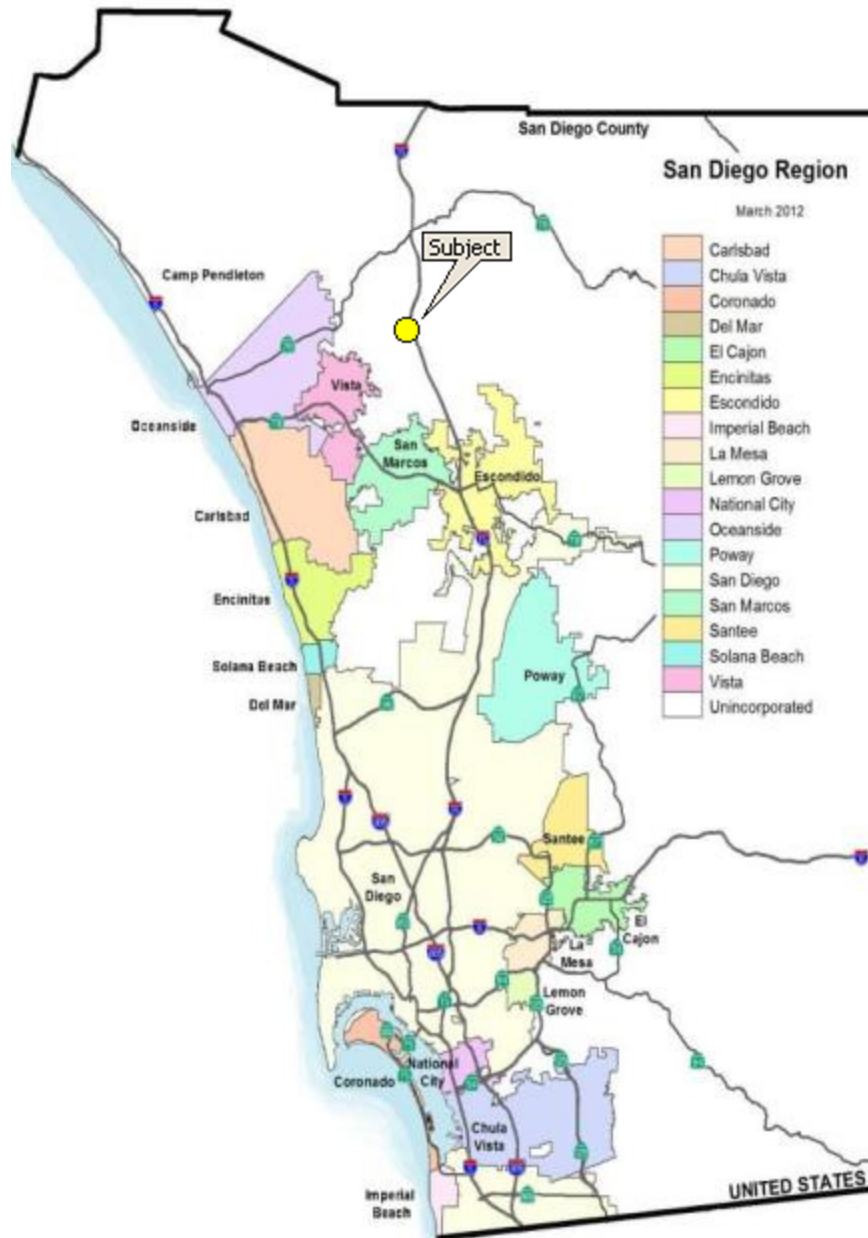
The market rental rate is estimated by capitalizing the estimated market value of the subject property.

Personal Property, Fixtures and Intangible Items

This analysis does not consider any value associated with personal property, fixtures, equipment, or intangibles. This is an appraisal of the real estate only.

It is bounded by the Pacific Ocean to the west; Mexico to the south; Orange and Riverside counties to the north; and Imperial County to the east. It encompasses about 4,200 square miles and has 70 miles of coastline. The San Diego Metropolitan area is contained entirely within the county. In terms of land area, it is the 28th largest metropolitan area in the nation.

The San Diego Metropolitan Area comprises the city of San Diego and 17 other incorporated cities, as well as unincorporated territory. The following map illustrates:



Climate

San Diego is reputed to have the mildest climate within the continental United States. According to the National Weather Bureau, it is sunny approximately 70% of the year. The range between high and low daily temperatures averages approximately 10 degrees in summer and 16 degrees in winter. This mild and pleasant weather has always been a strong selling point for San Diego and will continue to be so in the future.

The county can be divided into three basic geographic climatic areas, all running north to south, roughly parallel to the coast. The coastal plain extends 20 to 25 miles inland and generally enjoys cooler summers and warmer winters. The middle section of foothills and mountains (with elevations as high as 6,500 feet) tends to have warmer summers and cooler winters. The third area, the desert, extends from the mountains into Imperial County and is usually warmer than the others year-round.

Transportation

Transportation in San Diego County is oriented toward the automobile. The freeway system is very good and congestion is not typically excessive (typical commute is less than 20 minutes from major population centers to employment centers).

Public transit in San Diego is adequate, though not ideal. Bus, train, and trolley systems run through all urbanized areas and some rural ones, but the system is far less extensive than it could be. Like the rest of Southern California, San Diegans rely heavily on their cars and will probably continue to do so in the future.

Population <http://www.dof.ca.gov/research/demographic/reports/estimates/e-6/2000-10/view.php>

Changes in population are a major force on real estate values. Given the fixed supply of land, population changes will eventually affect real estate demand. The population of the county surpassed 3 million in 2008, making San Diego the 17th most populated metropolitan area in the United States. The following table shows the change in population of San Diego County since 2005.¹²

¹² <http://quickfacts.census.gov/qfd/states/>

	Population	Percent Change	Numeric Change
2005	2,970,135	--	6,745
2006	2,982,816	0.4%	12,681
2007	3,014,165	1.0%	31,349
2008	3,051,262	1.2%	37,097
2009	3,077,633	0.9%	26,371
2010	3,104,581	0.9%	26,948
2011	3,116,658	0.4%	12,077
2012	3,128,734	0.4%	12,077
2013	3,222,558	3.0%	93,824
2014	3,263,431	1.3%	40,873
2015	3,299,521	1.1%	36,090
2016	3,317,749	0.6%	18,228
2017	3,337,685	0.6%	19,936
2018	3,344,430	0.7%	24,043
2020*	3,836,691	15.0%	499,006

* projected

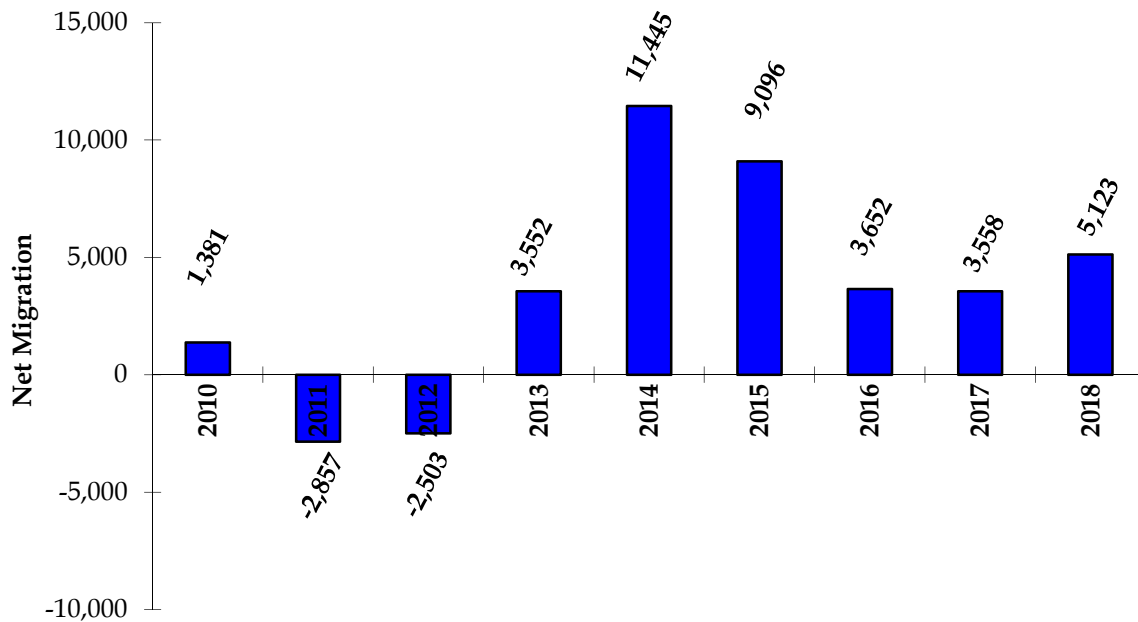
Population growth consists of the following two factors:

- 1) Natural Growth: births minus deaths
- 2) Net Migration: number of people moving in minus people moving out

Natural growth tends to increase steadily and is generally impervious to economic conditions. Net migration tends to fluctuate through economic cycles. Increases in this component were high in the late 1980s but declined in the early 1990s, with negative figures from 1992 to 1995, the first time in 28 years that more people moved out than in. As the economy improved in the second half of the 1990s through 2003, net migration again increased. As can be seen on the following chart, the trend began to reverse itself, with net migration decreasing significantly in 2011 and 2012, before rebounding in 2013:¹³

¹³ <http://www.dof.ca.gov/research/demographic/reports/estimates/e-2/>

San Diego County Net Migration



Housing Demand

Population growth is the key to housing demand. Since the number of people per household stays relatively stable – generally between a low of 2.6 and a high of 2.9 – a new housing unit is demanded for each 2.6 to 2.9 net people who move to, or are born in, San Diego.¹⁴ Based on these figures, the population increase in 2018 of 5,123 people equates to a demand for between approximately 13,320 and 14,857¹⁵ new housing units (these figures would likely be greater since some properties are condemned and/or destroyed).

Housing Supply vs. Demand

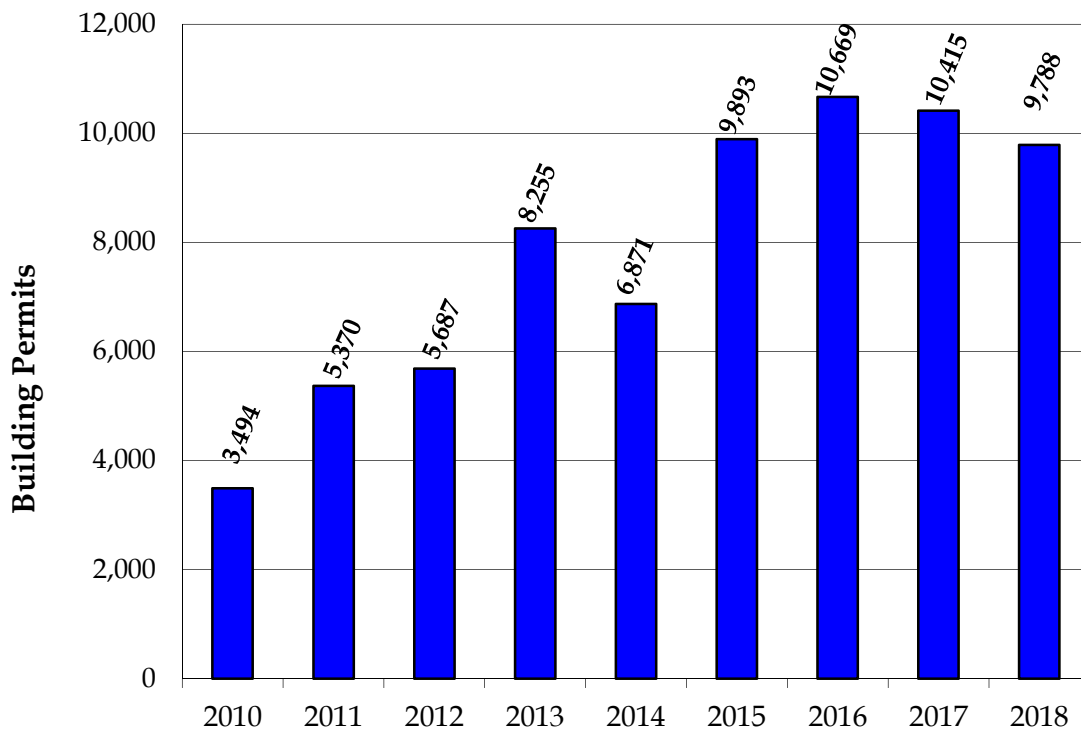
The number of housing permits has declined significantly since the boom times of the mid 2000s. The total number of building permits for San Diego County has increased since bottoming out in 2009, as shown as follows:¹⁶

¹⁴ A common response to the relationship between natural growth and real estate demand is that newborn babies do not purchase or rent homes. Though true, this view ignores the fact that as each baby is born, so does a young adolescent grow into a young adult who desires a place of his or her own. Thus, natural growth reflects an immediate real demand for housing.

¹⁵ (5,123 people ÷ 2.6 people/household) and (5,123 people ÷ 2.9 people/household).

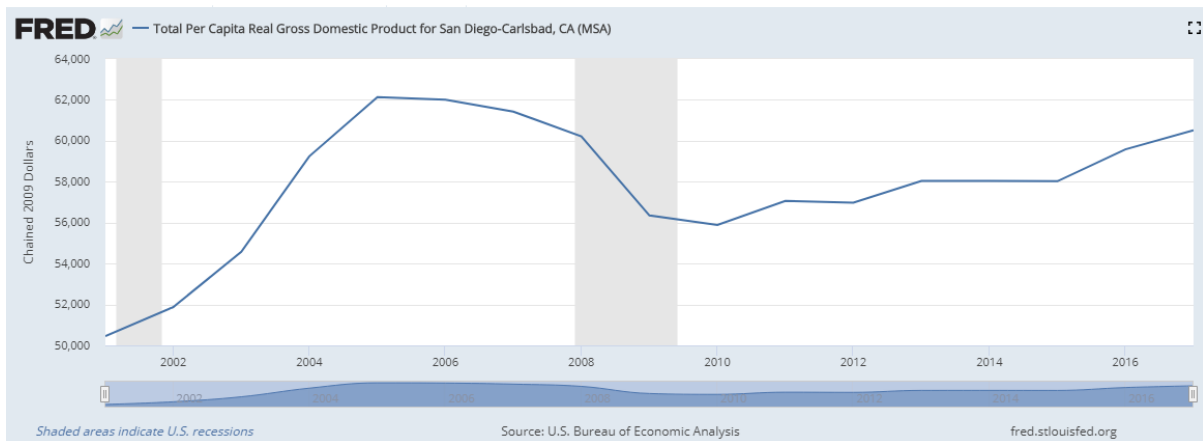
¹⁶ <http://www.census.gov/construction/bps/msamonthly.html> as of March 2019

San Diego County Building Permits (Total Housing Units)



General Economy¹⁷

After the severe recession in the early 1990s, San Diego has had several years of relatively strong economic growth, as shown in the following graph of Total Gross Domestic Product (GRP) for the San Diego-Carlsbad, CA (MSA):



¹⁷ www.fred.stlouisfed.org latest update September 18, 2018

While previously dominated by defense and military, San Diego industries have transformed into a more diversified mix of high-technology commercial endeavors. Some were by-products of the existing defense-related industries, capitalizing on the highly educated and skilled labor force. Emerging sectors include electronics, telecommunications, computers, software and biotechnology.

It is virtually impossible to break down San Diego's GRP into specific industries because of overlap (e.g. some defense production is also manufacturing, etc.). However, most experts agree the biggest contributor is manufacturing (particularly high-tech), with military second, and tourism third. Agriculture and construction are also major contributors.

Some specific industries are discussed as follows:

Defense Industries

After several years of decline, San Diego's defense contracting rose again after September 11 and tended to continue as a result of the ongoing Middle East conflicts. The revitalization of San Diego's defense work has been mainly in technological and surveillance systems.

High-Tech

World-class scientific and research institutions, along with the region's roots in the military, were instrumental in developing San Diego's technology industries. Additionally, San Diego is one of the nation's leading centers for biotechnology.

Tourism

Tourism is a multi-billion dollar industry and is generally regarded as San Diego's third-largest economic sector. San Diego hosts more than 35.8 million visitors each year, and is a top U.S. travel destination. According to the county of San Diego and the San Diego Regional Chamber of Commerce, visitor spending is accounts for more than \$11.5 billion annually and the visitor industry employs directly and indirectly 194,000 San Diegans. The industry generates more than \$940 million annually in state and local taxes.¹⁸

International Trade

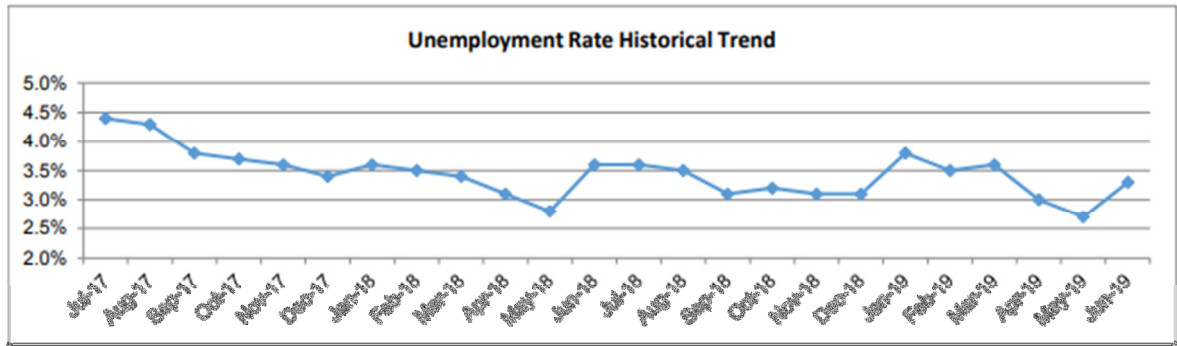
The international border between San Diego and Mexico is one of the busiest in the world. International trade has contributed to San Diego's economic recovery and

¹⁸ www.sandiego.org/industry-research.aspx

dynamic performance in recent years, as trade and interactions with Mexico have provided tremendous economic advantages and opportunities.

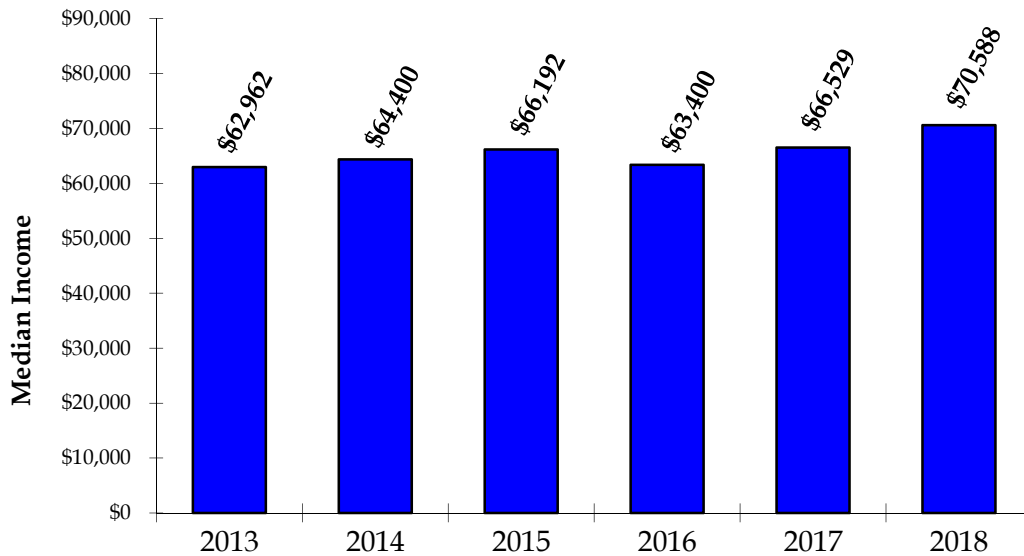
Unemployment

San Diego’s unemployment – the number of adults’ unemployed and actively pursuing employment¹⁹ is shown as follows:



As indicated in the above graph, San Diego County unemployment rate has declined since July 2017. Recent median household income figures have been increasing over the last couple years, as shown as follows:

San Diego County Median Household Income

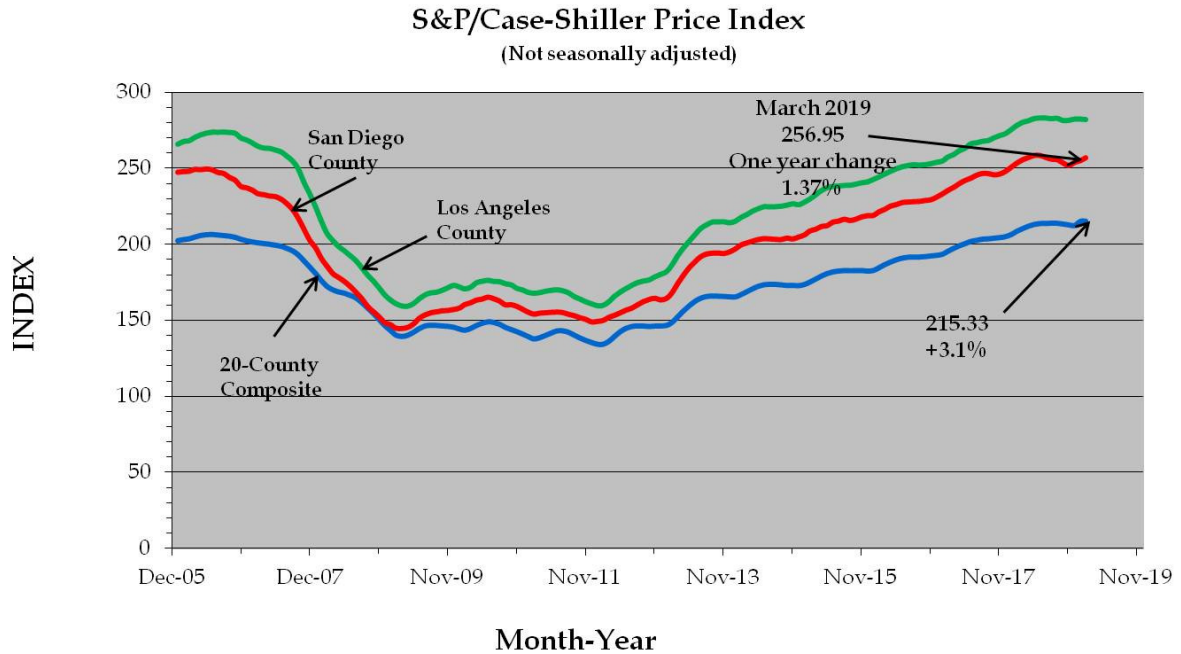


¹⁹ [http://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand\\$pds.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand$pds.pdf)

Note: Civilian labor force does not include those younger than 16, or college students and adults not actively seeking employment. Members of the armed services and persons in institutions such as prisons, mental hospitals, or nursing homes are also not included.

Historical Housing Trends

Driven by a growing population, increasingly restrictive land development requirements, and decreasing inventory of developable land, housing prices have tended to increase over the long term in this area. Refer to the S&P/Case-Shiller Index²⁰ in the following graph:



The index represents a three-month rolling average of paired home sales, starting at 100 in January 2000.

Source: Standard & Poor's

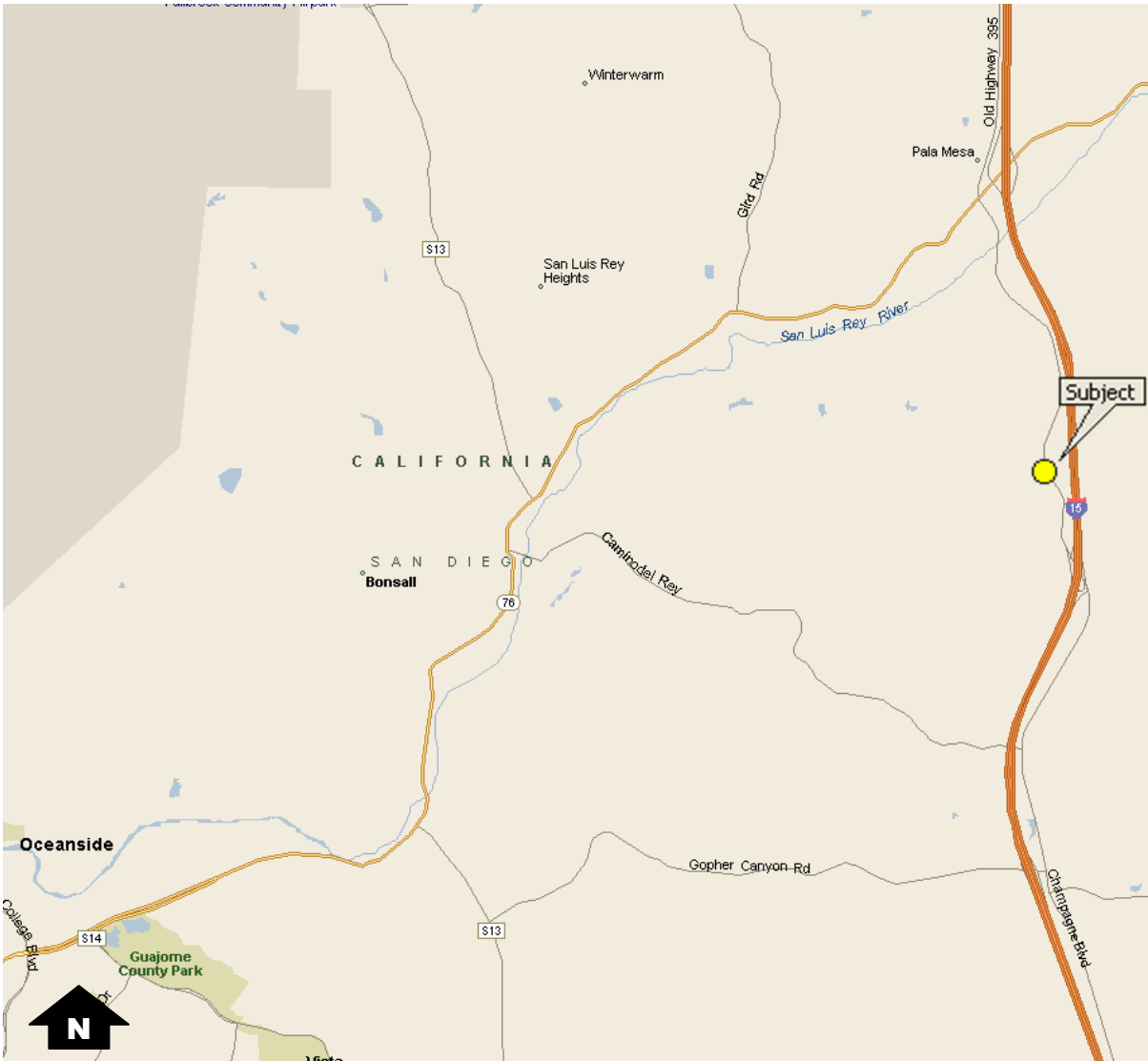
As shown, the median price of a home in San Diego County stayed fairly level between about 2009 and 2014. Since then it appears to have been increasing at varying rates, with intermittent periods of stabilization.

Conclusion/Projections

In the past, San Diego real estate values have been supported by a strong economy able to attract major industries, organizations, and highly-skilled residents. The stabilizing effect of the military presence, the many and varied tourist attractions, a considerable industrial structure and excellent weather have established San Diego as a relatively stable economic environment. These forces have historically kept the region strong and are expected to maintain the area in the long-term future. The economy appears to be strong with values increasing in some areas.

²⁰ <http://us.spindices.com/indices/real-estate/sp-case-shiller-home-price-index>

MARKET AREA



Market Area is defined as:

The geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.²¹

Location

The subject is in Bonsall, an unincorporated community in northern San Diego County. This is a primarily rural/residential region approximately 45 miles north of

²¹ Dictionary, 174-175.

downtown San Diego and 15 miles inland from the Pacific Ocean. This area is bounded by the city of Vista to the south, the Marine Corps Base Camp Joseph P. Pendleton to the west, the community of Fallbrook to the north, and Interstate 15 to the east.

Access

The subject area has access to State Highway 76, which leads south to the city of Oceanside and north to unincorporated areas of the county. To the east of Bonsall is Interstate 15, which leads south to the city of Escondido and other San Diego communities. Bonsall is primarily rural, but there is a sufficient network of secondary roads, and access to neighboring cities is available via the highways.

Topography

This area has a wide variety of topographical conditions, ranging from level river bottom areas to steeper terrains and mountains. Many areas of Bonsall are heavily wooded, some with avocado and citrus groves.

Development

Residential units in Bonsall range from dilapidated shacks to newer custom estates. Within the subject's immediate neighborhood tend to be large, custom homes on large lots. Home quality is generally above-average to good.

Services

The subject area has access to public utilities, including electricity and telephone. Water is generally from private wells, gas is available through private propane tanks, and sewage treatment is handled by public sewer in some areas, and private septic systems in others.

Market Change

Real estate values and rents in this area were basically stable until about 2012 when they began increasing. Based on paired sales and discussions with brokers, land values were increasing at about 0.5% per month over the period analyzed. Lease rates appear to have been basically stable over this same period analyzed.

Conclusion

The community of Bonsall is a quiet, primarily rural community but with access to the employment centers of the San Diego metropolitan area. The real estate market in this area is intimately tied to the overall economy of San Diego County. As San

Diego thrives or weakens, so likely will property values in this area. The long-term outlook for the region and market area is positive, prices were increasing over the period studied.

SITE ANALYSIS

Identification of the Property

The subject is a vacant agricultural property on Old Highway 395/Via Urner Road, Bonsall, CA 92003. APN 127-071-05

Legal Description

The subject property is legally described as follows:

Document No. 63-28701 in Northwest Quarter of Northwest Quarter of Section 24, Township 10, Range 3 West, county of San Diego, state of California.

Current Ownership

According to tax records, the subject is currently owned by Rainbow Municipal Water District.

Property History

No known sales or listings of the subject have occurred in the past 36 months.

Access/Street

The subject is on the southwest corner of Old Highway 395 and Via Urner Road; however, there does not appear to be vehicular access from either street. Old Highway 395 is a two-way, three-lane, asphalt-paved street. It has no curbs, gutters, and sidewalks. Via Urner Road is a closed dirt road.

Appraisers accessed the property from the east via Aqueduct Road. Though there were functional gravel roads to the property there was signage indicating this was private property. This analysis assumes that the subject has functional and legal access.

Surrounding Land Uses

North:	Agricultural/residential (across street)
South:	Agricultural
East:	Agricultural (across street)
West:	Agricultural/residential

Area and Shape

The subject parcel has a total estimated area of 6.19 acres (269,636 SF) and is irregular in shape, as shown in the following plat map:



Topography

The natural topography of this area is rolling, but upon completion of the grading the site will be basically level pad; however, there is a steep downward slope along the eastern boundary of the property toward Old Highway 395.

Flood Zone

The subject is in Federal Emergency Management Agency (FEMA) community panel number 06073C-0495G (5/16/12). It is in Zone X, an area determined to be outside of the 100- and 500-year floodplains.²² Refer to the following flood map:

²² <https://msc.fema.gov>



Drainage

Drainage appears adequate.

Utilities and Service

Utilities including electric, municipal water, and telephone are available to the subject. Waste disposal is via private septic systems and gas is provided by private propane tanks. Utility costs are comparable to the rest of San Diego County.

Tax and Assessment Analysis

The current owner is exempt from property taxes as it is a municipality. Despite this, actual taxes being paid by the owner at the date of value are irrelevant to new buyers since the vast majority of California properties, including the subject, are taxed based on the 1978 Proposition 13 (known as the Jarvis-Gann Initiative). This proposition, which amended the California Constitution, imposes a maximum *ad valorem* tax on real property of 1% of its full cash value (determined by the 1975-76 county assessors' valuation or resale) plus additional assessments determined through individual community's bond indebtedness. Increase in real property assessed value may be made yearly, not to exceed 2% of the full cash value, to reflect inflation. This taxation system has historically been favorable to property owners, as values have tended to increase at higher rates than 2% annually.

Properties are reassessed when a building is newly constructed or upon change of ownership. In the event of a sale, the price is generally used as full cash value. As such, a sale of the subject would prompt reassessment. Knowing this, a new buyer would consider the new tax burden rather than the existing one. No changes to this tax system are anticipated in the near future.

Easements and Encroachments

Access to the subject property appears to be over the neighboring property(s). This analysis assumes that the subject has physical and legal access. There were no other apparent adverse easements or encroachments noted at inspection. However, no title report was provided. This analysis is made under the assumption that no significant adverse title issues exist.

Earthquake Hazard

As the subject is in Southern California, there is some obvious risk of earthquake damage; however, the subject property is not inside a known Alquist-Priolo Earthquake Fault Zone.

Hazardous Wastes/Soil and Subsoil Conditions

The appraisers are not qualified to detect hazardous wastes, toxic materials or soil/sub-soil conditions. Such determination would require an investigation by qualified experts in those fields. This analysis is made assuming no such problems exist.

Zoning

The subject is zoned A70: Limited Agricultural, by the county of San Diego. The A70 zone "intended to create and preserve areas intended primarily for agricultural crop production. Additionally, a limited number of small farm animals may be kept and agricultural products raised on the premises may be processed."²³ Permitted uses in this zone include residential, civic, and agricultural.

Relevant development criteria for the subject's zone are listed as follows:

Min. Lot Area:	2.0 acres
Min. Lot Dimensions	
Street Frontage:	100 feet
Width (Interior):	100 feet
Width (Corner):	100 feet

²³ County of San Diego Zoning Ordinance version dated April 2017.

Depth:	100 feet
Setbacks	
Front:	60 feet
Interior Side:	25 feet
Exterior Side:	35 feet
Rear:	25 feet
Max. Height:	35 feet or 2 stories

However, despite this zone, the subject's General Plan - Land Use Designation is Public/Semi-Public Facilities. According to Marlene at the county of San Diego Planning Department, if a non-governmental buyer purchased the site, the Public/Semi-Public Facilities would automatically convert to RL-80. The RL-80 allows for one residential unit. She indicated that the General Plan overrides the zoning designation.

Based on the above, the subject's current agricultural use appears to be generally legally conforming. However, appraisers are not experts in the interpretation of complex zoning ordinances and the determination of compliance is beyond the scope of work of real estate appraisal.

Other Restrictions

There are no other known deed restrictions, private or public which further limit the subject property's use. Research required to determine whether such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and typically a title examination by an attorney or title company is needed to discover them. Appraisers recommend a title examination to determine if any such restrictions exist.

Site Conclusion

The subject site is of adequate size and has adequate topography for agricultural and residential uses. It has good access to roads, utilities, and other resources that are desirable for these uses. Overall, it is considered a desirable site for agricultural uses and/or residential development.

SUBJECT PHOTOGRAPHS



Looking southeasterly along Old Highway 395;
Subject to right



Looking southwesterly at Via Urner Road;
subject to left



Access road to subject looking westerly toward
Aquaduct Road



Access into reservoir



Former reservoir



Former reservoir

SUBJECT PHOTOGRAPHS



View along edge of reservoir



View looking northerly



View looking southerly



View looking westerly

HIGHEST AND BEST USE

The concept of market value inherently reflects that the seller is motivated to obtain as high a price as possible (and the buyer is motivated to pay as little as possible). As a result of the seller's motivation, the ultimate buyer will be the one willing to pay the most, or in other words, the highest bidder. It follows that the highest bidder is that buyer who recognizes the most profitable use of the property. This must be the case since someone recognizing a more profitable use could pay more, thereby becoming the new highest bidder. As a result of this dynamic, an accurate measure of market value must consider the property's highest and best use, defined as

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.²⁴

Legal Permissibility

As discussed in the Site Analysis section, the subject's general plan specifies that, upon sale to a non-governmental party, the subject would automatically convert to RL-80. The RL-80 allows for one residential unit.

Physical Possibility

Upon completion of the grading, the subject site will have adequate topography for development, with adequate vehicular and utility access. No physical attributes of the site preclude development of the legally permissible uses.

Financial Feasibility and Maximum Productivity

To be financially feasible, the total value of the completed development must be equal to or greater than the combined value of the site and cost of improvements. The current real estate market appears to be strong and based on the presence of new construction in this area; the highest and best use of the site appears to be for immediate development of one single-family home. Based on the comparables and on the general trend in this area, the highest and best use of the site is for residential development.

²⁴*Dictionary*, 135.

SALES COMPARISON APPROACH: AS THOUGH GRADING WORK IS COMPLETE

In this section the subject is analyzed assuming the grading works has been completed.

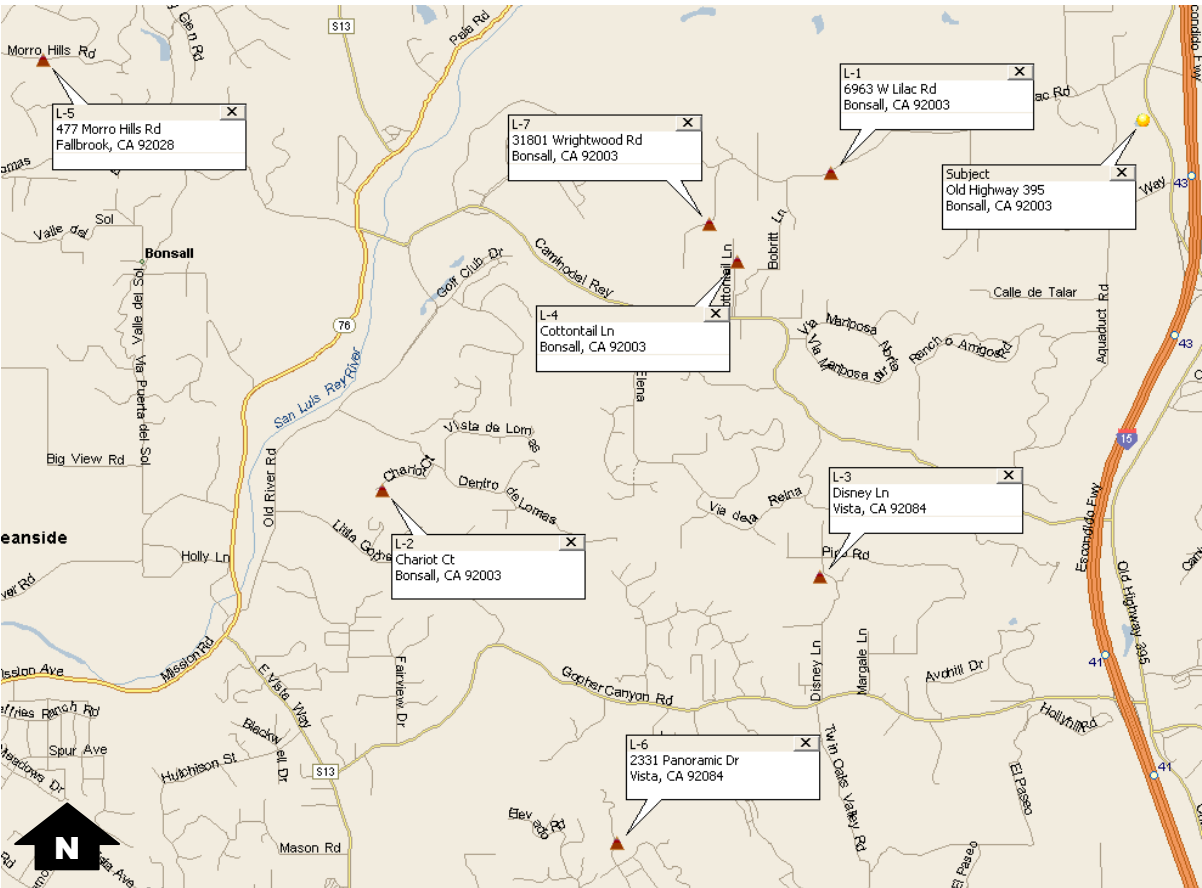
The sales comparison approach is based on the assumption that an informed purchaser will pay no more for a property than the cost of acquiring an existing property with equal utility. When this approach is applied, market value is estimated by comparing the sale prices of recent transactions involving properties similar to the subject. Any dissimilarities are resolved with appropriate adjustments.

Steps in the sales comparison approach include assembling and verifying the sales, comparing them to the subject, and adjusting for differences based on other market-derived data. The subject site is analyzed on a price-per-square-foot basis, which best reflects the evaluation method of buyers and sellers in this area. Rather than making a specific adjustment for project size within the grid, which is difficult because its impact tends to be non-linear,²⁵ this analysis considers the comparables graphically which illuminates the impact from the law of decreasing returns (the tendency for properties with more lots to sell for less per lot and properties with fewer lots to sell for more per lot). As such, the impact due to differences in size is considered in the reconciliation.

Due the scarcity of similar, recent sales in the subject's immediate market the search was expanded to other comparable areas. As such, some of the comparables are relatively far away and some have higher than typical gross adjustment amounts. Despite this, the comparables used are considered the best available.

The comparables are shown on the following location map:

²⁵ This means the impact from size differences vary in scale over the range of sizes. For example, a difference of 1 maximum lot in size will typically be far more significant to a 6 maximum lot site than say a 100 maximum lot site. Thus, applying one adjustment figure or percentage over a range of sizes will result in flawed results. Looking at it graphically allows the relationship to be easily and quickly understood.



Refer to the adjustment grid on the next page.

SALE COMPARABLE ADJUSTMENT GRID

	Subject	L-1	L-2	L-3	L-4
Address	Old Highway 395/Via Urner Rd Bonsall, CA 92003	6963 W Lilac Rd Bonsall, CA 92003	Chariot Ct Bonsall, CA 92003	Disney Ln Vista, CA	Cottontail Ln Bonsall, CA 92003
APN	127-071-05	127-350-05	126-180-52	127-420-75	127-250-36
Distance to Subject	--	1.6 MI SW	4.4 MI SW	2.9 MI SW	2.3 MI SW
Doc. No.	--	19-326025	19-107494	18-482974	18-451794
Sale Date (COE)	--	8/6/19	3/26/19	11/20/18	10/29/18
Sale Date (Off Market)	--	7/11/19	1/28/19	10/17/18	10/8/18
Location	Average	Average	Average	Inferior	Inferior
Lot Size (Acres)	6.19	4.85	4.13	2.03	1.68
Lot Size (SF)	269,636	211,266	179,903	88,427	73,181
Zoning	A70	A70	A70	RR	A70
Land Use Designation	RL-80	SR-4	SR-4	SR-4	SR-2
Max. No. Lots	1	1	1	1	1
Site Work	Assumed finished site	Raw land	Raw land	Raw land	Raw land
Site Improvements	Assume Finished Site	None	None	None	Fruit/nut trees
Entitlements	None	None	None	None	None
Topography	Generally level	Generally level	Gently sloping	Gently sloping	Gently sloping
View	Excellent	Good	Excellent	Good	Good
Utilities	Avail to site	Well & electric to site	Water to site	Avail to site	Elect. To site/septic approved
Access	Paved road	Dirt road	Paved road	Paved road	Paved road
Price	--	\$350,000	\$259,000	\$220,000	\$205,000
Price/SF	--	\$1.66	\$1.44	\$2.49	\$2.80
Price/Max Lot	--	\$350,000	\$259,000	\$220,000	\$205,000
Costs Immed. After Purchase					
		\$1.66	\$1.44	\$2.49	\$2.80
Property Rights					
		\$1.66	\$1.44	\$2.49	\$2.80
Financing					
		\$1.66	\$1.44	\$2.49	\$2.80
Conditions of Sale					
		\$1.66	\$1.44	\$2.49	\$2.80
Market Conditions					
		0.1%	2.9%	4.6%	4.7%
		\$1.66	\$1.48	\$2.60	\$2.93
Physical Differences					
Location					
Zoning/Land Use					
		10.0%	10.0%	10.0%	10.0%
					-2.0%
Topography					
		5.0%		5.0%	5.0%
Utilities/Access					
		-5.0%	-5.0%		-7.0%
Total		10.0%	5.0%	15.0%	6.0%
Price/max Lot		\$1.82	\$1.55	\$2.99	\$3.11
Gross Adjustment		20.1%	17.9%	19.6%	28.7%

SALE COMPARABLE ADJUSTMENT GRID (CONTINUED)

	Subject	L-5	L-6	L-7
Address	Old Highway 395/Via Urner Rd Bonsall, CA 92003	477 Morro Hills Rd Fallbrook, CA 92028	2331 Panoramic Dr Vista, CA 92084	31801 Wrightwood Rd Bonsall, CA 92003
APN	127-071-05	121-230-12	172-114-11	127-180-65
Distance to Subject	--	5.6 MINW	4.7 MI SW	2.3 MI SW
Doc. No.	--	18-423912	18-394439	17-543979
Sale Date (COE)	--	10/12/18	9/20/18	11/2/17
Sale Date (Off Market)	--	8/13/18	7/20/18	11/4/17
Location	Average	Average	Average	Average
Lot Size (Acres)	6.19	3.47	6.90	6.64
Lot Size (SF)	269,636	151,153	300,564	289,238
Zoning	A70	A70	A70	A70
Land Use Designation	RL-80	SR-2	SR-4	SR-2
Max. No. Lots	1	1	1	3
Site Work	Assumed finished site	Finished site	Raw land	Raw land
Site Improvements	Assume Finished Site	Fully fenced	None	None
Entitlements	None	None	None	None
Topography	Generally level	Gently sloping	Rolling	Rolling
View	Excellent	Excellent	Excellent	Excellent
Utilities	Avail to site	Water to site	Water to site	Water to site
Access	Paved road	Paved road	Paved road	Paved road
Price	--	\$425,000	\$239,000	\$325,000
Price/SF	--	\$2.81	\$0.80	\$1.12
Price/Max Lot	--	\$425,000	\$239,000	\$108,333
Costs Immed. After Purchase				
Adj. Price		\$2.81	\$0.80	\$1.12
Property Rights				
Adj. Price		\$2.81	\$0.80	\$1.12
Financing				
Adj. Price		\$2.81	\$0.80	\$1.12
Conditions of Sale				
Adj. Price		\$2.81	\$0.80	\$1.12
Market Conditions				
Adj. Price		5.7%	6.1%	10.4%
Adj. Price		\$2.97	\$0.84	\$1.24
Physical Differences				
Location			-5.0%	
Zoning/Land Use				-10.0%
Site Work			10.0%	10.0%
Site Improvements		-10.0%		
Topography			20.0%	20.0%
View				
Utilities/Access		-5.0%	-5.0%	-5.0%
Total		-15.0%	20.0%	15.0%
Price/max Lot		\$2.52	\$1.01	\$1.43
Gross Adjustment		20.7%	46.1%	55.4%

SALE COMPARABLES



L-1

Address: 6963 W Lilac Road
Bonsall, CA 92003

Buyer: Robert J & Johanna V Crew

Seller: Pauline E Joyce 2008 Trust

Sale Date: 8/6/19

Sale Price: \$350,000

Financing: 1st TD of \$310,000 to a private lender

Exposure Time: 1.0 year

Source: MLS (180038819); public records; agent, Pam Moss, 714-296-9300

Prior Sale: None in previous 36 months

Comments: This is the sale of a 4.85 acre site. According to the agent, this property sold at market. She indicated that this it had a well and electric to the site, and it had good area views from the top of the lot.



L-2

Address: Chariot Court
Bonsall, CA 92003

Buyer: Douglas R & Takako McBurney

Seller: John & Victoria Godwin

Sale Price: \$259,000

Sale Date: 3/26/19

Financing: 1st TD of \$180,000 to US Bank National Association

Exposure Time: 7.3 months

Source: MLS (180040250); public record

Prior Sale: None in prior 36 months

Comments: This is the sale of a 4.13 acre site. This information was obtained from reliable sources and verified with public records. However, despite various attempts it could not be confirmed by a principal involved (e.g. buyer, seller, broker, etc.).

SALE COMPARABLES

**L-3**

Address: Disney Lane
Vista, CA 92084

Buyer: Joshua O & April C Alger

Seller: Bennett Family Trust

Sale Price: \$220,000

Sale Date: 11/20/18

Financing: 1st TD of \$165,000 from the seller

Exposure Time: 7.6 months

Source: MLS (180011276); tax records; agent, David Klose, 760-802-2686

Prior Sale: None in previous 36 months

Comments: This is the sale of an 2.03 acre vacant residential site. According to the agent, this property sold at market. He indicated that although the seller carried the mortgage, this did not affect the sale price. Septic has been approved for the site.

**L-4**

Address: Cottontail Lane
Bonsall, CA 92003

Buyer: Alexander R & Janet M Miller

Seller: Pardip S & Kuldip K Johal

Sale Price: \$205,000

Sale Date: 10/29/18

Financing: All cash

Exposure Time: 4.7 months

Source: MLS (180027635); tax records; agent, Bart Ryan, 760-787-1900

Prior Sale: Sold for \$109,000 on 3/18/14

Comments: This is the sale of a 1.68 acre vacant residential site. According to the agent, this property sold at market. He indicated that some trees remained from an old grove, which added some value. The site had utilities in and the septic system had been approved.

SALE COMPARABLES



L-5

Address: 477 Morro Hills Road
Fallbrook, CA 92028

Buyer: Robert J & Renee T Nelson

Seller: Michael & Peggy Vetter

Sale Price: \$425,000

Sale Date: 10/12/18

Financing: All cash

Exposure Time: 5.4 months

Source: MLS (180011630); tax records

Prior Sale: None in previous 36 months

Comments: This is the sale of a 3.47 acre vacant residential site. This information was obtained from reliable sources and verified with public records. However, despite various attempts it could not be confirmed by a principal involved (e.g. buyer, seller, broker, etc.).



L-6

Address: 2331 Panoramic Drive
Vista, CA 92084

Buyer: Ehab Alawneth & Fatima Bani-Kenana

Seller: Donald & Anne Baron Trust

Sale Price: \$239,000

Sale Date: 9/20/18

Financing: All cash

Exposure Time: 11.6 months

Source: MLS (170042857); tax records

Prior Sale: None in previous 36 months

Comments: This is the sale of a 6.90 acre vacant residential site. This information was obtained from reliable sources and verified with public records. However, despite various attempts it could not be confirmed by a principal involved (e.g. buyer, seller, broker, etc.).

SALE COMPARABLES



L-7

Address: 31801 Wrightwood Road
Bonsall, CA 92003

Buyer: Phan-Lam

Seller: Douglas C & Terrance Jones

Sale Price: \$325,000

Sale Date: 11/22/17

Financing: All cash

Exposure Time: 4.9 months

Source: MLS (170033264); tax records

Prior Sale: None in previous 36 months

Comments: This is the sale of a 6.64 acre vacant residential site. This information was obtained from reliable sources and verified with public records. However, despite various attempts it could not be confirmed by a principal involved (e.g. buyer, seller, broker, etc.).

Discussion of Adjustments

All of the comparables were sold either with all cash or with typical cash-equivalent financing. None appear to have sold under any duress. The comparables are similar to the subject in all respects, except the following:

Market Conditions

Adjustments for market conditions are made to reflect the monthly changes in value as described in the Market Area section (and listed in table below). Adjustments are made from each comparable's date of sale (i.e. the "meeting of the minds" of the buyer and seller) to the date of value, as follows:

Market Change: 0.50%/mo					
	Subject	L-1	L-2	L-3	L-4
Price/SF	--	\$1.66	\$1.44	\$2.49	\$2.80
Sale Date	7/18/19	7/11/19	1/28/19	10/17/18	10/8/18
Difference (months)	--	0.2	5.7	9.1	9.4
Market Change/Mo	--	0.5%	0.5%	0.5%	0.5%
Adjustment (%)	--	0.1%	2.9%	4.6%	4.7%
	Subject	L-5	L-6	L-7	
Price/SF	--	\$2.81	\$0.80	\$1.12	
Sale Date	7/18/19	8/13/18	7/20/18	11/4/17	
Difference (months)	--	11.3	12.1	20.7	
Market Change/Mo	--	0.5%	0.5%	0.5%	
Adjustment (%)	--	5.7%	6.1%	10.4%	

Location

Comparable L-6 is in a gated community and is adjusted downward.

Site Work

This section of the analysis assumes that the grading work has been done and the subject is a finished site. All of the comparables, except L-5, are raw land and are adjusted upward.

Site Improvements

Comparable L-2 is improved with some fruit and nut trees. According to the agent, these trees added some value; as such, it is adjusted downward. Comparable L-5 is fully fenced and is adjusted downward.

Topography

Comparables L-6 and L-7 have an inferior rolling topography and are adjusted upward.

View

The subject has an excellent area view. Comparables L-1, L-3 and L-4 have inferior views and are adjusted upward accordingly.

Utilities/Access

The subject has utilities nearby, but not to the site. All of the comparables except L-3 have some utilities to the site; each is adjusted downward accordingly. Comparable L-1 has a well and electricity to the site and is adjusted downward 10% for utilities; however, it has access via a dirt road and is adjusted upward 5%; as such, the overall adjustment is -5% (-10% + 5%).

Discussion of Law of Decreasing Returns and Reconciliation

The closed sales indicate the following adjusted prices/maximum allowable lots:

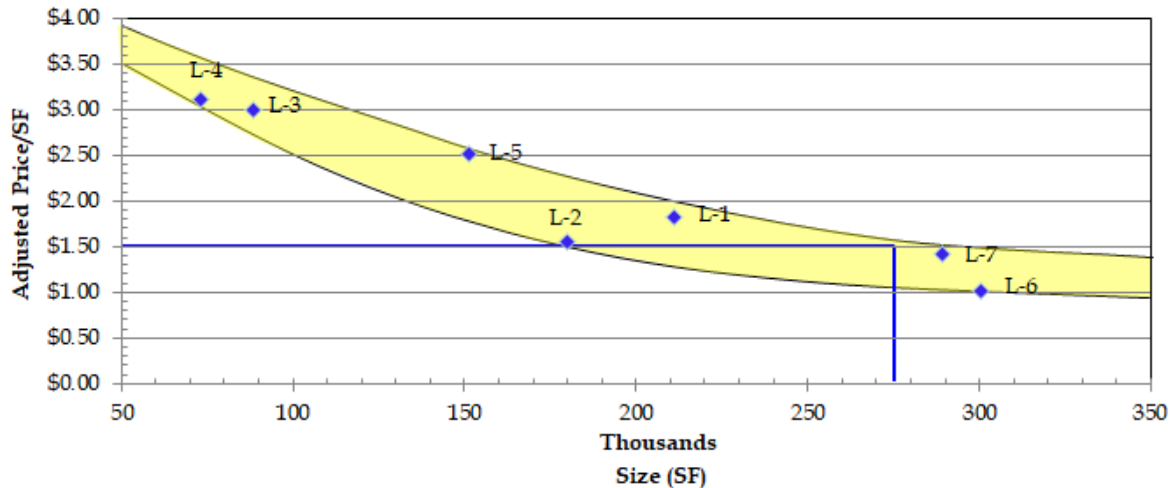
Minimum	\$1.01
Maximum	\$3.11
Average	\$2.06
Median	\$1.82

This range is partly due to the law of decreasing returns, defined as follows:

The premise that additional expenditures beyond a certain point (the point of decreasing returns) will not yield a return commensurate with the additional investment.²⁶

This tendency is illustrated best by plotting these sales based on lot size, as follows:

²⁶ *Dictionary*, 161.



The price/SF tends to decline as size increases, which is typical and expected. As shown above, an estimate for the subject's size is obtained by plotting the subject's size within the trend band. Significant weight is placed on comparables L-1 and L-7. Comparable L-1 is the most recent and L-7 is the most similar in terms of size. Based on this data, the subject is plotted toward the top of the range, and a reasonable value is about \$1.50/SF.

Based on the above, the estimated market value of the fee simple interest in the subject site, "as though grading work is complete," by the sales comparison approach, as of July 18, 2019, is

$$269,636 \text{ SF} \times \$1.50/\text{SF} = \$404,454, \text{ rounded to}$$

\$404,000

(Four Hundred Four Thousand Dollars)

“AS IS” VALUATION

This portion of the analysis begins with the “as though grading work is complete” section, and then adjusts for the cost to complete the grading.

Typical buyers of the subject site would use it for residential development. Significant grading work would be required to level out the area formally used as a reservoir. Appraisers contacted general contractor, Eric Kalabat, about the approximate cost of such a project. It was stipulated that the work should be done such that the outer walls of the reservoir would be pushed into the center until it was a level pad. Further, the work would be defined as a net neutral in terms of dirt meaning that no dirt should be removed or added.

According to Mr. Kalabat, this project would require about 80,000 cubic yards of dirt being moved. According to Mr. Kalabat it would require a large earth mover and a compactor (each three foot of depth would need to be compacted). Other costs include a soils engineer and a surveyor. In his opinion, based the amount of earth to move, the time associated with such an endeavor and the equipment required the cost of this job would be between about \$250,000 and \$300,000. A low-range figure of \$250,000 is used in this analysis as typical buyers have the option of doing less earth moving, if desired (e.g. push in some portions of reservoir walls and leave others).

Conclusion

The subject’s “as is” value is computed as follows:

“As Though Grading Work is Complete”	\$404,000
Cost of Grading Work	-\$250,000
“As Is” Value	\$154,000

Based on the above, the estimated market value of the fee simple interest in the subject property, “as is,” as of July 18, 2019, is

\$154,000
(One Hundred Fifty Four Thousand Dollars)

EXPOSURE TIME

The Appraisal Standards Board provides the following definition of exposure time.

Exposure Time: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

The best source of information about exposure time is from the actual sales used, summarized as follows:

Sale	Exposure Time
L-1	1.0 year
L-2	7.3 months
L-3	7.6 months
L-4	4.7 months
L-5	5.4 months
L-6	11.6 months
L-7	4.9 months

Based on the above, as well as typical exposure time for these types of properties, a reasonable time to find a buyer for the subject would be five to nine months. Adding another one to two months for escrow, the total estimated exposure time for the subject is six to eleven months, assuming all the grading work has been done.

ESTIMATED MARKET RENT

Client requested an estimated market rent for the subject property. The market rent is estimated by capitalizing the estimated value of the subject property “as though grading work is complete.” The “as though grading work is complete” estimate is used as a typical tenant using the property for agricultural uses would not need the grading work to be done for that use (as evidence by the current tenant tenant’s use of the former reservoir for plants).

The value of the subject “as though grading work is complete” is estimated at \$404,000. Land cap rates for agricultural properties could not be found, as such, cap rates for commercial properties are used and are summarized as follows:

Address	City	County	Zip	Lot Size (Acres)	Bldg. Size (SF)	Year Built	Type	Sale Date	Cap Rate
29911 Antelope Rd	Menifee	Riverside	92584	0.85	3,314	2018	Fast Food	5/28/19	4.1%
27645 Ynez Rd	Temecula	Riverside	92591	1.1	5,280	1998	Restaurant	6/4/18	6.2%
8200 Parkway Dr	La Mesa	San Diego	91942	0.95	4,526	2017	Fast Food	3/7/18	3.8%
7140-7160 Miramar Rd	San Diego	San Diego	92121	2.08	19,204	1976	Retail Center	12/18/17	6.7%
4181 Oceanside Blvd	Oceanside	San Diego	92056	1.19	14,319	2011	Retail	12/14/17	4.4%
7012 Broadway	Lemon Grove	San Diego	91945	0.57	2,360	1990	Fast Food	7/24/17	4.7%
44520 Bedford Ct	Temecula	San Diego	92592	0.94	904	1989	Gas Station	4/22/16	5.9%
								Minimum	3.8%
								Maximum	6.7%
								Mean	5.1%
								Median	4.7%

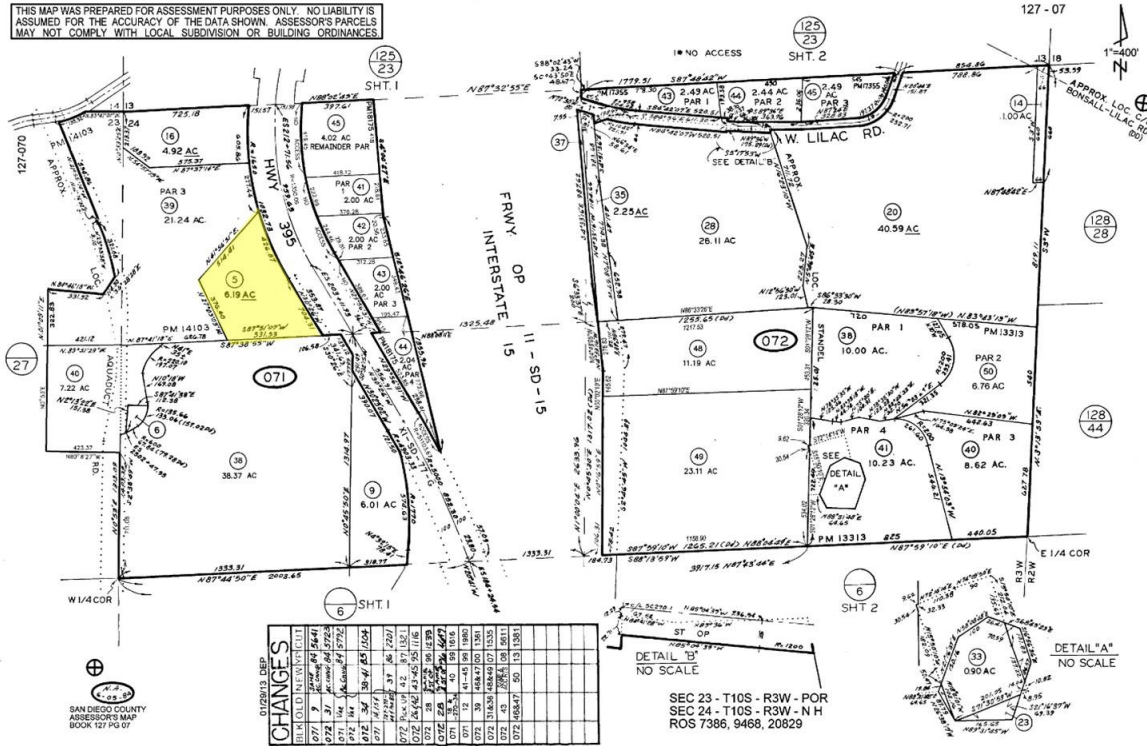
Based on the above, a cap rate of 5.0% is used for the subject’s site. This is applied to the subject’s value to arrive at the estimated Net Operating Income (NOI), as follows:

$$\$404,000 \times 5.0\% = \$20,200$$

Using this figure, the subject’s market rent per month rent is estimated at \$1,683. This is a NNN lease meaning the tenant would pay all operating expenses (taxes, insurance, utilities, etc.).

PLAT MAP

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.



QUALIFICATIONS OF SCOTT B. ARENS, MAI, SRA

Professional Qualifications

- MAI Designation, Appraisal Institute
- SRA Designation, Appraisal Institute
- State of California Certified General Real Estate Appraiser, Number AG003035
- State of California Licensed Real Estate Broker, Number 01159521

Education

Bachelor of Science Degree, Architectural Design, Arizona State University, 1988

Classes

- Fundamentals of Separating Real P., Personal P. and Intangibles, Appraisal Institute, 2013
- Introduction to Valuing Commercial Green Buildings, Appraisal Institute, 2012
- Small Hotel/Motel Valuation, Appraisal Institute, 2012
- Appraising Convenience Stores, Appraisal Institute, 2012
- USPAP, Part C, Appraisal Institute, 2012, 2010, 2008, 2006, 1998
- 2011 San Diego Economic Forecast, Appraisal Institute, 2011
- Introduction to Valuation for Financial Reporting, Appraisal Institute, 2009
- Business Practices and Ethics, Appraisal Institute, 2008
- San Diego Economic Forecast, Appraisal Institute, 2008
- Reappraising, Readdressing, Reassigning, Appraisal Institute, 2005
- Case Studies in Limited Partnership, Appraisal Institute, 2005
- Income Valuation of Small, Mixed-Use Properties, Appraisal Institute, 2004
- Effective Appraisal Writing, Appraisal Institute, 2004
- Advanced Sales Comparison and Cost Approach, Appraisal Institute, 2000
- Federal Land Exchange and Acquisitions, Appraisal Institute, 2000
- Highest and Best Use, Appraisal Institute, 1997
- Advanced Applications, Appraisal Institute, 1995
- Narrative Report Writing and Analysis, Appraisal Institute, 1993
- Capitalization Theory and Techniques, Parts A and B, Appraisal Institute, 1991
- Standards of Professional Practice - Parts A and B, Appraisal Institute, 1991
- Applied Residential Property Valuation, Society of Real Estate Appraisers, 1990
- Basic Valuation Procedures, American Institute of Real Estate Appraisers, 1988
- Principles of Real Estate Appraisal, American Institute of Real Estate Appraisers, 1988

Experience

- March 1996 to Current - Owner of Arens Group, Inc., Real Estate Appraisal & Consultation
- July 1990 to March 1996 - Real Estate Appraiser with Harold A. Godwin & Assoc., Inc.
- July 1989 to July 1990 - Real Estate Appraiser with Piskulick-Simeon Appraisal Service
- May 1988 to July 1989 - Real Estate Appraiser with The JRS Company

Appraisals Have Been Made on the Following Types of Property

Single Family, Multiple Family, Raw Acreage, Industrial, Retail, Office, Motel, Subdivision, Leased Interest, and Special Purpose Appraisals, *e.g.*, Missed Easement, Blocked View, Soils Problems, Cracked Slabs, Eminent Domain, etc.

Miscellaneous Information

- Qualified as Expert Witness in Real Estate Appraisal in State of California Superior Court

Updated March 2019

GLOSSARY

Unless otherwise noted, all definitions are from the Appraisal Institute Dictionary of Real Estate Appraisal, 6th Edition.

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance and building reserves, and management; often a long-term lease to a credit tenant.

Absorption

1. Broadly, the process whereby vacant space in a property, a group of properties, or a market becomes occupied, either by leasing or by sales to owner-users.
2. In subdivision analysis, the process whereby lots or units in a subdivision are sold off.
3. In market analysis, short-term capture.

Access rights

1. The right of ingress to and egress from a property that abuts an existing street or highway; an easement in the street that adjoins abutting property; a private right, as distinguished from public right.
2. The right of a riparian owner to pass to and from the waters on which the premises border.

Americans with Disabilities Act (ADA)

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Contained in the Act are a number of minimum access design characteristics affecting new and existing buildings including ramps and larger restroom accommodations. Statutory deadlines became effective on various dates between 1990 and 1997.

Appraisal

1. The act or process of developing an opinion of value; an opinion of value. An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, more than, not less than, less than) to a specified amount. (SVP)
2. (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services. Comment: An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value). (USPAP, 2016-2017 ed.).

“As Is” Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Assemblage

1. The combining of two or more parcels, usually but not necessarily contiguous, into one ownership or use; the process that may create plottage value.
2. The combining of separate properties into units, sets, or groups, i.e., integration or combination under unified ownership.

Bundle Of Rights Theory

The concept that compares property ownership to a bundle of sticks with each stick representing a distinct and separate right of the property owner, e.g., the right to use real estate, to sell it, to lease it, to give it away, or to choose to exercise all or none of these rights.

Clear height

The dominant or typical vertical measurement from the floor of the structure to the bottom of the lowest overhead beam. Also called *clear headway*, *clear ceiling height*, or *clearance*.

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple estate in the subject property to reflect the value of the property interest being appraised.

Cost to cure

The cost to restore an item of deferred maintenance to new or reasonably new condition.

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of the improvements on the effective date of the appraisal and the market value of the improvements on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

Discounted Cash Flow (DCF) analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate.

Dominant Estate

A property that is served or benefitted by an easement. The opposite of the servient estate, which granted the easement. Also known as the *dominant tenement* and the *servient tenement*, respectively.

Easement

The right to use another's land for a stated purpose.

Easement Appurtenant

An easement that is attached to, benefits, and passes with the transfer of the dominant estate; runs with the land for the benefit of the dominant estate and continues to burden the servient estate, although such as estate may be transferred to new owners.

Easement by Prescription

The right to use another's land, which is established by exercising this right openly, hostilely and continuously over a statutory period of time.

Effective Date

1. The date at which the appraisal or review opinion applies. (SVP)
2. In a lease document, the date upon which the lease goes into effect.

Encroachment

1. Trespassing on the domain of another.
2. Partial or gradual displacement of an existing use by another use, e.g., locating commercial or industrial improvements in a residential district.

Entitlement

In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. The amount of entrepreneurial incentive required for a project represents the economic reward sufficient to motivate an entrepreneur to accept the risk of the project and to invest the time and money necessary in seeing the project through to completion.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An

- entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called *entrepreneurial return* or *entrepreneurial reward*.

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions")

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values.)

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraisers' opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

Fair Market Value (FMV)

The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.²⁷

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

FEMA Map

A flood zone map created by the Federal Emergency Management Agency (FEMA). Sometimes called a *FIRM*, or *flood insurance rate map*.

Flex Space

Industrial space designed to allow flexible conversion of warehouse or manufacturing space to a higher percentage of office space. Alternatively known as a service center or tech space.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Going Concern Premise

One of the premises under which the total assets of a business can be value; the assumption that a company is expected to continue operating well into the future (usually indefinitely).

Grant Deed

A deed containing, or having implied by law, some but not all of the usual covenants of title; esp., a deed in which the grantor warrants that he or she (1) has not previously conveyed the estate being granted, (2) has not encumbered the property except as noted in the deed, and (3) will convey to the grantee any title to the property acquired after the date of the deed.

Gross Building Area (GBA)

1. The total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super-structure and substructure basement; typically does not include garage space.

²⁷*United States v. Cartwright*, 411 U. S. 546, 93 S. Ct. 1713, 1716-17, 36 L. Ed. 2d 528, 73-1 U.S. Tax Cas. (CCH) ¶ 12,926 (1973) (quoting from U.S. Treasury regulations relating to Federal estate taxes, at 26 C.F.R. sec. 20.2031-1(b)).

Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses.

Gross Living Area (GLA)

Total area of finished, above-grade residential space; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space.

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term.

Highest and Best Use

1. The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.
3. The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonable near future.

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false.
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.
Note: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Income Capitalization Approach

Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Land-To-Building Ratio

The proportion of the land area to gross building area; one of the factors determining comparability of properties.

Leased Fee Interest

The ownership interest held by the lessor (landlord) which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expire.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Legal Description

A description of land that identifies the real estate according to a system established or approved by law, and exact description that enables the real estate to be located and identified.

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a grandfathered use.

Lessee

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.

Lessor

One who conveys the rights of occupancy and use to others under a lease agreement.

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including the rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

A type of value that is the major focus of most real estate property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following:

1. Consummation of a sale occurs as of a specified date.
2. An open and competitive market exists for the property interest appraised.
3. The buyer and seller are each acting prudently and knowledgeably.
4. The price is not affected by undue stimulus.
5. The buyer and seller are typically motivated.
6. Both parties are acting in what they consider their best interest.
7. Marketing efforts were adequate and a reasonable time was allowed for exposure in the open market.

8. Payment was made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value (FIRREA definition)²⁸

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their own best interests.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Master Lease

1. A lease in which the fee owner leases a part of the entire property to a single entity (the master lessee) in return for a stipulated rent. The master lessee then leases the property to multiple tenants.
2. The first lease in a sandwich lease.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. In some markets, a modified gross lease may be called double (NN) lease, net-net lease, partial net lease, or semi-gross lease.

Multiplier

A figure that is multiplied by income to produce an estimate of value; called a gross income multiplier when gross income is used, a gross rent multiplier when gross rent is used, and a net income multiplier when net income is used; may be monthly or annual.

²⁸ <http://www.fdic.gov/regulations/laws/rules/2000-4300.html#fdic2000part323.2>

Net Lease

A lease in which the landlord passes on all expenses to the tenant.

Net-Net-Net Lease

An alternative term for a type of net lease. In some markets, a net-net-net (or NNN) lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN lease, triple net lease, or fully net lease.

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances.

Pass-through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. Also known as Reimbursable Expenses.

Percentage Rent

Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.

Perpetuity

1. Traditionally, an infinite level income stream.
2. In contemporary usage, a finite level income stream with its reversion equal to the present value.

Planned unit development (PUD)

A type of building development designed as a grouping of complementary land uses, such as housing, schools, recreation, retail, office, and industrial parks, contained within a single master development; usually includes common area and common area maintenance obligations in the form of owners association dues.

Prospective Market Value "As Completed" and "As Stabilized"

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value-as completed-reflects the property's market value as of the time that development is expected to be completed. The prospective market value-as stabilized-reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is

expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value; instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Quitclaim Deed

A form of conveyance in which any interest the grantor possesses in the property described in the deed is conveyed to the grantee without warranty of title.

Raw Land

Land that is undeveloped; land in its natural state before grading, draining, subdivision, or the installation of utilities; land with minimal or no appurtenant constructed improvements.

Reimbursable Expenses

Real estate operating expenses that are subject to recovery from tenants; may include common area maintenance (CAM) charges, real estate property taxes, and property and casualty insurance.

Remaining Economic Life

The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.

Rentable Area

For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

Rent Concession

An inducement for a tenant to lease space, sometimes, but not always, observed in overbuilt markets, which can include above-standard TIs, free rent, moving cost reimbursements or credit, and buyout of the tenant's existing lease.

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.

Replacement Cost For Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Retrospective value opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, efficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

Reversion

A lump-sum benefit that an investor receives or expects to receive upon the termination or sale of an investment; also called *reversionary benefit*.

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

Sandwich lease

A lease in which an intermediate, or sandwich, leaseholder is the lessee of one party and the lessor of another. The owner of the sandwich lease is neither the fee owner nor the user of the property; he or she may be a leaseholder in a chain of leases, excluding the ultimate sublessee.

Servient Estate/Tenement

A property burdened by an easement; also known as the *servient tenement*. The *servient estate* is the opposite of the *dominant estate* (also known as the *dominant tenement*), which benefits from an easement.

Stabilized Occupancy

1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and

- presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand.
2. An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life.

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Usable Area

1. For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called *net building area* or *net floor area*.
2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

Utility Easement

The rights granted to use a portion of a property for utility lines, pipes, poles, guy wires, or other improvements.

Value In Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.

Zoning

Public regulation of the use of private land through application of police power; accomplished by establishing districts or areas with uniform requirements relating to lot coverage, age, Public regulation of the use of private land through application of police power; accomplished by establishing districts or areas with uniform requirements relating to lot cover.

CONTRACT NO. 04-36

**GROUND LEASE CONTRACT
BETWEEN THE
RAINBOW MUNICIPAL WATER DISTRICT
AND
DON DABBS, A COMMERCIAL GROWER**

The Rainbow Municipal Water District (RMWD) and Don Dabbs (GROWER) enter into this Ground Lease Contract this 7th day of October 2004.

RECITALS

- A. The RMWD, hereinafter LESSOR has vacant property available for lease.
- B. Grower, hereinafter LESSEE desires to lease a portion of LESSOR'S vacant property for commercial growing of container plants.
- C. LESSOR is willing to lease a portion of its vacant property.

NOW, THEREFORE, LESSEE and LESSOR agree as follows:

1. **TERM:** The term of this Lease shall be for One (1) year, commencing on the 7th day of October 2004.
2. **OPTIONS:** The LESSEE may extend this lease annually by providing written notice to the LESSOR 90 days prior to expiration of this lease.
3. **RENTAL:** As and for the rental, LESSEE agrees to pay LESSOR the sum of One Hundred Twenty Five Dollars (\$125) per one (1) month term, payable on or before the 5th day of each month. Should the option for a one (1) year term be exercised, payment of One Hundred Twenty Five Dollars (\$125) shall be payable on or before the 5th day of each month.
4. **PROPERTY:** LESSEE shall be provided 6.19 acres, inclusive of the unused Bonsall Reservoir, of ground space depicted in Exhibit A, together with the small block building located at 32511 Aqueduct Rd., Bonsall, California, APN 127-071-06. The general location of the premises is 32232 Aqueduct Rd., Bonsall, California, APN #127-071-05.
5. **USE:** The above-described premises shall be used only and exclusively for the purpose of growing, storage and/or staging of commercial plants.
6. **CHANGES OR ALTERATIONS:** LESSEE shall make no changes, alterations or improvements in the above-described premises, nor make, erect, or install any buildings, structures, signs, machines, or other improvements on the premises without the consent in writing of the LESSOR.
7. **MAINTENANCE:** LESSEE hereby agrees that the premises are in a good condition, that LESSEE will take good care of the premises and appurtenances, including any property

belonging to the LESSOR; and that LESSEE, as a part of the consideration for rental stated above, will, at LESSEE's sole cost and expense, provide 24/7 security and erect additional fencing surrounding the premises, keep and maintain said premises, appurtenances, and property in good and sanitary condition and repair during the term of this Lease, subject to normal and ordinary wear and tear resulting from the use of the above-described premises as herein provided, and comply at LESSEE's expense with all laws ordinances and regulations. LESSOR shall at no time during the term of this Lease be required to make any improvement or repairs to the above-described premises.

8. **REMOVAL OF EQUIPMENT:** LESSEE hereby agrees that upon the expiration of this Lease, including options, it will remove all construction and irrigation equipment and supplies.

Indemnification: To the fullest extent permitted by law, LESSEE shall indemnify and hold harmless and defend LESSOR, its directors, officers, employees, or authorized volunteers, and each of them from and against:

Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including LESSOR and/or LESSEE, or any directors, officers, employees, or authorized volunteers of LESSOR or LESSEE, and damages to or destruction of property of any person, including but not limited to, LESSOR and/or LESSEE or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with this lease, however caused, regardless of any negligence of LESSOR or its directors, officers, employees, or authorized volunteers, except the sole negligence or willful misconduct of LESSOR or its directors, officers, employees, or authorized volunteers;

Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of LESSEE.

Any and all losses, expenses, damages, attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of LESSEE to faithfully perform all of its obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

LESSEE shall defend, at LESSEE'S own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against LESSOR or its directors, officers, employees, or authorized volunteers.

LESSEE shall pay and satisfy any judgment, award or decree that may be rendered against LESSOR or its directors, officers, employees, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.

LESSEE shall reimburse LESSOR or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

LESSEE'S obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the LESSOR, or its directors, officers, employees, or authorized volunteers.

9. **COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE:** The LESSEE shall provide and maintain the following commercial general liability and automobile liability insurance:

Coverage: Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

1. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)
2. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto)

Limits: The LESSEE shall maintain limits no less than the following:

1. General Liability: One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply to premises leased (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the LESSOR or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

Required Provisions: The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Rainbow Municipal Water District, its directors, officers, employees, and authorized volunteers are to be given insured status (via ISO endorsement CG 2011, CG 2024 (if land only), or insurer's equivalent for general liability coverage) as respects: liability arising out of premises leased by the LESSEE; and automobiles owned, leased, hired or borrowed by the LESSEE. The coverage shall contain no special limitations on the scope of protection afforded to the Rainbow Municipal Water District its directors, officers, employees, or authorized volunteers.
2. For any claims related to this lease, the LESSEE'S insurance shall be primary insurance as respects the Rainbow Municipal Water District, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance or other coverage maintained by the Rainbow Municipal Water District, its directors, officers, employees, or authorized volunteers shall not contribute to it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Rainbow

Municipal Water District, its directors, officers, employees, or authorized volunteers.

4. The LESSEE'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this agreement shall state or be endorsed to state that coverage shall not be canceled by the insurance carrier or the LESSEE, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the Rainbow Municipal Water District.

Such liability insurance shall indemnify the LESSEE and his/her contractors against loss from liability imposed by law upon, or assumed under contract by, the LESSEE or his/her contractors for damages on account of such bodily injury (including death), property damage, and personal injury.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, and blanket contractual liability.

The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies satisfactory to Rainbow Municipal Water District.

Deductibles and Self-Insured Retentions: Any deductible or self-insured retention must be declared to and approved by the Rainbow Municipal Water District. At the option of the Rainbow Municipal Water District, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

Acceptability of Insurers: Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the Rainbow Municipal Water District.

Workers' Compensation and Employer's Liability Insurance: The LESSEE shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the property, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The LESSEE shall provide employer's liability insurance with limits no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease policy each employee.

Evidences of Insurance: Prior to execution of the agreement, the LESSEE shall file with the Rainbow Municipal Water District a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative and evidence of waiver of rights of subrogation against the Rainbow Municipal Water District (if Property Insurance is applicable). Such evidence shall also include confirmation that coverage includes or has been modified to include Required Provisions 1-5.

The LESSEE shall, upon demand of the Rainbow Municipal Water District, deliver to the Rainbow Municipal Water District such policy or policies of insurance and the receipts for payment of premiums thereon.

Continuation of Coverage: If any of the required coverages expire during the term of this agreement, the LESSEE shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against the Rainbow Municipal Water District to the Rainbow Municipal Water District at least ten (10) days prior to the expiration date.

10. **EASEMENTS:** This Lease and all rights given hereunder shall be subject to all easements and rights-of-way now existing or heretofore granted or reserved by LESSOR in, to, or over the premises for any purpose whatsoever, and shall be subject to such rights-of-way for all access, sewers, pipelines, conduits, and such telephone, telegraph, light, heat, or power lines as may from time to time be determined by LESSOR to be in the best interests of the LESSOR.

LESSOR agrees that such easements and rights-of-way shall be so located and installed as to produce a minimum amount of interference with the business of LESSEE.

11. **ENTIRE UNDERSTANDING:** This Lease contains the entire understanding of the parties and LESSEE, by accepting the same, acknowledges that there is no other written or oral understanding between the parties in respect to the above-described premises. No modification, amendment, or alteration of the Lease shall be valid unless it is in writing and signed by the parties hereto.

12. **PEACEABLE SURRENDER:** Upon the termination of this Lease by the expiration therefore the earlier termination as by the terms of this Lease provided, LESSEE will peaceably surrender said above-described premises in as good condition, subject to normal and ordinary wear and tear resulting from the use of such premises as herein provided, as the same may be at the time LESSEE takes possession thereof, and to allow LESSOR to take peaceable possession thereof.

13. **ACCEPTANCE OF PREMISES ON "AS IS" BASIS:** By signing this Lease, LESSEE represent and warrants that it has independently inspected the premises and made all tests, investigations and observations necessary to satisfy itself of the condition of the premises. LESSEE agrees it is relying solely on such independent inspection, tests, investigations and observations in making this Lease. LESSEE also acknowledges that the premises are being accepted on an "as is" basis and that LESSEE shall not hold LESSOR responsible for any defects in the premises. LESSEE further more accepts and shall be responsible for any risk of harm to any person and property, including without limitation employees of LESSEE, from any latent defects in the premises.

14. **WARRANTIES-GUARANTEES:** LESSOR makes no warranty, guarantee, covenant, including but not limited to covenants of title and quiet enjoyment, or averment of any nature whatsoever concerning the condition of the above-described premises, including the physical condition thereof, or any condition which may affect the above-described premises; and it is agreed that LESSOR will not be responsible for any loss or damage or costs which may be incurred by LESSEE by reason of any such condition or conditions.

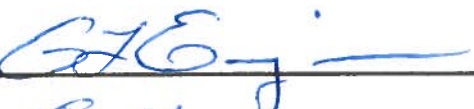
15. **ATTORNEY'S FEES:** In the event any suit is commenced to enforce, protect or establish any right or remedy of any of the terms and conditions hereof, including without limitation a summary action commenced by LESSOR under the laws of the State of California relating to the unlawful detention of property, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.
16. **SAFETY & ENVIRONMENTAL PROTECTION:** The LESSEE shall execute and maintain the premises so as to avoid injury or damage to any person or property. LESSEE shall be responsible for security of the premises.

In LESSEE'S use of the premises, the LESSEE shall at all times exercise all necessary precautions for the safety and environmental protection of premises, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including State of California, Department of Industrial Relations (Cal/OSHA) regulations, Cal/EPA, U.S./EPA and the U.S. Department of Transportation including the Omnibus Transportation Employee Testing Act. LESSEE shall comply with all laws regarding hazardous substances, materials or wastes, or petroleum products or fraction thereof (herein collectively referred to as "Contaminants") relative to occupancy and use of the premises. The LESSEE shall not use or allow anyone else to use the premises to generate, manufacture, refine, transport, treat, store, handle, recycle, release or dispose of any hazardous material, other than as reasonably necessary for the operation of the LESSEE'S activities as contemplated under this agreement. The term "hazardous material" means any hazardous substance, material or waste, including but not limited to those listed in 49 CFR 172.101 (U.S. Department of Transportation), the Cal/EPA Chemical Lists, or petroleum products and their derivatives. However, this shall not apply to the use of petroleum products and related substances incidental to operation of motorized equipment and vehicles whose operation on the premises is contemplated by this agreement. LESSEE shall be liable and responsible for any Contaminants arising out of the occupancy or use of the premises by LESSEE. Such liability and responsibility shall include, but not be limited to, (i) removal from the premises any such Contaminants; (ii) removal from any area outside the premises, including but not limited to surface and groundwater, any such Contaminants generated as part of the operations on the premises; (iii) damages to persons, property and the premises; (iv) all claims resulting from those damages; (v) fines imposed by any governmental agency, and (vi) any other liability as provided by law. LESSEE shall defend, indemnify and hold harmless the LESSOR, its officials, officers, agents, and employees from any and all such responsibilities, damages, claims, fines, liabilities, including without limitation any costs, expenses and attorney's fees therefor. LESSOR shall have a direct right of action against LESSEE even if no third party has asserted a claim. Furthermore, LESSOR shall have the right to assign said indemnity.

17. **NOTICES:** Any notice or notices provided for by this Lease or by law to be given or served upon LESSEE may be given or served by certified or registered letter addressed to LESSEE at P.O. Box 2500, Fallbrook, California, 92088 and deposited in the United States mail, or may be served personally upon said LESSEE or any person hereafter authorized by it in writing to receive such notice; and that any notice or notices provided for by this Lease or by law to be served upon LESSOR may be given or served by certified or registered letter addressed to LESSOR at 3707 Old Highway 395, Fallbrook, California, 92028 and deposited in the United States mail or may be served personally upon said LESSOR or any person hereafter authorized by it in writing to receive such notice.

18. **SECTION HEADINGS:** The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision hereof.
19. **SIGNATURE OF PARTIES:** It is an express condition of this Lease that said Lease shall not be complete nor effective until signed by authorized representatives of the LESSOR and LESSEE.
20. **REMEDIES; TERMINATION:** LESSOR may terminate this Lease upon not less than Nine (9) months notice, provided such termination shall not interrupt a growing season, for LESSOR'S convenience. LESSOR shall, in addition to any other remedy provided by law, have the right to terminate this Lease for any violation of any term or condition of this Lease upon at least 30 days written notice to LESSEE. LESSEE shall have the right to cure such violation at any time before the expiration of the terms stated in the notice. Any late payment shall be subject to a penalty of Five (5) percent of the amount due, as a liquidated sum. In the event the required insurance is not procured or maintained, LESSOR shall have the right to secure such insurance on behalf of LESSEE at LESSEE'S expense, in addition to any rent due.
21. **SECTION HEADINGS:** The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision hereof.
22. **SIGNATURE OF PARTIES:** It is an express condition of this Lease that said Lease shall not be complete nor effective until signed by authorized representatives of the LESSOR and LESSEE.

LESSOR:
RAINBOW MUNICIPAL WATER DISTRICT

By 
Title G.M.

LESSEE:
DON DABBS

By 

10-7-04
Date



December 21, 2015

Don Dabbs
Briggs Tree Company
1111 Poinsettia Avenue
Vista, CA 92081

Subject: Land Lease at Bonsall Reservoir Site

Dear Don:

This letter is a follow up to our conversation on the phone last week. We have received your check in the amount of \$7500 for a five year extension on the lease of the land. We will process the payment and extend the lease but as we discussed there are some other factors that could affect this lease over this time frame.

The District is in the preliminary design stages for a water reclamation plant and recycled water pipeline system. As part of this project we intend to bring recycled water into your area for your use in the nursery. There may be a need for recycled water storage in this area and the Bonsall Reservoir site may be a candidate for this new storage. Should this site be identified by our Board as a site for a recycled water reservoir we may need to terminate the lease prior to the end of the five year term that you are pre-paying at this time. Should that occur we would refund to you the remaining balance on the lease payments.

Should the study show that the Bonsall Reservoir site is not needed by the recycled water system, it would be our intention to sell the property at fair market value. Clearly, you are a leading candidate for the purchase of this property and we would follow appropriate legal protocols to determine the value of the property and potential buyers. Should the property be put up for sale we would again need to terminate the lease and refund to you any remaining balance on the lease payments.

Finally, I appreciate your willingness to participate in our recycled water study as your insight into your water quality requirements will help us develop a project that meets your needs better. You should expect to be contacted by our engineering team sometime after the new year.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT



Tom Kennedy
General Manager

cc: Vanessa Martinez, Finance Manager
Sherry Kirkpatrick, Engineering Manager

RAINBOW MUNICIPAL WATER DISTRICT

3707 Old Highway 395
 Fallbrook CA 92028
 760-728-1178
 www.rainbowmwd.com

December 21, 2015
 09:50:19

 * R E C E I P T *

Receipt #.: 119859
 Register #.: 29
 Terminal ID: pts/th

G/L RECEIVED FROM:
 BRIGGS TREE SERVICE
 FOR: LEASE PYMT 10/2015-10/2020

AMOUNT PAID: 7,500.00

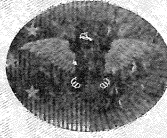
TRANSACTION DETAIL:

03-49108 RENTS AND LEASES 7,500.00

DOCUMENT CONTAINS INVISIBLE FLUORESCENT FIBERS AND CHEMICAL REACTIVE PROPERTIES SECUR PAPER CONTAINS TONER ADHESION PROTECTION, AND A METALLIC HOLOGRAM.



Briggs Nursery
 1111 POINSETTIA AVE.
 VISTA, CA 92081
 (760) 727-2727



UnionBank

17686

Payable at any Union Bank branch including
 400 California Street, San Francisco, CA 94104
 (800) 238-4486 unionbank.com

16-49-6/1220
 0860043394

00017686

PAY **** SEVEN THOUSAND FIVE HUNDRED & 00/100 DOLLARS

DATE AMOUNT

TO THE ORDER OF
 Rainbow Municipal Water
 3707 Old Hwy. 395
 Fallbrook, CA 92028

12/10/15 *****\$7,500.00

[Signature]
 AUTHORIZED SIGNATURE



⑈017686⑈ ⑆122000496⑆ 0860043394⑈

Received From	Payment Method	Amt Tendered	Payment Summary	
BRIGGS TREE SERVIC	Chk# 17686	7,500.00		
	* Total Applied	Total Tendered	Change	Thank
	\$7,500.00	\$7,500.00	\$0.00	You!

Steven Strapac

Subject: FW: Former Reservoir Site - Old Highway 395/Via Urner Road, Bonsall, CA 92003 APN 127-071-05
Attachments: Agricultural Ground Rents.pdf



Steve Strapac, PE, PLS
District Engineer



Rainbow Municipal Water District
3707 Old Highway 395, Fallbrook, CA 92028
t: 760-728-1178 ext 199
[SUBSCRIBE TO JOB UPDATES](#)



NOTICE: All e-mails to and from the Rainbow Municipal Water District may be subject to public disclosure under the California Public Records Act.

From: Scott Arens <Scott.Arens@arensgroup.com>
Sent: Tuesday, November 19, 2019 1:31 PM
To: Steven Strapac <sstrapac@rainbowmwd.com>
Subject: RE: Former Reservoir Site - Old Highway 395/Via Urner Road, Bonsall, CA 92003 APN 127-071-05

EXTERNAL EMAIL – USE CAUTION WHEN OPENING ATTACHMENTS OR HYPERLINKS.

Steven:

Sorry for the delay. Here is a summary of my updated thoughts:

In our appraisal dated August 16, 2019 we estimated the market rent for the subject at **\$1,683/month**. This conclusion was obtained by using a capitalization rate analysis in conjunction with our estimate of value. Since that time, you provided some additional market evidence that you wanted considered as well as the actual historical rental information for the subject. That information is summarized as follows:

- In 2015 The County of San Diego approved a ground lease for 16.4 acres of agricultural land on the Fallbrook Community Airpark property. It will be used to grow avocados, tangerines, macadamia nuts, persimmons, and dragon fruit. The lease rate, with a ten year term is \$3,100 plus an annual percentage rent of \$3,060 based on gross sales. Thus, the total annual rent is an estimated \$6,160 or **\$369/acre/year**.

- The subject's actual rent from December 2015 was reportedly \$7,500 for five years or \$1,500/year. This equates to **\$242/acre/year**.
- The excerpt from the article discussing the Airport lease indicated that "...other County Airports agricultural leases utilizing a percentage of gross sales have provided the county with annual payments between **\$565 and \$1,500 per acre....[per year]** (bold added).

In addition, I reached out to a friend in the Agricultural Appraisal group of Cushman Wakefield and he provided me with the attached summary of Agricultural Ground Rents in North County. These indicate a range of \$650 to \$3,000/acre/year. However, putting most weight on comparable 1, 4, 5 and 6, which are most indicative for the subject, and moving towards the lower end of these comparables to reflect the topographic limitations of the subject due to the reservoir, the estimate is made at \$1,200/acre/per year.

Based on the above, I believe our original estimate of market rent was too high. My amended opinion of market rent is **\$1,200/acre/year or \$7,428/year or \$619/month**.

I am happy to send you a formal addendum to the report or create a new report with both the current value and rent estimates.

Thank you,

Scott B. Arens, MAI, SRA
Arens Group, Inc.
1938 Kellogg Avenue
Carlsbad, CA 92008
760-444-6230
Cell 619-917-1119
Email scott.arensgroup.com



Performance & Financial Analysis

Solar Proposal for Rainbow Municipal Water District

Prepared January 2, 2020 for

Mr. Steven Strapac

District Engineer
RMWD
3707 Old Hwy 395
Fallbrook, CA 92028
Phone: 760-728-1178
Email: sstrapac@rainbowmwd.com

Prepared by Pey Shadzi

COO
Cosmic Solar, Inc.
943 Poinsettia Ave
Ste 401
Vista, CA 92081
Phone: 760-749-1111 | Email: pey@cosmicsolar.com



Executive Summary

Solar Proposal for Rainbow Municipal Water District

Electric Utility Savings: Anticipate a savings of approximately \$163,680 in electric bills (20%) at current utility rates in the first year. Savings will grow as electric utility rates are expected to rise 2.80% a year. The purchase of electric energy (kWh) from your utility is expected to be reduced by 20%.

Over 25 years, annual utility savings are anticipated to average \$233,911, for a total utility savings of \$5,847,781.

Performance Summary

Solar Electric (PV) System: 502.5 kW DC producing 779,430 kWh/Year.

Purchase Price & Net Cost

Contract Price: \$1,000,000

Financial Ratios

Customer's Profitability Index: 2.9

Cashflow Payback: 5.6 years

6.2 years (modified)

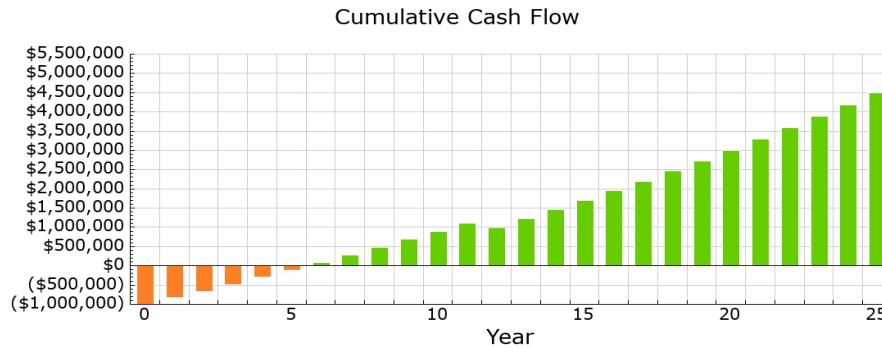
Internal Rate of Return (IRR): 18.3%

Net Present Value (NPV): \$1,893,935

Cash Gained over Life: \$4,497,817

- CO2 Saved over System Life: 15,978 tons. Equivalent to driving 31,956,000 auto miles

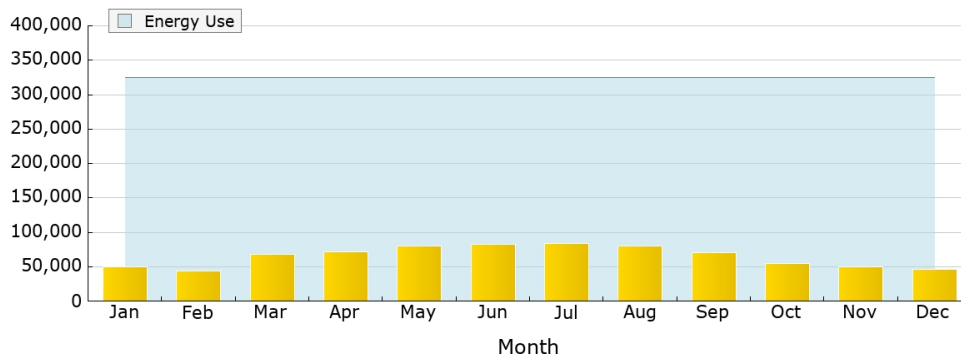
Finance: Cash





Solar Electric (PV) System Summary

Solar Electric (PV) kWh Production by Month (typical)



Tilt: 10° Azimuth: 165° Rack/Gnd/Pole Mount

Shade reduces production: 5%

PV Panels: 1500 x GermanSolar USA, Model: GSM6-72-335W

Inverters: 6 x Delta Electronics, Model: M80X

Total Panel Area: 31,323 sq-ft

System Peak Power: 502.5 kW DC

Annual Production: 779,430 kWh. Supplying 20% of annual electric use

Contract Price Summary: Solar Electric (PV) System

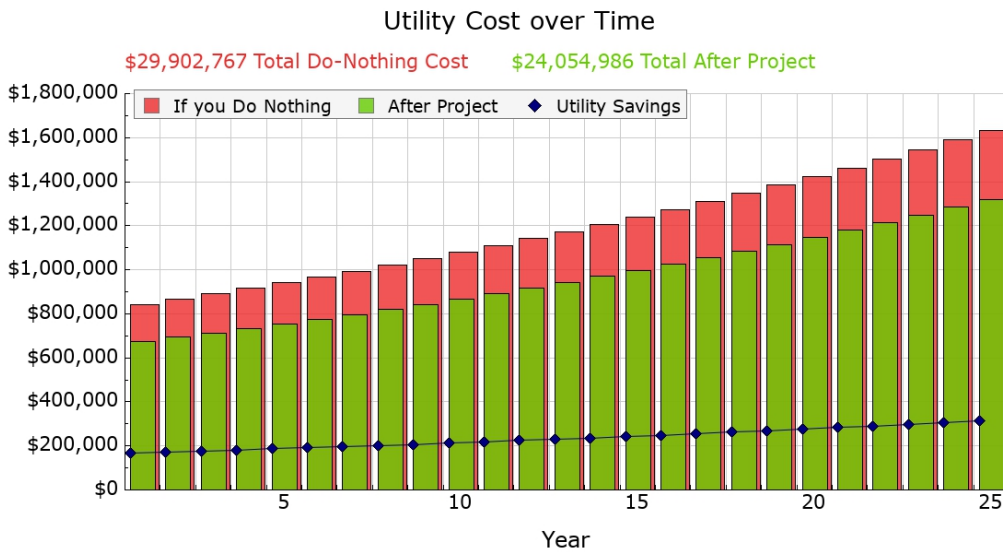
Contract Amount: \$1,000,000 (\$1.99 per watt DC)

Net Cost at Install (after incentives): \$1,000,000

Net Installed Price per Watt: \$1.99 per watt DC

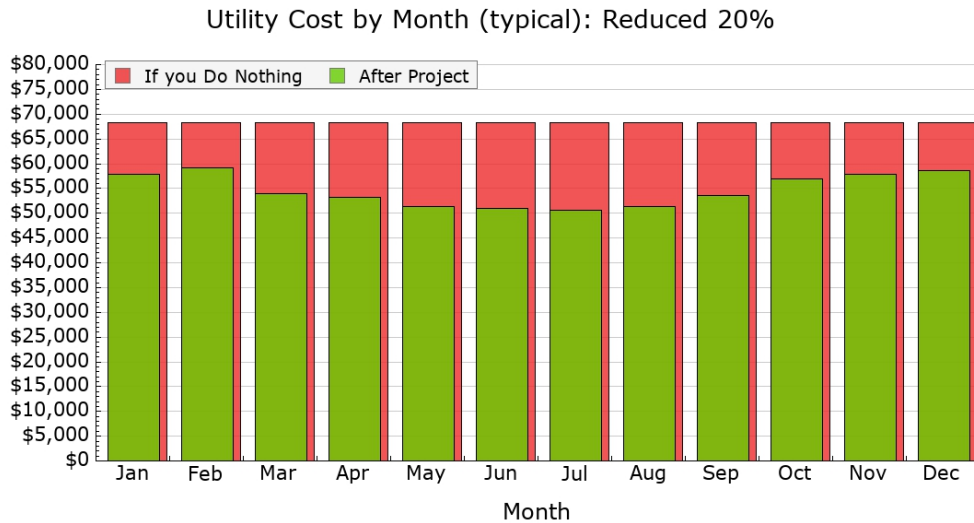


The Cost of Doing Nothing



Your Hedge Against Utility Inflation: Your investment in this project will protect you from utility rate inflation.

Utility Cost by Month



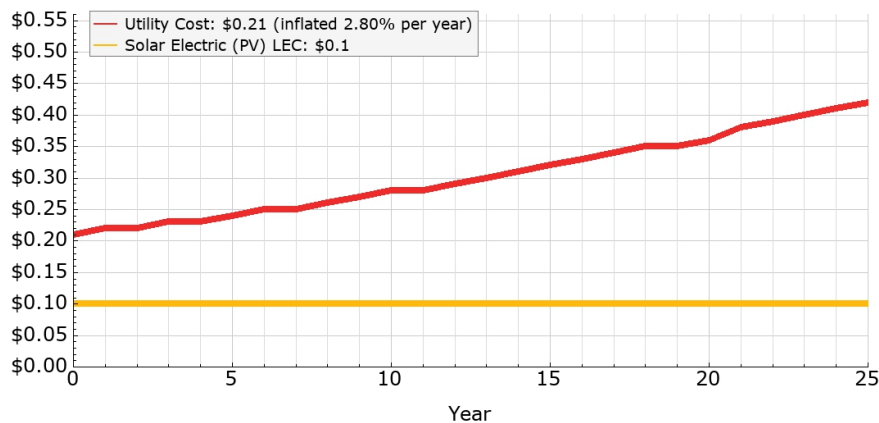


Levelized Energy Cost (LEC)

Your Hedge Against Utility Inflation: Your investment in this project will protect you from utility rate inflation. Levelized Energy Cost (LEC) analysis provides us with a "hurdle rate" (the levelized energy cost) which can be compared to the expected change in utility rates (by way of utility rate inflation). LEC is the average lifetime cost of energy produced by a particular system. We can compare the LEC to the current utility rate and its expected change in price as time goes on. In this manner one can judge the investment as a "better bet" than utility rates to contain energy costs. Represented below is the average cost of utility energy versus the cost of energy produced (LEC) by your system over time.

Electric: Levelized Energy Cost (LEC)

\$/kWh: Utility vs. System Levelized Energy Cost (LEC)





Carbon Footprint

Your carbon footprint will be reduced. Over the life of your system 15,978 tons of carbon dioxide (CO₂) will be eliminated from your footprint. Equivalent to:



Planting 372,287 trees.



Driving reduced by 31,956,000 auto miles, or 1,629,756 gallons of gasoline.



Recycling 50,490 tons of waste instead of sending it to landfill.



Displacing CO₂ emissions from the annual electric use of 1,812 homes.



15,569,306 pounds (7,784.7 tons) of coal burned.



and you will help avoid the use of up to 389,715,000 gallons of water by Thermoelectric Powerplants.



Sensitivity Analysis: Utility Rate Inflation Scenarios

Sensitivity Analysis is a process of analyzing possible future events by considering alternative possible outcomes.

The average change in utility rates (inflation) over the system life is perhaps the variable which may most affect the return on your investment. The following table summarizes how utility rate inflation may impact your investment. The project, as quoted, is compared to utility rate inflation that averages -5%, 0% and +5% over the system life.

	<u>As Quoted</u>	<u>-5% Inflation</u>	<u>0% Inflation</u>	<u>+5% Inflation</u>
Total Utility Savings:	\$5,847,781	\$2,213,445	\$4,013,418	\$8,012,549
Cash Gained over Life:	\$4,497,817	\$863,481	\$2,663,454	\$6,662,585
Return on Initial Cash Invested (IRR):	18.3%	8%	14.7%	21%
Wealth Created Over System Life (NPV):	\$1,893,935	\$216,107	\$1,076,864	\$2,818,547

Utility Inflation, as Quoted: Electric Rates: 2.80%



How to Interpret Financial Ratios and Measures

A Measure of Security: Cashflow Payback: 5.6 years - 6.2 years (modified)

The most common measure of the security of a proposed investment is its payback, defined as the length of time until one gets one's money back. Cashflow Payback is when cumulative cash flow stays positive for good. Modified Cashflow Payback is when the cumulative cash in-flows exceed the total of all cash out-flows over the system life; future maintenance expenses are accommodated.

Profitability Index: 2.9

What PI Means: Generally, if $PI > 1$ then accept the project. If $PI < 1$ then "qualitative" factors may justify the project.

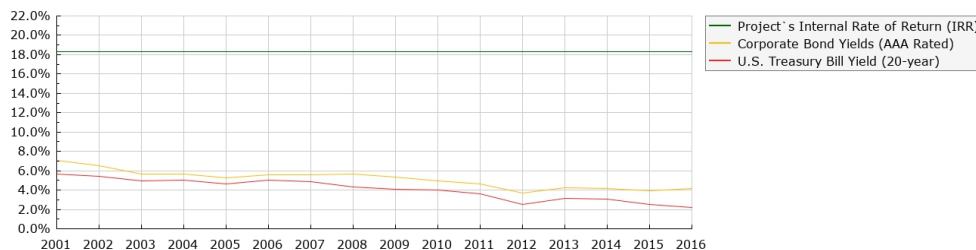
Profitability Index (PI) is a measure of investment efficiency. It identifies the relationship of investment to its return. Profitability Index (PI) is calculated as: (Net-Present Value of the Returns plus the Initial Investment) divided by the Initial Investment. For example: \$1,000,000 is invested and the NPV of the returns is \$1,893,935, then the $PI = (\$1,000,000 + \$1,893,935)/\$1,000,000 = 2.9$, or more generically, for every \$1 invested you received \$2.9 in return.

Net Present Value (NPV): \$1,893,935.

What NPV Means: NPV is an indicator of how much value (wealth) an investment adds to the customer. If NPV is positive then the investment would add value. If NPV is zero or negative then other "qualitative" factors may be of adequate value to justify the project (for example, lengthening a swimming pool season). *Net Present Value (NPV)* is one way to account for the time value of money. NPV calculates the current value of each future cash flow. For example, \$1.00 received two years from now is equivalent to something less today, if it can be invested now at some interest rate. This allows us to "discount" the cash flows (whether positive or negative) that the proposed investment is expected to generate at various times in the future back to their equivalent value today (that is, their "present value"). If one then subtracts the cost of the proposed investment from the sum of the present values of the ongoing cash inflows, one obtains the net present value (NPV) of the investment.

Internal Rate of Return (IRR): 18.3%

Internal Rate of Return (IRR) is a common measure of investment efficiency. Equivalent to the yield to maturity of a bond. The internal rate of return (IRR) is the annualized effective compounded rate of return earned on the invested capital.





Measures of Predictability: Using "hurdle rates" Levelized Energy Cost (LEC)

Solar Electric (PV): \$0.1 per kWh

Another dimension of concern about a proposed investment is the predictability of its anticipated costs and returns, which requires measures of the uncertainty associated with them. Levelized Energy Cost (LEC) analysis provides us with a "hurdle rate" (the levelized energy cost). LEC is the average lifetime cost of energy produced by a particular system. We can compare LEC to the current utility rate and its expected change in price as time goes on. In this manner one can judge the investment as a "better bet" than utility rates to contain energy costs.

Assessing Option Value: The option value of a proposed investment represents the value of future opportunities that would be made available only if the investment were made. Like the ante in a poker game, the investment may promise no return other than the opportunity to look at the cards being dealt, at which point one can either fold or "exercise the option" by making additional investments in an attempt to win the pot. To realize future value here new investments are not necessarily required to "exercise the options" - ownership is enough. In the case of renewable energy systems in general, there are primarily two opportunities, or options, which may have future value: Property value appreciation, and Renewable energy certificates (RECs or SRECs):

Renewable Energy and/or Carbon Credits or Certificate (REC or SREC): Renewable Energy Certificates (sometimes called "solar renewable energy credits/certificates" - SRECs, S-RECs, or simply RECs) are a new and evolving method to ascribe future financial value to a renewable energy system. RECs represent the bundle of legal rights to the "green" part of each unit of energy produced by a renewable energy system. This green part can be sold for a value, which generates additional revenue for the seller. These certificates can be sold and traded or bartered and the owner of the REC can claim to have purchased renewable energy.



Utility Energy Summary: Electric

Electric Utility Rates	
Current Rate	Post Project Rate
Fixed Price per unit \$0.2100/kWh	Fixed Price per unit
Average Cost: \$0.21 per kWh	Average Cost: \$0.21 per kWh
Tiered Rate: No	Tiered Rate: No
Time-of-Use Rate: No	Time-of-Use Rate: No
Demand Charges: No	Demand Charges: No

Summary of Utility & New Source Electricity

Electric by Month (kWh)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Entered into Software (historical)</u>													
Monthly Use	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	3,900,000
Historical Cost	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$900,000
<u>Estimated by Software at Current Rates</u>													
Estimated Use	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	3,900,000
Current Cost	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$68,250	\$819,000
PV Production	(49,662)	(43,621)	(68,243)	(71,521)	(80,512)	(82,509)	(83,591)	(80,095)	(70,021)	(54,218)	(49,263)	(46,174)	
Post Project Use	275,338	281,379	256,757	253,479	244,488	242,491	241,409	244,905	254,979	270,782	275,737	278,826	3,120,570
Post Project Cost	\$57,821	\$59,090	\$53,919	\$53,231	\$51,342	\$50,923	\$50,696	\$51,430	\$53,546	\$56,864	\$57,905	\$58,553	\$655,320
<u>Production Self-Consumption Percent:</u>													
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Minimum monthly meter fees may apply and are not included in this analysis.



Cash Flow Details for the System

Cash Flows in Year	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Gross Cost: PV	(1,000,000)				
<u>Reference:</u> Utility Bill Savings with Inflation Applied	0	168,263	172,697	177,248	181,919
Utility Bill Net Cash Savings after Tax Effects	0	168,263	172,697	177,248	181,919
Net Annual Cash Flow	(1,000,000)	168,263	172,697	177,248	181,919
Cumulative Cash Flow	(1,000,000)	(831,737)	(659,040)	(481,792)	(299,873)

Net Annual Cash Flow is the sum of values in gray lines.

Cash Flows in Year	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
<u>Reference:</u> Utility Bill Savings with Inflation Applied	186,712	191,631	196,678	201,859	207,175
Utility Bill Net Cash Savings after Tax Effects	186,712	191,631	196,678	201,859	207,175
Net Annual Cash Flow	186,712	191,631	196,678	201,859	207,175
Cumulative Cash Flow	(113,161)	78,470	275,148	477,007	684,182

Cash Flows in Year	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>
O&M Cost: PV	0	0	(349,964)	0	0
<u>Reference:</u> Utility Bill Savings with Inflation Applied	212,631	218,230	223,975	229,871	235,922
Utility Bill Net Cash Savings after Tax Effects	212,631	218,230	223,975	229,871	235,922
Net Annual Cash Flow	212,631	218,230	(125,989)	229,871	235,922
Cumulative Cash Flow	896,813	1,115,043	989,054	1,218,925	1,454,847

Cash Flows in Year	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>
<u>Reference:</u> Utility Bill Savings with Inflation Applied	242,132	248,504	255,043	261,754	268,640
Utility Bill Net Cash Savings after Tax Effects	242,132	248,504	255,043	261,754	268,640
Net Annual Cash Flow	242,132	248,504	255,043	261,754	268,640
Cumulative Cash Flow	1,696,979	1,945,483	2,200,526	2,462,280	2,730,920

Cash Flows in Year	<u>20</u>	<u>21</u>	<u>22</u>	<u>23</u>	<u>24</u>
<u>Reference:</u> Utility Bill Savings with Inflation Applied	275,707	282,959	290,401	298,038	305,875
Utility Bill Net Cash Savings after Tax Effects	275,707	282,959	290,401	298,038	305,875
Net Annual Cash Flow	275,707	282,959	290,401	298,038	305,875
Cumulative Cash Flow	3,006,627	3,289,586	3,579,987	3,878,025	4,183,900



Cash Flow Details for the System

Cash Flows in Year	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>
<u>Reference:</u> Utility Bill Savings with Inflation Applied	313,917	0	0	0	0
Utility Bill Net Cash Savings after Tax Effects	313,917	0	0	0	0
Net Annual Cash Flow	313,917	0	0	0	0
Cumulative Cash Flow	4,497,817	0	0	0	0



Other Assumptions Used in this Analysis

Customer Type: Government/Municipal.

Tax Effects Applied to Utility Savings: As a business customer, utility savings will result in lower business expenses (a tax deduction or "write off") for utility services. Therefore we have reduced utility savings by your effective income tax rate (0.00% federal and 0.00% state).

System Life: PV System: 25 years. Inverters: 12 years.

PV System Modeling Variables (PVWatts references): System Losses: 9.5%, DC-to-AC Ratio: 1.01, Module Type: Standard, Inverter Efficiency: 98.50%.

Performance Degradation and O&M Costs: We have assumed performance will degrade by 0.20% per year due to soiling and general wear. Annual operating and maintenance (O&M) costs are inflated 2.80% per year, and are estimated as a percent of gross system price, as follows: Solar Electric (PV): 0.00%.

Income Tax Rates: Federal: 0.00%, State: 0.00%

Annual Inflation Rates: Consumer price index: 2.80%, Electric Rates: 2.80%

Energy Metering Type: Net Metering

Net Excess Generation (NEG): Monthly NEG credited at: \$0.00000 per kWh. Monthly NEG may be carried forward to the next month for application to future utility bills. Annual NEG Not sold.

Discount Rate: 5.00%. Used to estimate net present value of future cash flows.

Carbon Dioxide (CO2) Calculations: The following assumptions are used to calculate carbon dioxide (CO2) reductions: Electricity: 1.64 lbs. CO2 per kWh. Natural Gas: 0.12 lbs. CO2 per cubic foot (12 lbs. per Therm). Fuel Oil: 22.29 lbs. CO2 per gallon. Propane: 12.17 lbs. CO2 per gallon. Trees Planted: 0.0429 tons CO2 per Tree planted (23.3 Trees/Ton CO2). Automiles Saved: 1 lb CO2 per mile for medium passenger car (2,000 Miles/Ton CO2). Gallons Gasoline: 0.009812 tons CO2/gallon (102 Gal/Ton CO2). Landfill Tons: 3.16 tons CO2 per ton of waste recycled instead of landfilled. Single-family Homes (electric use): 8.82 tons CO2/home (0.11 Homes/Ton CO2). Tons of Coal Burned: 2.0525 lbs. of CO2 per lb. of Coal (2,000 lbs. per ton). Source: www.epa.gov/cleanenergy/energy-resources/refs.html

Water used by Thermoelectric Powerplants: Depending upon the technology used, natural gas and coal power plants withdraw up to 20 gallons of water for every kWh of energy produced and consume (via evaporation) about 0.47 gallons per kWh produced. Sources: <http://nrel.gov/docs/fy04osti/33905.pdf> and <http://www.wri.org/resources/charts-graphs/typical-range-water-withdrawals-and-consumption-thermoelectric-power-plants> which summarizes the Electric Power Research Institute's report *Water & Sustainability (Volume 3): U.S. Water Consumption for Power Production - The Next Half Century*



Renewable Resources

The following renewable resource assumptions were used to develop estimates for the project location. These are typical values based upon observed data over several decades. Actual values (and system performance) will vary from month to month, and from year to year, in accordance to weather and climate pattern changes.

Weather station referenced: "CAMP PENDLETON MCAS" (California)

Solar Resources: Flat-Plate, South-facing Tilted at Latitude

Month	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
kWh/m²/day	5.25	4.542	5.988	5.863	6.123	6.329	6.366	6.501	6.494	5.076	5.334	5.117



Better Solar

PremiumLine Plus Economy GSM6-72 320W-340W

German engineered, PremiumLine Plus modules are designed and built to achieve top quality performance, maximize energy production and ensure long-lasting durability. Each PremiumLine Plus module is assembled with our automated manufacturing processes. And the PremiumLine Plus surpasses strict in-house and independent testing, guaranteeing the high level of quality our engineers stand behind.

Highlights

- Up to 4.99 W more module performance because of positive classes
- Flash data for every panel
- 12-year product warranty
- 25-year linear performance warranty
- Potential induced degradation (PID) Free
- Effective hotspot-prevention processes ensure durability
- More power due to better power tolerance: $\pm 3\%$
- Improved water and snow runoff with chamfered frame drainage and snow runoff
- Better performance in diffused sunlight and high temperature
- High ammonia and salt mist resistance certified
- Glass with anti-reflective coating
- Individual testing and surveying, quality assurance by permanent production control incl. EL-test
- UV stabilized, aesthetically pleasing black anodized frame
- Best price-performance ratio

Built-in durability

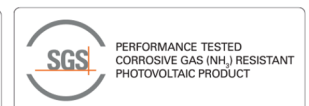
GermanSolar only uses cell materials from leading premium cell manufacturers. To eliminate the possibility of hotspot formation thoroughly, strict control-criteria mandate a thermal picture of each cell before and after processing.

Positive classes: (-0/+4.99)

All GermanSolar modules are positively classed. Each PremiumLine Plus module is up to 4.99 Wp above its rated power. So no matter what PremiumLine Plus module you choose, you are guaranteed up to 4.99 Wp more.

25-year linear performance warranty

Our 25-year linear performance warranty covers for power loss less than 3% in the first year and only 0.35% degradation per year thereafter.

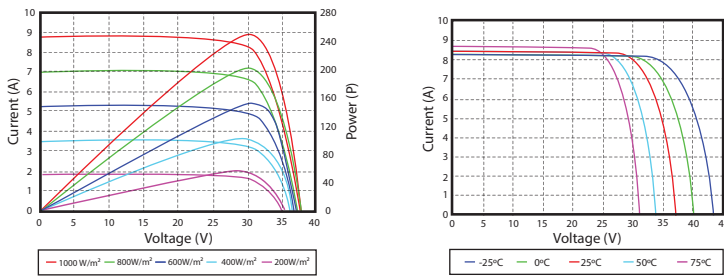


Description

Item	Module Type GSM6 320/325/330/335/340					
Electrical parameters at STC						
Maximum Power	Pmax(W)	320W	325W	330W	235W	340W
Power Tolerance	W	0~+5W	0~+5W	0~+5W	0~+5W	0~+5W
Tolerance	(%)	±3%	±3%	±3%	±3%	±3%
Open Circuit Voltage	Voc(V)	46.30	46.55	46.84	46.99	47.20
Short Circuit Current	Isc(A)	9.08	9.11	9.15	9.18	9.24
Maximum Power Voltage	Vmpp(V)	37.8	37.98	38.31	38.49	38.78
Maximum Power Current	Impp(A)	8.46	8.55	8.61	8.70	8.76
Module Efficiency	(%)	16.50	16.50	17.00	17.30	17.50
Solar Cell Efficiency	(%)	19.20	19.50	19.80	20.10	20.40
STC: Irradiance 1000W/m², Cell temperature 25°C, AM1.5						
Electrical parameters at NOCT						
Maximum Power	Pmax(W)	238W	242W	246W	249W	253W
Open Circuit Voltage	Voc(V)	42.87	43.11	43.37	43.37	43.71
Short Circuit Current	Isc(A)	7.35	7.37	7.40	7.43	7.48
Maximum Power Voltage	Vmpp(V)	35.65	35.82	36.13	36.30	36.57
Maximum Power Current	Impp(A)	6.68	6.76	6.81	6.86	6.92
NOCT: Irradiance 800W/m², Ambient temperature 20°C, Wind speed 1 m/s						
Mechanical Characteristics						
Cell Type	(mm)	156 x 156(Mono-Crystalline Silicon)				
Number of Cells	(Pcs)	72				
Maximum System Voltage	(V)	DC1000				
Temp. Coeff of Voc	(%/K)	-0.328%/K				
Temp. Coeff of Isc	(%/K)	+0.048%/K				
Temp. Coeff. Of Pmax	(%/K)	-0.428%/K				
Operating Temperature	(°C)	-40°C to +85°C				
Nominal Operating Cell Temperature	(°C)	47±2				
Max Series Fuse	(A)	15				
Insulation	(MΩ)	50				
Wind Bearing	(Pa)	≤5400				
Pressure Bearing	(Pa)	≤2400				

NOCT**	47°C ±2°C
Module efficiency reduction at 200 W/m ² ***	-0.6 (±0.3)% abs
Max. System Voltage	1000 V DC
IP Protection Level	IP 65
Module Technology	Glass-Foil Laminate with anodized aluminum frame
Module Design	Cover material: Solar glass with antireflection surface treatment, 0.13 in (3.2mm); Encapsulation: EVA-Solar Cells -EVA; Back material
No. and Type of Solar Cells	72 crystalline solar cells 6.14 x 6.14 in (156 x 156 mm) 0.007 in ± 1.18 x 103 (180 um ± 30 μm)
Cables	Junction box with MC4 connectors, cables: 2 x 3.44ft/0.006 in2 (2 x 1 m/4 mm ²)
Junction Box	IP 67 rated, with 3 bypass diodes
Dimensions (kwxh)	77.01 x 39.05 x 1.57 in (1956 x 992 x 40mm)
Weight	58.42 lbs/ 26.5 kg
Operating Temperature Range	-40 ... +185°F (-40 ... +85°C)
Ambient Temperature Range	-40 ... +113°F (-40 ... +45°C)
Mechanical Ratings	Suction pressure and load of 50 lb/ft ² (2400 Pa) approved (Wind speed 81 mph (130 km/h) with safety factor 3), load of 5400 Pa approved
Certification	IEC 61215 - 2005 IEC 61730 -1/-2 - 2004 IEC 61701 : 1995 (salt mist resistant) DLG Focus Test (ammonia resistant) UL 1703 approved ETL UL 1703 : Type 1 Fire-Rating Fire Class: C FSEC listing UNI 9177 Class 1 EN 13501- 1 Class E
Positive Sorting	-0 Wp / +4.99 Wp
Pallet Dimensions in weight / size	1671.1 lbs (82.68 x 44.49 x 45.28) inches 26 modules per pallet
Module Qty per Container	572pcs/40'HQ
Product Warranty	12 years
Performance Warranty	25 years, according to the Warranty Conditions of GermanSolar Linear Warranty

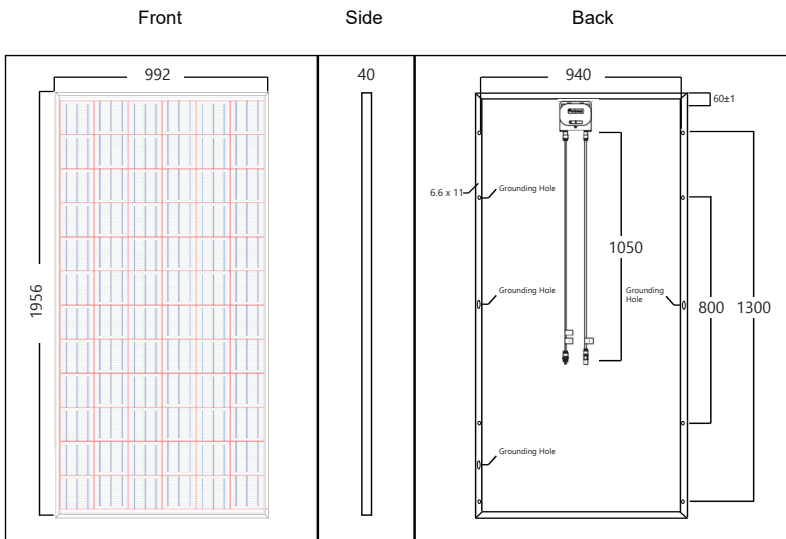
I-V Curves



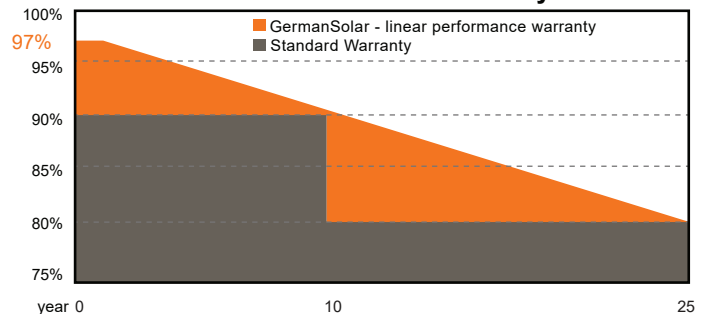
Current-Voltage and Power-Voltage Curves at Different Irradiances

Current-Voltage Curves at Different Temperatures

PHYSICAL CHARACTERISTICS Unit: mm



25-Year Linear Performance Warranty



Untitled Map

Write a description for your map.

Legend





Rainbow Municipal Water District at Aquaduct Road in Bonsall

APN: 127-071-05-00.

Address: 32232 Aquaduct Road, Bonsall

No maps or easement info is available at County for property, but a title report would have this information.

Required setbacks for property:

Standard: 60'

Interior from lot line: 25' V (V signifies this particular setback will be established during the site plan review)

Exterior from centerline: 35'

Setback from lot line: 25'



What is required in order to move forward with plan to install solar: In order to speak to planning prior to submitting plans, an initial consult meeting is required. The cost for this is included in the info documents, attached, as well as paperwork that would be needed for the meeting. The cost is typically in the \$6,500 range for this initial consult. The meeting isn't mandatory for submittal, but the County does recommend the consult, as it helps them weed out potential solar projects of this size which could not move forward.

Also, attached are documents with information regarding the type of permit this project would be, and a handout with certain guidelines for permitting this type of solar system. On the forms below, the "Initial Deposit And Fee Total" is included, which are fees required for submitting a project like this at the County of San Diego. That deposit will then be placed into an account and the County will charge the account as they conduct the review. If the account runs out of money, the County will stop the review until more money is deposited into the account. The County does have a discretionary permit cost guide on their website to help figure out an estimated total cost.

SDGE/Utility considerations: After various consults with SDGE, it's likely the utility company's current infrastructure could support a 500kWdc system and perhaps even a larger system. Based on the results of previous meets the SDGE standards department, they typically allow about a 1,000 kWdc (1MW) system without upgrading existing lines, but a much more detailed and thorough investigation from SDGE would be required to determine this for sure.

Possible recommendation for moving forward: Depending on solar project financing need and availability of funds, installing a system in the 500 kWdc range (which will eliminate a significant portion of the overall utility bill) might be a good path forward. Additional solar system locations could be determined and installed in the future to continue eliminating more of the overall utility bill and the project could be financed in stages, rather than requiring a large upfront investment. This location, upon first review, appears to be a suitable location for a 500 kWdc solar ground mounted array system and, assuming the County would approve the permit, this location does seem quite ideal.



**COUNTY OF SAN DIEGO
PLANNING & DEVELOPMENT SERVICES
PROPERTY SUMMARY REPORT**

GENERAL PARCEL INFORMATION

APN:	127-071-05-00
ADDRESS:	32232 AQUADUCT RD, BONSALL
PARCEL AREA:	6.19
CENSUS TRACT:	188.03
DOMAIN:	County of San Diego
PLANNING AREA:	Bonsall
GENERAL PLAN DESIGNATION:	PUBLIC/SEMI-PUBLIC FACILITIES
EXPIRED PERMITS:	No
FLAGS:	No

AGENCY INFORMATION *For agency contact information refer to PDS 804.*

EXISTING SEWER:	No
FIRE DISTRICT:	DEER SPRINGS FIRE PROT DIST
ELEMENTARY SCHOOL DISTRICT:	GEN ELEM BONSALL UNION
HIGH SCHOOL DISTRICT:	HIGH FALLBROOK UNION
WATER DISTRICT:	RAINBOW MUNICIPAL WATER DISTRICT
SANITATION DISTRICT:	RAINBOW MUNICIPAL WATER DISTRICT

CONSTRUCTION DESIGN INFORMATION

FIRE HAZARD SEVERITY ZONE:	Moderate <i>Refer to PDS 198 for fire resistive construction info. http://www.sdcounty.ca.gov/pds/docs/pds198.pdf</i>
CEC CLIMATE ZONE:	10 <i>Refer to PDS 409 for energy efficiency standards info. http://www.sdcounty.ca.gov/pds/docs/pds409.pdf</i>
CBC & CRC SEISMIC DESIGN CATEGORY:	CBC D, CRC D1
ALQUIST-PRIOLO EARTHQUAKE FAULT ZONE:	

STORMWATER MANAGEMENT INFORMATION

EXISTING STRUCTURAL BMP:	No <i>Refer to Stormwater website for more information</i>
PRIORITY DEVELOPMENT PROJECT	No
ENVIRONMENTALLY SENSITIVE AREA	No
HILLSIDE DEVELOPMENT	Yes

LAND DEVELOPMENT INFORMATION

FLOOD:	NO
DRAINAGE DISTRICT:	N/A <i>Refer to the drainage fee ordinance for more information. Drainage fee ordinance, Spring Valley Drainage ordinance.</i>
COUNTY MAINTAINED ROAD:	N/A
REGIONAL CATEGORY:	No Jurisdiction
TIF REGIONAL CATEGORY:	NONE

For information regarding Transportation Impact Fees (TIF) visit the [TIF](#) webpage. For an estimate of TIF or Drainage fees please refer to the [DPW Impact Fee Calculator](#)

LEGAL LOT

LEGAL LOT STATUS:	
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**COUNTY OF SAN DIEGO
PLANNING & DEVELOPMENT SERVICES
PROPERTY SUMMARY REPORT**

ZONING INFORMATION BLOCK

USE REGULATIONS:	A70	Limited Agriculture. Intended for crop or animal agriculture. Number of animals allowed are specified by animal regulations. <i>If there is more than one attribute associated with the parcel please refer to the zoning ordinance sections referenced below.</i> http://www.sdcounty.ca.gov/pds/zoning/z2000.pdf
ANIMAL REGULATIONS:	W	<i>Please refer to Part Three of the zoning ordinance for information regarding animal regulations.</i> http://www.sdcounty.ca.gov/pds/zoning/z3000.pdf
DENSITY:	-	If "-" refer to general plan designation. <i>Refer to Part Four section 4100 of the zoning ordinance for density information.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
LOT SIZE:	2AC	Minimum lot size. <i>Refer to Part Four Section 4200 of the zoning ordinance for Lot Size information.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf <i>Please note the County General Plan may be more restrictive for proposed subdivisions</i>
BUILDING TYPE:	C	Residential: Single Detached (1 dwelling unit per lot). Mixed Residential/Nonresidential: Limited nonresidential Nonresidential: Detached & Attached <i>If there is more than one attribute associated with the parcel please refer to the zoning ordinance sections referenced below.</i> <i>For additional information please refer to Part Four Section 4300 of the zoning ordinance.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
MAX FLOOR AREA:	N/A	<i>Refer to Part Four Section 4400 of the zoning ordinance for Max Floor Area information.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
FLOOR AREA RATIO:	N/A	<i>Refer to Part Four Section 4500 of the zoning ordinance for Floor Area Ratio information.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
HEIGHT:	G	Maximum height (feet): 35 Maximum number of stories: 2 <i>If there is more than one attribute associated with the parcel please refer to the zoning ordinance sections referenced below.</i> <i>For additional information refer to Part Four Section 4600 of the zoning ordinance.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
LOT COVERAGE:	N/A	<i>Refer to Part Four Section 4700 of the zoning ordinance for Lot Coverage information.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
SETBACK:	W	<i>*Please note there may be special setbacks for solar and fire code setback may be more restrictive.</i> <i>If there is more than one attribute associated with the parcel please refer to the zoning ordinance sections referenced below.</i> <i>For additional information refer to Part Four Section 4800 of the zoning ordinance.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
OPEN SPACE:	N/A	<i>If there is more than one attribute associated with the parcel please refer to the zoning ordinance sections referenced below.</i> <i>Refer to Part Four Section 4900 of the zoning ordinance for Open Space information.</i> http://www.sdcounty.ca.gov/pds/zoning/z4000.pdf
SPECIAL AREA REGULATIONS:	N/A	A "-" indicates no special area regulations. <i>If there is more than one attribute associated with the parcel please refer to the zoning ordinance sections referenced below.</i> <i>For specific information regarding Special Area Regulations refer to Part Five of the zoning ordinance.</i> http://www.sdcounty.ca.gov/pds/zoning/z5000.pdf

PURPOSE OF THIS HANDOUT

This report is intended to display general property characteristics to aid in preparing plans and documentation for submittal of a building permit application to the Building Services division of Planning & Development Services. Projects must comply with all applicable requirements as displayed on this report however, this report may not be a comprehensive list of all requirements. More information may be obtained at Planning & Development Services located at 5510 Overland Avenue, San Diego, CA 92123 or by visiting <http://www.sdcounty.ca.gov/pds/>.

Initial Consultation Meeting		
EFFECTIVE 7/01/2019	FEES*	INITIAL DEPOSIT*
PDS PLANNING		\$2,535***
STORMWATER		
DEH	SEPTIC/WELL	\$266**
	SEWER	\$266**
PDS TRAILS REVIEW		
VIOLATION FEE (<i>not included in total</i>)	None	
INITIAL DEPOSIT & FEE TOTAL		
\$2,535 +		

* Use our Discretionary Permit Cost Guide to estimate the County portion of your project's cost.

** If DEH is requested, please collect the fee.

*** + \$500 for each additional specialty requested

Forms are available at: <http://www.sdcounty.ca.gov/pds/zoning/ZoningNumeric.html>, or the links below.

Please follow all notes and instructions carefully to avoid delays in processing.

PART A:

Each item below must be saved as an electronic PDF file on a USB Flash Drive.

- Plot Plan (see Notes 2, 5).
- Project Description (see Notes 2, 5).

PART B:

Each item below must be printed on paper, completed and have all required signatures.

- Plot Plans: **FIVE (5)** copies (see Notes 3, 4);
 - If in the Alpine Community Planning Group area: **EIGHT (8)** copies.
 - If in the (USDRIP) River Way Specific Plan area: **TEN (10)** copies.

126 Acknowledgement of Filing Fees and Deposits: ONE (1) copy (see Note 1).

320 Evidence of Legal Parcel (and any Deeds): ONE (1) copy.

325 Initial Consultation Meeting Request: ONE (1) copy.

346 Discretionary Permit Application: ONE (1) copy (see Note 1).

346S Supplemental Application: ONE (1) copy.

PART C:

All items below are for your information. Please do not bring in these items.

- 090 Minimum Plot Plan Information
- 209 Defense and Indemnification Agreement FAQs
- 906 Signature Requirements

NOTES:

1. IMPORTANT

A Registered Property Owner **MUST SUBMIT** a **Signed Letter of Authorization** for an Agent if;

An Authorized Agent signs the PDS-346 form and is not the registered owner of the parcel.

Or, the parcel is owned by two or more registered owners.

Or, not all of the registered owners are signing the PDS-346 form.

Or, the Authorized Agent is not the Financially Responsible Party.

Or, the parcel is owned by a Corporation.

ADDITIONALLY:

Financially Responsible Party **MUST SIGN** form PDS-126.

Financially Responsible Party **INFORMATION MUST MATCH EXACTLY** on form PDS-126
Authorized Agent **may sign** form PDS-346 **ONLY IF ATTACHED** to a **Signed Letter of Authorization.**

2. Save each complete Study, Report, Plot Plan, Map, etc., as an electronic PDF file onto ONE (1) USB Flash Drive. Provide only ONE (1) USB Flash Drive. Submit only the requested files. Files CANNOT have any security restrictions or passwords. Please name each PDF file on the USB Flash Drive based on the "Title or Type" of document being submitted (examples: Plot Plan, Resource Protection Study, Grading Plan). Please note: the USB Flash Drive will not be returned.
3. Printed Plot Plans, Elevation Drawings, Floor Plans, etc., must be at least 11"x17", stapled together in sets and folded to 8½"x11" with the lower right-hand corner exposed.
4. Applicant must provide the correct number of printed plot plans for the Initial Consultation Meeting.
5. A detailed Project Description along with a Conceptual Plot Plan is required.
6. Copies of all material will be distributed to PDS Land Development (and DEH if necessary).
7. If the project is a violation, the plans must have a Code Compliance Officer's stamp before accepting the application.
8. Your application package must be complete when you bring it in for submittal. The submittal process begins at the main "Check-In" counter on the first floor.
9. **Office Location and Hours:**
5510 Overland Avenue, Suite 110 (First Floor), San Diego, CA 92123.
Monday - Friday: 8:00 a.m. to 11:45 a.m. and 12:30 p.m. to 4:00 p.m. (Except County Holidays).



County of San Diego, Planning & Development Services
DISCRETIONARY PERMIT APPLICATION
 ZONING DIVISION

RECORD ID(S):

	Planning	LD Review Teams	DEH	Trails Review	Other
FEES	_____ +	_____ +	_____ +	_____ +	_____
DEPOSITS	_____ +	_____ +	_____ +	_____ +	_____

TOTAL FEES AND INITIAL DEPOSIT: \$ _____

The submitted Initial Deposit is estimated to cover **only** the initial project review (Scoping). Additional monies will be required. A project-specific cost estimate will be provided at the conclusion of Scoping, along with a letter detailing any project issues, revisions, and studies as deemed necessary for compliance with State and County codes and ordinances.

Have you had a pre-application conference? **YES** **NO** If yes, Planner's Name _____

Is this project the subject of a code violation? **YES** **NO** If yes, provide a copy of the Warning/Citation/Violation Notice.

Are there any related, open applications such as DEH permits, Grading permits, etc? **YES** **NO**

If yes, list permits: _____

Is there an existing Trust Account on any of the open records related to this proposed project? **YES** **NO**

Are there any prior related cases such as a specific plan? If yes, list Case Number(s) _____

The Financially Responsible Party is responsible for all costs related to this application (See form PDS-126).

Assessor's Parcel No. (APN) _____

Owner's Name _____ Owner's Phone _____

Owner's Address _____
Number Street City State Zip

Owner's email _____ Owner's Fax _____

Applicant's Name _____ Applicant's Phone _____
(If different from owner)

Applicant's Address _____
Number Street City State Zip

Applicant's email _____ Applicant's Fax _____

Engineer's Name _____ Engineer's Phone _____

Engineer's Address _____
Number Street City State Zip

Engineer's email _____ Engineer's Fax _____

Project Contact Person _____ Phone _____

Address _____
Number Street City State Zip

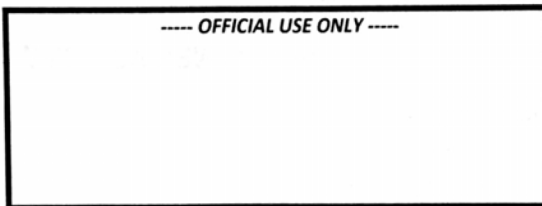
Project Contact's email _____ Project Contact's Fax _____

Project Name _____

Project Address & Nearest Cross Street _____

I declare under penalty of perjury under the laws of the State of California that the statements made as part of this application are true and correct. I hereby agree to provide the indemnification as required by Chapter 2 of Division 6 of Title 8 of the San Diego County Code.

***REQUIRED: an Authorized Agent signing below must attach a signed Letter of Authorization.**



----- OFFICIAL USE ONLY -----

 Signature of Owner or ***Authorized Agent**

 Print Signator's Name Date



BOARD OF DIRECTORS

January 28, 2020

SUBJECT

Cash Reserve Policy 5.03.220 Compliance Report

DESCRIPTION

At the end of each fiscal year, compliance with the Reserve Policy will be reported to the District's Board of Directors. The district is compliant with the Cash Reserve Policy 5.03.220.

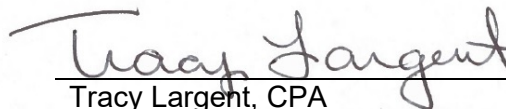
The Budget and Finance Committee has reviewed the balances of these funds.

Reserve balances have been adjusted to comply with the Board Cash Reserve Policy 5.03.220. The policy requires the district to have a minimum balance available of \$3,935,373. Actual Operating Fund Cash balances total \$9,481,880 as of August 31, 2019, which includes \$2,381,163 that was established for Rate Stabilization Reserve.

Total Cash Balances for all funds total \$42,171,467. Detail is provided in the attached Cash Balances report.

Attachments:

- Cash Balances Report
- Cash Reserve Policy 5.03.220
- Operating Reserve Policy Calculation Report
- Water Rate Stabilization Reserve Policy Calculation Report



Tracy Largent, CPA
Finance Manager

January 28, 2020

**Rainbow Municipal Water District
Water Rate Stabilization Reserve Policy Calculation Report
August 31, 2019**

Operating & Debt Service Funds - Cash Balance

(Funds 1, 2, 3, & 10)

Operating Funds Cash & Investments Accounts	\$ 4,433,053	
Operating Funds Cash Oceanside Plant Replacement Account	1,077,237	
Insurance Reserve Cash Account	100,000	
Rate Stabilization Cash & Investments Account	2,381,163	
Debt Service Cash & Investments Accounts	1,490,427	
		<u>\$ 9,481,880</u>

Water Capital Fund - Cash Balance

(Funds 26 & 60)

Cash & Investments Accounts	\$ 4,675,267	
Cash Trust CFD	1,654,197	
		<u>\$ 6,329,464</u>

WSUP Capital Fund - Cash Balance

Cash Trust Accounts	\$ 11,523,729	
		<u>\$ 11,523,729</u>

Wastewater Capital Fund - Cash Balance

(Funds 52 & 53)

Cash & Investments Accounts	\$ 12,086,394	
Cash Trust CFD	2,750,000	
		<u>\$ 14,836,394</u>
		<u><u>\$ 42,171,467</u></u>

Section 5.03.220 Cash Reserves Policy

5.03.220.01 - Purpose

The purpose of the RMWD Reserve Policy is to ensure that the District will, at all times, have sufficient funding available to meet the operating, capital and debt service cost obligations. Reserves will be managed in a manner that allows the District to fund costs consistent with its Capital Improvement Program and Water and Wastewater Master Plans while avoiding significant rate fluctuations due to changes in cash flow requirements. Adequate reserves and sound financial policies promote RMWD's bond ratings in the capital markets, provide financing flexibility, avoid potentially restrictive debt covenants, and ensure the District's customers of stable rates. The reserve policy shall cover all reserve funds of the District. The Budget and Finance Committee will review the balances of these funds annually to recommend any change in priorities for excess funds. At the end of each fiscal year, compliance with the Reserve Policy will be reported to the District's Board of Directors. In the event of a deficit situation, funds will be used from the rate stabilization first, followed by capital replacement.

5.03.220.02 - Operating Reserves

Rainbow Municipal Water District shall maintain one Operating Reserve fund in cash and cash equivalents for both the Water and Wastewater operations. The reserve balance shall be limited to two months of budgeted operating expenses as determined by the monthly average of budgeted operating expenses (does not include the cost of water or depreciation). The reserve balance limits shall be determined during the annual budget process.

Operating reserve deficiencies will be funded predominantly by water and sewer user rates and charges. Amounts which exceed operating reserve limits shall be transferred to Capital reserve funds.

5.03.220.03 - Capital Reserves

The District maintains five Capital Reserve Funds: New Water Sources Reserve (Fund 26), Water Capital Projects (Fund 60), Wastewater Replacement (Fund 52), and Wastewater Expansion (Fund 53). The Board took action on 9/7/2005 to discontinue the funding of the Water Replacement and Water Expansion funds and combine those funds into the Water Capital Projects Fund. Capital Reserves will be used to fund infrastructure projects and will be an integral part of the District's capital plan documented in its Capital Budget as well as the Water and Wastewater Master Plans.

Capital Reserves are funded by cash collected from water and sewer capacity charges (new connections). The Capital Reserves receive additional funding from surpluses generated by water and wastewater operations (excess of revenues over expenses before depreciation).

Anticipated Capital reserve deficiencies will be funded by transfers of budgeted surplus which may result from increased rates.

Amounts accumulated in excess of both the Operating Reserve limits and Capital Reserve needs may be used, subject to Board approval and public hearing, to lower rates to curtail increasing trends in the reserve funds.

\\rmwd-b\Main\Administration\Confidential\Administrative Code Working Docs\Board Secretary Administrative Code Working File\Board Admin Code 2005-2006\Cash Reserves Policy 5.03.220.docx\\Amended and Approved 11-19-13 by Ordinance No. 13-08\\Amended and Approved 12-15-15 by Ordinance No. 15-09\\Amended and Approved 4-23-19 by Ordinance No. 19-05

5.03.220.04 - Water Capital Projects Reserve (Fund 60)

This reserve was created by Board action of 9/7/2005 to combine the Water Replacement and Water Expansion Reserves. Water Capital Projects Reserve is funded by the cash collected for water capacity charges (connections) and by surpluses generated by water operations (excess of revenue over expenses before depreciation). Reserves will be used to fund infrastructure expansion, repairs, rehabilitations, and replacement projects.

5.03.220.05 - Wastewater Replacement Reserve (Fund 52)

Wastewater Replacement Reserves are funded partially by the cash collected for sewer capacity charges (connections) and partially by excess revenues over expenses before depreciation. The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

5.03.220.06 - Wastewater Expansion Reserve (Fund 53)

Wastewater Expansion Reserves are funded by the cash collected for sewer capacity charges (connections). The Sewer Allocation Plan determines the portion of the capacity charge that will be used for infrastructure expansion projects to accommodate new customers.

5.03.220.07 - Liability Self Insurance Reserve (03-00-13104)

The Liability Self Insurance Reserve is established to pay the self insurance (deductibles) portion of large or excessive liability claims. Board action has set this fund at \$100,000.00. Use of these funds requires approval by the RMWD Board. Reserve deficiencies are determined and replenished annually during the budget process.

5.03.220.08 - Debt Service Reserve

Debt Service Reserves are established by the Trust Agreement for long-term borrowings. The reserve generally represents one year of principal and interest payments of the debt. The Debt Service Reserve is held and controlled by the Trustee as named in the bond Trust Agreement.

5.03.220.09 - New Water Sources Reserve (Fund 26)

The New Water Sources Reserve, established by the RMWD Board, sets aside funds to study and acquire alternate water sources for the purpose of reducing the District's reliance on imported water. The reserve is funded by the Water Services portion of the Standby Charge collected by the San Diego County Tax Collector from all parcels within the District.

5.03.220.10 - Water Rate Stabilization Reserve (Fund 05)

Rainbow Municipal Water District shall maintain one Water Rate Stabilization Reserve equal to 10% of annual water revenues. This reserve shall be established on January 1, 2016 and will be brought to its target balance over a five year period. Funds for this reserve will come from water rates and charges and will be used to mitigate rate impacts from changes in water demand.

\\rmwd-b\Main\Administration\Confidential\Administrative Code Working Docs\Board Secretary Administrative Code Working File\Board Admin Code 2005-2006\Cash Reserves Policy 5.03.220.docx\Amended and Approved 11-19-13 by Ordinance No. 13-08\Amended and Approved 12-15-15 by Ordinance No. 15-09\Amended and Approved 4-23-19 by Ordinance No. 19-05

Rainbow Municipal Water District
 Operating Reserve Policy Calculation Report
 Administrative Code 5.03.220.02
 FYE 20

Description	FY 2020 Budget	FY 2020 Budget w/o Purchased Water	Operating Reserve Calc by Fund FYE 20	Current Balance 39102	JE Adjustment
Water Net					
Operating Expenses					
Purchased Water	26,890,661				
Pumping	627,423	627,423			
Operations	2,260,355	2,260,355			
Valve Maintenance	655,467	655,467			
Construction	2,223,562	2,223,562			
Meters	1,214,684	1,214,684			
Cost Allocation Expense	5,731,578	5,731,578			
Total Water	39,603,730	12,713,069	2,118,845	2,030,439	88,406
Wastewater Net					
Operating Expenses					
Total Payroll Expenses	625,104	625,104			
Total Maintenance & Supply	1,178,600	1,178,600			
Total Capital Expenses	150,000	150,000			
Total Transfers	1,344,444	1,344,444			
Total Wastewater	3,298,149	3,298,149	549,691	565,178	(15,487)
General Net					
Operating Expenses					
Board of Directors	40,336	40,336			
Garage	726,898	726,898			
Administration	3,212,315	3,212,315			
Human Resources	392,990	392,990			
Safety	234,553	234,553			
Finance	550,816	550,816			
Customer Service	785,388	785,388			
Engineering	1,237,816	1,237,816			
Other Expenses	419,911	419,911			
Total Net	7,601,023	7,601,023	1,266,837	1,135,039	131,798
Total Operating Expense Budget FYE 20		23,612,240			
Monthly Operating Budget	X 2	1,967,687			
2 Month Operating Reserve per RMWD Reserve Policy 5.03.220.02		3,935,373	3,935,373	3,730,656	204,717

Rainbow Municipal Water District
Water Rate Stabilization Reserve Policy Calculation Report
Administrative Code 5.03.220.10
FYE 20

Date	FY 2020 Budget	10%	Water Rate Stabilization Reserve Calc Balance	Current Balance	JE Adjustment
Annual Water Revenues	41,129,313	4,112,931			
FYE 2016			822,586	-	
FYE 2017			1,645,173	-	
FYE 2018			2,467,759	-	
FYE 2019			3,290,345	2,367,933	922,412
FYE 2020			4,112,931		

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2020	MEETING	LOCATION	ATTENDEES	POST
February	13	SDCWA Special Board Meeting	SDCWA	GM	N/A
February	*	CSDA – San Diego Chapter	The Butcher Shop – 6:00 p.m. 5255 Kearny Villa Road San Diego, CA 92123	Mack	N/A
February	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
February	*	Santa Margarita River Watershed Watermaster Steering Committee	Rancho California Water District	Hamilton	N/A

* To Be Announced

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING					
DATE	2020	MEETING	LOCATION	ATTENDEES	POST
February	3	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
February	5	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	1/30
February	6	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	1/30
February	11	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	1/30
February	18	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
February	18	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
February	21	Council of Water Utilities	The Butcher Shop – 8:00 a.m. 5255 Kearny Villa Road San Diego, CA 92123	All Directors, General Manager	N/A
February	25	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	N/A
February	26	North County Work Group (NCWG)	Rincon Del Diablo, Escondido 7:30 a.m.	General Manager	N/A
February	26	San Luis Rey Watershed Council	Pala Administration Building 1:00 p.m.	Appointed Director	N/A
February	27	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A



STAFF TRAINING REPORT

ATTENDEES NAME(S):	Chad Williams
TITLE OF TRAINING/CONFERENCE/WORKSHOP/CLASS:	ACWA Conference
DATE(S) ATTENDED:	December 4th and 5th
AGENCY HOSTING TRAINING/CONFERENCE/WORKSHOP/CLASS:	ACWA
LOCATION:	San Diego

BRIEF DESCRIPTION:

I attended a variety of technical sessions which included Operator Training, Utility Management, Emergency Preparedness and Water Quality. Many of these sessions offer CEU's for my D-3 certification.

These sessions provided up to date information on industry trends and regulations which may affect our operating practices. The Emergency Preparedness session was especially relevant as it touched on the impacts of the fires throughout California and how water systems can better mitigate some of the impacts.



STAFF TRAINING REPORT

ATTENDEES NAME(S):	Dawn Washburn Cynthia Gray
TITLE OF TRAINING/CONFERENCE/WORKSHOP/CLASS:	The Women's Conference
DATE(S) ATTENDED:	January 10, 2020
AGENCY HOSTING TRAINING/CONFERENCE/WORKSHOP/CLASS:	Fred Pryor Seminars
LOCATION:	San Diego, CA
BRIEF DESCRIPTION:	
<p>The Women's Conference consisted of two power-packed tracks designed to energize and invigorate giving new ideas and strategies to achieve and succeed.</p> <p>While Cynthia participated in the tracks focused on management and leadership skills for women and managing multiple projects and priorities, Dawn took part in assertive communications skills and dealing with difficult people. Each of the tracks provided fresh ideas and refresher tools that can be incorporated into both their roles in terms of leadership as well as enhanced communication skills that can be used when providing internal and external high-level customer service.</p> <p>Both participated in the tracks offered related to managing emotions in the workplace and how to become self-confident and in control. These courses provided concepts for recognizing when situations may be escalating, how to reach positive outcomes while remaining in control of oneself. There were also tips for handling awkward situations and how to self-manage.</p> <p>Overall the conference was an excellent resource for obtaining refresher tools, new ideas, and skills that will not only benefit the attendees, but also those with whom they interact.</p>	

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

Operations Report for January 2020

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

	Repairs	Installations	Leaks
Mainline	5		7
Service	1		
Hydrants	1		
Valves			
Meters			
Blow-Offs			
Air Vacs			

WATER OPERATIONS & VALVE MAINTENANCE DEPARTMENT:

Water Operations:

Sent (4) Operators to assist City of Poway with Bac-T samples due to a Boil order.
 Ordered and are scheduled to install new Hach CL-10 chlorine analyzer at Rainbow Heights Tank.
 Deployed (4) new portable turbidimeters to system operators for water quality calls.
 New 8" Pressure station installed for the Sarah Ann housing tract.
 Performed (1) Fire flow test.

Gerardo Cancino Passed his Distribution Grade 4 and Chris Heincy Passed his Treatment Grade 3

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Appurtenances
Exercised	20	35	N/A
Inoperable		6	
Repaired			
Replaced			0
Installed			

Valve Maintenance completed and/or oversaw the following:

- 129 utility locates completed
- Assisted with (9) shutdowns
- Raised (0) fire hydrants
- Replaced (1) air vacs / (1) wharf heads
- Panted 41 appurtenances

METERS DEPARTMENT:

Current Projects:

- Water Service Upgrade Project

Future Projects:

- Scope for Concorde. Have set a start date of February 4th to proceed with mass meter replacement. The project will start in Route 11 of our Cycle 1 Billing. New truck and vacuum onsite and to begin January 13, 2020.

Backflows:

- 195 devices tested

Customer Service Requests:

- 890 total resolved requests for the month of December

WASTEWATER DEPARTMENT:

Monthly, Semi Annual and Annual Reports:

California Integrated Water Quality System (CIWQS): Confirmation # 2559435 Reported “No Spill Report” for Month: November 2019. *Rainbow MWD Collection system only*

California Integrated Water Quality System (CIWQS): Confirmation # 863036 Private Sanitary Sewer Overflow: 31916 Del Cielo Oeste Bonsall Calif. 92003 November 24,2019 Category 1 PLSD reportable 100 gallons entered Public Water ways.

SANITARY OVERFLOWS:

None for January 2020

PROJECTS:

November 14-15,2019 – Clear and install 2-ton boulders (2 *dump truck loads*) around Moosa Creek per heavy rainstorm event protect manhole structures.

Coast equipment rentals: Track hoe rental \$ 525.00 per day
Dump truck Boulder delivery \$
Total: \$ 1,252.71

November 21,2019 – Monitor collection system and manholes for inflow and infiltration start pumps on manually avoid surcharges.

Thoroughbred Lift Station

November 26,2019 – Wet well debris plugged unplugged 2 (5) horsepower pumps

November 27,2019 – Wet well debris unplugged pump # 3 due to bubbler tube being ragged up.

MUTUAL AID:

November 26,2019 - Oakcrest Estates and Water Quality Services sampling requirements Order # 93-69

TECHNICAL SERVICES DEPARTMENT:

FLEET/GARAGE:

Projects:

- Equipment # 111 Big – Tex Trailer Rehab New Ramps, lights, paint etc.
- Building # 2 Air Line Supply & Air Hose Reel
- Target Safety
- Online “Lion Technology” hazardous waste training
- Unit # 45 New Vehicle Prep Lights, decals toolboxes
- New Equipment Prep, Ditch Witch Set Up. Assign equipment number and install decals and safety items.

Violations:

None for January 2020

Fleet:

Total Vehicles: **41**

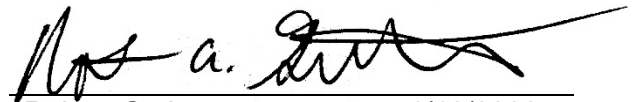
ELECTRICAL/SCADA:

Current Projects:

- Installation of new 120-volt receptacles, communications wiring and connections in new office trailers.- **Complete**
- Responded to SDG&E scheduled power outages: Installed small generators or larger batteries for SCADA where necessary.-**Complete**
- Replaced batteries at solar sites-**Complete**
- Gomez Tank electric service: Service have been installed.-**Complete**
- Coordination with San Diego Sherriff Department on replacement Sherriff Department building at the RMWD Cement Tank Communications site.-**On Going**
- Install new SMS text message system to Water and Wastewater SCADA alarm-**On going**
- Coordinated with contactors for small electric jobs around the office and district yard-**Complete**
- Coordinated with Knight Security for installation of security system in new office trailers.-System has been installed. Knight Security will update entry codes.
- Relocate SCADA equipment from Building 2 into server room in Building 3. Install new conduit and receptacles for equipment- **Ongoing**
- Add levels from both Lookout Mountain 1 and 2 to SCADA display-**Complete**
- Installation of a backup generator at Gomez Pump Station-**Ongoing**
- Camera installation at Old River Lift Station-**Ongoing**

Future Projects:

- Install generator at Sumac repeater site.
- Install generator at Gopher Tanks repeater site
- Install new panels and radios for SCADA communications.
- Vallecitos Tank to North C12 communications link.
- Install flow meter at Vallecitos Tank
- Install flow meter at Rainbow Heights Tank
- Arrange for the calibration of water tank flow meters
- Install buried conduit and relocate SCADA equipment at Gomez Tank
- Install larger batteries and enclosures at SCADA sites.
- Disconnect power and communications from trailer 2C for removal.


Robert Gutierrez 1/12/2020
Operations Manager

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

Engineering Report for November-December 2019

DESCRIPTION

CAPITAL PROJECTS:

Corrosion Protection Program: Training has been conducted in the months of November and December 2019 of the CPP, which included how to collect soil and metal samples from pipeline breaks for data collection purposes, how to fill out a new CP inspection forms in Geoviewer and how to install CP Test Stations. A draft update to the District's standard specifications and details for cathodic protection was also completed during this period. Supplies were purchased to install a CP Test Station at the new pressure reducing station on Sarah Ann. Soil and pipe samples from recent breaks have been sent the lab for analysis.

FY19/20 District-Wide Pipeline Upgrade: The Final Design is expected by February 2020. Staff has called residents to set up meetings to inform them of the project.

Land Surveying Services - Record of Survey: The record of survey was submitted to the county but placed on hold. After the District Counsel completes Quiet Title action and resolves boundary issues, the record of survey will be finalized.

Pressure Reduction Plan: The Consultant is currently working on the development of a system wide pressure analysis to extend the useful life of water mains and has held several meetings with staff to help determine optimum locations. This effort was reduced to allow the Consultant to evaluate the water system if RMWD leaves SDCWA. However, the District is installing several PR Stations. The District received five of the ten pre-fabricated pressure reducing stations from EFI. Staff has placed the project out to bid and is requesting board approval to award the contract.

Quiet Title: Attorneys have now served all known decedents of the original property owners. Next step is to have an order for service by publication. After that, assuming no responses, we can provide a default judgment to the court.

Rainbow Height's Pump Station Replacement: The Consultant is proceeding with the design of the premanufactured pump station and drawings. District is reviewing 100% submittal. Staff expects to bid the project in January 2020.

Rice Canyon Tank Transmission Line: Six proposals were received and are being evaluated by staff.

Sewer Pipe Lining: Staff working on project closeout.

Thoroughbred Equalization Basin and Schoolhouse Lift Station: Design has been paused as District considers available funding.

Via Ararat Pipeline Improvement: All the pipe has been installed and tested. Both north and south connections are complete. Paving is scheduled by the end of January 2020.

Weese Filtration Plant Interconnect: Project is currently on hold while District considers supply alternatives.

DEVELOPER PROJECTS:

Golf Green Estates (Development Solutions): 94 SFR / 102.46 EDUs - Planned across from Bonsall Elementary School on Old River Road. Staff working with the developer on easement issues. Onsite punch list was prepared by staff. Contractor to complete items on the punch list. Water meters purchased to date - 57.

Horse Creek Ridge (HCR), (D.R. Horton): 627 WMs (Reduced by 124 WMs) / 754 EDUs - Off of Highway 76 and Horse Ranch Creek Road. Inspected meter installs, meter releases and sewer connections. Water meters purchased to date - 362.

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. Inspected meter installs, meter releases and sewer connections. Water meters purchased to date - 77.

Malabar Ranch (Davidson Communities): 31 SFR / 29 EDUs - Off of Via Monserate/La Canada. There are 17 out of 31 homes built. Developer needs to complete the waterline relocation and punch list items.

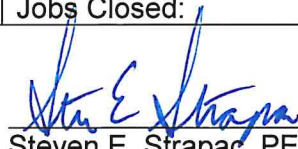
Malek 350' Water Main Extension on Entrada Al Sol: The Contractor has begun work to install water main and fire hydrant.

Pala Mesa Highlands (Beazer Homes): 124 SFR / 124 EDUs - On Old Highway 395. Models have been constructed. The PRS needs to be installed. Inspected meter installs, meter releases and sewer connections. The contractor installed new 4" DCDA line and 6" fire hydrant per revision. Seven parcels have been reduced in size. Water meters purchased to date - 78.

Wiestling 198' Water Main Extension on West Lilac Road: A 20' easement has been dedicated to the District along the westerly boundary of the property. Staff waiting on construction to begin.

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	1	Water Meters Purchased	25
Sewer Availability Letters	0	Sewer EDUs Purchased	0
Water Commitment Letters	0	Developer Shutdowns	0
Sewer Commitment Letters	0	Jobs Closed:	0



Steven E. Strapac, PE, PLS
District Engineer

1/28/2020

**AS-NEEDED CONTRACT EXPENDITURES REPORT
NOVEMBER-DECEMBER 2019**

CONT #	EXP DATE	TITLE	CONSULTANT	FUND SOURCE	ASSIGNMENT LETTERS	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
18-16	8/29/2021	As-Needed Land Surveying Services	Johnson-Frank & Associates, Inc.	NON-CIP	2019-00A	Topography - Dentre De Lomas Road repair.		\$ 5,115.40	\$ 5,115.40	
				NON-CIP	2019-00B	Easement review - McDowell / Mead		\$ 4,100.00	\$ 1,404.25	
							\$ 50,000.00	\$ 9,215.40	\$ 6,519.65	\$ 43,480.35
18-14	8/29/2021	As-Needed Land Surveying Services	KDM Meridian, Inc.	NON-CIP	2018-01	Stake easement on Morro Hills due to 20" watermain failure.		\$ 7,280.00	\$ 7,278.75	
				CIP	2019-02	RMWD "Base Map" to perform in-house design of proposed water facilities on Via Ararat.		\$ 5,800.00	\$ 5,800.00	
				---	2019-03	Cancelled		\$ -	\$ -	
				CIP	2019-04	Stake easement on Gird Road for construction project.		\$ 5,400.00	\$ -	
				CIP	2019-05	Legal and Plat for Campbell - Via Ararat		\$ 1,195.00	\$ 1,195.00	
				NON-CIP	2019-06	Stake easement on Via Oeste Drive and Laketree Drive		\$ 10,900.00	\$ 7,725.00	
				CIP	2019-07	Easements for new PS on W. Lilac/Via Ararat		\$ 4,100.00		
					\$ 50,000.00	\$ 34,675.00	\$ 21,998.75	\$ 28,001.25		
18-15	8/29/2021	As-Needed Land Surveying Services	Right-of-Way Engineering, Inc.	NON-CIP	2019-00A	Title Reports, Legals & Plats - Los Sicomoros		\$ 7,705.00	\$ 7,705.00	
				NON-CIP	2019-00B	Adams Property Easement - Ranger Road		\$ 1,885.00	\$ 1,885.00	
				CIP	2019-00C	Pardee Easement - North River		\$ 2,875.00	\$ 2,875.00	
				NON-CIP	2019-01	Easement Survey - Grove View Road		\$ 4,220.00	\$ 3,285.00	
				CIP	2019-02	Easement Survey-Pala Mesa/Tecalote/Fire Rd/Pala Lake		\$ 15,640.00	\$ 15,001.30	
				CIP	2019-03	Easement Survey-Moosa Creek Pump Station		\$ 4,885.00	\$ 2,310.20	
					\$ 50,000.00	\$ 37,210.00	\$ 33,061.50	\$ 16,938.50		
19-16	6/25/2022	As-Needed Civil Engineering Services	Dudek	Both	2019-01	PRS and other Schematic Design/Drafting Services		\$ 10,000.00		
								\$ 150,000.00	\$ 10,000.00	\$ -
19-17	7/01/2022	As-Needed Civil Engineering Services	Omnis Consulting, Inc.	NON-CIP	2019-01	PS&E Pavement Repair - Dentre De Lomas		\$ 8,890.00	\$ 5,964.00	
				CIP	2019-02	Olive Hill Estates Transmission Water Main		\$ 73,700.00	\$ 28,924.00	
				CIP	2019-03	Vista Valley Retaining Wall Design		\$ 23,495.00		
				CIP	2019-04	Sarah Ann to Gird Road Force Main Replacement		\$ 22,790.00		
						\$ 150,000.00	\$ 128,875.00	\$ 34,888.00	\$ 115,112.00	
19-18	6/25/2022	As-Needed Civil Engineering Services	HydroScience Engineers, Inc.	CIP	2019-01	Live Oak Park Road Bridge Crossing		\$ 42,020.00		
								\$ 150,000.00	\$ 42,020.00	\$ -



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
NOVEMBER-DECEMBER 2019**

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	4,701.50 *
EDUs Unconnected/Committed	276.36
Total EDUs Available for Purchase:	2,878.81

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES PAID
Bonsall Oaks (Polo Club) - 165 Lots	59.85	\$ 1,038,336
Golf Green Estates (Dev. Solutions) - 102.46	33.46	\$ 803,014
Horse Creek Ridge (DR Horton/RAH) - 754	(20.60)	\$ -
Passarelle (HRC Commercial) - 96.57	96.57	\$ -
Pala Mesa Highlands (Beazer Homes) - 159.88	93.88	\$ 936,547
Others (5 or less)	13.20	\$ 225,588
TOTAL UNCONNECTED:	276.36	\$ 3,003,485

*There is a delay between connections and new account activations.



BOARD INFORMATION

BOARD OF DIRECTORS

January 28, 2020

SUBJECT

HUMAN RESOURCES REPORT FOR JANUARY 2020

DESCRIPTION

Personnel changes, human resources activities, and safety report for January 2020

EMPLOYEE EVENTS/UPCOMING EVENTS:

- **January 18, 2020:** Annual Employee Banquet, Roarin' 2020 | Pala Mesa Resort

SEPARATIONS:

Our Development Services Representative has resigned. We took this opportunity to make some updates to this position. This position will now be the District Services Representative and will now report to the Finance Manager.

We have received one resignation for the Construction department.

PERSONNEL UPDATES:

The recent addition of three new positions, Senior Accountant, IT Manager and Information System Specialist, have created internal growth opportunities for our internal staff. Congratulations to our employees below and their recent promotions.

Renee Rubio has been promoted to Senior Accountant.

Cynthia Gray has been promoted to Customer Service Supervisor.

Ahmed Khattab has been promoted to IT Manager.

Amanda Holtz has been promoted to District Services Representative position.

RECRUITMENT:

A temporary HR Assistant has been hired to fill in for a temporary leave of absence of our current HR Assistant.

We are currently in recruitment for the Information Systems Specialist.

Due to the launch of the WSUP project, this has opened temporary job opportunities. One employee from Construction reclassified for WSUP. Thus, creating a temporary opportunity to backfill for Construction. In addition, a temporary Customer Service Representative position is now available to handle the surplus of calls/inquiries on this project.

The temporary Utility Worker I: Construction position has been filled. Alex Dagandon's first day is scheduled for January 27, 2020

We currently have 1,258 active email subscriptions for notifications of job openings.

SAFETY:

Incidents

There were no lost time or modified duty due to a work-related incident.

Safety Training

Target Solutions online training: 15 completions for December 2019

Future planning to increase safety awareness throughout the district to include:

- Cybersecurity, and Infrastructure Security Agency conducting risk and vulnerability assessment with the District on January 15, 16, 17. The agency will evaluate the District's assets and help with suggestions for improving security and safety.
- Fall Protection training for Operations personnel scheduled for February 5, 2020.
- California Environmental Reporting (CERS) and In-use Off-Road Diesel Vehicles (DOORS) reports submitted for calendar year 2020.

Tailgate/ Office Safety Trainings

- Trenching & Excavation Competent Person
- Active Shooter Training
- Fire Extinguisher Training



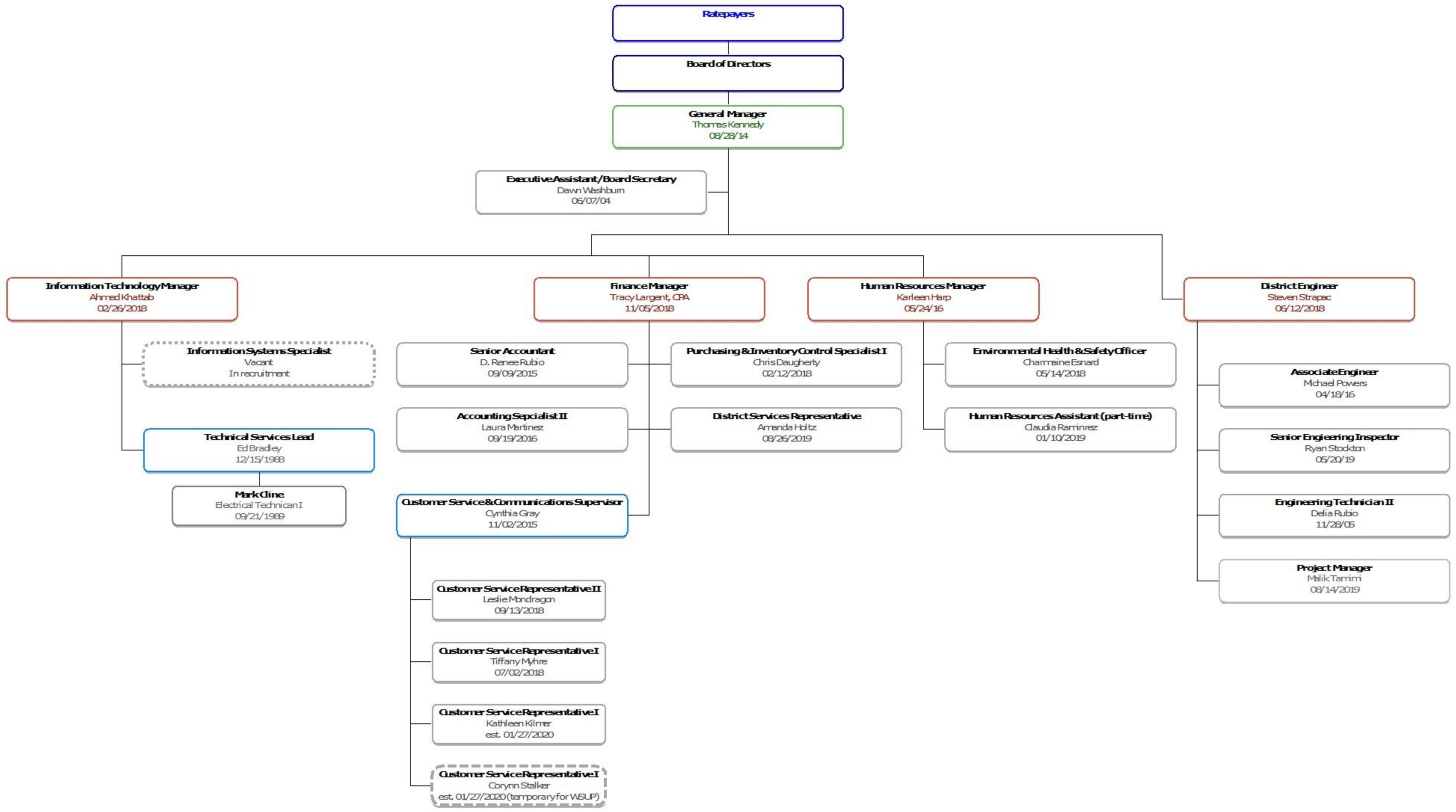
Karleen Harp, COSM
Human Resources Manager

01/28/2020

RAINBOW MUNICIPAL WATER DISTRICT
 ORGANIZATIONAL CHART
 PAGE 1 of 2

Creation Date 8/21/2014

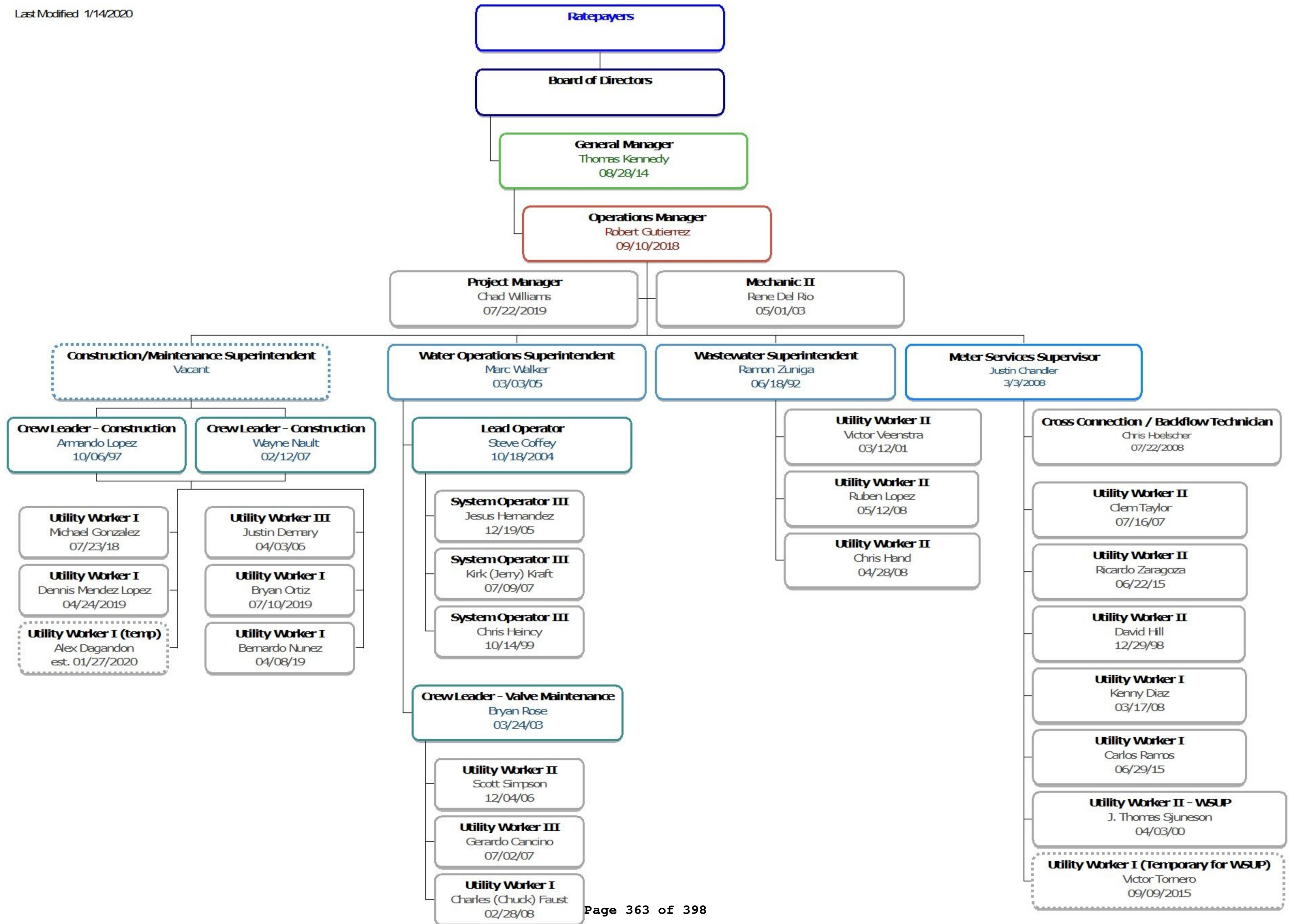
Last Modified 1/14/2020



RAINBOW MUNICIPAL WATER DISTRICT
 ORGANIZATIONAL CHART
 PAGE 2 of 2

Creation Date 8/21/2014

Last Modified 1/14/2020



BOARD OF DIRECTORS

January 28, 2020

SUBJECT

FINANCE REPORT FOR JANUARY 2020

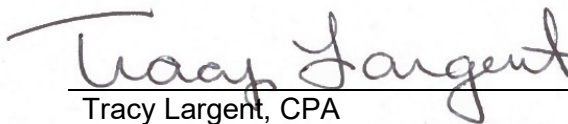
DESCRIPTION

The attached financial reports are for August 31, 2019.

With the simultaneous software implementations that went live July 1, 2019 now stabilizing, finance staff is working to bring financial reporting current.

Attachments:

Monthly Financial Statements (Aug FY 19/20)
Treasury Report (Aug FY 19/20)
Five Year Demand (through 1/12/2020)
Credit Card Breakdown (Oct/Nov FY 19/20)
Directors' Report (Oct/Nov FY 19/20)
Check Register (Oct/Nov FY 19/20)
Water Sales Summary (Nov FY 19/20)
Developer Projections
RMWD Properties



Tracy Largent, CPA
Finance Manager

January 28, 2020

Statement of Revenues & Expenses






























Operating Funds (Water, Wastewater, & General Funds)

August 2019



Fund 01-Water Fund, 02-Wastewater Fund, 03-General Fund
 Expected Variance **83%**

	August FY 19/20 YTD Expenditures	FY 19/20 Operating Budget	Variance		Variance %
41110-Water Sales-Sf Mf Cm Is	2,061,281	8,995,853	-6,934,572	■	-77.09%
41112-Sewer Charges-Established Acct	395,668	3,168,882	-2,773,214	■	-87.51%
42120-Monthly O & M Charges	1,584,204	8,231,385	-6,647,181	■	-80.75%
42121-Monthly O&M Charges - CWA	937,244	4,946,955	-4,009,710	■	-81.05%
43101-Operating Inc Turn On/Off Fees	0	11,000	-11,000		-100.00%
43106-Operating Inc-Sewer Letter Fee	150	2,000	-1,850		-92.50%
41120-Water Sales-Ag-Dom Non Cert	281,058	1,157,990	-876,931		-75.73%
41160-Water Sales-Ag. Non Discount	1,135,230	4,244,195	-3,108,965	■	-73.25%
41170-Water Sales-Construction	12,263	359,434	-347,172		-96.59%
41180-Water Sales - Tsawr Com	1,104,435	4,791,121	-3,686,686	■	-76.95%
41190-Water Sales-Sawr Ag/Dom	1,542,791	7,055,098	-5,512,307	■	-78.13%
42130-Readiness-To-Serve Rev Id#1	0	250,000	-250,000		-100.00%
42140-Pumping Charges	192,783	682,283	-489,500		-71.74%
WATER SALES-Sales	9,247,106	43,896,195	-34,649,089	■	-78.93%
43100-Operating Inc Oak Crest Service Charges	0	24,000	-24,000		-100.00%
43102-Operating Inc Penalty/Int Chgs	0	270,000	-270,000		-100.00%
43104-Operating Inc. R.P. Charges	53,910	275,000	-221,090		-80.40%
43108-Operating Inc Plan Check Rev.	930	75,000	-74,070		-98.76%
43110-Operating Inc Inspections	12,618	20,000	-7,382		-36.91%
43111-Operating Inc Install Fees Hyd	345	2,000	-1,655		-82.75%
43114-Operating Inc-Miscellaneous	630	7,000	-6,370		-91.00%
43116-New Meter Sales/Install Parts	8,775	40,000	-31,225		-78.06%
43117-Notice Delivery Revenue	0	60,000	-60,000		-100.00%
OTHER OPERATING REVENUE-Other Operating Revenue	77,208	773,000	-695,792		-90.01%
42200-Overhead Trs From Water Sewer	1,179,338	7,076,023	-5,896,685	■	-83.33%
TRANSFERS FROM WATER & W-Transfers from Water & Waste Water	1,179,338	7,076,023	-5,896,685	■	-83.33%
49050-Suspense Revenue	480,432	0	480,432		
49101-Accrued Revenue	0	0	0		
49102-Non Oper Inc-Nsf Check Fees	0	3,000	-3,000		-100.00%
49108-Non Oper Inc-Rents And Leases	18,711	170,000	-151,289		-88.99%
49109-Miscellaneous Revenue	6,961	36,000	-29,039		-80.66%
49114-Misc Revenue - Eng. Services	1,350	5,000	-3,650		-73.00%
NON-OPERATING REVENUE-NON-OPERATING REVENUE	507,454	214,000	293,454		137.13%
REVENUE-Operating Revenue	11,011,107	51,959,218	-40,948,111	■	-78.81%

	August FY 19/20 YTD Expenditures	FY 19/20 Operating Budget	Variance		Variance %
50001-Water Purchases	5,192,769	21,882,029	16,689,260		76.27%
50003-Water In Storage	-392,607	0	392,607		
50005-Ready To Serve Charge	83,959	492,060	408,101		82.94%
50006-Infrastructure Access Charge	85,876	579,672	493,796		85.19%
50008-Ag Credit-Sawr	-430,742	-1,616,952	-1,186,210		73.36%
50010-Customer Service Charge	176,831	1,085,052	908,221		83.70%
50012-Emergency Storage Charge	259,539	1,616,670	1,357,131		83.95%
50013-Supply Reliability Charge	123,309	834,942	711,633		85.23%
COST OF PURCHASED WATER-Cost of Purchased Water Sold	5,098,933	24,873,473	19,774,539		79.50%
56101-Regular Salaries	895,554	5,140,625	4,245,071		82.58%
56103-Overtime Paid Comptime Earn.	67,576	309,250	241,674		78.15%
56104-Labor Expense On Cip	0	0	0		
56202-Director's Compensation	2,071	14,000	11,929		85.21%
56518-Duty Pay	8,800	43,800	35,000		79.91%
56519-Paid Time Off Accrued Expense	0	0	0		
56520-Deferred Comp-Employer Contrib	26,995	149,777	122,782		81.98%
OPERATING EXPENSES-Salary & Labor Expenses	1,000,996	5,657,452	4,656,456		82.31%
56501-Employer's Share FICA SSI	57,816	299,363	241,547		80.69%
56502-Employer's Share Medicare	13,984	74,742	60,758		81.29%
56515-Worker's Compensation Ins	164,069	124,163	-39,906		-32.14%
56516-State Unemployment Ins E.T.T.	0	13,633	13,633		100.00%
TAXES & FRINGE BENEFITS-Taxes	235,868	511,901	276,033		53.92%
56503-Medical Ins ACWA Health Ben	143,622	877,734	734,113		83.64%
56504-Dental Insurance	14,202	90,552	76,350		84.32%
56505-Vision Ins ACWA	1,949	11,496	9,547		83.05%
56506-Life S/T L/T Disability Ins	14,166	52,626	38,460		73.08%
56507-Retirement-CalPERS	93,507	510,129	416,622		81.67%
56511-Employee Uniform Allowance	2,691	20,000	17,309		86.54%
FRINGE BENEFITS-Fringe Benefits	270,136	1,562,537	1,292,401		82.71%
57100-Depreciation Expenses	0	0	0		
DEPRECIATION-Depreciation	0	0	0		
52176-Overhead Transfer To Gen Fund	1,179,338	7,076,022	4,552,240		79.42%
TRANSFERS-Transfers	1,179,338	7,076,022	4,552,240		79.42%

	August FY 19/20 YTD Expenditures	FY 19/20 Operating Budget	Variance		Variance %
50011-Capacity Reservation Charge	67,428	400,236	332,808		83.15%
56512-Employee Training/Tuition Reim	630	26,500	25,870		97.62%
56513-Employee Relations	445	15,900	15,455		97.20%
56530-Gasb 68 Pension	83,821	0	-83,821		
60000-Equipment	0	79,000	79,000		100.00%
60100-Computers	8,033	719,678	711,645		98.88%
63100-Equipment Maintenance	36,014	142,100	106,086		74.66%
63102-Equipment Maintenance Contract	2,287	54,800	52,514		95.83%
63200-Equipment Rental	10,522	72,468	61,946		85.48%
63400-Kitchen Supplies	2,081	16,000	13,919		86.99%
63401-Building Maintenance	16,981	139,400	122,419		87.82%
63404-Backflow Expenses	5,000	150,000	145,000		96.67%
63421-Fuel And Oil	13,695	120,000	106,305		88.59%
63422-Repair Supplies Auto	9,765	73,000	63,235		86.62%
65000-Property/Liability Insurance	282,474	282,474	-0		0.00%
65100-District Paid Insurance Claims	54,547	75,000	20,453		27.27%
65200-Miscellaneous Expense	3,889	0	-3,889		
66000-Bad Debt Exp/Billing Adjust'S	0	5,000	5,000		100.00%
POSTAGE-Postage	0	46,500	46,500		100.00%
70000-Professional Services	194,754	854,950	660,196		77.22%
70100-Annual Audit Services	0	30,000	30,000		100.00%
70300-Legal Services	0	300,000	300,000		100.00%
70400-Bank Service Charges	10,779	50,000	39,221		78.44%
72000-Supplies & Services	141,974	1,959,061	1,397,176		90.78%
72001-Right Of Way Expenses	1,245	200,000	198,755		99.38%
72010-Tank Maintenance	185,922	769,182	583,260		75.83%
72150-Regulatory Permits	1,035	73,600	72,565		98.59%
72200-Books & Resources	0	2,600	2,600		100.00%
72400-Dues & Subscriptions	23,846	69,410	45,564		65.65%
72500-Safety Supplies	2,802	31,500	28,698		91.11%
72600-Sewer Line Cleaning	0	58,000	58,000		100.00%
72700-Printing & Reproductions	0	16,000	16,000		100.00%
72702-Public Notices & Advertising	200	8,000	7,800		97.50%
72900-Stationary & Office Supplies	55	10,000	9,945		99.45%
73000-Small Tools & Equipment	170	56,000	55,830		99.70%
74000-Communicatons & Phone Bills	1,515	8,500	6,985		82.17%
74100-Phone Bill	15,676	84,640	68,964		81.48%
75300-Travel, Conferences & Training	1,980	75,715	73,735		97.39%
75400-Workforce Development	6,388	62,000	55,613		89.70%
75500-Recruitment	311	22,900	22,589		98.64%
77000-Sewage Treat.-Oceanside Plant	0	830,000	830,000		100.00%
78000-Utilities - Electricity	60,432	577,500	517,068		89.54%
78300-Hazardous Waster Material Disposal	420	12,000	11,580		96.50%

	August FY 19/20 YTD Expenditures	FY 19/20 Operating Budget	Variance		Variance %
78700-Utilities - Propane	39	15,500	15,461		99.75%
78900-Trash Pick-Up	418	10,750	10,332		96.11%
OPERATING-Operating	1,247,572	8,605,864	6,938,381		84.76%
EXPENSE-Operating Expense	9,032,843	48,287,249	37,490,051		80.58%
49301-Property Tax Rev. - Ad Valorem	7,113	455,000	-447,887		-98.44%
PROPERTY TAX REVENUE-Property Tax Revenue	7,113	455,000	-447,887		-98.44%
49200-Interest Revenues	0	0	0		
49202-Interest Revenues-Fema Grants	0	0	0		
49203-Interest Rev Long Term Investment	0	0	0		
INVESTMENT INCOME-Investment Income	0	0	0		
49107-Recycling Revenue	0	8,000	-8,000		-100.00%
57000-Transfers Out	0	0	0		
57050-Suspense Expense	480,387	0	-480,387		
57210-Interest Expense	0	0	0		
82000-Shop & Field Equipment	10,753	338,700	327,947		96.83%
83000-Vehicles	2,117	260,000	257,883		99.19%
OTHER NONOPERATING REVEN-Other Nonoperating Revenue	-493,257	-590,700	97,443		-16.50%
57525-Loan Costs	0	0	0		
INTEREST EXPENSE-Interest Expense	0	0	0		
49920-Connection Fees-Sew Cap Improv	0	0	0		
49921-Capacity Fees	0	0	0		
CAPITAL CONTRIBUTIONS-Capital Contributions	0	0	0		
PRIOR PERIOD ADJUSTMENT-Prior Period Adjustment	0	0	0		
49110-Gain/Loss from Sale of Assets	0	0	0		
57200-Bad Debt Expense	0	0	0		
NON OPERATING REVENUES/E-Non Operating Revenue (Expenses)	-486,144	-135,700	-350,444		258.25%
Current Year Net Revenue Less Expense*	1,492,120	3,536,269	-2,044,149		

*Does not Include: Debt Service Budget \$2,447,793 and Depreciation Expense

Operating & Debt Service Fund Balance

Current Year

Current Cash

\$9,481,880

	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	Debt Service	TOTAL
	FY 19/20	FY 19/20	FY 19/20	FY 19/20	FY 19/20	FY 19/20
Fund Balances:						
Beginning Unrestricted Fund Balance	\$3,371,389	\$1,039,895	\$1,276,653	\$2,381,163	\$591,279	\$8,660,379
Transfer to Capital	(1,600,000)					
Transfer to Rate Stabilization	(822,586)			822,586		
Budgeted Operating Surplus (Loss)	(510,210)	(18,267)	7,601,023		(2,447,793)	4,624,753
Transfers In/(Out)			(7,601,023)		2,447,793	(5,153,230)
						-
Projected Ending Fund Balance	\$438,593	\$1,021,629	\$1,276,653	\$3,203,749	\$591,279	\$6,531,903

Water Capital Fund Balance

Fund 26 & 60

Current Cash

\$6,329,464

Fund Balances:

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Beginning Unrestricted Fund Balance	\$4,364,696	\$406,189	(\$9,389,846)	(\$24,009,674)	(\$25,530,428)
Water Capacity Fees					
Transfer from Operating Reserves	1,600,000	3,215,876	3,349,172	4,809,246	4,018,854
Less: Capital Labor	(343,507)	(300,000)	(300,000)	(300,000)	(300,000)
Less: Capital Project Budgets	100% (5,215,000)	(12,711,912)	(17,669,000)	(6,030,000)	(6,725,000)
Projected Worst Case Ending Fund Balance	\$406,189	(\$9,389,846)	(\$24,009,674)	(\$25,530,428)	(\$28,536,574)
Forecasted Capacity Fees					
	\$871,611	\$3,315,846	\$2,317,350	\$1,770,281	\$2,379,756
Potential Ending Fund Balance	\$1,277,800	(\$5,202,389)	(\$17,504,867)	(\$17,255,340)	(\$17,881,730)

*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

Capital Project Budgets (Water):

Project #	Master Plan #	Job #	Project Description	Year 1 Budget FY 19/20	Year 2 Budget FY 20/21	Year 3 Budget FY 21/22	Year 4 Budget FY 22/23	Year 5 Budget FY 23/24
1	WE1	201045	Gird to Monserate Hill Water Line		\$ 1,204,912			
2		201446	San Luis Rey Imported Return Flow Recovery					600,000
3	WR23		Isolation Valve Installation Program	150,000	150,000			
4	13		Pressure Reducing Station Replacement Program	300,000	300,000	300,000		
6	WR2	200752	Vallecitos PS Replacement		530,000	500,000		
7			Sampling ports for testing		25,000			
8			Generator at Sumac		250,000			
13	WR4		Northside Zone Supply Redundancy		477,000			
14	WR5		Rainbow Heights PS(#1) Upgrades/Recon.	1,300,000				
15	WR21		Water System Condition Assessment Program	30,000				
16	WP1		New Pressure Reducing Stations	500,000	500,000	500,000	500,000	500,000
17	16		SDCWA Shutdown Pump Stations				1,000,000	
18	WR24A		Service Meter Replacement		2,000,000	3,300,000		
19			Water Service Upgrade		2,000,000	3,300,000		
21			Water System Monitoring Program	275,000				
22	FF1		Upsize 6" to 8" in Via San Alberto RV Park Via Rancho Monserate)		155,000			
23	FF2		Live Oak Park Road Bridge Replacement			564,000		
24	FF3		Upsize 6" to 8" on Chica Road (POSTPONED - LEGACY MASTER PLAN)			202,000		
26			Gomez PS Building		250,000	750,000		
27			Lookout Mountain Electrical Upgrade			250,000	750,000	
28			Mission Road / FPUD Interconnect		70,000			
29			Line off Little Gopher Canyon aka Thibodo Waterline (20/21 Pipe Upgrade)	160,000				
30			Camino Del Rey Waterline Relocation	150,000	2,100,000			
31			Corrosion Prevention Program Development and Implementation	100,000	250,000	250,000	250,000	250,000
32	WS3		Morro Tank Zone Permanent FPUD Interconnection	150,000				
33	WP5-WP17		Pressure Reducing Stations (Phase 2)			464,000	600,000	150,000
35	WR7		North Feeder and Rainbow Hills Water Line Replacements (27" CML&C under I-15)			2,000,000		
36	WR8		76 & Gird Permanent Pump Station				800,000	
37	WR10		Camino Del Rey Emergency Pump Station (UNDER EVALUATION)					800,000
39	WR12		Northside Emergency Pump Station Connection and Pipeline at Reche Road			200,000	850,000	
40	WR13		Pumps (Northside Emergency Pump Station Connection)				980,000	
41	WR13		Rice Canyon Tank Transmission PL to I-15/SR76 Corridor		1,000,000	2,200,000		
42	WR15		Via Ararat Drive Waterline Project	350,000				
43	WR16		Loop Pipelines in Magee Lane to Disney Lane (Converted to "Miscellaneous Pipe Relc	1,050,000		30,000		
44	WR26		New District Headquarters	200,000	200,000	300,000	300,000	2,000,000
45	FF4		Upsize 4-inch to 8-inch on Lupine Lane (POSTPONED - LEGACY MASTER PLAN)			109,000		
49	WS2		Northside Permanent FPUD Emergency Interconnection					150,000
57			Programatic EIR	500,000				
58			Pala Mesa Fairways 383 A and C		250,000			
59			Sarah Ann Drive Line 400 A		375,000			
60			Gaines Line Ext. (Via Monserate)		75,000			
61			Millagra Drive (aka "Stallion")		250,000			
62			Rainbow Glen Line Repl			375,000		
63			Wilt Road (1331)			500,000		
64			Nella Lane			125,000		
65			Katie Lendre Drive Line			250,000		
66			Gird Road 1,600' upsize from 12" to 18" or larger		300,000	1,200,000		
67			Del Rio Estates Line Ext 503					250,000
68			East Heights Line 147L					500,000
69			Los Alisos South 243					500,000
71			East Heights Line 147A					250,000
72			Via Zara (320)					125,000
73			Roy Line Ext					250,000
74			Spanish Oaks					400,000
Total				\$5,215,000	\$12,711,912	\$17,669,000	\$6,030,000	\$6,725,000

Water Service Upgrade Project Fund Balance

		Current Cash	Prior Year	Year 1	Year 2	Year 3	Year 4	Year 5
		\$ 11,523,729	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Fund Balances:								
Beginning Unrestricted Fund Balance			\$ 11,523,729	\$11,332,580	\$7,332,580	\$2,032,580	\$ 32,580	\$ 32,580
Less: Meter Replacement/Upgrade Project		100%	(191,149)	(4,000,000)	(5,300,000)	(2,000,000)	0	0
Projected Fund Balance			\$11,332,580	\$7,332,580	\$2,032,580	\$ 32,580	\$ 32,580	\$ 32,580

*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

Capital Project Budgets:				Year 1	Year 2	Year 3	Year 4	Year 5
				Budget	Budget	Budget	Budget	Budget
Project #	Master Plan #	Job #	Project Description	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
18	WR24A		Service Meter Replacement	2,000,000	2,500,000	1,000,000		
19			Water Service Upgrade	2,000,000	2,800,000	1,000,000		
Total				\$4,000,000	\$5,300,000	\$2,000,000	\$ -	\$ -

Wastewater Capital Fund Balance

Fund 52 & 53

Current Cash

\$14,836,394

Fund Balances:

		Year 1 FY 19/20	Year 2 FY 20/21	Year 3 FY 21/22	Year 4 FY 22/23	Year 5 FY 23/24
Beginning Unrestricted Fund Balance		\$9,350,451	\$6,150,451	(\$2,229,549)	(\$5,568,549)	(\$9,293,549)
Sewer Connections						
Financing						
Less: Capital Project Budgets	100%	(3,200,000)	(8,380,000)	(3,339,000)	(3,725,000)	(100,000)
Projected Worst Case Ending Fund Balance		6,150,451	(2,229,549)	(5,568,549)	(9,293,549)	(9,393,549)
Forecasted Sewer Connections		\$1,154,094	\$536,788	\$155,386	\$3,435,443	\$6,907,614
Potential Ending Fund Balance		\$7,304,545	(\$538,667)	(\$3,722,281)	(\$4,011,838)	\$2,795,776

*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

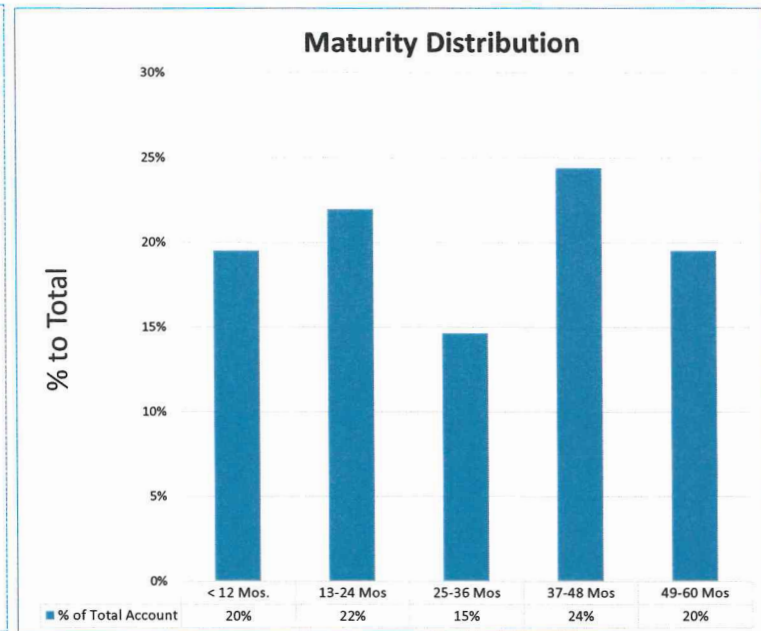
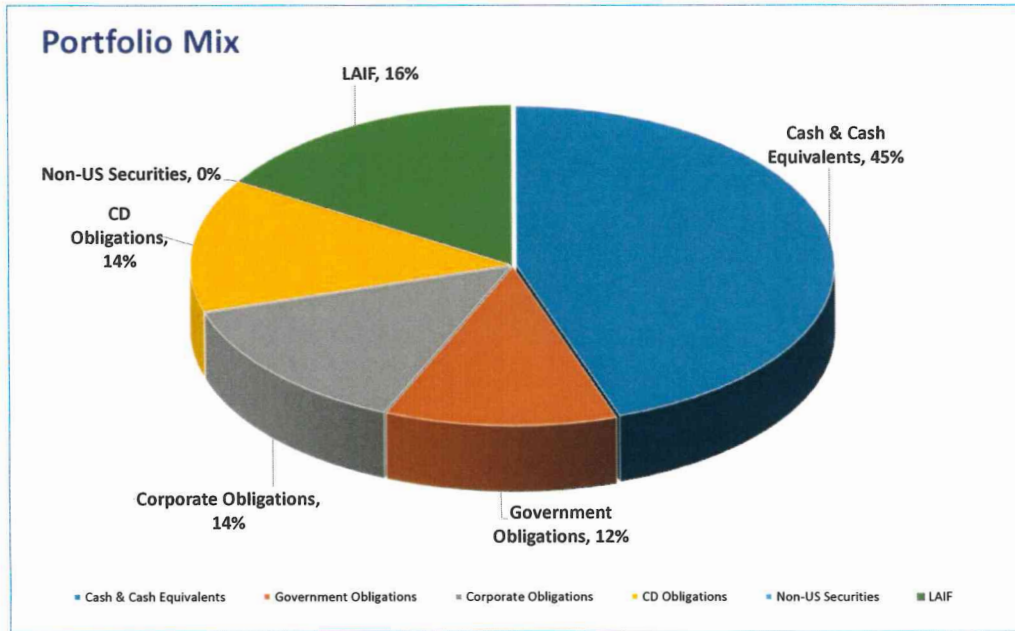
Capital Project Budgets (WW):

Project #	Master Plan #	Job #	Project Description	Year 1 Budget FY 19/20	Year 2 Budget FY 20/21	Year 3 Budget FY 21/22	Year 4 Budget FY 22/23	Year 5 Budget FY 23/24
76		201040	School House Lift Station (#1) Replacement, San Luis Rey Interceptor from Mission to Thoroughbred LSEQ, and San Luis Rey Interceptor/Main From School House LS to Old River LS	\$ 3,000,000	\$ 6,000,000			
78			Replace forcemain and manhole off Gird Road		250,000			
79	S14B		Sewer System Rehabilitation Program	100,000	100,000	100,000	100,000	100,000
80	S3		Rancho Viejo LS Wet Well Expansion		150,000			
81	S4		Almendra Court, I-15 Crossing Sewer Rehabilitation		80,000			
82	S5		Fallbrook Oaks LS Rehabilitation and Forcemain Replacement			239,000		
83	S6		Replace Rancho Monserate LS Emergency Generator				125,000	
84	S7		Sewer System Condition Assessment Program	100,000	300,000			
86	S9B		Old River Road LS Equalization Basin		1,000,000	2,500,000	3,500,000	
87			Old River Road LS to Stallion Outfall Repair		500,000	500,000		
Total				\$ 3,200,000	\$ 8,380,000	\$ 3,339,000	\$ 3,725,000	\$ 100,000

RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 PORTFOLIO SUMMARY
 8/31/2019



TYPE	ISSUER	CUSIP	Bond Rating	Date of Maturity	Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity	Fund	Object
Money Market Funds	JP MORGAN MONEY MARKET	48125C068S	N/A			\$ 205,921	\$ 205,921				0	53	11508
Trust	Willimington Trust	CSCDA 2017-01				\$ 1,654,198	\$ 1,654,198				0	60	10301
Trust	Willimington Trust	CSCDA 2017-01				\$ 2,750,000	\$ 2,750,000				0	53	10301
Money Market Funds	Zions Bank	7326251D				\$ 623,507	\$ 623,507	2.090%			0	60	10310
Money Market Funds	Zions Bank	7326250				\$ 5,616,244	\$ 5,616,244	2.060%			0	60	10311
Money Market Funds	Zions Bank	7326251E				\$ 5,322,516	\$ 5,322,516	2.090%			0	60	10309
Total Cash & Cash Equivalents					\$ -	\$ 16,172,384	\$ 16,172,384						
Non-Callable	FEDERAL HOME LN MTG CORP	3134G3QR4	Aaa	03/05/20	\$ 500,000	\$ 498,168	\$ 500,195	2.000%	2.400%	\$ 4,982	187	38	11508
Non-Callable	FEDERAL HOME LOAN BANKS CONS BD	3130AECJ7	Aaa	05/28/20	\$ 985,000	\$ 987,906	\$ 990,398	2.610%	2.450%	\$ 12,892	271	38	11508
Non-Callable	FEDERAL HOME LOAN BANK BONDS	3130AD4X7	Aaa	12/11/20	\$ 500,000	\$ 494,905	\$ 501,535	2.000%	2.400%	\$ 4,949	468	60	11508
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,000	\$ 200,938	\$ 201,782	1.900%	1.800%	\$ 1,909	1053	53	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 520,000	\$ 515,226	\$ 514,605	2.330%	2.575%	\$ 6,002	1237	38	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 480,000	\$ 480,034	\$ 514,605	2.330%	2.600%	\$ 5,592	1237	53	11508
Non-Callable	FEDERAL NATL MTG ASSN	3135G0T94	Aaa	01/19/23	\$ 470,000	\$ 465,211	\$ 488,875	2.330%	2.600%	\$ 5,420	1237	38	11508
Non-Callable	FEDERAL HOME LOAN BANKS	3130ADRG9	Aaa	03/10/23	\$ 500,000	\$ 501,990	\$ 521,440	2.670%	2.660%	\$ 6,702	1287	53	11508
Total Government Obligations					\$ 4,155,000	\$ 4,144,376	\$ 4,233,435						
Make Whole	CITIBANK NA	17325FAQ1	Aa3	07/23/21	\$ 475,000	\$ 486,623	\$ 486,690	3.400%	2.150%	\$ 8,075	692	53	11508
Make Whole	ORACLE CORP	68389XBKO	A1	09/15/21	\$ 1,000,000	\$ 1,011,470	\$ 999,930	1.910%	1.650%	\$ 9,660	746	38	11508
Non-Callable	WELLS FARGO	95000U2B8	A2	07/22/22	\$ 980,000	\$ 989,232	\$ 996,523	2.610%	2.410%	\$ 12,909	1056	38	11508
Callable 10/1/22	PNC BK N A PITTSBURG PA	69349LAG3	A3	11/01/22	\$ 980,000	\$ 999,179	\$ 996,297	2.700%	2.065%	\$ 13,489	1158	60	11508
Bullet	Bank of America Corp	EJ5070101	A2	01/11/23	\$ 475,000	\$ 490,794	\$ 493,767	3.300%	2.300%	\$ 7,838	1229	53	11508
Bullet	JP Morgan Chase & CO	46625HJX98	A2	05/13/24	\$ 930,000	\$ 981,522	\$ 994,468	3.625%	2.400%	\$ 16,856	1717	60	11508
Total Corporate Obligations					\$ 4,840,000	\$ 4,958,819	\$ 4,967,675						
FDIC Ins. CD	UNITED BANKERS BK BLOOMINGTON	909557HQ6	N/A	09/16/20	\$ 230,000	\$ 230,000	\$ 231,033	2.590%	2.600%	\$ 2,979	382	53	11508
FDIC Ins. CD	BARCLAYS BK DEL	06740KJK4	Aaa	09/16/20	\$ 245,000	\$ 245,000	\$ 246,296	2.200%	2.200%	\$ 2,695	382	60	11508
FDIC Ins. CD	AMERICAN EXPRESS CENTRN	02587DB64	Aaa	09/23/20	\$ 250,000	\$ 250,000	\$ 251,343	2.300%	2.300%	\$ 2,875	389	53	11508
FDIC Ins. CD	ALLY BK MIDVAL UTAH	02007GFD0	N/A	09/28/20	\$ 245,000	\$ 245,000	\$ 247,769	2.780%	2.800%	\$ 3,406	394	38	11508
FDIC Ins. CD	DISCOVER BANK	254672F29	N/A	08/10/21	\$ 248,000	\$ 248,000	\$ 246,624	1.520%	1.500%	\$ 1,885	710	53	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 98,000	\$ 98,000	\$ 97,544	1.570%	1.550%	\$ 769	717	53	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 150,000	\$ 150,000	\$ 149,303	1.570%	1.550%	\$ 1,178	717	38	11508
FDIC Ins. CD	MB FINL BK NA CHIC IL	55266CZJ8	N/A	11/18/21	\$ 247,000	\$ 247,000	\$ 252,614	2.810%	2.850%	\$ 3,470	810	60	11508
FDIC Ins. CD	FLAGSTAR BK FSB TROY MICH	33847E2K2	N/A	06/13/22	\$ 245,000	\$ 246,749	\$ 249,087	2.440%	2.200%	\$ 3,010	1017	53	11508
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3	N/A	06/14/22	\$ 245,000	\$ 245,000	\$ 248,425	2.340%	2.350%	\$ 2,867	1018	53	11508
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RKL4	N/A	11/22/22	\$ 250,000	\$ 250,000	\$ 254,130	2.400%	2.400%	\$ 3,000	1179	53	11508
FDIC Ins. CD	MORGAN STANLEY	61747MF63	N/A	01/11/23	\$ 246,000	\$ 246,000	\$ 252,111	2.630%	2.650%	\$ 3,235	1229	53	11508
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7	N/A	03/29/23	\$ 240,000	\$ 240,000	\$ 248,196	2.860%	2.900%	\$ 3,432	1306	53	11508
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 240,000	\$ 248,652	2.900%	2.950%	\$ 3,480	1319	60	11508
FDIC Ins. CD	CAPITAL ONE BANK (USA) NAT	1402TAW7	N/A	06/19/24	\$ 245,000	\$ 245,000	\$ 251,230	2.520%	2.500%	\$ 3,087	1754	53	11508
FDIC Ins. CD	MORGAN STANLEY PVT BK PURCHA	61760AL49	N/A	06/24/24	\$ 245,000	\$ 245,000	\$ 248,452	2.290%	2.250%	\$ 2,805	1759	53	11508
FDIC Ins. CD	FIRST NATL BK MCGREGOR TEX	32112UDA6	N/A	06/28/24	\$ 249,000	\$ 250,743	\$ 256,126	2.300%	2.150%	\$ 2,884	1763	53	11508
FDIC Ins. CD	ENERBANK USA UT	29278TJU5	N/A	07/10/24	\$ 249,000	\$ 249,000	\$ 249,309	2.200%	2.200%	\$ 2,739	1775	53	11508
FDIC Ins. CD	CITIBANK N A CD CLL	17294XUN4	N/A	07/31/24	\$ 159,000	\$ 159,000	\$ 159,995	2.200%	2.200%	\$ 1,749	1796	53	11508
FDIC Ins. CD	JPMORGAN CHASE BK NA COLUMBU	48128HY28	N/A	07/31/24	\$ 247,000	\$ 247,000	\$ 248,326	2.300%	2.300%	\$ 2,841	1796	53	11508
FDIC Ins. CD	MERRICK BK SOUTH JORDAN UTAH	59013KBV7	N/A	07/31/24	\$ 249,000	\$ 249,000	\$ 252,020	2.200%	2.200%	\$ 2,739	1796	53	11508
Total CD Obligations					\$ 4,822,000	\$ 4,825,492	\$ 4,888,584						
Total Non-US Securities					\$ -	\$ -	\$ -						
Subtotal Long Term Pooled Investment	Local Agency Investment Fund (LAIF)**	1.00171179			\$ 13,817,000	\$ 30,101,072	\$ 30,262,078						
Portfolio Totals						\$ 5,835,232	\$ 5,845,221						13103
						\$ 35,936,304	\$ 36,107,299						



This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. The District has sufficient cash flow to meet six months of obligations. This is in effect is in compliance with the current Investment Policy.

Tracy Largent
Tracy Largent, Treasurer

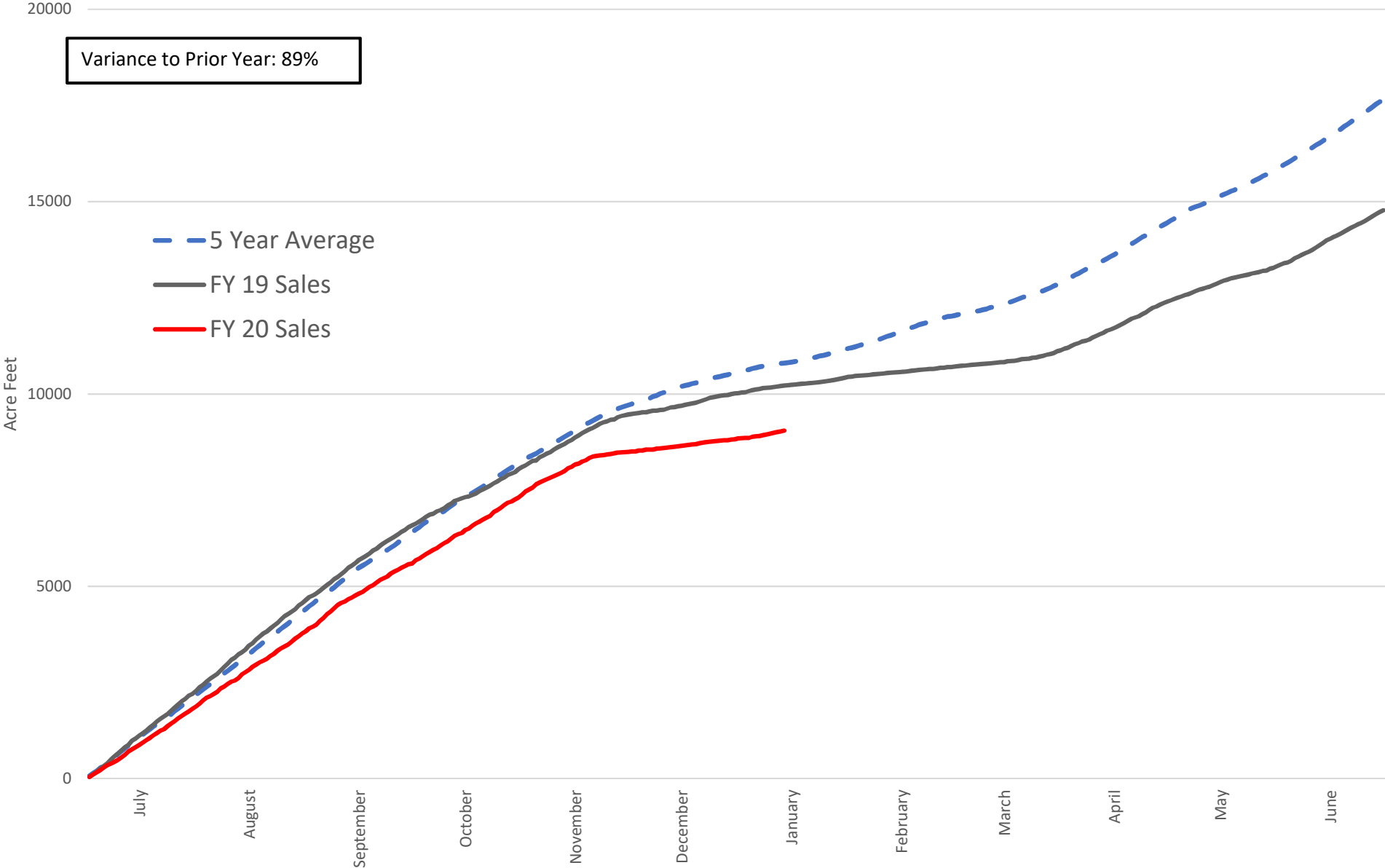
10/21/2019

*Source of Market Value - MUFG monthly statements

*Source of LAIF FMV - CA State Treasurer Pooled Money Investment Account @ <https://www.treasurer.ca.gov/pmia-laiif/reports/valuation.asp>

System Demands Comparison Chart

Variance to Prior Year: 89%





AMERICAN EXPRESS
October 2019

GL Finance Code	GL Transaction Amount	Description
GL 03 41 75300	50.00	ACWA #INV-26914-S9J4X7
GL 03 20 75300	725.00	ACWA #INV-27107-HOG0Z5
GL 03 43 72000	(8.00)	AMAZON #112-1611155-5057062
GL 03 41 63401	(40.64)	AMAZON #112-2474954-1921040
GL 03 41 56511	40.71	AMAZON #112-2887390-0389062
GL 03 41 56511	(30.41)	AMAZON #112-2887390-0389062
GL 03 41 63401	362.28	AMAZON #112-3293529-8866656
GL 03 41 72000	37.43	AMAZON #112-5716156-1098617
GL 03 41 72000	39.86	AMAZON #112-5841877-8583467
GL 01 32 72000	15.56	AMAZON #112-7332740-3185836
GL 03 43 72500	108.04	AMAZON #112-8049849-9885801
GL 03 43 72500	214.80	AMAZON #112-8049849-9885801
GL 03 41 60100	1,206.30	AMAZON #114-1832759-25906338
GL 03 41 60100	498.87	AMAZON #114-5126695-2660265
GL 03 41 60100	51.54	AMAZON #114-5966270-4571403
GL 02 61 72150	611.10	APCD #APCD2018-SITE-02738
GL 03 41 60100	10.00	ATLASSIAN #AT-85860485
GL 03 41 60100	222.97	AUTHORIZE.NET, 10-1-19
GL 03 43 75300	275.00	AWWA #7001729591
GL 03 42 72400	1.00	CANVA #NT_G2W3Z7FH
GL 03 42 56513	72.93	COCOS #392970469
GL 03 91 63102	192.50	CORELOGIC #81986027
GL 03 41 75300	25.00	CSDA #77476
GL 03 41 63401	76.50	CULLIGAN #093019
GL 03 43 75300	3.26	DOLLAR TREE #50020024256
GL 03 41 63400	38.25	FRUIT GUYS #5433883
GL 03 41 63400	76.50	FRUIT GUYS #5436560
GL 03 41 63400	38.25	FRUIT GUYS #5439314
GL 03 41 63400	76.50	FRUIT GUYS #5442088
GL 03 36 72000	988.86	GALLEHER #103939
GL 03 41 60100	19.99	GUMROAD #204515107
GL 03 41 75300	(43.86)	HAMPTON REFUND #779709
GL 03 41 74100	916.77	JIVE #IN6000432787
GL 03 36 75300	190.00	JPIA #100783833880-DEL RIO
GL 01 34 75300	190.00	JPIA #100783835537-ALOPEZ
GL 01 34 75300	190.00	JPIA #100783840417-ORTIZ
GL 01 34 72000	95.00	JPIA #100790578306-NUNEZ
GL 01 34 75300	95.00	JPIA #100790580592-MENDEZ

GL 03 42 56513	300.00	MANDY MIXES #20200118002
GL 03 41 60100	32.22	MICROSOFT #E010098HDZ
GL 03 41 60100	192.42	MICROSOFT #E03009CIJ1
GL 03 41 63400	750.00	NATUREBOX #7691
GL 03 42 56513	2,000.00	PALA MESA #21276
GL 03 41 60100	79.99	PARALLELS #194725799
GL 03 20 75300	361.96	SOUTHWEST #WM9PN2
GL 03 42 56513	165.27	SUPER FRAME #IV10072
GL 03 42 75400	19.97	VILLAGE PIZZA #144663
GL 03 20 75300	47.68	VILLAGE PIZZA #145795
GL 03 42 75400	92.40	VILLAGE PIZZA #151713
GL 03 41 75300	26.94	VILLAGE PIZZA #184189
GL 03 41 75300	6.73	VILLAGE PIZZA #840398
GL 01 35 72000	35.00	ZOHO #65301039
	11,743.44	American Express (October Statement)



AMERICAN EXPRESS
November 2019

GL Finance Code	GL Transaction Amount	Description
GL 01 35 63404	5000.00	1ST CHOICE BACKFLOW #5023
GL 01 32 72000	512.99	ABCANA #1049658
GL 01 32 72000	662.90	ABCANA #1050760
GL 03 41 75300	57.00	ALADDIN #035188
GL 03 41 72000	268.28	AMAZON #111-8735172-4617003
GL 03 41 56511	79.97	AMAZON #112-1541892-9674629
GL 03 41 63401	-76.03	AMAZON #112-1909580-1133032
GL 03 41 63401	112.67	AMAZON #112-1909580-1133032
GL 01 35 73000	107.49	AMAZON #112-2331368-8551456
GL 01 34 72000	73.08	AMAZON #112-3047544-3632201
GL 03 41 63401	60.44	AMAZON #112-3329679-5847417
GL 03 41 63400	100.36	AMAZON #112-3329679-5847417
GL 03 41 63401	667.96	AMAZON #112-3660565-7390617
GL 03 41 63401	1245.58	AMAZON #112-3660565-7390617
GL 01 34 72000	219.55	AMAZON #112-6563604-4789063
GL 03 41 63401	750.81	AMAZON #112-7117060-3965003
GL 03 41 63401	102.35	AMAZON #112-8082746-0362631
GL 03 41 63401	43.08	AMAZON #112-9188878-4771446
GL 03 41 63401	315.53	AMAZON #112-9188878-4771446
GL 03 41 72900	14.87	AMAZON #112-9529196-9073050
GL 03 41 63401	193.93	AMAZON #112-9972055-1929003
GL 03 41 60100	637.71	AMAZON #114-3689327-0144218
GL 03 41 60100	64.64	AMAZON #114-8495450-2023425
GL 03 41 60100	-80.00	AMAZON #114-9890693-1573054
GL 03 41 72400	128.22	AMAZON #D01-9587291-379021
GL 03 41 60100	1404.67	APPLE #W533185241
GL 03 41 60100	10.00	ATLASSIAN #AT-87738087
GL 03 41 60100	202.70	AUTHORIZE.NET, 11-1-19
GL 03 41 60100	215.58	AZURE #E03009L1E9
GL 03 41 72000	16.00	BONSALL DRY CLEANERS #869879
GL 03 42 56513	1.00	CANVA PTY #02506-25642727
GL 03 41 60100	499.12	CAT5CABLEGUY.COM #302320/PO #10253
GL 03 41 75300	14.90	CHILI'S #843449
GL 03 91 63102	10.00	CORELOGIC #81988471
GL 03 91 63102	192.50	CORELOGIC #81989383
GL 03 41 72400	233.00	CORPORATE REWARDS FEE
GL 03 51 75300	425.00	CSMFO #200006248
GL 03 51 75300	425.00	CSMFO #200006251
GL 03 51 75300	110.00	CSMFO #300003257
GL 03 41 63401	79.50	CULLIGAN #103119

GL 03 41 75300	383.22 EMBASSY SUITES #81384681
GL 03 41 63400	38.25 FRUIT GUYS #5444624
GL 03 41 63400	76.50 FRUIT GUYS #5447311
GL 03 41 63400	38.25 FRUIT GUYS #5449982
GL 03 41 63400	76.50 FRUIT GUYS #5452554
GL 03 41 63400	38.25 FRUIT GUYS #5454825
GL 03 51 75300	420.00 GFOA #596365
GL 03 36 63422	107.19 GRAINGER #9294682555/PO #10125
GL 03 36 63421	804.41 GRAINGER #9296926323/PO #10135
GL 01 33 72000	67.23 GRAINGER #9297104177/PO #10135
GL 03 43 72000	232.48 GRAINGER #9297208135/PO #10137
GL 01 33 72000	67.23 GRAINGER #9298523789/PO #10135
GL 01 99 15260	-98.89 GRAINGER #9302986824/PO #10110
GL 01 99 15260	247.45 GRAINGER #9306151219
GL 01 33 72000	-67.23 GRAINGER #9307413683/PO #10135
GL 01 33 72000	-67.23 GRAINGER #9307413691
GL 01 99 15260	39.63 GRAINGER #9309558725/PO #10166
GL 03 36 83000	743.01 GRAINGER #9311607197/PO #10176
GL 03 43 72500	906.42 GRAINGER #9311780440/PO #10175
GL 01 99 15260	39.63 GRAINGER #9315641333/PO #10180
GL 01 99 15260	230.67 GRAINGER #9323044041/PO #10196
GL 03 36 63421	804.41 GRAINGER #9326777795/PO #10209
GL 01 32 72000	75.50 GRAINGER #9327403334/ PO #10214
GL 03 43 72500	963.34 GRAINGER #9333138197/PO #10224
GL 03 43 72500	41.97 GRAINGER #9333464478/PO #10224
GL 03 41 63401	217.20 GRAINGER #9339051469/PO #10226
GL 01 99 15260	130.01 GRAINGER #9344274817/PO #10244
GL 03 43 72500	570.64 GRAINGER #9347440340/PO #10254
GL 03 43 72500	115.79 GRAINGER #9347861511/PO #10254
GL 03 43 72500	115.79 GRAINGER #9352305719/PO #10224
GL 03 36 63421	1031.39 GRAINGER #9356045055/PO #10268
GL 03 43 72500	226.30 GRAINGER #9356547712/PO #10254
GL 03 41 63401	38.82 GRAINGER #9360002308
GL 03 43 75300	9.00 HOLIDAY INN #104472
GL 03 41 60100	4025.00 INNOVYZE #190967326/PO #10133
GL 03 41 74100	941.87 JIVE #IN6000470359
GL 03 41 60100	480.00 MICROSOFT #E01009GTEH
GL 03 41 60100	360.00 MICROSOFT #E01009GWA1
GL 03 41 63400	750.00 NATUREBOX #8121
GL 03 41 70300 100038	13037.50 NOSSAMAN #500289
GL 03 41 70300	104.00 NOSSAMAN #500291
GL 60 99 70300 600027	5751.00 NOSSAMAN #500292
GL 03 91 70300 300008	1455.50 NOSSAMAN #500292
GL 03 41 70300	4686.00 NOSSAMAN #500292
GL 60 99 70300 600015	142.00 NOSSAMAN #500292
GL 03 41 70300	390.50 NOSSAMAN #500292/WO# 140652
GL 03 41 70300	3207.96 NOSSAMAN #500293
GL 03 91 70300 300008	1022.50 NOSSAMAN #500293
GL 60 99 70300 600027	5785.00 NOSSAMAN #500293
GL 60 99 70300 600034	292.50 NOSSAMAN #500293

GL 60 99 70300 600027	8384.00 NOSSAMAN #501075
GL 03 41 70300 300008	1065.00 NOSSAMAN #501075
GL 03 41 70300	2556.00 NOSSAMAN #501075
GL 03 41 70300 610032	426.00 NOSSAMAN #501075
GL 60 99 70300 600026	284.00 NOSSAMAN #501075
GL 03 41 70300 100038	8972.10 NOSSAMAN #501077
GL 03 41 70300	292.50 NOSSAMAN #501079
GL 60 99 70300 600027	6825.00 NOSSAMAN #501080
GL 60 99 70300 600007	292.50 NOSSAMAN #501080
GL 03 41 70300	5077.84 NOSSAMAN #501080
GL 03 91 70300 300008	25.00 NOSSAMAN #501080
GL 03 41 72900	40.63 OFFICE DEPOT #380562763001
GL 03 41 63401	107.74 OFFICE DEPOT #382250711001
GL 03 41 72900	82.80 OFFICE DEPOT #384346654001
GL 03 41 72900	170.72 OFFICE DEPOT #388180470001
GL 03 41 72900	63.66 OFFICE DEPOT #388927957001
GL 03 41 72900	54.87 OFFICE DEPOT #390478543001
GL 03 41 72900	26.70 OFFICE DEPOT #395810158001
GL 03 41 72900	168.12 OFFICE DEPOT #395810576001
GL 03 41 63401	5.93 OFFICE DEPOT #395811520001
GL 03 41 63401	2143.15 OFFICE DEPOT #398790136001
GL 03 41 72900	153.93 OFFICE DEPOT #400389278001
GL 03 41 72900	4.01 OFFICE DEPOT #400426729001
GL 03 43 72000	320.54 PACIFIC RIGGING #111588
GL 03 41 63401	1879.20 POWELLS #11450
GL 03 41 63401	5118.86 POWELLS FURNITURE #11415/PO #10249
GL 01 35 73000	1530.25 POWERFLARE #31204
GL 03 42 56513	185.58 RAINBOW OAKS #274932
GL 03 43 72000	16.69 RANCHO DONUT #862576
GL 03 41 75300	14.91 UBER #0H1HTRHQ
GL 03 41 75300	5.00 UBER #4666P2S1
GL 03 41 75300	15.92 UBER #C3KVAX3Z
GL 03 41 75300	5.00 UBER #PY2592K5
GL 01 34 72000	1050.56 VARIDESK #IVC-2-1324212
GL 01 35 72000	155.14 VISTA PRINT #3V6PP-K5A79-3T6
GL 01 32 72000	51.71 VISTA PRINT #3V6PP-K5A79-3T6
GL 01 99 15260	2485.80 WESTERN WATER #544223-00/PO #10113
GL 01 99 15260	2606.04 WESTERN WATER #544223-01/PO #10113
GL 01 99 15260	3735.47 WESTERN WATER #544986-00/PO #10116
GL 01 99 15260	749.71 WESTERN WATER #545106-00/PO #10147
GL 01 99 15260	528.40 WESTERN WATER #547485-00/PO #10170
GL 01 99 15260	417.64 WESTERN WATER #549133-00/PO# 10033
GL 01 34 72000	157.62 WESTERN WATER #553042-00
GL 01 35 72000	35.00 ZOHO #65392889

124,484.05 American Express (November Statement)

**Director's Expenses
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
07/31/19	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE			\$ 25.52	\$ 69.60	\$ 109.62
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ -	\$ -	\$ 25.52	\$ 69.60	\$ 109.62
08/31/19	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE	\$ 150.00		\$ 150.00	\$ 300.00	\$ 300.00
	REIMBURSEMENT FROM DIRECTORS				\$ 48.72	\$ 85.26
	Monthly Totals	\$ 150.00	\$ -	\$ 150.00	\$ 348.72	\$ 385.26

**Director's Expenses
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
09/30/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING		\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00	\$ 450.00	\$ 300.00	\$ 900.00
	TRAVEL EXPENSES		\$ 444.53	\$ 59.72	\$ 443.36	\$ 831.88
	MILEAGE AND EXPENSES		\$ 87.00	\$ 164.72	\$ 85.84	\$ 198.94
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 1,306.53</u>	<u>\$ 1,299.44</u>	<u>\$ 1,454.20</u>	<u>\$ 2,555.82</u>
10/31/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING					
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS				\$ 150.00	\$ 300.00
	TRAVEL EXPENSES				\$ 1,235.89	
	MILEAGE AND EXPENSES			\$ 82.36	\$ 66.12	\$ 30.74
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82.36</u>	<u>\$ 1,452.01</u>	<u>\$ 330.74</u>

**Director's Expenses
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
11/30/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -
12/31/19	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE EXPENSE REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ 725.00	\$ 1,677.34	\$ 1,221.00	\$ -	\$ -
	REPORT TOTAL (2019):	\$ 1,025.00	\$ 2,983.87	\$ 2,778.32	\$ 3,324.53	\$ 3,381.44



Check Register
October 2019

Description	BankTransactionCode	IssueDate	IssuedBankAmount
AIRGAS USA, LLC	ACH	10/04/2019	1,057.90
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	10/04/2019	1,254.00
ATLAS PUMPING SERVICE	ACH	10/04/2019	210.00
FLYERS ENERGY LLC	ACH	10/04/2019	13,484.21
GOVERNMENTJOBS.COM, INC.	ACH	10/04/2019	5,878.53
JOE'S PAVING CO, INC	ACH	10/04/2019	905.84
PRINCIPAL LIFE INSURANCE COMPANY	ACH	10/04/2019	7,666.18
SAFETY-KLEEN	ACH	10/04/2019	692.40
TRAFFIC SAFETY SOLUTIONS, LLC	ACH	10/04/2019	8,400.00
ARAMARK UNIFORM SERVICES	CHECK	10/04/2019	331.61
ASSOCIATION OF CALIFORNIA WATER AGENCIES	CHECK	10/04/2019	23,010.00
AT&T	CHECK	10/04/2019	318.22
AT&T MOBILITY	CHECK	10/04/2019	1,111.97
BRYAN ROSE	CHECK	10/04/2019	141.04
CHRIS BROWN	CHECK	10/04/2019	15,000.00
CORE & MAIN LP	CHECK	10/04/2019	3,141.99
COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	CHECK	10/04/2019	1,533.00
COVERALL NORTH AMERICA, INC.	CHECK	10/04/2019	1,532.00
DAILY JOURNAL CORPORATION	CHECK	10/04/2019	117.00
FALLBROOK WASTE AND RECYCLING	CHECK	10/04/2019	836.00
FERGUSON WATERWORKS #1083	CHECK	10/04/2019	12,461.81
HOUSTON AND HARRIS	CHECK	10/04/2019	6,923.75
ROBCAR CORPORATION	CHECK	10/04/2019	4,080.00
INFOSEND, INC.	CHECK	10/04/2019	5,121.05
JAUREGUI & CULVER, INC.	CHECK	10/04/2019	3,100.00
LIEBERT CASSIDY WHITMORE	CHECK	10/04/2019	3,300.00
MOBILE MINI, INC	CHECK	10/04/2019	1,529.52
PERRAULT CORPORATION	CHECK	10/04/2019	683.36
RAIN FOR RENT RIVERSIDE	CHECK	10/04/2019	62,497.09
RAMON FRANCISCO COTE	CHECK	10/04/2019	305.50
SAN DIEGO GAS & ELECTRIC	CHECK	10/04/2019	6,452.49
DS SERVICES OF AMERICA, INC.	CHECK	10/04/2019	907.46
T S INDUSTRIAL SUPPLY	CHECK	10/04/2019	2,566.57
TIME WARNER CABLE	CHECK	10/04/2019	1,250.00
TRACY LARGENT	CHECK	10/04/2019	216.50
ULINE	CHECK	10/04/2019	483.77
VERIZON WIRELESS	CHECK	10/04/2019	5,770.08
WELLS FARGO BANK	CHECK	10/04/2019	2,000.00
WILLIAMS SCOTSMAN, INC.	CHECK	10/04/2019	134.69
ADP - Advice of Debit #543249877	EFT	10/04/2019	573.75
AIRGAS USA, LLC	ACH	10/07/2019	136.73
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	10/07/2019	1,809.98
FLEETCREW, INC.	ACH	10/07/2019	994.95
FLYERS ENERGY LLC	ACH	10/07/2019	4,345.66
KEVIN MILLER	ACH	10/07/2019	726.00
MISSION RESOURCE CONSERVATION DISTRICT	ACH	10/07/2019	44.50
SCAP	ACH	10/07/2019	538.00
UNDERGROUND SERVICE ALERT	ACH	10/07/2019	231.80
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	10/07/2019	507.15
ARAMARK UNIFORM SERVICES	CHECK	10/07/2019	384.81
BRAX COMPANY, INC	CHECK	10/07/2019	20,998.41

CIVILITY PARTNERS	CHECK	10/07/2019	1,062.50
COLONIAL LIFE & ACCIDENT INS.	CHECK	10/07/2019	60.71
KINSEY & KINSEY, INC.	CHECK	10/07/2019	2,662.50
KNOWBE4, INC.	CHECK	10/07/2019	1,095.00
MATTHEW KREITZER	CHECK	10/07/2019	332.51
MODULAR BUILDING CONCEPTS, INC	CHECK	10/07/2019	1,277.91
NATIONAL BENEFITS SERVICES, LLC - 457(B) PLAN	CHECK	10/07/2019	50.00
RAMON FRANCISCO COTE	CHECK	10/07/2019	381.00
T S INDUSTRIAL SUPPLY	CHECK	10/07/2019	1,718.43
TOTAL COMPENSATION SYSTEMS, INC.	CHECK	10/07/2019	980.00
WATER QUALITY SPECIALISTS	CHECK	10/07/2019	1,950.00
WATERLINE TECHNOLOGIES INC.	CHECK	10/07/2019	6,846.17
WORKFORCE PRODUCTS INC.	CHECK	10/07/2019	1,386.19
PARKHOUSE TIRE, INC.	ACH	10/10/2019	888.29
RENE BUSH	ACH	10/10/2019	726.00
ACCELA, INC. #774375	ACH	10/10/2019	182.00
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	10/10/2019	766.60
FLEETCREW, INC.	ACH	10/10/2019	819.90
BUBBA ROPE	CHECK	10/10/2019	1,394.19
CHRIS BROWN	CHECK	10/10/2019	15,000.00
CHRIS WAITE	CHECK	10/10/2019	49.50
COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	CHECK	10/10/2019	1,049.00
CRG PROPERTIES	CHECK	10/10/2019	14.05
DELL MARKETING L.P.	CHECK	10/10/2019	3,476.77
DRAGON PRINTING EXPRESS	CHECK	10/10/2019	1,232.19
ELAINE BRYAN	CHECK	10/10/2019	564.00
INFOR (US), INC.	CHECK	10/10/2019	6,287.99
KNOCKOUT PEST CONTROL& TERMITES, INC.	CHECK	10/10/2019	75.00
KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	CHECK	10/10/2019	51.00
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	10/10/2019	4,680.32
MARK EDGECOMB	CHECK	10/10/2019	3,029.85
ROTARY CLUB OF BONSALE	CHECK	10/10/2019	840.00
Union Bank CC - Kennedy, (September Statement)	EFT	10/10/2019	94.26
Union Bank CC - Largent, (September Statement)	EFT	10/10/2019	441.24
Union Bank CC - Harp (September Statement)	EFT	10/10/2019	107.27
Union Bank CC - Zuniga (September Statement)	EFT	10/10/2019	100.38
Union Bank CC - Rose (September Statement)	EFT	10/10/2019	30.16
Union Bank CC - Walker (September Statement)	EFT	10/10/2019	118.25
Union Bank CC - Strapac, (September Statement)	EFT	10/10/2019	125.22
Union Bank CC - Williams (September Statement)	EFT	10/10/2019	40.00
Union Bank CC - Chandler (September Statement)	EFT	10/10/2019	144.06
Union Bank CC - Daugherty (September Statement)	EFT	10/10/2019	572.72
SDCWA Water Purchase- August 2019	WIRE	10/15/2019	2,585,422.20
ACWA-JPIA	ACH	10/17/2019	85,838.51
AIRGAS USA, LLC	ACH	10/17/2019	565.07
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	10/17/2019	830.20
ATLAS PUMPING SERVICE	ACH	10/17/2019	1,500.00
BABCOCK LABORATORIES, INC	ACH	10/17/2019	1,771.00
BP BATTERY INC.	ACH	10/17/2019	484.50
CUSTOM TRUCK BODY & EQUIPMENT, INC.	ACH	10/17/2019	3,691.87
FALLBROOK EQUIPMENT RENTAL	ACH	10/17/2019	9.34
FLYERS ENERGY LLC	ACH	10/17/2019	3,571.60
GOVERNMENTJOBS.COM, INC.	ACH	10/17/2019	787.50
KNIGHT SECURITY & FIRE SYSTEMS	ACH	10/17/2019	55.00
NOBEL SYSTEMS	ACH	10/17/2019	2,500.00
REM MECHANICAL, INC	ACH	10/17/2019	434.00
XEROX CORP.	ACH	10/17/2019	1,284.17
AMERICAN RIGGING	CHECK	10/17/2019	249.98
ARAMARK UNIFORM SERVICES	CHECK	10/17/2019	771.55
AT&T	CHECK	10/17/2019	166.28

AZUGA, INC.	CHECK	10/17/2019	2,078.00
BOOT BARN INC	CHECK	10/17/2019	194.11
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	CHECK	10/17/2019	419.04
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION	CHECK	10/17/2019	7,615.00
CARL & JANET FLINN	CHECK	10/17/2019	2,850.00
CHECKR INC	CHECK	10/17/2019	115.50
CHRIS WAITE	CHECK	10/17/2019	49.50
CIVILITY PARTNERS	CHECK	10/17/2019	2,750.00
COLONIAL LIFE & ACCIDENT INS.	CHECK	10/17/2019	60.71
COUNCIL OF WATER UTILITIES	CHECK	10/17/2019	90.00
COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	CHECK	10/17/2019	1,626.00
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	10/17/2019	310.00
CRAIG CONWAY	CHECK	10/17/2019	1,825.00
DEPT. OF THE INTERIOR-BLM	CHECK	10/17/2019	475.92
DIAMOND ENVIRONMENTAL SERVICES	CHECK	10/17/2019	879.01
FALLBROOK AUTO PARTS	CHECK	10/17/2019	619.84
FEDEX	CHECK	10/17/2019	193.06
FERGUSON WATERWORKS #1083	CHECK	10/17/2019	3,452.31
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	10/17/2019	2,000.00
HELIX ENVIRONMENTAL PLANNING	CHECK	10/17/2019	3,151.73
HOME DEPOT	CHECK	10/17/2019	3,539.29
ROBCAR CORPORATION	CHECK	10/17/2019	9,554.25
ICONIX WATERWORKS (US) INC	CHECK	10/17/2019	14,473.36
IMPACT PACIFIC INC	CHECK	10/17/2019	549.76
INFOR (US), INC.	CHECK	10/17/2019	5,409.24
JOE'S HARDWARE	CHECK	10/17/2019	7.65
KDM MERIDIAN	CHECK	10/17/2019	3,745.16
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	10/17/2019	150.00
KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	CHECK	10/17/2019	9.00
LM RASMUSSEN CONSTRUCTION	CHECK	10/17/2019	6,764.00
MACHEK & KENDRA KOZIOL	CHECK	10/17/2019	501.20
MITEL LEASING, INC.	CHECK	10/17/2019	1,657.00
MOBILE MINI, INC	CHECK	10/17/2019	180.46
OMNIS CONSULTING INC.	CHECK	10/17/2019	40,418.00
PREPASS	CHECK	10/17/2019	17.65
RHO MONSERATE C.C.H.A.	CHECK	10/17/2019	355.22
RT LAWRENCE CORPORATION	CHECK	10/17/2019	636.15
SALIZCO INC	CHECK	10/17/2019	1,823.86
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	10/17/2019	628.78
SCOTT SIMPSON	CHECK	10/17/2019	80.00
SHRED-IT USA LLC	CHECK	10/17/2019	152.74
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	10/17/2019	734.56
SPECIAL DISTRICT RISK	CHECK	10/17/2019	1,094.23
TEMECULA PUBLIC CEMETERY DISTRICT	CHECK	10/17/2019	66.50
TEMECULA VALLEY PAINT, INC.	CHECK	10/17/2019	656.46
KIRK J. KENNEDY	CHECK	10/17/2019	2,758.91
TIAA COMMERCIAL FINANCE, INC.	CHECK	10/17/2019	2,466.19
VIRGINIA HESTER	CHECK	10/17/2019	282.55
WATERLINE TECHNOLOGIES INC.	CHECK	10/17/2019	3,318.38
WHITE CAP CONSTRUCTION SUPPLY	CHECK	10/17/2019	1,778.95
WILLIAMS SCOTSMAN, INC.	CHECK	10/17/2019	1,362.66
XEROX FINANCIAL SERVICES	CHECK	10/17/2019	565.83
BILLING REFUND-LANGSNER	WIRE	10/17/2019	402.64
ADP - Advice of Debit #544134058	EFT	10/18/2019	606.11
ACCELA, INC. #774375	ACH	10/22/2019	53,350.11
BABCOCK LABORATORIES, INC	ACH	10/22/2019	85.00
ON CALL MECHANICAL SERVICES INC	ACH	10/22/2019	2,082.64
STREAMLINE	ACH	10/22/2019	300.00
ABABA BOLT	CHECK	10/22/2019	44.86
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	10/22/2019	1,000.00

DS SERVICES OF AMERICA, INC.	CHECK	10/22/2019	13.61
AIRGAS USA, LLC	ACH	10/29/2019	762.29
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	10/29/2019	1,150.00
ATLAS PUMPING SERVICE	ACH	10/29/2019	4,380.00
BP BATTERY INC.	ACH	10/29/2019	447.55
CUSTOM TRUCK BODY & EQUIPMENT, INC.	ACH	10/29/2019	8,498.38
FLEETCREW, INC.	ACH	10/29/2019	2,280.56
MUNICIPAL MAINTENANCE EQUIPMENT	ACH	10/29/2019	289.12
CARL & JANET FLINN	CHECK	10/29/2019	2,850.00
BONSALL PEST CONTROL	CHECK	10/29/2019	200.00
CDW GOVERNMENT, INC.	CHECK	10/29/2019	64.76
CWEA	CHECK	10/29/2019	192.00
FALLBROOK AUTO PARTS	CHECK	10/29/2019	3,059.10
GOSCH FORD ESCONDIDO	CHECK	10/29/2019	706.53
FREEWAY TRAILER SALES	CHECK	10/29/2019	29.96
TIME WARNER CABLE	CHECK	10/29/2019	1,250.00
IMAGE SOURCE	CHECK	10/29/2019	10.24
MITCHELL 1	CHECK	10/29/2019	2,767.02
ABABA BOLT	CHECK	10/29/2019	198.17
AT&T	CHECK	10/29/2019	513.32
AT&T LONG DISTANCE	CHECK	10/29/2019	21.92
AT&T MOBILITY	CHECK	10/29/2019	2,523.79
PUBLIC POLICY STRATEGIES, INC.	CHECK	10/29/2019	7,500.00
KNOCKOUT PEST CONTROL& TERMITES, INC.	CHECK	10/29/2019	75.00
PERRAULT CORPORATION	CHECK	10/29/2019	4,094.32
RAMON FRANCISCO COTE	CHECK	10/29/2019	310.50
ARAMARK UNIFORM SERVICES	CHECK	10/29/2019	399.15
SAN DIEGO GAS & ELECTRIC	CHECK	10/29/2019	4,560.87
SOFTCHOICE CORPORATION	CHECK	10/29/2019	156.84
VERIZON WIRELESS	CHECK	10/29/2019	4,412.80
BAVCO	CHECK	10/29/2019	556.14
COFFEE AMBASSADOR	CHECK	10/29/2019	223.78
EDWARD BRADLEY	CHECK	10/29/2019	94.00
BRYAN ROSE	CHECK	10/29/2019	60.00
RUBEN LOPEZ	CHECK	10/29/2019	99.00
RICARDO ZARAGOZA	CHECK	10/29/2019	235.00
MOBILE MINI, INC	CHECK	10/29/2019	1,193.50
WLOUDENBERG ENTERPRISES, INC.	CHECK	10/29/2019	885.05
IB CONSULTING, LLC	CHECK	10/29/2019	9,787.23
CONTROLLED ENTRY SPECIALISTS, INC.	CHECK	10/29/2019	2,668.00
BAVCO	CHECK	10/30/2019	4,370.88
LAURA FINN	CHECK	10/30/2019	20,000.00
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	10/30/2019	35.68
Home Depot CC - All (October Statement)	EFT	10/30/2019	213.40
SDCWA Cap Fees-1st Quarter FY20	WIRE	10/30/2019	217,603.00
Union Bank CC - Maccarrone, (October Statement)	EFT	10/31/2019	187.32
		Total:	3,496,627.03



**Check Register
November 2019**

Description	BankTransactionCode	IssueDate	IssuedBankAmount
AIRGAS USA, LLC	ACH	11/01/2019	679.46
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	11/01/2019	80.00
ATLAS PUMPING SERVICE	ACH	11/01/2019	210.00
BP BATTERY INC.	ACH	11/01/2019	472.29
FALLBROOK EQUIPMENT RENTAL	ACH	11/01/2019	489.21
FLYERS ENERGY LLC	ACH	11/01/2019	3,918.19
JOE'S PAVING CO, INC	ACH	11/01/2019	6,332.06
KEVIN MILLER	ACH	11/01/2019	726.00
RENE BUSH	ACH	11/01/2019	726.00
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	11/01/2019	507.15
1ST CHOICE BACKFLOW	CHECK	11/01/2019	5,000.00
AMERICAN FENCE CO, INC	CHECK	11/01/2019	677.50
ARAMARK UNIFORM SERVICES	CHECK	11/01/2019	387.40
DRAGON PRINTING EXPRESS	CHECK	11/01/2019	888.16
FERGUSON WATERWORKS #1083	CHECK	11/01/2019	7,953.90
GABRIELLE MARTINEZ	CHECK	11/01/2019	328.48
GLORIA DECHERT	CHECK	11/01/2019	79.50
HACH	CHECK	11/01/2019	594.78
HOUSTON AND HARRIS	CHECK	11/01/2019	8,618.75
HYDRO FLOW PRODUCTS, LLC	CHECK	11/01/2019	1,014.00
ICONIX WATERWORKS (US) INC	CHECK	11/01/2019	1,178.04
INFRASTRUCTURE ENGINEERING	CHECK	11/01/2019	21,006.75
JAKE RHEE	CHECK	11/01/2019	125.32
JOE'S HARDWARE	CHECK	11/01/2019	509.91
KNOCKOUT PEST CONTROL& TERMITES, INC.	CHECK	11/01/2019	75.00
MOBILE MINI, INC	CHECK	11/01/2019	336.02
MORGAN COMPANY	CHECK	11/01/2019	951.69
NASLAND ENGINEERING	CHECK	11/01/2019	2,418.50
PACIFIC SAFETY CENTER	CHECK	11/01/2019	1,045.00
RAMON FRANCISCO COTE	CHECK	11/01/2019	529.00
RHO MONSERATE C.C.H.A.	CHECK	11/01/2019	294.88
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	11/01/2019	12.00
SAN DIEGO GAS & ELECTRIC	CHECK	11/01/2019	54,538.83
SUSSMAN & KATZ, INC.	CHECK	11/01/2019	6,823.11
T S INDUSTRIAL SUPPLY	CHECK	11/01/2019	207.21
ULINE	CHECK	11/01/2019	300.01
WATER QUALITY SPECIALISTS	CHECK	11/01/2019	1,950.00
WILLIAMS SCOTSMAN, INC.	CHECK	11/01/2019	1,072.11
TNG SECURITY INC. DBA CALIFORNIA COMMERCIAL SECURITY	ACH	11/05/2019	368.04
PALOMAR BACKFLOW	ACH	11/05/2019	10,000.00
PRINCIPAL LIFE INSURANCE COMPANY	ACH	11/05/2019	7,564.94
UNDERGROUND SERVICE ALERT	ACH	11/05/2019	94.75
1ST CHOICE BACKFLOW	CHECK	11/05/2019	5,000.00
BREAKERS ELECTRICAL SERVICE	CHECK	11/05/2019	500.00
CORE & MAIN LP	CHECK	11/05/2019	355.83
FALLBROOK WASTE AND RECYCLING	CHECK	11/05/2019	446.85
INFOSEND, INC.	CHECK	11/05/2019	6,408.08
ROBERT HARRIS	CHECK	11/05/2019	1,689.27
ROTARY CLUB OF BONSALL	CHECK	11/05/2019	1,200.00

WATER QUALITY SPECIALISTS	CHECK	11/05/2019	1,557.60
Union Bank CC - Harp (October Statement)	EFT	11/12/2019	9.99
Union Bank CC - Williams (October Statement)	EFT	11/12/2019	65.32
Union Bank CC - Nault (October Statement)	EFT	11/12/2019	335.11
Union Bank CC - Walker (October Statement)	EFT	11/12/2019	3.98
Union Bank CC - Gutierrez (October Statement)	EFT	11/12/2019	515.00
Union Bank CC - Chandler (October Statement)	EFT	11/12/2019	51.34
Union Bank CC - Largent, (October Statement)	EFT	11/12/2019	1,857.96
Union Bank CC - Rose (October Statement)	EFT	11/12/2019	522.96
Union Bank CC - Daugherty (October Statement)	EFT	11/12/2019	177.73
Union Bank CC - Kennedy, (October Statement)	EFT	11/12/2019	721.70
SDCWA Water Purchase- September 2019	WIRE	11/13/2019	2,152,623.80
AIRGAS USA, LLC	ACH	11/14/2019	415.65
CHRIS BROWN	ACH	11/14/2019	15,000.00
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	11/14/2019	304.16
BABCOCK LABORATORIES, INC	ACH	11/14/2019	476.00
BP BATTERY INC.	ACH	11/14/2019	232.55
RICHARD C. MICHAUD	ACH	11/14/2019	3,133.08
FALLBROOK EQUIPMENT RENTAL	ACH	11/14/2019	2,883.44
FLYERS ENERGY LLC	ACH	11/14/2019	3,334.64
MUNICIPAL MAINTENANCE EQUIPMENT	ACH	11/14/2019	173.03
PATRIOT PORTABLE RESTROOMS-SD	ACH	11/14/2019	151.37
SAFETY-KLEEN	ACH	11/14/2019	609.74
SCW CONTRACTING CORPORATION	ACH	11/14/2019	3,690.00
UNDERGROUND SERVICE ALERT	ACH	11/14/2019	166.75
ARAMARK UNIFORM SERVICES	CHECK	11/14/2019	791.46
BRIGHTVIEW TREE CARE SERVICES, INC.	CHECK	11/14/2019	4,497.00
BRYAN ORTIZ	CHECK	11/14/2019	192.00
CLAUDIA RAMIREZ	CHECK	11/14/2019	64.68
CLEMMON TAYLOR	CHECK	11/14/2019	55.68
COLONIAL LIFE & ACCIDENT INS.	CHECK	11/14/2019	121.42
COUNCIL OF WATER UTILITIES	CHECK	11/14/2019	135.00
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	11/14/2019	119.00
COVERALL NORTH AMERICA, INC.	CHECK	11/14/2019	1,532.00
CSDA, SAN DIEGO CHAPTER	CHECK	11/14/2019	180.00
DELL MARKETING L.P.	CHECK	11/14/2019	6,489.10
DIAMOND ENVIRONMENTAL SERVICES	CHECK	11/14/2019	892.92
FALLBROOK AUTO PARTS	CHECK	11/14/2019	112.81
FALLBROOK WASTE AND RECYCLING	CHECK	11/14/2019	1,091.20
FEDEX	CHECK	11/14/2019	84.16
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	11/14/2019	1,550.00
GOVERNMENT FINANCE OFFICERS ASSOCIATION	CHECK	11/14/2019	150.00
HACH	CHECK	11/14/2019	1,049.68
ITRON, INC	CHECK	11/14/2019	4,332.35
JAUREGUI & CULVER, INC.	CHECK	11/14/2019	585.79
JOE'S HARDWARE	CHECK	11/14/2019	47.02
KENNETH C. TERRY, JR.	CHECK	11/14/2019	520.00
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	11/14/2019	150.00
KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	CHECK	11/14/2019	9.00
LEARNSOFT CONSULTING, INC.	CHECK	11/14/2019	440.00
MALLORY SAFETY AND SUPPLY, LLC	CHECK	11/14/2019	933.00
MITCHELL 1	CHECK	11/14/2019	2,767.02
MITEL LEASING, INC.	CHECK	11/14/2019	1,657.22
MOBILE MINI, INC	CHECK	11/14/2019	180.46
MODULAR BUILDING CONCEPTS, INC	CHECK	11/14/2019	1,277.91
NATIONAL BENEFITS SERVICES, LLC - 457(B) PLAN	CHECK	11/14/2019	50.00
PALOMAR HEALTH	CHECK	11/14/2019	873.00
PERRAULT CORPORATION	CHECK	11/14/2019	833.13

PREPASS	CHECK	11/14/2019	17.65
QUALITY GATE COMPANY	CHECK	11/14/2019	498.00
RAIN FOR RENT RIVERSIDE	CHECK	11/14/2019	22,581.16
RAMON FRANCISCO COTE	CHECK	11/14/2019	650.50
SHRED-IT USA LLC	CHECK	11/14/2019	152.74
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	11/14/2019	734.56
STATE WATER RESOURCES CONTROL BOARD	CHECK	11/14/2019	3,249.00
T S INDUSTRIAL SUPPLY	CHECK	11/14/2019	734.94
TEMECULA TROPHY CO.	CHECK	11/14/2019	128.04
TRAFFIC SUPPLY, INC.	CHECK	11/14/2019	2,530.53
ULINE	CHECK	11/14/2019	2,433.51
UTILITY SERVICE CO.	CHECK	11/14/2019	175,379.23
VISTA FENCE COMPANY INCORPORATED	CHECK	11/14/2019	3,698.00
VISTA IRRIGATION DISTRICT	CHECK	11/14/2019	650.00
WATERLINE TECHNOLOGIES INC.	CHECK	11/14/2019	3,092.86
WILLDAN FINANCIAL SERVICES	CHECK	11/14/2019	2,500.00
WILLIAMS SCOTSMAN, INC.	CHECK	11/14/2019	1,373.44
ADP - Advice of Debit #545718647	EFT	11/15/2019	1,247.08
1ST CHOICE BACKFLOW	CHECK	11/19/2019	5,000.00
AT&T	CHECK	11/19/2019	166.28
BAY CITY ELECTRIC WORKS	CHECK	11/19/2019	472.66
BONSALL PEST CONTROL	CHECK	11/19/2019	200.00
CHRIS WAITE	CHECK	11/19/2019	49.50
CORE & MAIN LP	CHECK	11/19/2019	1,204.71
COUNTY OF S.D.-DEPT. OF HEALTH	CHECK	11/19/2019	50.00
CRAIG SHOBE	CHECK	11/19/2019	1,430.00
DION INTERNATIONAL	CHECK	11/19/2019	6,635.48
FALLBROOK AUTO PARTS	CHECK	11/19/2019	552.19
FALLBROOK MUFFLER	CHECK	11/19/2019	371.31
FERGUSON WATERWORKS #1083	CHECK	11/19/2019	175,237.14
FREEDOM AUTOMATION, INC.	CHECK	11/19/2019	20,319.00
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	11/19/2019	1,610.00
HDR ENGINEERING, INC.	CHECK	11/19/2019	36,619.24
ICONIX WATERWORKS (US) INC	CHECK	11/19/2019	683.84
INFRASTRUCTURE ENGINEERING	CHECK	11/19/2019	31,107.75
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	11/19/2019	4,489.27
MICHAEL GONZALEZ	CHECK	11/19/2019	78.00
MOBILE MINI, INC	CHECK	11/19/2019	1,359.66
NASLAND ENGINEERING	CHECK	11/19/2019	860.00
NULINE TECHNOLOGIES LLC	CHECK	11/19/2019	2,880.40
OMNIS CONSULTING INC.	CHECK	11/19/2019	14,315.50
PERRAULT CORPORATION	CHECK	11/19/2019	16,256.89
QUALITY GATE COMPANY	CHECK	11/19/2019	930.00
ROBERT FONTAINE	CHECK	11/19/2019	102.64
RT LAWRENCE CORPORATION	CHECK	11/19/2019	633.00
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	11/19/2019	35.68
SOUTHERN CONTRACTING COMPANY	CHECK	11/19/2019	24,343.00
STATE WATER RESOURCES CONTROL BOARD	CHECK	11/19/2019	9,384.00
T S INDUSTRIAL SUPPLY	CHECK	11/19/2019	2,379.75
TEMECULA VALLEY PAINT, INC.	CHECK	11/19/2019	833.90
TOP DOG TOWING	CHECK	11/19/2019	187.00
ULINE	CHECK	11/19/2019	359.73
WHITE NELSON DIEHL EVANS LLP	CHECK	11/19/2019	11,023.00
WORKFORCE PRODUCTS INC.	CHECK	11/19/2019	363.44
ACCELA, INC. #774375	ACH	11/21/2019	107.00
AIRGAS USA, LLC	ACH	11/21/2019	425.15
ASTRA INDUSTRIAL SERV.INC	ACH	11/21/2019	5,295.55
BABCOCK LABORATORIES, INC	ACH	11/21/2019	222.00

RICHARD C. MICHAUD	ACH	11/21/2019	2,218.77
FALLBROOK EQUIPMENT RENTAL	ACH	11/21/2019	587.40
FLYERS ENERGY LLC	ACH	11/21/2019	1,903.18
PARADISE CHEVROLET CADILLAC	ACH	11/21/2019	49,917.74
PATRIOT PORTABLE RESTROOMS-SD	ACH	11/21/2019	151.37
STREAMLINE	ACH	11/21/2019	300.00
XEROX CORP.	ACH	11/21/2019	1,294.51
BARRY REDER	CHECK	11/25/2019	5,953.20
BRETT NIXON	CHECK	11/25/2019	229.50
COLONIAL LIFE & ACCIDENT INS.	CHECK	11/25/2019	60.71
DAWN WASHBURN	CHECK	11/25/2019	115.36
HELIX ENVIRONMENTAL PLANNING	CHECK	11/25/2019	242.50
ICONIX WATERWORKS (US) INC	CHECK	11/25/2019	6,584.72
NORTH COUNTY WELDING SUPPLY	CHECK	11/25/2019	517.81
PAULINE ROSA	CHECK	11/25/2019	285.00
PRESTON DILLON	CHECK	11/25/2019	119.48
RICARDO ZARAGOZA	CHECK	11/25/2019	1,616.24
RIGHT-OF-WAY ENGINEERING SERV	CHECK	11/25/2019	6,216.30
LOS ANGELES TRUCK	CHECK	11/25/2019	10,358.17
TRACY LARGENT	CHECK	11/25/2019	2,000.00
	Total:		3,080,357.74

Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2019-2020

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	28,018	36,530	36,506	32,640	37,164								392
402	AG	113,285	139,802	139,715	135,633	132,703								1,518
264	CM	35,561	46,750	44,883	40,374	29,303								452
23	CN	1,484	1,549	1,183	1,041	1,286								15
21	IS	3,060	1,799	1,946	2,046	2,048								25
112	MF	11,910	11,187	11,539	11,065	12,605								134
323	SC	135,069	157,307	156,337	136,485	152,308								1,693
1024	SD	164,817	213,262	218,596	179,714	207,689								2,259
5468	SF	150,907	188,769	182,811	153,331	174,251								1,951
8199	Total	644,111	796,955	793,516	692,329	749,357	-	-	-	-	-	-	-	8,440

FISCAL YEAR 2018-2019

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	34,648	47,312	45,104	28,007	29,134								423
402	AG	129,946	149,080	154,084	110,908	93,077								1,463
264	CM	51,483	67,254	66,114	36,283	24,307								563
23	CN	3,982	27,189	4,915	2,545	3,115								96
21	IS	4,964	3,824	3,852	3,447	2,161								42
112	MF	11,653	12,856	13,798	11,513	11,816								141
323	SC	165,088	203,887	203,899	134,052	132,762								1,928
1024	SD	230,264	264,247	273,401	189,659	170,318								2,589
5468	SF	168,323	192,173	207,384	146,492	144,114								1,971
8199	Total	800,351	967,822	972,551	662,906	610,804	-	-	-	-	-	-	-	9,216

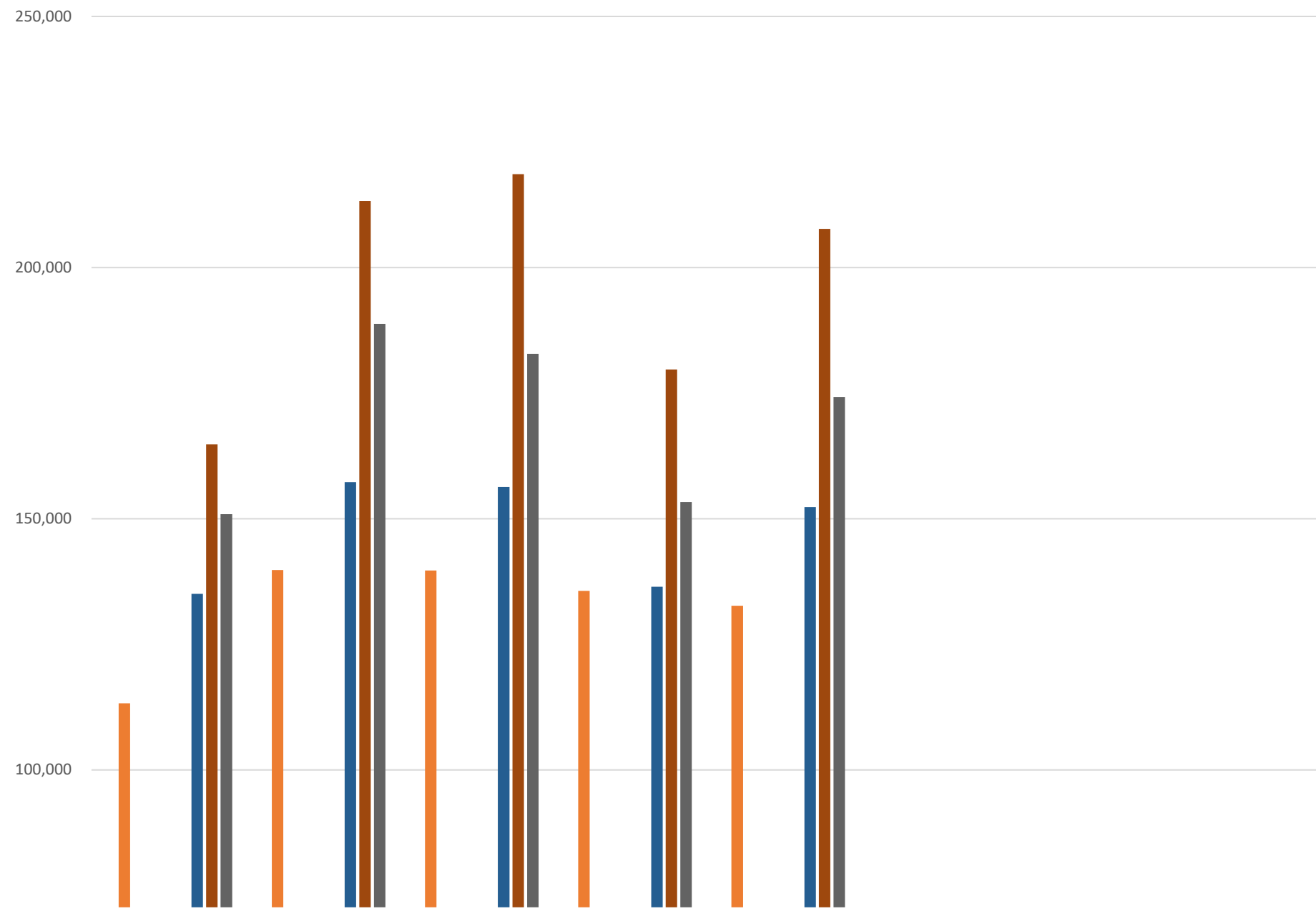
FISCAL YEAR 2017-2018

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
563	AD	33,310	29,712	36,164	31,255	32,514								374
395	AG	144,066	131,474	145,280	120,785	126,036								1,533
247	CM	33,715	42,488	33,812	26,189	24,168								368
32	CN	2,447	3,983	8,073	10,623	18,605								100
20	IS	2,320	2,440	2,793	2,488	2,335								28
96	MF	11,472	10,002	13,072	10,304	11,489								129
323	SC	179,822	156,120	202,103	148,336	176,307								1,980
1024	SD	244,799	223,157	271,457	222,398	243,725								2,768
5196	SF	174,946	165,760	194,809	155,004	162,664								1,959
7896	Total	826,897	765,136	907,563	727,382	797,843	-	-	-	-	-	-	-	9,240

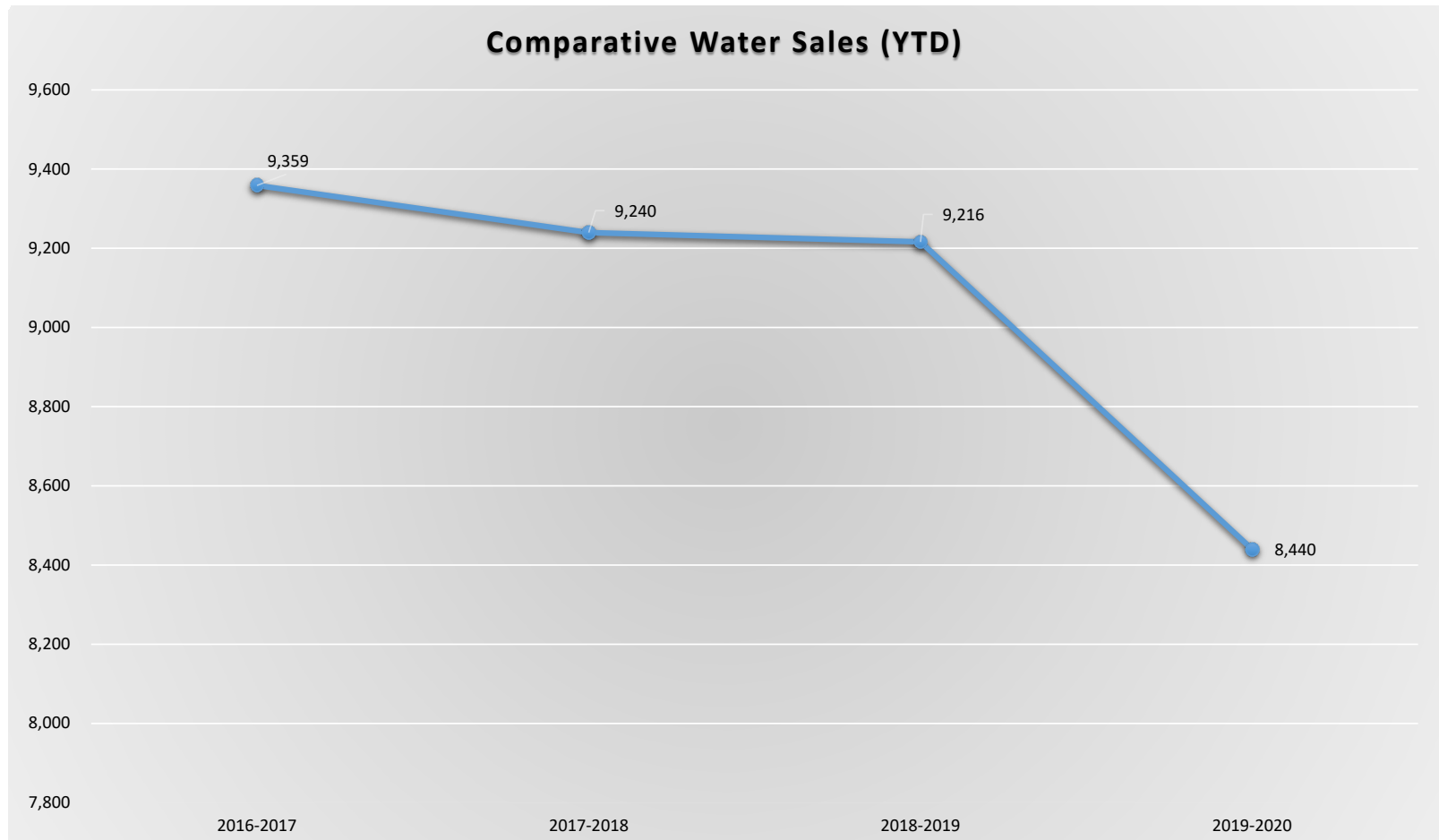
FISCAL YEAR 2016-2017

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
591	AD	36216	34134	39119	28217	22903								369
403	AG	156957	152359	172040	132882	104544								1,650
231	CM	47830	45043	43040	26707	20970								421
30	CN	4900	4950	7309	11456	7427								83
24	IS	3806	3701	3980	3061	2446								39
88	MF	11307	11657	13746	10597	8876								129
326	SC	183744	166212	206354	150910	121456								1,902
1034	SD	279246	253718	298226	222243	181674								2,835
5122	SF	187516	175736	202555	154361	120520								1,930
7849	Total	911,522	847,510	986,369	740,434	590,816	-	-	Page 393 of 398	-	-	-	-	9,359

USAGE BY CUSTOMER CLASS FY 19-20



Comparative Water Sales YTD from Prior Years



Rainbow MWD Developer Projections - Water

Installations

Development Name (Active) (Inactive)	Purchased	Anticipated Sales						Water LF	PRS	Timing
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	Total			
Horse Ridge Creek	346		177	170			693	34407	1	In Progress
Horse Ridge Creek (RAH)	77						77			In Progress
Campus Park West							0			
Lilac Del Cielo			76				76	2247	1	Recent Activity
Golf Green Estates	57		37				94	5475		In Progress
Pala Mesa Highlands	69	55					124	10089	1	In Progress
Polo Club							0	21531	3	
Warner Ranch							0			
Ocean Breeze (Vessels)					50	200	250			
Fallbrook Oaks	2				9		11	825		
Rancho Viejo Phase 3					47		47			
Hidden Hills							0			
Dulan							0			
Leatherbury							0			
Meadowood							0			
Single Service Laterals		18	18	18	18	18	90			
TOTAL WATER METERS	551	73	308	188	124	218	1,462			

Revenue Projections

Meter Size (in)	Revenue Per Meter (Existing)	Anticipated Sales						
			FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	Total
5/8	6,241							-
3/4	10,401	505	55	290	170	47	200	762
1	16,642	13	18	18	18	77	18	149
1 1/2	27,043	26						-
2	62,406	5			(4)			(4)
3	124,812				4			4
4	208,020							-
Total		549	73	308	188	124	218	911
Total Revenue		\$6,483,999	\$871,611	\$3,315,846	\$2,317,350	\$1,770,281	\$2,379,756	\$10,654,844

5 Year total from Sewer

Rainbow MWD Developer Projections - Sewer

Installations

Development Name (Active) (Inactive)	Purchased (EDUs)	Anticipated Sales (EDUs)						Sewer LF	US	Timing
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	Total			
Horse Ridge Creek	782						782	29916	1	In Progress
Horse Ridge Creek (RAH)	69						69			
Campus Park West							0			
Lilac Del Cielo		38	38				76	1382		Recent
Golf Green Estates	51.3						51	4318		In Progress
Pala Mesa Highlands	59.98	43.7					104	11501		In Progress
Polo Club	59.85				96.2		156	21027		Recent
Warner Ranch							0			Recent
Ocean Breeze (Vessels)					100	300	400			Recent
Rancho Viejo Phase 3					47		47			Recent
Fallbrook Oaks	2			11			13	2251		
Hidden Hills							53	53		
Dulan							51	51		
Leatherbury							85	85		
Meadowood*										
Misc. SFR										
TOTAL EDUs	1,024.13	82	38	11	243	489	1,887			

Revenue Projections

		Purchased (EDUs)	Anticipated Sales					Total
			FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	
Existing Fee	\$ 14,126	173.13	82	38	11	243	489	863
Total			82	38	11	243	489	863
Total Revenue	\$2,445,634	\$1,154,094	\$536,788	\$155,386	\$3,435,443	\$6,907,614	\$12,189,325	

Notes:

*Anticipated revenue from connection to RMWD system and wheeling charge.

Rainbow Municipal Water District
Property spreadsheet

APN	Description of Use	Acreage
1023000800	North Reservoir	4.8
1023001100	U-1 Pump Station	0.14
1023005000	Rainbow Creek Crossing near North Reservoir	0.89
1023005300	Connection 9	0.01
1024300900	Pump Station across PS1 (not in use)	0.12
1025702000	U-1 Tanks	1.08
1026305400	Pump Station #1	0.33
1026602000	Booster Pump Station #4	0.03
1027001600	Pump Station #3	0.67
1071702800	Connection 7	1.60
1071702900	Pala Mesa Tank	10.35
1080206900	Northside Reservoir	9.23
1082210600	Beck Reservoir	27.25
1082210900	Near Beck Reservoir	4.82
1082211000	Near Beck Reservoir	6.23
1082211800	Near Beck Reservoir - Excess Property (not in use)	4.68
1084210600	Rice Canyon Tank	1.00
1084410300	Canonita Tank	2.41
1091410700	Gomez Creek Tank	1.00
1092310900	Rainbow Heights Tank	0.35
1092330300	Rainbow Heights Tank	0.99
1092341000	Rainbow Heights Concrete Tank - used for SCADA	1.74
1093101800	Vallecitos Tank	0.55
1093822800	Magee Tank	1.03
1093912400	Magee Pump Station	0.3
1100721000	Huntley Road Pump Station	0.52
1102203700	Huntley Chlorination Station (not in use)	0.2
1212011000	Morro Tank	0.31
1212011100	Morro Tank	4.85
1212011200	Morro Reservoir	13.01
1213300900	Morro Reservoir	6.79
1250703200	Sumac Reservoir (Not in Use)	1.72
1250902600	Headquarters	7.38
1250903400	Headquarters	4.43
1250903500	Headquarters	3.40
1250903800	Headquarters	17.03
1251002100	Rancho Viejo Lift Station #5	0.05
1252311800	Hutton Tank	1.39
1252312600	Hutton Tank	0.89
1260803100	Via de los Cepillos Easement	0.47
1261708700	Lift Station #2	0.08
1261708900	Lift Station #2	0.12
1263004200	Lift Station #1	0.01
1270710500	Bonsall Reservoir (Not in Use)	6.19
1270710600	Connection 6	0.28
1271512300	Turner Tank	15.12
1721404300	Gopher Canyon Tank	1.84
	<i>Total</i>	167.68

